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To whom it may concern:

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Notice Concerning Revision of Amount of Remuneration, etc. and Introduction of "Restricted Stock" and "Performance Share Units" as Remuneration Plan for Directors of the Company

At the Board of Directors Meeting held today, Teijin Limited ("the Company") resolved to revise the remuneration plan for directors and introduce "Restricted Stock" and "Performance Share Units" (hereinafter collectively referred to as the "Share-Based Remuneration Plans") for directors of the Company (excluding chairman, senior advisor and outside directors; hereinafter "Eligible Directors").

In addition, the remuneration framework previously included stock acquisition rights as stock option and an annual salary. However, in conjunction with the introduction of the Share-Based Remuneration Plans, the Company has revised the maximum amount of the remuneration framework for monetary remuneration, etc., which is separate from that of non-monetary remuneration, etc. The details of the amendments to these plans are as follows.

In line with the above-mentioned amendments, the Company hereby announces that it will submit proposals related to the revision of the amount of remuneration, etc. and the Share-Based Remuneration Plans for directors as matters to be resolved at the 155th Ordinary General Meeting of Shareholders (hereinafter, the "General Meeting of Shareholders") to be held on June 23, 2021 as described below.

1. Revision of Amount of Remuneration, etc. for Directors

The maximum annual remuneration, etc. for directors of the Company has been ¥700 million and it includes (1) ¥630 million of annual salary and (2) ¥70 million for the stock acquisition rights as stock option, as resolved by the 140th Ordinary General Meeting of Shareholders held on June 23, 2006 and the 149th Ordinary General Meeting of Shareholders held on June 24, 2015.

Now, the Company wishes to revise the remuneration plan for directors, set the maximum annual monetary remuneration, etc. for directors to be ¥630 million (of which, the maximum annual monetary remuneration for outside directors to be ¥100 million), discontinue the current stock acquisition rights as stock option as the share-based remuneration plan, and pay remuneration, etc. that is separate from the other types of monetary remuneration, etc. in order to newly grant "Restricted Stock" and "Performance Share Units" to Eligible Directors, in place of stock acquisition rights as stock option, with the aim of providing an incentive to Eligible Directors for the achievement of the Company's Medium-Term Management Plan and increase of medium- to long-term corporate value.

2. Introduction of the Share-Based Remuneration Plans

(1) Purposes for Introducing the Share-Based Remuneration Plans

The purpose of the Share-Based Remuneration Plans is to provide an incentive to Eligible Directors for the achievement of

the Company's Medium-Term Management Plan and increase of medium- to long-term corporate value.

(2) Preconditions for the Share-Based Remuneration Plans' Introduction

The introduction of the Share-Based Remuneration Plans shall be subject to shareholder approval for the payment of relevant remuneration at the General Meeting of Shareholders as it will pay monetary claims as remuneration for the issuance or disposal of ordinary shares of the Company to Eligible Directors based on the plan.

The remuneration framework pertaining to the Share-Based Remuneration Plans is planned to be set separately from the revised amount of remuneration, etc. for directors mentioned above.

3. Outline of the Share-Based Remuneration Plans

(1) Outline of the "Restricted Stock"

The Eligible Directors of the Company shall pay all monetary claims to be paid to them by the Company under the "Restricted Stock", in the form of property contributed in kind, and shall, in return, receive ordinary shares of the Company that shall be issued or disposed of by the Company.

The total maximum annual amount of monetary claims to be paid to Eligible Directors under the "Restricted Stock" shall be ¥70 million, and the total maximum annual number of ordinary shares to be newly issued or disposed of by the Company shall be 50,000 shares (however, if a share split (including the allotment of ordinary shares of the Company without consideration) or a reverse share split of ordinary shares of the Company takes place with an effective date on or after the day on which this proposal is approved and adopted by the General Meeting of Shareholders, such total number will be adjusted to a reasonable extent as necessary in accordance with the split ratio, reverse split ratio, etc., on or after the effective date). Furthermore, the amount to be paid per share shall be approved by the Board of Directors based on the closing price of ordinary shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (or the closing price on the trading day immediately prior thereto if there is no trading on the relevant business day) to the extent that Eligible Directors receiving ordinary shares do not receive an especially advantageous amount with the resolution of specific timing for payment and allocation.

The issuance or disposal of ordinary shares of the Company under the "Restricted Stock" shall be conditional that an agreement on the allotment of "Restricted Stock" shall be entered into between the Company and the Eligible Directors, and include such provisions as (1) there shall be a prohibition on transfers, creation of security interest, or any other disposal of the granted shares to third parties for a certain time period (hereinafter, the "Restricted Period"); and (2) in the event that certain circumstances arise, the Company shall acquire the granted shares without contribution. During the Restricted Period, the allotted shares will be managed in dedicated accounts opened by the Eligible Directors at Securities Company in order to prevent transfers, creation of security interest, or other disposal of the shares during the Restricted Period.

(2) Outline of "Performance Share Units"

The "Performance Share Units" is a portion that corresponds to the composition ratio related to the performance indicators only when the respective target values are achieved with respect to the performance indicators set from the viewpoints of stakeholders and important indicators of the medium-term management plan. The Eligible Directors shall pay all monetary claims to be paid to them by the Company under the Performance Share Units, in the form of property contributed in kind, and shall, in return, receive ordinary shares of the Company that shall be issued or disposed of by the Company based on the plan.

The total maximum annual amount of monetary claims to be paid to Eligible Directors under the Performance Share Units shall be ¥300 million , and the total maximum annual number of ordinary shares to be newly issued or disposed of by the Company shall 200,000 shares (however, if a share split (including the allotment of ordinary shares of the Company without consideration) or a reverse share split of ordinary shares of the Company takes place with an effective date on or after the day on which this proposal is approved and adopted by the General Meeting of Shareholders, such total number will be adjusted

to a reasonable extent as necessary in accordance with the split ratio, reverse split ratio, etc., on or after the effective date). Furthermore, the amount to be paid per share shall be approved by the Board of Directors based on the closing price of ordinary shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (or the closing price on the trading day immediately prior thereto if there is no trading on the relevant business day) to the extent that Eligible Directors receiving ordinary shares do not receive an especially advantageous amount..

The final number of shares to be granted to each Eligible Director will be decided by the Board of Directors by adjusting the payment ratio to the amount to be delivered by position predetermined by the Board of Directors according to the degree of achievement of the performance evaluation target. Furthermore, for the issuance or disposal of ordinary shares of the Company under the performance-linked and share-based remuneration plan, the Company will set the same transfer restrictions as those stated in (1) "Restricted Stock" between the Company and Eligible Directors.

With regard to the introduction of the Share-Based Remuneration Plans , in the event that shareholder approval is received, the Company plans to pay the same share-based remuneration as stated in the Share-Based Remuneration Plans to corporate officers not concurrently serving as directors of the Company in addition to Eligible Directors.

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