
Flash Report
—3Q Results and FY15 Outlook—

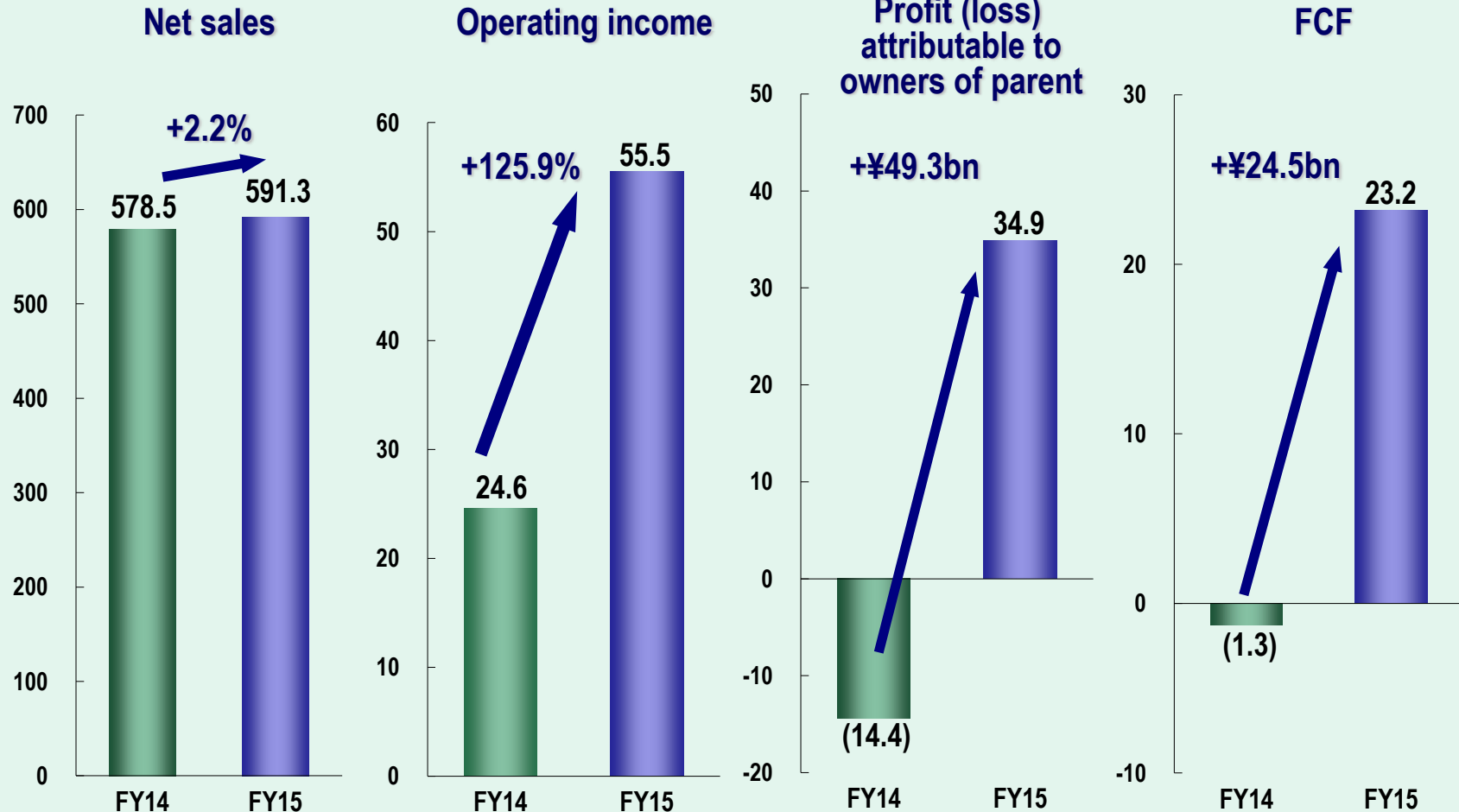
Teijin Limited
February 1, 2016

Outline of FY15 3Q Results

(1) Consolidated results highlights

(¥ billion)

Operating Movement (Compared with FY14 1Q–3Q)



◆ Operating results

(¥ billion)

| | FY14 1Q-3Q | FY15 1Q-3Q | Difference |
|---|---------------|---------------|------------|
| Net sales | 578.5 | 591.3 | +12.8 |
| Operating income | 24.6 | 55.5 | +30.9 |
| OP margin | 4.2% | 9.4% | +5.1% |
| Nonoperating items (net) | 4.4 | 1.3 | -3.1 |
| Ordinary income | 29.0 | 56.8 | +27.8 |
| Extraordinary items (net) | (46.1) | (10.6) | +35.5 |
| Income (loss) before income taxes | (17.2) | 46.2 | +63.4 |
| Income taxes | (0.4) | 13.2 | +13.6 |
| Profit (loss) attributable to non- controlling interests | (2.3) | (2.0) | +0.4 |
| Profit (loss) attributable to owners of parent | (14.4) | 34.9 | +49.3 |
| EPS (¥) | (14.68) | 35.53 | +50.21 |

| | | | |
|-----------------------------|-------|------|-------|
| EBITDA *1 | 57.1 | 84.4 | +27.3 |
| CAPEX *2 | 20.0 | 24.1 | +4.1 |
| Depreciation & amortization | 32.5 | 28.9 | -3.6 |
| R&D expenses | 23.0 | 23.9 | +1.0 |
| FCF | (1.3) | 23.2 | +24.5 |

- Net sales: Rose, owing to
 - Increases primarily in the Healthcare and Trading and Retail segments
- Operating income and ordinary income: Up sharply, underpinned by
 - Profitability improved in our materials businesses, which reflected falling prices for fuel and raw materials, and the positive impact of restructuring initiatives
 - Steady gains in our healthcare business, thanks to robust results for core products and services
- Profit attributable to owners of parent: Up sharply, owing to
 - A large decrease in extraordinary losses, as well as the increase in ordinary income

◇ PL exchange rate

| | FY14 1Q-3Q | FY15 1Q-3Q |
|--------|---------------|---------------|
| ¥/US\$ | 107 | 122 |
| ¥/€ | 140 | 134 |
| US\$/€ | 1.31 | 1.10 |

*1 EBITDA = Operating income + Depreciation & amortization

*2 CAPEX includes investments in intangible assets

◆ Nonoperating items

| (¥ billion) | FY14 1Q-3Q | FY15 1Q-3Q | Difference |
|-------------------------------------|---------------|---------------|-------------|
| Interest income | 0.5 | 0.5 | +0.0 |
| Dividends income | 1.3 | 1.5 | +0.3 |
| Equity in earnings of affiliates | 2.5 | 2.6 | +0.0 |
| Foreign exchange gains | 0.8 | 0.0 | -0.8 |
| Gain on valuation of derivatives | 2.8 | 0.0 | -2.7 |
| Others | 0.7 | 1.2 | +0.5 |
| Nonoperating income, total | 8.5 | 5.8 | -2.7 |
| Interest expenses | 2.2 | 1.9 | -0.4 |
| Foreign exchange losses | — | 0.4 | +0.4 |
| Others | 1.9 | 2.1 | +0.3 |
| Nonoperating expenses, total | 4.1 | 4.4 | +0.3 |
| Nonoperating items, total | 4.4 | 1.3 | -3.1 |

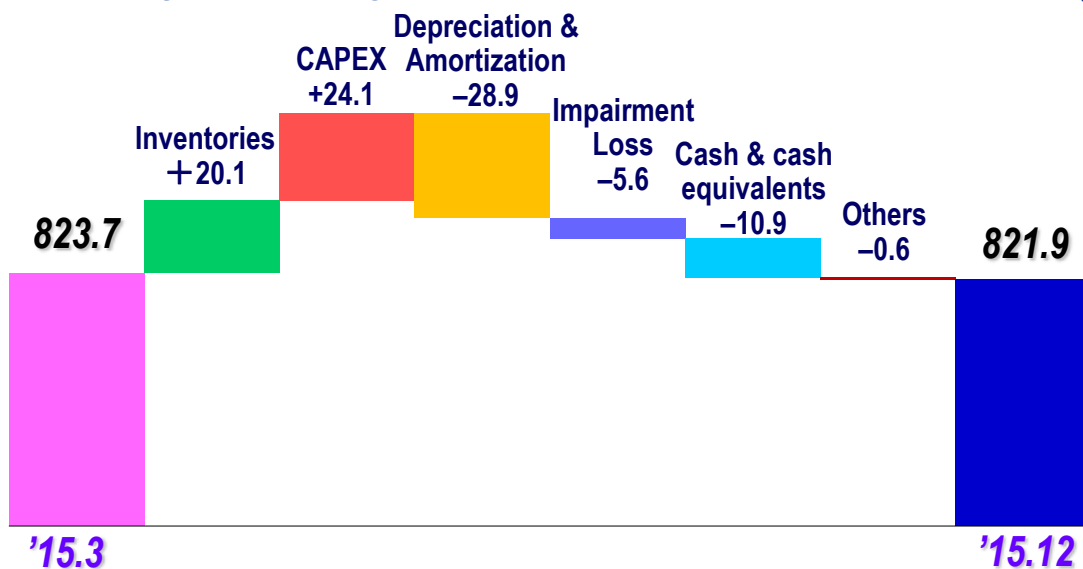
◆ Extraordinary items

| (¥ billion) | FY14 1Q-3Q | FY15 1Q-3Q | Difference |
|---|---------------|---------------|--------------|
| Gain on sales of noncurrent assets | 0.1 | 0.1 | +0.1 |
| Gain on sales of investment securities | 0.1 | 0.1 | +0.0 |
| Reversal of impairment losses | 0.1 | 1.8 | +1.7 |
| Others | 0.0 | 0.1 | +0.1 |
| Extraordinary income, total | 0.2 | 2.1 | +1.9 |
| Loss on sales and retirement of noncurrent assets | 0.5 | 1.5 | +1.0 |
| Impairment loss | 31.6 | 5.6 | -25.9 |
| Business structure improvement expenses | 13.9 | 4.2 | -9.7 |
| Others | 0.4 | 1.4 | +1.0 |
| Extraordinary losses, total | 46.4 | 12.7 | -33.6 |
| Extraordinary items, total | (46.1) | (10.6) | +35.5 |

◆ Financial position

| (¥ billion) | March 31, 2015 | December 31, 2015 | Difference | (Impact of foreign exchange rate) |
|----------------------------|----------------|-------------------|------------|-----------------------------------|
| Total assets | 823.7 | 821.9 | -1.8 | -4.4 |
| Shareholders' equity | 287.1 | 315.6 | +28.5 | -2.2 |
| Interest-bearing debt | 308.2 | 281.1 | -27.2 | -1.4 |
| D/E ratio | 1.07 | 0.89 | -0.18 | |
| Shareholders' equity ratio | 34.9% | 38.4% | +3.5% | |

◇ Analysis of changes in total assets



◆ Cash flows

| (¥ billion) | FY14 1Q-3Q | FY15 1Q-3Q | Difference |
|-------------------------|------------|------------|------------|
| Operating activities | 43.8 | 51.0 | +7.1 |
| Investing activities | (45.1) | (27.8) | +17.4 |
| FCF | (1.3) | 23.2 | +24.5 |
| Financing activities | 18.4 | (34.1) | -52.4 |
| Cash & cash equivalents | 17.1 | (10.9) | +27.9 |

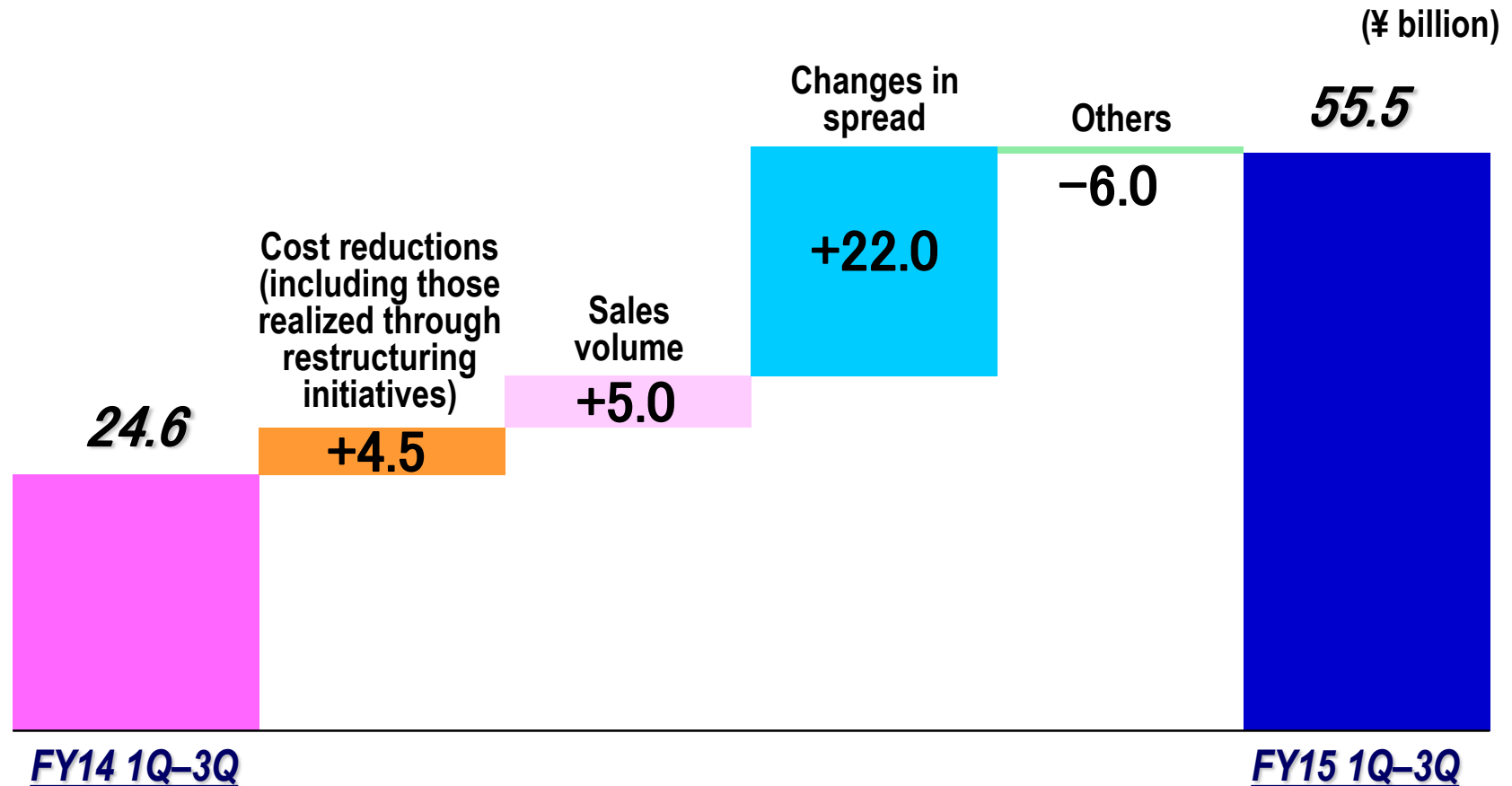
Note: Cash flows fall outside the scope of quarterly results reporting under the Financial Instruments and Exchange Act.

◇ BS exchange rate

| | March. 31, 2015 | December 31, 2015 |
|-----------|-----------------|-------------------|
| JPY / USD | 120 | 121 |
| JPY / EUR | 130 | 132 |
| USD / EUR | 1.08 | 1.09 |

◆ Analysis of changes in operating income

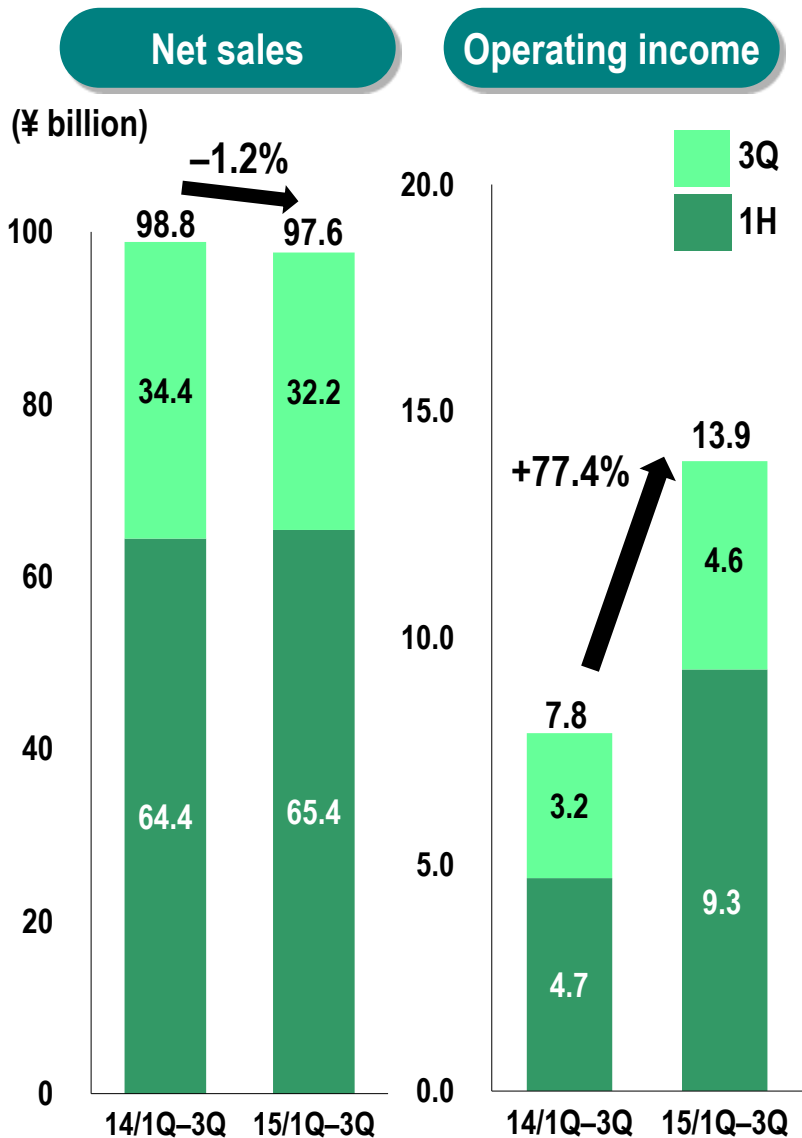
Increased sales, particularly in the Healthcare segment, and falling prices for raw materials and fuel across all of our materials businesses contributed to a significant increase in operating income



(2) Operating results by segment (comparison with FY14 1Q–3Q)

| Net sales Operating income (loss) | Net sales | | | | Operating income (loss) | | | |
|--|---------------|---------------|--------------|--------------|-------------------------|---------------|--------------|----------------|
| | FY14 1Q–3Q | FY15 1Q–3Q | Difference | % Change | FY14 1Q–3Q | FY15 1Q–3Q | Difference | % Change |
| (¥ billion) | | | | | | | | |
| Advanced Fibers and Composites | 98.8 | 97.6 | -1.2 | -1.2% | 7.8 | 13.9 | +6.1 | +77.4% |
| Electronics Materials and Performance Polymer Products | 138.9 | 129.4 | -9.6 | -6.9% | (0.2) | 18.9 | +19.2 | — |
| Healthcare | 105.9 | 112.5 | +6.6 | +6.2% | 21.3 | 25.4 | +4.2 | +19.5% |
| Trading and Retail | 190.5 | 200.3 | +9.7 | +5.1% | 3.2 | 4.0 | +0.8 | +26.1% |
| Total | 534.1 | 539.7 | +5.6 | +1.1% | 32.1 | 62.3 | +30.2 | +94.2% |
| Others | 44.3 | 51.6 | +7.2 | +16.3% | 1.4 | 3.3 | +1.9 | +135.7% |
| Elimination and Corporate | — | — | — | — | (8.9) | (10.1) | -1.2 | — |
| Total | 578.5 | 591.3 | +12.8 | +2.2% | 24.6 | 55.5 | +30.9 | +125.9% |

① Advanced Fibers and Composites: Earnings Up Sharply Despite Mostly Flat Net Sales



| (¥ billion) | 14/1Q-3Q | 15/1Q-3Q | Difference | Change |
|------------------|----------|----------|------------|--------|
| Net sales | 98.8 | 97.6 | -1.2 | -1.2% |
| Operating income | 7.8 | 13.9 | +6.1 | +77.4% |

◆ Summary & Actions

◇ High-Performance Fibers

Para-aramid fibers:

- Sales for automotive (tire) applications rose steadily
- Sales of some items for use in ballistic protection products showed a recovery
- Sales for use in uniforms and in optical fiber applications were weak

Meta-aramid fibers:

- Competition remained fierce in filter applications

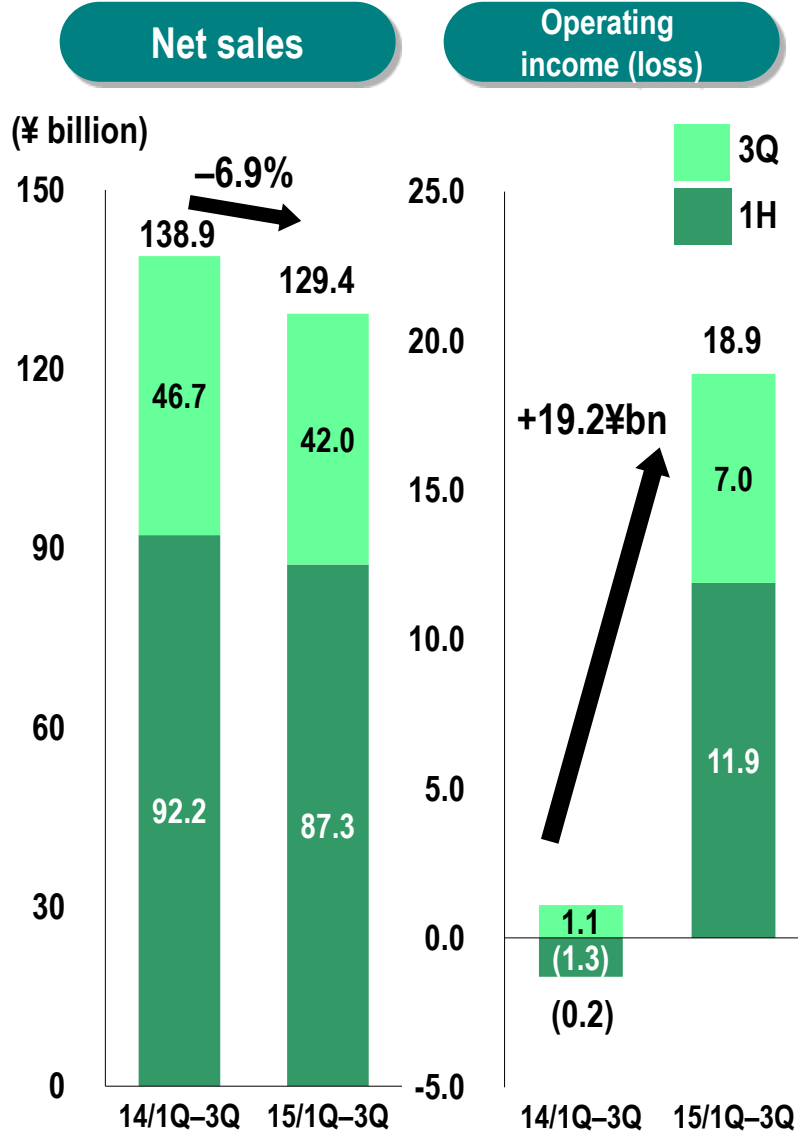
Polyester fibers:

- Sales were sluggish for automotive applications both in Japan and overseas
- Focused on expanding sales for use in materials and for use in reverse osmosis membrane support layers for water treatment applications

◇ Carbon Fibers and Composites

- Sales for use in aircraft were favorable
- Sales for use in general industrial applications were firm
- The supply-demand balance softened for sports and leisure equipment applications

② Electronics Materials and Performance Polymer Products: Earnings Up Sharply and Profitability Restored Despite Lower Sales



| (¥ billion) | 14/1Q-3Q | 15/1Q-3Q | Difference | Change |
|-------------------------|----------|----------|------------|--------|
| Net sales | 138.9 | 129.4 | -9.6 | -6.9% |
| Operating income (loss) | (0.2) | 18.9 | +19.2 | — |

◆ Summary & Actions

◇ Resin and Plastics Processing

Polycarbonate resin:

- Profitability improved markedly, bolstered by falling prices for key raw materials, and the positive impact of an improved sales mix and ongoing restructuring initiatives
- Production halted at our plant in Singapore as planned (December, 2015)
- Strengthen development and sales of high-value-added products

Processed plastics products and specialty polycarbonate resin:

- Sales of polycarbonate retardation film and reverse-dispersion solvent-cast retardation film remained solid
- Sales of transparent electroconductive polycarbonate film for use in touch screens were favorable
- Focused on launching commercial production of polyphenylene sulfide (PPS) resin

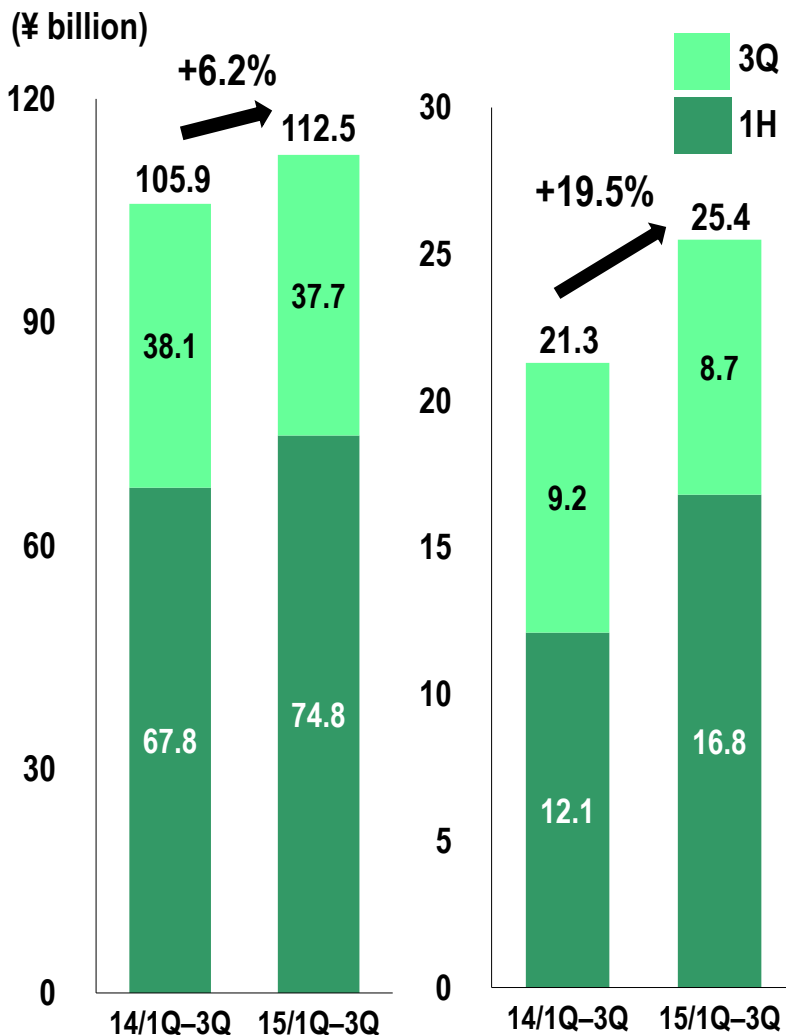
◇ Films

- Persistently fierce competition for reflective films for use in liquid crystal display (LCD) televisions
- Demand for use in special packaging remained weak
- Sales of release films for manufacturing processes remained firm

③ Healthcare: Earnings Up on Higher Sales

Net sales

Operating income



| (¥ billion) | 14/1Q-3Q | 15/1Q-3Q | Difference | Change |
|------------------|----------|----------|------------|--------|
| Net sales | 105.9 | 112.5 | +6.6 | +6.2% |
| Operating income | 21.3 | 25.4 | +4.2 | +19.5% |

◆ Summary & Actions

◇ Pharmaceuticals

- Sales of recently developed drugs, including hyperuricemia and gout treatment *febuxostat* and *Somatuline*^{*1}, a treatment for acromegaly, expanded steadily
- Efforts were focused on expanding new formulations for existing drugs, namely the osteoporosis treatment *Bonalon*^{*2}, and the expectorant *Mucosolvan*, despite a persistently harsh operating environment for long-listed originator drugs

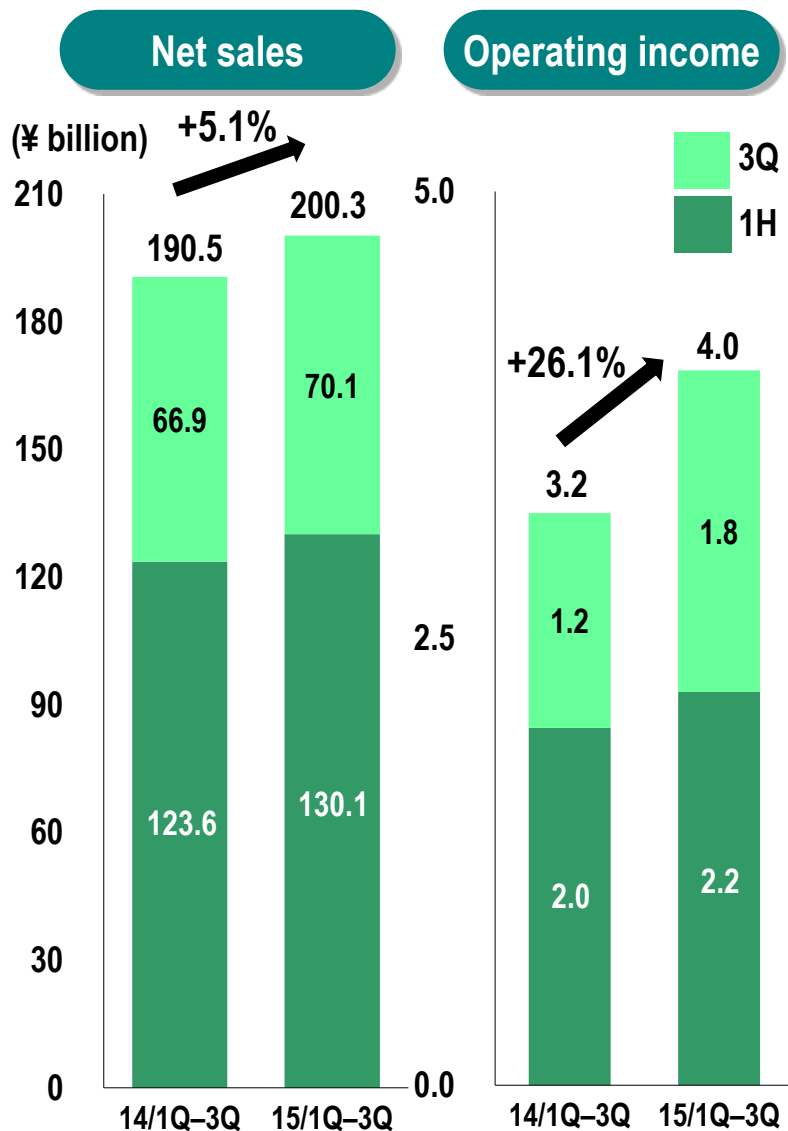
◇ Home Healthcare

- Home oxygen therapy (HOT): Rental volume remained steady
- CPAP: Rental volume rose steadily
- Operating conditions in the United States remained harsh; in response, we continued taking steps to restore profitability, including integrating sales bases and reducing headcount

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

*2 *Bonalon*® is the registered trademark of Merck Sharp & Dohme Corp., Whitehouse Station, NJ, U.S.A. 10

④ Trading and Retail: Earnings Up on Higher Sales



| (¥ billion) | 14/1Q-3Q | 15/1Q-3Q | Difference | Change |
|------------------|----------|----------|------------|--------|
| Net sales | 190.5 | 200.3 | +9.7 | +5.1% |
| Operating income | 3.2 | 4.0 | +0.8 | +26.1% |

◆ Summary & Actions

Fiber materials and apparel:

- Overall sales were driven by rising sales of yarn for use in the products of major interior goods retailers, along with sales of textiles for use in sports and outdoor products
- Bolstered the OEM business' manufacturing and quality management structure in the ASEAN region (Vietnam and Myanmar)
- Upgraded and expanded our global supply chain by starting operations at sewing plants in Myanmar and China

Industrial textiles and materials:

- Sales of tire reinforcement materials, rubber materials and other such items stayed firm
- Some civil engineering materials in Japan showed signs of returning to growth
- Stepped up comprehensive initiatives in the medical and nursing care fields

Strategic measures (1) (from October 2015 onward)

— Expanded core strategic businesses and enhanced product lineup —

■ Advanced fibers and composites

- **Began supplying CFRP leaf springs for railcar trucks**

Used in Kawasaki Heavy Industries, Ltd.'s new-generation railcar truck, the *efWING*.
Reduces the railcar truck frame's weight by some 900 kg per railcar

- **Developed a thermoplastic woven fabric prepreg with fire-retardant, high-tenacity, and high-rigidity properties**

Achieved the same physical properties as thermosetting CFRP through press molding

- **Signed a new supply contract for *Pyromex* flame-resistant fibers**

Contract signed with UTC Aerospace Systems

Extended contract period to 2030 for *Pyromex* for use in aircraft brake pads

Plans call for increasing the production capacity of our North American plant by 40%



■ Healthcare

- **Commenced co-marketing of transdermal anti-inflammatory analgesic patch formulation *LOQOA* Tape**

Powerful anti-inflammatory analgesic action

— Providing a new treatment option for osteoarthritis

Co-market *LOQOA* Tape with Taisho Toyama Pharmaceutical Co., Ltd.
(Original manufacturer and seller: Taisho Pharmaceutical Co., Ltd.)

Expand our bone/joint disease lineup



Strategic measures (2) (from October 2015 onward)

— Expanded solutions businesses —

■ Trading and Retail

- Develop and expand *Raffinan* cosmetics wear

“Wearable cosmetics” that prevent rough skin and supply moisture to the skin
Fiber contains malic acid, which regulates the pH of the skin by making it weakly acidic
Expand sales of *Raffinan* to sportswear products as well as to apparel manufacturers and others

- Formed a business partnership with FamilyMart Co., Ltd.

Jointly develop healthcare products leveraging the Teijin Group’s high-performance materials

Commenced sales of these healthcare products at FamilyMart stores nationwide

First partnership product: high-performance face mask “Nanofiber Mask”



— Enhanced productivity and reduced costs —

■ Advanced Fibers and Composites

- Developed innovative carbonizing process and surface treatment technologies for carbon fiber

Participated in a project implemented by Japan’s New Energy and Industrial Technology Development Organization (NEDO)

- > Microwave carbonization technology

- > Plasma surface treatment technology

⇒ Establish an innovative carbon fiber manufacturing process that reduces production-use energy and CO2 emissions by 50% while dramatically improving productivity

FY15 Outlook

◆ Summary of outlook for FY15

| (¥ billion) | FY14 | FY15 Outlook | Difference | |
|--|-------|--------------|------------|--------|
| | | | Amount | % |
| Net sales | 786.2 | 790.0 | +3.8 | +0.5% |
| Operating income | 39.1 | 65.0 | +25.9 | +66.3% |
| Operating margin | 5.0% | 8.2% | +3.3% | — |
| Ordinary income | 42.4 | 65.0 | +22.6 | +53.4% |
| Profit (loss) attributable to owners of parent | (8.1) | 37.0 | +45.1 | — |

| | | | |
|-----------------------------|------|------|-------|
| CAPEX *1 | 28.1 | 40.0 | +11.9 |
| Depreciation & amortization | 43.0 | 40.0 | -3.0 |
| R&D expenses | 32.4 | 34.0 | +1.6 |
| FCF | 26.4 | 29.0 | -2.6 |

*1 CAPEX includes investments in intangible assets

| FY15 Previous Outlook*2 | Difference (Amount) |
|-------------------------|---------------------|
| 790.0 | — |
| 58.0 | +7.0 |
| 7.3% | +0.9% |
| 58.0 | +7.0 |
| 34.0 | +3.0 |

| | |
|------|-------|
| 44.0 | -4.0 |
| 40.0 | — |
| 34.0 | — |
| 15.0 | +14.0 |

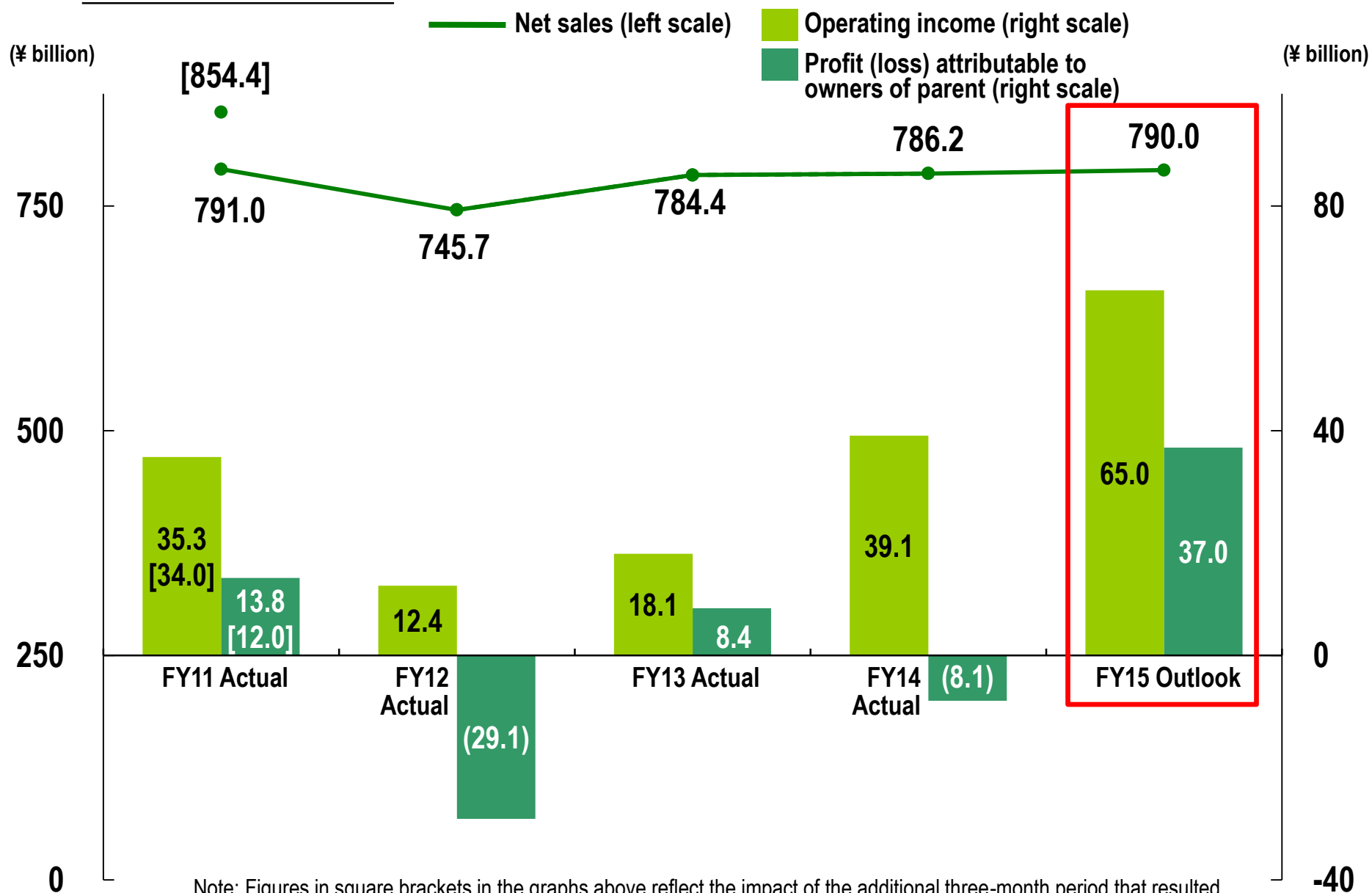
*2 Announced on November 2, 2015

◇ Assumptions for FY15 outlook

FY15 exchange rates : ¥121/US\$1.00, and ¥134/€1.00 An average Dubai crude oil price : US\$47/barrel

◇ Dividend forecasts

Year-end: ¥4.0 per share (outlook) Annual: ¥7.0 per share (outlook) *No changes from previous outlook

◆ Movement of results

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

◆ Changes in net sales and operating income for FY14–FY15

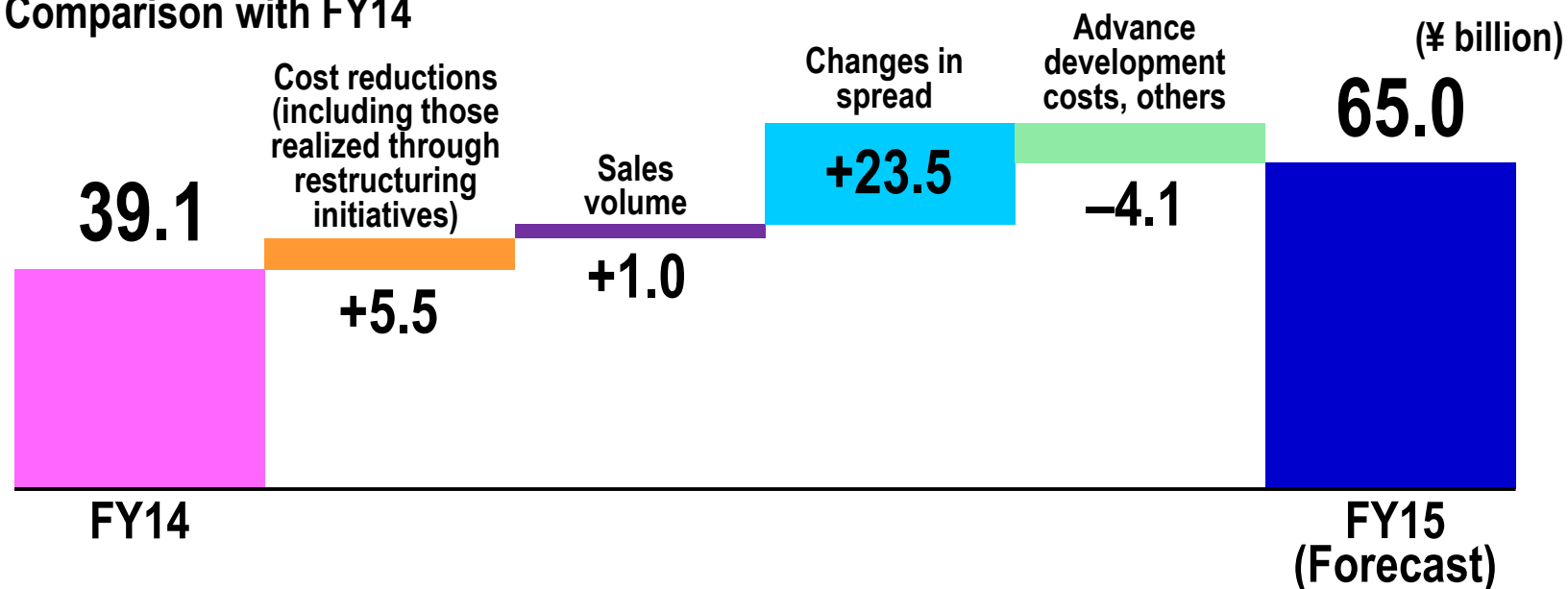
| | | FY14 Results | | | FY15 Outlook | | | Difference |
|-------------------------|--|--------------|-------|--------|--------------|-------|--------|------------|
| | | 1H | 2H | Total | 1H | 2H | Total | |
| | | (¥ billion) | | | | | | |
| Net sales | Advanced Fibers and Composites | 64.4 | 71.1 | 135.5 | 65.4 | 74.6 | 140.0 | +4.5 |
| | Electronics Materials and Performance Polymer Products | 92.2 | 92.6 | 184.8 | 87.3 | 77.7 | 165.0 | -19.8 |
| | Healthcare | 67.8 | 73.9 | 141.7 | 74.8 | 70.2 | 145.0 | +3.3 |
| | Trading and Retail | 123.6 | 135.8 | 259.4 | 130.1 | 134.9 | 265.0 | +5.6 |
| | Total | 348.0 | 373.4 | 721.4 | 357.7 | 357.3 | 715.0 | -6.4 |
| | Others | 29.4 | 35.4 | 64.8 | 34.4 | 40.6 | 75.0 | +10.2 |
| Total | | 377.4 | 408.8 | 786.2 | 392.1 | 397.9 | 790.0 | +3.8 |
| Operating income (loss) | Advanced Fibers and Composites | 4.7 | 9.7 | 14.4 | 9.3 | 9.2 | 18.5 | +4.1 |
| | Electronics Materials and Performance Polymer Products | (1.3) | 4.7 | 3.4 | 11.9 | 8.6 | 20.5 | +17.1 |
| | Healthcare | 12.1 | 12.7 | 24.8 | 16.8 | 12.2 | 29.0 | +4.2 |
| | Trading and Retail | 2.0 | 2.3 | 4.2 | 2.2 | 2.8 | 5.0 | +0.8 |
| | Total | 17.4 | 29.4 | 46.8 | 40.1 | 32.9 | 73.0 | +26.2 |
| | Others | 0.5 | 3.5 | 4.0 | 1.9 | 4.1 | 6.0 | +2.0 |
| | Elimination and Corporate | (5.8) | (6.0) | (11.7) | (6.7) | (7.3) | (14.0) | -2.3 |
| Total | | 12.1 | 27.0 | 39.1 | 35.3 | 29.7 | 65.0 | +25.9 |

◆ Changes in net sales and operating income (Comparison with previous outlook)

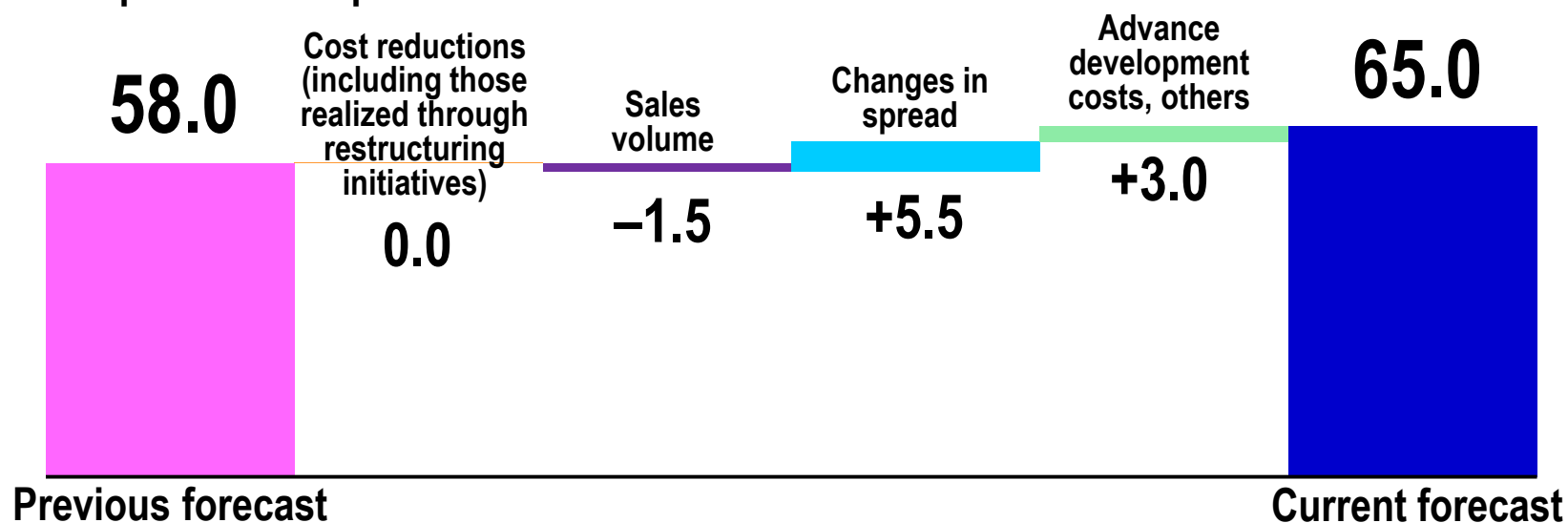
| | | FY15 Previous Outlook* | | | FY15 Outlook | | | Difference |
|-------------------------|--|------------------------|-------|--------|--------------|-------|--------|------------|
| | | 1H | 2H | Total | 1H | 2H | Total | |
| | | (¥ billion) | | | | | | |
| Net sales | Advanced Fibers and Composites | 65.4 | 74.6 | 140.0 | 65.4 | 74.6 | 140.0 | — |
| | Electronics Materials and Performance Polymer Products | 87.3 | 77.7 | 165.0 | 87.3 | 77.7 | 165.0 | — |
| | Healthcare | 74.8 | 70.2 | 145.0 | 74.8 | 70.2 | 145.0 | — |
| | Trading and Retail | 130.1 | 134.9 | 265.0 | 130.1 | 134.9 | 265.0 | — |
| | Total | 357.7 | 357.3 | 715.0 | 357.7 | 357.3 | 715.0 | — |
| | Others | 34.4 | 40.6 | 75.0 | 34.4 | 40.6 | 75.0 | — |
| Total | | 392.1 | 397.9 | 790.0 | 392.1 | 397.9 | 790.0 | — |
| Operating income (loss) | Advanced Fibers and Composites | 9.3 | 9.2 | 18.5 | 9.3 | 9.2 | 18.5 | — |
| | Electronics Materials and Performance Polymer Products | 11.9 | 4.6 | 16.5 | 11.9 | 8.6 | 20.5 | +4.0 |
| | Healthcare | 16.8 | 10.2 | 27.0 | 16.8 | 12.2 | 29.0 | +2.0 |
| | Trading and Retail | 2.2 | 2.8 | 5.0 | 2.2 | 2.8 | 5.0 | — |
| | Total | 40.1 | 26.9 | 67.0 | 40.1 | 32.9 | 73.0 | +6.0 |
| | Others | 1.9 | 4.1 | 6.0 | 1.9 | 4.1 | 6.0 | — |
| | Elimination and Corporate | (6.7) | (8.3) | (15.0) | (6.7) | (7.3) | (14.0) | +1.0 |
| Total | | 35.3 | 22.7 | 58.0 | 35.3 | 29.7 | 65.0 | +7.0 |

◆ Analysis of changes in operating income forecast

➤ Comparison with FY14



➤ Comparison with previous forecast



◆ Financial highlights

| | FY11 Actual | FY12 Actual | FY13 Actual | FY14 Actual | FY15 Outlook |
|-----------------------------------|----------------|----------------|----------------|----------------|-----------------|
| ROA ^{*1} | 4.5% | 1.6% | 2.4% | 4.9% | 7.8% |
| ROE ^{*2} | 4.2% | -10.3% | 3.0% | -2.8% | 12.4% |
| Operating margin | 4.0% | 1.7% | 2.3% | 5.0% | 8.2% |
| D/E ratio | 0.89 | 1.00 | 1.00 | 1.07 | 1.0 |
| Shareholders' equity ratio | 38.3% | 35.6% | 36.7% | 34.9% | 36.5% |
| Earnings per share (¥) | 12.2 | (29.6) | 8.5 | (8.2) | 37.6 |
| Dividends per share (¥) | 6.0 | 4.0 | 4.0 | 4.0 | 7.0 |
| Total assets (¥ billion) | 762.1 | 762.4 | 768.4 | 823.7 | 850.0 |
| Interest-bearing debt (¥ billion) | 261.0 | 270.8 | 281.5 | 308.2 | 310.0 |
| EBITDA (¥ billion) ^{*3} | 86.3 | 59.2 | 63.7 | 82.1 | 105.0 |

*1 ROA= Operating income/Total assets

*2 ROE= Net income/Shareholders' equity

*3 EBITDA = Operating income + Depreciation & amortization

Disclaimer Regarding Forward-Looking Statements and Business Risks

Disclaimer

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

Business Risks

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

(1) Market-related risk

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

(2) Product quality risk

The Teijin Group has established a dedicated division that is charged with product quality and reliability assurance for all Group businesses. However, product and service defects arising from quality issues have the potential to negatively affect, among others, the Group's operating results, financial position and public reputation.

(3) R&D-related risk

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

(4) Risks related to overseas operations

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

(5) Risks related to accidents and disasters

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

◆ Consolidated balance sheets

| (¥ billion) | Mar. 31, 2014 | June 30, 2014 | Sept. 30, 2014 | Dec. 31, 2014 | Mar. 31, 2015 | June 30, 2015 | Sept. 30, 2015 | Dec. 31, 2015 |
|---|------------------|------------------|-------------------|------------------|------------------|------------------|-------------------|------------------|
| Total assets | 768.4 | 783.8 | 779.8 | 832.7 | 823.7 | 816.4 | 802.7 | 821.9 |
| Current assets | 364.9 | 367.6 | 370.8 | 413.1 | 406.0 | 395.6 | 395.6 | 415.0 |
| Fixed assets | 403.5 | 416.2 | 409.0 | 419.6 | 417.7 | 420.8 | 407.1 | 406.9 |
| Total liabilities and net assets | 768.4 | 783.8 | 779.8 | 832.7 | 823.7 | 816.4 | 802.7 | 821.9 |
| Liabilities | 468.3 | 483.8 | 499.3 | 539.1 | 520.1 | 496.3 | 483.8 | 491.8 |
| [Interest-bearing debt] | 281.5 | 303.4 | 302.0 | 317.3 | 308.2 | 294.3 | 283.6 | 281.1 |
| Net assets | 300.1 | 300.0 | 280.5 | 293.6 | 303.6 | 320.2 | 319.0 | 330.1 |

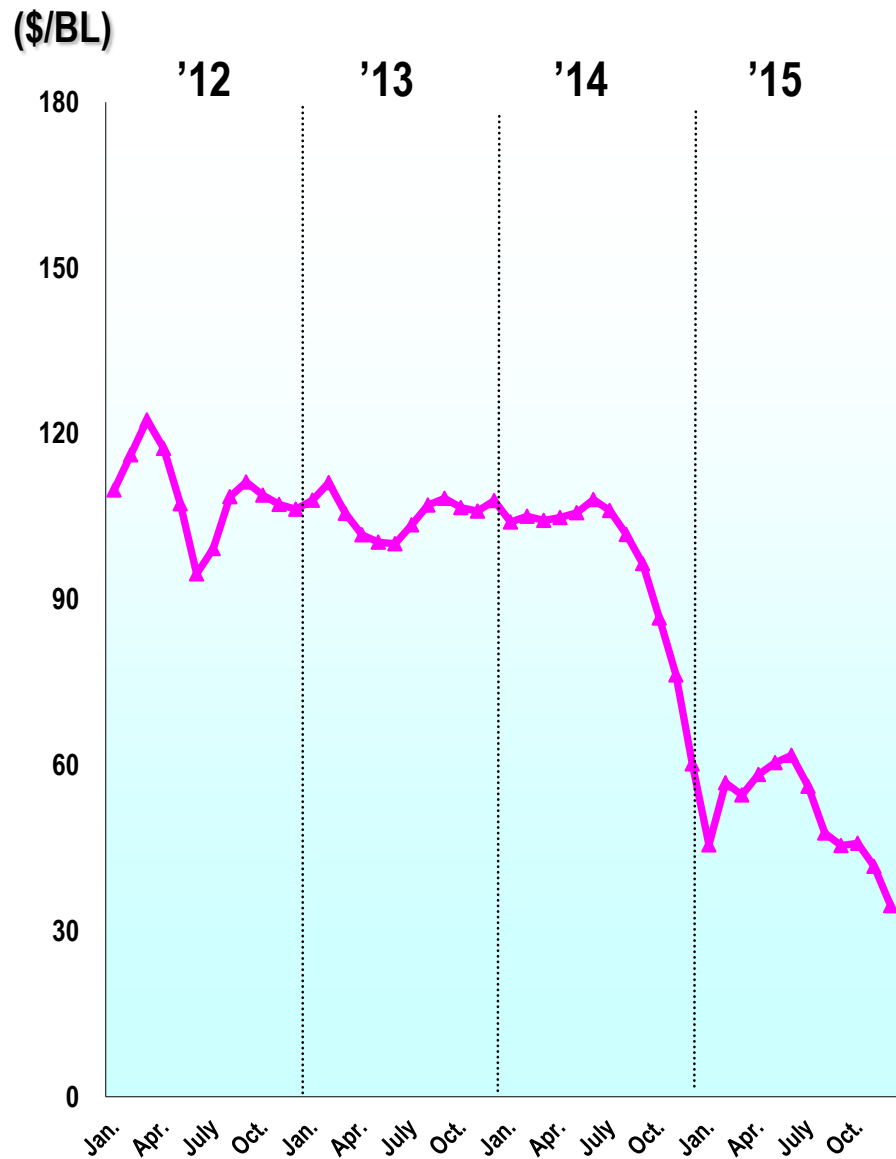
Note: For more information, see Teijin's quarterly results report (Consolidated Financial Results for the Third Quarter of FY15).

◆ Consolidated statements of income

| | FY14 | | | | FY15 | | |
|---|-------|--------|-------|-------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| (¥ billion) | | | | | | | |
| Net Sales | 181.9 | 195.5 | 201.1 | 207.7 | 192.6 | 199.5 | 199.2 |
| Cost of sales | 133.9 | 145.2 | 145.1 | 145.3 | 130.8 | 134.5 | 134.0 |
| Gross profit | 48.0 | 50.3 | 56.0 | 62.4 | 61.7 | 65.0 | 65.3 |
| SG & A | 43.1 | 43.0 | 43.5 | 47.9 | 45.3 | 46.1 | 45.1 |
| Operating income | 4.8 | 7.3 | 12.4 | 14.5 | 16.4 | 18.9 | 20.1 |
| Nonoperating items (net) | (0.2) | 2.1 | 2.5 | (1.1) | 1.6 | (1.1) | 0.8 |
| (Balance of financial expenses) | 0.1 | (0.5) | (0.2) | (0.6) | 0.5 | (0.5) | 0.1 |
| (Equity on gains and losses of unconsolidated subsidiaries and affiliates) | 0.4 | 1.2 | 0.9 | (0.1) | 0.9 | 1.1 | 0.5 |
| Ordinary income | 4.7 | 9.4 | 14.9 | 13.4 | 18.0 | 17.9 | 21.0 |
| Extraordinary items (net) | (0.8) | (41.2) | (4.1) | (3.2) | (1.3) | (1.6) | (7.8) |
| Income (loss) before income taxes | 3.9 | (31.9) | 10.8 | 10.2 | 16.7 | 16.3 | 13.2 |
| Income taxes | 2.4 | (5.7) | 2.9 | 3.5 | 5.5 | 3.5 | 4.3 |
| Profit (loss) attributable to non- controlling interests | (0.1) | (2.2) | (0.0) | 0.4 | 0.0 | (0.4) | (1.6) |
| Profit (loss) attributable to owners of parent | 1.6 | (24.0) | 7.9 | 6.3 | 11.2 | 13.3 | 10.5 |

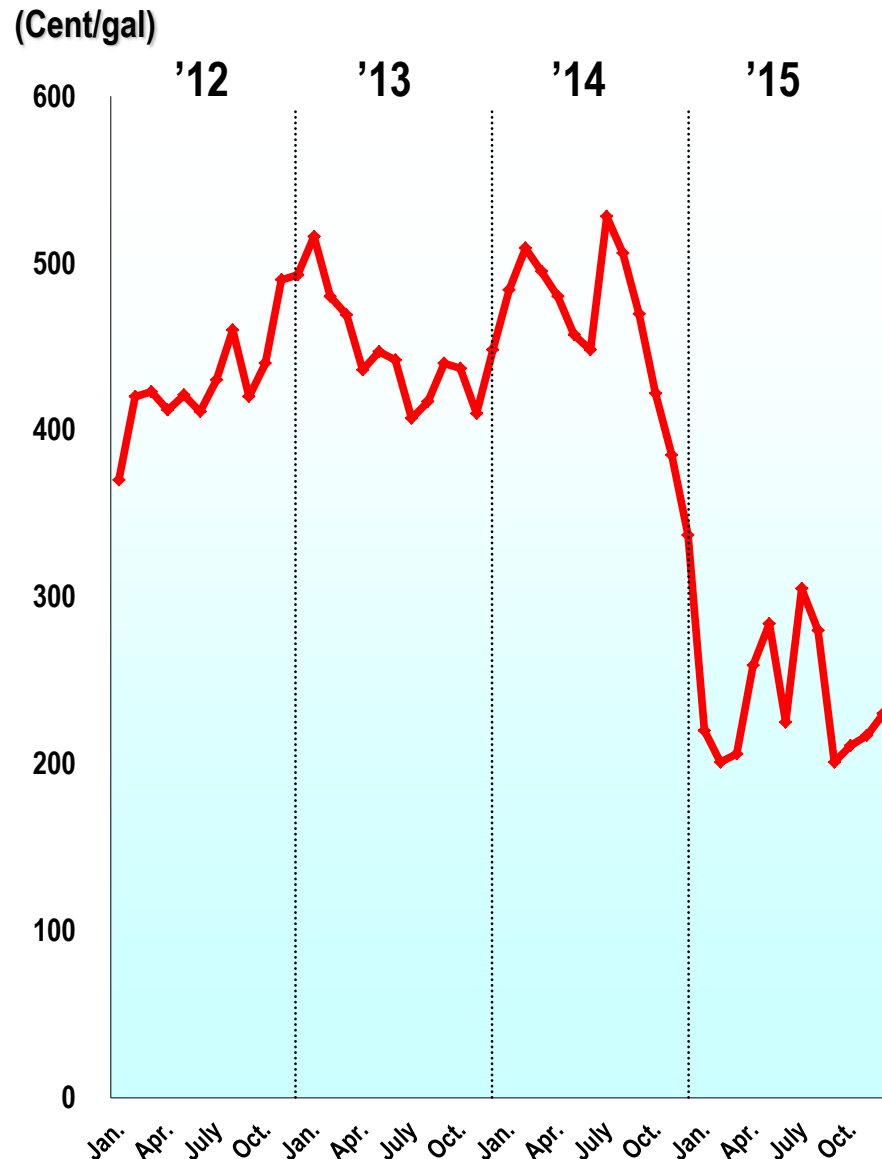
Note: For more information, see Teijin's quarterly results report (Consolidated Financial Results for the Third Quarter of FY15).

◆ Dubai crude oil prices



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

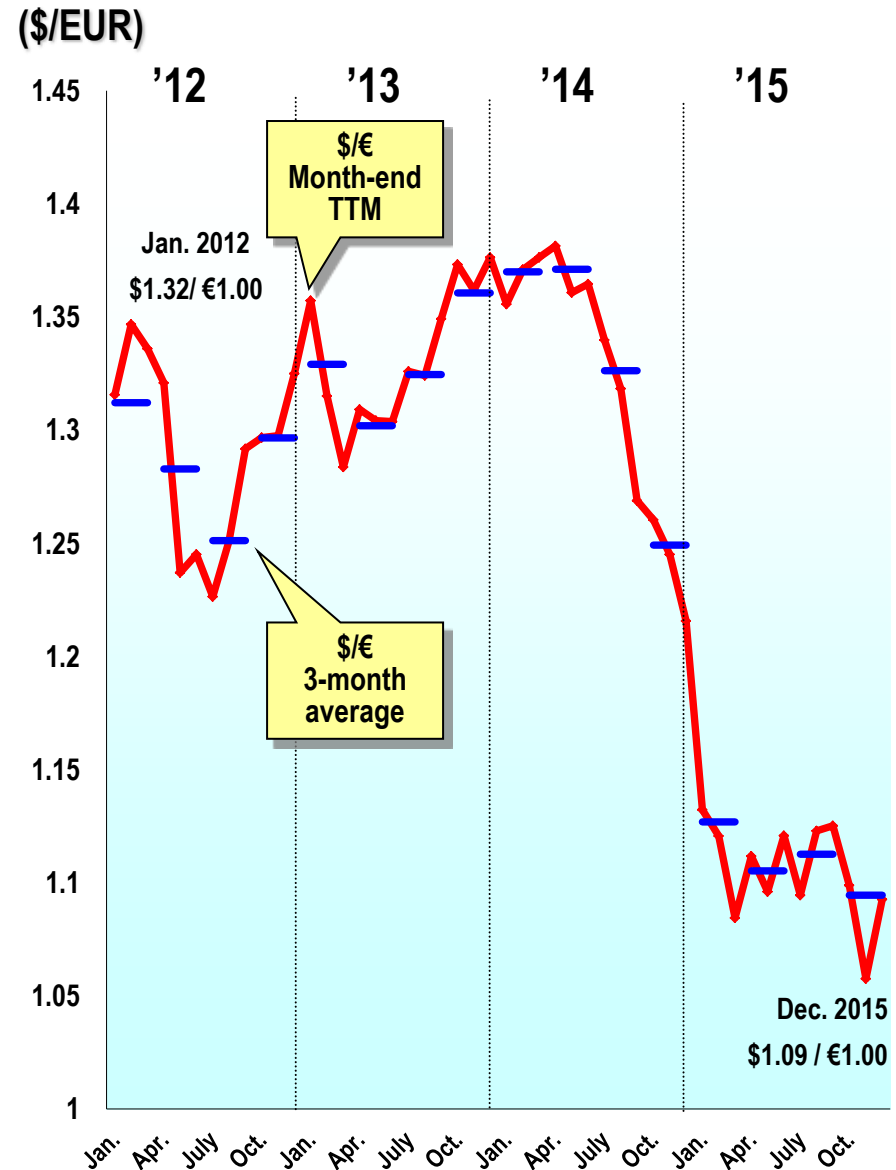
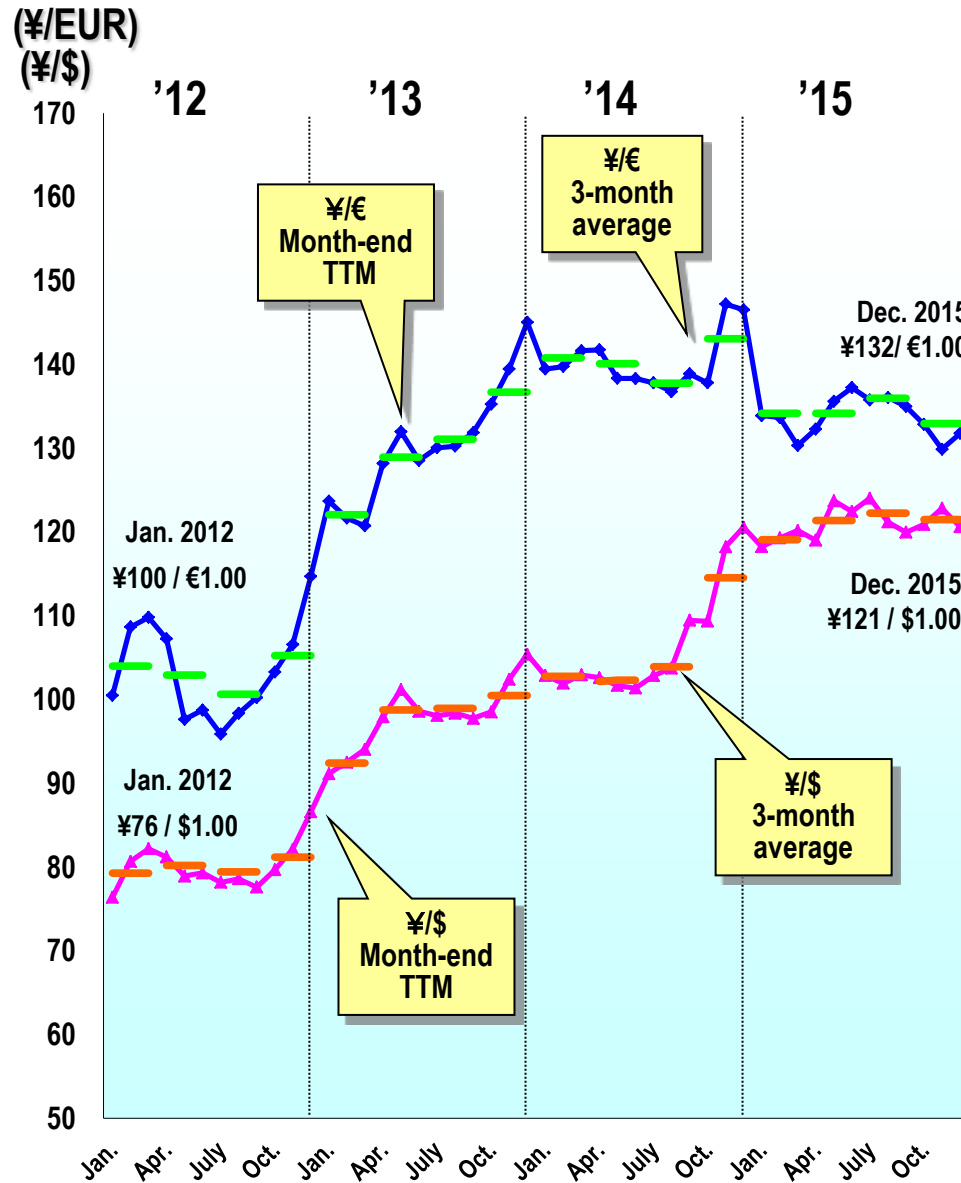
◆ Benzene prices



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

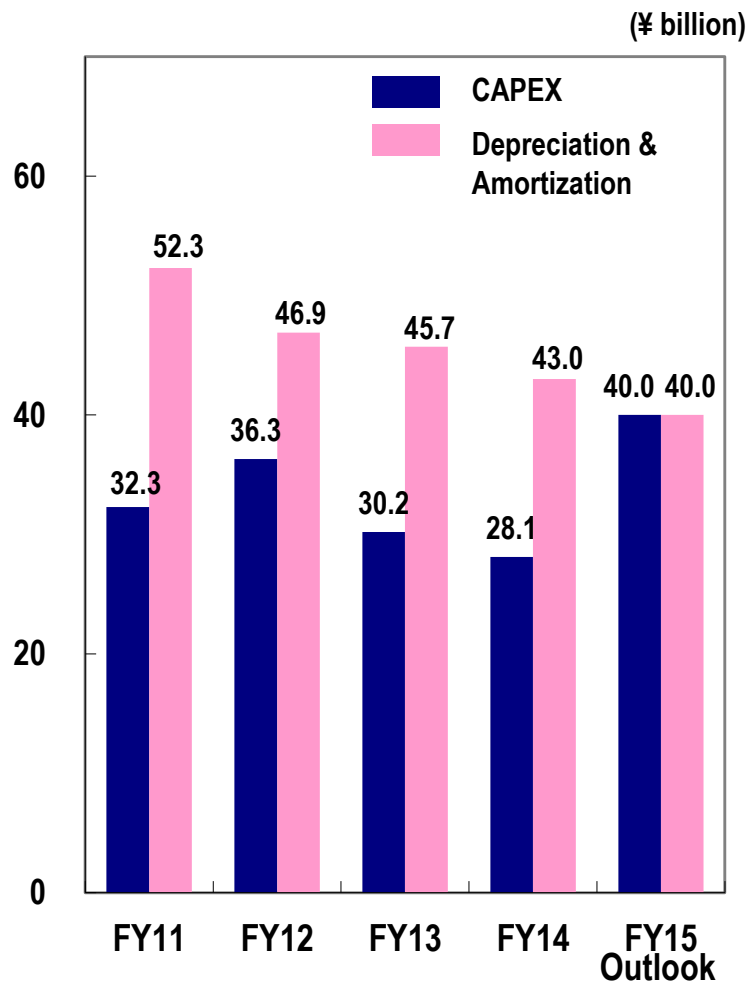
◆ Yen/Dollar, Yen/Euro exchange rates

◆ Dollar/Euro exchange rates

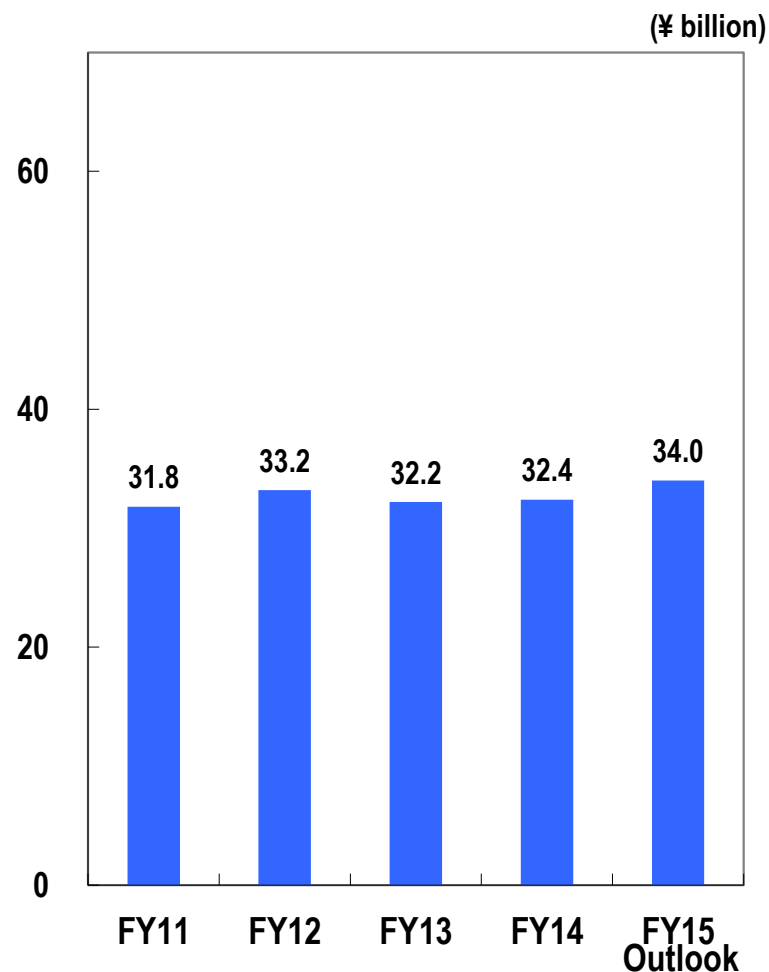


◆ CAPEX, depreciation & amortization, and R&D expenses

CAPEX/Depreciation & Amortization



R&D Expenses



◆ Sales of principal pharmaceuticals

(¥ billion)

| Product | Target disease | FY14 | | | | | FY15 | | |
|----------------------------------|------------------------------------|------|-----|-----|-----|--------------|------|-----|-----|
| | | 1Q | 2Q | 3Q | 4Q | Annual Total | 1Q | 2Q | 3Q |
| <i>Bonalon</i> ^{®*1} | Osteoporosis | 3.1 | 3.3 | 3.6 | 3.0 | 12.9 | 3.3 | 3.3 | 3.5 |
| <i>Onealfa</i> [®] | Osteoporosis | 1.4 | 1.4 | 1.5 | 1.2 | 5.4 | 1.3 | 1.3 | 1.3 |
| Osteoporosis total | | 4.5 | 4.6 | 5.0 | 4.1 | 18.2 | 4.6 | 4.6 | 4.9 |
| <i>Feburic</i> [®] | Hyperuricemia and gout | 2.8 | 3.9 | 4.7 | 4.1 | 15.5 | 4.8 | 5.2 | 6.0 |
| <i>Venilon</i> [®] | Severe infection | 2.5 | 2.4 | 2.8 | 2.1 | 9.8 | 2.5 | 0.0 | 1.3 |
| <i>Mucosolvan</i> [®] | Expectorant | 1.6 | 1.4 | 1.9 | 1.5 | 6.5 | 1.8 | 1.4 | 2.0 |
| <i>Laxoberon</i> [®] | Laxative | 0.8 | 0.7 | 0.8 | 0.6 | 2.9 | 0.7 | 0.7 | 0.7 |
| <i>Tricor</i> [®] | Hyperlipidemia | 0.4 | 0.4 | 0.5 | 0.4 | 1.7 | 0.4 | 0.4 | 0.4 |
| <i>Alvesco</i> [®] | Asthma | 0.3 | 0.3 | 0.4 | 0.3 | 1.2 | 0.3 | 0.3 | 0.3 |
| <i>Bonalfa</i> [®] | Psoriasis | 0.3 | 0.3 | 0.3 | 0.2 | 1.1 | 0.3 | 0.2 | 0.2 |
| <i>Somatuline</i> ^{®*2} | Acromegaly and pituitary gigantism | 0.2 | 0.3 | 0.3 | 0.3 | 1.1 | 0.3 | 0.4 | 0.4 |

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

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

◆ Development status by therapeutic area

(As of December 31, 2015)

| | Phase of Clinical Trials | | | | |
|---------------------------------------|--------------------------|--|---|---|--------------------------|
| | Phase I | Phase II | Phase III | Filed | Approved/ New Launch |
| Bone and joint disease | | ITM-058 KTP-001 | | | |
| Respiratory disease | | PTR-36 | | | NA872ET [Mucosolvan®] |
| Cardio-vascular and metabolic disease | TMG-123 TMX-049*1 | ITM-014N [Somatuline®] (New indication for neuroendocrine tumor) TMX-67XR [Feburic®] | | TMX-67TLS*2 [Feburic®] (New indication for tumor lysis syndrome) TMX-67*3 [Febuxostat] (PRC) | |
| Other | | | GGs-ON, -MPA, -CIDP [Venilon®] (New indication for optic neuritis) (New indication for microscopic polyangiitis) (New indication for chronic inflammatory demyelinating polyneuropathy) | | |

*1 Clinical trials for TMX-049, the treatment of hyperuricemia and gout commenced in April 2015.

*2 Teijin filed for approval to manufacture and market the treatment of tumor lysis syndrome, a new indication of *Feburic* (TMX-67), in Japan in July 2015.

*3 Teijin filed an application with the China Food and Drug Administration of the PRC for approval of TMX-67 (generic name: febuxostat), a treatment for hyperuricemia and gout, which is being jointly developed with Astellas Pharma China, Inc. in the PRC in November 2015.

◆ Newly developed pharmaceutical candidates

(As of December 31, 2015)

【Approved】

| Code No. (Generic name) | Target disease | Medical properties/characteristics | Dosage form | Remarks |
|-------------------------------------|----------------|---|-------------|--|
| NA872ET (ambroxol hydrochloride) | Expectorant | Small, sustained-release tablet-form version of <i>Mucosolvan</i> (ambroxol hydrochloride) that is smaller than <i>Mucosolvan</i> L Capsule and thus easier to take. This version is promising because it allows easier apportioning of single doses. | Tablet | Licensed in from Boehringer Ingelheim GmbH (Germany) Approved in Japan in February 2015 Commenced sales in July 2015 |

【Filed】

| Code No. (Generic name) | Target disease | Medical properties/characteristics | Dosage form | Remarks |
|----------------------------|------------------------|---|-------------|---|
| TMX-67TLS (febuxostat) | Tumor lysis syndrome | A highly potent drug that selectively inhibits xanthine oxidase. Offers promise as a once-daily treatment option that prevents hyperuricemia in patients with malignant tumors who have undergone chemotherapy. | Tablet | Developed in-house (New indication) Filed in Japan in July 2015 |
| TMX-67 (febuxostat) | Hyperuricemia and gout | Trials to facilitate the licensing out of febuxostat (tablet-form treatment for hyperuricemia and gout currently sold in Japan and elsewhere) for sale in the PRC. A highly potent drug that selectively inhibits xanthine oxidase and is also safe for patients with impaired renal function who may be unable to tolerate existing treatments. Offers promise as a new treatment option that will improve the quality of life of hyperuricemia and gout sufferers in the PRC. | Tablet | Under joint development with Astellas Pharma China, Inc. Filed in PRC in November 2015 |

【Phase III】

| Code No. (Generic name) | Target disease | Medical properties/characteristics | Dosage form | Remarks |
|---|---|---|-------------|--|
| GGs-ON (freeze-dried sulfonated human immunoglobulin) | Optic neuritis | The immunoregulatory mechanism of this drug inhibits inflammation of the optic nerve; also promising because of its ability to restore lost visual function. | Injection | Under joint development with Kaketsuken (New indication) |
| GGs-MPA (freeze-dried sulfonated human immunoglobulin) | Microscopic polyangiitis | This drug's anti-inflammatory and immunoregulatory actions mitigate autoimmune vasculitis; also promising as a treatment for mononeuritis multiplex, a neuropathic disorder that is not alleviated by standard therapies. | Injection | Under joint development with Kaketsuken (New indication) |
| GGs-CIDP (freeze-dried sulfonated human immunoglobulin) | Chronic inflammatory demyelinating polyneuropathy | The immunoregulatory action of this drug inhibits inflammation of the peripheral nerves; the drug thus offers promise as a treatment that will restore lost muscle strength. | Injection | Under joint development with Kaketsuken (New indication) |

【Phase II】

| Code No. (Generic name) | Target disease | Medical properties/characteristics | Dosage form | Remarks |
|----------------------------------|-----------------------|--|-------------|---|
| ITM-014N (lanreotide acetate) | Neuroendocrine tumors | Promising for the treatment of neuroendocrine tumors; inhibits cell proliferation and improves associated symptoms by interacting with somatostatin receptors to induce apoptosis (direct mechanism) and by blocking the release of neurotrophic factors (indirect mechanism). | Injection | Licensed in from Ipsen Pharma SAS (France) (New indication) |

【Phase II】(continued)

| Code No. (Generic name) | Target disease | Medical properties/characteristics | Dosage form | Remarks |
|----------------------------|------------------------|---|-------------|---|
| ITM-058 | Osteoporosis | Promising for the treatment of osteoporosis due to potency in promoting bone formation, resulting in a rapid increase in bone density and reduction in the risk of fracture. Superior to existing PTH derived drugs in its ability to increase bone density and its safety (minimal risk of hypercalcemia). | Injection | Licensed in from Ipsen Pharma SAS (France) |
| KTP-001 | Lumbar disc herniation | For use in chemonucleolysis for herniated lumbar discs; because it is a recombinant human protease—identical in structure to matrix metalloprotease, which promotes the spontaneous regression of herniated discs—this drug minimizes the risk of allergic reaction and facilitates the selective treatment of affected discs, thus reducing damage to surrounding tissue and enhancing the viability of this procedure as a minimally invasive alternative to surgery and expanding the treatment options available to patients. | Injection | Engineered by Professor Hirotaka Haro and Dr. Hiromichi Komori Under joint development with Kaketsuken |
| TMX-67XR (febuxostat) | Hyperuricemia and gout | Sustained-release formulation of hyperuricemia and gout treatment febuxostat, which is currently on the market. | Oral | Developed in-house (new formulation) |
| PTR-36 | Bronchial asthma | Uses a novel mechanism (CRTh2 receptor antagonism) to control symptoms of asthma, facilitating effective long-term management of the disease; offers promise for use alone, delivering therapeutic value comparable to that of steroids, for patients with mild asthma; also offers promise for use in tandem with steroid inhalants, delivering sufficient therapeutic value for patients with mild to severe asthma. | Tablet | Licensed in from Pulmagen Therapeutics (Asthma) Limited |

【Phase I】

| Code No. (Generic name) | Target disease | Medical properties/characteristics | Dosage form | Remarks |
|----------------------------|------------------------|--|-------------|--------------------|
| TMG-123 | Type 2 diabetes | Uses a novel mechanism (activation of glucokinase (GK) expressed predominantly in the liver) to control blood glucose levels; holds promise for use by patients with impaired glucose homeostasis. Also expected to offer greater convenience (administered once daily, does not require adjustment of dose for patients with renal insufficiency and minimal risk of drug interaction). | Tablet | Developed in-house |
| TMX-049 | Hyperuricemia and gout | Non-purine xanthine oxidase inhibitor; offers promise as a new treatment for hyperuricemia and gout that is both highly effective and safe. | Tablet | Developed in-house |

◆ Status of licensed-in products in preclinical stages (information for the past three years)

| Agreement | Licensor | Nature of Agreement |
|------------|---|---|
| May 2014 | Sigma-Tau Pharma Ltd. (U.K.) | Exclusive development and distribution rights in Japan for EZN-2279, a therapeutic agent for adenosine deaminase (ADA) deficiency (Phase of clinical preparation) |
| March 2015 | Taisho Pharmaceutical Co., Ltd. (Japan) | Distribution rights in Japan for TT-063, an anti-inflammatory analgesic patch containing the compound S-flurbiprofen for which the indication is osteoarthritis pain and inflammation (Sept. 2015: Taisho Pharmaceutical Co., Ltd. obtained manufacturing and marketing approval.) |

TEIJIN

Human Chemistry, Human Solutions

Human Chemistry, Human Solutions

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

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

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