
Flash Report
***-FY12 Financial Performance &
FY13 Outlook-***

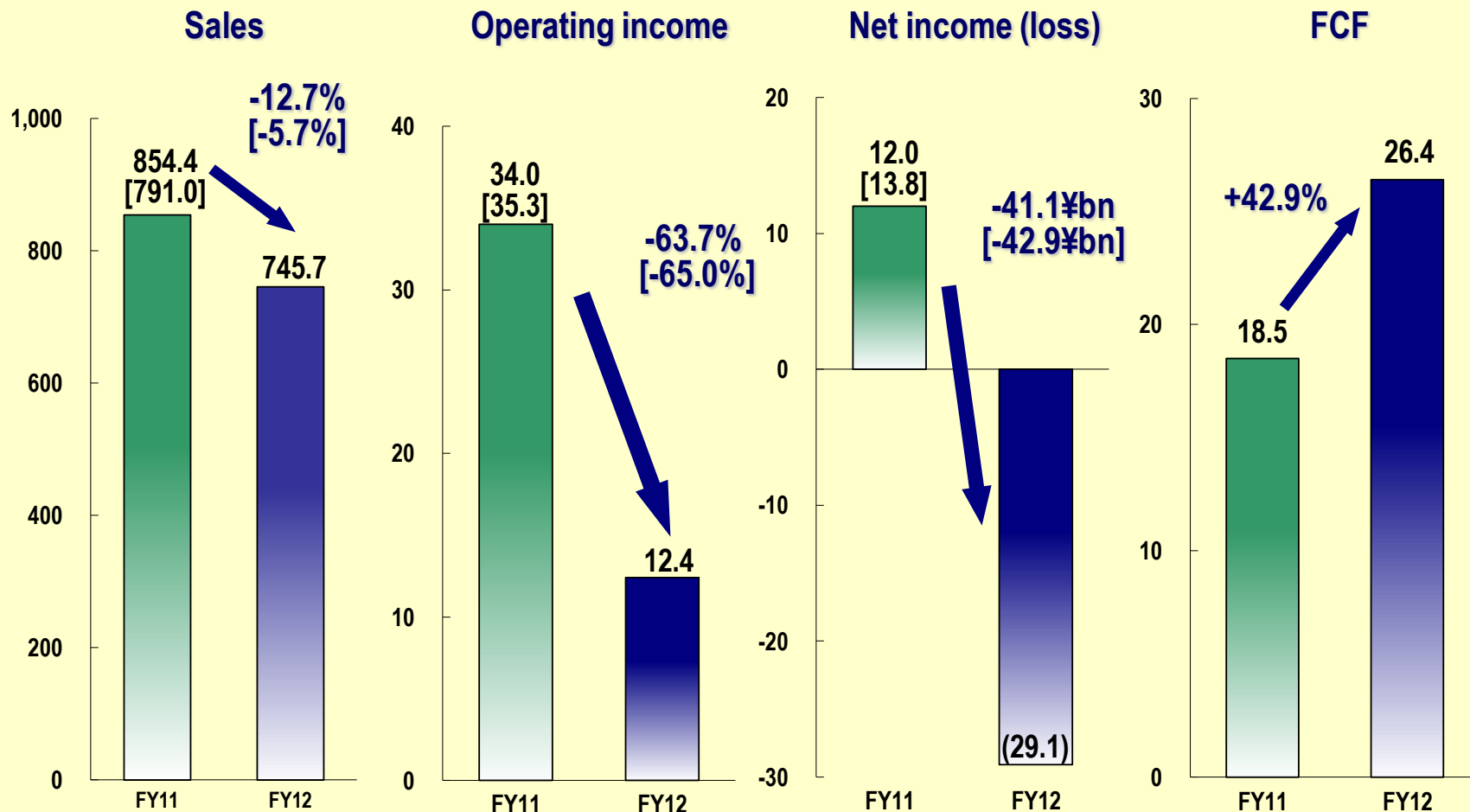
Teijin Limited
May 9, 2013

Outline of FY12 Results

(1) Consolidated Results Highlights

(¥ billion)

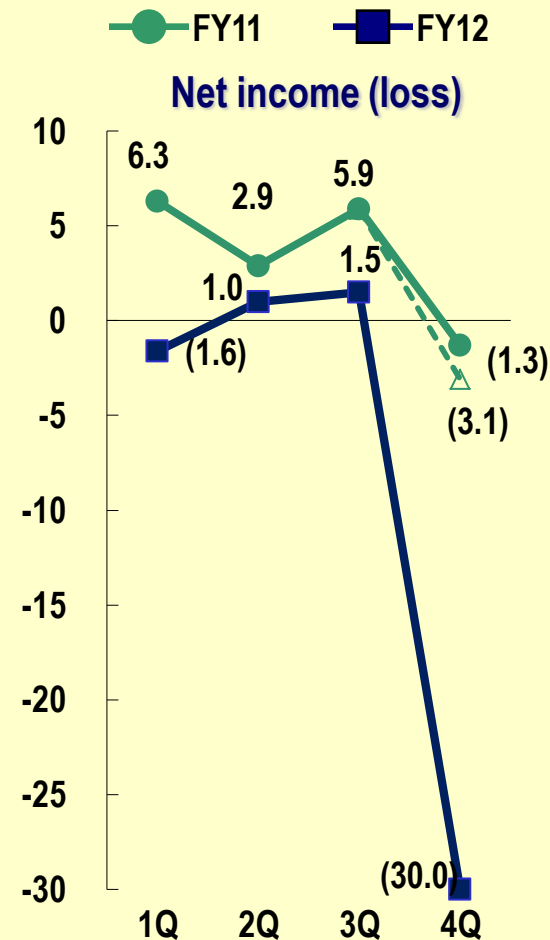
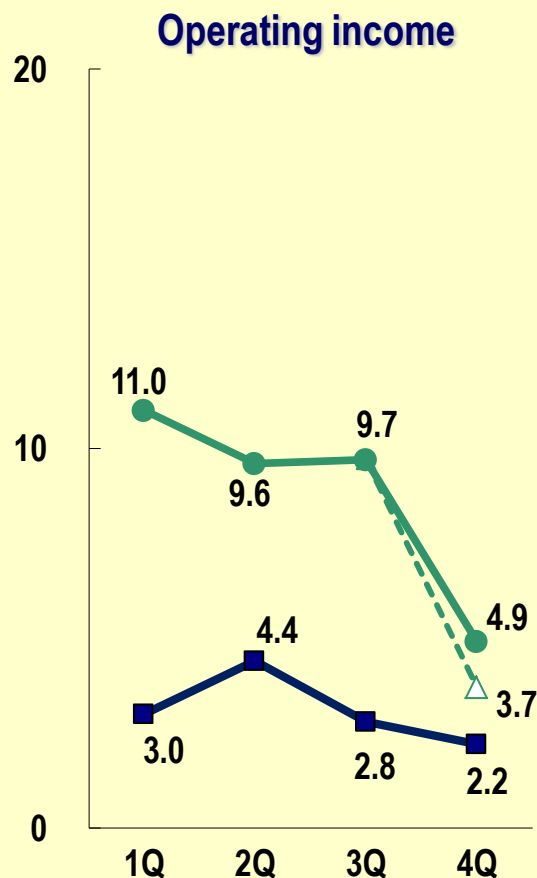
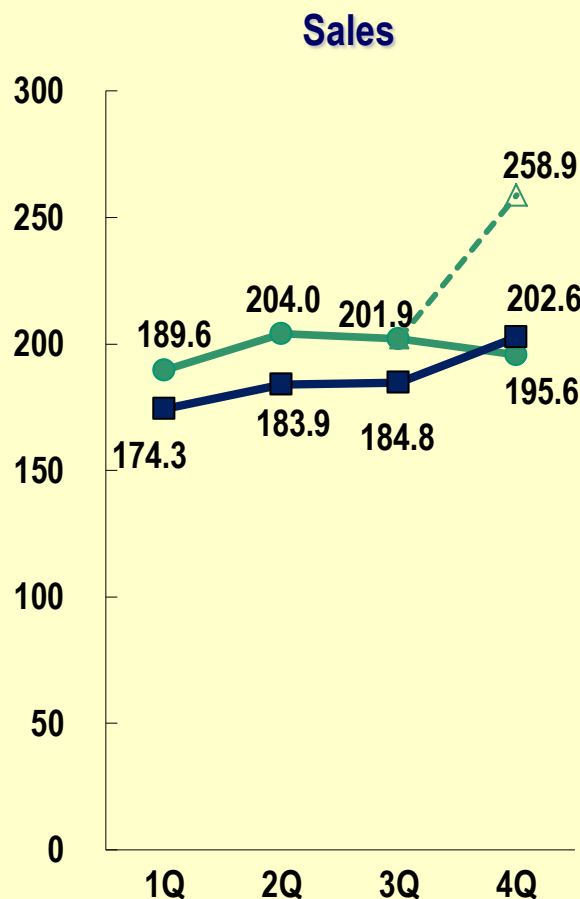
Full-Term Operating Movement



Note: Figures in square brackets in the graphs above exclude the impact of the standardization of accounting periods

(¥ billion)

Quarterly Movement



Note: The dotted lines in the graphs above reflect the impact of the additional three-month period that resulted from the standardization of accounting periods on the results of some consolidated subsidiaries

◆ Operating Results

(¥ billion)	FY11	FY12	Difference
Net sales	854.4	745.7	-108.7
Operating income	34.0	12.4	-21.7
OP margin	4.0%	1.7%	-2.3%
Nonoperating items (net)	0.2	(2.6)	-2.8
Ordinary income	34.3	9.8	-24.5
Extraordinary items (net)	(6.5)	(31.9)	-25.4
Income (loss) before income taxes	27.8	(22.1)	-49.9
Income taxes	14.7	6.1	-8.6
Minority interests in income	1.1	0.9	-0.2
Net income (loss)	12.0	(29.1)	-41.1
EPS (¥)	12.17	(29.61)	-41.78

- Net sales and operating income: Down from fiscal 2011
 - Economic conditions continued to deteriorate in Europe, while growth in emerging economies decelerated; results in materials businesses sagged
- Ordinary income: Down, reflecting a decline in equity in earnings of affiliates
- Net loss: Performance worsened sharply, owing to losses on impairment of goodwill, among others

EBITDA ^{*1}	86.3	59.2	-27.1
CAPEX ^{*2}	32.3	36.3	+4.0
Depreciation & amortization	52.3	46.9	-5.4
R&D expenses	31.8	33.2	+1.3
FCF	18.5	26.4	+7.9

^{*1} EBITDA = Operating income + Depreciation & amortization

^{*2} CAPEX includes investments in intangible assets

◇ PL exchange rate

	FY11 Average	FY12 Average
¥/US\$	80	83
¥/€	110	107
US\$/€	1.38	1.29

* Owing to the standardization of accounting periods, the rate used for FY11 is for the 15 months ended March 31, 2012.

1. Outline of FY12 Results

◆ Extraordinary items

(¥ billion)	FY11	FY12	Difference
Gain on sales of noncurrent assets	0.3	1.4	+1.1
Gain on sales of investment securities	1.3	0.0	-1.2
Gain on sales of subsidiaries and affiliates' stocks	0.7	—	-0.7
Gain on revision of retirement benefit plans	—	0.4	+0.4
Others	0.7	0.5	-0.2
Extraordinary income, total	2.9	2.4	-0.6
Loss on sales and retirement of noncurrent assets	1.0	1.5	+0.6
Loss on valuation of investment securities	0.2	0.8	+0.6
Impairment loss	2.6	29.4	+26.8
Loss on revision of retirement benefit plans	3.3	—	-3.3
Others	2.3	2.6	+0.2
Extraordinary loss, total	9.4	34.3	+24.9
Extraordinary items, total	(6.5)	(31.9)	-25.5


Income taxes	14.7	6.1	-8.6
Minority interests in income	1.1	0.9	-0.2

➤ Extraordinary items: Net extraordinary items were a loss of ¥31.9 billion
Impairment loss: ¥29.4 billion
Principal components:

- Loss on impairment of goodwill in the carbon fibers business
- Loss on impairment of goodwill in the Healthcare segment
- Loss on impairment of tangible fixed assets in the carbon fibers business

➤ Income taxes

- Loss before income taxes: ¥22.1 billion

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- Impairment/amortization of goodwill
 - Impact of application of tax-effect accounting (e.g., on affiliates reporting losses)

⇒ **Income taxes: ¥6.1 billion**

Net loss: ¥29.1 billion

◆ Financial Position

(¥ billion)	Mar. 31, 2012	Mar. 31, 2013	Difference	(Impact of foreign exchange rate)
Total assets	762.1	762.4	+0.3	+27.1
Shareholders' equity	292.0	271.3	-20.8	+9.2
Interest-bearing debt	261.0	270.8	+9.7	+12.7

D/E ratio	0.89	1.00	+0.10
Shareholders' equity ratio	38.3%	35.6%	-2.7%

- Total assets: Level, owing to, among others
 - Decline in fixed assets, owing to impairment losses
 - Impact of foreign currency translation differences
 - Increase in the value of investment securities
- Shareholders' equity: Down, a consequence of
 - Net loss
 - Decline in deduction for foreign currency translation adjustments
- Interest-bearing debt: Up, a result of
 - Impact of exchange rates

◆ Cash Flows

(¥ billion)	Operating activities	Investing activities	FCF	Financing activities and adjustments	Cash & cash equivalents
FY12	64.3	(37.9)	26.4	(11.0)	15.4
FY11	53.7	(35.2)	18.5	(13.7)	4.8

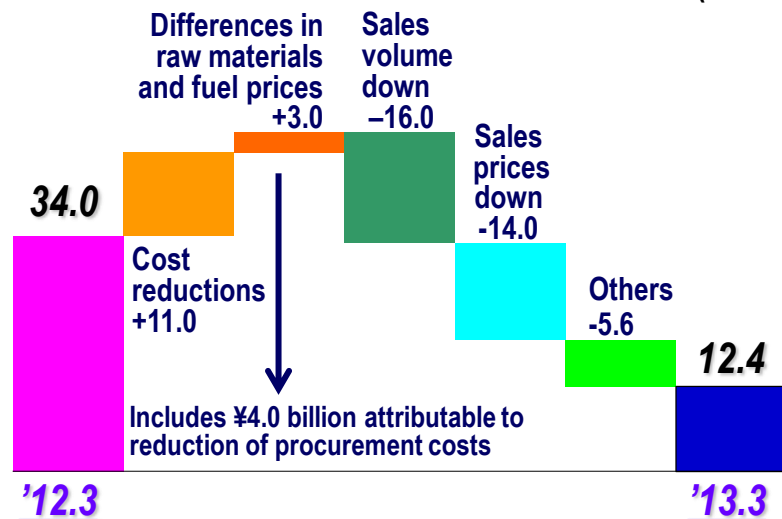
◇ BS exchange rate

	Mar. 31, 2012	Mar. 31, 2013
¥/US\$	82	94
¥/€	110	121
US\$/€	1.34	1.28

◆ Analysis of Changes in Operating Results and Financial Position◇ Operating income

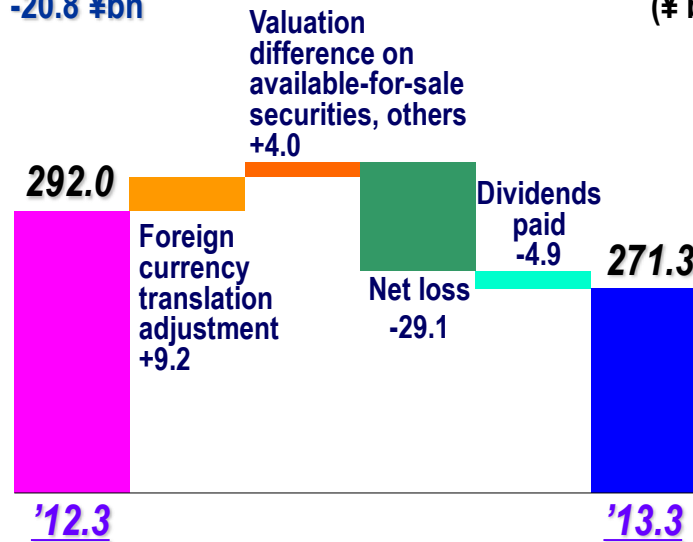
- 21.7 ¥bn

(¥ billion)

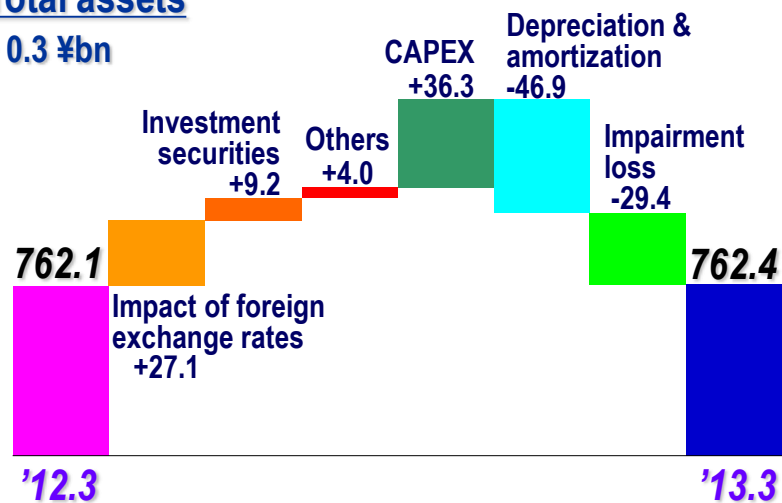
◇ Shareholders' equity

-20.8 ¥bn

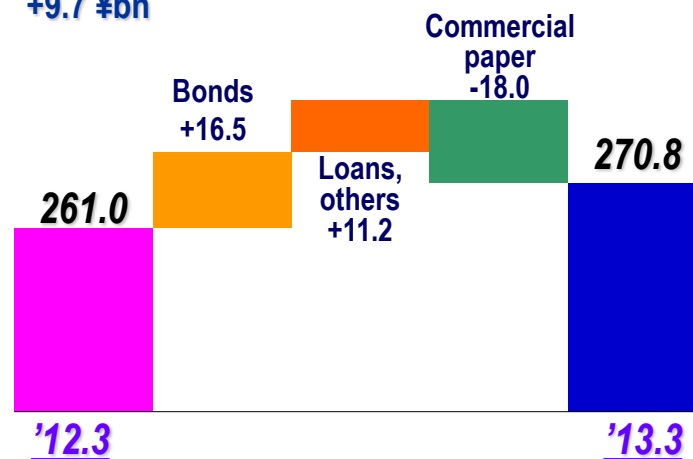
(¥ billion)

◇ Total assets

+ 0.3 ¥bn

◇ Interest-bearing debt

+9.7 ¥bn



(2) Operating Results by Segment (Comparison with FY11)

(¥ billion)	Sales				Operating income (loss)			
	FY11	FY12	Difference	% Change	FY11	FY12	Difference	% Change
Advanced Fibers and Composites	153.2	111.2	-42.1	-27.4%	7.2	(4.7)	-11.9	—
Electronics Materials and Performance Polymer Products	215.4	175.5	-39.8	-18.5%	3.7	(1.9)	-5.7	—
Healthcare	143.0	138.3	-4.7	-3.3%	25.9	24.8	-1.1	-4.3%
Trading and Retail	262.7	237.2	-25.6	-9.7%	6.6	4.7	-1.9	-28.8%
Total	774.3	662.2	-112.1	-14.5%	43.4	22.9	-20.5	-47.3%
Others	80.1	83.5	+3.4	+4.3%	3.7	4.2	+0.5	+13.2%
Elimination and Corporate	—	—	—	—	(13.1)	(14.8)	-1.6	—
Total	854.4	745.7	-108.7	-12.7%	34.0	12.4	-21.7	-63.7%
Impact of the standardization of accounting periods	63.3	—	—	—	(1.3)	—	—	—
FY11 adjusted figures*	791.0	745.7	-45.3	-5.7%	35.3	12.4	-22.9	-65.0%

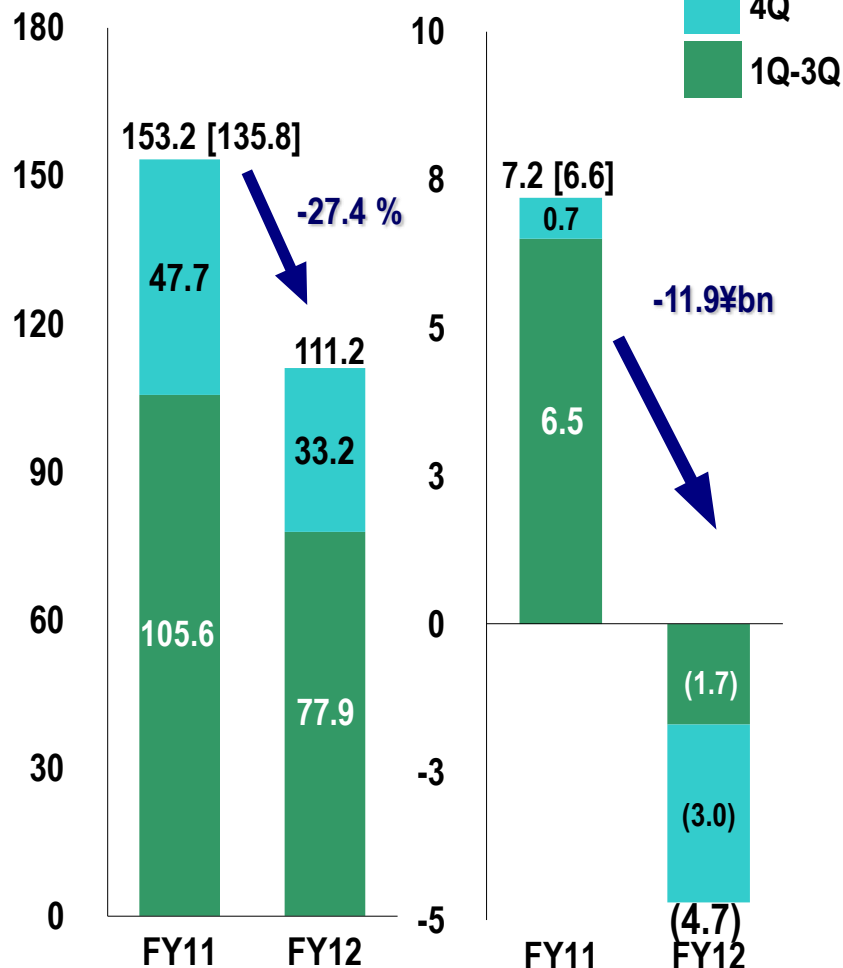
Note: Figures for FY2011 have been restated to conform with revised segmentation

① Advanced Fibers and Composites

Sales

Operating income

(¥ billion)



(¥ billion)

	FY11	FY12	Difference	Change
Sales	153.2	111.2	-42.1	-27.4%
Operating income (loss)	7.2	(4.7)	-11.9	—

◆ Summary & Actions

◇ High-Performance Fibers:

Para-aramid fibers:

- Demand for use in ballistic protection products and protective clothing was persistently lethargic
- Demand for automotive applications remained in an adjustment phase during the third and fourth quarters

Meta-aramid fibers:

- Domestic demand for use in protective clothing was steady
- Overseas, moves by Asian manufacturers to expand operations intensified competition

Polyester fibers for industrial applications:

- Exports to Europe slumped, while sales for use in civil engineering and construction-related applications were firm

◇ Carbon Fibers and Composites:

- Sales remained favorable for use in aircraft
- Demand for use in pressure vessels rose in North America
- Demand for other general industrial applications, and for use in sports and leisure equipment, softened, although the decline in sales prices showed signs of bottoming out
- We expedited development efforts aimed at bringing the commercialization of thermoplastic CFRP forward

* Figures in square brackets in the graphs above exclude the impact of the standardization of accounting periods

② Electronics Materials and Performance Polymer Products

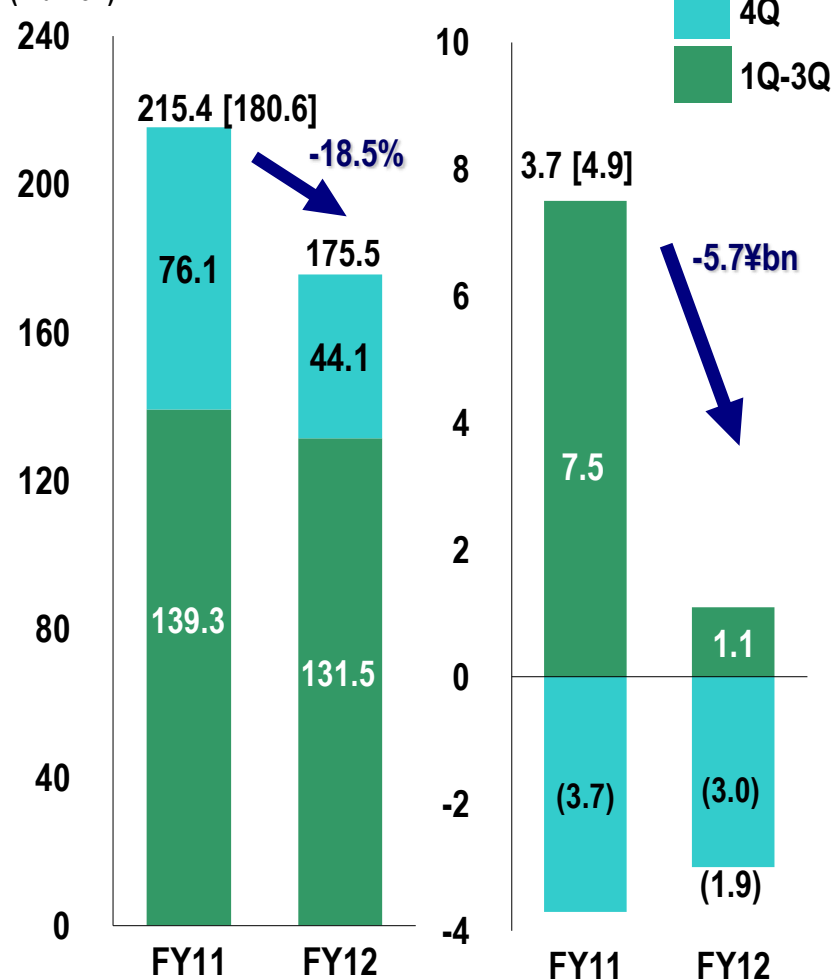
Sales

Operating income

(¥ billion)

	FY11	FY12	Difference	Change
Sales	215.4	175.5	-39.8	-18.5%
Operating income (loss)	3.7	(1.9)	-5.7	—

(¥ billion)



◆ Summary & Actions

◇ Resin and Plastics Processing:

- Labored, as the expansion of production facilities by manufacturers in the PRC led to a deterioration of the supply-demand balance; Japan's electrical and electronics equipment manufacturers continued to struggle; and key raw materials prices remained high
- Efforts focused on maintaining operating rates by increasing sales of general-purpose products in Asia and on correcting break-even levels
- Sales of transparent electroconductive film for use in smartphones, tablet computers and handheld video game machines were robust, as were sales of specialty polycarbonate resin for camera lenses

◇ Films:

- Pricing competition increased for LCD TVs and other mainstay applications
- Sales for use in smartphones and tablet computers were steady
- We stepped up efforts to reduce costs
- We pushed ahead with efforts to develop and foster demand for new products

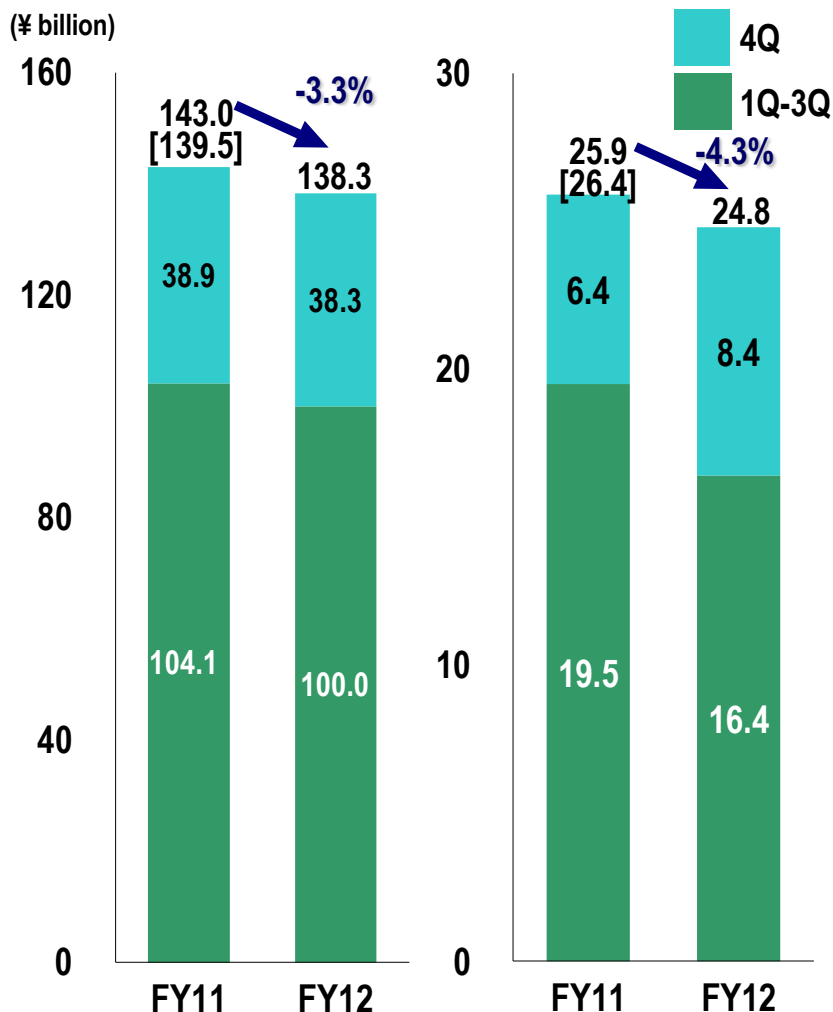
③ Healthcare

Sales

Operating income

(¥ billion)

	FY11	FY12	Difference	Change
Sales	143.0	138.3	-4.7	-3.3%
Operating income	25.9	24.8	-1.1	-4.3%



Summary & Actions

◇ Pharmaceuticals:

- Treatment for hyperuricemia and gout (febuxostat)
Sales rose favorably in Japan and overseas; efforts focused on increasing the number of countries and territories in which the drug is sold
- Treatments for osteoporosis
Competition remained harsh, owing to the launch of rival products, including generic drugs

◇ Home Healthcare:

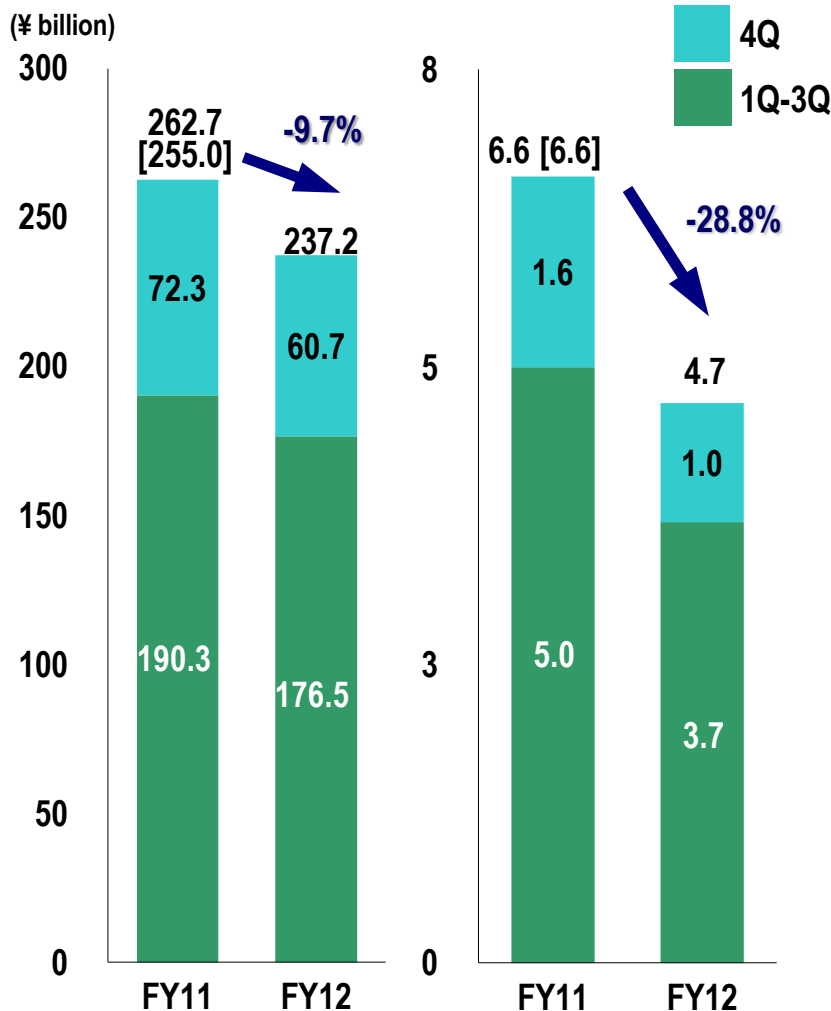
- HOT: Rental volume remained high, thanks to the release of new models
- CPAP: Rental volume increased, augmented by the introduction of *NemLink*, a monitoring system that uses mobile phone networks
- Overseas, we continued taking steps to improve the efficiency of operations and reinforce our earnings base

④ Trading and Retail

Sales

Operating income

(¥ billion)	FY11	FY12	Difference	Change
Sales	262.7	237.2	-25.6	-9.7%
Operating income	6.6	4.7	-1.9	-28.8%



◆ Summary & Actions

◇ Trading and Retail:

In October 2012, we created new company Teijin Frontier Co., Ltd.

Apparel:

- While sales of men's attire and sportswear were brisk, various factors combined to push down sales of casual wear, including our withdrawal from unprofitable businesses

Polyester filaments and textiles:

- Despite a decline in sales of textiles, a consequence of inventory adjustments by customers in key industries, we proceeded with efforts to expand global sales of products for use in sportswear
- Fashion textiles struggled, obstructed by worsening market conditions
- Sales of distinctive polyester filaments for interior applications increased

Industrial textiles and materials:

- Sales for automotive, agricultural and civil engineering-related applications were firm
- Shipments of films and plastics for electronics applications flagged

* Figures in square brackets in the graphs above exclude the impact of the standardization of accounting periods

◆ Changes in Net Sales and Operating Income (Loss): FY12 / FY11

(¥ billion)		FY11					FY12			Difference*2
		1H	2H	Subtotal	Additional period *1	Annual Total	1H	2H	Annual Total	
Net sales	Advanced Fibers and Composites	71.6	64.2	135.8	17.4	153.2	52.8	58.4	111.2	-24.6
	Electronics Materials and Performance Polymer Products	93.0	87.7	180.6	34.7	215.4	88.4	87.1	175.5	-5.1
	Healthcare	68.0	71.5	139.5	3.5	143.0	64.3	74.0	138.3	-1.2
	Trading and Retail	123.5	131.5	255.0	7.7	262.7	115.7	121.5	237.2	-17.9
	Total	356.0	354.9	711.0	63.3	774.3	321.1	341.1	662.2	-48.8
	Others	37.5	42.5	80.1	0.0	80.1	37.1	46.4	83.5	+3.4
Total		393.6	397.5	791.0	63.3	854.4	358.3	387.5	745.7	-45.3
Operating income (loss)	Advanced Fibers and Composites	5.2	1.3	6.6	0.6	7.2	0.3	(5.0)	(4.7)	-11.3
	Electronics Materials and Performance Polymer Products	5.7	(0.8)	4.9	(1.2)	3.7	1.5	(3.4)	(1.9)	-6.9
	Healthcare	11.9	14.5	26.4	(0.5)	25.9	9.3	15.5	24.8	-1.6
	Trading and Retail	3.0	3.6	6.6	(0.0)	6.6	2.2	2.6	4.7	-1.9
	Total	25.9	18.6	44.5	(1.1)	43.4	13.2	9.7	22.9	-21.6
	Others	1.3	2.4	3.7	0.0	3.7	0.6	3.7	4.2	+0.5
	Elimination and Corporate	(6.6)	(6.4)	(13.0)	(0.2)	(13.1)	(6.4)	(8.4)	(14.8)	-1.8
Total		20.7	14.6	35.3	(1.3)	34.0	7.4	4.9	12.4	-22.9

*1 Three-month additional period necessitated by the standardization of accounting periods

*2 Difference is between FY2012 annual total and FY11 subtotal (comparable 12-month periods)

Note: Figures for FY2011 have been restated to conform with revised segmentation

1. Outline of FY12 Results

		FY12 Previous Outlook *			FY12 Results			Difference
		1H	2H	Total	1H	2H	Total	
(¥ billion)								
Net sales	Advanced Fibers and Composites	52.8	57.2	110.0	52.8	58.4	111.2	+1.2
	Electronics Materials and Performance Polymer Products	88.4	81.6	170.0	88.4	87.1	175.5	+5.5
	Healthcare	64.3	75.7	140.0	64.3	74.0	138.3	-1.7
	Trading and Retail	115.7	124.3	240.0	115.7	121.5	237.2	-2.8
	Total	321.1	338.9	660.0	321.1	341.1	662.2	+2.2
	Others	37.1	42.9	80.0	37.1	46.4	83.5	+3.5
	Total	358.3	381.7	740.0	358.3	387.5	745.7	+5.7
Operating income (loss)	Advanced Fibers and Composites	0.3	(4.8)	(4.5)	0.3	(5.0)	(4.7)	-0.2
	Electronics Materials and Performance Polymer Products	1.5	(2.0)	(0.5)	1.5	(3.4)	(1.9)	-1.4
	Healthcare	9.3	15.7	25.0	9.3	15.5	24.8	-0.2
	Trading and Retail	2.2	2.8	5.0	2.2	2.6	4.7	-0.3
	Total	13.2	11.8	25.0	13.2	9.7	22.9	-2.1
	Others	0.6	3.4	4.0	0.6	3.7	4.2	+0.2
	Elimination and Corporate	(6.4)	(8.6)	(15.0)	(6.4)	(8.4)	(14.8)	+0.2
Total		7.4	6.6	14.0	7.4	5.0	12.4	-1.6

* Announced on February 4, 2013

Outlook for FY13

(1) Assessment of the operating environment

GDP Growth Forecasts

Source: International Monetary Fund
(April, 2013)

(%)	2009	2010	2011	2012	2013	2014
World average	(0.7)	5.1	4.0	3.2	3.3	4.0
Advanced economies	(3.7)	3.0	1.6	1.2	1.2	2.2
Emerging markets and developing economies	2.8	7.4	6.4	5.1	5.3	5.7

Despite signs of a gradual economic upturn worldwide, the risk of relapse lingers as improvements in the United States and the PRC—key growth drivers—lack strength, while European economies continue to falter

Japan:

Monetary easing has bolstered business confidence

Last-minute demand expected in advance of a consumption tax hike

⇒ Increase in consumer spending likely



United States: Shale gas development expanding

⇒ Demand for materials for pressure vessels (carbon fibers) up



Federal budget reductions and defense spending restraints to continue

⇒ Demand for materials for protective apparel (aramid fibers) flat



Europe:

Real economy remains sluggish

⇒ Sales to Europe for automotive and other applications flat



PRC:

Economic growth rates have slipped

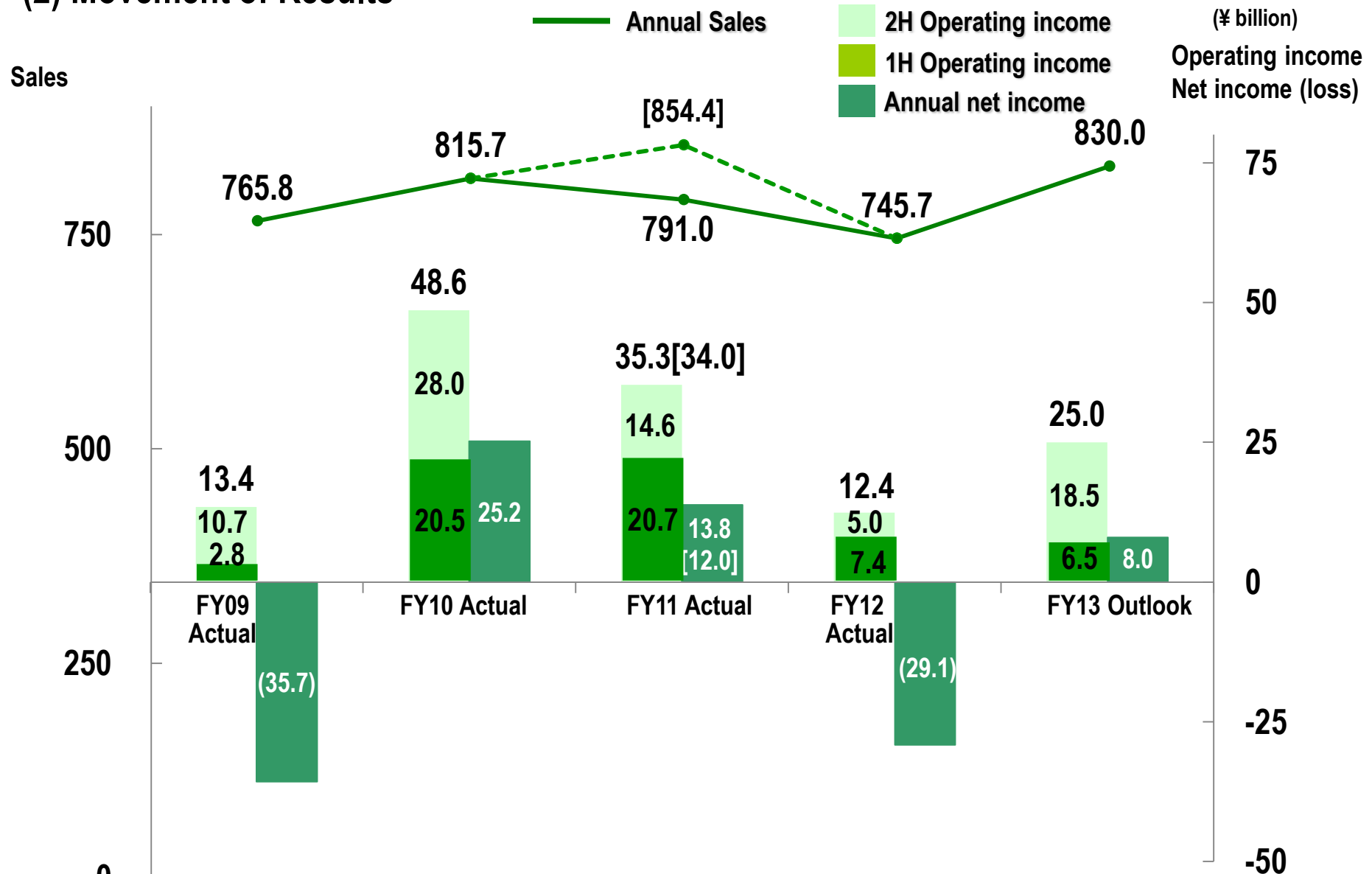
⇒ Sales for use in electrical and electronics equipment (films and plastics) flat



Global economic growth is expected to remain low for the foreseeable future

⇒ We recognize the exigency of enhancing our profit structure through our own initiatives, rather than by relying on a favorable turn in the operating environment

(2) Movement of Results



Note: Figures in square brackets in the graphs above reflect the impact of the additional three-month period that resulted from the standardization of accounting periods on the results of some consolidated subsidiaries

(3) Summary of Outlook for FY13

(¥ billion)	FY12	FY13 Outlook	Difference	
			Amount	%
Net sales	745.7	830.0	+84.3	+11.3%
Operating income	12.4	25.0	+12.6	+102.3%
Operating margin	1.7%	3.0%	—	+1.4%
Ordinary income	9.8	23.0	+13.2	+135.0%
Net income (loss)	(29.1)	8.0	+37.1	—

EBITDA ^{*1}	59.2	70.0	+10.8
CAPEX ^{*2}	36.3	40.0	+3.7
Depreciation & amortization	46.9	45.0	-1.9
R&D expenses	33.2	34.0	+0.8
FCF	26.4	(10.0)	-36.4

◆ Dividends Declared for Fiscal 2012 and Forecast for Fiscal 2013

(¥/share)	FY12	FY13	Difference
Interim	2.0	2.0	—
Year-end	2.0	2.0	—
Annual dividends	4.0	4.0	—

(¥ billion)	Mar. 31, 2012	Mar. 31, 2013	Difference
Assets:			
Inventories	111.6	110.0	-1.6
Total	762.4	765.0	+2.6
Interest-bearing debt	270.8	275.0	+4.2

*1 EBITDA = (Operating income + Depreciation & amortization)

*2 CAPEX includes investments in intangible assets

◆ Exchange rate and Crude Oil Price Forecast for FY13

JPY per USD : 95 JPY per EUR : 125 Dubai crude oil price : US\$110/barrel

◆ Outlook by Segment

		FY12 Results			FY13 Outlook			Difference
		1H	2H	Total	1H	2H	Total	
(¥ billion)								
Net sales	Advanced Fibers and Composites	52.8	58.4	111.2	55.0	65.0	120.0	+8.8
	Electronics Materials and Performance Polymer Products	88.4	87.1	175.5	100.0	100.0	200.0	+24.5
	Healthcare	64.3	74.0	138.3	70.0	75.0	145.0	+6.7
	Trading and Retail	115.7	121.5	237.2	125.0	135.0	260.0	+22.8
	Total	321.1	341.1	662.2	350.0	375.0	725.0	+62.8
	Others	37.1	46.4	83.5	50.0	55.0	105.0	+21.5
	Total	358.3	387.5	745.7	400.0	430.0	830.0	+84.3
Operating income (loss)	Advanced Fibers and Composites	0.3	(5.0)	(4.7)	1.0	2.5	3.5	+8.2
	Electronics Materials and Performance Polymer Products	1.5	(3.4)	(1.9)	(0.5)	1.5	1.0	+2.9
	Healthcare	9.3	15.5	24.8	9.5	15.5	25.0	+0.2
	Trading and Retail	2.2	2.6	4.7	2.0	3.0	5.0	+0.3
	Total	13.2	9.7	22.9	12.0	22.5	34.5	+11.6
	Others	0.6	3.7	4.2	1.0	3.0	4.0	-0.2
	Elimination and Corporate	(6.4)	(8.4)	(14.8)	(6.5)	(7.0)	(13.5)	+1.3
Total		7.4	5.0	12.4	6.5	18.5	25.0	+12.6

(4) Current operating environment and strategic actions in key businesses

Segment/business		Current operating environment	Strategic actions
Advanced Fibers and Composites	Overall	<ul style="list-style-type: none"> • Demand is flat for all but a few applications • Pricing competition is intensifying 	<ul style="list-style-type: none"> • Rationalize production configurations and reduce fixed costs • Cultivate markets in Asia and emerging economies
	Aramid fibers	<ul style="list-style-type: none"> • Budgetary cuts in Europe and the United States have pushed down demand for use in ballistic protection products • Demand from automakers in Europe is sluggish 	<ul style="list-style-type: none"> • Boost sales for use in ballistic protection products in emerging economies • Expedite efforts to foster new applications by maximizing capabilities of our new development and technical service facility in the PRC
	Carbon fibers and composites	<ul style="list-style-type: none"> • Sales remain robust for use in aircraft and pressure vessels • Softening demand is keeping sales prices low for general industrial applications and for use in sports and leisure equipment 	<ul style="list-style-type: none"> • Expand sales for use in aircraft and pressure vessels • Cultivate new applications in India and Southeast Asia • Proceed with development efforts to hasten the commercialization of CFRP for automotive applications
Electronics Materials and Performance Polymer Products	Resin and plastics processing	<ul style="list-style-type: none"> • The supply–demand balance is not expected to improve • Only limited improvements in profitability are being seen • Demand for use in smartphones and tablet computers is rising 	<ul style="list-style-type: none"> • Launch products with new performance features, cultivate new applications, including LED lighting fixtures • Bolster sales by nurturing new customers and applications in the Americas, Europe and Asia • Expand sales for use in smartphones and tablet computers (transparent electroconductive film, specialty polycarbonate resin for camera lenses) • Rationalize production configurations and reduce fixed costs
	Films	<ul style="list-style-type: none"> • Growth in LCD television–related markets is slowing • Demand for use in solar cells remains firm in Asia, but sales prices are falling 	
Healthcare	Pharmaceuticals	<ul style="list-style-type: none"> • The market for hyperuricemia and gout treatments has gathered steam • Competition is further intensifying in the market for osteoporosis treatments 	<ul style="list-style-type: none"> • Further expand sales of febuxostat in Japan and increase the number of other countries and territories in which the drug is marketed • Maintain market share by launching new formulations of <i>Bonalon</i>®
	Home healthcare	<ul style="list-style-type: none"> • Competition is escalating in the Japanese market • Healthcare system changes are pushing down medical treatment fees in the United States 	<ul style="list-style-type: none"> • Capitalize on new monitoring system to expand rental volumes • Streamline/close offices in the United States to improve the efficiency of operations

(5) Business restructuring

With the aim of rebuilding our earnings base over the short to medium term, we will restructure businesses by, among others, realigning production configurations and ensuring the more efficient allocation of staff

(¥ billion)

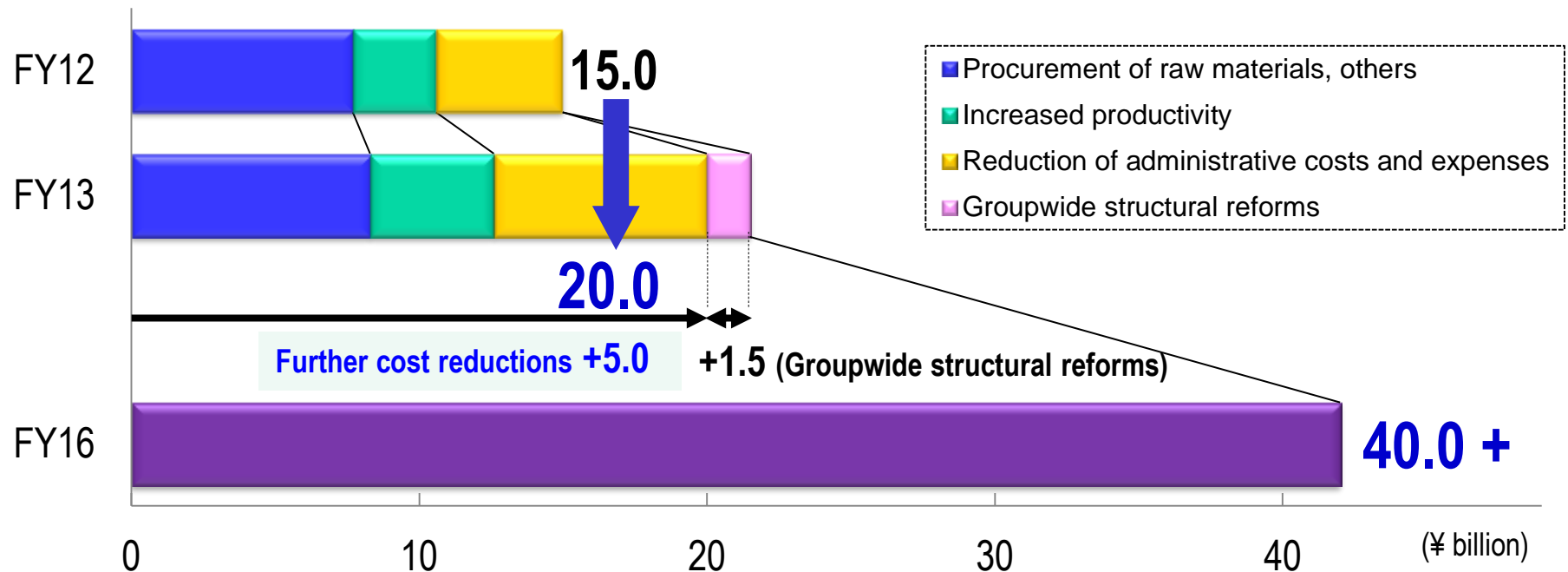
Business/area	Measures	Impact in FY2013	Total impact	Extraordinary loss	
Advanced fibers and composites	Realign production configurations and reduce fixed costs	¥2.0	¥3.5	Negligible	Reduce overall headcount by 300 +
Electronics materials and polymer products	Realign production configurations and reduce fixed costs	0.5	1.0	Several hundred million	
Home healthcare	Integrate and streamline U.S. service network (maintain market coverage)	1.0	1.5	Several hundred million	
Head office staff	Reduce support department headcount by 120 through Groupwide structural reforms (integration/streamlining, reassignment)	1.5	2.0	—	
		¥5.0	¥8.0		

We are also considering a more far-reaching reorganization of production configurations

(6) Ongoing efforts to reduce costs

In addition to accelerating the implementation of measures to reduce costs set forth in our medium- to long-term management vision, we will strive for further cuts by addressing this task from a variety of perspectives

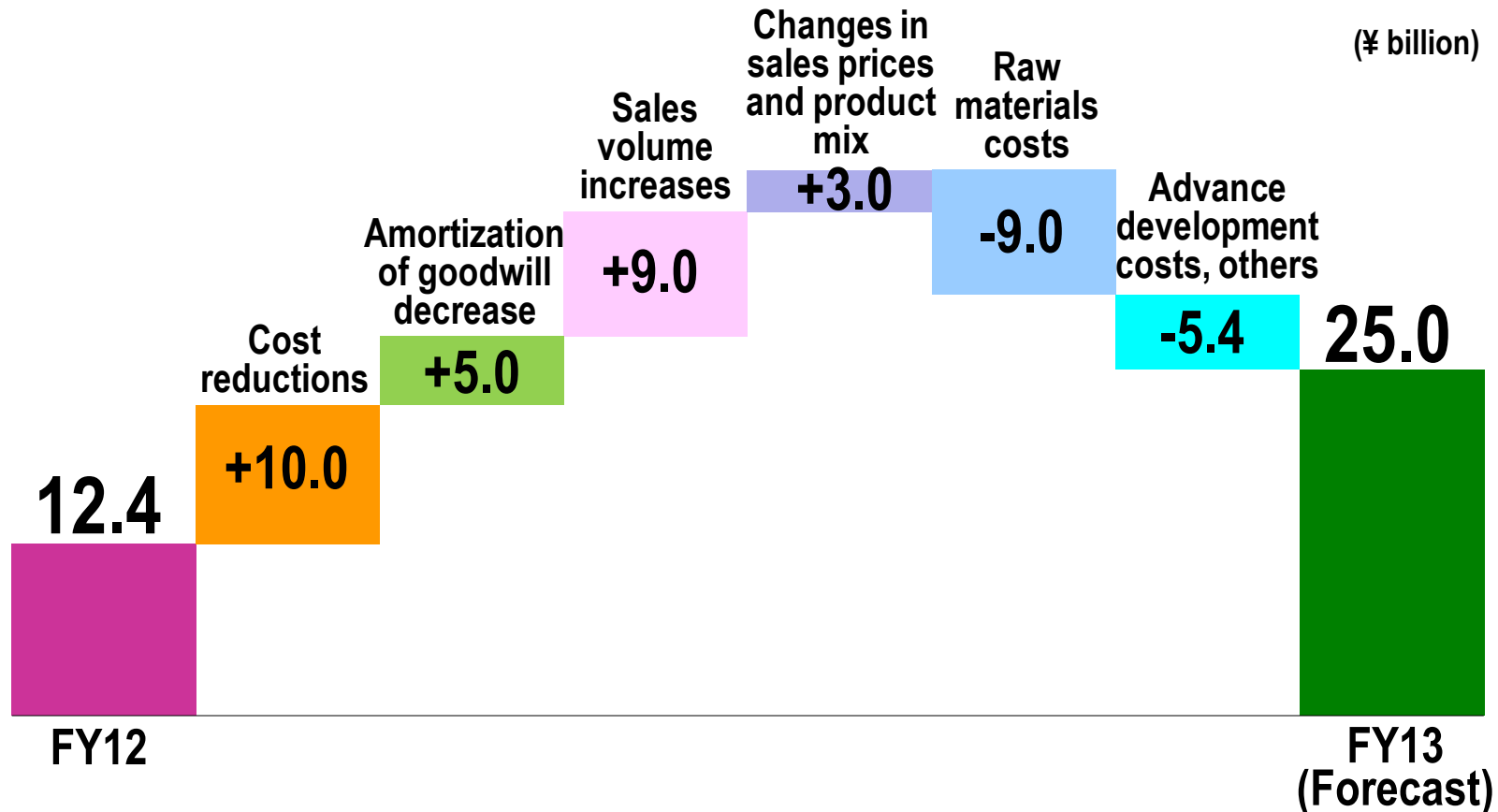
- FY12: Achieved reduction in costs of ¥15.0 billion from FY11
Strategies: Diversify suppliers, improve productivity, slash administrative costs and expenses
- FY13: Aim for further reductions
Strategies:
 - Implement Groupwide structural reforms (simplify corporate organization, bolster work efficiency)
 - Promote decisive measures to reduce costs Groupwide





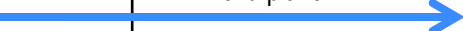




(7) Analysis of Changes in Operating Income Forecast

In FY13, we will:

- Achieve a self-driven recovery in profitability by restructuring businesses and taking decisive steps to reduce costs;
- Continue investing in promising growth businesses, including healthcare and carbon fibers; and
- Focus on expanding sales in emerging markets and Asia and on cultivating new applications



◆ Progress of priority projects in five key fields

		2012	2013 (Plan)	2014 and beyond
Sustainable transportation	Thermoplastic CFRP	▲ Teijin Composites Application Center ▲ Pilot plant Collaborative efforts with automakers 	Determine need to expand US facilities >	
Environment and energy	Wastewater treatment	Participate in Shenyang project (PRC)	▲ Teijin (Shenyang) Environmental Technologies Co., Ltd. Expand operations in the PRC 	
	PET recycling systems	▲ Establish JV in PRC 	Build plant ▲ Start operations	
Information and electronics	LiB separators	▲ Start operations at base in ROK 	Full-capacity operations >	
	Nanosilicon inks	Collaborative efforts with semiconductor and solar cell manufacturers 	Gain accreditation for technology >	Move toward mass production
	Super-engineering plastics		▲ Establish PPS JV 	Online in 2015
Safety and protection	Para-aramid fibers		▲ Start operations at Technical Center Asia (Shanghai) ▲ Expand production facilities for high-performance polyethylene	Consider expansion of facilities in Asia
Healthcare	Expansion of pharmaceuticals development pipeline	▲ Commence clinical trials for KTP-001 ▲ Launch <i>Bonalon</i> ® Bag for I.V. Infusion 900 µg ▲ Launch <i>Bonalon</i> ® Jelly 35 mg		
	Alliance with third parties		▲ Acquire stake in Kyorin Holdings, Inc. 	Establish alliances
	New healthcare devices	▲ Portable HOT devices	▲ Launch <i>WalkAide</i> ® System	

(8) Recent achievements

■ Launch of *WalkAide* System neuromuscular electrical stimulation device for treatment of gait impairment

Business environment

Market includes

- Stroke survivors (Japan is home to approximately three million stroke survivors; an average of 270,000 people in Japan have strokes every year)
- Individuals with multiple sclerosis, incomplete spinal cord injuries and other illness or injuries
 - ⇒ A significant number of these individuals will suffer central nervous system damage that causes partial paralysis, resulting in gait impairment

With traditional walking aides (ankle-foot orthoses), the foot and ankle are immobilized, thereby preventing a natural gait and exerting a considerable burden on the user

Strategic actions

Licensed in *WalkAide* from Innovative Neurotronics Inc. of the United States
WalkAide is currently used by more than 10,000 individuals in the United States and Europe

Functional electrical stimulation (FES)

- ⇒ Worn below the knee, *WalkAide*® electrically stimulates nerves in the leg to help activate muscles paralyzed as a result of nerve damage, helping to restore limb function and improve gait

Rentals of *WalkAide*® to medical institutions in Japan commenced in April 2013

- ⇒ Teijin will expand target customers to include nursing homes and other institutions, as well as rent the device for home healthcare



■ Polyester recycling business

Business environment

▪ National strategy/official government support in the PRC

Two of the strategic emerging industries set forth in the PRC's 12th Five-Year Plan for National Economic and Social Development are "energy conservation" and "environmental protection"

▪ A massive market

The PRC produces 26 million tons of polyester fibers annually, or more than 50% of the global total

Strategic actions

▪ Production and technologies

Zhejiang Jiaren New Materials Co., Ltd.: Scheduled to begin full-scale production in the first half of 2014

▪ Sales and marketing

Expand sales of environment-friendly materials in the PRC

Promote environmental awareness, reinforce recycled/recyclable brands

⇒ uniforms (public-sector demand), environment-friendly polyester chips

Strengthen presence in markets in Japan, the Americas and Europe

Step up sales campaigns; capitalize on sewing facilities in the ASEAN region

⇒ sportswear, outdoor wear, men's suits, interior products, uniforms, others

⇒ **Create a new market by promoting the development of high-quality chemically recycled polyester products, with the PRC as our principal R&D and production base**



■ Expansion of wastewater treatment business in the PRC

Business environment

- Target market: Treatment of wastewater (sewage and industrial)
- Demand in the PRC is driving global market growth, owing to rapidly increasing wastewater treatment needs
The installation of sewage treatment plants in small and medium-sized cities and rural communities has been slow
Demand is rising for the more rigorous treatment of industrial effluent and sludge (denitrification, dephosphorization)
- Teijin's Multi-Stage Activated Biological Process (MSABP) system uses microorganisms to decompose waste

Distinctive features:

- * Reduces initial investment (short construction time, low cost for pipes)
- * Minimizes running costs (suppresses excess sludge, requires little maintenance)

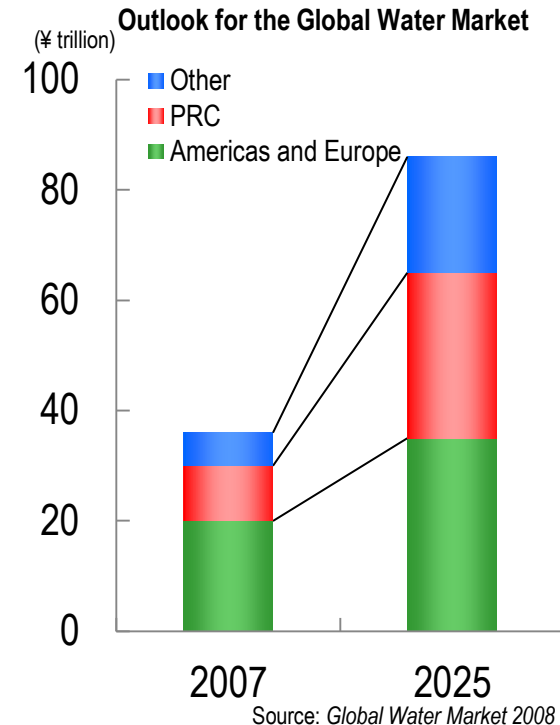
⇒ Expansion of small and medium-sized treatment plants represents an attractive business opportunity

Strategic actions

Established Teijin (Shenyang) Environmental Technologies Co., Ltd.

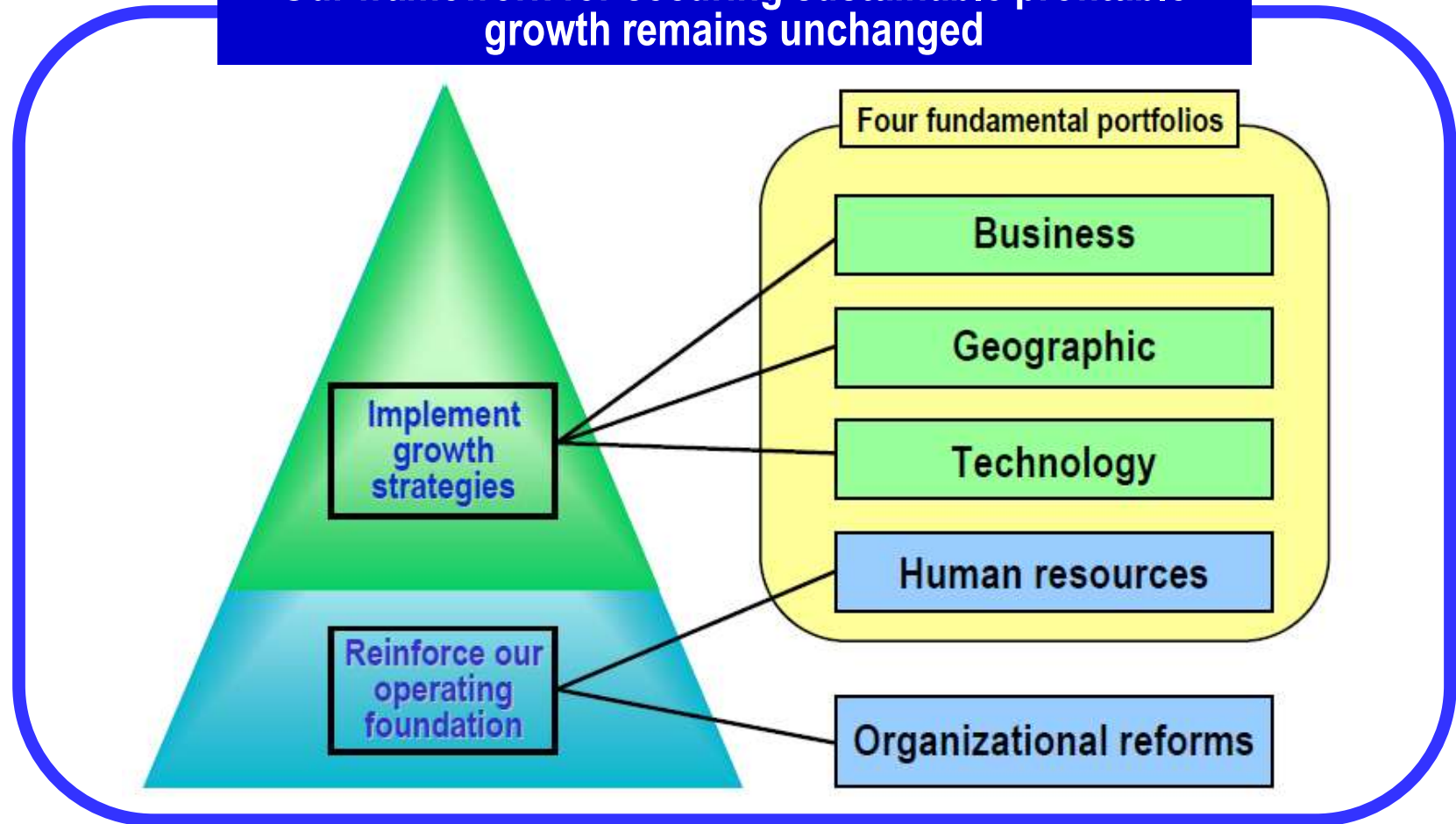
Began participating in wastewater treatment project in Shenyang in 2012 and commenced operations of effluent treatment plant

In addition to broadening its operations in Shenyang, Teijin will establish alliances with local firms to expand its comprehensive wastewater treatment solutions business in three provinces in the northeastern PRC.



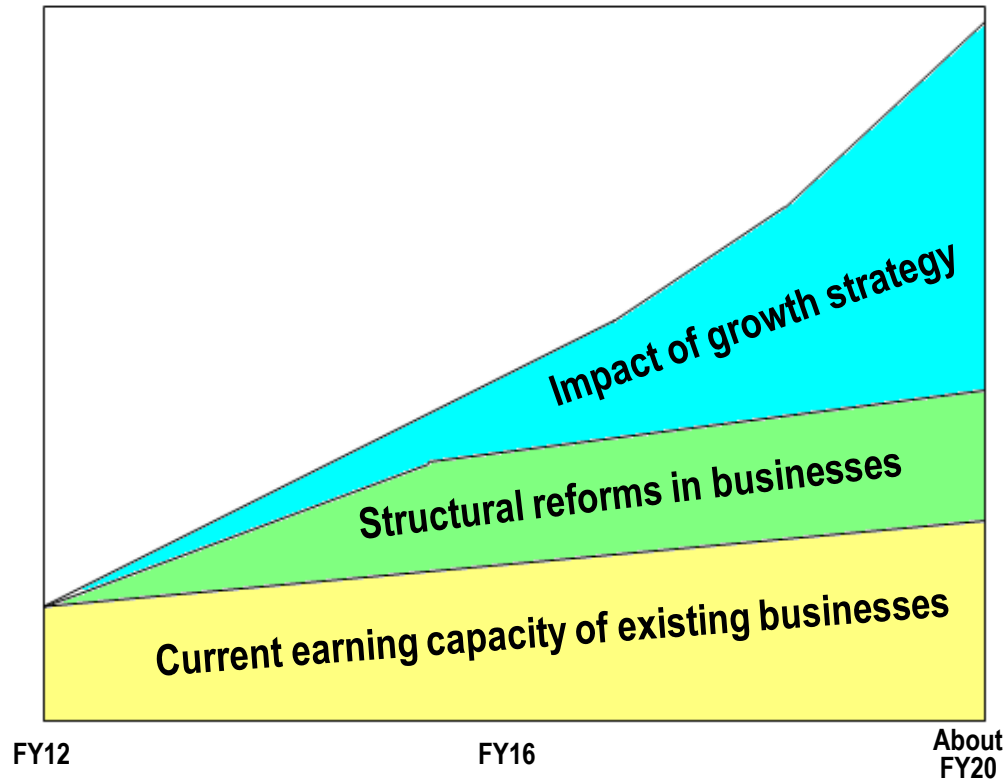
(9) Revised medium-term performance targets

Our framework for securing sustainable profitable growth remains unchanged



Owing to changes in our operating environment, including changes in market trends and the nature of competition, rebuilding our earnings base has become an even more urgent task

Medium- to long-term growth projection



- Expand core strategic businesses
- Cultivate markets in Asia and emerging economies
- Strengthen downstream and establish new businesses

- Realign and restructure production configurations in materials businesses

- Implement Group organizational reforms
- Take steps to cut total Groupwide costs

Revised medium-term targets (targets for fiscal 2016)

Taking into account changes in our operating environment since we formulated our medium-to long-term vision, in the first half of fiscal 2013 we will announce revised medium-term targets. These new targets will reflect the positive impact of structural reforms in individual businesses, which are being implemented to improve short- to medium-term profitability, as well as the progress of our growth strategies.

(10) Financial Highlights

	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Outlook
ROA ^{*1}	1.6%	6.1%	4.5%	1.6%	3.4%
ROE ^{*2}	-12.4%	9.1%	4.2%	-10.3%	3.2%
Operating margin	1.8%	6.0%	4.0%	1.7%	3.0%
D/E ratio	1.18	0.94	0.89	1.00	1.1
Shareholders' equity ratio	33.0%	37.3%	38.3%	35.6%	35%
Earnings per share (¥)	(36.3)	25.6	12.2	(29.6)	8.1
Dividends per share (¥)	2.0	5.0	6.0	4.0	4.0
Total assets (¥ billion)	823.1	761.5	762.1	762.4	765.0
Interest-bearing debt (¥ billion)	320.3	267.4	261.0	270.8	275.0
EBITDA (¥ billion) ^{*3}	75.3	105.0	86.3	59.2	70.0

*1 ROA= Operating income/Total assets

*2 ROE= Net income/Shareholders' equity

*3 EBITDA = Operating income + Depreciation & amortization

Disclaimer Regarding Forward-Looking Statements and Business Risks

Disclaimer

Any statements in this document, other than those of historical fact, are forward-looking statements about the future performance of Teijin and its Group companies, which are based on management's assumptions and beliefs in light of information currently available, and involve risks and uncertainties. Actual results may differ materially from these forecasts.

Business Risks

The Teijin Group recognizes certain risks as having the potential to affect its operating results and/or financial position. As of the date of this document, these risks included, but were not limited to, the risks listed below.

(1) Market-related risk

The Teijin Group manufactures and sells products, the sales of which may be affected by market conditions, competition with other companies and price fluctuations arising thereof, as well as fluctuations in raw materials prices and fuel costs, and such market factors as fluctuations in foreign exchange and interest rates.

(2) Product quality risk

Teijin's healthcare businesses manufacture and sell products that may affect the lives of users. Accordingly, quality issues relating to such products have the potential to negatively affect, among others, the Group's operating results, financial position and public reputation.

(3) R&D-related risk in the pharmaceuticals business

R&D in the pharmaceuticals business is characterized by significant investments of funds and time. Pharmaceuticals discovery research has a high incidence of failure to discover promising drugs. There are also risks that plans to apply for regulatory approval may be abandoned or that approval may be rescinded.

(4) Risks related to overseas operations

The Teijin Group has operations overseas. These operations are vulnerable to the impact of fluctuations in foreign exchange rates, as well as enforcement of new or unexpected changes to existing laws, regulations or tax systems that exert an adverse impact on the Group; economic fluctuations; or social unrest triggered by acts of terror or war.

(5) Risks related to accidents and disasters

In the event of a major natural disaster or unforeseen accident that results in damage to the Teijin Group's production facilities or significantly impedes the Group's supply chain, such developments may have a negative impact on the Group's operating results and/or financial position.

◆ Changes in Net Sales and Operating Income for FY11-FY12

		FY11						FY12				
		1Q	2Q	3Q	4Q	Additional period	Annual Total	1Q	2Q	3Q	4Q	Annual Total
(¥ billion)												
Net sales	Advanced Fibers and Composites	35.5	36.1	34.1	30.2	17.4	153.2	26.1	26.6	25.2	33.2	111.2
	Electronics Materials and Performance Polymer Products	46.9	46.1	46.3	41.4	34.7	215.4	43.7	44.7	43.0	44.1	175.5
	Healthcare	34.9	33.1	36.1	35.4	3.5	143.0	31.2	33.1	35.7	38.3	138.3
	Trading and Retail	56.0	67.5	66.8	64.7	7.7	262.7	54.9	60.8	60.9	60.7	237.2
	Total	173.3	182.8	183.3	171.6	63.3	774.3	156.0	165.2	164.8	176.2	662.2
	Others	16.3	21.2	18.6	23.9	0.0	80.1	18.4	18.7	20.0	26.4	83.5
Total		189.6	204.0	201.9	195.6	63.3	854.4	174.3	183.9	184.8	202.6	745.7
Operating income (loss)	Advanced Fibers and Composites	2.4	2.9	1.3	0.1	0.6	7.2	(0.3)	0.6	(2.0)	(3.0)	(4.7)
	Electronics Materials and Performance Polymer Products	3.2	2.6	1.7	(2.5)	(1.2)	3.7	1.6	(0.1)	(0.4)	(3.0)	(1.9)
	Healthcare	7.2	4.7	7.6	6.9	(0.5)	25.9	3.8	5.5	7.1	8.4	24.8
	Trading and Retail	1.1	1.9	2.0	1.6	(0.0)	6.6	0.7	1.4	1.5	1.0	4.7
	Total	13.8	12.1	12.6	6.1	(1.1)	43.4	5.8	7.4	6.2	3.5	22.9
	Others	0.3	1.1	0.3	2.1	0.0	3.7	0.4	0.2	0.8	2.9	4.2
	Elimination and Corporate	(3.1)	(3.5)	(3.1)	(3.3)	(0.2)	(13.1)	(3.2)	(3.2)	(4.3)	(4.1)	(14.8)
Total		11.0	9.6	9.7	4.9	(1.3)	34.0	3.0	4.4	2.8	2.2	12.4

Note: Figures for FY2011, the fiscal year ended March 31, 2012, have been restated to conform with the Company's revised segmentation.

◆ Consolidated Balance Sheets

	(¥ billion)	Jun. 30, 2011	Sep. 30, 2011	Dec. 31, 2011	Mar. 31, 2012	Jun. 30, 2012	Sep. 30, 2012	Dec. 31, 2012	Mar. 31, 2013
Total assets		782.0	784.5	775.8	762.1	739.7	731.8	780.0	762.4
Current assets		358.3	369.4	375.6	361.8	352.1	350.7	373.4	372.3
Fixed assets		423.8	415.1	400.2	400.3	387.7	381.0	406.6	390.1
Total liabilities and net assets		782.0	784.5	775.8	762.1	739.7	731.8	780.0	762.4
Liabilities		468.3	474.2	469.7	449.9	440.2	433.0	465.4	470.3
[Interest-bearing debt]		284.6	288.0	285.0	261.0	254.7	252.3	274.9	270.8
Net assets		313.8	310.3	306.0	312.2	299.5	298.8	314.5	292.1

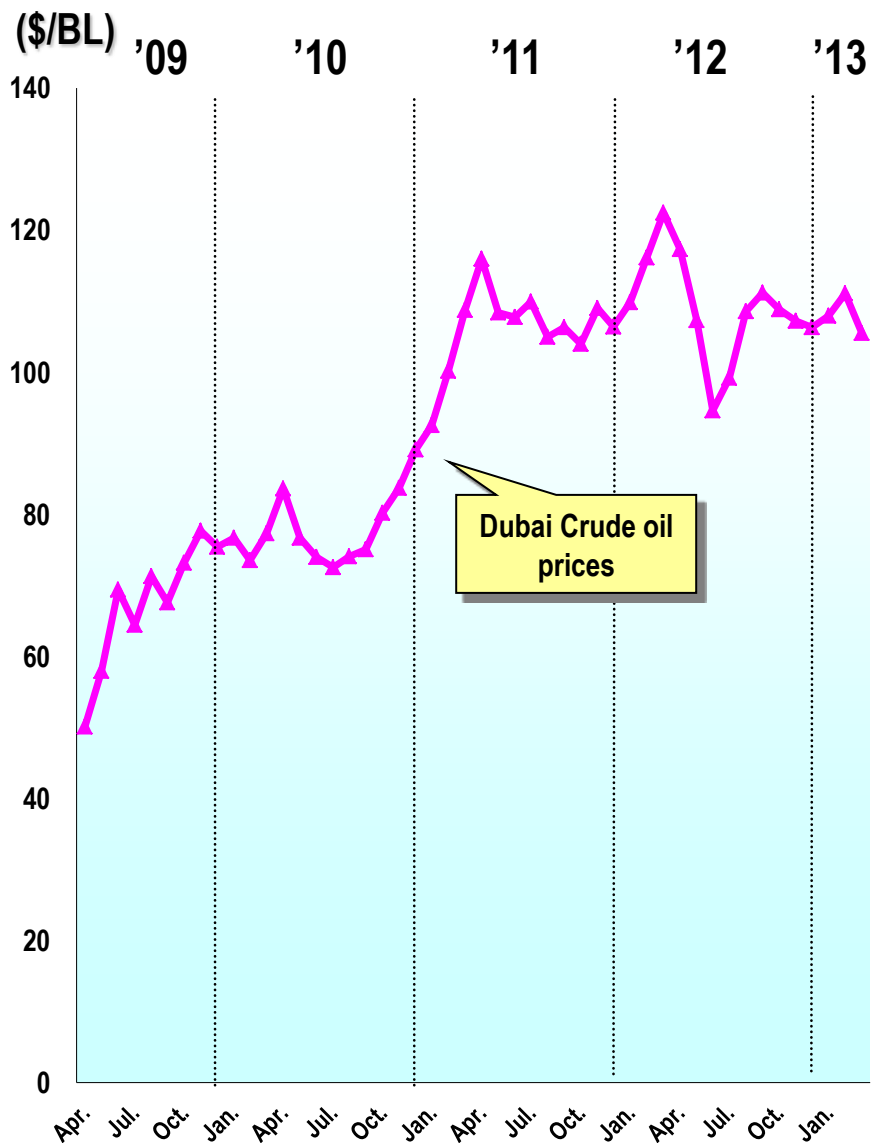
Note: For more information, see Teijin's Consolidated Financial Statements Summary (for the year ended March 31, 2013).

◆ Consolidated Statements of Income

	(¥ billion)	FY11				FY12			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales		189.6	204.0	201.9	258.9	174.3	183.9	184.8	202.6
Cost of sales		133.9	147.9	147.8	199.6	127.5	135.7	138.2	153.8
Gross profit		55.7	56.1	54.1	59.3	46.8	48.3	46.6	48.8
SG & A		44.7	46.5	44.4	55.7	43.9	43.9	43.8	46.6
Operating income		11.0	9.6	9.7	3.7	3.0	4.4	2.8	2.2
Nonoperating items (net)		1.8	(0.8)	0.2	(0.9)	(0.8)	(1.7)	0.8	(0.9)
(Balance of financial expenses)		(0.4)	(0.9)	(0.7)	(1.5)	(0.3)	(0.7)	(0.5)	(0.5)
(Equity on gains and losses of unconsolidated subsidiaries and affiliates)		2.6	1.3	0.8	0.6	0.4	0.1	0.1	(0.0)
Ordinary income		12.8	8.9	9.9	2.7	2.2	2.7	3.6	1.3
Extraordinary items(net)		(0.1)	(1.9)	(1.8)	(2.7)	(2.5)	1.6	(0.8)	(30.3)
Income (loss) before income taxes		12.7	7.0	8.1	0.0	(0.3)	4.3	2.8	(29.0)
Income taxes		5.9	3.5	2.2	3.2	1.6	3.0	0.9	0.6
Minority interest (net)		0.5	0.6	(0.0)	(0.0)	(0.2)	0.2	0.5	0.4
Net income (loss)		6.3	2.9	5.9	(3.1)	(1.6)	1.0	1.5	(30.0)

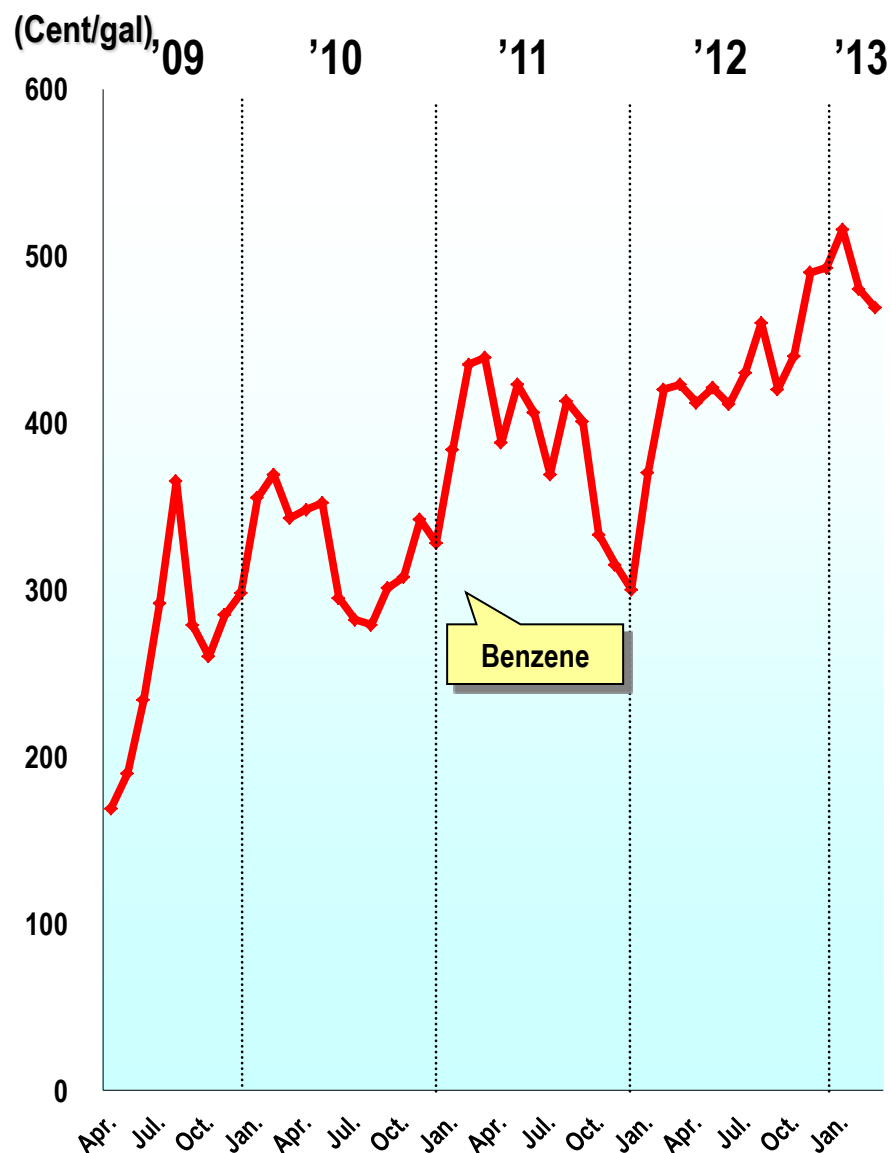
Note: For more information, see Teijin's Consolidated Financial Statements Summary (for the year ended March 31, 2013).

◆ Dubai Crude Oil Prices



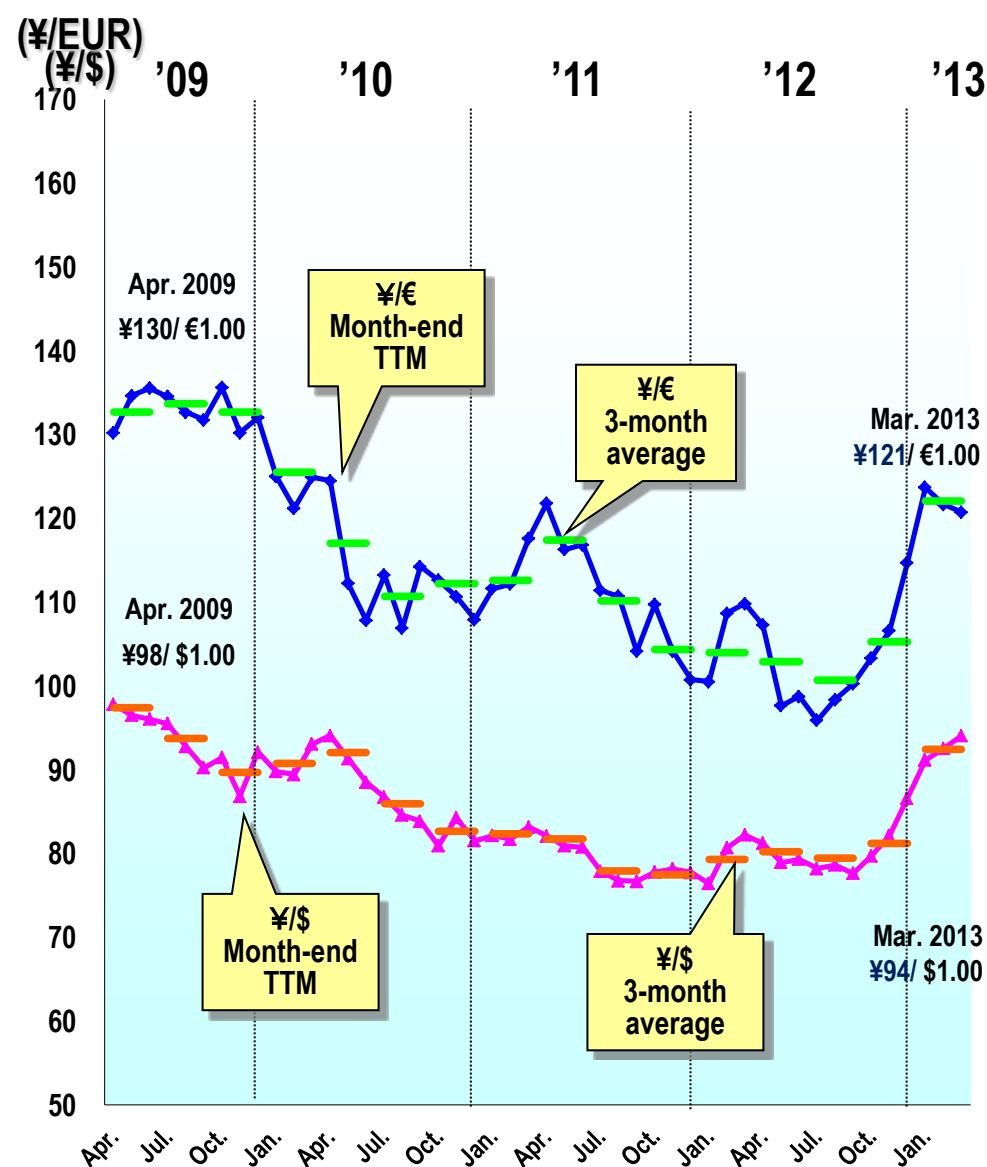
【Source: Teijin estimates based on data published by Platt's】

◆ Benzene Prices

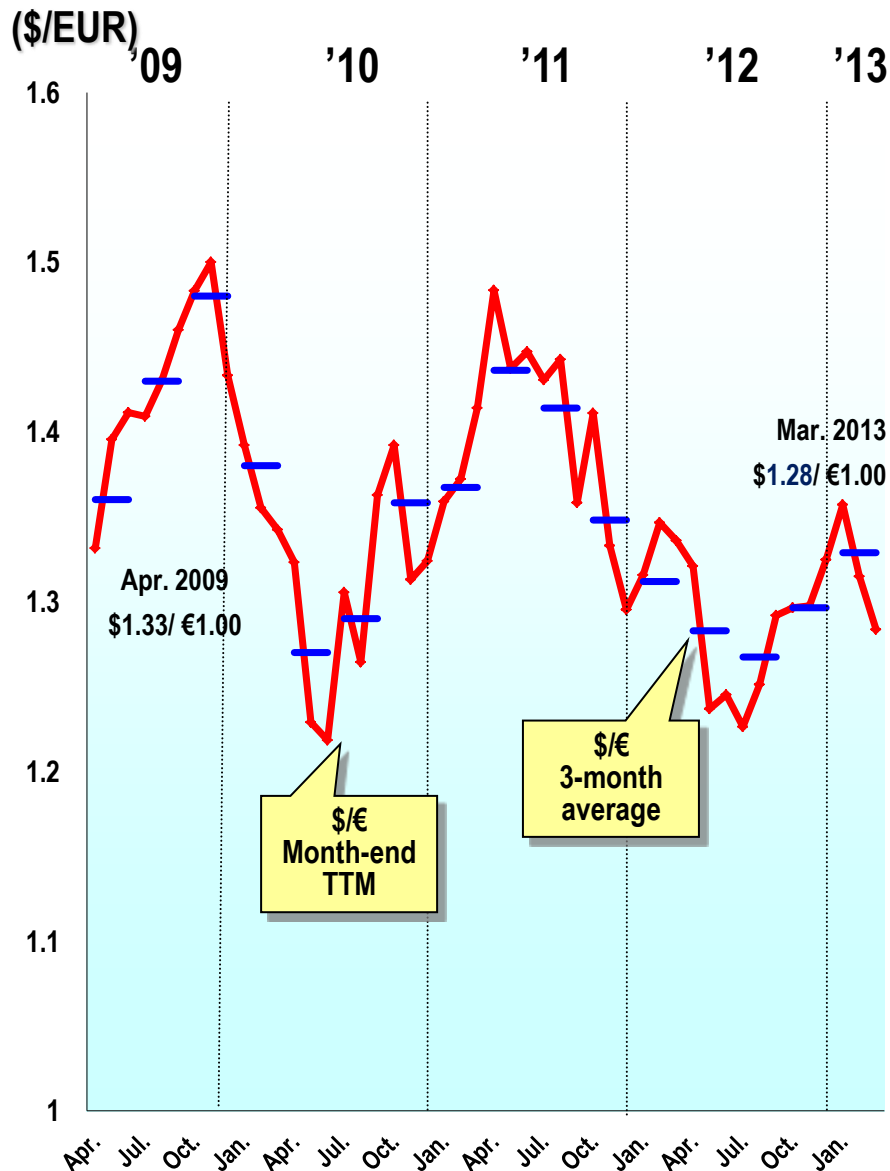


【Source: Teijin estimates based on data published by Dewitt】

◆ Yen/Dollar, Yen/Euro Exchange Rates

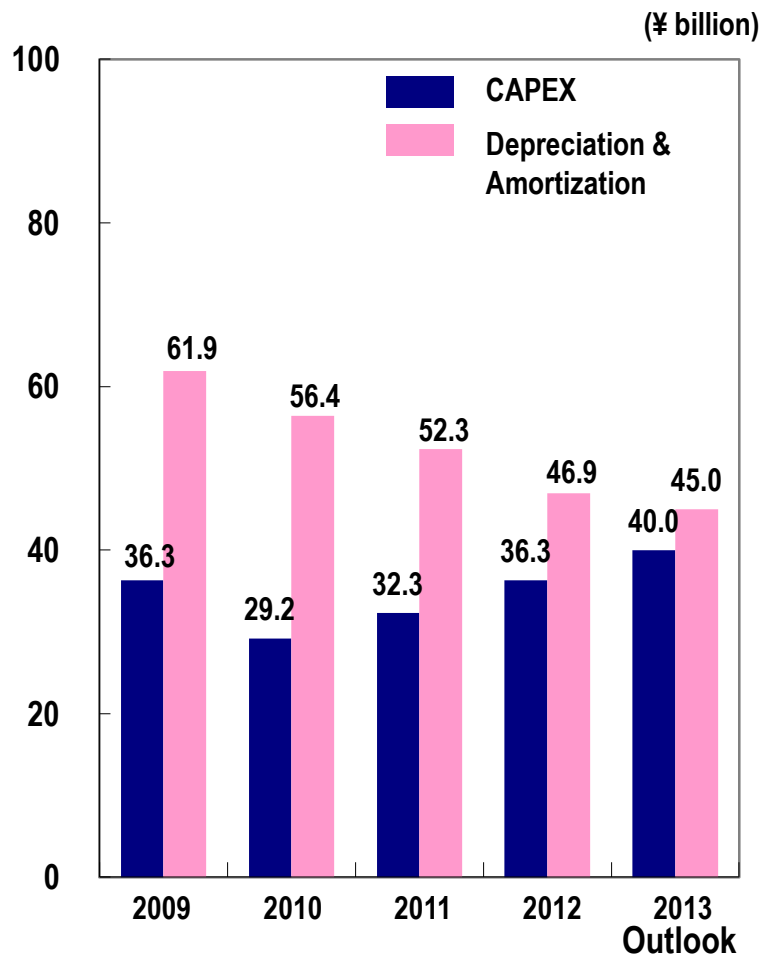


◆ Dollar/Euro Exchange Rates

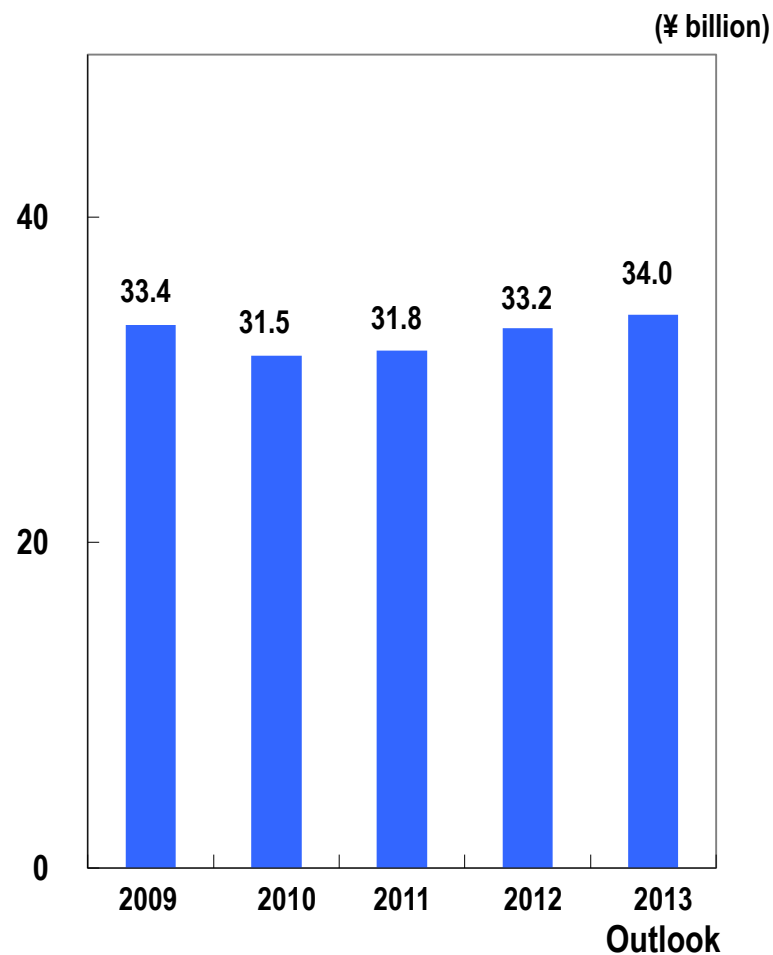


◆ CAPEX, Depreciation & Amortization, and R&D Expenses

CAPEX/Depreciation & Amortization



R&D Expenses



◆ Sales of Principal Pharmaceuticals

(¥ billion)

Product	Target disease	FY11					FY12				
		1Q	2Q	3Q	4Q	Annual Total	1Q	2Q	3Q	4Q	Annual Total
Bonalon®*	Osteoporosis	5.2	5.2	5.4	4.7	20.5	3.3	4.0	4.3	4.2	15.9
Onealfa®	Osteoporosis	2.7	2.7	3.0	2.7	11.1	1.8	2.0	2.1	2.0	7.9
Osteoporosis total		7.9	7.9	8.4	7.4	31.6	5.1	6.0	6.5	6.2	23.8
Mucosolvan®	Expectorant	2.4	2.1	3.0	2.4	9.9	2.1	1.9	2.6	2.4	9.0
Venilon®	Severe infection	2.3	2.2	2.6	2.3	9.4	2.4	2.4	2.7	2.5	9.9
Laxoberon®	Laxative	1.0	1.0	1.1	1.0	4.2	1.0	1.0	1.1	1.0	4.0
Synvisc®	Osteoarthritis pain in the knee	0.4	0.4	0.5	0.3	1.7	0.4	0.3	0.3	0.2	1.2
Tricor®	Hyperlipidemia	0.3	0.4	0.6	0.2	1.5	0.4	0.4	0.5	0.5	1.8
Bonalfa®	Psoriasis	0.3	0.3	0.4	0.3	1.4	0.4	0.3	0.4	0.3	1.4
Alvesco®	Asthma	0.3	0.3	0.3	0.4	1.3	0.3	0.3	0.4	0.4	1.3
Spiropent®	Bronchodilator	0.2	0.2	0.3	0.2	1.0	0.2	0.2	0.2	0.2	0.9
Feburic®	Hyperuricemia and gout	0.5	0.0	0.1	0.3	0.9	0.7	1.2	1.7	1.9	5.5

* Bonalon® is the registered trademark of Merck Sharp & Dohme Corp., Whitehouse Station, NJ, U.S.A.

Note: Drugs shown are those with annual sales in excess of ¥1.0 billion

◆ Development status by therapeutic area

(As of March 31, 2013)

	Phase of Clinical Trials				
	Phase I	Phase II	Phase III	Filed	Approved/New Launch
Bone and joint disease		ITM-058* ² KTP-001* ⁴			GTH-42V * ¹ [Bonalon®] GTH-42J * ⁵ [Bonalon®]
Respiratory disease	NA872ET [Mucosolvan®]				
Cardio-vascular and metabolic disease	TMG-123* ⁶	ITM-077	TMX-67* ⁷ [Feburic®] (PRC)		ITM-014 * ³ [Somatuline®]
Other		GGs [Venilon®] (New indication for microscopic polyangiitis)	GGs* ⁸ [Venilon®] (New indication for optic neuritis)		

*1 GTH-42V was approved for manufacture and marketing in Japan in January 2012 and Commenced sales in Japan in May 2012.

*2 Phase II clinical trials for ITM-058 began in May 2012. *3 ITM-014 was approved for manufacture and marketing in Japan in June 2012.

*4 Phase I/II clinical trials for KTP-001 began in the United States in August 2012.

*5 GTH-42J was approved for manufacture and marketing in Japan in August 2012. *6 Phase I clinical trials for TMG-123 began in August 2012.

*7 Clinical trials for TMX-67 began in the PRC in November 2012, in collaboration with Astellas Pharma China, Inc.

*8 Clinical trials for GGs for optic neuritis, a new indication, began in Japan in December 2012.

◆ Status of licensed-in products in preclinical stage (Information for the past three years)

Agreement	Licensor	Nature of Agreement
September 2012	Pulmagen Therapeutics (Asthma) Limited (UK)	Licensing agreement for bronchial asthma treatment in Japan

◆ **Status of new products**

(As of March 31, 2013)

Brand name (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
Bonalon® Bag for I.V. Infusion 900 µg (alendronate sodium hydrate)	Osteoporosis	Intravenous form of Bonalon , currently sold as an osteoporosis drug; holds promise as an alternative prescription in cases where patients are unable to take oral medications or where patient noncompliance is an issue; also promising because less likely than oral drugs to cause side effects in the upper gastrointestinal tract.	Injection	Licensed in from Merck & Co., Inc. (USA) Commenced sales in Japan on May 10, 2012
Somatuline® Subcutaneous Injection (lanreotide acetate)	Acromegaly Pituitary Gigantism	Suppresses the excessive secretion of growth hormones associated with acromegaly; pharmaceutical formulation facilitates sustained release and extended pharmaceutical action, while prefilled syringe format makes it more convenient than existing acromegaly drugs and thus more conducive to patient compliance.	Injection	Licensed in from Ipsen Pharma SAS (France) Commenced sales in Japan on January 17, 2013
Bonalon® Jelly 35 mg (alendronate sodium hydrate)	Osteoporosis	Oral jelly formulation of Bonalon (alendronate sodium hydrate), currently sold as an osteoporosis drug; intended as the world's first jelly-form osteoporosis treatment; offers promise as an alternative for osteoporosis patients who dislike taking pills because it is easy to swallow and moderately firm, so holds shape; also promising because it is easily managed by elderly individuals.	Oral jelly	Licensed in from Merck & Co., Inc. (USA) Commenced sales in Japan on March 12, 2013

Notes: **Bonalon®** is the registered trademark of Merck Sharp & Dohme Corp., Whitehouse Station, NJ, USA.
Somatuline® is the registered trademark of Ipsen Pharma, Paris, France.

◆ Newly developed pharmaceutical candidates

【Phase III】

(As of March 31, 2013)

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
GGS (freeze-dried sulfonated human immunoglobulin)	Optic neuritis	The immunoregulatory mechanism of this drug inhibits inflammation of the optic nerve; also promising because of its ability to restore lost visual function.	Injection	Under joint development with Kaketsuken (New indication)
TMX-67 (febuxostat)	Hyperuricemia and gout	<p>Trials to facilitate the licensing out of febuxostat (tablet-form treatment for hyperuricemia and gout currently sold in Japan and elsewhere) for sale in the PRC.</p> <p>A highly potent drug that selectively inhibits xanthine oxidase and is also safe for patients with impaired renal function who may be unable to tolerate existing treatments. Offers promise as a new treatment option that will improve the quality of life of hyperuricemia and gout sufferers in the PRC.</p>	Oral	Under joint development with Astellas Pharma China, Inc.

【Phase II】

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
ITM-077 (taspoglutide)	Type II diabetes	Consists glycemic control with low risk of hypoglycemia, which stimulating glucose-dependent insulin secretion; Has body weight loss effect; once-weekly dosage is possible, enhancing convenience; Also expecting it protects and promotes regeneration of pancreatic beta cells, which secrete insulin.	Injection	Licensed in from Ipsen Pharma SAS (France)
GGs (freeze-dried sulfonated human immunoglobulin)	Microscopic polyangiitis	Drug's anti-inflammatory and immunoregulatory actions mitigate autoimmune vasculitis; also promising as a treatment for mononeuritis multiplex, a neuropathic disorder that is not alleviated by standard therapies.	Injection	Under joint development with Kaketsuken (New indication)
ITM-058	Osteoporosis	Promising for the treatment of osteoporosis due to potency in promoting bone formation, resulting in a rapid increase in bone density and reduction in the risk of fracture. Superior to existing PTH derived drugs in its ability to increase bone density and its safety (minimal risk of hypercalcemia).	Injection	Licensed in from Ipsen Pharma SAS (France)
KTP-001	Treatment for lumbar disc herniation	For use in chemonucleolysis for herniated lumbar discs; because it is a recombinant human protease—identical in structure to matrix metalloprotease, which promotes the spontaneous regression of herniated discs—this drug minimizes the risk of allergic reaction and facilitates the selective treatment of affected discs, thus reducing damage to surrounding tissue and enhancing the viability of this procedure as a minimally invasive alternative to surgery and expanding the treatment options available to patients	Injection	Engineered by Professor Hirotaka Haro and Dr. Hiromichi Komori; under joint development with Kaketsuken

【Phase I】

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
NA872ET (ambroxol hydrochloride)	Expectorant	Small, sustained-release tablet-form version of <i>Mucosolvan</i> (ambroxol hydrochloride) that is smaller than <i>Mucosolvan</i> L Capsule and thus easier to take. This version is promising because it allows easier apportioning of single doses	Oral	Licensed in from Boehringer Ingelheim GmbH (Germany)
TMG-123	Type 2 diabetes	Uses a novel mechanism (activation of glucokinase (GK) expressed predominantly in the liver) to control blood glucose levels; holds promise for use by patients with impaired glucose homeostasis. Also expected to offer greater convenience (administered once daily, does not require adjustment of dose for patients with renal insufficiency and minimal risk of drug interaction).	Tablet	



Human Chemistry, Human Solutions

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The promise of the Teijin brand is summed up in the resonant statement: "Human Chemistry, Human Solutions".

Our promise is to continue to develop chemical technologies that are friendly to both people and the global environment. It is to keep providing solutions that deliver the real value that society and our customers expect.

We will certainly keep this promise. Constantly working to enhance the Quality of Life –our very reason for being as a company– the Teijin Group will continue to win the trust of society and our customers.