TEIJIN
Human Chemistry, Human Solutions

Consolidated Financial Statements Summary

(For the three months ended June 30, 2015)
English translation from the original Japanese-language document
(All financial information has been prepared in accordance with accounting principles generally accepted in Japan) July 31, 2015

Company name : **TEIJIN LIMITED** (Stock code 3401) http://www.teijin.com
Contact person : Masahiro Ikeda General Manager, Finance & Investor Relations Department TEL: +81-(0)3-3506-4395

(Amounts less than one million yen are omitted)

1. Highlight of the first quarter of FY15 (April 1, 2015 through June 30, 2015)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the three months ended June 30, 2015	192,565	5.9	16,412	241.0	17,977	286.4	11,190	578.8
For the three months ended June 30, 2014	181,858	-0.9	4,813	162.0	4,652	194.0	1,648	607.2

cf. Comprehensive income : 17,681 million yen (FY2014: 540 million yen)

	E.P.S. *	Diluted E.P.S.
	Yen	Yen
For the three months ended June 30, 2015	11.39	10.33
For the three months ended June 30, 2014	1.68	1.67

* E.P.S.: Earnings per share

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of June 30, 2015	816,428	320,156	37.1
As of March 31, 2015	823,694	303,635	34.9

cf. Shareholders' equity : 302,813 million yen (FY2014: 287,074million yen)

2. Dividends

	Dividends per share				
Period	1Q	2Q	3Q	4Q	Annual
	Yen	Yen	Yen	Yen	Yen
FY2014	–	2.00	–	2.00	4.00
FY2015	–				
FY2015 (Outlook)		3.00	–	3.00	6.00

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

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

(Percentages are interim-on-interim and year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		E.P.S.
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2015 interim	390,000	3.3	28,000	130.9	28,000	99.4	18,000	–	18.31
FY2015	810,000	3.0	53,000	35.6	53,000	25.1	30,000	–	30.52

Note: Revision of outlook for fiscal 2015 consolidated operating results in the first quarter: Yes

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 6.

1. Qualitative Information and Financial Statements

Qualitative Information on Results of Operations

Analysis of Consolidated Results of Operations

Global economic conditions in the three months ended June 30, 2015, reflected the steady pace of recovery in the United States and other developed economies, although growth in emerging economies decelerated visibly. The Japanese economy continued to show signs of moderate growth, despite a lack of strength in both domestic consumption and exports.

In this environment, consolidated net sales rose 5.9%, to ¥192.6 billion, owing to increases in the Healthcare and Trading and Retail segments. Operating income climbed 241.0%, or ¥11.6 billion, to ¥16.4 billion, underpinned by substantial increases in our materials businesses, which reflected falling prices for raw materials and fuel and the positive impact of restructuring initiatives, and by steady gains in our Healthcare segment, thanks to robust results for core products and services. Ordinary income soared 286.4%, or ¥13.3 billion, to ¥18.0 billion, bolstered by an improvement in equity in earnings of affiliates. Profit attributable to owners of parent advanced ¥9.5 billion, to ¥11.2 billion. Profit attributable to owners of parent per share rose ¥9.71, to ¥11.39.

Business Segment Results

Advanced Fibers and Composites
Sales in the Advanced Fibers and Composites segment totaled ¥32.1 billion, while operating income was ¥3.6 billion.

High-Performance Fibers
Demand remained firm for automotive applications and sales for infrastructure-related applications expanded.

Sales of mainstay *Twaron* para-aramid fibers rose steadily for automotive applications, including for tires, in Europe, and for use as reinforcements for optical fibers, cables and hoses for oil drilling and other infrastructure-related applications. Sales for use in ballistic protection products were stable. The profitability of *Technora* para-aramid fibers improved, reflecting brisk domestic sales for automotive applications and exports for infrastructure-related applications. Although demand rose, sales of *Teijinconex* meta-aramid fibers for use in filters were hampered by persistently harsh competition, while sales for use in protective clothing and for industrial applications remained solid. In this environment, we proceeded with final preparations to begin production of *Teijinconex* neo, a new type of meta-aramid fiber offering superior heat resistance and dyeability, at a new production facility in Thailand. Motivated by increasingly stringent regulations pertaining to flame-retardant materials and environmental safety, we will continue to focus on expanding this particular business in promising Asian markets and emerging economies.

In polyester fibers, income at our subsidiaries in Thailand remained firm, despite waning sales for automotive applications attributable to a negative rebound in local sales, which were robust in fiscal 2014, thanks to increased sales for use in personal hygiene and general-purpose products and to the positive impact of falling prices for raw materials and cost reductions. In Japan, sales for automotive applications and for use in bedding flagged amid lackluster market conditions. Nonetheless, income was bolstered by higher sales for use in reverse osmosis membrane support layers for water treatment applications, as well as by efforts to cut costs. Looking ahead, we will strive to further strengthen our competitiveness by gradually realigning our domestic production configuration and transferring production of certain items to the aforementioned subsidiaries in Thailand.

Carbon Fibers and Composites
Sales for use in aircraft remained favorable.

Sales of *TENAX* carbon fibers for use in aircraft were favorable, as orders from aircraft manufacturers remained robust. Among other applications, sales for use in sports and leisure equipment were firm in Asia. Sales of *Pyromex* flame-resistant fibers were stable, supported by demand for use in aircraft brake pads. Yen depreciation and declining prices for raw materials and fuel, which have persisted since autumn 2014, helped boost profitability.

Against this backdrop, we worked to expand operations in profitable, high-growth markets by promoting the expansion of downstream businesses. Of note, joint development work with General Motors Company in the area of structural components for mass-produced vehicles made with our innovative thermoplastic carbon fiber-reinforced plastic (CFRP) *Sereebo* has entered the final stage of preparation for commercialization and we are now considering options for the production of these components in the United States.

Electronics Materials and Performance Polymer Products
The Electronics Materials and Performance Polymer Products segment reported sales of ¥44.8 billion and operating income of ¥6.2 billion.

Resin and Plastics Processing
The profitability of our mainstay polycarbonate resin products improved substantially.

Results for our mainstay *Panlite* and *Multilon* polycarbonate resin products rallied sharply, bolstered by falling prices for key raw materials, a consequence of declines in crude oil prices since autumn 2014, as well as by the positive impact of an improved sales mix—which enhanced profitability—and ongoing restructuring initiatives. Among high-value-added applications, we focused on sales for use in light-emitting diode (LED) lighting, among others, bolstering our share of this promising market.

In the area of processed plastics, sales of polycarbonate retardation film were solid. In contrast, sales of reverse-dispersion solvent-cast retardation film for use as an antireflective film for smartphones, tablet computers and wearable electronics, were sluggish, owing to a weak market. Sales of *ELECLEAR* transparent electroconductive polycarbonate film for use in capacitive touch screens for vehicle navigation systems, among others, continued to expand gradually. In high-performance resins, sales of specialty polycarbonate resin for use in smartphone camera lenses were firm, while we pressed forward with efforts to expand sales of polyethylene naphthalate (PEN) resin for use in heat- and pressure-resistant vessels. In the area of polyphenylene sulfide (PPS) resin, a “super engineering plastic” that boasts exceptional heat resistance and dimensional stability, which we aim to grow into a second pillar of our resin and plastics processing business, we stepped up marketing efforts in advance of the start of mass production at INITZ Co., Ltd., a joint venture with SK Chemicals Ltd. of the Republic of Korea (ROK), which is scheduled for autumn 2015. We also moved ahead with forward-looking efforts to develop new materials that combine plastics with high-performance fibers.

Films

With sales of mainstay products down in Japan, we accelerated efforts to enhance cost competitiveness.

Sales of *PUREX* release films for manufacturing processes were firm for use in multilayer ceramic capacitors and polarizers for smartphones and other devices. However, operating conditions were otherwise difficult as the emergence of manufacturers from the People's Republic of China (PRC) intensified pricing competition in the area of reflective films for use in liquid crystal display (LCD) televisions and demand for polyethylene terephthalate (PET) film for use in specialty packaging and PEN film for use in magnetic materials remained listless. Going forward, we will proceed with preparations for the integration of our domestic production facilities, scheduled for fiscal 2016, which include narrowing our focus to high-value-added applications. At the same time, we will focus on expanding sales of fire-retardant films and other newly developed products and on developing new types of non-polyester high-performance films, including polylactic acid (PLA) piezoelectric film. We will also take decisive steps to reinforce our earnings foundation by developing highly processed films and composite films incorporating other materials.

Overseas, demand for films for packaging applications and for use in solar cells, among others, was comparatively firm in the Americas and Europe. In contrast, sluggish market conditions intensified competition in the PRC, particularly as regards sales prices.

Healthcare

Sales in the Healthcare segment came to ¥38.0 billion, while operating income was ¥8.9 billion.

Pharmaceuticals

Sales of our novel treatment for hyperuricemia and gout expanded favorably.

In our domestic pharmaceuticals business, the operating environment for long-listed originator drugs remained harsh, owing to rising sales of generic drugs. Even so, sales of recently developed drugs, including hyperuricemia and gout treatment *Feburic* (febuxostat) and *Somatuline*®*, a treatment for acromegaly, continued to expand steadily. Drugs for which new formulations have been developed include osteoporosis treatment *Bonalon*®†, which is now available not only in tablet form but also as an oral jelly and an intravenous drip, thereby broadening choices available to osteoporosis sufferers. A new addition to our portfolio is *Mucosolvan* L Tablet 45 mg, a novel reduced-sized tablet-form version of our well-known expectorant *Mucosolvan* launched in July 2015, that offers promise as a once-daily tablet that is easier to swallow and yet equally effective as regular-sized tablets.

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 44 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 commenced Stage I clinical trials in Japan for TMX-049, a new treatment for hyperuricemia and gout, in April 2015. Recently, the discovery of discrepancies between actual products and information contained in applications for approval to manufacture prompted Japan's Ministry of Health, Labour and Welfare to order the suspension of

* *Somatuline*® is a registered trademark of Ipsen Pharma S.A.S., Paris, France.

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

shipments of two products—*Kenketsu Venilon*-1 (an intravenous-use human immunoglobulin therapy) and *Bolheal* (a tissue adhesive)—by manufacturer and distributor Kaketsuken (The Chemo-Sero-Therapeutic Research Institute). Because we sell both of these products under license from Kaketsuken, our sales will be affected by this development. We recognize that this situation is a major inconvenience to hospitals and patients and will endeavor to keep both abreast of related developments.

Home Healthcare

Rental volumes either remained high or increased for all offerings.

We currently provide home healthcare services to more than 400,000 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 models *Hi-Sanso* 5S and *Hi-Sanso Portable* α (alpha). Looking ahead, we will strive to further boost rental volume for *Hi-Sanso Portable* α by stepping up marketing efforts. Rental volume for continuous positive airway pressure (CPAP) ventilators for the treatment of sleep apnea syndrome (SAS) continued to increase 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 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 our home healthcare call centers in Fukuoka and Osaka.

We also continued to expand our marketing efforts for 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 initially focused 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 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, as well as 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 ¥61.4 billion and operating income of ¥1.0 billion.

Fiber Materials and Apparel

Development efforts yielded new core materials for use in sportswear.

Overall sales of fiber materials and apparel were healthy, as *DELTAPEAK*, a key strategic material, made a strong start, underpinned by rising sales of this and other high-performance materials for use in sportswear and outdoor apparel to manufacturers in the Americas and Europe. In June 2015, we announced the development of *DELTA* TL, a new core material that we will initially market for use in fall and winter 2016 sportswear and for which we will expand sales by cultivating non-sportswear applications, including inner wear, uniforms, bedding and industrial materials.

Our functional textiles and apparel continued to struggle, owing to yen depreciation, which pushed up costs, and a downturn in the Japanese retail market following last year's consumption tax hike. Against this backdrop, we pressed ahead with efforts to reorganize our production network in the Association of Southeast Asian Nations (ASEAN) region and to shift our focus from OEM to original design manufacturer (ODM) manufacturing, whereby contracted companies propose designs and manufacture products that are rebranded for sale. We also sought to expand sales channels by marketing directly to leading casual apparel manufacturers in Japan. In June 2015, we staged a comprehensive exhibition of textiles and apparel for spring and summer 2016 introducing new products and showcasing the capabilities of our production facilities in Japan and overseas, including our new sewing base in Myanmar, which became a Teijin Group base in late March 2015.

Industrial Textiles and Materials

We began offering comprehensive services in the area of medical and nursing care.

In the area of industrial fabrics, sales of materials and components for automotive applications, including airbag fabrics, tire cords and hoses, were robust early on but slowed toward the end of the quarter. Automotive accessories, including materials used in vehicle seats and child safety seats, were sluggish.

In the area of general-purpose materials, sales of materials for civil engineering–related applications, including sheets, ropes and materials for fisheries-related applications, remained healthy, as did sales of industrial sewing thread. In contrast, sales of decorative tent fabrics flagged.

Sales of household materials, which include wall- and floor-covering materials, home-use wiping cloths and personal hygiene products, were generally favorable, although sales of mainstay curtains were weak.

In an effort spearheaded by our new Well Life Promotion Department, established in April 2015, this business collaborated with our healthcare business to deploy *HEALTH CARE LABO*, a new Teijin Group healthcare brand, marking our debut as a provider of comprehensive medical and nursing care services. Looking forward, we will work to expand sales of our extensive range of products, which includes adaptive sleepwear and clothing for nursing care patients, our *Welldry* series of incontinence underwear, products for clean rooms and seat supports for wheelchairs.

Others

Others, which does not qualify as a reportable operating segment, generated sales of ¥16.3 billion and operating income of ¥0.5 billion.

In the IT business, our withdrawal from the development of social network games, together with a resulting refocus of management resources on our core e-books business, supported solid results. In the IT services category, we began offering a service aimed at resolving issues on the front lines of medical care as part of Digital Health Connect, an IT tool designed to facilitate collaboration between innovators in the healthcare field and IT service providers.

In new business development, sales of *LIELSORT* lithium-ion battery (LiB) separators continued to expand favorably. We also developed a new high-performance membrane that contains polyethylene using our proprietary microporous membrane production technology and resolved to launch a new business based on this technology, with products to be offered under the brand name *MIRAIM*. On another front, we promoted the use of *Recopick*—a radio frequency identification (RFID) information management system that incorporates our RFID-enabled two-dimensional communication sheet *CELL FORM*—in electronic management solutions for library books, classified information and medical devices, among others, capitalizing on the system's ability to efficiently and accurately track the entry and removal, inventory levels and precise location of items.

Qualitative Information on Financial Position

Analysis of Assets, Liabilities and Net Assets

Total assets as of June 30, 2015, amounted to ¥816.4 billion, down ¥7.3 billion from the end of fiscal 2014. Inventories increased, a consequence of seasonal factors, but notes and accounts receivable–trade decreased, as did cash and deposits, owing to outlays for the redemption of bonds.

Total liabilities, at ¥496.3 billion, were down ¥23.8 billion from the fiscal 2014 year-end. Interest-bearing debt, which accounted for ¥292.8 billion of the total, was down ¥14.0 billion, owing to the redemption of straight bonds.

Total net assets rose ¥16.5 billion, to ¥320.2 billion. Net shareholders' equity, calculated by subtracting total valuation and translation adjustments from total shareholders' equity, represented ¥302.8 billion of the total, an increase of ¥15.7 billion.

Qualitative Information on Outlook for Operating Results

Outlook for Fiscal 2015

Forecast for Operating Results

(Billions of yen/%)

	Net sales	Operating income	Ordinary income	Profit (loss) attributable to owners of parent
Fiscal 2015 (Forecast)	¥810.0	¥53.0	¥53.0	¥30.0
Fiscal 2014	786.2	39.1	42.4	(8.1)
Change	+23.8	+13.9	+10.6	+38.1
Percentage change	+3.0%	+35.6%	+25.1%	—

While the global economy is expected to grow steadily through to the end of fiscal 2015, led by developed economies, future prospects remain uncertain, owing to fears of a downturn in emerging economies and lurking risks associated with fluctuating currency rates and crude oil.

In this environment, we will press forward with the implementation of various restructuring initiatives, guided by our revised medium-term management plan, announced in fall 2014, with the goal of strengthening our earnings foundation. We will also continue to promote the focused allocation of investments to core strategic businesses and promising new businesses and to invest actively in projects aligned with our transformation and growth strategies, with the aim of realizing new value for our customers.

In light of recent operating results, we have revised our consolidated full-term operating results forecasts for fiscal 2015. We now expect to report consolidated net sales of ¥810.0 billion, down from our initial forecast of ¥825.0 billion, which was announced on May 8, 2015, as well as operating income of ¥53.0 billion, ordinary income of ¥53.0 billion and profit attributable to owners of parent of ¥30.0 billion, up from our initial forecasts of ¥47.5 billion, ¥47.5 billion and ¥25.0 billion, respectively, thereby achieving the relevant targets set forth in our revised medium-term management plan for fiscal 2016 a year ahead of schedule. These forecasts assume exchange rates of ¥120 to US$1.00 and ¥135 to €1.00 and an average Dubai crude oil price of US$64 per barrel.

Forecast for Segment Results

(Billions of yen)

	Net sales		Operating income	
	First half (Forecast)	Full term (Forecast)	First half (Forecast)	Full term (Forecast)
Advanced Fibers and Composites	¥ 65.0	¥140.0	¥ 8.5	¥ 18.5
Electronics Materials and Performance Polymer Products	85.0	170.0	9.5	13.0
Healthcare	75.0	150.0	15.5	27.0
Trading and Retail	130.0	275.0	1.5	5.0
Total	355.0	735.0	35.0	63.5
Others	35.0	75.0	1.5	5.5
Elimination and corporate	—	—	(8.5)	(16.0)
Consolidated total	¥390.0	¥810.0	¥28.0	¥ 53.0

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 three months ended June 30, 2015, 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 Business Combinations

Effective from the three months ended June 30, 2015, the Company adopted the "Revised Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21, issued on September 13, 2013), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, issued on September 13, 2013) and "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, issued on September 13, 2013), among others. Accordingly, the Company changed to an accounting method whereby it records differences arising from changes in its ownership interests in companies in which it retains control in capital surplus and charges acquisition-related costs as expenses in the fiscal year in which they are incurred. Additionally, for business combinations implemented on or after April 1, 2015, the Company changed to an accounting method whereby any revisions to the allocation of acquisition costs pursuant to the final determination of provisional accounting treatments are reflected in the consolidated financial statements for the quarter in which the relevant business combination occurs. Furthermore, a change in the presentation of net income in the financial statements was implemented and the term "minority interests" was amended to "non-controlling interests." The Company has recast its financial statements for the three months ended June 30, 2014, and the fiscal year ended March 31, 2014, to reflect these changes.

Application of ASBJ Statement No. 21 and its related standards is in accordance with transitional provisions stipulated in Clause 58, Paragraph 2 (4), of ASBJ Statement No. 21; Clause 44, Paragraph 5 (4), of ASBJ Statement No. 22; and Clause 57, Paragraph 4 (4), of ASBJ Statement No. 7. The Company applied these standards effective from April 1, 2015. This application had no material impact on consolidated net income for the three months ended June 30, 2015.

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, 2015	As of June 30, 2015
< Assets >		
Current assets		
Cash and deposits	45,719	48,794
Notes and accounts receivable-trade	172,139	161,775
Securities	25,000	8,000
Merchandise and finished goods	78,357	87,979
Work in process	8,194	9,735
Raw materials and supplies	28,781	30,756
Other current assets	48,920	49,598
Allowance for doubtful accounts	(1,108)	(1,001)
Total	**406,004**	**395,641**
Fixed assets		
Tangible assets		
Buildings and structures, net	60,752	60,449
Machinery and equipment, net	71,111	69,494
Other, net	77,020	79,519
Total	**208,883**	**209,463**
Intangible assets		
Goodwill	9,408	9,480
Other	11,218	10,908
Total	**20,627**	**20,388**
Investments and other assets		
Investment securities	119,915	123,633
Other	71,192	70,247
Allowance for doubtful accounts	(2,927)	(2,946)
Total	**188,179**	**190,934**
Total fixed assets	**417,689**	**420,787**
Total assets	**823,694**	**816,428**

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
< Liabilities >		
Current liabilities		
Notes and accounts payable-trade	75,495	79,659
Short-term loans payable	56,427	56,262
Current portion of long-term loans payable	20,570	20,784
Current portion of bonds	21,059	6,010
Income taxes payable	6,680	1,742
Other	61,323	52,274
Total	**241,555**	**216,733**
Noncurrent liabilities		
Bonds payable	55,188	55,178
Long-term loans payable	153,517	154,558
Provision for business structure improvement	14,683	15,057
Net defined benefit liability	30,407	30,500
Asset retirement obligations	6,860	6,970
Other	17,846	17,274
Total	**278,503**	**279,538**
Total liabilities	**520,059**	**496,272**
<Net assets>		
Shareholders' equity		
Capital stock	70,816	70,816
Capital surplus	101,447	101,453
Retained earnings	101,201	110,426
Treasury stock	(426)	(410)
Total	**273,039**	**282,286**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	24,226	27,204
Deferred gains or losses on hedges	(2,569)	(1,535)
Foreign currency translation adjustment	(8,102)	(5,396)
Remeasurements of defined benefit plans	479	254
Total	**14,034**	**20,527**
Subscription rights to shares	**844**	**845**
Minority interests	**15,716**	**16,497**
Total net assets	**303,635**	**320,156**
Total liabilities and net assets	**823,694**	**816,428**

(2) Consolidated Statements of Income

(Millions of yen)

	For the three months ended June 30, 2014	For the three months ended June 30, 2015
Net sales	**181,858**	**192,565**
Cost of sales	133,904	130,839
Gross profit	**47,953**	**61,726**
Selling, general and administrative expenses	43,140	45,314
Operating income	**4,813**	**16,412**
Nonoperating revenues		
Interest income	129	166
Dividends income	749	931
Equity in earnings of affiliates	419	911
Foreign exchange gains	—	241
Miscellaneous income	172	570
Total	1,470	2,821
Nonoperating expenses		
Interest expenses	733	626
Foreign exchange losses	16	—
Expenses for operation preparation	—	283
Miscellaneous loss	881	346
Total	1,631	1,256
Ordinary income	**4,652**	**17,977**
Extraordinary income		
Gain on sales of noncurrent assets	42	60
Gain on sales of investment securities	48	1
Reversal of provision for business structure improvement	—	120
Other	9	12
Total	100	195
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	104	288
Impairment loss	210	482
Business structure improvement expenses	558	388
Other	2	328
Total	876	1,487
Income before income taxes	**3,876**	**16,685**
Income taxes	2,370	5,458
Profit	**1,505**	**11,226**
Profit (loss) attributable to non-controlling interests	(142)	35
Profit attributable to owners of parent	**1,648**	**11,190**

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the three months ended June 30, 2014	For the three months ended June 30, 2015
Profit	**1,505**	**11,226**
Other comprehensive income		
Valuation difference on available-for-sale securities	1,127	2,980
Deferred gains (losses) on hedges	(584)	1,033
Foreign currency translation adjustment	(1,315)	2,546
Remeasurements of defined benefit plans, net of tax	(133)	(272)
Share of other comprehensive income of associates accounted for using equity method	(59)	166
Total	**(965)**	**6,455**
Comprehensive income	**540**	**17,681**
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	697	17,683
Comprehensive loss attributable to minority interests	(157)	(1)

(3) Notes Pertaining to Going Concern Assumption

No

(4) Notes on Significant Changes in Shareholders' Equity

No

(5) Segment Information, etc.

I. FY14 1Q results (April 2014 – June 2014)

1. Segment sales and operating income (loss)

(Millions of yen)

	Reportable operating segments					Others*	Total
	Advanced Fibers and Composites	Electronics Materials and Performance Polymer Products	Healthcare	Trading and Retail	Subtotal		
Sales							
1) External customers	31,411	46,206	33,245	57,485	168,350	13,507	181,858
2) Intersegment transactions or transfers	6,795	1,157	—	1,246	9,199	5,072	14,271
Net sales	38,206	47,364	33,245	58,732	177,549	18,580	196,130
Segment income (loss)	1,660	728	5,657	753	8,799	(710)	8,088

* "Others," which includes the polyester raw materials and polymerization businesses and the IT business, does not qualify as a report 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	8,799
Others segment	(710)
Elimination of intersegment transactions	(240)
Corporate expenses*	(3,034)
Operating income	4,813

* 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

No

II. FY15 1Q results (April 2015 – June 2015)

1. Segment sales and operating income

(Millions of yen)

	Reportable operating segments					Others*	Total
	Advanced Fibers and Composites	Electronics Materials and Performance Polymer Products	Healthcare	Trading and Retail	Subtotal		
Sales							
1) External customers	32,105	44,777	37,993	61,389	176,266	16,298	192,565
2) Intersegment transactions or transfers	7,024	1,061	—	889	8,975	3,858	12,833
Net sales	39,129	45,839	37,993	62,278	185,241	20,157	205,399
Segment income	3,612	6,212	8,875	1,043	19,743	527	20,271

* "Others," which includes the polyester raw materials and polymerization businesses and the IT business, does not qualify as a rep 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	19,743
Others segment	527
Elimination of intersegment transactions	(596)
Corporate expenses*	(3,263)
Operating income	16,412

* 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

No

TEIJIN
Human Chemistry, Human Solutions

Supplementary Information

1. Movement of consolidated results

(1) Movement of results

(Billions of yen)

	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q	FY2015 1Q
Net sales	181.9	195.5	201.1	207.7	192.6
Operating income	4.8	7.3	12.4	14.5	16.4
Ordinary income	4.7	9.4	14.9	13.4	18.0
Profit attributable to owners of parent	1.6	(24.0)	7.9	6.3	11.2

(2) Movement of industrial segment information

(Billions of yen)

	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q	FY2015 1Q
Net sales					
Advanced Fibers and Composites	31.4	33.0	34.4	36.7	32.1
Electronics Materials and Performance Polymer Products	46.2	46.0	46.7	45.8	44.8
Healthcare	33.2	34.5	38.1	35.9	38.0
Trading and Retail	57.5	66.1	66.9	68.9	61.4
Total	168.4	179.6	186.1	187.3	176.3
Others	13.5	15.9	14.9	20.4	16.3
Consolidated total	181.9	195.5	201.1	207.7	192.6
Operating income (loss)					
Advanced Fibers and Composites	1.7	3.0	3.2	6.5	3.6
Electronics Materials and Performance Polymer Products	0.7	(2.1)	1.1	3.6	6.2
Healthcare	5.7	6.4	9.2	3.6	8.9
Trading and Retail	0.8	1.2	1.2	1.1	1.0
Total	8.8	8.6	14.7	14.7	19.7
Others	(0.7)	1.2	0.9	2.6	0.5
Elimination & corporate	(3.3)	(2.5)	(3.1)	(2.8)	(3.9)
Consolidated total	4.8	7.3	12.4	14.5	16.4

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

(Billions of yen)

	FY2012 (Actual)	FY2013 (Actual)	FY2014 (Actual)	FY2015 1Q (Actual)	FY2015 (Outlook)
Capital expenditure:					
CAPEX for tangible assets	33.1	27.7	25.3	6.1	41.3
Total	36.3	30.2	28.1	6.7	44.0
Depreciation & amortization*	46.9	45.7	43.0	9.5	40.0
Research & development	33.2	32.2	32.4	8.0	34.0

* Depreciation and amortization includes amortization of goodwill.

3. Foreign Exchange Rate

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

	FY2013 (Actual)	FY2014 (Actual)	FY2015 1Q (Actual)	FY2015 (Outlook)
JPY/USD	103	120	122	120
USD/EUR	1.38	1.08	1.12	1.12

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

	FY2013 (Actual)	FY2014 (Actual)	FY2015 1Q (Actual)	FY2015 (Outlook)
JPY/USD	100	110	121	120
USD/EUR	1.34	1.26	1.11	1.12

4. Sales of principal pharmaceuticals

(Billions of yen)

Products	Indication	FY2013 (Actual)	FY2014 (Actual)	FY2015 1Q (Actual)
Feburic ®	Hyperuricemia and gout	11.4	15.5	4.8
Bonalon ®	Osteoporosis	14.2	12.9	3.3
Venilon ®	Severe infectious diseases	9.4	9.8	2.5
Mucosolvan ®	Expectorant	7.9	6.5	1.8
Onealfa ®	Osteoporosis	6.6	5.4	1.3
Laxoberon ®	Laxative	3.6	2.9	0.7
Tricor ®	Hyperlipidemia	1.7	1.7	0.4
Alvesco ®	Asthma	1.3	1.2	0.3
Bonalfa ®	Psoriasis	1.3	1.1	0.3
Somatuline ®	Acromegaly and pituitary gigantism	0.6	1.1	0.3

5. Development status of new pharmaceuticals

(As of June 30, 2015)

Products	Indication	Stage
NA872ET (Mucosolvan®)	Expectorant	Approved in Japan in February 2015
GGS-ON (*Venilon* ®)	Optic neuritis	Ph III
GGS-MPA(*Venilon* ®)	Microscopic polyangitis	Ph III
GGS-CIDP(*Venilon* ®)	Chronic inflammatory demyelinating polyneuropathy	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
PTR-36	Bronchial asthma	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
TMX-049	Hyperuricemia and gout	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.