

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 (in such capacity 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 Conduct Authority in its capacity as competent authority (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 certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a pricing supplement document (the **Pricing Supplement**) 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. Copies of the Pricing Supplement in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

Teijin Limited has been rated A- by Rating and Investment Information, Inc. (**R&I**). The Programme has been rated A- by R&I. Notes issued under the Programme may be rated or unrated by the rating agency referred to above. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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.

Arranger

SMBC Nikko

Dealers

BNP PARIBAS

Citigroup

J.P. Morgan

Mizuho Securities

Daiwa Capital Markets Europe

MUFG

Nomura

SMBC Nikko

The Royal Bank of Scotland

The date of this Offering Circular is 30 October 2014.

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

Each Issuer and the Guarantor accept responsibility for the information contained in this Offering Circular and the Pricing Supplement for each Tranche of Notes issued under the Programme. 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 the Pricing Supplement 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 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 may wish to consider, either on its own or with the help of its financial and other professional advisors whether it:

- (i) has 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) has 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) has 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) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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 advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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 Directive 2003/71/EC as amended (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, one or more relevant Dealers (the “Stabilisation Manager(s)”) (or persons acting on behalf of any Stabilisation Manager(s)) 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 Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation 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 Stabilisation 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 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:	SMBC Nikko Capital Markets Limited
Dealers:	BNP Paribas Citigroup Global Markets Limited Daiwa Capital Markets Europe Limited J.P. Morgan Securities plc Mitsubishi UFJ Securities International plc Mizuho International plc Nomura International plc SMBC Nikko Capital Markets Limited 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 “ <i>Subscription and Sale</i> ”.
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.
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 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 the reference rate set out in the applicable Pricing Supplement. <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> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate 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>
Zero Coupon Notes:	Zero Coupon Notes may be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than 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.

Notes issued on terms that they must be redeemed before their first anniversary may be subject to restrictions on their denomination and distribution, see “*Certain Restrictions – Notes having a maturity of less than one year*” above.

Denomination of Notes:

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).

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 “*Certain Restrictions – Notes having a maturity of less than one year*” above.

Taxation:

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 5 and Condition 7, be required to pay additional amounts to cover the amounts so deducted.

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 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 listed 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 Pricing Supplement 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 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 the ability of Teijin Limited to fulfil its obligations as an Issuer of the Notes issued under the Programme and its obligations as the Guarantor under the Guarantee

Teijin Limited is the ultimate parent company of the Teijin Group. It is also engaged in the operation of certain businesses of the Group. In that sense, Teijin Limited is dependent to a certain extent on the activities of the members of the Group and revenues derived from such group companies in a similar way as is described in a bit more detail for Teijin B.V. below. The following are the material risks relating to the activities of the Teijin Group which therefore may adversely affect operating results and the financial position of Teijin Limited.

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 and the polyester film and polycarbonate resin businesses – 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 majority of products in the Teijin Group's materials businesses are intermediates. Owing to inventory adjustments at each stage of production and sales, the rate of expansion or contraction of end-user demand for such products may exceed that of the real economy.

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.

Product Quality Risk

Teijin Pharma Limited, the principal subsidiary in the Teijin Group's healthcare 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.

Factors that may affect the ability of Teijin B.V. to fulfil its obligations as an Issuer of the Notes issued under the Programme

Teijin B.V. is a holding company with no material, direct business operations. The principal assets of Teijin B.V. are the equity interests it directly or indirectly holds in its subsidiaries which are mainly engaged in the aramid business globally. As a result, Teijin B.V. is dependent on loans, interest, dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations. The ability of Teijin B.V.'s subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory or contractual restrictions. As an equity investor in its subsidiaries, Teijin B.V.'s right to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of creditors of its subsidiaries. To the extent that Teijin B.V. is recognised as a creditor of such subsidiaries, Teijin B.V.'s claims may still be subordinated to any security interest in or other lien on their assets and to any of their debt or other obligations that are senior to Teijin B.V.'s claims.

Further factors that may affect the ability of Teijin Limited and Teijin B.V. to fulfil their obligations as Issuers of the Notes issued under the Programme and the ability of Teijin Limited to fulfil its obligations as the Guarantor under the Guarantee

Litigation Risk

In the course of their operations, the Issuers, the Guarantor and other companies of the Teijin Group face the risk of litigation related to, among others, products (particularly pharmaceutical products as mentioned above and home healthcare products), environmental liabilities (particularly in relation to possible air pollution and its adverse effects on the health of neighbourhood residents resulting from the leakage of toxic substances such as petroleum and hydrochloric acid or other materials used for Teijin's resin and fiber production businesses) and intellectual property issues such as alleged claims of infringement of patents relating to, among other things, performance polymer products, advanced fiber products and pharmaceutical products of the Teijin Group, in Japan and overseas. Due to the inherent uncertainty, it is not possible to predict when and whether any significant litigation will be brought against any Issuer and/or the Guarantor and whether the relevant Issuer and/or the Guarantor will prevail. However if any significant litigation occurs, it may negatively affect the operating results, financial position and public reputation of each Issuer and/or the Guarantor and therefore their ability to pay interest, principal or other amounts on or in connection with the Notes.

Risks Related to Laws and Regulations of Different Countries

Teijin Limited, Teijin B.V. and their subsidiaries are subject to laws and regulations and governmental approval procedures in the countries in which they operate. If a relevant country were to introduce new laws and regulations or revise existing laws and regulations relating to, among other things, custom duties, tariffs and corporate taxes, currency restrictions or environmental requirements for plants, Teijin Limited, Teijin B.V. and their subsidiaries' profits from the relevant country may decrease because of increased tariffs and taxes, and increased expenses may be required, for example, to change transportation measures in order to clear more stringent procedures including custom duties. In particular, in the countries with relatively new legal systems and/or less predictable governmental procedures, including the People's Republic of China (**PRC**) and South-east Asian countries, the burden of compliance may increase due to factors such as the lack of established regulations, unexpected interpretations of existing regulations and changing practices.

Failure to comply with current or future laws and regulations could lead to penalties and fines against the Issuers and/or the Guarantor and restrictions in their operations or damage to their reputation. If that occurs, it may negatively affect the operating results and financial position of each Issuer and/or the Guarantor and therefore their ability to pay interest, principal or other amounts on or in connection with the Notes.

Risks Related to Economic Turbulence

Teijin Limited, Teijin B.V. and their subsidiaries may be adversely affected by economic turbulence in the regions in which they operate. Prolonged economic crises in Europe may result in the increase in interest rates, difficult conditions for financing activities and a decrease in sales due to stagnant market conditions in the particular region where the Issuers and the Guarantor operate. In addition, drastic changes in the economic conditions in emerging markets, including PRC and South-east Asia, may cause unexpected levels of inflation, the increase in the purchase price of materials, significant movements in exchange rates and an increase in employee wages in the relevant regions. The occurrence of the above may negatively affect the operating results and financial position of each Issuer and/or the Guarantor and therefore their ability to pay interest, principal or other amounts on or in connection with the Notes.

Risks Related to Wars, Terrorism and Social Disruption

If war, terrorist acts, political upheaval or any other events that cause social disruption, such as riot, were to occur in any of the regions in which Teijin Limited, Teijin B.V. and their subsidiaries operate, including PRC and South-east Asia, extensive damage may occur to production facilities, disruptions and/or delays may occur in the operations of the business, there may be increased difficulty in securing employment and a further increase in the cost of safety measures. Significant or prolonged disruptions and/or delays in such business operations, lack of sufficient workforce and increased costs may adversely affect the operating results and financial position of each Issuer and/or the Guarantor and therefore their ability to pay interest, principal or other amounts on or in connection with the Notes.

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 unexpected accident occurs and damages the production facilities of any of Teijin Limited, Teijin B.V.'s subsidiaries and other members of the Group or their supply chains for raw materials, such damage may have a negative impact on the operating results and/or financial position of each Issuer and/or the Guarantor and therefore their ability to pay interest, principal or other amounts on or in connection with the Notes.

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

Risks related to the structure of a particular issue of Notes

Notes subject to optional redemption by the relevant Issuer

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

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.

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 Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive,

in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is 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).

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 Issuer nor any Paying Agent (as defined in the Conditions of the Notes) 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 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.

Foreign Account Tax Compliance Act Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (FATCA) impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) “foreign passthru payments” made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. While the Notes are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, Société anonyme (the **ICSDs**), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. An Issuer’s obligations under the Notes are discharged once it has paid the common depositary for the ICSDs as bearer of the Notes, and an Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Prospective investors should refer to the section “Taxation – Foreign Account Tax Compliance Act.”

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 or the ability of the Issuers or Guarantor to make payments in respect of the Notes. 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.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the Report on the annual accounts 2013 of Teijin B.V. which includes, *inter alia*, from page 2, the independent auditors' report and audited consolidated annual financial statements for the financial year ended 31 March 2013 of Teijin B.V.;
- (b) the Report on the annual accounts 2014 of Teijin B.V. which includes, *inter alia*, from page 2, the independent auditors' report and audited consolidated annual financial statements for the financial year ended 31 March 2014 of Teijin B.V.;
- (c) the independent auditors' report and audited consolidated annual financial statements for the financial year ended 31 March 2013 of Teijin Limited included in the Annual Report 2013 of Teijin Limited at pages 36 to 73 (inclusive) and for the financial year ended 31 March 2014 of Teijin Limited included in the Annual Report 2014 of Teijin Limited at pages 36 to 78 (inclusive);
- (d) the Terms and Conditions of the Notes contained in the Offering Circular dated 30 October 2012, pages 26-49 (inclusive) prepared by the Issuers in connection with the Programme; and
- (e) the Terms and Conditions of the Notes contained in the Offering Circular dated 30 October 2013, pages 26-49 (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, from the specified office of the Agent for the time being in London and on the www.londonstockexchange.com/exchange/news/market-news/market-news-home.html website.

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 Conduct 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.

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.

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 Pricing Supplement, 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 depositary (the **Common Depositary**) 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, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Pricing Supplement), 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 Pricing Supplement 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, 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.

In relation to any issue of Notes which are a "Global Note exchangeable to Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Note", such Notes may only be issued in denominations equal to, or greater than, EUR 100,000 (or equivalent) and multiples thereof.

In the case of each Tranche of Notes, the relevant Pricing Supplement will specify whether U.S. Treas. Reg. § 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (**TEFRA C**) or U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (**TEFRA D**) is applicable in relation to the Notes, or if the Notes have an original maturity of one year or less, that TEFRA is not applicable. The following legend will appear on all permanent and definitive Notes which have an original maturity of more than one year and on all interest coupons relating to such Notes, unless the relevant Pricing Supplement specifies that TEFRA C applies:

“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 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 SPAARBEWIJZEN*), 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 and Coupons (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 15.315 PER CENT. (FROM AND INCLUDING 1 JANUARY 2038, 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 15.315 PER CENT. (FROM AND INCLUDING 1 JANUARY 2038, 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 at a point after the Issue Date of the further Tranche, 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 such time as the Tranches are consolidated and form a single Series, which shall not be prior to 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 30 October 2014 and executed by the Issuers.

APPLICABLE PRICING SUPPLEMENT

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

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[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 30 October 2014 [and the supplement[s] to it dated [] [and []] which [together] constitute[s] listing particulars for the purposes of the listing rules of the United Kingdom Financial Conduct Authority (the **Listing Rules**). This document constitutes the Pricing Supplement 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 the Pricing Supplement 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. In addition, the Offering Circular has been published on the www.londonstockexchange.com/exchange/news/market-news/market-news-home.html website.

[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 30 October 2014 [and the supplement[s] to it dated [date]]. This document constitutes the Pricing Supplement of the Notes described herein for the purposes of the listing rules of the United Kingdom Financial Conduct Authority (the **Listing Rules**) and must be read in conjunction with the Offering Circular dated 30 October 2014 [and the supplement[s] to it dated [] [and []] which [together] constitute[s] listing particulars for the purposes of the Listing Rules. 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. In addition, the Offering Circular has been published on the www.londonstockexchange.com/exchange/news/market-news/market-news-home.html website.

- | | | |
|----|---|---|
| 1. | (i) Issuer: | [Teijin Limited/
Teijin Holdings Netherlands B.V.] |
| | (ii) Guarantor: | [Teijin Limited/None] |
| 2. | (i) Series Number: | [] |
| | (ii) Tranche Number: | [] |
| | (iii) Date on which the Notes will be consolidated and will form a single series: | The Notes will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global Note |

for interests in the Permanent Global Note, as referred to in paragraph 21 below, which is expected to occur on or about [] [Not Applicable]

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 []]
6.
 - (i) Specified Denominations: []
 - (ii) Calculation Amount: []
7.
 - (i) Issue Date: []
 - (ii) Interest Commencement Date: [[]/Issue Date/Not Applicable]
8. Maturity Date: [[]/Interest Payment Date falling in or nearest to []]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
(see paragraph [13/14/15] below)
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
11. Change of Interest Basis or Redemption Basis: [Applicable/Not Applicable]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(see paragraph [17/18] below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
 - (i) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
 - (ii) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]
 - (iii) Fixed Coupon Amount(s): [] per Calculation Amount
 - (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on][]/[Not Applicable]

(v)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)]
(vi)	Determination Date(s):	[[] in each year]/[Not Applicable]
14.	Floating Rate Note Provisions	[Applicable/Not Applicable]
(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]
(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]
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[]
(vi)	Screen Rate Determination:	
	– Reference Rate and Relevant Financial Centre:	Reference Rate: [] month [LIBOR/EURIBOR] Relevant Financial Centre: [London/Brussels/ []]
	– Interest Determination Date(s):	[]
	– Relevant Screen Page:	[]
(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: (for the purpose of Condition 4)	[2000/2006] ISDA Definitions apply
(xii)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365] [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] 30E/360 ISDA

15. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

16. Notice Periods for Condition 6(b): Minimum period:[] days
Maximum period: [] days
17. Issuer Call: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice periods: Minimum period: [] days
Maximum period: [] days
18. Investor Put: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) Notice periods: Minimum period: [] days
Maximum period: [] days
19. Final Redemption Amount: [] per Calculation Amount
20. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. 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]]
22. Additional Financial Centre(s): [Not Applicable/[]]

- | | |
|---|---|
| 23. Talons for future Coupons to be attached to Definitive Notes: | [Yes as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No] |
| 24. U.S. Selling Restrictions: | [Reg. S compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]] |

THIRD PARTY INFORMATION

[[] has been extracted from []. [Each of the] [The] Issuer [and the Guarantor] 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 [], no facts have been omitted which would render the reproduced information inaccurate or misleading.].

Signed on behalf of [<i>name of the Issuer</i>]:	[Signed on behalf of [<i>name of the Guarantor</i>]:
--	--

By:	By:
<i>Duly authorised</i>	<i>Duly authorised</i>

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing/Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's Professional Securities Market and listing on the Official List of the UK Listing Authority with effect from []. The London Stock Exchange's Professional Securities Market is not a regulated market for the purposes of Directive 2004/39/EC.]/[Not Applicable]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued [have been]/[are expected to be] rated [] by []/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

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

[Save for fees (if any) payable to the [Managers/Dealer], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealer] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with and may perform other services for, the Issuer, [the Guarantor] and [its/their] affiliates in the ordinary course of business.]

4. YIELD

- Indication of yield: [] per cent. per annum

5. 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/[]]
- (iv) Names and addresses of additional Paying Agent(s) (if any): []

6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable]
- (v) U.S. Selling Restrictions: Reg. S Compliance Category [1/2/3]; [TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Additional selling restrictions: [Not Applicable]

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 Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Applicable Pricing Supplement” for a description of the content of the Pricing Supplement 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 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 30 October 2014 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 in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, 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. Global Notes do not have 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 Pricing Supplement attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**). References to the **applicable Pricing Supplement** are unless otherwise stated 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 30 October 2014 and executed by the Guarantor. The original of the Guarantee is held by the Agent on behalf of the Noteholders 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 **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 (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and

conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 30 October 2014 and executed by the Issuers. The original of the Deed of Covenant is held by the common depositary 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 Pricing Supplement 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 Pricing Supplement 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 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 Pricing Supplement 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 Pricing Supplement 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 Pricing Supplement, the applicable Pricing Supplement will prevail.

In the Conditions, **euro** means 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.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**), and the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement. 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, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

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 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 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 Pricing Supplement.

2. STATUS OF THE NOTES AND THE GUARANTEE

(a) Status of the Notes

The Notes and any relative 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 Pricing Supplement, 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 Pricing Supplement, 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 Pricing Supplement, 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
- (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 Pricing Supplement:
 - (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 Pricing Supplement) 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 Pricing Supplement, 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*

(i) *Interest Payment Dates*

Each Floating Rate 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 Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, 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 Pricing Supplement 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. In the Conditions **Interest Period** means 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 Pricing Supplement 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 each Additional Business Centre specified in the applicable Pricing Supplement; 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 (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 will be determined in the manner specified in the applicable Pricing Supplement.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Pricing Supplement 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 Pricing Supplement) 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 Pricing Supplement) and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

(3) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

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 Pricing Supplement 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 (or such replacement page on that service which displays the information) as at 11.00 a.m. Relevant Financial Centre time on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) 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.

Reference Rate means (i) LIBOR or (ii) EURIBOR, in each case for the relevant period, as specified in the applicable Pricing Supplement.

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.

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

If the applicable Pricing Supplement 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 Pricing Supplement 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 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.

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

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating 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 Floating Rate 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 Pricing Supplement, or if the 2006 ISDA Definitions and either “Actual/Actual (ISDA)” or “Actual/Actual” are specified in the applicable Pricing Supplement, 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 Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if Actual/365 (Sterling) is specified in the applicable Pricing Supplement, 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 Pricing Supplement, 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 Pricing Supplement, 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 Pricing Supplement, 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 Pricing Supplement, 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 Pricing Supplement, 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 Pricing Supplement, 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 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 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 shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *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 (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

(b) *Presentation of definitive Notes 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 and its possessions)).

Fixed Rate Notes in definitive form (other than 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 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 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 Pricing Supplement,
- (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 Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vi) 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 will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

(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 not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement 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 as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Noteholders in accordance with Condition 13 (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 the applicable Pricing Supplement 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 Pricing Supplement. 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 as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement the Issuer will, upon the expiry of such notice, redeem 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.

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 depository, 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 Condition 6(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) 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 the applicable Pricing Supplement or, if no such amount, 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 the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 in which case the numerator will be 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 will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Bond becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Bond to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Bond becomes due and repayable and the denominator will be 365).

(f) *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 Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

(g) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured 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 (f) above (together with all unmatured

Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(h) *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 and Coupons by or on behalf of 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 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 or Coupons, as the case may be, in the absence of such withholding or deduction.

For the avoidance of doubt, as stated in Condition 5(a), payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the rest of the provisions of Condition 7, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the rest of the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

- (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 or Coupon presented for payment:
- (i) by or on behalf of a Noteholder 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 or Coupon or by the receipt of principal or interest in respect of such Note or Coupon; or
 - (ii) by or on behalf of a Noteholder 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 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 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 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 or Coupon presented for payment:
- (i) by or on behalf of a holder who is liable for such Taxes in respect of such Note or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of such Note 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 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 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 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 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, COUPONS AND TALONS

Should any Note, 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, 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**. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Pricing Supplement.

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 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 such day as is specified in the applicable Pricing Supplement 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 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 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 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 Couponholders.

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

- (a) any modification (except as mentioned above) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, 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 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 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 the date from which interest starts to accrue 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 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 and the Coupons are governed by, and shall be construed in accordance with, English law.

(b) *Submission to jurisdiction*

- (i) Subject to Condition 17(b) (iii) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the

consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

- (ii) For the purposes of this Condition 17(b), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (iii) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (A) proceedings in any other court with jurisdiction; and (B) concurrent proceedings in any number of jurisdictions.

(c) *Appointment of Process Agent*

Each Issuer irrevocably 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 any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process 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.

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. During its 96-year history, Teijin Limited has grown from a small domestic venture into a major multinational enterprise, which comprises many group companies (in this section Teijin Limited and its consolidated subsidiaries are collectively referred to as the **Teijin Group**, the **Group** or **Teijin**).

The Teijin Group adopted a holding company structure in 2003 with Teijin Limited as the ultimate parent company. Since 2012, the Group has been implementing restructuring measures to strengthen its ability to respond to customers' demands and to build a business system that integrates fundamental technologies more effectively and comprehensively. On 1 October 2012, Teijin Limited initiated the integration of all the businesses of Teijin Fibers Limited, excluding its apparel business, and absorbed by merger its four consolidated subsidiaries; namely, Teijin Techno Products Limited, Teijin Films Limited, Teijin Intellectual Property Center Limited and Teijin Creative Staff Co., Ltd. On 1 April 2013, Teijin Limited also absorbed by merger Teijin Chemicals Ltd. As a result, Teijin Limited currently functions as a holding company and as an operating company that manufactures and sells certain fibre and resin products.

Teijin's current operations encompass five segments and business units thereunder as follows: the "advanced fibers and composites" segment (consisting of the "high performance fibers business unit" and the "carbon fibers and composites business unit"); the "electronics materials and performance polymer products" segment (consisting of the "resin & plastics processing business unit" and the "films business unit"); the "healthcare" segment; the "trading and retail" segment; and the "others" segment (consisting of the "IT business group" and the "new business development group").

Teijin operates its business in more than 20 countries. On 1 October 2013, Teijin Frontier Co., Ltd. (**Teijin Frontier**), a consolidated subsidiary of Teijin Limited, established Teijin Frontier Myanmar Co., Ltd. (**Teijin Frontier Myanmar**) as an overseas subsidiary in Yangon, Myanmar, which is a non-consolidated subsidiary accounted for the equity method of Teijin Limited. Teijin Frontier Myanmar's current business is to provide some services including market information gathering for Teijin Frontier and no sales by Teijin Frontier Myanmar to any third party have been recorded nor are planned to be recorded in the near future. In the fiscal year ended 31 March 2014, the Teijin Group had a few sales to Belarus by Teijin Aramid B.V. with respect to aramid fibers, a few sales by Teijin Pharma Limited under a distribution agreement in Lebanon with respect to treatment for hyperuricemia and gout, and a few sales to Myanmar by Nantong Teijin Co., Ltd. with respect to polyester fibers. However the sales to each of those countries were insignificant considering the consolidated net sales of the Teijin Group.

Teijin Limited's shares are listed on Tokyo Stock Exchange, Inc. (**Tokyo Stock Exchange**).

Relationship with other members of the Teijin Group

Teijin Limited is an ultimate parent company and is not directly or indirectly owned by any other company of the Teijin Group. As mentioned above, Teijin Limited now functions as a holding company of the Teijin Group while operating manufacturing and sale businesses. As of 31 March 2014, Teijin Limited had 69 consolidated subsidiaries.

Major Shareholders

Teijin Limited is a public limited liability company. As at 31 March 2014, 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 Shareholders	Holding (per cent.)
1. The Master Trust Bank of Japan, Ltd. (Trust account)	7.66%
2. Japan Trustee Services Bank, Ltd. (Trust account)	5.04%
3. Nippon Life Insurance Company	4.03%
4. The Employee Stock Ownership Association of Teijin	2.62%
5. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.11%
6. The Bank of New York Nontreaty JASDEC Account	1.72%
7. Japan Trustee Service Bank Ltd. (Trust account 9)	1.37%
8. Nisshinbo Holdings Inc.	0.99%
9. State Street Bank West Client-Treaty	0.98%
10. Tam Two	0.92%

Business

Advanced Fibers and Composites segment

The Teijin Group develops advanced fibers, such as aramid fibers and carbon fibers, and also manufactures various cutting-edge materials including high-performance polyethylene and polyester fibers.

High Performance Fibers Business Unit

This business unit 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, tire 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 holds nearly half of the global share for para-aramid fibers based on its manufacturing capacity.

The business unit also develops, manufactures and sells polyester fibers, applied for industrial products and materials such as automobile, train and aircraft seats and rubber reinforcements. The business unit also manufactures high-performance polyethylene fibers, polyethylene naphthalate (PEN) fibers and artificial leather.

Carbon Fibers and Composites Business Unit

This business unit develops, manufactures and sells carbon fibers which are lightweight materials with excellent strength and tensile modulus. Carbon fibers are used in various areas such as aircrafts, general industrial production including automobiles and wind power generations, and sport and leisure products. Furthermore, full-scale adoption of carbon fibers in mass-produced automobiles and other applications is anticipated due to the development by the Teijin Group of a mass-production technology achieving the press molding of carbon-fiber-reinforced plastic (CFRP) in very short time. The manufacturing facilities of carbon fibers are located in Japan and in Europe and the products are marketed to customers worldwide.

Electronics Materials and Performance Polymer Products segment

The Teijin Group is globally expanding its resins, films and other performance polymer products in a wide range of markets, particularly in the electronics field.

Resin & Plastics Processing Business Unit

This business unit develops and manufactures polycarbonate resin and a wide range of other resin products. Polycarbonate resin was first commercialised in Japan. Competition in this polycarbonate resin business has become intense in recent years. Polycarbonate resin is compounded 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 polyethylene naphthalate (PEN) resin, used for cosmetics containers and for school cafeteria dishware.

Films Business Unit

This business unit is engaged primarily in the development, manufacture and sale of polyester films, such as polyethylene terephthalate (PET) film, PEN film and processed films. Its operations center 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. This business unit focuses on films used extensively in flat-panel displays (FPDs), digital electronics materials, semiconductors and packaging materials. A proprietary product, PEN film shows outstanding heat resistance and strength. Demand for applications requiring such properties includes automotive components and data backup tapes.

Healthcare segment

The Teijin Group 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. In Japan, Teijin endeavours to provide effective and appropriate solutions through combining the extensive pharmaceutical knowledge of its medical representatives (MRs) and the experience of its home healthcare sales representatives in direct contact with patients. This original approach, coupled with pharmaceuticals, medical devices and service it provides, has enabled Teijin to attain a major market share in the bone and joint, and respiratory areas in Japan.

Its pharmaceuticals operations currently include major ethical drugs in the areas of bone and joint disease, respiratory disease, and cardiovascular and metabolic disease. The Teijin Group's self-developed products for hyperuricemia and gout is the first new drug in this area in approximately 40 years worldwide. As a strategic product, it is sold in approximately 40 countries.

Teijin's home health care operations provide inclusive home health care services that encompass the development, production, rental and maintenance of home health care equipment and the Teijin Group is a leading company in the home healthcare equipment field in Japan, providing such devices as therapeutic oxygen concentration for home oxygen therapy and continuous positive airway pressure (CPAP) ventilator for sleep apnea syndrome (SAS) patients. It has also developed overseas operations by acquiring existing companies and establishing joint ventures in the United States, Europe and Asia.

Trading and Retail segment

This segment 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 regiment is also covering retail sale of men's and ladies' fashion and household sundries.

In October 2012, Teijin integrated its trading subsidiary, N.I. Teijin Shoji Co., Ltd., with the business of polyester fibers for apparel of Teijin Fibers Limited to form a new company, Teijin Frontier Co., Ltd., which combines the functions of a trading company and a manufacturer.

Others segment

IT Business Group

This business group, led by Infocom Corporation, of which shares are listed on JASDAQ market by Tokyo Stock Exchange. Teijin's IT business comprises net services for consumers, encompassing Internet-, smartphone- and mobile phone-based services, and IT services provided to corporate, healthcare-related and public sector customers.

New Business Development Business Unit

This business unit, led by Teijin Limited, facilitates the swift commercialisation of new businesses, and focuses on the areas such as battery components, water treatment, bioplastics, materials for printable electronics and advanced medical materials. In April 2014, to accelerate the realisation of new businesses, the business development function of the former New Business Development Group was reorganised and renamed the New Business Development Business Unit. In the area of battery components, Teijin developed and began production in Korea of lithium-ion battery (LiB) separators with high level capacity and safety and a long lifespan under the brand name of LIELSORT.

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
Shigeo Ohyagi	Chairman, Member of the Board
Jun Suzuki*	President and CEO ⁽¹⁾ , Representative Director of the Board
Osamu Nishikawa*	Senior Executive Officer, Representative Director of the Board
Yoshio Fukuda	Senior Executive Officer, Member of the Board
Yo Goto	Executive Officer, Member of the Board
Yoshihisa Sonobe	Corporate Officer, Member of the Board
Hajime Sawabe	Independent Outside Director
Yutaka Iimura	Independent Outside Director
Nobuo Seki	Independent Outside Director
Kenichiro Senoh	Independent Outside Director
Atsuo Amano	Corporate Auditor
Toshiaki Yatabe	Corporate Auditor
Toshiharu Moriya	Independent Outside Auditor
Noriko Hayashi	Independent Outside Auditor
Nobuo Tanaka	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. Hajime Sawabe, Executive Advisor of TDK Corporation, Mr. Yutaka Iimura, Special Envoy of the Government of Japan for the Middle East and Europe, Nobuo Seki, Former President/Chairman of Chiyoda Corporation, and Kenichiro Senoh, President and Chairperson of the Industry-Academia Collaboration Initiative Nonprofit Organisation.

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. A9.9.2

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; Teijin Kasei Europe B.V., a company established in Venlo, The Netherlands; 75% of the shares in Teijin Aramid Management (Shanghai) Co., Ltd, a company established in Shanghai, People's Republic of China; Teijin Rus, LLC, a company established in Moscow, Russia; 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 B.V. decided to liquidate Teijin Aramid Italy S.r.l. and Novameer Holding B.V. in March 2014.

Teijin Aramid produces para-aramid fibers and had a net turnover of approximately 420 million euro in the year ended 31 March 2014. It produces its own monomers PPD (Para Phenylene Diamine) and TDC (Terephthaloyl 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 such as 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 wide 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 Asia Co., Ltd, Teijin Kasei Europe B.V., and Teijin Rus, LLC are solely engaged in general trade activities.

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.:

Name	Position
M. Sano	Director
K. Yamamoto	Director
S. Hirota	Director

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

M. Sano and S. Hirota;

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

K. Yamamoto;

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 15.315 per cent. (from and including 1 January 2038, 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 18.378 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*), or a fictitious substantial interest (*fictief 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 and (one of) the main purposes of the chosen ownership structure is the evasion of Dutch income tax or dividend withholding tax; 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, other than by way of the holding of securities, which is effectively managed in the Netherlands 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 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 directly or indirectly acquire shares, whether or not already issued, representing 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 Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is 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 proposed financial transactions tax (FTT)

On 14 February 2013 the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The Commission's Proposal has very broad scope and could, if introduced apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this partial implementation occurring by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide

the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States account” of the Issuer (a **Recalcitrant Holder**). The Issuers may be classified as FFIs.

The new withholding regime is now in effect for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the **grandfathering date**, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Japan have entered into an agreement (the U.S.-Japan IGA) based largely on the Model 2 IGA and the United States and the Netherlands have entered into an agreement (the U.S.-Netherlands IGA) based largely on the Model 1 IGA..

If the Issuers are treated as Reporting FIs pursuant to the U.S.-Japan IGA or U.S.-Netherlands IGA, as applicable, they do not anticipate that they will be obliged to deduct any FATCA Withholding on payments they make. There can be no assurance, however, that the Issuers will be treated as Reporting FIs, or that they would in the future not be required to deduct FATCA Withholding from payments they make. Accordingly, the Issuers and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

While the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by an Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 30 October 2014 (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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated 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.

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 pricing supplement 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 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 relevant Subscription Agreement or Dealer Accession Letter, as applicable.

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 the Board of Directors of Teijin Limited at its meeting held on 27 March 2014. 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 30 October 2014, 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 5 November 2014.

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 2014 of Teijin Limited;
- (iii) the auditors' reports and audited consolidated and non-consolidated annual financial statements for two financial years ended 31 March 2014 of Teijin B.V.;
- (iv) the Agency Agreement, the Guarantee, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (v) a copy of this Offering Circular; and
- (vi) any future offering circulars, prospectuses, information memoranda, supplements and Pricing Supplements to this Offering Circular and any other documents incorporated herein or therein by reference.

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 Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

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 2014 and (b) no material adverse change in the prospects of Teijin Limited or the Teijin Group since 31 March 2014.

There has been (a) no significant change in the financial or trading position of Teijin B.V. or its subsidiaries since 31 March 2014 and (b) no material adverse change in the prospects of Teijin B.V. or Teijin B.V. and its subsidiaries since 31 March 2014.

Litigation

There are no governmental, legal or arbitration proceedings (including any 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 LLC, Tokyo office, Otemachi Financial City, South Tower, 1-9-7 Otemachi, 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 2013. The auditors of Teijin Limited have no material interest in Teijin Limited.

From 1 January 2008 until 31 March 2014, the auditors of Teijin B.V. were 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 Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie Van Accountants*), who have audited the annual accounts for the two financial years ended 31 March 2014 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.

From and including 1 April 2014, the auditors of Teijin B.V. are KPMG Accountants N.V., Mr. B.M. Teldersstraat 7, 6842 CT Arnhem, The Netherlands, an independent accounting firm whose auditors are members of The Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie Van Accountants*). KPMG Accountants N.V. has no material interest in Teijin B.V.

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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1-chome
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Japan

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ISSUING AND PRINCIPAL PAYING AGENT

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To the Dealers as to English law

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AUDITORS

To Teijin Limited

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Japan

*Former auditors to
Teijin Holdings Netherlands B.V.*

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The Netherlands

*Current auditors to
Teijin Holdings Netherlands B.V.*

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