

OFFERING CIRCULAR



TEIJIN LIMITED

(incorporated with limited liability in Japan)

and

TEIJIN HOLDINGS NETHERLANDS B.V.

(a private company with limited liability incorporated in The Netherlands)

U.S.\$800,000,000

Euro Medium Term Note Programme

Under this U.S.\$800,000,000 Euro Medium Term Note Programme (the **Programme**), Teijin Limited (**Teijin Limited**) and Teijin Holdings Netherlands B.V., with corporate seat in Arnhem and trade register number 09117449, (**Teijin B.V.**) (each an **Issuer** and together the **Issuers**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer of such Notes (the **relevant Issuer**) and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes issued by Teijin B.V. will be unconditionally and irrevocably guaranteed by Teijin Limited (the **Guarantor**). References in this document to the **relevant Obligor(s)** in respect of any Notes are to the Issuer of such Notes and, if the Issuer is Teijin B.V., the Guarantor.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$800,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuers or the relevant Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see **Risk Factors**.

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange’s Professional Securities Market.

References in this Offering Circular to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange’s Professional Securities Market and have been admitted to the Official List. The London Stock Exchange’s Professional Securities Market is not a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the relevant Obligor(s) and the relevant Dealer. The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The relevant Obligor(s) may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplemental Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Arranger

Mitsubishi UFJ Securities International plc

Dealers

BNP PARIBAS

Citigroup

J.P. Morgan

Mizuho International plc

The Royal Bank of Scotland

BofA Merrill Lynch

Daiwa Capital Markets Europe

Mitsubishi UFJ Securities International plc

Nomura

The date of this Offering Circular is 28 October 2011.

This Offering Circular constitutes *listing particulars* pursuant to the listing rules of the UK Listing Authority (the “*Listing Rules*”).

Each Issuer and the Guarantor (the “*Responsible Persons*”) accept responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of each Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of Final Terms will be available from the registered office of the relevant Issuer and the specified office set out below of the Agent (as defined below).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*” below). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by any Issuer or the Guarantor in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by any Issuer or the Guarantor in connection with the Programme.

No person is or has been authorised by any Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any Issuer, the Guarantor or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by any Issuer, the Guarantor or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Obligor(s). Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of any Issuer or the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948) (as amended) (the “*Financial Instruments and Exchange Law*”) and the Notes, issued (a) by Teijin Limited and (b) by Teijin B.V. in circumstances where any interest on the Notes is attributable to a business in Japan conducted by Teijin B.V. in the manner provided for in the Special Taxation Measures Law (defined below), are subject to the Special Taxation Measures Law of Japan (Law No. 26 of 1957) (as amended) (the “*Special Taxation Measures Law*”). The Notes may not be offered, sold or delivered in Japan or to, or for the benefit of, residents of Japan, except

pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan. Where the Issuer is Teijin Limited or where the Issuer is Teijin B.V. in circumstances where any interest on the Notes is attributable to a business in Japan conducted by Teijin B.V. in the manner provided for in the Special Taxation Measures Law, interest payments on the Notes generally will be subject to Japanese withholding tax except for such interest paid to or to the account of a Noteholder that is (x) an individual non-resident of Japan or a non-Japanese corporation that in each case is a person not having a special relationship with the Issuer as described in Article 6, paragraph 4 of the Special Taxation Measures Law or (y) a Japanese designated financial institution described in Article 6 of the Special Taxation Measures Law (see “*Taxation – Japanese Taxation*” below).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “*Securities Act*”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see “*Subscription and Sale*”).

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor or the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and The Netherlands) and Japan, see “*Subscription and Sale*”.

By purchasing Notes in the distribution of any of the Dealers, an investor will be deemed to have represented that it is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation (excluding certain financial institutions defined in Article 6, paragraph 9 of the Special Taxation Measures Law and any other excluded category of persons, corporations or other entities under the Special Taxation Measures Law) nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer (if the Issuer is Teijin B.V., only in circumstances where the interest on the Notes is attributable to a business in Japan conducted by Teijin B.V. in the manner provided for in the Special Taxation Measures Law as described in Article 6, paragraph 4 of the Special Taxation Measures Law).

This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “*Relevant Member State*”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Circular as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuers nor any Dealer have authorised, nor do they

authorise, the making of any offer of Notes in circumstances in which an obligation arises for either Issuer or any Dealer to publish or supplement a prospectus for such offer.

In this Offering Circular all references to “*Teijin*”, the “*Teijin Group*” or the “*Group*” are to Teijin Limited and its consolidated subsidiaries and affiliates accounted for by the equity method. All references in this document to “*U.S. dollars*”, “*U.S.\$*” and “*\$*” refer to United States dollars and to “*¥*”, “*Japanese Yen*” and “*Yen*” refer to the currency of Japan. In addition, references to “*Sterling*” and “*£*” refer to pounds sterling and to “*euro*” and “*€*” refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilising action or over-allotment must be conducted by the relevant Stabilising Managers (or persons acting on behalf of any Stabilising Managers) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this overview.

Issuers:	Teijin Limited Teijin Holdings Netherlands B.V.
Guarantor:	Teijin Limited in respect of Notes issued by Teijin Holdings Netherlands B.V.
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. These are set out under “ <i>Risk Factors</i> ” below. There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee. These are also set out under “ <i>Risk Factors</i> ” below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme including the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks. These are also set out under “ <i>Risk Factors</i> ”.
Description:	Euro Medium Term Note Programme
Arranger:	Mitsubishi UFJ Securities International plc
Dealers:	BNP Paribas Citigroup Global Markets Limited Daiwa Capital Markets Europe Limited J.P. Morgan Securities Ltd. Merrill Lynch International Mitsubishi UFJ Securities International plc Mizuho International plc Nomura International plc The Royal Bank of Scotland plc and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Offering Circular.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

Issuing and Principal Paying Agent:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Programme Size:	Up to U.S.\$800,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Euro, Sterling, U.S. dollars, Yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer and the relevant Dealer.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro.
Maturities:	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in “ <i>Form of the Notes</i> ”.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer. <p>The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>
Index Linked Interest Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.</p>
Dual Currency Notes:	<p>Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree.</p>
Zero Coupon Notes:	<p>Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.</p>
Redemption:	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.</p> <p>The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.</p> <p>Notes issued on terms that they must be redeemed before their first anniversary may be subject to restrictions on their denomination and distribution, see “<i>Certain Restrictions – Notes having a maturity of less than one year</i>” above.</p>
Denomination of Notes:	<p>Notes issued by Teijin B.V. and Teijin Limited will have a denomination of at least €100,000 (or its equivalent at the date of issue of the Notes in any other currency).</p> <p>Subject to the above, Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “<i>Certain Restrictions – Notes having a maturity of less than one year</i>” above.</p>
Taxation:	<p>All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, as provided in Condition 7. In the event that any such deduction is made, the relevant Obligor(s) will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.</p> <p>Interest payments on Notes (if issued by Teijin B.V., only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by Teijin B.V. in the manner provided for in the Special Taxation Measures Law of Japan) generally will be subject to Japanese</p>

withholding tax except for such interest paid to or to the account of a holder who is (x) an individual non-resident of Japan or a non-Japanese corporation that in each case is a person not having a special relationship with the Issuer as described in Article 6, paragraph 4 of the Special Taxation Measures Law or (y) a designated Japanese financial institution described in Article 6 of the Special Taxation Measures Law of Japan (see “*Taxation – Japanese Taxation*” below).

Negative Pledge: The terms of the Notes and the Guarantee will contain a negative pledge provision for Teijin Limited as further described in Condition 3.

Cross Default: The terms of the Notes will contain a cross default provision as further described in Condition 9.

Status of the Notes: The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.

Rating: The Programme has been rated A by Rating and Investment Information, Inc. Notes to be issued under the Programme may or may not be rated.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning credit rating agency.

Guarantee: The Notes issued by Teijin B.V. will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under its guarantee will be direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

Listing and admission to trading: Application has been made for Notes issued under the Programme to be admitted to the Official List and to trading on the London Stock Exchange’s Professional Securities Market. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer in relation to each Series.

Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or markets.

Governing Law: The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.

Selling Restrictions: There are restrictions on the offer, sale and transfer of the Notes in the United States, Japan and the European Economic Area (including the United Kingdom and The Netherlands) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “*Subscription and Sale*”.

RISK FACTORS

Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuers nor the Guarantor are in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Factors that may affect each Issuer's ability to fulfil its obligations under Notes issued under the Programme and the Guarantor's ability to fulfil its obligations under the Guarantee

The Notes and the Guarantee (as applicable) will constitute unsubordinated and unsecured obligations of the relevant Issuer and the Guarantor (as applicable), respectively, and will rank equally among themselves and equally with all other unsubordinated and unsecured obligations of the relevant Issuer and the Guarantor (as applicable), respectively (other than obligations preferred by mandatory provisions of law). If an investor purchases Notes, the investor is relying on the creditworthiness of the relevant Issuer and the Guarantor (as applicable) and no other person.

General Risk Management

As a company that does business in markets around the world, Teijin faces a variety of potential risks and uncertainties. These include, but are not limited to, changes in economic conditions, fluctuations in the prices of key raw materials, currency exchange rates and revisions to Japan's system for establishing ethical drug prices. We believe the effective management of these and other risks depends primarily on Teijin's ability to act swiftly. To hedge the risk of fluctuations in currency exchange rates, Teijin will continue to promote diversified operations overseas, thereby enabling Teijin to offset the impact of such external changes internally. Furthermore, Teijin will endeavour to minimise risk by making use of forward foreign currency exchange, currency option and other derivatives transactions. The Teijin Group has implemented organisational and systematic responses to various risks inherent in its operations. The Group recognised the following risks as having the potential to affect its operating results and/or financial position and thus to impact investment decisions.

Market-Related Risk

The Teijin Group manufactures and sells products the sales of which may be affected by market conditions and competition with other companies, and by price fluctuations, as well as by such market factors as fluctuations in foreign exchange and interest rates. The Group's materials businesses – notably the polyester fibers business of its polyester fibers segment and the polyester film and polycarbonate resin businesses of its films and plastics segment – are particularly vulnerable to fluctuations in selling prices and procurement costs for raw materials and fuel related to market conditions and competition with other companies.

The Teijin Group's pharmaceuticals and home health care businesses are vulnerable to changes in drug reimbursement prices under Japan's National Health Insurance system, as well as to increasingly intense competition, both of which may have a negative impact on selling prices.

In terms of foreign exchange risk, the impact on operating results of a short-term small range of fluctuations in U.S. dollar rates are negligible as revenues and expenditures denominated in these currencies are approximately equivalent.

Product Quality Risk

Teijin Pharma Limited, the principal subsidiary in the Teijin Group's Pharmaceuticals and Home Health Care segment, has established its own product reliability assurance function in the form of a compliance division. This division, which functions independently of other Group businesses, is charged with quality assurance in all aspects of the pharmaceuticals and home health care business. The Group maintains insurance coverage against product liability.

However, as this business involves products that may affect the lives of users, quality issues have the potential to negatively affect, among others, the Group's operating results, financial position and public reputation.

R&D-Related Risk in the Pharmaceuticals Business

Research and development (R&D) in the pharmaceuticals business is characterised by significant investments of funds and time. Pharmaceutical discovery research has a high incidence of failure. In the initial stages, there is a high risk that researchers will fail to discover a promising drug. Even if a promising drug is discovered, clinical trials may prove it not to be as effective as anticipated, or to have unexpected side effects, thereby forcing the abandonment of plans to apply for approval. There is also a risk that a new drug candidate may not receive regulatory approval as a result of the examination process that follows application, or that approval may be rescinded as a result of research conducted subsequent to launch.

Litigation Risk

In the course of their operations, the companies of the Teijin Group face the risk of litigation related to, among others, product, environmental or occupational liabilities and intellectual property issues, in Japan and overseas. Such litigation may negatively affect Teijin's operating results, financial position and public reputation.

Risks Related to Overseas Activities

The Teijin Group has operations, primarily in its high-performance fibers, polyester fibers, films and plastics, and trading and retail businesses, in the PRC, South-east Asia (Thailand, Singapore and others), Europe (the United Kingdom, Germany, the Netherlands and others), the United States and Japan. In particular, its operations in the PRC and South-east Asia are subject to a number of risks. The occurrence of any one of the following may have a negative impact on the Group's operating results and/or financial position:

- unexpected establishment of or changes to laws or regulations or unanticipated and disadvantageous changes to tax systems;
- disadvantageous political developments;
- economic turbulence; and
- political upheaval, acts of terrorism or war, or other acts that may cause social disruption.

Risks Related to Accident and Disaster

The Teijin Group has prepared common disaster prevention guidelines for all the Group companies and has actively developed advance prevention strategies, including disaster prevention diagnostics, earthquake response measures and fire prevention diagnostics, as well as post-disaster impact mitigation measures, including disaster prevention education, disaster drills and enhancements of disaster prevention equipment. However, if a large-scale natural disaster or an expected accident occurs and damages the Teijin Groups' production facilities or its supply chains for raw materials, such damage may have a negative impact on the Group's operating results and/or financial position.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, understand the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplementary Offering Circular;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider re-investment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

An Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the relevant Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical performance of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

An Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Trading in the clearing systems

In relation to any issue of Notes which have a minimum denomination and are tradeable in the clearing systems in amounts above such minimum denomination which are smaller than it, should definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination.

Risks related to Notes generally

Modification

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Agent and the relevant Issuer may agree, without the consent of Noteholders, to (i) any modification of the Notes which is not prejudicial to the interests of the Noteholders, or (ii) any modification of the Notes which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The relevant Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

Risks related to the market generally

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market value of Notes.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Offering Circular), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the relevant Issuer. The Issuers cannot predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine, to the extent relevant to it, whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Financial Services Authority shall be incorporated in, and form part of, this Offering Circular:

- (a) the Report on the annual accounts 2009 of Teijin B.V. which includes, *inter alia*, from page 2, the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2009 of Teijin B.V.;
- (b) the Report on the annual accounts 2010 of Teijin B.V. which includes, *inter alia*, from page 2, the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2010 of Teijin B.V.;
- (c) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 March 2010 of Teijin Limited included in the Annual Report 2010 of Teijin Limited at pages 60 to 88 (inclusive) and for the financial year ended 31 March 2011 of Teijin Limited included in the Annual Report 2011 of Teijin Limited at pages 40 to 75 (inclusive); and
- (d) the Terms and Conditions of the Notes contained in the previous Offering Circulars dated 8 November 2002, pages 19 to 40 (inclusive), 31 October 2003, pages 19 to 40 (inclusive), 29 October 2004, pages 22 to 44 (inclusive), 26 October 2005, pages 29 to 51 (inclusive), 30 October 2006, pages 30 to 52 (inclusive), 30 October 2007, pages 30 to 54 (inclusive), 30 October 2008, pages 30 to 54 (inclusive), 30 October 2009, pages 31 to 55 (inclusive) and 29 October 2010, pages 32 to 56 (inclusive) prepared by the Issuers in connection with the Programme.

For the avoidance of doubt, information, documents or statements expressed to be incorporated by reference into any, or expressed to form part of any, of the documents referred to in paragraphs (a) to (d) above do not form part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered offices of each of the Issuers and from the specified office of the Agent for the time being in London.

Statements contained in any such supplementary Offering Circular (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular. Certain information contained in the documents listed above has not been incorporated by reference in this Offering Circular. Such information is not relevant for prospective investors or is covered elsewhere in this Offering Circular.

Pursuant to section 81 of the United Kingdom Financial Services and Markets Act 2000 (the **FSMA**), in the event of (i) any significant change affecting any matter contained in the Offering Circular, the inclusion of which was required by section 80 of the FSMA, the Listing Rules or the Financial Services Authority, as the case may be, or (ii) a significant new matter arising, the inclusion of information in respect of which would have been so required if it had arisen when the Offering Circular was prepared, the Issuers and the Guarantor will prepare a supplementary Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent Global Note (a **Permanent Global Note**) which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**). Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the **Agent**).

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series or (ii) for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification except (with respect to Notes issued by Teijin Limited) in connection with Japanese taxation (as contemplated in Condition 7).

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences as a result of a change in (i) where Teijin Limited is the Issuer, Japanese legislation and (ii) where Teijin B.V. is the Issuer, Dutch legislation, in either case which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

The following legend will appear on all definitive Notes which (i) are zero coupon notes or other notes which qualify as savings certificates as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*), (ii) are physically issued in the Netherlands or distributed in the Netherlands in the course of primary trading or immediately thereafter, (iii) are not listed on the stock exchange of Euronext Amsterdam N.V. and (iv) do not qualify as commercial paper or certificates of deposit:

“PURSUANT TO THE DUTCH SAVINGS CERTIFICATES ACT (*WET INZAKE SPAARBEDIJZEN*), EACH TRANSFER AND ACCEPTANCE OF THIS NOTE (OTHER THAN BETWEEN INDIVIDUALS WHO DO NOT ACT IN THE CONDUCT OF A PROFESSION OR TRADE):

- (A) MUST BE MADE THROUGH THE MEDIATION OF EITHER THE ISSUER OR A MEMBER OF EURONEXT AMSTERDAM N.V.; AND
- (B) IF IT INVOLVES PHYSICAL DELIVERY, MUST BE RECORDED IN A TRANSACTION NOTE WHICH INCLUDES THE NAME AND ADDRESS OF EACH PARTY, THE NATURE OF THE TRANSACTION AND THE NUMBER AND SERIAL NUMBERS OF THE NOTES TRANSFERRED.”

The following legend will appear on all definitive Notes which (i) are zero coupon notes or other notes which qualify as savings certificates as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*), (ii) are physically issued in the Netherlands or distributed in the Netherlands in the course of primary trading or immediately thereafter, (iii) are not listed on the stock exchange of Euronext Amsterdam N.V. and (iv) qualify as commercial paper or certificates of deposit:

“PURSUANT TO THE DUTCH SAVINGS CERTIFICATES ACT (*WET INZAKE SPAARBEDIJZEN*), EACH TRANSFER AND ACCEPTANCE OF THIS NOTE (OTHER THAN BETWEEN INDIVIDUALS WHO DO NOT ACT IN THE CONDUCT OF A PROFESSION OR TRADE):

- (A) MUST BE MADE THROUGH THE MEDIATION OF EITHER THE ISSUER OR A MEMBER OF EURONEXT AMSTERDAM N.V.; AND
- (B) IF IT INVOLVES PHYSICAL DELIVERY AND UNLESS IT IS MADE BETWEEN A PROFESSIONAL BORROWER AND A PROFESSIONAL LENDER, MUST BE RECORDED IN A TRANSACTION NOTE WHICH INCLUDES THE NAME AND ADDRESS OF EACH PARTY, THE NATURE OF THE TRANSACTION AND THE NUMBER AND SERIAL NUMBERS OF THE NOTES TRANSFERRED.”

The following legend will appear on all global Notes, definitive Notes, Coupons and Receipts (if issued by Teijin B.V., only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by Teijin B.V. in the manner provided for in the Special Taxation Measures Law of Japan):

“INTEREST PAYMENTS ON THE NOTES TO AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION (EXCEPT FOR A JAPANESE FINANCIAL INSTITUTION OR A JAPANESE FINANCIAL INSTRUMENTS FIRM DESIGNATED BY THE SPECIAL TAXATION MEASURES LAW OF JAPAN) OR AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IS A PERSON HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER CONDUCTING BUSINESS IN JAPAN (THE “ISSUER”) AS DESCRIBED IN ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES LAW OF JAPAN (A “SPECIALLY-RELATED PERSON OF THE ISSUER”) WILL BE SUBJECT TO JAPANESE INCOME TAX AT A RATE

OF 15 PER CENT. OF THE AMOUNT SPECIFIED IN SUB PARAGRAPH (A) OR (B) BELOW, AS APPLICABLE:

- (A) IF INTEREST IS PAID TO AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION OR TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IS A SPECIALLY-RELATED PERSON OF THE ISSUER (EXCEPT AS PROVIDED IN SUB-PARAGRAPH (B) BELOW), THE AMOUNT OF SUCH INTEREST; OR
- (B) IF INTEREST IS PAID TO A PUBLIC CORPORATION, A FINANCIAL INSTITUTION OR A FINANCIAL INSTRUMENTS FIRM (WHICH HAS COMPLIED WITH THE REQUIREMENTS UNDER THE SPECIAL TAXATION MEASURES LAW OF JAPAN) THROUGH ITS PAYMENT HANDLING AGENT IN JAPAN AS PROVIDED IN ARTICLE 3-3, PARAGRAPH 6 OF THE SPECIAL TAXATION MEASURES LAW OF JAPAN, THE AMOUNT OF SUCH INTEREST MINUS THE AMOUNT ACCRUED DURING THE PERIOD HELD, WITHOUT ANY CESSATION, BY SUCH ENTITIES AS PROVIDED IN THE CABINET ORDER RELATING TO PARAGRAPH 6.

HOWEVER, INTEREST ON NOTES ISSUED BY THE ISSUER OF WHICH THE AMOUNT OF INTEREST IS TO BE CALCULATED BY REFERENCE TO CERTAIN INDICATORS (AS PRESCRIBED UNDER THE CABINET ORDER RELATING TO ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES LAW OF JAPAN) RELATING TO THE ISSUER OR A SPECIALLY-RELATED PERSON OF THE ISSUER WILL BE SUBJECT TO THE 15 PER CENT. WITHHOLDING TAX EVEN IF PAID TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IS NOT A SPECIALLY-RELATED PERSON OF THE ISSUER.”

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 29 October 2010 and executed by the Issuers.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Date]

[TEIJIN LIMITED/
TEIJIN HOLDINGS NETHERLANDS B.V. (with corporate seat in Arnhem and
trade register number 09117449)]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[unconditionally and irrevocably guaranteed by Teijin Limited]
under the U.S.\$800,000,000
Euro Medium Term Note Programme

PART A CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 28 October 2011 which constitutes listing particulars for the purposes of the listing rules of the United Kingdom Financial Services Authority (the **Listing Rules**). This document constitutes the Final Terms of the Notes and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. Copies of the Offering Circular are available for viewing during normal business hours at the registered office of the Issuer and copies may be obtained from the specified offices of the Agent in London.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [original date] and incorporated by reference into the Offering Circular dated 28 October 2011 and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of the listing rules of the United Kingdom Financial Services Authority (the **Listing Rules**) and must be read in conjunction with the Offering Circular dated 28 October 2011. Copies of the Offering Circular are available for viewing at [website] and during normal business hours at the registered office of the Issuer and copies may be obtained from the specified offices of the Agent in London.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[If the Notes have a maturity of less than one year, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

[When adding any other final terms or information, consideration should be given as to whether such terms or information constitute "a significant change" or "a significant new matter" and consequently trigger the need for a supplementary Offering Circular under section 81 of the FSMA.]

[Notes issued by Teijin Limited or Teijin Holdings Netherlands B.V. will have a denomination of at least €100,000 (or its equivalent at the date of issue of the Notes in any other currency).]

- | | | | |
|----|------|----------------|---|
| 1. | (i) | Issuer: | [Teijin Limited/
Teijin Holdings Netherlands B.V.] |
| | (ii) | Guarantor: | [Teijin Limited/None] |
| 2. | (i) | Series Number: | [] |

- (ii) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- (i) Series: []
- (ii) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* *(in the case of fungible issues only, if applicable)*]
6. (i) Specified Denominations: []
- (ii) Calculation Amount: []
(If only one Specified Denomination, insert the Specified Denomination.
If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. (i) Issue Date: []
- (ii) Interest Commencement Date: *[specify/Issue Date/Not Applicable]*
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: *[Fixed rate – specify date/*
Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: *[[] per cent. Fixed Rate]*
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: *[Redemption at par]*
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]
[(N.B. If the Final Redemption Amount of the Notes is less than 100 per cent. of the nominal value, the Notes will be classed as derivative

securities and the requirements of Annex XII to the Prospectus Directive Regulation will apply)

11. Change of Interest Basis or Redemption/ Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/ Payment Basis]*
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear]
- (ii) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]/[specify other]
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
(Applicable to Notes in definitive form.)
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
- (vi) [Determination Date(s): [] in each year
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration
NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Dates: []

- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
- (iii) Additional Business Centre(s): []
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (vi) Screen Rate Determination:
- Reference Rate: []
(*Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement*)
 - Interest Determination Date(s): []
(*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
 - Relevant Screen Page: []
(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
- (vii) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (viii) Margin(s): [+/-] [] per cent. per annum
- (ix) Minimum Rate of Interest: [] per cent. per annum
- (x) Maximum Rate of Interest: [] per cent. per annum
- (xi) Applicable ISDA Definitions: [2000/2006] ISDA Definitions apply
(for the purpose of Condition 4)
- (xii) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360]

30E/360
30E/360 ISDA
Other
(See Condition 4 for alternatives)

(N.B. Floating Day Count Fractions should be consistent with the applicable ISDA Definitions specified in subparagraph (xi) above)

- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []

16. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Accrual Yield: [] per cent. per annum
(ii) Reference Price: []
(iii) Any other formula/basis of determining amount payable: []
(iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(e)(iii) and 6(j) apply/specify other]

17. **Index Linked Interest Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

- (i) Index/Formula: [give or annex details]
(ii) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies) address]
(iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): []
(iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: []
[need to include a description of market disruption or settlement disruption events and adjustment provisions]
(v) Specified Period(s)/Specified Interest Payment Dates: []

- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (vii) Additional Business Centre(s): []
- (viii) Minimum Rate of Interest: [] per cent. per annum
- (ix) Maximum Rate of Interest: [] per cent. per annum
- (x) Day Count Fraction: []
18. **Dual Currency Interest Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [] *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

19. Issuer Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent).

20. Investor Put:

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Optional Redemption Date(s):

[]

(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):

[[] per Calculation Amount/specify other/see Appendix]

(iii) Notice period (if other than as set out in the Conditions):

[]

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent).

21. Final Redemption Amount:

[[] per Calculation Amount/specify other/see Appendix]

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

22. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)):

[[] Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]*

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]*

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]*

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. *N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note Exchangeable for Definitive Notes)*

24. Additional Financial Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable/give details]

(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 15(iii) and 17(vii) relate)

25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. If yes, give details]

26. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

[Not Applicable/give details. NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]

27. Details relating to Instalment Notes:

(i) Instalment Amount(s):

[Not Applicable/give details]

(ii) Instalment Date(s):

[Not Applicable/give details]

28. Redenomination:

Redenomination [not] applicable
[(If Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)]

29. Other Final Terms:

[Not Applicable/give details]

(When adding any other final terms or information, consideration should be given as to whether such terms or information constitute "a significant change" or "a significant new matter" and consequently trigger the need for a supplementary Offering Circular under section 81 of the FSMA.)

DISTRIBUTION

- 30. (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/give names [and addresses and underwriting commitments]]

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (ii) Date of [Subscription] Agreement: []
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- 32. If non-syndicated, name [and address] of relevant Dealer: [Not Applicable/ give name [and address]]
- 33. US Selling Restrictions: [Reg. S Compliance Category TEFRA D/ TEFRA C/TEFRA not applicable]
- 34. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to the Official List of the UK Listing Authority and admission to trading on the Professional Securities Market of the London Stock Exchange plc the issue of Notes described herein pursuant to the U.S.\$800,000,000 Euro Medium Term Note Programme of [TEIJIN LIMITED/TEIJIN HOLDINGS NETHERLANDS B.V.]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [[*Relevant third party information, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.].

Signed on behalf of [*name of the Issuer*]: [Signed on behalf of [*name of the Guarantor*]:

By: By:
Duly authorised *Duly authorised*

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: [London Professional Securities Market]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to the Official List of the UK Listing Authority and to trading on the Professional Securities Market of the London Stock Exchange plc [other] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: The Notes to be issued have been rated:
- [R&I: []]
- [[Other]: []]
- (The above disclosure should reflect the rating allocated to Notes issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for fees (if any) payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - Amend as appropriate if there are other interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer: []]
- (See “Use of Proceeds” wording in Offering Circular – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*
- [(ii)] Estimated net proceeds: []
- (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- [(iii)] Estimated total expenses: [] *(Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.)*
- (N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where*

the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.]]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. [PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Notes only*)

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Need to include details of exercise price or final reference price]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]]

7. [PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Notes only*)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when risks are most evident]]

8. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(iv) Delivery: Delivery [against/free of] payment

(v) Names and addresses of additional Paying Agent(s) (if any): []

TERMS AND CONDITIONS OF THE NOTES

The following (save for statements in italics) are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant listing authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by the Issuer named in the applicable Final Terms (as defined below) (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note; and
- (iii) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 29 October, 2010 and made between Teijin Holdings Netherlands B.V., with corporate seat in Arnhem and trade register number 09117449, (**Teijin B.V.**), Teijin Limited (in its capacity as Issuer, and as guarantor of the Notes issued by Teijin B.V. (the **Guarantor**)) and The Bank of Tokyo-Mitsubishi UFJ, Ltd., London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The payment of all amounts in respect of Notes issued by Teijin B.V. have been guaranteed by the Guarantor pursuant to a guarantee (the **Guarantee**) dated 29 October, 2010 and executed by the Guarantor. The original of the Guarantee is held by the Agent on behalf of the Noteholders, the Receiptholders and the Couponholders at its specified office. If the Issuer is Teijin Limited, references in these Conditions to the Guarantor and the Guarantee are not applicable.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders**

shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 29 October, 2010 and executed by the Issuers. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Guarantee and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents (as defined under Condition 11). Copies of the applicable Final Terms are available for viewing at the registered office of the relevant Issuer and copies are obtainable during normal business hours at the specified office of each of the Paying Agents save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer, the Guarantor and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount

of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantor and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2. STATUS OF THE NOTES AND THE GUARANTEE

(a) *Status of the Notes*

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

(b) *Status of the Guarantee*

The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

3. NEGATIVE PLEDGE

(a) *Negative pledge of Teijin Limited*

If the Issuer is Teijin Limited, so long as any of the Notes remain outstanding (as defined in the Agency Agreement) the Issuer will not create or permit to be outstanding any pledge, mortgage, charge or other security interest for the benefit of the holders of any International Bond upon the whole or any part of the property or assets, present or future, of the Issuer to secure (i) payment of any sum due in respect of any International Bond, (ii) payment under any guarantee of International Bond or (iii) payment under any indemnity or other like obligation in respect of International Bond, without in any such case at the same time according to the Notes the same security, equally and rateably, as is granted to or is outstanding in respect of such International Bond so as to rank *pari passu* therewith or such guarantee, indemnity or other like obligation or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the holders of the Notes.

For this purpose, **International Bonds** means all bonds, debentures, notes or other similar securities of the Issuer or any other person with a stated maturity of more than one year from the creation thereof which (i) either (A) are by their terms payable, or confer a right to receive any payment in any currency other than Yen or (B) are denominated in Yen and more than 50 per cent. of the aggregate principal amount thereof is initially issued outside Japan by or with the authorisation of the Issuer; and (ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or similar securities market outside Japan.

(b) *Negative pledge of the Guarantor*

So long as any of the Notes remain outstanding (as defined in the Agency Agreement) the Guarantor will not create or permit to be outstanding any pledge, mortgage, charge or other security interest for the benefit of the holders of any International Bond upon the whole or any part of the property or assets, present or future, of the Guarantor to secure (i) payment of any sum due in respect of any International Bond, (ii) payment under any guarantee of International Bond or (iii) payment under any indemnity or other like obligation in respect of International Bond, without in any such case at the same time according to the Guarantee the same security, equally and rateably, as is granted to or is outstanding in respect of such Securities so as to rank *pari passu* therewith or such guarantee, indemnity or other like obligation or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the holders of the Notes.

For this purpose, **International Bonds** means all bonds, debentures, notes or other similar securities of the Guarantor or any other person with a stated maturity of more than one year from the creation thereof which (i) either (A) are by their terms payable, or confer a right to receive any payment in any currency other than Yen or (B) are denominated in Yen and more than 50 per cent. of the aggregate principal amount thereof is initially issued outside Japan by or with the authorisation of the Guarantor; and (ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or similar securities market outside Japan.

4. INTEREST

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Fixed Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Fixed Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if **30/360** is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Fixed Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest from and including the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year as specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls on the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls on the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by

the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating either the 2000 ISDA Definitions, or the 2006 ISDA Definitions (each as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) (the **ISDA Definitions**) (as specified in the applicable Final Terms) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent or the Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (i) if the 2000 ISDA Definitions and either Actual/365 or Actual/Actual are specified in the applicable Final Terms, or if the 2006 ISDA Definitions and either “Actual/Actual (ISDA)” or “Actual/Actual” are specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if Actual/365 (Fixed) is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if Actual/365 (Sterling) is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if Actual/360 is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) (x) if the 2000 ISDA Definitions and any of “30/360”, “360/360” or “Bond Basis” are specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month

but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)) or (y) if the 2006 ISDA Definitions and any of “30/360”, “360/360” or “Bond Basis” are specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) (x) if the 2000 ISDA Definitions and either “30E/360” or “Eurobond Basis” are specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) or (y) if the 2006 ISDA Definitions and either “30E/360” or “Eurobond Basis” are specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case **D₂** will be 30; and

- (vii) if the 2006 ISDA Definitions and “30E/360 (ISDA)” are specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₁** will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30.

(v) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed, if any, and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders

shall attach to the Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Notes*

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

5. PAYMENTS

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(b) *Presentation of definitive Notes, Receipts and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Interest Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Interest Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(c) *Payments in respect of Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(d) *General provisions applicable to payments*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be

discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

(e) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (B) each Additional Financial Centre specified in the applicable Final Terms,
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(f) *Interpretation of principal and interest*

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;

- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. REDEMPTION AND PURCHASE

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Agent a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

(d) *Redemption at the option of the Noteholders (Investor Put)*

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

(f) *Instalments*

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

(h) *Purchases*

The Issuer, the Guarantor or any other subsidiary of Teijin Limited may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(j) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. TAXATION

- (a) Subject to paragraphs (b) and (c) below, all payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature (**Taxes**) imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction.
- (b) Where the Issuer is Teijin Limited or, in the case of Notes issued by Teijin B.V. in circumstances where any interest on the Notes is attributable to a business in Japan conducted by Teijin B.V. in the manner provided for in the Special Taxation Measures Law of Japan (Law No. 26 of 1957) (as amended) (the **Special Taxation Measures Law**), no such additional amounts as are provided for in paragraph (a) above shall be payable with respect to any Note, Receipt or Coupon presented for payment:
 - (i) by or on behalf of a Noteholder, Receiptholder or Couponholder who is subject to such Taxes by reason of its being connected with the Tax Jurisdiction otherwise than merely by the holding or ownership of the Note, Receipt or Coupon or by the receipt of principal or interest in respect of such Note, Receipt or Coupon; or
 - (ii) by or on behalf of a Noteholder, Receiptholder or Couponholder who would otherwise be exempt from any such withholding or deduction but who fails to comply with any applicable requirement to provide Exemption Information (as defined below) or to submit a Claim for Exemption (as defined below) to the Paying Agent to whom the relevant Note, Receipt or Coupon is presented, or whose Exemption Information is not duly communicated through a participant of an international clearing organisation or a financial intermediary (each a **Participant**) and the relevant international clearing organisation to such Paying Agent; or
 - (iii) by or on behalf of a Noteholder, Receiptholder or Couponholder who is for Japanese tax purposes treated as (x) an individual resident of Japan or a Japanese corporation (except for (A) a Designated Financial Institution (as defined below) who complies with the requirement to provide Exemption Information or to submit a Claim for Exemption and (B) an individual resident of Japan or a Japanese corporation who duly notifies (directly or through the Participant or otherwise) the relevant Paying Agent of its status as exempt from Taxes to be withheld or deducted by the Issuer by reason of such resident of Japan or Japanese corporation receiving interest on the relevant Note through a payment handling agent appointed by it) or

- (y) an individual non-resident of Japan or a non-Japanese corporation that in each case is a person having a Special Relationship (as defined below) with the Issuer; or
 - (iv) by or on behalf of a holder of the Notes on which interest is calculated by reference to certain indicators including the amount of profit, revenue, assets and distribution of surplus, distribution of profit and other similar distributions (as provided in the Special Taxation Measures Law and the related Cabinet Order (as defined below)) of (x) the Issuer or (y) any person having a Special Relationship with the Issuer (as defined below), except where the recipient of interest is a Designated Financial Institution as provided in the Special Taxation Measures Law who complies with the requirement thereunder; or
 - (v) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(e)); or
 - (vi) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (vii) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.
- (c) Where the Issuer is Teijin B.V., no such additional amounts as are provided for in paragraph (a) above shall be payable with respect to any Note, Receipt or Coupon presented for payment:
- (i) by or on behalf of a holder who is liable for such Taxes in respect of such Note, Receipt or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
 - (ii) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(e)); or
 - (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (iv) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.
- (d) As used herein:
- (i) **Claim for Exemption** is a claim for exemption from withholding tax (*Hikazei Tekiyo Shinkokusho*) prescribed by the Special Taxation Measures Law and the cabinet order ((Cabinet Order No. 43 of 1957) thereunder (as amended) (the **Cabinet Order**) (together with the ministerial ordinance and other regulation thereunder, the **Law**)) stating *inter alia*, the name and address of the Noteholder, Receiptholder or Couponholder, the title of the Notes, the relevant Interest Payment Date and the amount of interest;
 - (ii) **Designated Financial Institution** means a Japanese financial institution falling under certain categories prescribed by the Law;

- (iii) **Exemption Information** means certain information prescribed by the Law to enable a Participant to establish that a Noteholder, Receiptholder or Couponholder is exempted from the requirements for Taxes to be withheld or deducted;
- (iv) **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13;
- (v) **Tax Jurisdiction** means:
 - (A) in the case where the Issuer is Teijin Limited, Japan or any political subdivision or any authority thereof or therein having power to tax; and
 - (B) in the case where the Issuer is Teijin B.V., The Netherlands or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or Japan or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor); and
- (vi) **Special Relationship** means the relationship described in Article 3-2-2, paragraphs 5 to 7 of the Cabinet Order.

8. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. EVENTS OF DEFAULT

(a) *Events of Default relating to issues by Teijin Limited*

If the Issuer is Teijin Limited and if any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (i) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (iii) (A) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Principal Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (B) the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date of payment as extended by any originally applicable grace period; (C) any security given by the Issuer or any of its Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce the same; (D) default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that no event described in this Condition 9 shall constitute an Event of Default unless the Indebtedness for

Borrowed Money or other relative to all (if any) other events which shall have occurred and be continuing shall amount to at least U.S.\$10,000,000 (or its equivalent in any other currency); or

- (iv) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution; or
- (v) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution, or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (vi) (A) proceedings are initiated against the Issuer or any of its Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (vii) the Issuer or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (viii) the Issuer repudiates its obligations in respect of the Notes or does or causes to be done any act or thing which evidences an intention to repudiate such obligations,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

(b) *Events of Default relating to issues by Teijin B.V.*

If the Issuer is Teijin B.V. and if any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (i) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (ii) the Issuer or the Guarantor fails to perform or observe any of its other obligations under the Conditions or the Guarantee and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or

- (iii) (A) any Indebtedness for Borrowed Money (as defined below) of the Issuer or the Guarantor becomes due and repayable prematurely by reason of an event of default (however described); (B) the Issuer or the Guarantor fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date of payment as extended by any originally applicable grace period; (C) any security given by the Issuer or the Guarantor for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce the same; (D) default is made by the Issuer or the Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that no event described in this Condition 9 shall constitute an Event of Default unless the Indebtedness for Borrowed Money or other relative to all (if any) other events which shall have occurred and be continuing shall amount to at least U.S.\$10,000,000 (or its equivalent in any other currency); or
 - (iv) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or the Guarantor, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution; or
 - (v) the Issuer or the Guarantor ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution, or the Issuer or the Guarantor stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
 - (vi) (A) proceedings are initiated against the Issuer or the Guarantor under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or the Guarantor or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
 - (vii) the Issuer or the Guarantor initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
 - (viii) the Issuer or the Guarantor repudiates its obligations in respect of the Notes or the Guarantee or does or causes to be done any act or thing which evidences an intention to repudiate such obligations; or
 - (ix) the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect,
- then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

(c) *Definitions*

For the purposes of the Conditions:

Principal Subsidiary at any time shall mean a Subsidiary of Teijin Limited (including Teijin B.V.) *inter alia*:

- (A) whose gross revenues attributable to the Guarantor (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 10 per cent. of the consolidated gross revenues attributable to the shareholders of the Guarantor, or, as the case may be, consolidated total assets, of the Guarantor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Guarantor and its Subsidiaries; or
- (B) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately before the transfer is a Principal Subsidiary,

all as more particularly defined in the Agency Agreement.

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit.

A report of independent auditors appointed by the Guarantor that in their opinion a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

The Agency Agreement contains provisions for the appointment of additional paying agents in respect of the Notes. The Agent and another such additional paying agent are referred to in these Conditions as the **Paying Agents**.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent; and
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to listing by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal

amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders, and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) *Governing law*

The Agency Agreement, the Guarantee, the Deed of Covenant, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

(b) *Submission to jurisdiction*

The Issuer agrees, for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and the Coupons (including a dispute

relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons) and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum, and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) *Appointment of Process Agent*

Each Issuer appoints Law Debenture Corporate Services Limited at its registered office at 5th Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in England, and undertakes that, in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(d) *Other documents and the Guarantor*

The Issuer and, where applicable, the Guarantor have in the Agency Agreement, the Guarantee and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The Issuers will mainly lend the net proceeds of all issues of Notes to, or invest those net proceeds in, companies within the group to which they belong, for use by those companies for general corporate purposes. If, in respect of any particular issue of Notes which are derivative securities for the purposes of Article 15 of the Commission Regulation No 809/2004 implementing the Prospectus Directive (the **Prospectus Directive Regulation**), there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

TEIJIN LIMITED

Overview

Teijin Limited was duly incorporated under the laws of Japan on 17 June 1918, and is registered at the Osaka Legal Affairs Bureau under No. 1299-01-077489 and its registered head office is located at 6-7, Minami-Hommachi 1-chome, Chuo-ku, Osaka 541-8587, Japan. (telephone number +81-3-3506-4511).

Teijin Limited was the first Japanese company to produce rayon yarn, and has remained an innovator and leader in the development and commercialisation of fibers. Since then, Teijin has capitalised on its expertise in fibers to diversify into other fields. Today, Teijin's operations encompass six segments consisting of nine business groups: the "high-performance fibers segment" (consisting of the "aramid fibers business group" and the "carbon fibers and composites business group"); the "polyester fibers segment" (consisting of the "polyester fibers business group"); the "films and plastics segment" (consisting of the "plastics business group" and the "films business group"); the "pharmaceuticals and home health care segment" (consisting of the "medical and pharmaceuticals business group"); the "trading and retail segment" (consisting of the "fiber products marketing business group"); and the "others segment" (consisting of the "IT business group" and the "new business development group").

During its 90-year history, Teijin Limited has grown from a small domestic venture into a major multinational enterprise. Teijin Limited has production and sales subsidiaries and affiliates in more than ten countries.

Teijin Limited's shares are listed on the Tokyo Stock Exchange, Inc. and the Osaka Securities Exchange Co., Ltd.

Relationship with other members of the Teijin Group

Teijin is organised along a holding company structure, with Teijin Limited as the holding company and the businesses split into business groups.

As the holding company of the Teijin Group, Teijin Limited is not directly or indirectly owned by another company of the Teijin Group. However, as Teijin Limited's assets are comprised of shares in its subsidiaries and affiliates, Teijin Limited is, accordingly, dependent on the activities of the other members of the Group and, to a certain extent, the revenues received by them.

Teijin Limited is a public limited liability company. As at 31 March 2011, the most recent date on which Teijin Limited was required by Japanese law to file information in respect of its shareholders, the ten largest shareholders of Teijin Limited were, as follows:

Name of Shareholder	Holding (per cent.)
1. Japan Trustee Services Bank, Ltd.	13.54%
2. The Master Trust Bank of Japan, Ltd.	6.30%
3. Nippon Life Insurance Company	4.56%
4. National Mutual Insurance Federation of Agricultural Cooperatives.....	2.51%
5. Trust & Custody Services Bank, Ltd.	2.39%
6. The Bank of Tokyo-Mitsubishi UFJ, Ltd.....	2.10%
7. State Street Bank and Trust Company (505 223)	1.96%
8. The Employee Stock Ownership Association of Teijin	1.77%
9. SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	1.77%
10. State Street Bank and Trust Company (505104)	1.42%

Business

High-Performance Fibers segment

Aramid Fibers Business Group

The aramid fibers business group, which includes such companies as Teijin Techno Products Limited and Teijin Aramid B.V., manufactures aramid and other high-performance fibers for industrial applications, and supplies these products to customers worldwide. Aramid fibers are broadly classified into two types, para-aramid and meta-aramid. Teijin is taking advantage of the distinct properties of these two types to develop products for a variety of applications, such as heat resisting and fireproof safety and protective clothing, optical fibers, tyre cords, automotive brake pads and other friction materials. While the global market of para-aramid fibers is largely shared by Teijin and another manufacturer, Teijin currently accounts for approximately 50% of the global market for para-aramid fibers according to the publicly announced manufacturing capacity of each of these two companies.

Carbon Fibers and Composites Business Group

This business group, led by Toho Tenax Co., Ltd. and its foreign subsidiaries, manufactures and sells carbon fibers which are lightweight materials with excellent strength and tensile modulus. Carbon fibers manufactured in this business group are used in various areas such as private sector aircraft industry, general industrial production including automobiles and wind power generation, and sport and leisure products. The manufacturing facilities of carbon fibers are located in Japan, the United States and in Europe and the products are marketed to customers worldwide.

Polyester Fibers segment

Polyester Fibers Business Group

This business group, led by Teijin Fibers Limited, develops, manufactures and sells an extensive range of polyester fibers products, centered on polyester fibers, known as Tetoron[®], textiles and polyester raw materials in markets worldwide applied for apparel, interior decorating and household products, and industrial products and materials such as automobile, train and aircraft seats, tyre cords and rubber reinforcements. In response to increasing awareness of environmental issues, Teijin has developed products made with polyester materials derived from used polyester fibers using its chemical recycling technology. In particular, Teijin is promoting the use of ECO-CIRCLE[®], the world's first closed-loop recycling system for used polyester products, which employs a chemical recycling technology for the recycling of uniforms, sportswear and interior decorating materials. With this technology, polyester is chemically decomposed and converted into new polyester raw materials of comparable purity to those derived from petroleum. Teijin aims to contribute to a more recycling-conscious society.

Films and Plastics segment

Plastics Business Group

This business group, led by Teijin Chemicals Limited, develops and manufactures polycarbonate resin, PEN resin and a wide range of other resin products. Polycarbonate resin was first commercialised in Japan by Teijin Chemicals Limited and its polycarbonate resin is the favoured material for high-end digital versatile discs (DVDs), Blu-ray discs and other applications requiring high levels of performance and quality. Teijin is leveraging the competitive advantage it enjoys as a pioneer in this polycarbonate resin business. Polycarbonate resin is also compounded with glass fiber, or with other resins, to produce a variety of materials with a number of added functions. These materials are used in the casings of mobile phones, notebook PCs and other information and communications equipment, as well as in audiovisual (AV) and office automation (OA) equipment. This group's plastics line-up also includes PEN resin, used for cosmetics containers and for school cafeteria dishware.

Films Business Group

This business group is engaged primarily in the development, manufacture and sale of polyester films, such as polyethylene terephthalate (PET) film, polyethylene naphthalate (PEN) film and processed films. Its operations centre on a global joint venture between Teijin and E.I. du Pont de Nemours and Company (DuPont), which has operations in Japan and five other countries in North America, Europe and Asia. A proprietary product, PEN film shows outstanding heat resistance and strength. Demand for applications requiring such properties includes automotive components and data backup tapes. This business group also focuses on processed films. These films are used extensively in flat-panel displays (FPDs), solar cell back sheets, digital electronics materials, semiconductors and medical materials.

Pharmaceuticals and Home Health Care segment

Medical and Pharmaceuticals Business Group

This business group, led by Teijin Pharma Limited, offers both pharmaceuticals and home health care products, including medical devices, enabling it to provide total health care solutions. It focuses on three key therapeutic areas, bone and joint disease, respiratory disease, and cardiovascular and metabolic disease. This enables the group to pursue highly efficient business development. A key strength that distinguishes Teijin from other pharmaceuticals companies is that the group offers both pharmaceuticals and home health care businesses in two of these areas, namely bone and joint disease and respiratory disease, an approach that generates considerable synergies. Its pharmaceuticals operations currently include leading ethical drugs in the areas of bone and joint disease, respiratory disease, and cardiovascular and metabolic disease. Its home health care operations provide inclusive home health care services that encompass the development, production, rental and maintenance of home health care equipment and enjoy an overwhelming share in Japanese market for home oxygen therapy. It has also developed overseas operations by acquiring existing companies and establishing joint ventures in the United States, Europe and Asia and plans to further expand its home healthcare operations globally.

Trading and Retail segment

Fiber Products Marketing Business Group

This business group, led by N.I. Teijin Shoji Co., Ltd., is in charge of a wide range of trading operations, not only for textile fibers but also for industrial materials for applications such as automobile parts and interior decorating. This business group is also covering retail sale of men's and ladies' fashion and household sundries.

Others segment

IT Business Group

This business group, led by Infocom Corporation, of which shares are listed on JASDAQ market by Osaka Securities Exchange, Co., Ltd., comprises two core business segments, IT solutions and IT services. IT solutions segment encompasses planning and development of systems for certain larger scale corporations, mobile phone carriers, consumers, government and municipal offices, educational and research organisations, and medical facilities, as well as provision of related consulting services. IT services segment includes provision of data center services and distribution of content for mobile phones and PCs such as ring-tones and e-books services as well as operation of e-commerce sites.

New Business Development Group

This business group, led by Teijin Limited, facilitates the swift creation of new businesses, conducts investigative research aimed at developing basic technologies that will enable new businesses to germinate and promotes research with a long-term perspective in areas that straddle the Teijin Group's businesses. It places a particularly high priority on incubating new businesses, including the early commercialisation of BIOFRONT[®], a heat-resistant bioplastic, and Raheama[®], a highly thermoconductive carbon fiber material,

as well as aramid fiber lithium-ion battery (LiB) separators and a variety of composite materials. In investigative research, it focuses on three areas: high-performance materials, green businesses, and energy and life sciences.

Administrative, Management and Supervisory Bodies

The following are the names, positions, functions and business addresses of the Directors and Corporate Auditors of Teijin Limited:

Name	Position and function
Toru Nagashima	Chairman of the Board
Shigeo Ohyagi*	President and CEO ⁽¹⁾ , Representative Director of the Board
Junji Morita*	Executive Vice President, Representative Director of the Board
Norio Kamei*	Senior Executive Officer, Representative Director of the Board
Osamu Nishikawa	Senior Executive Officer, Member of the Board
Toshiaki Yatabe	Executive Officer, Member of the Board
Yoshio Fukuda	Executive Officer, Member of the Board
Kunio Suzuki	Independent Outside Director
Hajime Sawabe	Independent Outside Director
Yutaka Iimura	Independent Outside Director
Kihachiro Sano	Corporate Auditor
Atsuo Amano	Corporate Auditor
Ryozo Hayashi	Independent Outside Auditor
Toshiharu Moriya	Independent Outside Auditor
Noriko Hayashi	Independent Outside Auditor

**Representative Directors*

(1) Chief Executive Officer

The above named Directors are all engaged in the business of Teijin Limited on a full-time basis, except for Mr. Kunio Suzuki, Counselor of Mitsui O.S.K. Lines, Ltd., Mr. Hajime Sawabe, Director and Chairman of the Board of TDK Corporation and Mr. Yutaka Iimura, Special Envoy of the Government of Japan for the Middle East and Europe.

The business address of all of the above persons is 6-7, Minami-Hommachi 1-chome, Chuo-ku, Osaka 541-8587, Japan.

Conflicts of Interest

There are no potential conflicts of interest between the duties to Teijin Limited of the persons listed above, and their private interests or other duties.

TEIJIN HOLDINGS NETHERLANDS B.V.

History

Teijin Holdings Netherlands B.V., (Teijin B.V.) having its corporate seat in Arnhem, was validly incorporated under the laws of The Netherlands on 22nd December 2000 and is registered with the trade register under No. 09117449. The registered office is World Trade Center, Tower B-9th Floor, Strawinskylaan 925, 1077 XX, Amsterdam, The Netherlands (Telephone number +31 20 577 6057). Teijin B.V. is engaged in activities of sub-holding, financing, auditing, legal assistance, market research, and similar activities for group companies.

Relationship with other members of the Group

Teijin B.V. is a wholly owned subsidiary of Teijin Limited, located in Osaka, Japan. The financial statements of Teijin B.V. and its group companies are included in the consolidated financial statements of Teijin Limited. Teijin Limited's control of Teijin B.V. is governed by the applicable laws and regulations of The Netherlands relating to corporate governance.

Teijin B.V. holds 100% of the shares in Teijin Aramid B.V., (**Teijin Aramid**) a private company with limited liability, having its corporate seat in Arnhem, The Netherlands; Teijin Aramid GmbH, a company established in Wuppertal, Germany; Teijin Aramid France Eurl, a company established in Dardilly, France; Teijin Aramid Italy S.r.l., a company established in Milan, Italy; Teijin Aramid Asia Co., Ltd, a company established in Shanghai, People's Republic of China; Novameer Holding B.V., a company established in Veghel, The Netherlands; 50% of the shares in three affiliated companies, 5% of the shares in an affiliated company and 0.02% of the shares in an affiliated company.

Teijin Aramid produces para-aramid fibers and has a net turnover of approximately 480 million euro in the year ended 31 December 2010. It produces its own monomers PPD (Para Phenylene Diamine) and TDC (Terephthaloy Dichloride), as well as the polymer PPTA (PolyPhenylene Terephthal Amide) in the Delfzijl production facilities. Based on this polymer Teijin Aramid produces para-aramid filament yarn, chopped fibers and pulp in the Emmen plant and pulp in the Arnhem plant.

The para-aramids have highly interesting characteristics like high modulus, high specific strength, low weight, good chemical resistance, high temperature resistance, no brittleness and no corrosion. The combination of these properties in synthetic fibers is very unusual and creates unique application possibilities. The para-aramid fibers are marketed globally under the brand name Twaron and can be found in a comprehensive range of products including optical fiber cables, transmission belts, gaskets, brake linings, clutch-facings, hoses, composites, ballistics vests and helmets, protective clothing and conveyor belts.

Teijin Aramid GmbH is primarily engaged in trade activities of para-aramid.

Teijin Aramid France Eurl, Teijin Aramid Italy S.r.l. and Teijin Aramid Asia Co., Ltd are solely engaged in trade activities of para-aramid.

Administrative, Management and Supervisory Bodies

The following are the names, positions, functions and business addresses of the members of the administrative, management and supervisory bodies of Teijin B.V.:

<u>Name</u>	<u>Position</u>
J. Suzuki	Director
Y. Sonobe	Director
T. Kotera	Director

The business addresses of the Directors of Teijin B.V. are as follows:

J. Suzuki and T. Kotera;

World Trade Center, Tower B-9th floor Strawinskylaan 925, 1077 XX Amsterdam, The Netherlands

Y. Sonobe;

Kasumigaseki Common Gate West Tower, 2-1, Kasumigaseki 3 chome, Chiyoda-ku, Tokyo, 100-8585, Japan

Conflicts of Interest

There are no potential conflicts of interest between the duties to Teijin B.V. of the persons listed above, and their private interests or other duties.

TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Japan and The Netherlands. Neither such statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Noteholder or any person purchasing, selling or otherwise dealing in the Notes or any tax implication arising from the purchase, sale or other dealings in respect of the Notes. Prospective Noteholders who are in doubt about their tax position or any such tax implication or who may be subject to tax in a jurisdiction should consult their own professional advisers.

Japanese Taxation

Except in circumstances where any interest on the Notes issued by Teijin B.V. is attributable to a business in Japan conducted by Teijin B.V. in the manner provided for in the Special Taxation Measures Law of Japan (Law No. 26 of 1957) (as amended) (the **Special Taxation Measures Law**), the payment of principal and interest of the Notes issued by Teijin B.V. to a non-resident of Japan or a non-Japanese corporation will, under Japanese tax laws currently in effect, not be subject to any Japanese income tax or corporate tax, unless the receipt of the relevant payment is the income of such non-resident or non-Japanese corporation from sources in Japan. If any interest of the Notes issued by Teijin B.V. is attributable to a business in Japan conducted by Teijin B.V. as aforementioned, the following consequences relating to the Notes issued by Teijin Limited are also applicable to the Notes issued by Teijin B.V.

Interest payments on Notes issued by Teijin Limited to an individual resident of Japan or a Japanese corporation (except for a designated financial institution provided for under Article 6, paragraph 9 of the Special Taxation Measures Law which has complied with the requirements under Article 6 of the Special Taxation Measures Law), or to an individual non-resident of Japan or a non-Japanese corporation for Japanese tax purposes (a **non-resident holder**) who or which is a person having a special relationship (as described in Article 3-2-2, paragraphs 5 to 7 of the Cabinet Order relating to Special Taxation Measures Law (Cabinet Order No. 43 of 1957) (as amended) (the **Cabinet Order**)) with Teijin Limited (a **specially-related person of the Issuer**) will be subject to Japanese income tax at a rate of 15 per cent. on the amount specified in sub-paragraph (a) and (b) below, as applicable:

- (a) if interest is paid to an individual resident of Japan or a Japanese corporation or to a non-resident holder that is a specially-related person of the Issuer (except as provided in sub-paragraph (b) below), the amount of such interest; or
- (b) if interest is paid to a public corporation, financial institution or a financial instruments firm (which has complied with the Japanese tax exemption requirements) through a payment handling agent in Japan as provided for in Article 3-3, paragraph 6 of the Special Taxation Measures Law, the amount of such interest minus the amount provided in the Cabinet Order relating to said paragraph 6.

Generally, payment of interest on the Notes outside Japan by Teijin Limited or any Paying Agent to a beneficial owner that is a non-resident holder will not be subject to Japanese withholding tax so long as the beneficial owner does not have a permanent establishment in Japan and complies with the procedures for establishing its status as a non-resident holder in accordance with the requirements of Japanese law.

However, such payment of interest will be subject to Japanese withholding tax if:

- (a) the amount of interest on the Notes is calculated or determined on the basis of or by reference to certain indicators including the amount of profit, revenue, assets and distribution of surplus, distribution of profit and other similar distributions of Teijin Limited or any of its specially-related persons of the Issuer;
- (b) the recipient of interest on the Notes is a specially-related person of the Issuer; or
- (c) the recipient of interest on the Notes has a permanent establishment in Japan and such interest is attributable to a business in Japan conducted by such recipient; provided, however, that if such recipient has submitted a claim for exemption from Japanese withholding tax (*hikazei tekiyo shinkokusho*) provided under the Special Taxation Measures Law and such recipient is not a specially-

related person of the Issuer, such interest will not be subject to Japanese withholding tax but may be subject to Japanese income tax otherwise than by withholding.

Under current Japanese tax law, any excess amount of redemption price over issue price of the Notes without interest will be subject to Japanese income tax at the rate of 18 per cent. and such amount shall be withheld upon issuance of the Notes. If the recipient of such excess amount is a resident or a corporation of a country with which Japan has an income tax treaty, the Japanese withholding tax rate may be modified by any applicable provisions of such income tax treaty.

Under current Japanese practice, Teijin Limited and the Paying Agents may determine their withholding obligations in respect of the Notes issued by Teijin Limited held through a qualified clearing organisation in reliance on certifications received from such organisation, and need not obtain certifications from the ultimate beneficial owners of such Notes. As part of the procedures under which such certificates are given, a beneficial owner may be required to establish that it is a non-resident holder to the person or entity through which it holds such Notes. A non-resident holder that holds Notes issued by Teijin Limited otherwise than through a qualified clearing organisation may be required to deliver a duly completed claim for exemption from Japanese withholding tax, and to provide documentation concerning its identity, residence and any other required information to the relevant Paying Agent in order to receive interest from the Paying Agent free of Japanese withholding tax. Teijin Limited and the relevant Paying Agent may adopt modified or supplemented certification procedures to the extent necessary to comply with changes in, or as otherwise permitted under, Japanese law or administrative practice.

Gains derived from the sale of Notes outside Japan (whether issued by Teijin Limited or Teijin B.V.) by a non-resident of Japan are in general not subject to Japanese income tax and such gains of a non-Japanese corporation without a permanent establishment in Japan are in general not subject to Japanese income or corporate taxes. Gains derived from the sale in Japan by a non-resident of Japan are not subject to Japanese income tax and such gains of a non-Japanese corporation not having a permanent establishment in Japan are in general not subject to Japanese income or corporate taxes. Japanese inheritance and gift taxes at progressive rates may be payable by an individual, wherever resident, who has acquired Notes issued by Teijin Limited as legatee, heir or donee. A non-resident of Japan who has acquired Notes issued by Teijin B.V. as legatee, heir or donee is in general not subject to Japanese inheritance or gift taxes.

No stamp, issue, registration or similar taxes or duties will, under present Japanese law, be payable by Noteholders in connection with the issue of the Notes.

The Netherlands

General

The following is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Dutch tax law which could be of relevance to a holder of Notes (**Noteholder**). For Dutch tax purposes, a Noteholder may include an individual or entity who does not have the legal title of the Notes, but to whom nevertheless the Notes are attributed based either on such individual or entity owning a beneficial interest in the Notes or based on specific statutory provisions, including statutory provisions pursuant to which Notes are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Notes. Prospective Noteholders should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Notes.

The following summary is based on the Dutch tax laws as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this paragraph, **Dutch Taxes** shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

Withholding Tax

Any payments made under the Notes will not be subject to withholding or deduction for, or on account of, any Dutch Taxes.

Taxes on income and capital gains

This section does not purport to describe the possible Dutch tax considerations or consequences that may be relevant to a Noteholder who is an individual and for whom the income or capital gains derived from the Notes are attributable to employment activities, the income from which is taxable in the Netherlands.

A Noteholder will not be subject to any Dutch Taxes on any payment made to the Noteholder under the Notes or on any capital gain made by the Noteholder from the disposal, or deemed disposal, or redemption of, the Notes, except if:

- (i) the Noteholder is, or is deemed to be, resident in the Netherlands for Dutch (corporate) income tax purposes; or
- (ii) the Noteholder is an individual and has opted to be taxed as if resident in the Netherlands for Dutch income tax purposes; or
- (iii) the Noteholder derives profits from an enterprise, whether as entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of the enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands to which the Notes are attributable; or
- (iv) the Noteholder is an individual and has a substantial interest (*aanmerkelijk belang*) in Teijin B.V. or derives benefits from miscellaneous activities (*overige werkzaamheden*) carried out in the Netherlands in respect of the Notes, including (without limitation) activities which are beyond the scope of active portfolio investment activities; or
- (v) the Noteholder is not an individual and has a substantial interest, or a fictitious substantial interest (*fictief aanmerkelijk belang*), in Teijin B.V., which is not part of the assets of an enterprise; or
- (vi) the Noteholder is not an individual and is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands other than by way of the holding of securities and to which enterprise the Notes are attributable; or
- (vii) the Noteholder is an individual and is entitled other than by way of the holding of securities to a share in the profits of an enterprise effectively managed in the Netherlands to which the Notes are attributable.

Generally, a Noteholder has a substantial interest if such Noteholder, alone or together with his partner, directly or indirectly:

- (i) owns, or holds certain rights on, shares representing directly or indirectly five per cent. or more of the total issued and outstanding capital of Teijin B.V., or of the issued and outstanding capital of any class of shares of Teijin B.V.;
- (ii) holds rights to acquire shares, whether or not already issued, representing directly or indirectly five per cent. or more of the total issued and outstanding capital of Teijin B.V., or of the issued and outstanding capital of any class of shares of Teijin B.V.; or
- (iii) owns, or holds certain rights on, profit participating certificates that relate to five per cent. or more of the annual profit of Teijin B.V. or to five per cent. or more of the liquidation proceeds of Teijin B.V..

A Noteholder who has the ownership of shares of Teijin B.V., will also have a substantial interest if his partner or one of certain relatives of the Noteholder or of his partner has a (fictitious) substantial interest.

For Dutch tax purposes, the ownership of the shares of Teijin B.V. is attributed to the Noteholder based either on the Noteholder owning a beneficial interest in the shares or based on specific statutory provisions, including statutory provisions pursuant to which shares are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the shares, although the Noteholder does not have the legal title of the shares.

Generally, a Noteholder has a fictitious substantial interest (*fictief aanmerkelijk belang*) if, without having an actual substantial interest in Teijin B.V.:

- (i) an enterprise has been contributed in exchange for shares on an elective non-recognition basis;
- (ii) the shares have been obtained under inheritance law or matrimonial law, on a non-recognition basis, while the previous shareholder had a substantial interest in Teijin B.V.;
- (iii) the shares have been acquired pursuant to a share merger, legal merger or legal demerger, on an elective non-recognition basis, involving Teijin B.V. while the Noteholder prior to this transaction had a substantial interest in an entity that was party thereto; or
- (iv) the shares held by the Noteholder, prior to dilution, qualified as a substantial interest and, by election, no gain was recognised upon disqualification of these shares.

Gift tax or inheritance tax

No Dutch gift tax or inheritance tax is due in respect of any gift of the Notes by, or inheritance of the Notes on the death of, a Noteholder, except if:

- (a) at the time of the gift or death of the Noteholder the Noteholder is resident, or is deemed to be resident, in the Netherlands; or
- (b) the Noteholder passes away within 180 days after the date of the gift of the Notes and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident in the Netherlands; or
- (c) the gift of the Notes is made under a condition precedent and the Noteholder is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

For purposes of Dutch gift or inheritance tax, an individual who is of Dutch nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, any individual, irrespective of his nationality, will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the 12 months preceding the date of the gift.

Other taxes

No other Dutch Taxes including taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are due by or on behalf of Teijin B.V. or a Noteholder by reason only of the issue, acquisition or transfer of the Notes.

Residency

Subject to the exceptions above, a Noteholder will not become resident, or deemed resident, in the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of Teijin B.V.'s performance, or the Noteholder's acquisition (by way of issue or transfer to it), holding and/or disposal of the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the taxation authorities of another Member State details of payments of interest (or similar

income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 28 October 2011 (the **Programme Agreement**), agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, each Obligor has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Interest Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (a) to (c) above shall require the Relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No.25 of 1948, as amended, the “Financial Instruments and Exchange Law”) and the Notes issued (a) by Teijin Limited and (b) by Teijin B.V. in circumstances where any interest on the Notes is attributable to a business in Japan conducted by Teijin B.V. in the manner provided for in the Special Taxation Measures Law, are subject to the provisions of “foreign-issued company bonds” (*minkan kokugaisai*) under the Special Taxation Measures Law. Each of the Dealers has represented and agreed that (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell Notes in Japan or to any person resident in Japan for Japanese financial instruments law purposes (including any corporation or other entity organised under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law; and (ii) it has not, directly or indirectly, offered or sold any of the Notes to, or for the benefit of, any person other than a Gross Recipient (as hereinafter defined) and will not, directly or indirectly, offer or sell any of the Notes (x) as part of its distribution at any time to, or for the benefit of, any person other than a Gross Recipient and (y) otherwise until 40 days after the closing date, directly or indirectly, to, or for the benefit of, any individual resident of Japan or Japanese corporation for Japanese tax purposes (except for (i) a Japanese financial institution, designated in Article 3-2-2, paragraph 29 of the Cabinet Order that will hold the Notes (if issued by Teijin B.V., only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by Teijin B.V. as mentioned above) for its own proprietary account (a **Designated Financial Institution**) and (ii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes (if issued by Teijin B.V., only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by Teijin B.V. as mentioned above) will be made through a payment handling agent in Japan as defined in Article 2-2, paragraph 2 of the Cabinet Order (an **Article 3-3 Japanese Resident**). A **Gross Recipient** for this purpose is (i) a beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or Japanese corporation, nor (y) an individual non-resident of Japan or non-Japanese corporation that in either case is a person having a special relationship (as described in Article 3-2-2, paragraphs 5 to 7 of the Cabinet Order) with the Issuer, (ii) a Designated Financial Institution, or (iii) an Article 3-3 Japanese Resident.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for

the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Each Dealer has represented and agreed that it has complied and will comply with the requirement under the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) that Bearer Zero Coupon Notes and other Notes which qualify as savings certificates as defined in the Dutch Savings Certificates Act may, irrespective of whether they have a maturity of more or less than twelve months, only be transferred or accepted through the intermediary of either the relevant Issuer or a Member of Euronext Amsterdam N.V. and with due observance of the Dutch Savings Certificates Act (including registration requirements). However, no such intermediary services are required in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) any transfer and acceptance by individuals who do not act in the conduct of a profession or trade, and (iii) the transfer or acceptance of such Notes, if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that as of 1 January 2012 it shall include in:

- (a) any offer of Notes to the public in the Netherlands other than an offer:
 - (i) in respect of which a prospectus approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the **AFM**) (or, where appropriate, by the competent authority in another Member State of the European Economic Area which has implemented the Prospectus Directive and notified to AFM in accordance with the Prospectus Directive) has been made generally available; or
 - (ii) only to qualified investors as defined in the Prospectus Directive; and
- (b) any advertisement relating to such an offer, and any document in which the prospect of such offer is held out;

that:

- (A) no prospectus approved by AFM has been or will be made generally available; and
- (B) such offer is not supervised by the AFM;

in such manner as prescribed by the AFM from time to time.

For purposes of this provision the expression **Prospectus Directive** shall have the meaning set out under “Public Offer Selling Restriction under the Prospectus Directive”.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers, the Guarantor nor any of the other Dealers shall have any responsibility therefor.

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuers or their affiliates. Such Dealers and their affiliates have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions, which consist of either the purchase of credit default swaps or the creation of short positions in the Issuers' securities, including potentially the Notes to be issued under the Programme. Any such short positions could adversely affect future trading prices of the Notes to be issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

None of the Issuers, the Guarantor and the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Obligor(s) and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was duly authorised by a resolution of the Board of Directors of Teijin Limited dated 27 February 2002. The update of the Programme and the giving of the guarantee by the Guarantor relating to the Notes issued by Teijin B.V. have been authorised by Mr. Yoshihisa Sonobe, Corporate Officer, Chief Financial Officer, General Manager, Accounting and Treasury Office of Teijin Limited, who has the relevant power to authorise the update of the Programme pursuant to the Company Law of Japan and such authorisation has been certified by Mr. Shigeo Ohyagi, President, Chief Executive Officer and Representative Director of the Board of Teijin Limited in the Certificate of Authorisation dated 28 October 2011. A further resolution of the Board of Directors of Teijin Limited will be required for authorisation of the issue of Notes under the Programme by Teijin Limited.

The establishment of the Programme and the current update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of Teijin B.V. dated 28 October 2002 and 28 October 2011, respectively.

Listing of Notes on the Official List

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's Professional Securities Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's Professional Securities Market. The listing of the Programme in respect of Notes is expected to be granted on or before 2 November 2011.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available from the registered offices of the Issuers and from the specified office of the Paying Agent for the time being in London:

- (i) the constitutional documents (with an English translation thereof) of Teijin Limited and the Articles of Association (with an English translation thereof) of Teijin B.V.;
- (ii) the auditors' reports and audited consolidated annual financial statements for the two financial years ended 31 March 2011 of Teijin Limited;
- (iii) the auditors' reports and audited consolidated and non-consolidated annual financial statements for the financial year ended 31 December 2009 and for the financial year ended 31 December 2010 of Teijin B.V.;
- (iv) the Programme Agreement, the Agency Agreement, the Guarantee, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (v) a copy of this Offering Circular;
- (vi) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that Final Terms relating to a Note which is not listed or admitted to trading will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference; and
- (vii) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

The English language translations of the constitutional documents of Teijin Limited and the Articles of Association of Teijin B.V. are accurate and direct translations of the original foreign language documents. In the event of a discrepancy between the English language translation and the foreign language version, the foreign language version will prevail.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been (a) no significant change in the financial or trading position of the Teijin Group since 31 March 2011 and (b) no material adverse change in the prospects of Teijin Limited or the Teijin Group since 31 March 2011.

There has been (a) no significant change in the financial or trading position of Teijin B.V. or its subsidiaries since 31 December 2010 and (b) no material adverse change in the prospects of Teijin B.V. or Teijin B.V. and its subsidiaries since 31 December 2010.

Litigation

Neither Teijin Limited nor Teijin B.V. nor its group companies nor any other member of the Teijin Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Teijin Limited or Teijin B.V. is aware) in the 12 months preceding the date of this document which may have or have had in the recent past a significant effect on the financial position or profitability of Teijin Limited, Teijin B.V. and its group companies or the Teijin Group.

Auditors

The auditors of Teijin Limited are KPMG AZSA & Co., Tokyo office, Tokyo Sankei Building, 7-2, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8172, Japan, an independent registered public accounting firm, who have audited the accounts, without qualification, in accordance with generally accepted auditing standards in Japan for each of the two financial years ended on 31 March 2011. The auditors of Teijin Limited have no material interest in Teijin Limited.

From and including 1 January 2008, the auditors of Teijin B.V. are KPMG Accountants N.V., KPMG Building, Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands, an independent accounting firm whose auditors are members of the Royal Netherlands Institute of Registered Accountants (Koninklijk Nederlands Instituut van Register accountants), who have audited the annual accounts for the financial year ended on 31 December 2010 in accordance with Dutch law and issued an unqualified auditor's report on such annual accounts. KPMG Accountants N.V. has no material interest in Teijin B.V.

Post-issuance information

Neither Issuer intends to provide any post-issuance information in relation to any issues of Notes.

Dealers transacting with the Issuers

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuers and their affiliates in the ordinary course of business.

ISSUER AND GUARANTOR

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