

**Renewal of the Countermeasure to Large-Scale Acquisitions of Teijin Shares (Takeover Defense Measures)**

TEIJIN LIMITED (“Teijin” or the “Company”) implemented the “Large-Scale Acquisitions of Teijin Shares (Takeover Defense Measures)” (hereinafter the “Former Plan”) at the ordinary general meeting of shareholders held on June 23, 2006, with the aim of securing and improving the corporate value of the Company and the common interests of the shareholders. The effective period of the Former Plan was then determined to be until the conclusion of the ordinary general meeting of shareholders to be held on June 24, 2009 (hereinafter “This Annual General Meeting of Shareholders”).

In view of the approaching expiry of the effective period of the Former Plan, Teijin’s Board of Directors has reviewed the possibility of renewing the Former Plan. As a result, after taking into consideration the trends in practice after having implemented the Former Plan, Teijin today announced that its Board of Directors at today’s meeting approved the “basic policy regarding those who control the company’s financial and business policies” (as set forth in Article 118, Item 3, of the Enforcement Regulations of the Companies Act) with certain amendments thereon and, at the same time, revised and renewed the Former Plan (hereinafter the revised plan shall be called “This Plan”), subject to the approval of This Plan by This Annual General Meeting of Shareholders.

<Overview of the major points reviewed>

- 1) It has been clarified that the intent of the overall shareholders may be confirmed at a general meeting of shareholders in implementing a gratis allotment of stock acquisition rights (triggering takeover defense measures) based on a recommendation of the Independent Committee.
- 2) The initial assessment period of the Independent Committee (60 days) does not change, but a maximum limit (30 days) of the assessment period has been set for the extension thereof to eliminate arbitrary application of the relevant provision by the Company.
- 3) Necessary revisions have been incorporated such as the improvement of the substance of the stock acquisition rights and revisions due to the dematerialization of physical share certificates (i.e., the paperless share system).

The following summarizes the countermeasures in This Plan that have taken into consideration the aforementioned major changes.

Special attention was paid to the following points in preparing This Plan **to prevent This Plan from being used to disallow any bona fide corporate acquisition or efficient corporate management that might work to raise Teijin's corporate value or to allow This Plan to be utilized on behalf of the individual interests of any management executives.**

1. Future renewal of This Plan shall contribute to enhancing the corporate value of the Company over the medium and long terms.
2. Future renewal of This Plan shall be based on a resolution of a general meeting of shareholders.
3. In implementing a gratis allotment of stock acquisition rights, the evaluation and the decision shall be made by the Independent Committee, which consists of five members appointed from among the outside directors and the outside corporate auditors of the Company who satisfy the independence requirements that are comparable with those mandated by U.S. stock exchanges. The Board of Directors—which must respect and adhere to the recommendation of the Independent Committee—then resolves whether to implement a gratis allotment of stock acquisition rights.
4. The effective period of This Plan shall be specified as three years from the conclusion of This Annual General Meeting of Shareholders until the conclusion of the ordinary general meeting of shareholders pertaining to the business year ending March 2012.

The **major points of the takeover defense measures** in This Plan are as follows:

1. This Plan is applicable to acquisitions that would lead to holdings of 20% or more of the Company's shares.
2. The procedures an acquirer is required to take are predetermined, i.e., submit an acquisition statement in advance and ensure a sufficient period for the Board of Directors to collect information about and examine the proposed acquisition, present its opinion and alternative plans to shareholders and negotiate with the acquirer.
3. If, for example, an acquirer does not comply with the above procedure, the Board of Directors will resolve that stock acquisition rights with acquisition conditions be allotted to all the shareholders as of the allotment date at a rate of one stock acquisition right per one share in the Company held by shareholders, in compliance with the recommendation of the Independent Committee.
4. Based on the acquisition conditions related to the stock acquisition rights, the Company will acquire shareholders' stock acquisition rights from all the shareholders other than the acquirer, and exchange them 1:1 for the equivalent number of the Company's shares.
5. As the Company's shares are evenly delivered to all the shareholders other than the acquirer, the shares held by the shareholders would not be diluted. As the Company's shares are not granted to the acquirer, this

would result in dilution of the acquirer's voting rights to a maximum of 50%.

6. A gratis allocation of stock acquisition rights will be implemented in case any acquisition falls under any of the following cases and it is deemed reasonable to implement the gratis allocation of stock acquisition rights.

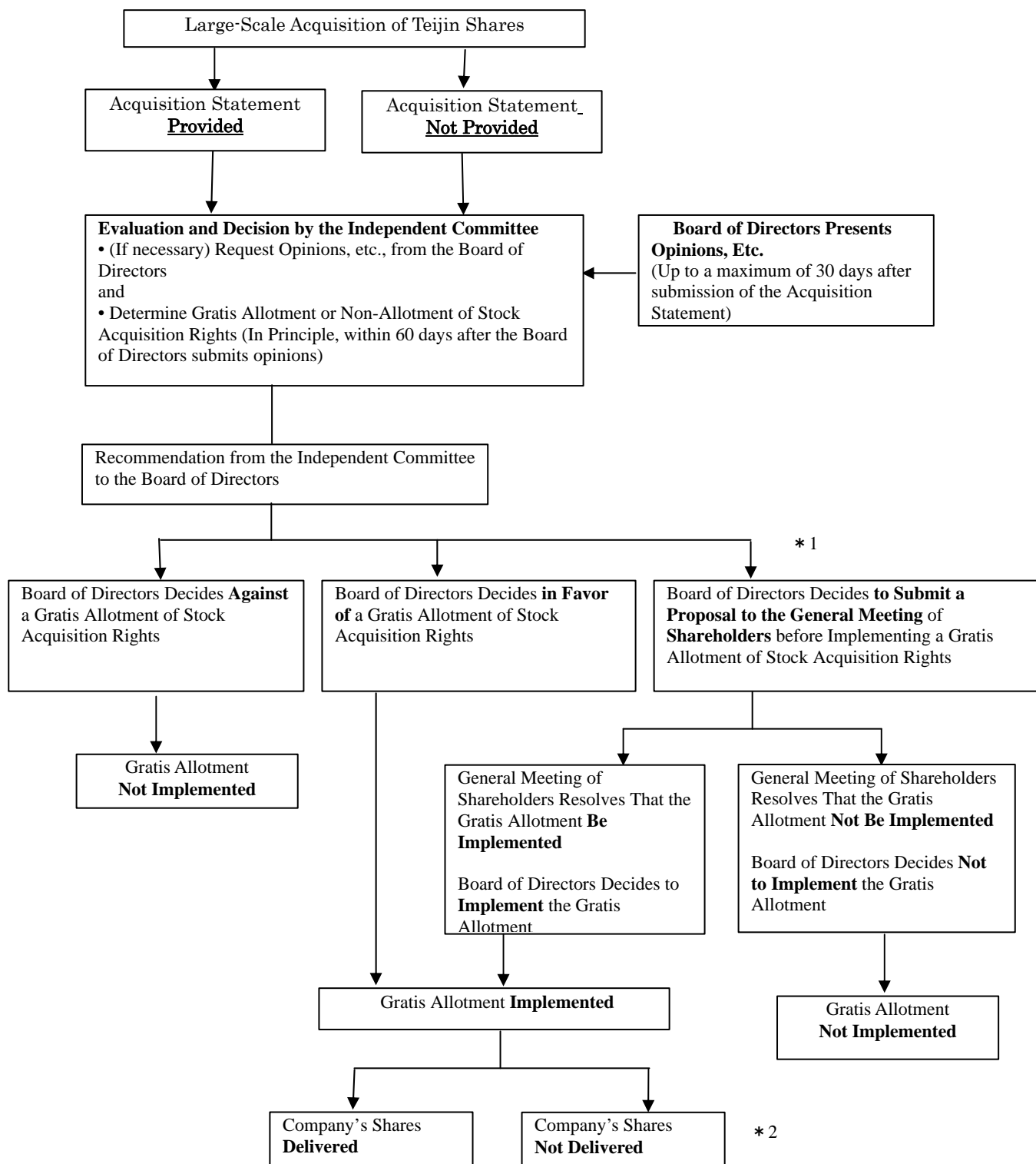
- In case the acquisition does not comply with the procedure set forth in This Plan;
- In case the acquisition is likely to cause obvious harm to the corporate value of the Company and/or the common interests of the shareholders in view of the purpose of the acquisition and the post-acquisition management policy in such cases as, for example, (a) the buyout of the Company's shares to demand that the Company purchase said shares at an inflated price and (b) the temporary control of the Company's management to bring about a disposal of assets and declaring temporarily high dividends, and/or selling the shares at a high price by taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.

7. The impact on shareholders will be as described below.

- As a gratis allotment of the stock acquisition rights would not be implemented at the time This Plan is renewed, it would have no impact on the rights of the shareholders.
- Should an acquirer of the Company's shares surface and the Company's Board of Directors implement a gratis allotment of the stock acquisition rights and deliver the Company's shares to the holders of the stock acquisition rights, the shares held by the shareholders other than the acquirer would not be diluted.
- However, the Company in some cases may acquire the stock acquisition rights for no consideration without delivering the Company's shares due, for example, to any reasons such as a withdrawal of the proposed acquisition by the acquirer after the implementation of a gratis allotment of the stock acquisition rights. In such a case, the Company's stock price might fluctuate considerably.

Attachment: Flow of the takeover defense measures

<Flow of the takeover defense measures>



Notes:

\*1. The items reviewed at this renewal.

\*2. For example, if after a gratis allotment an acquirer withdraws its proposed acquisition of the Company's shares, the Company may choose not to deliver the Company's shares after acquiring the stock acquisition rights for no consideration.