
Flash Report

Results of FY2018 & Outlook for FY2019

Teijin Limited

May 9, 2019

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Disclaimer Regarding Forward-Looking Statements

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.

Note

This material is based on the consolidated results of FY2018 announced at 11:30 A.M. on May 9, 2019 (local time in Japan).

1. Results of the FY2018

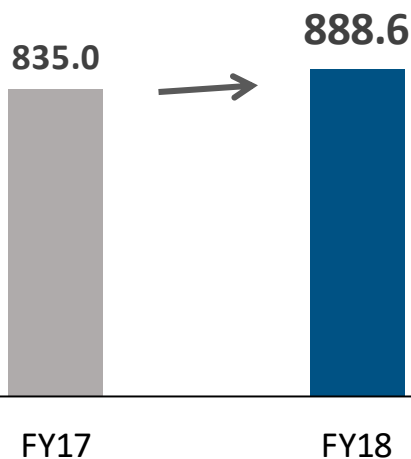
Performance Highlights

Profit attributable to owners of parent broadly flat year on year

(Billions of Yen)

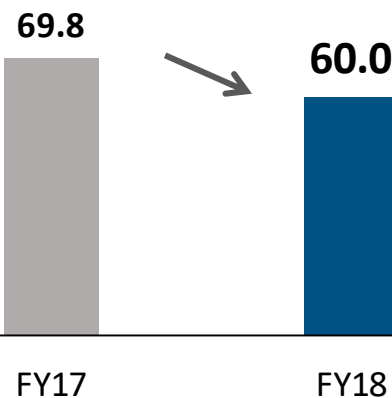
Net Sales

+6.4%



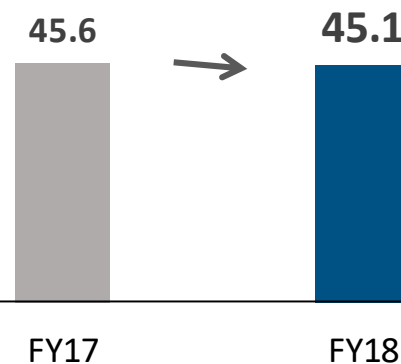
Operating Income

-14.1%



Profit Attributable to Owners of Parent

-1.1%



- Net sales increased due to firm sales in both Materials and Healthcare.
- Operating income was pushed down by increases in raw material and fuel prices and increased one-time expenses at CSP* in connection with new project orders
- Profit attributable to owners of parent broadly flat year on year.

* Continental Structural Plastics Holdings Corporation (hereinafter "CSP"), a U.S. subsidiary.

◆ Operating Results

	(Billions of Yen)			
	FY17	FY18	Difference	% Change
Net Sales	835.0	888.6	+53.6	+6.4%
Operating Income	69.8	60.0	-9.8	-14.1%
Non-operating Items (Net)	(2.0)	0.3	+2.3	-
Ordinary Income	67.8	60.3	-7.6	-11.1%
Extraordinary Items (Net)	0.1	0.1	+0.0	+29.5%
Income Before Income Taxes	67.9	60.4	-7.5	-11.1%
Profit Attributable to Owners of Parent	45.6	45.1	-0.5	-1.1%

ROE ^{*1}	12.5%	11.2%	-1.3%
ROIC ^{*2}	11.2%	9.3%	-1.9%
EBITDA ^{*3}	115.5	107.6	-7.9

*1 ROE= Profit attributable to owners of parent / Shareholders' equity
 *2 ROIC based on operating income = Operating income / invested capital
 (Invested capital = Net assets + Interest-bearing debt – Cash and deposits)

	(Billions of Yen)			
	FY17	FY18	Difference	% Change
CAPEX ^{*4}	44.6	62.8	+18.2	+40.8%
Depreciation & Amortization	45.7	47.6	+1.9	+4.2%
R&D Expenses	35.9	36.4	+0.5	+1.4%

Dividend for FY2018

Interim: ¥30

Year-end*: ¥40

Annual: ¥70

*Year-end: Including a commemorative dividend of ¥10 per share for our founding centennial

◇ PL exchange rate

	FY17	FY18	Difference
JPY / USD	111	111	+0
JPY / EUR	130	128	-1
USD / EUR	1.17	1.16	-0.01

*3 EBITDA = Operating income + Depreciation & amortization
 *4 CAPEX includes investments in intangible assets

◆ Non-operating items

(Billions of Yen)

	FY17	FY18	Difference
Interest income	1.0	1.0	+0.0
Dividends income	2.0	2.3	+0.3
Equity in earnings of affiliates	1.2	0.4	-0.8
Gain on valuation of derivatives	-	2.4	+2.4
Others	1.8	1.1	-0.7
Non-operating income, total	6.0	7.2	+1.2
Interest expenses	2.6	3.5	+0.9
Foreign exchange losses	-	0.8	+0.8
Loss on valuation of derivatives	3.1	-	-3.1
Others	2.2	2.6	+0.4
Non-operating expenses, total	8.0	7.0	-1.0
Non-operating items, total	(2.0)	0.3	+2.3

◆ Extraordinary items

(Billions of Yen)

	FY17	FY18	Difference
Gain on sales of noncurrent assets	5.6	0.3	-5.3
Gain on sales of investment securities	0.6	4.8	+4.3
Settlement received	-	4.5	+4.5
Others	0.6	0.3	-0.3
Extraordinary income, total	6.8	9.9	+3.2
Loss on sales and retirement of noncurrent assets	4.1	2.3	-1.8
Impairment loss	1.1	6.0	+4.9
Others	1.5	1.5	+0.1
Extraordinary loss, total	6.7	9.8	+3.2
Extraordinary items, total	0.1	0.1	+0.0

◆ Financial position

(Billions of Yen)

	Mar. 31, 2018*	Mar. 31, 2019	Difference	(Impact of foreign exchange rate)
Total assets	982.0	1,020.7	+38.7	+0.5
Liabilities	573.7	593.4	+19.7	+1.0
[Interest-bearing debt]	344.2	369.2	+25.0	+1.9
Net assets	408.2	427.2	+19.0	-0.6
D/E ratio	0.88	0.90	+0.02	-

◆ Cash flows

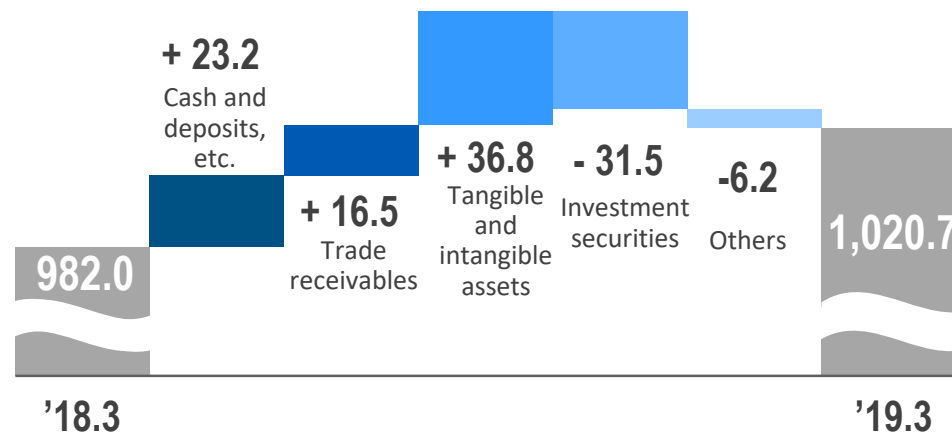
(Billions of Yen)

	Mar. 31, 2018	Mar. 31, 2019	Difference
Operating activities	80.1	80.9	+0.8
Investing activities	(51.3)	(41.3)	+10.0
Free cash flow	28.8	39.6	+10.8
Financing activities	(30.2)	(15.5)	+14.6
Net inc/dec in Cash & cash equivalents	(1.4)	24.3	+25.7

*The partial amendments to the “Accounting Standard for Tax Effect Accounting” have been retrospectively reflected in the figures as of March 31, 2018.

◇ Changes in total assets

(Billions of Yen)



◇ BS exchange rate

	Mar. 31, 2018	Mar. 31, 2019	Difference
JPY / USD	106	111	+5
JPY / EUR	131	125	-6
USD / EUR	1.23	1.12	-0.11

◆ Changes in net sales and operating income by segment

(Billions of Yen)

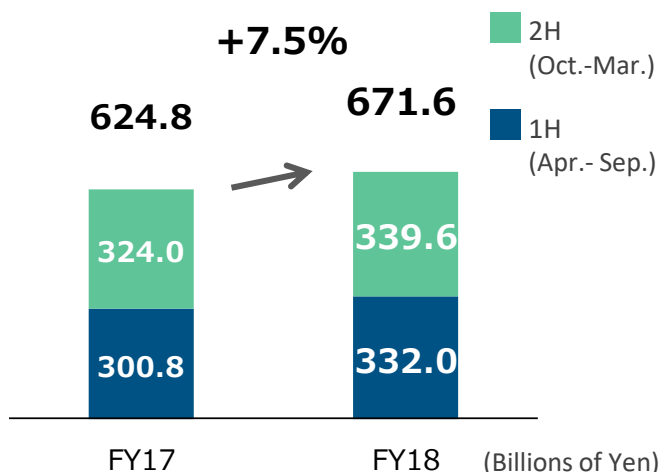
	FY17	FY18	Differ- ence	% Change	FY18 Previous Outlook*	FY18	Differ- ence	% Change
Net sales								
Material business group	254.1	263.9	+9.9	+3.9%	270.0	263.9	-6.1	-2.2%
Polyester Fibers & Trading and Retail business group	293.2	318.3	+25.1	+8.5%	320.0	318.3	-1.7	-0.5%
Composites, others	77.5	89.4	+11.8	+15.3%	90.0	89.4	-0.6	-0.7%
Materials Total	624.8	671.6	+46.7	+7.5%	680.0	671.6	-8.4	-1.2%
Healthcare	155.4	157.5	+2.1	+1.4%	155.0	157.5	+2.5	+1.6%
Others	54.8	59.5	+4.7	+8.6%	55.0	59.5	+4.5	+8.2%
Total	835.0	888.6	+53.6	+6.4%	890.0	888.6	-1.4	-0.2%
Operating income (loss)								
Materials	33.6	23.5	-10.1	-30.1%	23.5	23.5	-0.0	-0.0%
Healthcare	35.9	35.5	-0.5	-1.4%	36.5	35.5	-1.0	-2.9%
Others	6.1	7.2	+1.0	+16.7%	6.5	7.2	+0.7	+10.2%
Elimination and Corporate	(5.9)	(6.1)	-0.2	-	(6.5)	(6.1)	+0.4	-
Total	69.8	60.0	-9.8	-14.1%	60.0	60.0	0.0	0.0%

* Announced on February 4, 2019

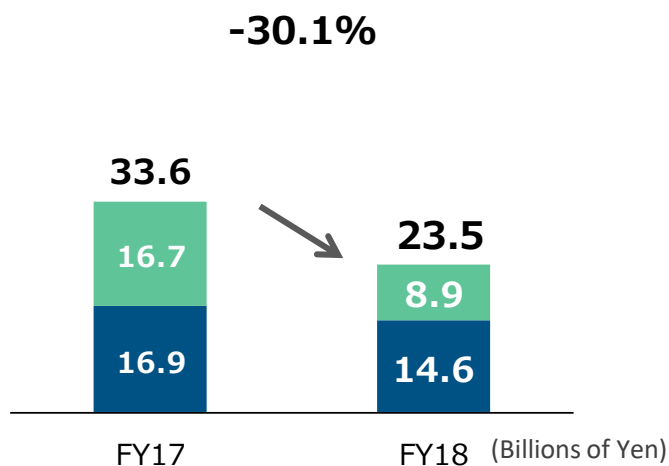
Materials

- Net sales rose, driven by strong sales at CSP and aramid fibers
- Earnings decreased mainly due to increases in raw material and fuel prices and one-time expenses at CSP

Net sales



Operating income



Material business group

- Aramid fibers saw brisk sales overall and price hikes gained traction
- Earnings in carbon fibers were pushed down by factors such as expenses for launching a new plant in North America
- Impact from substantial deterioration in market conditions for certain polycarbonate resin products was partially absorbed by shifting sales to high-value-added products

Polyester Fibers & Trading and Retail business group

- Results reflect the impacts of increases in raw material prices, despite firm sales of functional apparel fiber in fiber materials and functional staple fibers in industrial materials

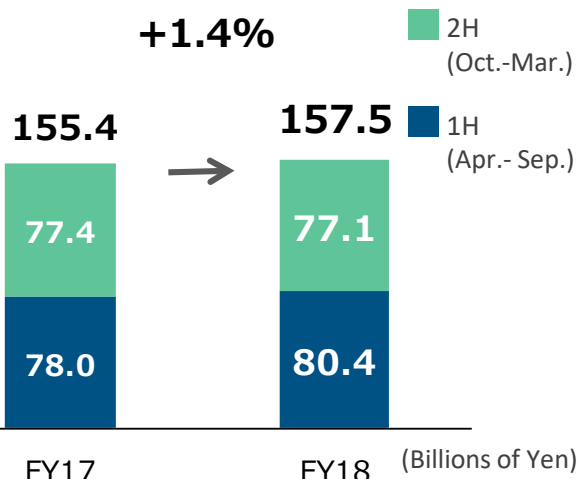
Composites, others

- Rising raw material prices and increased non-recurring cost at CSP in connection with new project orders put downward pressure on the profit, despite steady increases in sales of mass-produced automotive components of CSP

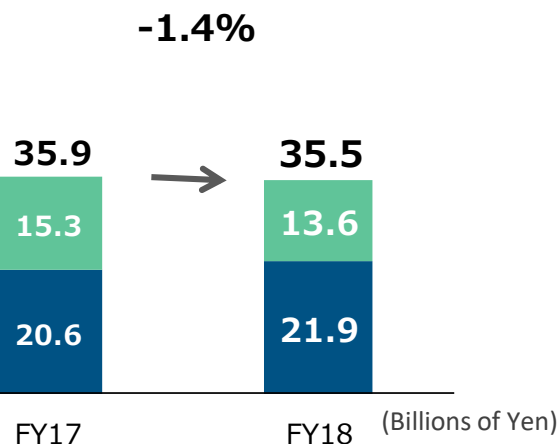
Healthcare

Sales of core products and services were firm

Net sales



Operating income



Pharmaceuticals

- Sales expansion of hyperuricemia and gout treatment *FEBURIC* covered the impact of downward revisions to drug prices and the absence of consideration for the licensing out of an investigational antibody candidate recorded in FY17 (¥3.0 billion)

Home Healthcare

- Rental volume for oxygen concentrators for home oxygen therapy (HOT) remained at high levels, helped partly by an enhanced lineup of portable oxygen concentrators
- Rental volume for continuous positive airway pressure (CPAP) ventilators increased, mainly due to the use of the SAS-2100 sleeping pattern analysis devices.

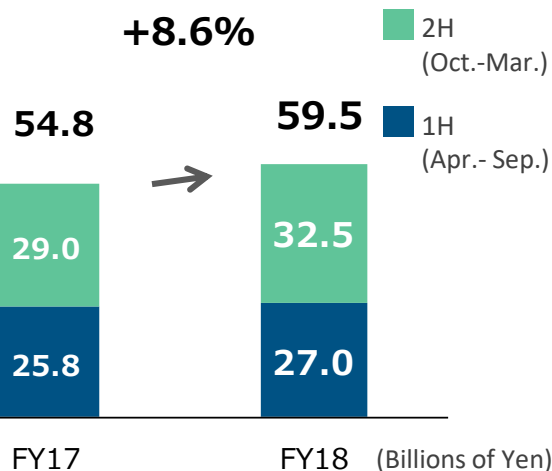
New Healthcare

- Implantable medical products performed steadily, driven primarily by artificial joint and orthopedic spine products

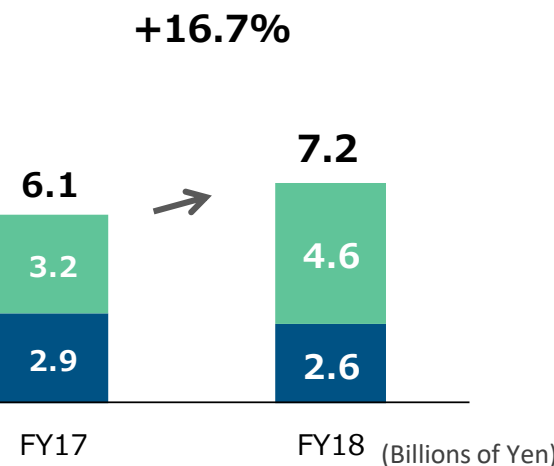
Others

The IT business delivered a solid performance

Net sales



Operating income

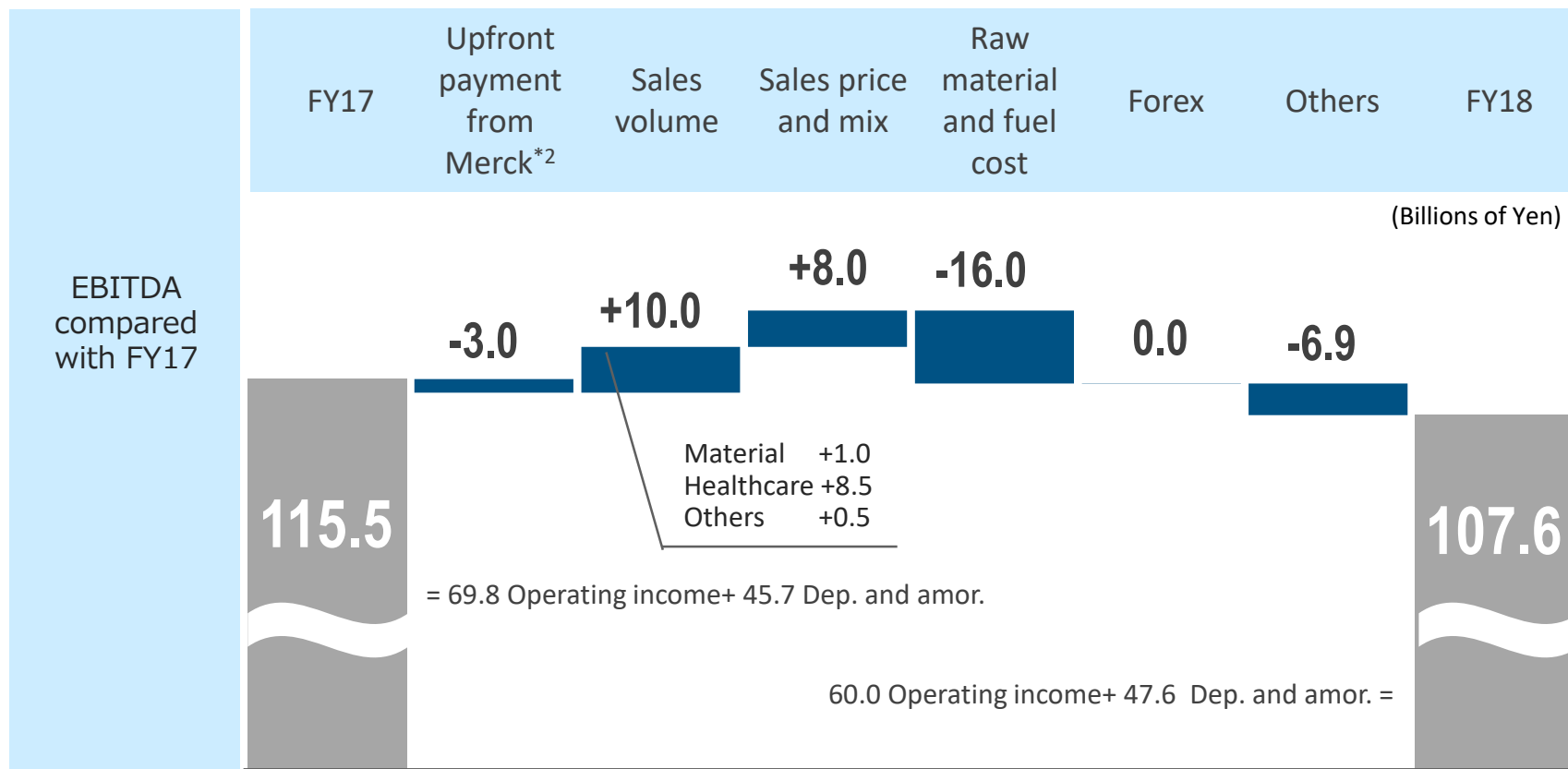


IT

- *The MECCHA COMICS* e-comics distribution service did well
- In the IT services category, there were steady sales growth of work management systems for hospitals

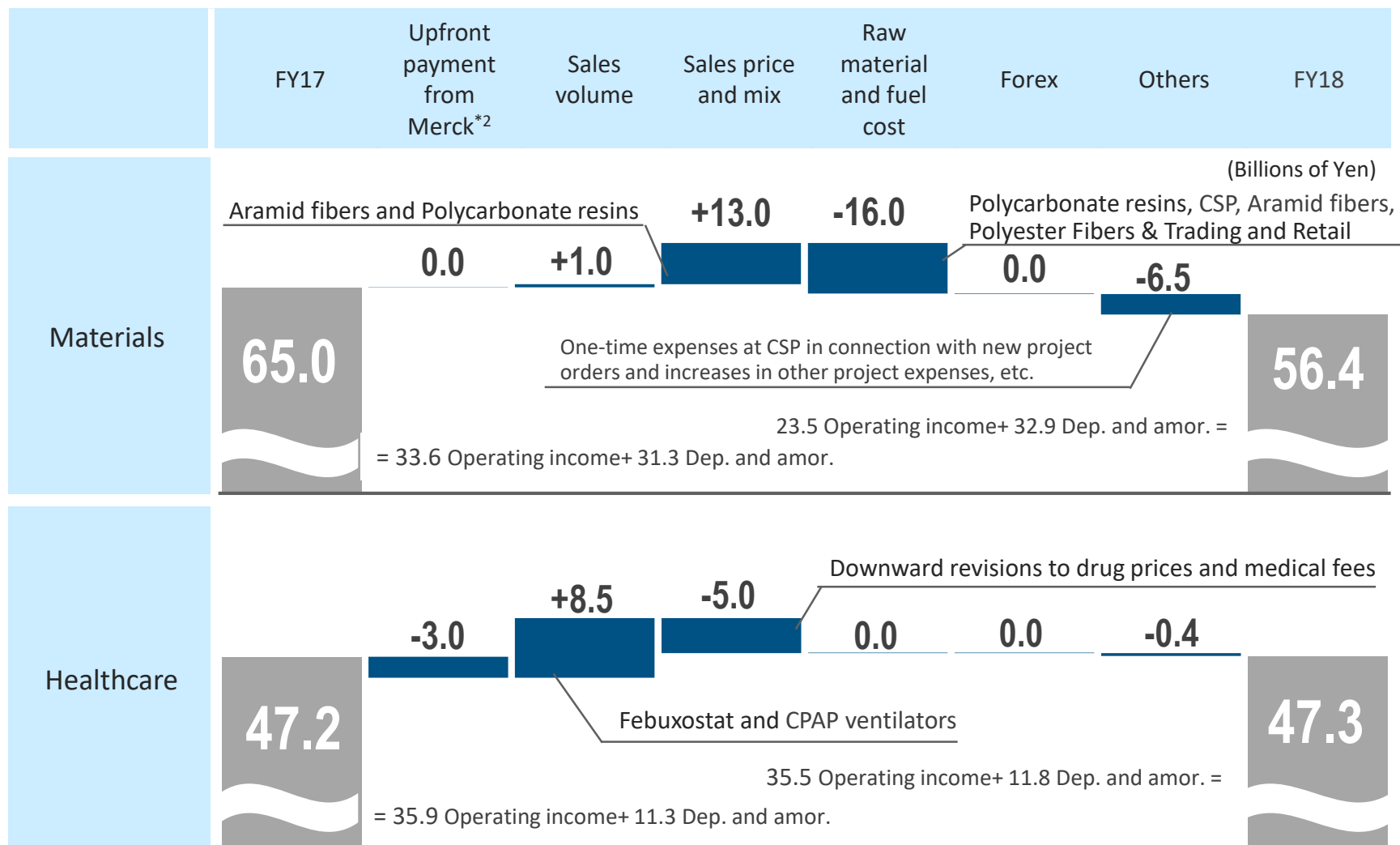
◆ Changes in EBITDA*¹ compared with FY2017

EBITDA decreased, mainly due to increases in raw material and fuel prices and one-time expenses at CSP in connection with new orders, despite solid sales



*1 EBITDA = Operating income + Depreciation & amortization

*2 The impact of recording consideration for the licensing out of a n investigational antibody candidate targeting tau for a possible new treatment of Alzheimer's disease

◆ Changes in EBITDA*¹ by segment compared with FY2017*¹ EBITDA = Operating income + Depreciation & amortization*² The impact of recording consideration for the licensing out of an investigational antibody candidate targeting tau for a possible new treatment of Alzheimer's disease

2. Outlook for FY2019

◆ FY2019 Management Policy

Materials

- **Expand the composites and components businesses** – Recover the profitability in the U.S. and expand operations in Europe and the PRC.
- **Reinforcement of the earnings base**
 - Raise production capacity and expand sales for aramid fibers where demand is strong
 - Advance development and raise carbon fiber production capacity for increase of future supply of intermediate products for aircraft applications
 - Increase the ratio of high-valued-added plastics
- **Polyester Fibers & Trading and Retail Business Group**
 - Implement our growth scenario through an integrated production and sales structure

Healthcare

- **Optimized resource allocation in pharmaceuticals and home healthcare businesses**
- **Advance creation and expansion of new healthcare business**
- **Reinforcement of the earnings base**
 - Expand sales of *FEBURIC* and efficiently develop new drugs including via out/in-licensing
 - Strengthen the earnings base by growing existing business in the home healthcare business

Common

- **Further promote ESG management (announced TCFD support)**
- **Enhance productivity including by leveraging digital technology and reworking current business processes, and implement Head Office restructuring initiatives**
- **Enhance business fundamentals supporting global growth and expansion**

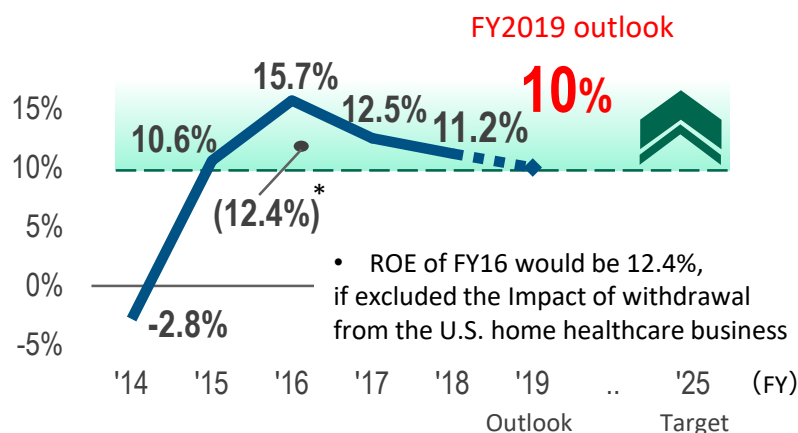
Key Financial Indicators

- Our medium-term targets of ROE 10% or more, and operating income ROIC 8% or more, expected to be achieved
- EBITDA to fall short of FY2019 target (over ¥120.0 billion), but continuous effort to achieve

Medium-term target

ROE*¹ **10% +**

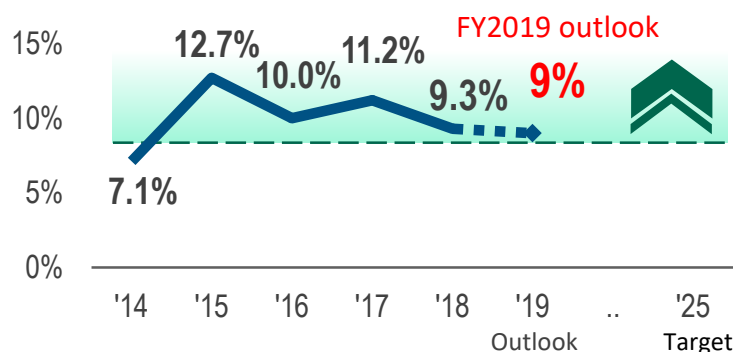
Trend



Medium-term target

ROIC based on operating income*² **8% +**

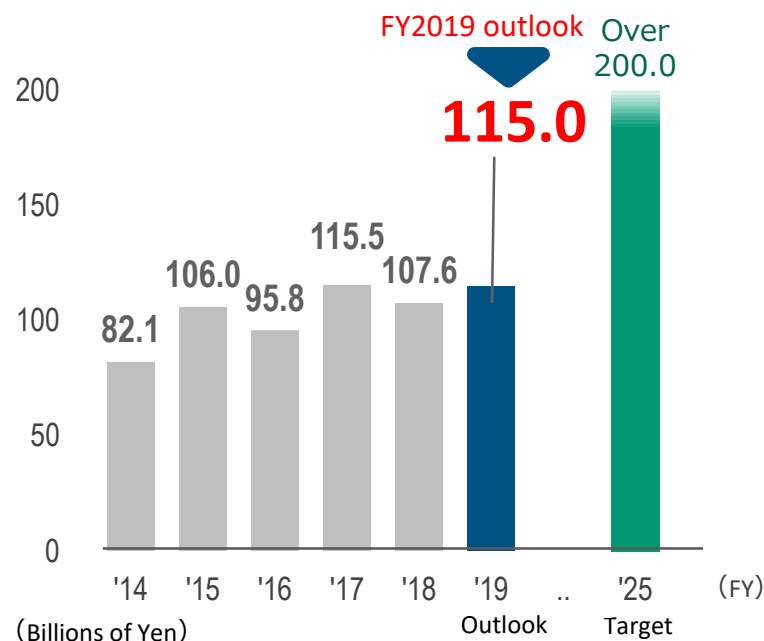
Trend



Medium-term target

EBITDA*³ **Over ¥120 billion in FY2019**
Over ¥200 billion in FY2025

Trend



*1 ROE=Profit (loss) attributable to owners of parent / Shareholders' equity

*2 ROIC based on operating income = Operating income / invested capital
(Net assets + Interest-bearing debt – Cash and deposits)

*3 EBITDA = Operating income + Depreciation & amortization

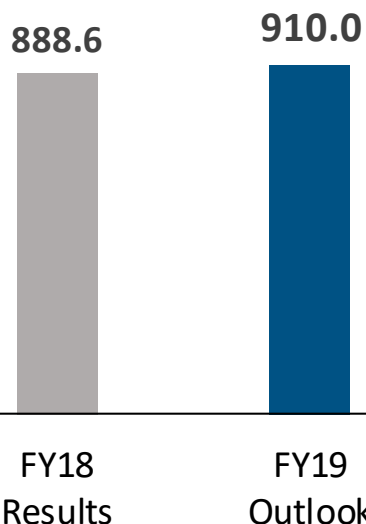
Outlook Highlights

Operating income to remain unchanged as decrease of earnings in the Healthcare Business Field are covered by increase of earnings in the Materials Business Field, mainly aramid fibers.

(Billions of Yen)

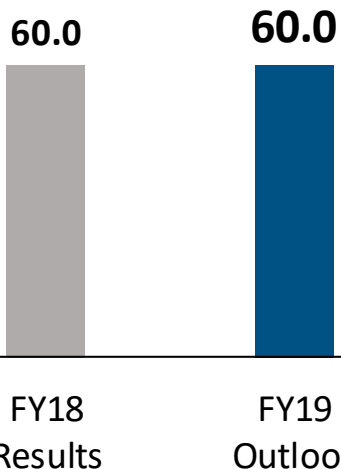
Net Sales

To Increase



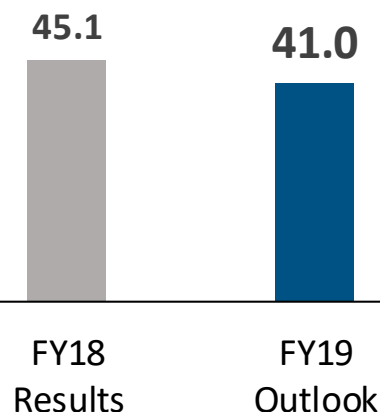
Operating Income

To be same level



Profit Attributable to Owners of Parent

To Decrease



◆ Summary of Outlook for FY2019

	(Billions of Yen)					(Billions of Yen)		
	FY18	FY19 Outlook	Differ- ence	% Change		FY18	FY19 Outlook	Differ- ence
Net sales	888.6	910.0	+21.4	+2.4%	Free cash flow	39.6	5.0	-34.6
Operating income	60.0	60.0	0.0	0.0%	CAPEX ^{*4}	62.8	70.0	+7.2
Ordinary income	60.3	60.0	-0.3	-0.4%	Depreciation & Amortization	47.6	55.0	+7.4
Profit attributable to owners of parent	45.1	41.0	-4.1	-9.0%	R&D Expenses	36.4	38.0	+1.6

ROE ^{*1}	11.2%	10%	-1%
ROIC ^{*2}	9.3%	9%	-0%
EBITDA ^{*3}	107.6	115.0	+7.4

*1 ROE= Profit attributable to owners of parent / Shareholders' equity

2 ROIC based on operating income = Operating income / invested capital

*Net assets + Interest-bearing debt – Cash and deposits

*3 EBITDA = Operating income + Depreciation & amortization

*4 CAPEX includes investments in intangible assets

Assumptions for FY2019 outlook

Exchange rates : ¥110/US\$1.00, and ¥125/€1.00

An average Dubai crude oil price : US\$65/barrel

Reference: FY2018

Average exchange rates : ¥111/US\$1.00, and ¥128/€1.00

An average Dubai crude oil price : US\$69/barrel

Dividend forecasts for FY2019

Interim: ¥30 per share Year-end: ¥30 per share

Annual: ¥60 per share

Reference: Dividend for FY2018

Interim: ¥30

Year-end*: ¥40

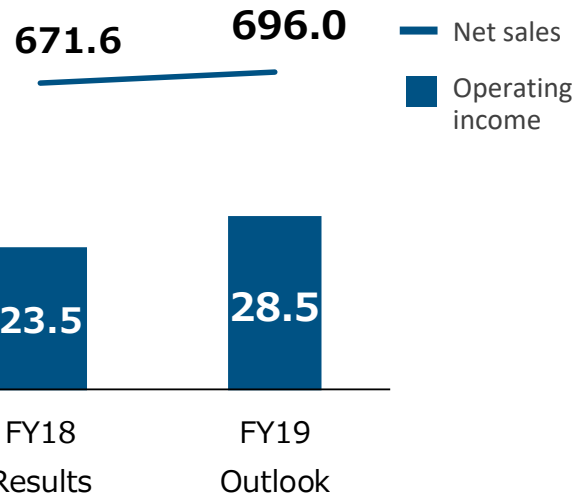
Annual: ¥70

*Year-end: Including a commemorative dividend of ¥10 per share for our founding centennial

Outlook for FY19 by segment

Materials

(Billions of Yen)

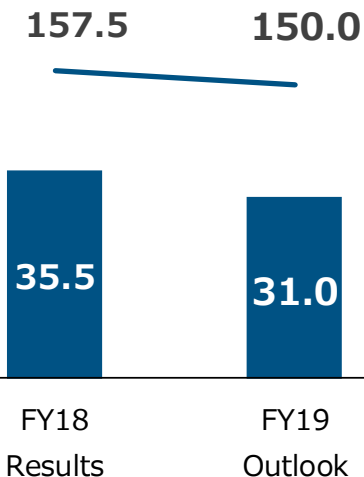


Higher earnings on higher sales

- Higher earnings on higher sales are forecast as increased sales of aramid fibers and increased sales with improved productivity at CSP are expected to cover the impact of persistently sluggish market conditions for certain polycarbonate resin products

Healthcare

(Billions of Yen)



Lower earnings on lower sales

- Lower earnings on lower sales are forecast based on a projected decrease in sales of overseas products (febuxostat), despite a solid performance by domestic sales of *FEBURIC* and home healthcare.

FEBURIC

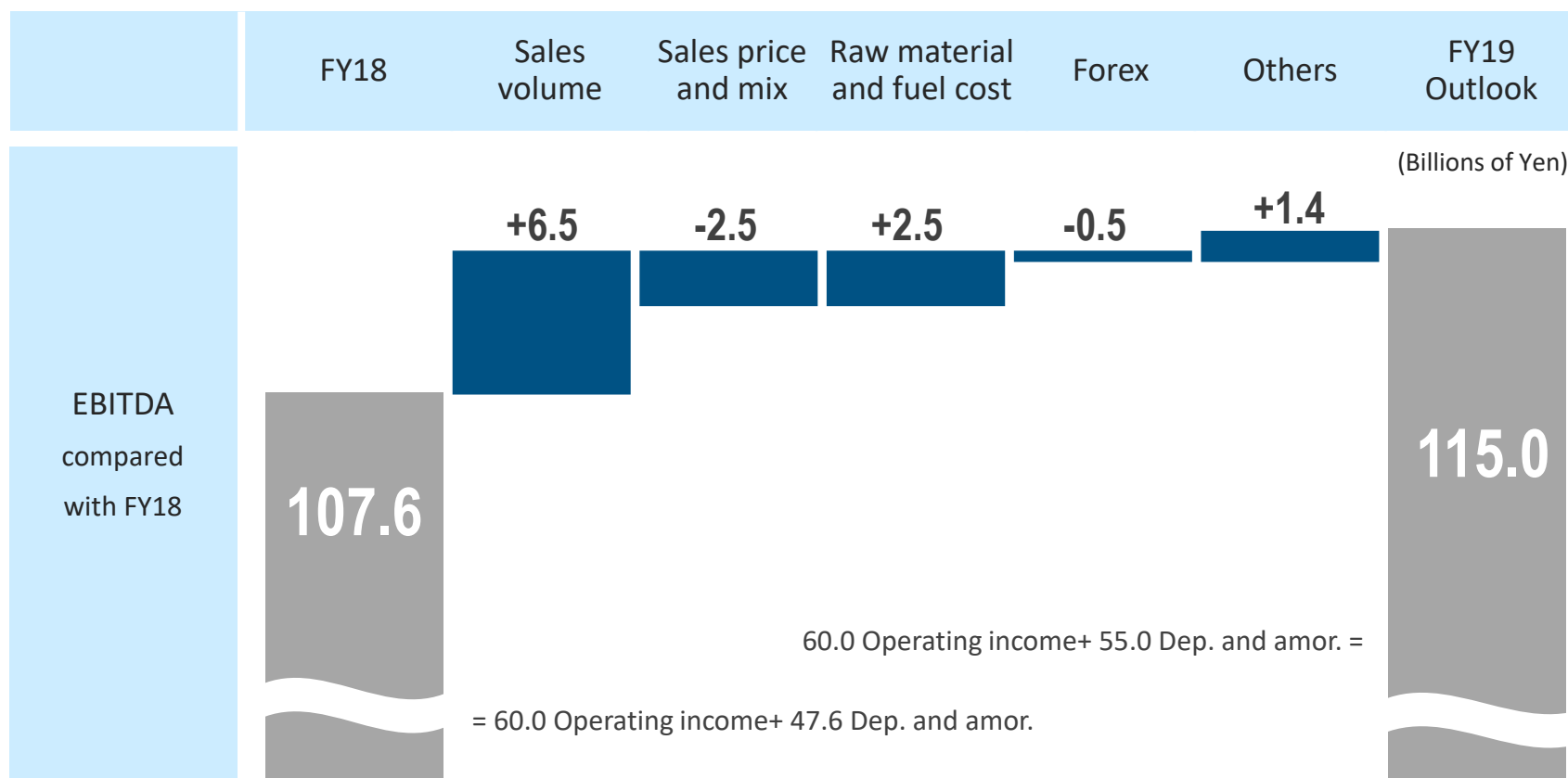
- A decision was made to grant a two-year extension of the reexamination period in Japan (until January 2021)*

*In Japan, generic products are not expected to enter the market until early FY2022.

- In the PRC, approval was obtained in September 2018.

◆ Changes in EBITDA* compared with FY2018

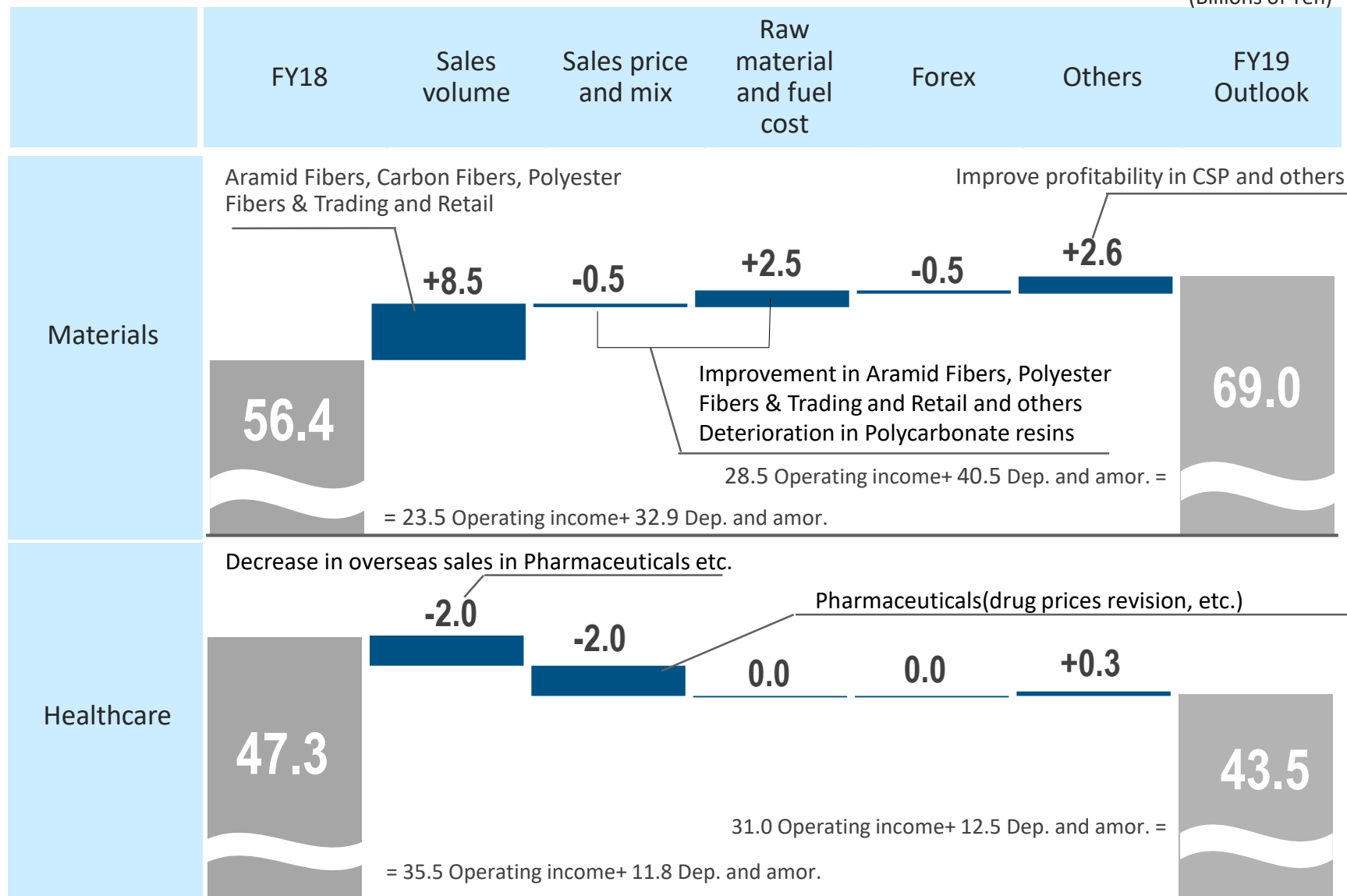
We expect EBITDA to increase year on year, supported partly by increased sales of aramid fibers and other items



* EBITDA = Operating income + Depreciation & amortization

◆ Changes in EBITDA* by segment compared with FY2018

(Billions of Yen)



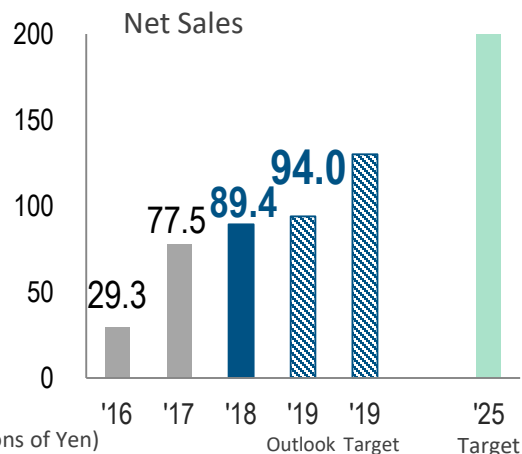
* EBITDA = Operating income + Depreciation & amortization

Transformation Strategy (New Business): Progress and Outlook

- Materials: Growing sales with eye to attaining FY2025 targets*
- Healthcare: Continue searching for M&A candidates

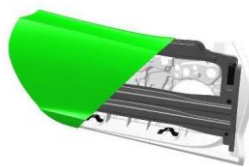
*New businesses targets set forth in the current medium-term management plan

Materials New Business



Development of advanced multi-material composites door module

Teijin developed an automotive side-door module made from carbon fiber compound and glass fiber reinforced plastics, which helps make automobiles lighter and stronger, enhance design freedom, and shorten the manufacturing process. It maintains required crash specifications while reducing overall weight by 35% when compared to a conventional steel door..

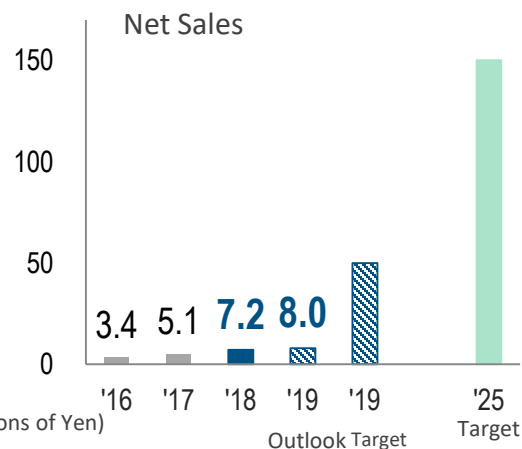


Depiction of sample showcased at JEC World 2019

Implemented various multi-material composites development to accelerate shift to both high strength and lightweight auto parts

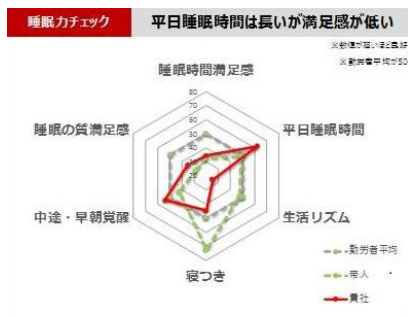
Harnessed materials and technologies inside and outside the Group to reinforce our ability to propose solutions as a manufacturer supplying multi-material components

Healthcare New Business



Offering *Sleep Styles* sleep assessment service

Teijin tied up with Benefit one Health care Inc. to offer its stress check users customized sleep assessments via the Teijin Group's *Sleep Styles* Sleep Wellness Program. This supports the improvement of risks associated with sleep and helps companies manage health and bring medical expenses to appropriate levels.



Benefit one Health care Inc.

Benefit one Health care Inc. is a one-stop provider of disease prevention services to health insurance associations. Its offerings include health checkup booking and specific health guidance. It also offers stress checks, which became mandatory from December 2015.

3. Supplementary information

◆ Key Financial Indicators by segment

				(Billions of Yen)	
	FY17	FY18	Difference Compared with FY17	FY19 Outlook	Difference Compared with FY18
EBITDA ^{*1}					
Materials	65.0	56.4	-8.6	69.0	+12.6
Healthcare	47.2	47.3	+0.1	43.5	-3.8
Others	7.8	10.0	+2.2	10.5	+0.5
Elimination and Corporate	(4.5)	(6.1)	-1.6	(8.0)	-1.9
Total	115.5	107.6	-7.9	115.0	+7.4
					(%)
ROIC ^{*2}					
Materials	9%	5%	-3%	6%	+1%
Healthcare	29%	35%	+5%	34%	-1%
Total	11%	9%	-2%	9%	-0%

*1 EBITDA = Operating income + Depreciation & amortization

*2 ROIC based on operating income = Operating income / invested capital (Net assets + Interest-bearing debt - Cash and deposits)

◆ Changes in net sales and operating income by segment

(Billions of Yen)

	FY18 Results			FY19 Outlook			Difference
	1H	2H	Total	1H	2H	Total	Total
Net sales							
Material business group	134.4	129.5	263.9	129.5	132.5	262.0	-1.9
Polyester Fibers & Trading and Retail business group	154.0	164.3	318.3	165.0	175.0	340.0	+21.7
Composites, others	43.6	45.8	89.4	45.5	48.5	94.0	+4.6
Materials Total	332.0	339.6	671.6	340.0	356.0	696.0	+24.4
Healthcare	80.4	77.1	157.5	76.0	74.0	150.0	-7.5
Others	27.0	32.5	59.5	30.0	34.0	64.0	+4.5
Total	439.4	449.2	888.6	446.0	464.0	910.0	+21.4
Operating income (loss)							
Materials	14.6	8.9	23.5	13.0	15.5	28.5	+5.0
Healthcare	21.9	13.6	35.5	17.5	13.5	31.0	-4.5
Others	2.6	4.6	7.2	2.5	5.0	7.5	+0.3
Elimination and Corporate	(2.8)	(3.3)	(6.1)	(3.0)	(4.0)	(7.0)	-0.9
Total	36.2	23.8	60.0	30.0	30.0	60.0	0.0

◆ Historical Financial Indicators

	FY15	FY16	FY17	FY18	FY19
	Actual	Actual	Actual ^{*6}	Actual	Outlook
ROE ^{*1}	10.6%	15.7%	12.5%	11.2%	10%
ROIC ^{*2}	12.7%	10.0%	11.2%	9.3%	9%
EBITDA ^{*3} (Billions of Yen)	106.0	95.8	115.5	107.6	115.0
Earnings per share ^{*4} (Yen)	158.1	254.9	231.3	232.4	213.8
Dividends per share ^{*4} (Yen)	35	55	60	70 [*]	60
*Including a commemorative dividend of ¥10 per share for our founding centennial					
Total assets (Billions of Yen)	823.4	964.1	982.0	1,020.7	1,070.0
Interest-bearing debt (Billions of Yen)	303.3	376.2	344.2	369.2	380.0
D/E ratio ^{*5}	1.01	1.11	0.88	0.90	0.9
Shareholders' equity ratio	36.4%	35.1%	40.0%	40.2%	41%

*1 ROE= Profit attributable to owners of parent / Shareholders' equity

*2 ROIC based on operating income = Operating income / invested capital (Net assets + Interest-bearing debt – Cash and deposits)

*3 EBITDA = Operating income + Depreciation & amortization

*4 Reflecting the impact of the consolidation of shares

*5 D/E ratio = Interest-bearing debt / Total shareholders' equity

*6 Teijin has adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No. 28, February 16, 2018) from FY2018. Results for FY2017 have been adjusted to reflect the retrospective application of the new accounting standard.

◆ Consolidated balance sheets

(Billions of Yen)

	FY16	FY17				FY18			
	Mar. 31, 2017	Jun. 30, 2017	Sep. 30, 2017	Dec. 31, 2017	Mar. 31, 2018*	Jun. 30, 2018	Sep. 30, 2018	Dec. 31, 2018	Mar. 31, 2019
Total assets									
Current assets	466.8	473.6	459.5	475.5	477.9	520.5	546.5	522.7	523.9
Fixed assets	497.3	498.7	494.3	503.1	504.1	507.6	506.3	493.0	496.8
Total	964.1	972.3	953.8	978.6	982.0	1,028.1	1,052.8	1,015.7	1,020.7
Total liabilities and net assets									
Liabilities	612.2	596.6	556.0	567.3	573.7	604.7	619.3	586.0	593.4
[Interest-bearing debt]	376.2	386.2	341.1	347.5	344.2	385.2	400.7	374.0	369.2
Net assets	351.8	375.7	397.8	411.3	408.2	423.4	433.5	429.7	427.2
Total	964.1	972.3	953.8	978.6	982.0	1,028.1	1,052.8	1,015.7	1,020.7

* Teijin has adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No. 28, February 16, 2018) from FY2018. Figures as of the end of FY2017 (March 31, 2018) have been adjusted to reflect the retrospective application of the new accounting standard.

◆ Consolidated Statements of Income

(Billions of Yen)

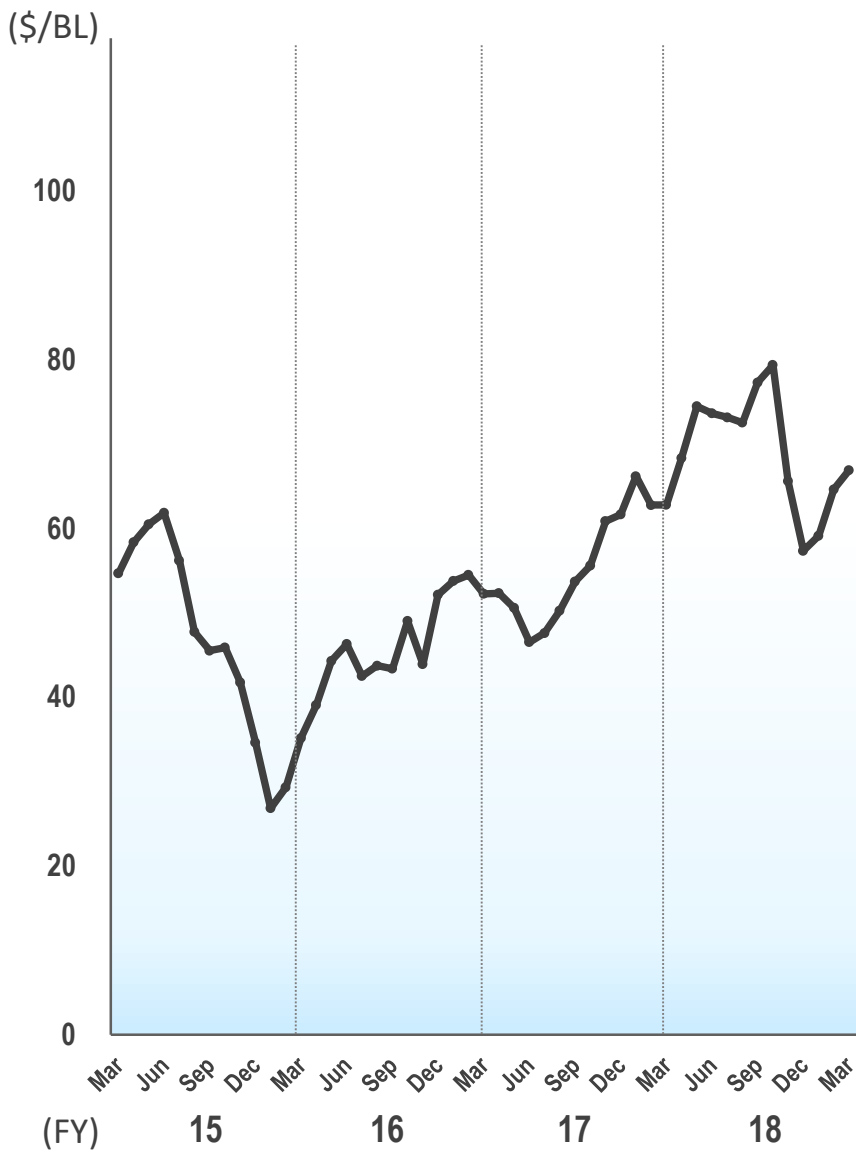
	FY17				FY18			
	1Q Apr.- Jun.	2Q Jul.- Sep.	3Q Oct.- Dec.	4Q Jan.- Mar.	1Q Apr.- Jun.	2Q Jul.- Sep.	3Q Oct.- Dec.	4Q Jan.- Mar.
Net Sales	198.2	206.4	210.0	220.3	216.4	223.0	220.2	228.9
Cost of sales	131.3	139.8	142.8	151.8	147.7	155.6	156.4	161.0
Gross profit	66.9	66.6	67.2	68.5	68.7	67.4	63.8	67.9
SG & A	47.8	48.3	48.5	54.9	50.5	49.4	51.9	56.0
Operating income	19.1	18.4	18.8	13.5	18.3	17.9	11.9	11.9
Non-operating items, net	0.9	(0.5)	0.1	(2.5)	2.9	0.6	(0.4)	(2.9)
(Balance of financial expenses)	0.7	(0.4)	0.3	(0.3)	0.6	(0.6)	0.1	(0.4)
(Equity in earnings and losses of affiliates)	0.3	0.5	0.1	0.3	0.3	1.1	0.2	(1.2)
Ordinary income	20.0	17.9	18.9	11.0	21.2	18.6	11.5	9.0
Extraordinary items (net)	(0.5)	5.1	(1.3)	(3.3)	4.9	(1.3)	(0.6)	(2.9)
Income before income taxes	19.6	23.0	17.6	7.7	26.1	17.3	10.9	6.1
Income taxes	6.0	6.4	6.8	1.6	6.4	2.4	3.7	1.1
Profit attributable to non-controlling interests	0.2	0.8	0.3	0.3	0.2	0.5	0.4	0.7
Profit attributable to owners of parent	13.4	15.8	10.5	5.8	19.5	14.4	6.8	4.3

◆ Changes in net sales and operating income by segment

(Billions of Yen)

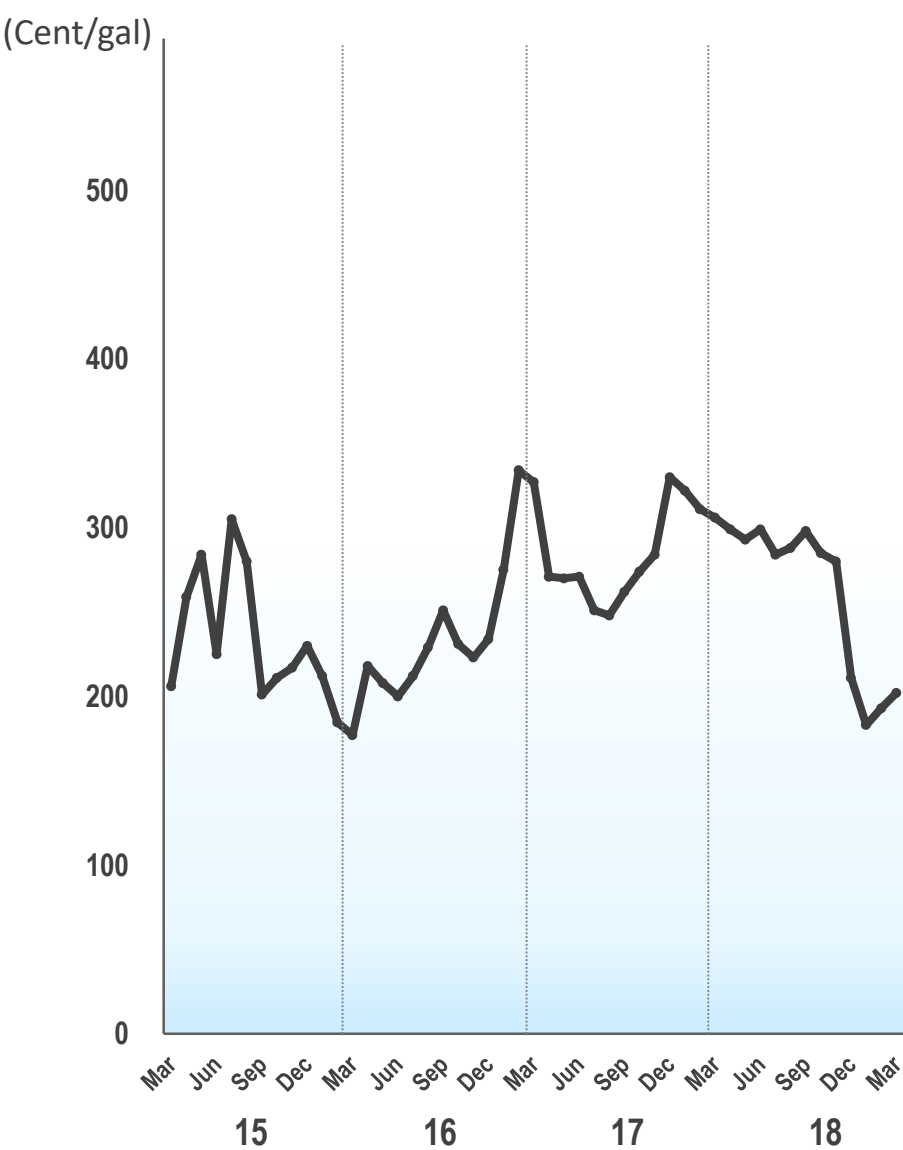
	FY17				FY18			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
Net sales								
Material business group	60.4	63.0	63.2	67.5	68.7	65.7	62.8	66.7
Polyester Fibers & Trading and Retail business group	66.4	73.7	75.5	77.6	73.8	80.3	81.2	83.1
Composites, others	19.4	17.9	17.4	22.7	21.9	21.7	22.7	23.1
Materials Total	146.3	154.5	156.1	167.8	164.4	167.6	166.7	172.9
Healthcare	39.7	38.3	40.8	36.5	39.2	41.2	39.7	37.4
Others	12.2	13.6	13.0	15.9	12.8	14.2	13.9	18.7
Total	198.2	206.4	210.0	220.3	216.4	223.0	220.2	228.9
Operating income (loss)								
Materials	8.2	8.7	7.3	9.4	9.0	5.6	2.7	6.2
Healthcare	11.8	8.8	11.5	3.8	9.9	11.9	9.4	4.2
Others	1.0	1.9	1.2	2.0	0.6	1.9	1.3	3.3
Elimination and Corporate	(1.9)	(1.1)	(1.2)	(1.7)	(1.3)	(1.5)	(1.5)	(1.8)
Total	19.1	18.4	18.8	13.5	18.3	17.9	11.9	11.9

◆ Dubai crude oil prices



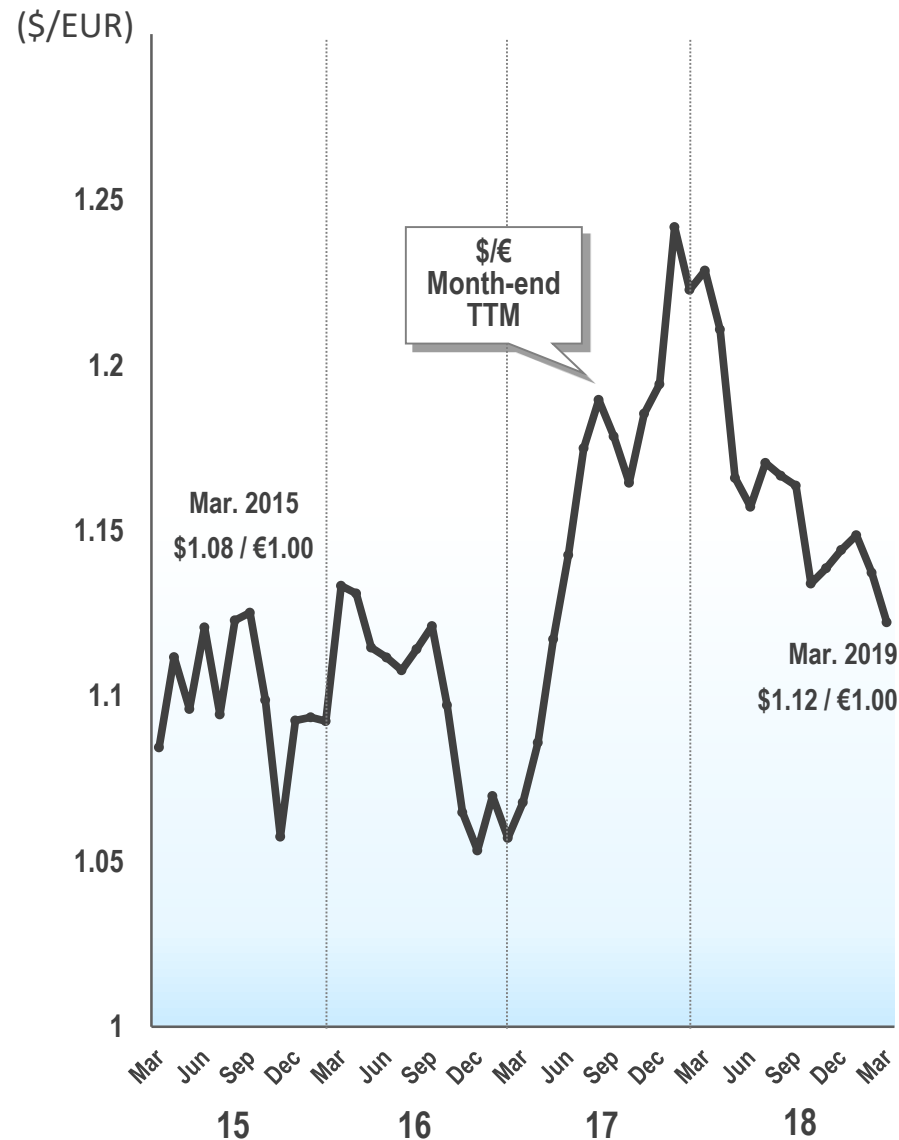
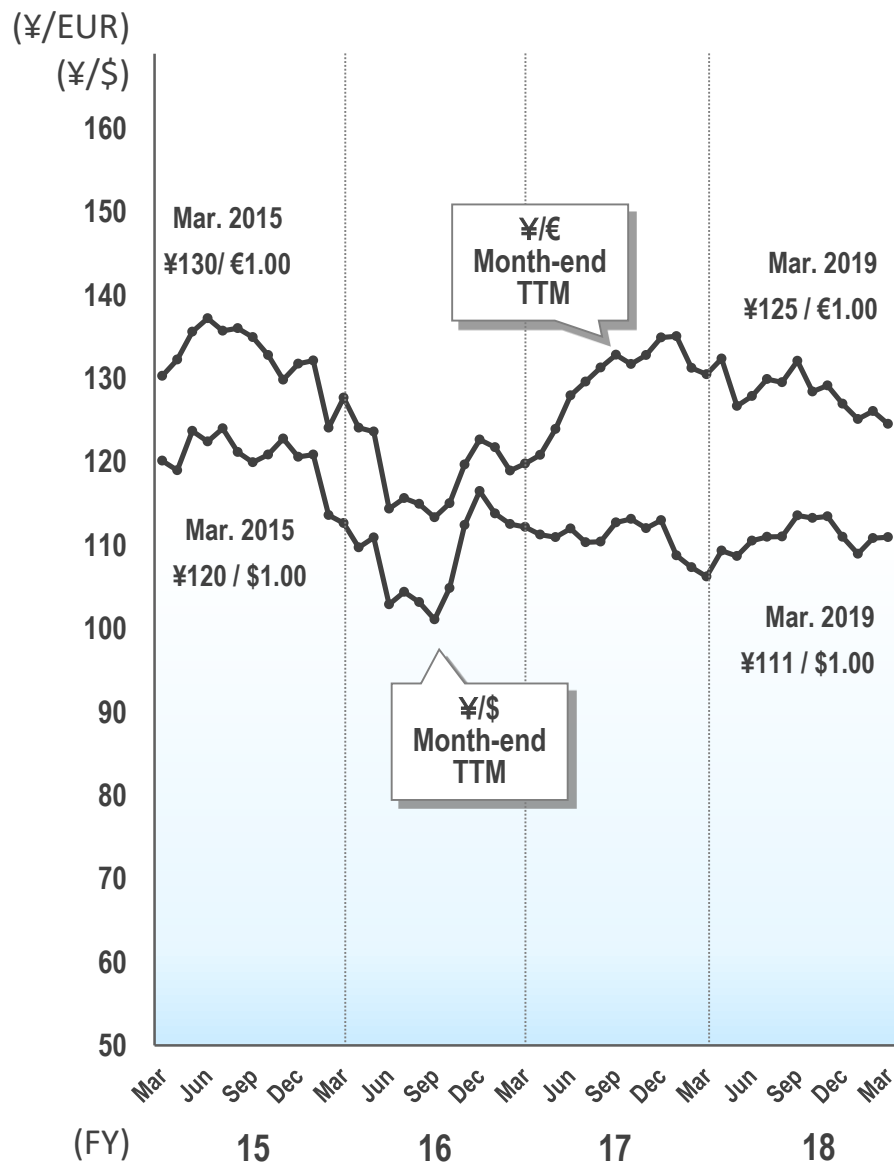
【Source: Teijin estimates based on data published by Platts】

◆ Benzene prices



【Source: Teijin estimates based on data published by Argus media】

◆ Yen/U.S. Dollar, Yen/Euro exchange rates ◆ U.S. Dollar/Euro exchange rates



◆ Sales of Principal Pharmaceuticals in Domestic Market

(Billions of Yen)

Product	Target disease	FY2017					FY2018				
		1Q Apr.- Jun.	2Q Jul.- Sep.	3Q Oct.- Dec.	4Q Jan.- Mar.	Total	1Q Apr.- Jun.	2Q Jul.- Sep.	3Q Oct.- Dec.	4Q Jan.- Mar.	Total
<i>FEBURIC</i> ®	Hyperuricemia and gout	7.4	7.5	8.8	6.9	30.7	8.7	8.7	10.2	8.2	35.8
<i>Bonalon</i> ®*1	Osteoporosis	2.8	2.8	3.0	2.2	10.9	2.6	2.5	2.7	2.2	10.0
<i>Onealfa</i> ®	Osteoporosis	0.9	0.9	0.9	0.5	3.1	0.5	0.4	0.4	0.4	1.7
<i>Venilon</i> ®	Severe infection	1.3	1.3	1.4	1.1	5.1	1.3	1.3	1.4	1.2	5.3
<i>Mucosolvan</i> ®	Expectorant	1.3	1.2	1.5	1.2	5.1	1.0	1.0	1.2	0.9	4.1
<i>Somatuline</i> ®*2	Acromegaly and pituitary gigantism, neuroendocrine tumors	0.4	0.6	0.8	0.7	2.5	0.8	0.9	1.0	1.0	3.7
<i>LOQOA</i> ®	Osteoarthritis pain and inflammation	0.5	0.5	0.5	0.4	1.8	0.5	0.5	0.6	0.4	2.0
<i>Laxoberon</i> ®	Laxative	0.4	0.5	0.5	0.3	1.7	0.4	0.3	0.3	0.3	1.3
<i>Tricor</i> ®	Hyperlipidemia	0.4	0.4	0.4	0.2	1.4	0.3	0.2	0.2	0.1	0.8
<i>Alvesco</i> ®	Asthma	0.3	0.3	0.3	0.3	1.2	0.3	0.3	0.3	0.3	1.1

*1 *Bonalon*® is the registered trademark of Merck Sharp & Dohme Corp., U.S.A.*2 *Somatuline*® is the registered trademark of Ipsen Pharma, France.

◆ Development status by therapeutic area

(As of March 31, 2019)

* Information of Approved/New Launch is for the past 1 year

	Phase of Clinical Trials			
	Phase II	Phase III	Filed for Approval	Approved/ * New Launch
Bone and joint disease	KTP-001	ITM-058 NT 201		
Respiratory disease	PTR-36			
Cardio-vascular and metabolic disease	TCF-12 TMX-049 TMX-049DN TMX-67HK* ¹	ITM-014T		TMX-67 (PRC) * ² STM-279* ³
Others	JTR-161* ⁴	GGs-MPA	GGs-CIDP* ⁵ GGs-ON* ⁶	

*¹ Started Phase II trials in July 2018 for an additional indication of FEBURIC® (febuxostat) for gout and hyperuricemia in pediatric patients*² In September 2018, TMX-67 (PRC) obtained approval in the PRC for an indication for the treatment of hyperuricemia in gout patients*³ Obtained marketing approval for adenosine deaminase (ADA) deficiency in March 2019*⁴ Started Phase I/II trials in October 2018 for obtaining an indication for acute cerebral infarction (stroke)*⁵ Filed for approval for an additional indication of Venilon® for chronic inflammatory demyelinating polyneuropathy (CIDP) in September 2018*⁶ Filed for approval for an additional indication of Venilon® for optic neuritis in March 2019

◆ Newly developed pharmaceutical candidates

(As of March 31, 2019)

[Approved/New Launch]

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
TMX-67 (febuxostat)	Hyperuricemia and gout	Licensing out of febuxostat for sale in the PRC. A highly potent drug that selectively inhibits xanthine oxidase and is also available for patients with impaired renal function who may be unable to tolerate existing treatments.	Tablet	Under joint development with Astellas Pharma China, Inc. Approved in September 2018
STM-279 (Elapegademase (genetical recombination))	Adenosine deaminase (ADA) deficiency	Polyethylene glycol recombinant bovine adenosine deaminase; an injectable recombinant ADA for patients with ADA deficiency that prevents the reduction in lymphocytes. It is expected to prevent the onset of severe combined immune deficiency (SCID).	Injection	Licensed in from Leadiant Biosciences Limited (U.K.) Approved in March 2019

[FILED]

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
GGG-CIDP (freeze-dried sulfonated human immunoglobulin)	Chronic inflammatory demyelinating polyneuropathy	Immunoregulatory action inhibits inflammation of the peripheral nerves; Expected as a treatment that will restore lost muscle strength.	Injection	Under joint development with KM Biologics Co., Ltd. (Additional indication) Filed in September 2018
GGG-ON (freeze-dried sulfonated human immunoglobulin)	Optic neuritis	The immunoregulatory mechanism of this drug inhibits inflammation of the optic nerve; being expected to restore lost visual function.	Injection	Under joint development with KM Biologics Co., Ltd. (Additional indication) Filed in March 2019

◆ Newly developed pharmaceutical candidates

(As of March 31, 2019)

[PHASE III]

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
ITM-058	Osteoporosis	Promising for treatment of osteoporosis with potency in promoting bone formation, resulting in a rapid increase in bone density and reduction in the risk of bone fracture. Superior to existing PTH derived drugs, having ability to increase bone density and its safety (minimal risk of hypercalcemia).	Injection	Licensed in from Ipsen Pharma, France
NT 201	Pure botulinum neurotoxin type A1/ upper and lower limb spasticity	Promising for relaxation and improvement of excessive skeletal-muscular tension caused by upper and lower limb spasticity, through the muscle relaxant action of pure botulinum neurotoxin type A1.	Injection	Licensed in from with Merz Pharma GmbH & Co. KGaA (Germany)
ITM-014T (lanreotide acetate)	Thyroid stimulating hormone-secreting pituitary tumors	Promising for normalization of thyroid function through the following actions: induction of apoptosis via the somatostatin receptor (direct action) and the control of secretion of cellular growth factor (indirect action)	Injection	Licensed in from Ipsen Pharma, France (Additional indication)
GGs-MPA (freeze-dried sulfonated human immunoglobulin)	Microscopic polyangiitis	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 KM Biologics Co., Ltd. (Additional indication)

◆ Newly developed pharmaceutical candidates

(As of March 31, 2019)

[PHASE II]

Code No.	Target disease	Medical properties/characteristics	Dosage form	Remarks
KTP-001	Lumbar disc herniation	Chemonucleolysis treatment for herniated lumbar discs; 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.	Injection	Engineered by Professor Hirotaka Haro and Dr. Hiromichi Komori Under joint development with Kaketsuken
PTR-36	Bronchial asthma	A CRTh2 receptor antagonist, a novel mechanism to control symptoms of asthma, facilitating effective long-term management of the disease; expected to use as a monotherapy for mild asthma patients and concomitant use with inhaled steroid for mild to severe asthma patients, delivering sufficient therapeutic value for patients with	Tablet	Licensed in from Pulmagen Therapeutics (Asthma) Limited
TCF-12	Chronic kidney disease	A fibrous adsorption charcoal for alleviating uremia symptoms in chronic kidney disease (progressive) and delaying the onset of end-stage renal disease (ESRD) based on its high adsorption capacity for uremic toxins, along with improving medication adherence due to a reduced dosage.	Capsule	Developed in-house
TMX-049	Hyperuricemia and gout	A novel non-purine xanthine oxidase inhibitor; as a new treatment for hyperuricemia and gout that is both highly effective and safe.	Tablet	Developed in-house
TMX-049DN	Diabetic nephropathy in Type 2 diabetes	A novel non-purine xanthine oxidase inhibitor; expected to prevent the progression of nephropathy, as a new treatment for diabetic nephropathy	Tablet	Developed in-house

◆ Newly developed pharmaceutical candidates

(As of March 31, 2019)

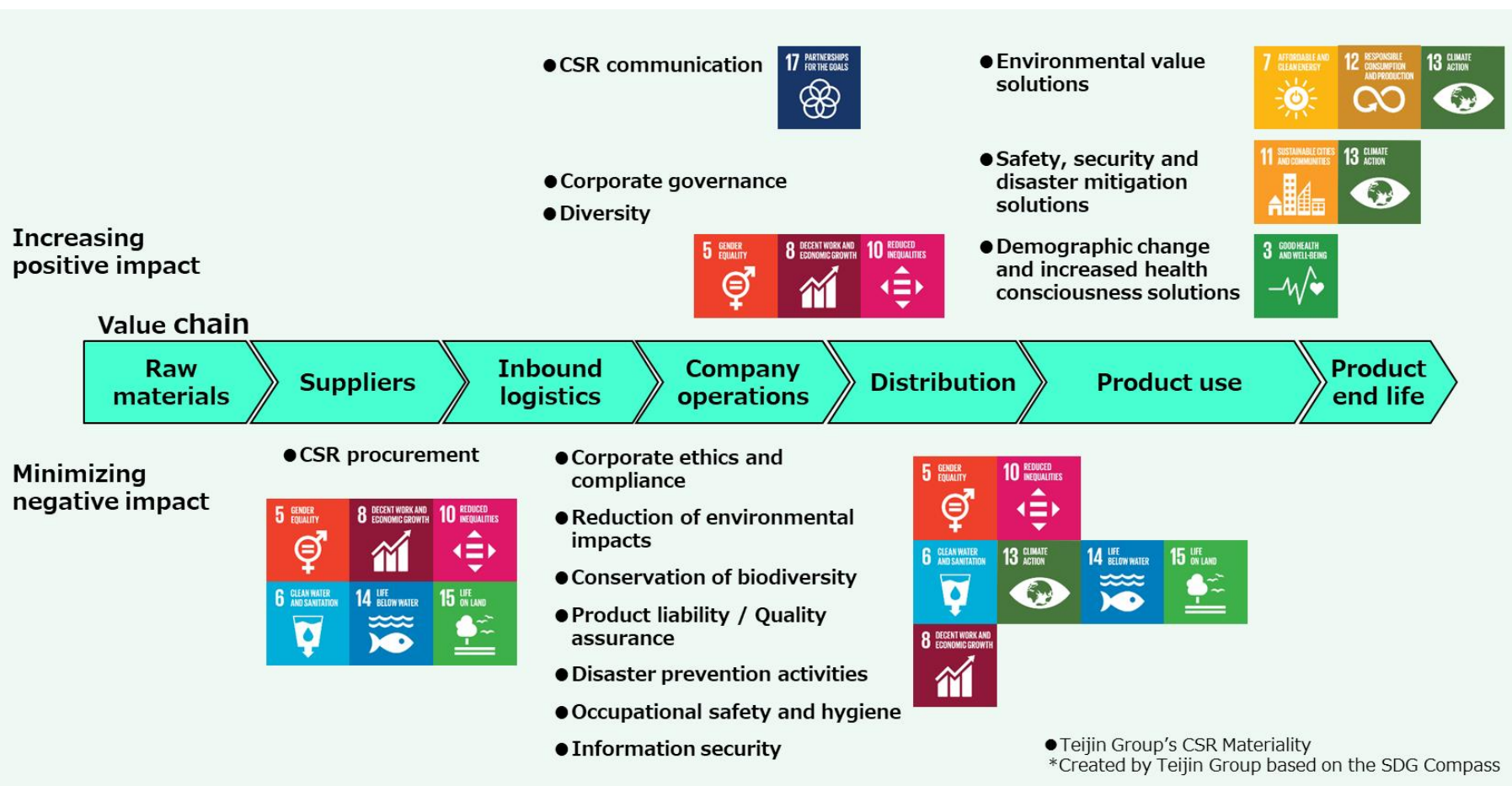
[PHASE II]

Code No.	Target disease	Medical properties/characteristics	Dosage form	Remarks
TMX-67HK (febuxostat)	Pediatric gout and hyperuricemia	<p>Trials to establish the appropriate dosage and administration of FEBURIC® for pediatric patients with gout and hyperuricemia.</p> <p>Promising for improving and maintaining appropriate levels of serum uric acid in pediatric patients through its potent effect in selectively inhibiting xanthine oxidase.</p>	Tablet	Developed in-house
JTR-161 (Human dental pulp-derived stem cells)	Acute cerebral infarction (stroke)	<p>A processed allogenic human stem cell product derived from dental pulp separated from extracted teeth of healthy Japanese people. Compared with cells sourced from bone marrow, etc., this process is less invasive and cells can be procured inside Japan.</p> <p>It is expected to be effective for suppressing inflammation through the production of immunomodulators, and protecting and promoting regeneration of organs through the production of nutritional factors.</p>	Injection	Under joint development with JCR Pharmaceuticals Co., Ltd.

Non-financial Information

Teijin Group's CSR Materiality and SDGs

Teijin Group is taking active steps on a global level to define CSR materiality (material issues), referring to the social issues identified by the SDGs.



Non-financial Information

Teijin Group's CSR Materiality and SDGs

Teijin Group's initiatives to achieve the SDGs

<Core priority fields and products and services >

Environmental Value Solutions



Weight-reducing materials and components through multiple materials

Safety, Security and Disaster Mitigation Solutions



Ultra-lightweight Ceiling Material
kal-ten

Demographic Change and Increased Health Consciousness Solutions



Comprehensive community healthcare systems
VitalLink



<Topics>



Teijin supports Recommendations of Task Force on Climate-related Financial Disclosures (TCFD)

Teijin Group aims to be “a company that supports the society of the future” and is proactively working to that end by delivering solutions of environmental value, taking initiatives to reduce its environmental footprint, and so forth. In March 2019, Teijin announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board. Going forward, we will enhance disclosure of information regarding opportunities and risks from climate change to Teijin Group's operations. Teijin's CEO made the following statement in connection with the company's declaration of support.

“We believe that the recommendations of the TCFD will make a suitable platform of the dialogues with stakeholders on the climate-related risks and opportunities for all industries. We are pleased to announce our support for the TCFD and will transparently disclose our information according to its recommendations.”

Non-financial Information

ESG External Evaluation

Selected as a component stock of all four ESG indexes of GPIF

Teijin Limited has been included in all four indexes selected by Government Pension Investment Fund (GPIF) of Japan upon commencing ESG investment.

The four indexes are FTSE Blossom Japan Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index (WIN) and S&P/JPX Carbon Efficient Index.



The MSCI logo, consisting of the letters "MSCI" and a small globe icon.

2018 Constituent
MSCI Japan ESG
Select Leaders Index

The MSCI logo, consisting of the letters "MSCI" and a small globe icon.

2018 Constituent
MSCI Japan Empowering
Women Index (WIN)



Selected for inclusion in three programs as a stock with excellent ESG-related features
(Jointly organized by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange)

“Nadeshiko”

Encouraging women’s success
in the workplace

“White 500”

Promoting health and
productivity management

“Competitive IT Strategy Company”

Promoting the use of IT



TEIJIN

Human Chemistry, Human Solutions