TEIJIN

Human Chemistry, Human Solutions

Consolidated Financial Statements Summary

(For the six months ended September 30, 2014)

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

November 5, 2014

Company name : **TEIJIN LIMITED** (Stock code 3401) http://www.teijin.com

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(Amounts less than one million yen are omitted)

1. Highlight of the Second quarter of FY14 (April 1, 2014 through September 30, 2014)

(1) Consolidated financial results (Percentages are year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the six months ended September 30, 2014	377,399	-1.2	12,127	133.8	14,042	242.3	(22,346)	–
For the six months ended September 30, 2013	381,807	6.6	5,187	-29.7	4,101	-16.1	4,574	–

cf. Comprehensive income: (18,928)million yen (FY2013: 5,444million yen)

	E.P.S. *	Diluted E.P.S.
	Yen	Yen
For the six months ended September 30, 2014	(22.74)	—
For the six months ended September 30, 2013	4.65	4.64

* E.P.S.: Earnings per share

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of September 30, 2014	779,781	280,526	33.9
As of March 31, 2014	768,411	300,112	36.7

cf. Shareholders' equity: 264,523million yen (FY2013: 281,680million yen)

2. Dividends

	Dividends per share				
Period	1Q	2Q	3Q	4Q	Annual
	Yen	Yen	Yen	Yen	Yen
FY2013	–	2.00	–	2.00	4.00
FY2014	–	2.00			
FY2014 (Outlook)			–	2.00	4.00

Note: Revision of outlook for dividends in the second quarter: No

3. Forecast for operating results in the year ending March 31, 2015 (Fiscal 2014)

(Percentages are year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		E.P.S.
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2014	780,000	-0.6	25,000	38.3	23,500	18.2	(20,000)	—	(20.35)

Appropriate Use of Forecasts and Other Information and Other Matters

All forecasts in this document are based on management's assumptions in light of information currently available and involve certain risks and uncertainties. Actual results to differ materially from these forecasts. For information on these forecasts, refer to "Qualitative Information on Outlook for Operating Results", beginning on page 8.

1. Qualitative Information and Financial Statements

Qualitative Information on Results of Operations

Analysis of Consolidated Results of Operations

The global economy was comparatively stable in the six months ended September 30, 2014, driven by firm conditions in the United States, despite a stalled recovery in the Eurozone—a consequence of heightened geopolitical risk—and a persistently bearish tone in the People's Republic of China (PRC) and emerging economies, particularly those in the Association of Southeast Asian Nations (ASEAN) region. Japan's economy remained sluggish, with signs of a revival after the slump that followed the country's recent consumption tax hike weaker than expected.

In this environment, consolidated net sales remained essentially level, edging down 1.2%, to ¥377.4 billion, as sales were generally favorable, particularly in our materials businesses, largely countering the impact of the discontinuation of in-house production and sales of paraxylene. Operating income climbed ¥6.9 billion, or approximately 133.8%, to ¥12.1 billion, underpinned by increased sales of key products and services in the Advanced Fibers and Composites and Healthcare segments, as well as by restructuring initiatives in, among others, the Electronics Materials and Performance Polymer Products segment. Ordinary income rose ¥9.9 billion, or approximately 242.3%, to ¥14.0 billion, as equity in earnings of affiliates improved and yen depreciation bolstered foreign exchange gains. As part of our drive to secure sustainable growth, we implemented a variety of forward-looking initiatives, including taking decisive steps to realign our global production configuration with the aim of strengthening our competitive edge and accelerating efforts to focus our allocation of resources to key growth businesses. Owing to extraordinary losses arising from these initiatives and to business structure improvement expenses, which together amounted to ¥42.2 billion, we reported a net loss of ¥22.3 billion, compared with net income of ¥4.6 billion in the six months ended September 30, 2013. Net loss per share was ¥22.74, compared with net income per share of ¥4.65 in the corresponding period of fiscal 2013.

Business Segment Results

Advanced Fibers and Composites
Sales in the Advanced Fibers and Composites segment totaled ¥64.4 billion, while operating income was ¥4.7 billion.

High-Performance Fibers
Demand expanded, particularly for automotive applications.

Sales of *Twaron* para-aramid fibers were steady for automotive applications, including tires in Europe, as well as for reinforcements for optical fibers, cables and hoses for oil drilling and other infrastructure-related applications. In contrast, lackluster demand persisted for use in ballistic protection products, while pricing competition remained harsh. Sales of *Technora* para-aramid fibers were stable, reflecting steady sales for automotive applications in Japan and brisk exports for infrastructure-related applications. Sales of *Teijinconex* meta-aramid fibers for use in protective clothing and for industrial applications were solid, although sales for use in filters were hampered by mounting competition, despite rising demand. In polyester fibers, income at our subsidiary in Thailand began to rise gradually—notwithstanding a negative rebound in local sales for automotive applications, which were robust in fiscal 2013—thanks to an increase in sales volume for use in personal hygiene and general-purpose products and the reduction of costs. In Japan, we sought to bolster profitability by increasing sales for infrastructure- and civil engineering-related applications and cost reductions, despite signs of a decline in demand for automotive applications.

Under these circumstances, we resolved to commercialize a new type of meta-aramid fiber offering superior heat resistance and dyeability and proceeded with preparations to begin production in Thailand in July 2015. Against a background of increasingly stringent regulations pertaining to heat-resistant materials and environmental safety, we will focus on expanding our business in promising Asian markets and emerging economies. In the PRC, our polyester products recycling joint venture in Zhejiang Province pushed ahead with the construction of a new facility in preparation for the start of operations before the end of fiscal 2014.

Carbon Fibers and Composites

Sales for use in aircraft and pressure vessels were firm.

Sales of *TENAX* carbon fibers for use in aircraft remained favorable, as brisk orders for aircraft prompted an increase in production by leading aircraft manufacturers. Among general industrial applications, demand for use in pressure vessels was steady for natural gas extraction, supported by the expansion of shale gas development in North America. In Asia, demand was firm for use in reinforcement materials for civil engineering applications and in sports and leisure equipment. Sales prices, persistently low in recent years, continued to show signs of recovering, although the outlook remained difficult to gauge, owing to expected sales offensives by other manufacturers, particularly late market entrants overseas.

In this environment, we continued working to evolve toward a business model focused on providing solutions that match the needs of customers and markets. In the area of products for aircraft applications, *TENAX* thermoplastic consolidated laminate (TPCL) was qualified for use in Airbus S.A.S.' A350 XWB all-new extra-wide body midsize jetliner and subsequently adopted for use in the A350 XWB family. We also pressed ahead with the development of structural components for mass-produced vehicles made with our new thermoplastic carbon fiber–reinforced plastic (CFRP) *Sereebo*. To this end, the Teijin Composites Innovation Center, situated within our Matsuyama Plant, which is in Ehime Prefecture, and the Teijin Composites Application Center, located in Metro Detroit, in the United States, are collaborating on multiple projects targeted at developing specific components and establishing mass-production procedures, and are making steady progress on both fronts. *Sereebo* has been registered on General Motors' materials list and our joint development work with General Motors is entering the final stage of preparation for commercialization. Taking this into consideration, we have begun looking into the establishment of a new carbon fibers production facility in the United States.

Electronics Materials and Performance Polymer Products

The Electronics Materials and Performance Polymer Products segment reported sales of ¥92.2 billion and an operating loss of ¥1.3 billion.

Resin and Plastics Processing

With competition increasingly intense, rising prices for key raw materials squeezed profitability.

The profitability of mainstay polycarbonate resin products *Panlite* and *Multilon* continued to improve, bolstered by the implementation of measures aimed at reducing costs, including the suspension of production on certain lines at our plant in Singapore. However, profitability was constrained by an inability to raise sales prices to reflect increases in prices for key raw materials from July forward as a result of persistently harsh pricing competition in markets for general applications such as office equipment, PCs, miscellaneous sundries, building materials and electrical appliances. Accordingly, we will step up strategic efforts to shift our emphasis from commoditized products to high-performance products.

In processed plastics, we began marketing transparent electroconductive film for use in capacitive touch screens and phase-difference polycarbonate retardation sheet for vehicle navigation systems—a key focus in this business—and worked to expand sales thereof. At the same time, we stepped up efforts to market retardation film for use as antireflective film on smartphones and tablet computers that leverages the unique optical properties of polycarbonate.

Among high-performance resins, sales of specialty polycarbonate resin for use in smartphone camera lenses were steady. We also promoted the expansion of applications for polyethylene naphthalate (PEN) resin, including commencing full-scale sales for use in the world's first fire extinguishers with plastic cylinders.

Films

Sales of products for use in smartphones and tablet computers were firm, but products for other applications struggled.

In the area of products for electronics applications, sales of *PUREX* release films for manufacturing processes remained firm, notably for use in smartphones and tablet computers. In contrast, in the area of films for use as reflective film for liquid crystal display (LCD) televisions, the emergence of manufacturers from the PRC intensified pricing competition. Demand for PEN film for magnetic materials declined, while market conditions for other applications remained harsh. In this environment, we stepped up efforts to reduce costs with the aim of restoring competitiveness. We also focused development efforts on ultra-multilayered films and other high-performance products that will support the growth and evolution of this business in the years ahead.

Overseas, we sought to bolster profitability as demand for films for packaging and general industrial applications in the United Stated and Europe recovered and overall demand in the PRC was firm.

Healthcare

Sales in the Healthcare segment came to ¥67.8 billion, while operating income was ¥12.1 billion.

Pharmaceuticals

Despite the impact of a revision of reimbursement prices in Japan, sales of our novel treatment for hyperuricemia and gout expanded favorably.

Operating conditions for our domestic pharmaceuticals business remained harsh, owing to the April 2014 revision of reimbursement prices for prescription pharmaceuticals under Japan's National Health Insurance (NHI) scheme and to rising sales of generic drugs following adjustments to fees for medical services. Nonetheless, sales of hyperuricemia and gout treatment *Feburic* (febuxostat) expanded favorably, further boosting our leading share of the Japanese market for such treatments. Sales of *Kenketsu Venilon*-1, an intravenous-use human immunoglobulin therapy, were steady. We continued working to broaden choices for osteoporosis sufferers by introducing new formulations of osteoporosis treatment *Bonalon*®*, including an intravenous and an oral jelly, both firsts for Japan.

Sales of febuxostat also continued to expand encouragingly overseas. We have secured exclusive distributorship agreements for febuxostat covering 117 countries and territories. The drug is currently sold in 39 of these countries and territories, and we are in the process of obtaining regulatory approval to make it available in the others.

In R&D, we signed an agreement with U.K. pharmaceuticals manufacturer Sigma-Tau Pharma Ltd., gaining exclusive development and distribution rights in Japan for EZN-2279, a therapeutic agent for adenosine deaminase (ADA) deficiency developed by Sigma-Tau, and began preparing for domestic clinical trials. We also proceeded with the development of KTF-374, an innovative sheet-type fibrin surgical sealant, while core segment subsidiary Teijin Pharma Limited and Kaketsuken (The Chemo-Sero-Therapeutic Research Institute) prepared for the launch of clinical trials in Japan. In line with this, in September 2014 we resolved to build a new integrated pharmaceuticals development laboratory, to be named the Technology Integrated Pharmaceutics Center, in Iwakuni, Yamaguchi Prefecture. In June 2014, we commenced clinical trials in Japan for TMX-67XR (*Feburic* Tablet) (febuxostat), a new formulation with a revised dosage volume.

Home Healthcare

Rental volumes remained high or increased.

We currently provide home healthcare services to approximately 430,000 individuals in Japan and overseas. In Japan, rental volume for mainstay therapeutic oxygen concentrators for home oxygen therapy (HOT) remained firm, thanks to the release of new therapeutic oxygen concentrator models *Hi-Sanso* 3S and *Hi-Sanso Portable* α (alpha). In June 2014, we launched *Hi-Sanso* 5S and *Sanso Saver* 5, a new unit that helps resolve concerns and inconvenience for HOT patients in the event of a disaster or a major power failure. Rental volume for continuous positive airway pressure (CPAP) ventilators for the treatment of sleep apnea syndrome (SAS) advanced favorably, augmented by the launch of *NemLink*, a monitoring system for CPAP ventilators that uses mobile phone networks and which also provides pertinent data to medical care facilities to enhance the effectiveness of treatment. Rentals of our noninvasive positive

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

pressure ventilators (NPPVs) (the *NIP NASAL* series and *AutoSet* CS) also rose encouragingly. To fortify support services for individuals, we sought to improve our ability to respond to patient needs by capitalizing on new home healthcare call centers in Fukuoka and Osaka, the latter established in fiscal 2013. We are gradually expanding marketing of the *WalkAide* System, a neuromuscular electrical stimulation device for the treatment of gait impairment resulting from stroke and other causes launched in fiscal 2013, which currently focuses on the Tokyo metropolitan area, to medical institutions in other areas of the country.

Overseas, we currently provide home healthcare services in the United States, Spain and the Republic of Korea (ROK). In the period under review, operating conditions in the United States remained harsh, a consequence of healthcare system reform and sizeable ensuing declines in medical treatment fees and other factors. We responded by taking steps to restore profitability, including integrating sales bases and reducing headcount.

Trading and Retail

The Trading and Retail segment yielded sales of ¥123.6 billion and operating income of ¥2.0 billion.

Fiber Materials and Apparel

Efforts focused on rallying Group capabilities to offer innovative composite materials.

In fiber materials and apparel, sales of products for use in sportswear were robust, reflecting an increase in orders from principal customers in Japan for integrated solutions, that is, solutions encompassing everything from the development of high-performance materials—particularly the *Delta* series—through to the manufacture of customer-branded finished products, as well as the rapid expansion of strategic efforts to develop products in collaboration with leading overseas sportswear manufacturers. We also took steps to rebuild our sewing and production network in the ASEAN region, including expanding the sewing line at one of our facilities in Indonesia. However, our woven fabric production facility in the PRC struggled, as inventory adjustments by local customers caused sales of mainstay products for use in down apparel to slump.

Results in textiles and apparel flagged, as yen depreciation and rising production costs overseas combined to squeeze profitability, while sales of summer apparel were hampered by unseasonable weather. Against this backdrop, we pushed ahead with efforts to establish a solid network of sewing bases, focusing on Vietnam and Myanmar, with the aim of augmenting our supply capabilities in the ASEAN region. In a move designed to strengthen our sales capabilities, we held a comprehensive exhibition of apparel products manufactured by core segment subsidiary Teijin Frontier Co., Ltd., and an exhibition of original design manufacturer (ODM) menswear in, respectively, June and July 2014, enabling us to showcase a variety of innovative products facilitated by the development of new composite materials in collaboration with the Fiber Materials and Apparel Division.

Industrial Textiles and Materials

Steps were taken to accelerate global sales of products for automotive applications.

In industrial fabrics, sales of materials for use in tire cords, belts and hoses for automotive applications were generally firm. With demand for airbag fabrics from customers in the PRC, Japan and Thailand continuing to flourish, we proceeded with ongoing efforts to enhance our capabilities in this area with a view to expanding production going forward. In June 2014, in collaboration with the Advanced Fibers and Composites Business Group, we established a new tire cord production joint venture in Thailand that is expected to commence operations in October 2015. Also in June, we began building a new processing line for automotive hose cords at subsidiary Teijin Cord (Thailand) Co., Ltd. This will position us to accelerate sales of rubber materials for automotive applications to the Asian automobile industry, which is expected to continue expanding in the years ahead.

Among general-purpose materials, shipments of tents, nonwoven fabrics, materials for civil engineering applications and materials for bag filters were firm. In the area of materials for environmental applications, sales of filters for use in wastewater processing in the PRC expanded.

Others

Others, which does not qualify as a reportable operating segment, generated sales of ¥29.4 billion and operating income of ¥0.5 billion.

In the IT business, the steady expansion of sales from the distribution of e-books contributed to firm sales in the net services category. In the IT services category, we established EverySense, Inc., in partnership with two other companies, with the aim of developing and offering new services in the Internet of Things (IoT)† market, as well as began providing mental health support services for corporate employees on overseas assignment.

In new business development, we continued to steadily expand sales of *LIELSORT* lithium-ion battery (LiB) separators, which we manufacture in the ROK. To facilitate increased production in the years ahead, we have resolved to build a second production line at our facility in the ROK. Production on the new line is schedule to commence before the end of fiscal 2014. In the area of nanosilicon inks, which are used in printable electronics, we developed *NanoGram* silicon paste, the world's first printable electronics material for the production of high conversion-efficiency solar cells, as well as related processing technologies that maximize the paste's properties. To facilitate marketing of this new product as a solution that helps maximize solar cell conversion efficiency, we intend to step up marketing efforts to solar cell manufacturers. In products for environmental solutions, we leveraged our proprietary technologies to enhance the performance features of our bioplastics and accelerated efforts to market these products for applications such as oil and gas extraction.

† The IoT is a concept that describes the interconnection of a vast array of devices worldwide via the Internet. Such advanced connectivity will facilitate the realization of a wide range of new services.

Qualitative Information on Financial Position

Analysis of Assets, Liabilities, Net Assets and Cash Flows

Assets, Liabilities and Net Assets

Despite a decline in fixed assets attributable to the application of impairment accounting, total assets as of September 30, 2014, amounted to ¥779.8 billion, up ¥11.4 billion from the end of fiscal 2013. This was primarily attributable to increases in stock purchases, which pushed up investment securities.

Total liabilities, at ¥499.3 billion, were up ¥31.0 billion from the fiscal 2013 year-end. Interest-bearing debt, which includes commercial paper, short-term loans payable and long-term loans payable, rose ¥20.5 billion, to ¥302.0 billion.

Total net assets decreased ¥19.6 billion, to ¥280.5 billion. Total shareholders' equity and total valuation and translation adjustments, which together represented ¥264.5 billion of total net assets, declined ¥17.2 billion, owing to the fact that we reported a net loss for the period.

Cash Flows

Despite a loss before income taxes, net cash and cash equivalents provided by operating activities in the six months ended September 30, 2014, amounted to ¥22.8 billion, as the impact of non-cash items such as depreciation and amortization of goodwill, and impairment loss was eliminated.

Net cash and cash equivalents used in investing activities amounted to ¥38.4 billion. Contributing factors included outlays for the purchase of property, plant and equipment and the purchase of investment securities.

Free cash flow in fiscal 2013 was thus a negative as operating and investing activities combined used a net total of ¥15.5 billion.

Net cash and cash equivalents provided by financing activities amounted to ¥13.7 billion, despite the repayment of short-term debt. Reasons for this result included proceeds from the issue of commercial paper and from long-term debt.

After factoring in the impact of exchange rate fluctuations, operating, investing and financing activities in the period under review resulted in a net decrease in cash and cash equivalents of ¥0.7 billion as of September 30, 2014.

Qualitative Information on Outlook for Operating Results

Outlook for Fiscal 2014

Forecast for Operating Results

(Billions of yen/%)

	Net sales	Operating income	Ordinary income	Net income (loss)
Fiscal 2014 (Forecast)	¥780.0	¥25.0	¥23.5	¥(20.0)
Fiscal 2013	784.4	18.1	19.9	8.4
Change	–4.4	+6.9	+3.6	–28.4
Percentage change	–0.6%	+38.3%	+18.2%	—

With signs of a global economic slowdown intensifying and with financial, geopolitical and other risks among factors with the potential to cause a downturn, an uncertain outlook persists. In Japan, business conditions remain weak, underscored by a protracted slump in exports, and the pace of economic recovery is likely to remain gentle.

Against this backdrop, measures to reduce costs and realign production configurations implemented since fiscal 2013 have steadily yielded positive results. In our materials businesses we will continue to shrink businesses that center on commoditized products and concentrate corporate resources on promising businesses. We will also promote additional restructuring initiatives, with an ongoing focus on realigning key production configurations, to help strengthen our cost competitiveness. At the same time, we will promote the implementation of multiple projects and the concentration of corporate resources in growth businesses with the aim of developing a new business model that integrates key capabilities from three diverse businesses—high-performance materials, healthcare and IT—to foster highly profitable new businesses.

Despite a solid performance in the six months ended September 30, 2014, that essentially exceeded our forecasts, market conditions continue to warrant concern. For this and other reasons, while we have left our forecasts for consolidated net sales and operating income at ¥780.0 billion and ¥25.0 billion, respectively, unchanged from our previous forecasts, we have revised our forecast for ordinary income to ¥23.5 billion, from ¥22.5 billion, to reflect the positive impact of foreign exchange gains, and now expect to report a full-term net loss of ¥20.0 billion, substantially below our previous forecast, which was for net income of ¥10.0 billion, owing to extraordinary losses arising from restructuring initiatives. These forecasts assume exchange rates of ¥102 to US$1.00 and ¥140 to €1.00 and an average Dubai crude oil price of US$105 per barrel.

Forecast for Segment Results for Fiscal 2014

(Billions of yen)

	Net sales		Operating income (loss)	
	First half	Full term (Forecast)	First half	Full term (Forecast)
Advanced Fibers and Composites	¥ 64.4	¥135.0	¥ 4.7	¥ 7.5
Electronics Materials and Performance Polymer Products	92.2	180.0	(1.3)	(3.0)
Healthcare	67.8	140.0	12.1	25.0
Trading and Retail	123.6	260.0	2.0	5.0
Total	348.0	715.0	17.4	34.5
Others	29.4	65.0	0.5	3.0
Elimination and corporate	—	—	(5.8)	(12.5)
Consolidated total	¥377.4	¥780.0	¥12.1	¥ 25.0

Principal Management Policies and Challenges over the Medium to Long Term

By pressing ahead with restructuring initiatives, and by promoting bold transformation and growth strategies, we will continue working to achieve the central goal of our long-term vision, which is to evolve toward a solutions-oriented business model, with the aim of achieving profitable sustainable growth.

Restructuring initiatives

In our materials businesses, we will work to strengthen our competitive edge by realigning production configurations and by implementing restructuring initiatives aimed at shrinking businesses that center on commoditized products and concentrating resources in promising growth businesses.

Shift our focus to high-value-added products in the Electronics Materials and Performance Polymer Products segment

In the plastics business, we will withdraw from the business of a subsidiary in Singapore, which lacks competitiveness in terms of energy costs and the operations of which are centered on commoditized products, at the end of December 2015. Going forward, polycarbonate resin production will center on our highly competitive subsidiary in the PRC and our Matsuyama Plant in Japan, which is especially suited to the development of high-performance products, and our emphasis will be on leveraging our compounding and processing technologies to expand our portfolio of high-value-added products for automotive, housing equipment, infrastructure-related and high-performance optical applications.

In films, we will strengthen our competitive edge by overhauling our global production configuration. We will also expedite efforts to maximize our high-performance ultra-multilayered, heat-resistant, high-barrier and piezoelectric films to market products for new applications, including high-performance glass, batteries and sensors.

Reinforce the competitiveness of our high-performance fibers business
We will take steps to further enhance the competitiveness of our high-performance fibers, which are seeing a recovery in sales for principal applications and in profitability. In meta-aramid fibers, we will capitalize on our new production facility in Thailand, which is expected to commence operations in mid-2015, to expand sales in Asian markets, particularly for use in protective clothing.

In polyester fibers, we will endeavor to establish and later expand a supply chain that will position us to serve Asian markets, which are expected to see outstanding growth going forward. To this end, we will establish a new tire cord production and sales subsidiary in Thailand and enhance the production capacity of existing local facilities in that country. In Japan, we will shift production from our Tokuyama, Iwakuni and Mihara plants to our Matsuyama Plant and to subsidiaries in Thailand, thereby maintaining our ability to respond to the needs of customers in Japan while also reducing costs.

Dramatically revamp our raw materials and polymerization business
Having revamped our integrated polyester materials production business model, which encompasses all stages from raw materials through to finished products, from the perspective of cost competitiveness, in fiscal 2013 we halted production of paraxylene. At the end of fiscal 2015, we will also discontinue in-house production of dimethyl terephthalate (DMT). Additionally, we will centralize operations at our Matsuyama Plant, which are currently divided between the facility's northern and southern sectors, in the former.

In addition to the aforementioned initiatives, we will take decisive steps to reorganize our U.S. home healthcare business, which continues to perform poorly. We expect restructuring initiatives to have a positive impact of ¥13.0 billion on consolidated results in fiscal 2016. We estimate that the annual combined positive impact of such efforts, when fully realized, will be ¥17.5 billion.

Cost reductions
Owing to ongoing efforts to reduce costs, which to date have focused on measures designed to have an immediate impact, including reconsidering the pool of suppliers from which we procure raw materials and fuel and slashing administrative costs, we expect total costs in fiscal 2014 to be down ¥38.0 billion—¥17.0 billion of which is attributable to restructuring initiatives—from the fiscal 2011 level. Accordingly, we expect to essentially meet the cost reduction target we set in fiscal 2012, that is, ¥40.0 billion from the fiscal 2011 level by fiscal 2016, in the current fiscal year. Going forward, we will augment these ongoing efforts with a number of dramatic measures that will yield significant cost reductions. Of note, we will invest to reassess the utility structure at each of our plants in Japan to better reflect the operations of each facility, develop innovative production processes and merge product families and improve the productivity of existing equipment. In fiscal 2016, we aim to achieve an increase in total cost reductions of ¥18.0 billion, including reductions due to restructuring initiatives, from the fiscal 2014 level.

Transformation and growth strategies
In the years ahead, we expect to see ever-shorter product and technology life cycles, as well as increasingly diverse, complex customer and market needs worldwide. On another front, the advancement of emerging economies is likely to

further intensify global competition. Having recognized that simply persisting with our current business model will not enable us to secure profitable, sustainable growth, we will promote bold transformation and growth strategies aimed at building a new business model that integrates key capabilities from three diverse businesses—high-performance materials, healthcare and IT—with the goal of fostering new, highly profitable businesses.

Key sources of competitiveness

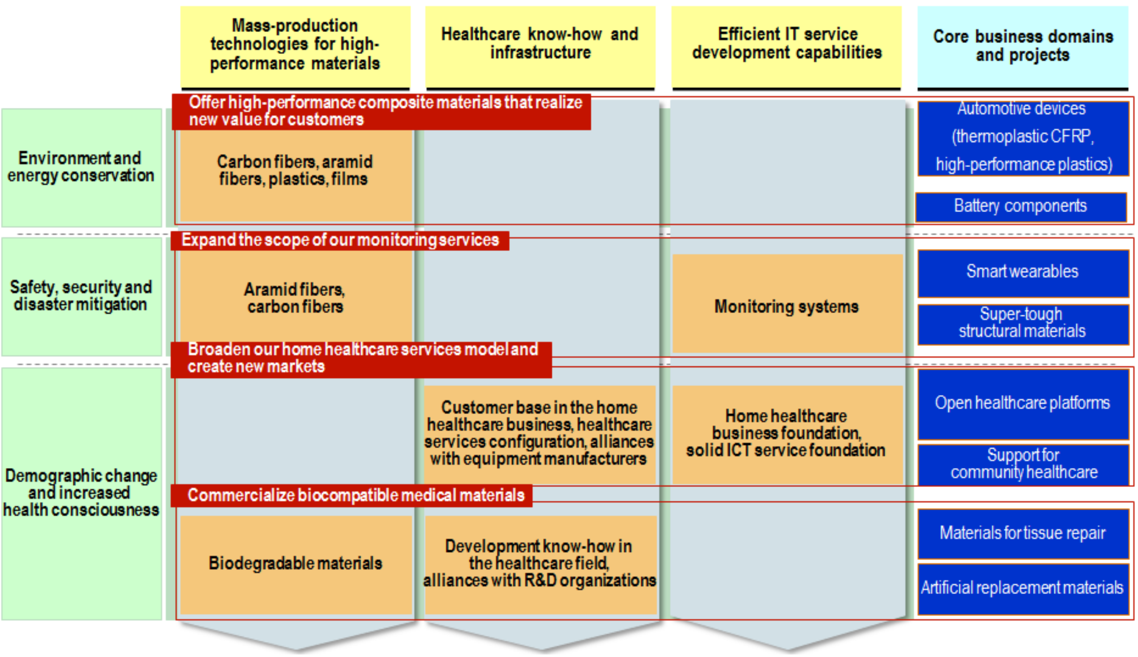
- High-performance materials: Mass-production and composite materials technologies that balance the need for high quality and low production costs
- Healthcare: A vast customer base and superior service capabilities (home healthcare) and outstanding R&D capabilities
- IT: Swift development capabilities accumulated in the net services business and in the development of backbone systems for hospitals

Business opportunities arising from macroeconomic trends

- Environment and energy conservation: Lightweight materials that enhance vehicle fuel efficiency, components for environment-friendly secondary batteries, others
- Safety, security and disaster mitigation: Materials that enhance structural strength, structural degradation diagnostics, monitoring services, others
- Demographic change (aging of society and low birthrates) and increased health consciousness: Home healthcare and nursing care support services, advanced medical materials, health maintenance/improvement-oriented web content, others

New businesses realized through the integration of key capabilities from our core business domains

(1) Leverage our high-performance materials technologies to realize new value for customers: Automotive devices, battery components
(2) Expand the scope of our monitoring services: Smart wearables, super-tough structural materials
(3) Diversify our home healthcare services model and create new markets: Open healthcare platforms, community healthcare support services
(4) Commercialize biocompatible medical materials: Materials for tissue repair, artificial replacement materials



Principal measures

(1) Realign and strengthen R&D configuration
- Position our Matsuyama Plant as our core R&D facility; focus on the development of cross-business solutions
- Reinforce product development capabilities in Japan and overseas

(2) Promote the targeted allocation of corporate resources
Concentrate corporate resources in core strategic businesses and new businesses; invest a total of ¥100.0 billion in growth and transformation strategies in fiscal 2015–fiscal 2016

(3) Plan and implement "innovation projects"
Capitalize on the evolution of our business model, establish a taskforce charged with promoting cross-business projects

(4) Enhance relations with external partners
In promoting the evolution of our business model, enhance relations with other companies offering business resources the need for which cannot be sufficiently met in-house

Medium-term management targets

By implementing these and other measures, we will work to achieve consolidated net sales and operating income of ¥800.0 billion and ¥50.0 billion, respectively, in fiscal 2016.

Overall Group Performance Targets

(Billions of yen)

	Fiscal 2014 (forecast)	Fiscal 2016 (target)
Net sales	¥780.0	¥800.0
Operating income	25.0	50.0
Operating margin	3%	6%
Net income (loss)	(20.0)	25.0
ROA (%) (calculated using operating income)	3%	6%
ROE (%)	—	8%
Debt-to-equity ratio	1.1 times	1.2 times

2. Other Information

Changes in significant subsidiaries during the period under review:

None

Adoption of special quarterly accounting methods:

Certain of the Company's consolidated subsidiaries have adopted a method for estimating in practical terms the effective tax rate for the fiscal year, including for the first half, following the application of tax effect accounting to income before income taxes, and multiplying this by quarterly income before income taxes to estimate quarterly tax expense.

Changes in accounting principles, procedures and presentation methods:

Application of Accounting Standard for Retirement Benefits

Effective from the three months ended June 30, 2014, the Company has applied the accounting rules stipulated in Clause 35 of the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan (ASBJ) Statement No. 26, issued on May 17, 2012) and the guidelines outlined in Clause 67 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on May 17, 2012). Accordingly, the method of attributing expected benefits to periods has been changed from the straight-line basis to the benefit formula basis and the basis for determining the discount rate has been amended from the expected average remaining working lives of employees and average period up to the estimated timing of benefit payment to a single weighted-average discount rate that reflects the estimated timing and amount of benefit payment.

The application of the new accounting standard and its accompanying guidance is subject to the transitional accounting treatment set forth in Clause 37 of the standard. At the beginning of the first half of fiscal 2014—the six months ended September 30, 2014—remeasurements of defined benefit plans were included in retained earnings to reflect the impact of this change in method of accounting. This change added ¥574 million to the "other" component of investments and other assets, reduced net defined benefit liability by ¥1,589 million and increased retained earnings by ¥1,465 million in the first quarter of fiscal 2014. The effect of this change on operating, ordinary and net income and losses in the first half of fiscal 2014 was negligible. The effect of this change on segment information was also negligible and has thus not been reported.

Change in accounting estimate

In the first half of fiscal 2014, the Company resolved to withdraw from the business of consolidated subsidiary Teijin Polycarbonate Singapore Pte Ltd. As a consequence, the expected remaining contract term for real estate leased by the company was shortened to a more practical number of years, thus facilitating a more precise estimate of asset retirement obligations—namely, an obligation of restoration to original condition—associated therewith. Owing to the revision of this estimate, the balance of asset retirement obligations at end of year was ¥8,142 million higher than would have been the case had the estimate not changed. In addition, because the Company applied impairment accounting to the corresponding amount recorded in tangible fixed assets, the effect of this change in accounting estimate was to increase impairment loss in the first half by an identical amount.

Italicized product names and service names in this report are trademarks or registered trademarks of the Teijin Group in Japan and/or other countries. Where noted, other italicized product names and service names used in this document are protected as the trademarks and/or trade names of other companies.

3. Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
< Assets >		
Current assets		
Cash and deposits	33,134	32,434
Notes and accounts receivable-trade	165,239	166,811
Finished goods	79,014	84,388
Work in process	9,084	10,070
Raw materials and supplies	30,569	27,989
Other current assets	50,553	51,465
Allowance for doubtful receivables	(2,687)	(2,399)
Total	**364,908**	**370,761**
Fixed assets		
Tangible assets		
Buildings and structures, net	69,238	62,229
Machinery and equipment, net	91,429	74,963
Other, net	76,193	77,763
Total	**236,861**	**214,956**
Intangible assets		
Goodwill	15,806	10,080
Other	13,651	12,147
Total	**29,457**	**22,227**
Investments and other assets		
Investment securities	82,068	107,191
Other	58,201	67,822
Allowance for doubtful accounts	(3,085)	(3,178)
Total	**137,184**	**171,835**
Total fixed assets	**403,502**	**409,019**
Total assets	**768,411**	**779,781**

(Millions of yen)

	As of March 31, 2014	As of September 30, 2014
< Liabilities >		
Current liabilities		
Notes and accounts payable-trade	80,003	78,356
Short-term loans payable	84,604	65,055
Current portion of long-term loans payable	21,811	13,011
Commercial paper	—	17,000
Current portion of bonds	6,960	27,065
Income taxes payable	2,915	3,694
Other	52,367	51,864
Total	**248,662**	**256,047**
Non-current liabilities		
Bonds payable	30,000	15,000
Long-term loans payable	136,401	163,259
Provision for business structure improvement	—	9,427
Provision for retirement benefits	30,204	29,081
Asset retirement obligations	1,245	9,888
Other	21,784	16,550
Total	**219,635**	**243,207**
Total liabilities	**468,298**	**499,254**
<Net assets>		
Shareholders' equity		
Capital stock	70,816	70,816
Capital surplus	101,429	101,429
Retained earnings	111,754	88,907
Treasury stock	(435)	(445)
Total	**283,564**	**260,707**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,758	13,148
Deferred gains on hedges	1,017	234
Foreign currency translation adjustment	(13,025)	(8,655)
Remeasurements of defined benefit plans	(634)	(912)
Total	**(1,884)**	**3,815**
Subscription rights to shares	**737**	**754**
Minority interests	**17,694**	**15,248**
Total net assets	**300,112**	**280,526**
Total liabilities and net assets	**768,411**	**779,781**

(2) Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Net sales	**381,807**	**377,399**
Cost of sales	289,216	279,105
Gross profit	**92,591**	**98,293**
Selling, general and administrative expenses	87,403	86,166
Operating income	**5,187**	**12,127**
Nonoperating revenues		
Interest income	248	290
Dividends income	542	787
Equity in earnings of affiliates	232	1,642
Foreign exchange gains	—	463
Gain on valuation of derivatives	621	1,002
Miscellaneous income	678	383
Total	2,323	4,569
Nonoperating expenses		
Interest expenses	1,801	1,420
Foreign exchange losses	62	—
Miscellaneous loss	1,545	1,234
Total	3,408	2,655
Ordinary income	**4,101**	**14,042**
Extraordinary income		
Gain on sales of noncurrent assets	166	70
Gain on sales of investment securities	8,162	50
Reversal of impairment losses	—	75
Other	444	6
Total	8,773	203
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	459	362
Impairment loss	2,546	30,518
Business structure improvement expenses	32	11,102
Other	691	241
Total	3,729	42,223
Income(loss) before income taxes	**9,145**	**(27,978)**
Income taxes	**4,964**	**(3,302)**
Income (loss) before minority interests	**4,181**	**(24,675)**
Minority interests in loss	(392)	(2,329)
Net income (loss)	**4,574**	**(22,346)**

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Income (loss) before minority interests	**4,181**	**(24,675)**
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,662)	2,388
Deferred gains (losses) on hedges	195	(784)
Foreign currency translation adjustment	4,541	4,054
Remeasurements of defined benefit plans, net of tax	—	(297)
Share of other omprehensive income of associates accounted for using the equity method	188	385
Total	**1,263**	**5,746**
Comprehensive income(loss)	**5,444**	**(18,928)**
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,857	(16,646)
Comprehensive income attributable to minority interests	(413)	(2,282)

(3) Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2013	For the six months ended September 30, 2014
Cash flows from operating activities		
Income (loss) before income taxes	9,145	(27,978)
Depreciation and amortization	22,567	22,273
Impairment loss	2,546	30,518
Increase (decrease) in provision for retirement benefits	1,199	—
Increase (decrease) in net defined benefit liability	—	1,106
Decrease (increase) in prepaid pension costs	637	—
Decrease (increase) in net defined benefit asset	—	(1,192)
Increase (decrease) in accounts payable-other	(3,093)	(1,104)
Increase (decrease) in provision for business structure improvement	—	9,427
Interest and dividends income	(1,102)	(1,078)
Interest expenses	1,801	1,420
Equity in (earnings) losses of affiliates	(232)	(1,642)
Loss (gain) on sales of investment securities	(8,154)	(50)
Decrease (increase) in notes and accounts receivable-trade	14,253	2,069
Decrease (increase) in inventories	(15,739)	(2,125)
Increase (decrease) in notes and accounts payable-trade	(10,184)	(3,190)
Other, net	(6,156)	(3,049)
Subtotal	7,489	25,404
Interest and dividends income received	1,385	1,972
Interest expenses paid	(1,961)	(1,445)
Income taxes paid	(3,680)	(3,093)
Net cash and cash equivalents provided by operating activities	**3,233**	**22,836**
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,478)	(15,107)
Proceeds from sales of property, plant and equipment	146	94
Purchase of intangible assets	(1,442)	(1,113)
Purchase of investment securities	(20,632)	(20,145)
Proceeds from sales of investment securities	10,370	92
Net decrease (increase) in short-term loans receivable	(1,406)	(1,775)
Other, net	(119)	(414)
Net cash and cash equivalents used in investing activities	**(30,563)**	**(38,369)**
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	6,376	(22,406)
Increase (decrease) in commercial papers	3,000	17,000
Proceeds from issuance of bonds	2,497	12,983
Redemption of bonds	(18,096)	(7,833)
Proceeds from long-term loans payable	44,942	25,000
Repayment of long-term loans payable	(23,643)	(8,720)
Cash dividends paid	(1,965)	(1,965)
Cash dividends paid to minority shareholders	(193)	(200)
Other, net	(162)	(172)
Net cash and cash equivalents provided by financing activities	**12,756**	**13,684**
Effect of exchange rate changes on cash and cash equivalents	**534**	**1,150**
Net increase (decrease) in cash and cash equivalents	(14,039)	(697)
Cash and cash equivalents at beginning of period	**48,700**	**32,975**
Cash and cash equivalents at end of period	**34,661**	**32,277**

(4) Notes Pertaining to Going Concern Assumption

No

(5) Notes on Significant Changes in Shareholders' Equity

No

(6) Segment Information, etc.

I. Outline of segments

The Company's reportable operating segments are components of an entity for which separate financial information is available and evaluated regularly by its chief decision-making authority in determining the allocation of management resources and in assessing performance. The Company currently divides its operations into business groups, based on type of product, nature of business and services provided. The business groups formulate product and service strategies in a comprehensive manner in Japan and overseas.

Accordingly, the Company divides its operations into four reportable operating segments on the same basis as it uses internally: Advanced Fibers and Composites (comprising High-Performance Fibers and Carbon Fibers and Composites); Electronics Materials and Performance Polymer Products (comprising Polycarbonate Resin and Plastics Processing, and Films); Healthcare; and Trading and Retail.

Within the Advanced Fibers and Composites segment, the High-Performance Fibers business encompasses the production and sale of advanced aramid fibers and polyester fibers for industrial applications, and the Carbon Fibers and Composites business includes the production and sales of carbon fibers and composites. Within the Electronics Materials and Performance Polymer Products segment, the Polycarbonate Resin and Plastics Processing business involves the production and sale of polycarbonate resin, other resins and resin products, while the Films business includes the production and sales of polyester films. Healthcare encompasses the production and sales of pharmaceuticals, the production and rental of home healthcare devices and the provision of home healthcare services. Trading and Retail focuses on the planning, OEM production and trading and retail of polyester filaments, other fibers and polymer products.

II.FY13 2Q results (Apr. 2013 - Sept. 2013)

1. Segment sales and operating income (loss)

(Millions of yen)

	Reportable operating segments					Others*	Grand total
	Advanced Fibers and Composites	Electronics Materials and Performance Polymer Products	Healthcare	Trading and Retail	Total		
Sales							
1) External customers	58,398	91,329	64,841	120,891	335,461	46,346	381,807
2) Intersegment transactions or transfers	13,746	2,711	—	2,009	18,467	11,756	30,223
Net sales	72,144	94,041	64,841	122,901	353,928	58,102	412,031
Segment income (loss)	2,366	(2,671)	9,369	2,347	11,412	(337)	11,074

* "Others," which includes the polyester raw materials and polymerization businesses and the IT business, does not qualify as a reportable operating segment.

2. Difference between operating income and sum of operating income (loss) in reportable operating segments

(Adjustment) (Millions of yen)

Operating income	Amount
Total reportable operating segments	11,412
Others segment	(337)
Elimination of intersegment transactions	13
Corporate expenses*	(5,900)
Operating income	5,187

* Corporate expenses are expenses that cannot be allocated to individual reportable operating segments and are primarily related to basic research and head office administration.

3. Loss on impairment and goodwill by reportable segments

Material loss on impairment of fixed assets

In the six months ended September 30, 2013, the Electronics Materials and Performance Polymer Products reported losses on impairment of ¥2,543 million.

Material change in the amount of goodwill and material gain from negative goodwill

No

III. FY14 2Q results (Apr. 2014 - Sept. 2014)

1. Segment sales and operating income (loss)

(Millions of yen)

	Reportable operating segments					Others*	Grand total
	Advanced Fibers and Composites	Electronics Materials and Performance Polymer Products	Healthcare	Trading and Retail	Total		
Sales							
1) External customers	64,397	92,200	67,795	123,589	347,983	29,416	377,399
2) Intersegment transactions or transfers	13,733	2,405	—	2,518	18,657	10,075	28,732
Net sales	78,130	94,606	67,795	126,108	366,640	39,491	406,132
Segment income (loss)	4,684	(1,344)	12,093	1,964	17,397	495	17,893

* "Others," which includes the polyester raw materials and polymerization businesses and the IT business, does not qualify as a reportable operating segment.

2. Difference between operating income and sum of operating income (loss) in reportable operating segments

(Adjustment) (Millions of yen)

Operating income (loss)	Amount
Total reportable operating segments	17,397
Others segment	495
Elimination of intersegment transactions	(154)
Corporate expenses*	(5,611)
Operating income	12,127

* Corporate expenses are expenses that cannot be allocated to individual reportable operating segments and are primarily related to basic research and head office administration.

3. Loss on impairment and goodwill by reportable segments

Material loss on impairment of fixed assets

In the six months ended September 30, 2014, the Advanced Fibers and Composites, Electronics Materials and Performance Polymer Products, Healthcare and Others segments reported losses on impairment of ¥1.229 million, ¥19,263 million, ¥4,210 million and ¥5,768million, respectively.

Material change in the amount of goodwill

In the six months ended September 30, 2014, the Company reported impairment losses in the Electronics Materials and Performance Polymers Products andHealthcare segments, resulting in a material change in the amount of goodwill.
As a consequence, goodwill in the Electronics Materials and Polymer Products and Healthcare segments declined ¥1,543 million and ¥3,104 million respectively. Impairment losses on goodwill are included in the figures presented above in "material loss on impairment of fixed assets."

Material gain from negative goodwill

No

Supplementary Information

1. Movement of consolidated results

(1) Movement of results

(Billions of yen)

	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q	FY2014 2Q
Net sales	183.5	198.3	196.4	206.2	181.9	195.5
Operating income	1.8	3.4	4.5	8.4	4.8	7.3
Ordinary income	1.6	2.5	8.6	7.2	4.7	9.4
Net income (loss)	0.2	4.3	0.4	3.3	1.6	(24.0)

(2) Movement of industrial segment information

(Billions of yen)

	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q	FY2014 2Q
Net sales						
Advanced Fibers and Composites	28.2	30.2	30.4	34.8	31.4	33.0
Electronics Materials and Performance Polymer Products	44.3	47.0	44.9	43.2	46.2	46.0
Healthcare	31.5	33.3	36.6	37.0	33.2	34.5
Trading and Retail	57.1	63.8	66.0	67.3	57.5	66.1
Total	161.1	174.4	177.9	182.3	168.4	179.6
Others	22.4	23.9	18.6	23.9	13.5	15.9
Consolidated total	183.5	198.3	196.4	206.2	181.9	195.5
Operating income (loss)						
Advanced Fibers and Composites	0.2	2.2	0.9	2.4	1.7	3.0
Electronics Materials and Performance Polymer Products	(0.2)	(2.4)	(1.8)	(2.7)	0.7	(2.1)
Healthcare	4.6	4.8	8.0	7.2	5.7	6.4
Trading and Retail	0.6	1.8	1.1	1.7	0.8	1.2
Total	5.2	6.3	8.2	8.7	8.8	8.6
Others	(0.0)	(0.3)	(0.5)	2.6	(0.7)	1.2
Elimination & corporate	(3.3)	(2.6)	(3.1)	(2.9)	(3.3)	(2.5)
Consolidated total	1.8	3.4	4.5	8.4	4.8	7.3

2. Capital expenditure, depreciation & amortization expenses and research & development expenses (consolidated)

(Billions of yen)

	FY2011 (Actual)	FY2012 (Actual)	FY2013 (Actual)	FY2014 1Q−2Q (Actual)	FY2014 (Outlook)
Capital expenditure:	32.3	36.3	30.2	13.3	37.0
CAPEX for tangible assets	28.3	33.1	27.7	12.0	33.6
Depreciation & amortization*	52.3	46.9	45.7	22.3	38.7
Research & development	31.8	33.2	32.2	15.4	34.0

* Depreciation and amortization includes amortization of goodwill.

3. Number of employees (Consolidated)

	End of FY11	End of FY12	FY2013	End of FY14 2Q
Consolidated	16,819	16,637	15,756	15,777

4. Foreign Exchange Rate

(1) BS exchange rate for overseas subsidiaries (End of fiscal year)

	FY2012 (Actual)	FY2013 (Actual)	FY2014 2Q (Actual)	FY2014 (Outlook)
JPY/USD	94	103	109	105
USD/EUR	1.28	1.38	1.27	1.30

(2) PL exchange rate for overseas subsidiaries (Average of fiscal year)

	FY2012 (Actual)	FY2013 (Actual)	FY2014 2Q (Actual)	FY2014 (Outlook)
JPY/USD	83	100	103	104
USD/EUR	1.29	1.34	1.35	1.32

5. Sales of principal pharmaceuticals

(Billions of yen)

Products	Indication	FY2012 (Actual)	FY2013 (Actual)	FY2014 2Q (Actual)
Bonalon ®	Osteoporosis	15.9	14.2	6.3
Feburic ®	Hyperuricemia and gout	5.5	11.4	6.7
Venilon ®	Severe infectious diseases	9.9	9.4	4.9
Mucosolvan ®	Expectorant	9.0	7.9	3.0
Onealfa ®	Osteoporosis	7.9	6.6	2.8
Laxoberon ®	Laxative	4.0	3.6	1.5
Tricor ®	Hyperlipidemia	1.8	1.7	0.8
Bonalfa ®	Psoriasis	1.4	1.3	0.6
Alvesco ®	Asthma	1.3	1.3	0.5
Somatuline ®	Acromegaly and pituitary gigantism	0.1	0.6	0.5

6. Development status of new pharmaceuticals

(As of Sept. 30, 2014)

Products	Indication	Stage
NA872ET (*Mucosolvan* ®)	Expectorant	Filed in Japan in February 2014
GGS-ON (*Venilon* ®)	Optic neuritis	Ph III
GGS -MPA(*Venilon* ®)	Microscopic polyangitis	Ph III
GGS -CIDP(*Venilon* ®)	Chronic inflammatory demyelinating polyneuropa	Ph III
TMX-67TLS(*Feburic* ®)	Tumor lysis syndrome	Ph III
TMX-67	Hyperuricemia and gout	Ph III (PRC)
ITM-014N (*Somatuline* ®)	Neuroendocrine tumor	Ph II
ITM-058	Osteoporosis	Ph II
KTP-001	Lumbar disc herniation	Ph I / II (US)
TMX-67XR(*Feburic* ®)	Hyperuricemia and gout	Ph I / II
TMG-123	TypeII Diabetes	Ph I
PTR-36	Bronchial asthma	Ph I

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

* *Somatuline* ® is the registered trademark of Ipsen Pharma, Paris, France.

* KTP-001 was discovered and is under development by Teijin Pharma Limited and Kaketsuken (The Chemo-Sero-Therapeutic ResearchInstitute), a general incorporated foundation, based on an enzyme engineered by Professor Hirotaka Haro of the University ofYamanashi's Graduate School of Medicine and Engineering Advanced Medical Science and Dr. Hiromichi Komori, assistant head of theDepartment of Orthopaedic Surgery at Yokohama City Minato Red Cross Hospital.