



June 21, 2023

To Whom It May Concern:

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Notice Concerning the Disposal of Treasury Shares as “Restricted Stock”

Teijin Limited (the “Company”) hereby announces that it determined in the resolution of the Board of Directors meeting on June 21, 2023 to dispose of treasury shares (the “Disposal of Treasury Shares” or the “Disposal”). The details are as follows.

1. Overview of the Disposal

(1) Payment date	July 19, 2023
(2) Class and number of shares for the Disposal	134,180 ordinary shares of the Company
(3) Disposal price	¥1,387 per share
(4) Total value of the Disposal	¥186,107,660
(5) Persons eligible for allotment of shares and number thereof, and number of shares for allotment	Directors (excluding the Chairperson of Teijin Limited, Member of the Board, Senior Advisor and Outside Directors; hereinafter “Eligible Directors”), 4 persons, 25,235 shares Teijin Group Corporate Officers not concurrently serving as Directors, 11 persons, 39,476 shares Mission Executives, 10 persons, 29,661 shares Executive Officers of overseas Teijin Group companies, 13 persons, 39,808 shares
(6) Other	The Disposal of Treasury Shares is conditional on the securities registration statement in accordance with the Financial Instruments and Exchange Act coming into effect.

2. Purpose and Reasons for the Disposal

Based on introduction of the “Restricted Share-based Remuneration Plan” (hereinafter the “Plan”) which was approved by resolution of the 155th Ordinary General Meeting of Shareholders held on June 23, 2021 and by resolution of the Board of Directors Meeting held on the same day, for the purpose of granting incentives to the Eligible Directors, Teijin Group Corporate Officers who do not concurrently serve as Directors of the Company, Mission Executives and Executive Officers of overseas Teijin Group companies (hereinafter “RS Allottees”) toward achievement of the Company’s Medium-Term Management Plan and increasing corporate value over the medium to long term, as well as further aligning shared values with stakeholders, the Disposal is being implemented by resolution of the Board of Directors Meeting held on June 21, 2023.

Based on the Plan, the Company’s common stock subject to the Disposal shall be treasury shares disposed of for

contribution in kind as investment assets for acquisition of Restricted Shares for monetary claims paid to planned RS Allottees (hereinafter “Restricted Share-based Remuneration”) for the fiscal year from April 1, 2023 through March 31, 2024. In addition, the Company plans to conclude a Restricted Shares Allotment Agreement (hereinafter “Allotment Agreement”) with planned RS Allottees that includes the following details.

3. Outline of the Allotment Agreement with Eligible Directors, Teijin Group Corporate Officers, and Mission Executives with Japanese nationality

(1) Transfer Restriction Period

From July 19, 2023 until the time immediately after retiring or resigning from the positions of Director of the Company, Teijin Group Corporate Officer, Mission Executive or Statutory Auditor (hereinafter “Transfer Restriction Period”), Restricted Shares shall not be transferred, used for creation of security interests, or otherwise disposed of (hereinafter “Transfer Restrictions”).

(2) Conditions for Lifting Transfer Restrictions

During the period from June 21, 2023 until immediately before conclusion of the first Ordinary General Meeting of Shareholders which comes after that (hereinafter the “Service Period”), if RS Allottees have continuously held the position of Director of the Company, Teijin Group Corporate Officer, Mission Executive or Statutory Auditor (however, for RS Allottees who as of today are Teijin Group Corporate Officers or Mission Executives who do not concurrently serve as Directors of the Company, the period shall be April 1, 2023 through March 31, 2024, the same applies hereinafter), Transfer Restrictions on all of the allotted shares will be lifted upon expiration of the Transfer Restriction Period.

(3) Treatment in the event an RS Allottee retires or resigns during the Service Period for a valid reason such as expiration of his or her term of office, reaching retirement age, death or other justifiable reason (this does not include an RS Allottee’s personal reason)

(i) Timing of Lifting Transfer Restrictions

Prior to the expiration of the Service Period, in the event an RS Allottee retires or resigns the position of Director of the Company (including Chairperson of Teijin Limited, Member of the Board, Senior Advisor and Outside Director), Teijin Group Corporate Officer, Mission Executive or Statutory Auditor for a valid reason such as expiration of his or her term of office, reaching retirement age, death or other justifiable reason, Transfer Restrictions shall be lifted immediately after the retirement or resignation of the RS Allottee.

(ii) Number of Shares Subject to the Lifting of Transfer Restrictions

The number of shares subject to the lifting of Transfer Restrictions shall be equal to the number of allotted shares held at the time of retirement or resignation specified in (i) above multiplied by the number of months from the month that includes the start date of the Service Period to the month the RS Allottee retires or resigns (however, if the days in office do not make a full month, it shall not be considered one month) divided by 12 (in the event it exceeds one, it shall be regarded as one), rounding off in the event a fraction of less than one share is generated.

(4) Acquisition Without Contribution by the Company

The Company shall, as a matter of course, acquire the allotted shares for which Transfer Restrictions will not be lifted at the time when the Transfer Restriction Period expires or when the Transfer Restrictions are lifted as specified in (3) above, without contribution. In addition, during the Transfer Restriction Period, if the RS Allottee is sentenced to imprisonment or heavier punishment, or if the RS Allottee starts proceedings to file for bankruptcy, or in the event the Company’s CEO determines that the RS Allottee has engaged in business that competes with the Teijin Group’s business without prior written consent, or determines that he or she has plans to do so after retirement or resignation (in case the RS Allottee is the CEO, if it is determined by resolution of the Board of Directors, the same applies hereinafter), or in the event the CEO determines the RS Allottee has violated laws and regulations, or internal rules of the Company etc., or in the event of such circumstances, all of the allotted shares can be acquired without contribution by the Company as a matter of course.

(5) Management of the Shares

The allotted shares shall be managed in dedicated accounts opened by RS Allottees at a securities company in order to

prevent transfers, creation of security interests, or other disposal of the shares during the Transfer Restriction Period. The Company has concluded agreements with the relevant securities company related to the management of the accounts for the allotted shares held by each RS Allottee to ensure the effectiveness of the Transfer Restrictions, etc. relating to the allotted shares. In addition, the RS Allottees shall consent to the management of the accounts.

(6) Handling of Organizational Restructuring, etc.

If during the Transfer Restriction Period, a merger agreement in which the Company is the dissolved company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc., are approved at a General Meeting of Shareholders of the Company (however, if said organizational restructuring, etc. does not require approval at a General Meeting of Shareholders of the Company, the Board of Directors of the Company), the Board of Directors shall resolve to lift the Transfer Restrictions as of the time immediately prior to a business day before the effective date of the organizational restructuring, etc. for the following number of shares. The number of shares subject to the lifting of Transfer Restrictions shall be equal to the number of allotted shares held at the time of the resolution multiplied by the number obtained by dividing the number of months from the month that includes the start date of the Service Period to the month that includes the date of the approval (however, if the days in office do not make a full month, it shall not be considered one month) by 12 (if the number obtained is larger than one, it is taken as one; However, as a result of the calculation, in the event a fraction of less than one share is generated, it shall be rounded off.). In addition, the Company shall automatically acquire without contribution all of the allotted shares which Transfer Restrictions have not been lifted upon this lifting of Transfer Restrictions.

4. Outline of the Allotment Agreement with Teijin Group Corporate Officers, Mission Executives and Executive Officers of overseas Teijin Group companies who do not have Japanese nationality

The Allotment Agreement of Restricted Shares to be allotted to one Teijin Group Corporate Officer, two Mission Executives and 13 Executive Officers of overseas Teijin Group companies who do not have Japanese nationality among RS Allottees shall be equivalent to 3. above, however, the Transfer Restriction Period shall be one year from July 19, 2023 to July 18, 2024 taking into consideration the situation of share-based remuneration plans in countries other than Japan. During the Transfer Restriction Period, if Teijin Group Corporate Officers, Mission Executives and Executive Officers of overseas Teijin Group companies who do not have Japanese nationality will retire from any of the above positions due to expiration of term, retirement age, death or other justifiable reasons, it will be handled according to 3.(3). However, in consideration of the tax payment time in countries other than Japan, the Transfer Restrictions can be lifted during the Transfer Restriction Period for the portion of the allotted shares equivalent to the tax payment amount based on the Allotment Agreement.

During the Transfer Restriction Period, the allotted shares will be placed and managed in a dedicated account at a securities company opened by a company in charge of custody and trading or RS Allottees so that the allotted shares cannot be transferred, used for creation of security interests, or otherwise disposed of. The Company has concluded contracts with said company in charge of custody and trading and said securities company in connection with management of the relevant account in order to ensure the effectiveness of the Transfer Restrictions, etc. relating to the allotted shares. In addition, RS Allottees agree to details of management of said account.

5. Basis of Calculation and Details of Paid-In Amount

The Disposal of Treasury Shares for the planned allottees shall be conducted with monetary claims, which were paid to RS Allottees based on the Plan as “Restricted Stock” for the 158th fiscal period of the Company (April 1, 2023 to March 31, 2024), to be treated as property contributed in kind. To eliminate any arbitrariness in the Disposal price, ¥1,387 is used as the Disposal price which is the closing price of ordinary shares of the Company on the Prime Market of the Tokyo Stock Exchange on June 20, 2023 (the business day before the date of the resolution of the Board of Directors). This is the market price of the shares immediately before the date of the resolution of the Board of Directors and is considered to be rational and not particularly favorable to the RS Allottees.