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**Flash Report**  
***-FY10 Financial Performance &  
FY11 Outlook-***

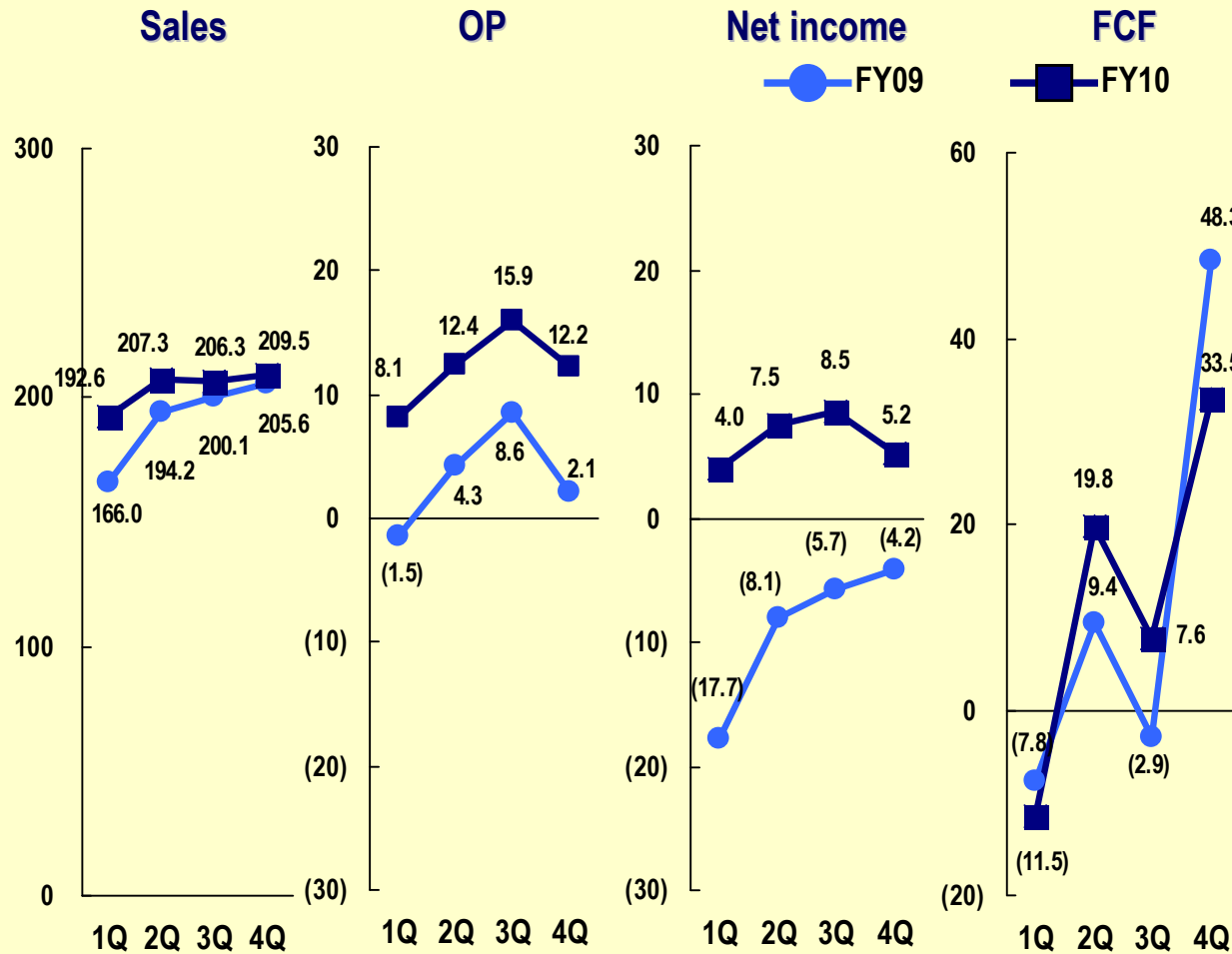
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**Teijin Limited**  
**May 9, 2011**

(1) Consolidated Results Highlights

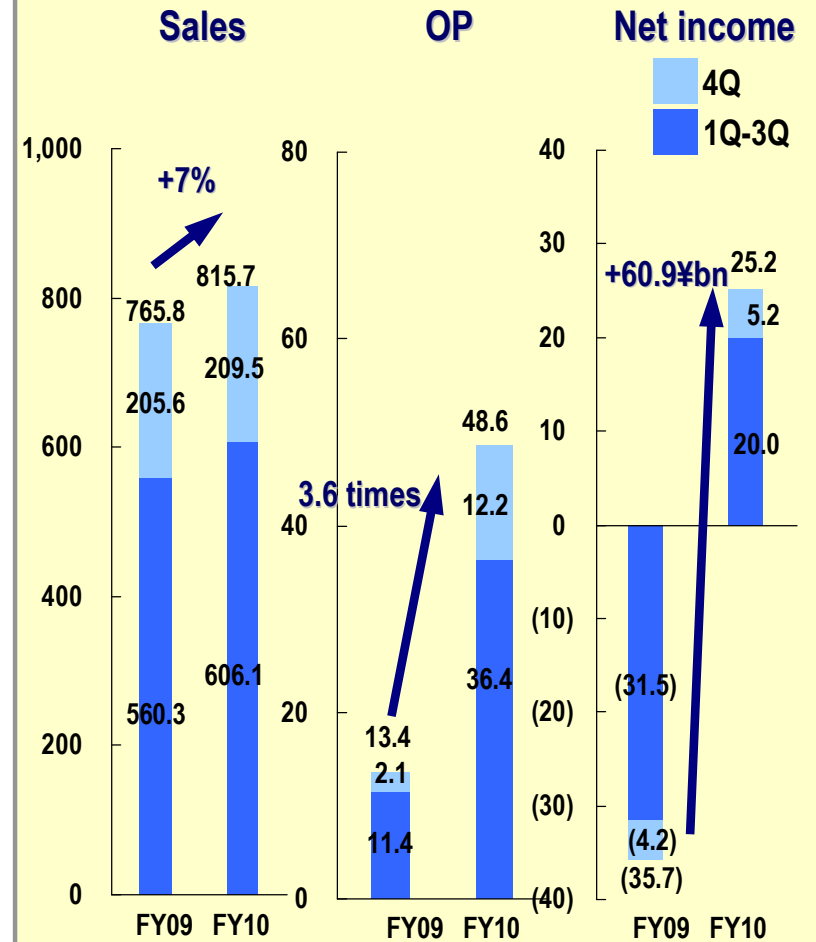
(¥bn)

Quarterly Movement



Full-Term Operating Movement

(Compared with FY09)



## ◆ Operating Results

(\\$bn)	FY09	FY10	Diff.	
			Amount	%
Net sales	765.8	815.7	+49.8	+ 6.5%
OP	13.4	48.6	+35.1	+261.4%
OP margin	1.8%	6.0%	-	+4.2%
Nonoperating items (net)	(11.4)	1.8	+13.1	
Ordinary income	2.1	50.3	+48.3	
Extraordinary items(net)	(38.7)	(5.9)	+32.8	
Income before income taxes	(36.6)	44.5	+81.1	
Income taxes	(1.5)	16.2	+17.7	
Minority interest of consolidated subsidiaries(net)	0.6	3.1	+2.5	
Net income	(35.7)	25.2	+60.9	
EPS (¥)	(36.26)	25.59	+61.85	

Year-end dividend: ¥3.0/share; annual dividend: ¥5.0/share

EBITDA*	75.3	105.0	+29.7
CAPEX	36.3	29.2	-7.1
Depreciation & amortization	61.9	56.4	-5.5
R&D expenses	33.4	31.5	-1.9
FCF	47.0	49.4	+2.4

\*EBITDA = Operating income + Depreciation & amortization

- Increase in sales and substantial increase in operating income
- Equity in earnings of affiliates, compared with equity in losses for fiscal 2009
- Significant decrease in extraordinary expenses
- Notable improvement at net income level, marking a robust return to profitability

### ◇ PL exchange rate

	FY09 Average	FY10 Average
¥/US\$	94	88
¥/€	130	116
US\$/€	1.39	1.33

Note: Fiscal year-end for overseas companies is Dec 31.

Owing to a continued freeze on major capital investment and ongoing efforts to shrink working capital, cumulative free cash flow for fiscal 2009 and fiscal 2010 amounted to nearly ¥100 billion

◆ Extraordinary items

(¥bn)	FY09	FY10	Diff.
Gain on sales of property, plant and equipment	1.0	1.4	+0.3
Gain on sales of investment securities	7.2	2.2	-5.0
Others	1.2	0.5	-0.7
<b>Extraordinary income total</b>	<b>9.5</b>	<b>4.1</b>	<b>-5.3</b>
Special factory operating loss	10.7	-	-10.7
Loss on impairment	4.4	1.8	-2.6
Restructuring costs	20.6	1.0	-19.6
Additional contribution to reserve to cover losses on disposal of securities with market value held in money trusts	7.2	-	-7.2
Earthquake-related expenses	-	2.9	+2.9
Others	5.2	4.3	-1.0
<b>Extraordinary losses total</b>	<b>48.2</b>	<b>10.0</b>	<b>-38.2</b>
<b>Extraordinary items total</b>	<b>(38.7)</b>	<b>(5.9)</b>	<b>+32.8</b>

Income taxes	(1.5)	16.2	+17.7
Minority interest in net losses of consolidated subsidiaries	0.6	3.1	+2.5

➤ Sharp improvement in extraordinary items:

Net increase of +¥32.8 billion

- Special factory operating loss eliminated
- Declines in restructuring costs and loss on impairment
- Absence of “additional contribution to reserve to cover losses on disposal of securities with market value held in money trusts”
- Earthquake-related expenses incurred (facility repairs, valuation loss on inventories, others)

➤ Increase in income taxes: +¥17.7 billion

- Increase in income before income taxes

## ◆ Financial Position

(¥bn)	Mar. 31, '10	Mar. 31, '11	Diff.	(Impact of foreign exchange rate)
Total assets	823.1	761.5	-61.5	(36.3)
Shareholders' equity	271.3	284.2	+12.9	(7.4)
Interest-bearing debt	320.3	267.4	-52.9	(16.2)

D/E ratio	1.18	0.94	-0.24
Shareholders' equity ratio	33.0%	37.3%	+4.4%
BPS (¥)	276.24	288.80	+12.56

### ➤ Total assets: Down

- Restraints on capital investment and the advance of depreciation and amortization
- Asset shrinkage due to structural reforms
- Decline in yen value of assets denominated in foreign currencies, owing to a stronger yen

### ➤ Shareholders' equity: Up

- Increase in net income
- Despite foreign currency translation adjustments, owing to yen appreciation

### ➤ Interest-bearing debt: Down

- Free cash flow used to pay down interest-bearing debt
- Decline in yen value of liabilities denominated in foreign currencies

## ◆ Cash Flows

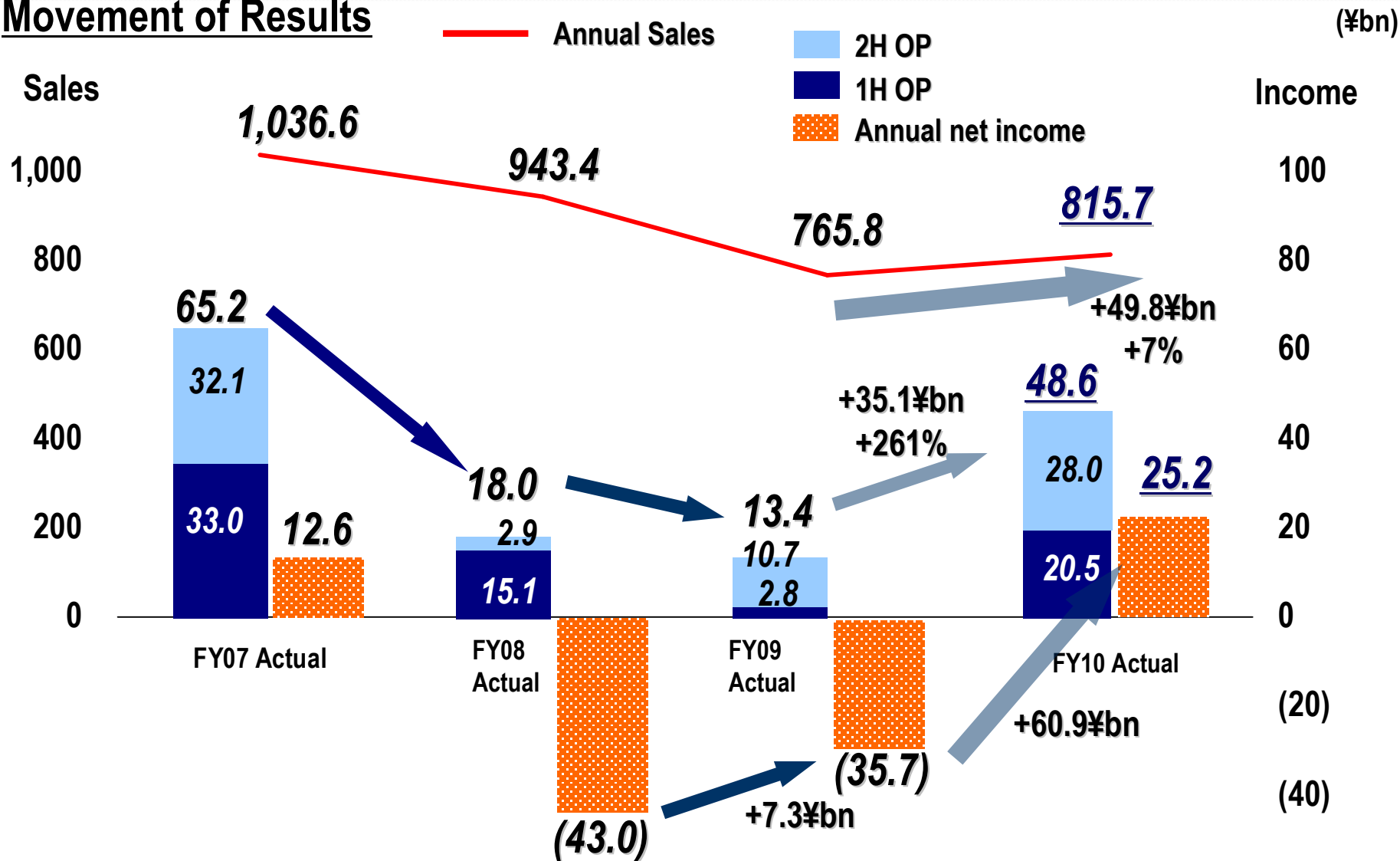
(¥bn)	Operating activities	Investing activities	FCF	Financing activities	Cash & cash equivalents
FY10	77.1	(27.7)	49.4	(43.9)	5.5
FY09	80.4	(33.4)	47.0	(42.9)	4.2

## ◇ BS exchange rate

	Dec. 31, '09	Dec. 31, '10
¥/US\$	92	81
¥/€	132	108
US\$/€	1.43	1.32

Note: Fiscal year-end for overseas companies is Dec 31.

(1) Movement of Results



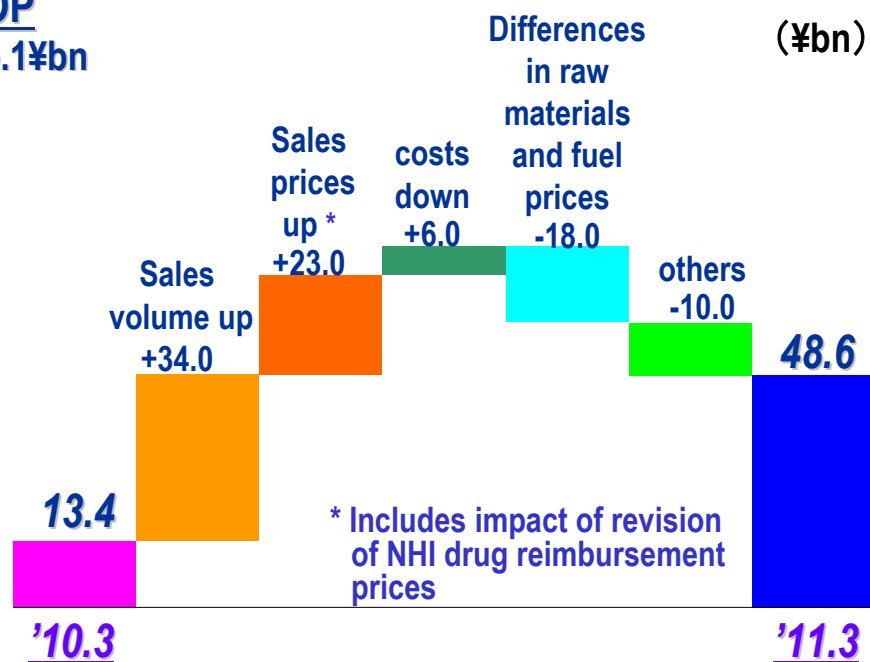
ROA(%)	6.5	1.9	1.6	6.1
ROE(%)	3.3	(12.3)	(12.4)	9.1
Operating margin (%)	6.3	1.9	1.8	6.0
D/E ratio	0.83	1.18	1.18	0.94

Note: ROA = OP / Total assets

◆ Analysis of Changes in Operating Results and Financial Position

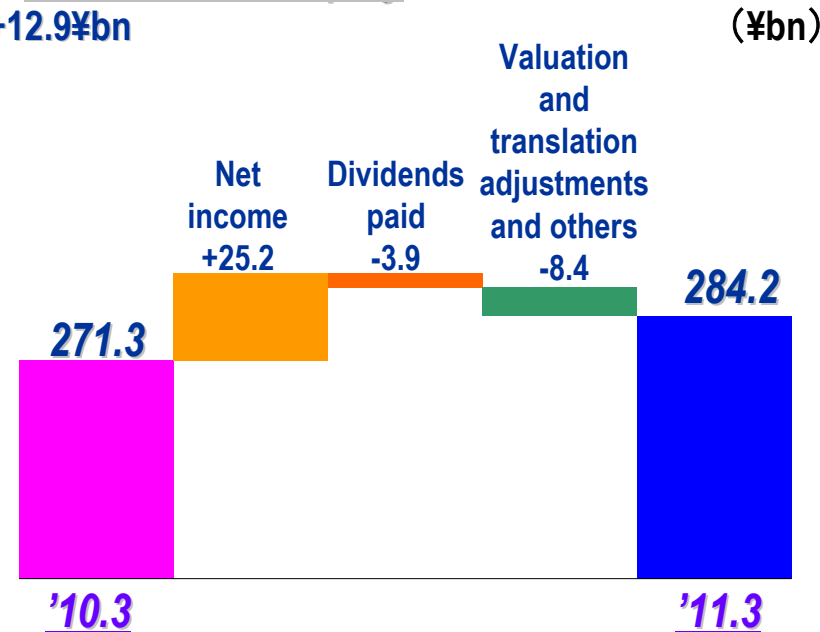
◇ OP

+35.1¥bn



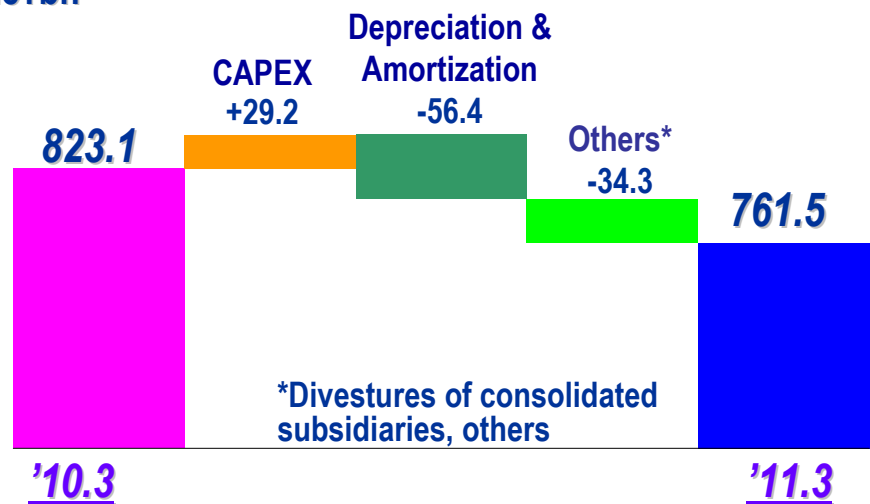
◇ Shareholders' equity

+12.9¥bn



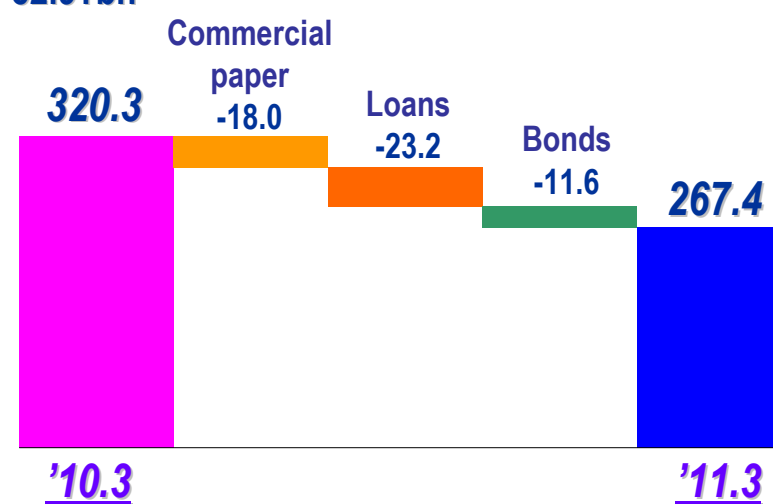
◇ Total assets

-61.5¥bn



◇ Interest-bearing debt

-52.9¥bn



## (2) Operating Results by Segment (Comparison with FY09)

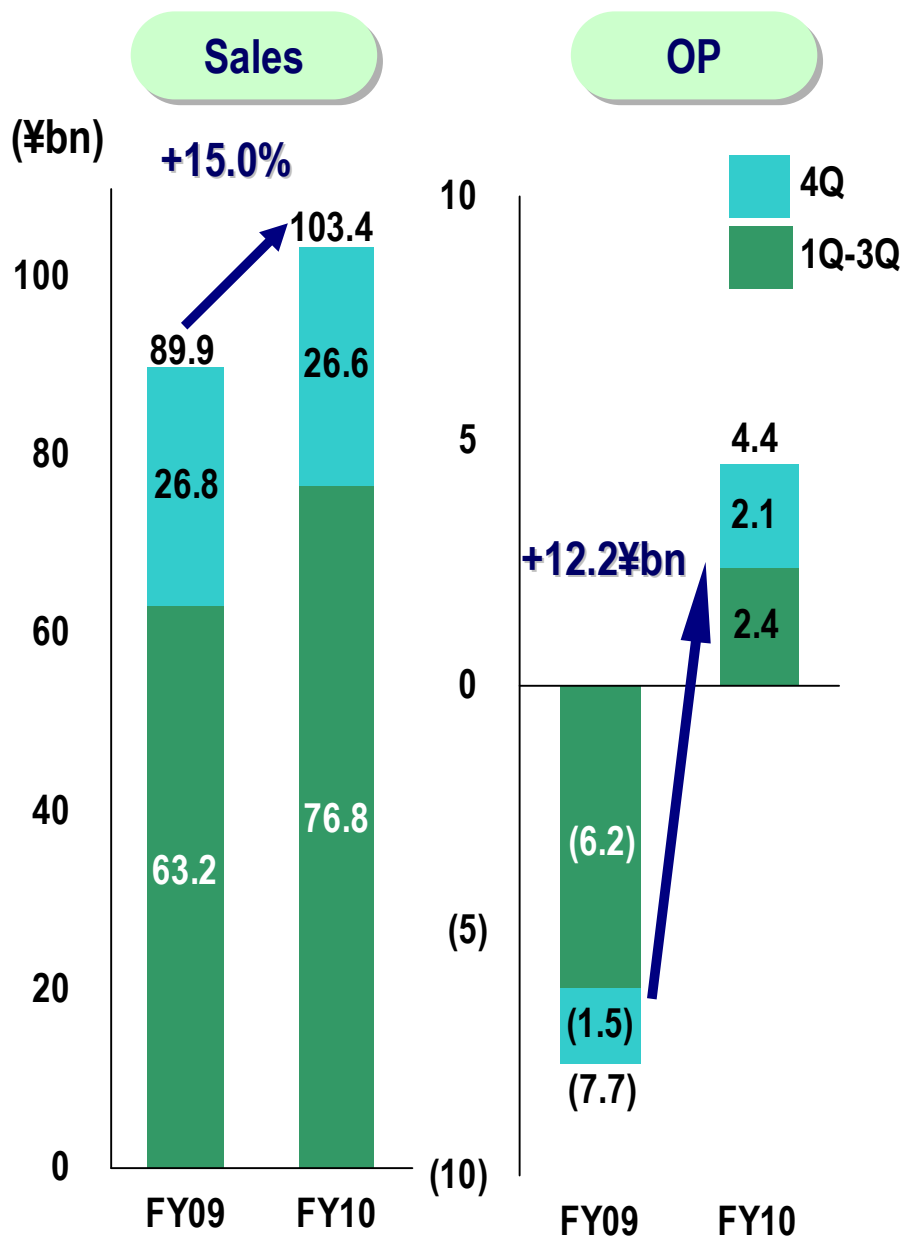
	Sales				OP			
	FY09	FY10	Diff.	% Change	FY09	FY10	Diff.	% Change
(¥bn)								
High-Performance Fibers	89.9	103.4	+13.4	+15.0%	(7.7)	4.4	+12.2	-
Polyester Fibers* <sup>1</sup>	122.1	103.5	-18.6	-15.2%	(5.4)	3.0	+8.4	-
Films & Plastics	177.8	217.1	+39.3	+22.1%	8.9	23.4	+14.5	+163.1%
Pharma. & H.H.C.	131.7	136.4	+4.7	+3.6%	24.3	22.9	-1.4	-5.8%
Trading & Retail	205.3	216.9	+11.6	+5.7%	3.4	4.7	+1.3	+37.9%
<b>Total</b>	<b>726.8</b>	<b>777.3</b>	<b>+50.5</b>	<b>+6.9%</b>	<b>23.6</b>	<b>58.5</b>	<b>+35.0</b>	<b>+148.4%</b>
Others	39.0	38.3	-0.7	-1.8%	2.6	3.1	+0.5	+19.4%
Elimination & corporate* <sup>2</sup>	-	-	-	-	(12.7)	(13.1)	-0.4	-
<b>Total</b>	<b>765.8</b>	<b>815.7</b>	<b>+49.8</b>	<b>+6.5%</b>	<b>13.4</b>	<b>48.6</b>	<b>+35.1</b>	<b>+261.4%</b>

\*1 Polyester Fibers encompasses the polyester fibers and the polyester raw materials and polymerization businesses.

\*2 Effective from fiscal 2010, Teijin applies the revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information. The Company has also revised internal standards for the distribution of shared costs contained in Elimination and Corporate among its operating segments. Figures for fiscal 2009 have been restated to conform with these new standards.



① High-Performance Fibers: Increase in sales, return to profitability



(¥bn)	FY09	FY10	Diff.	Change
Sales	89.9	103.4	+13.4	+15.0%
OP	(7.7)	4.4	+12.2	-

◆ Summary & Actions

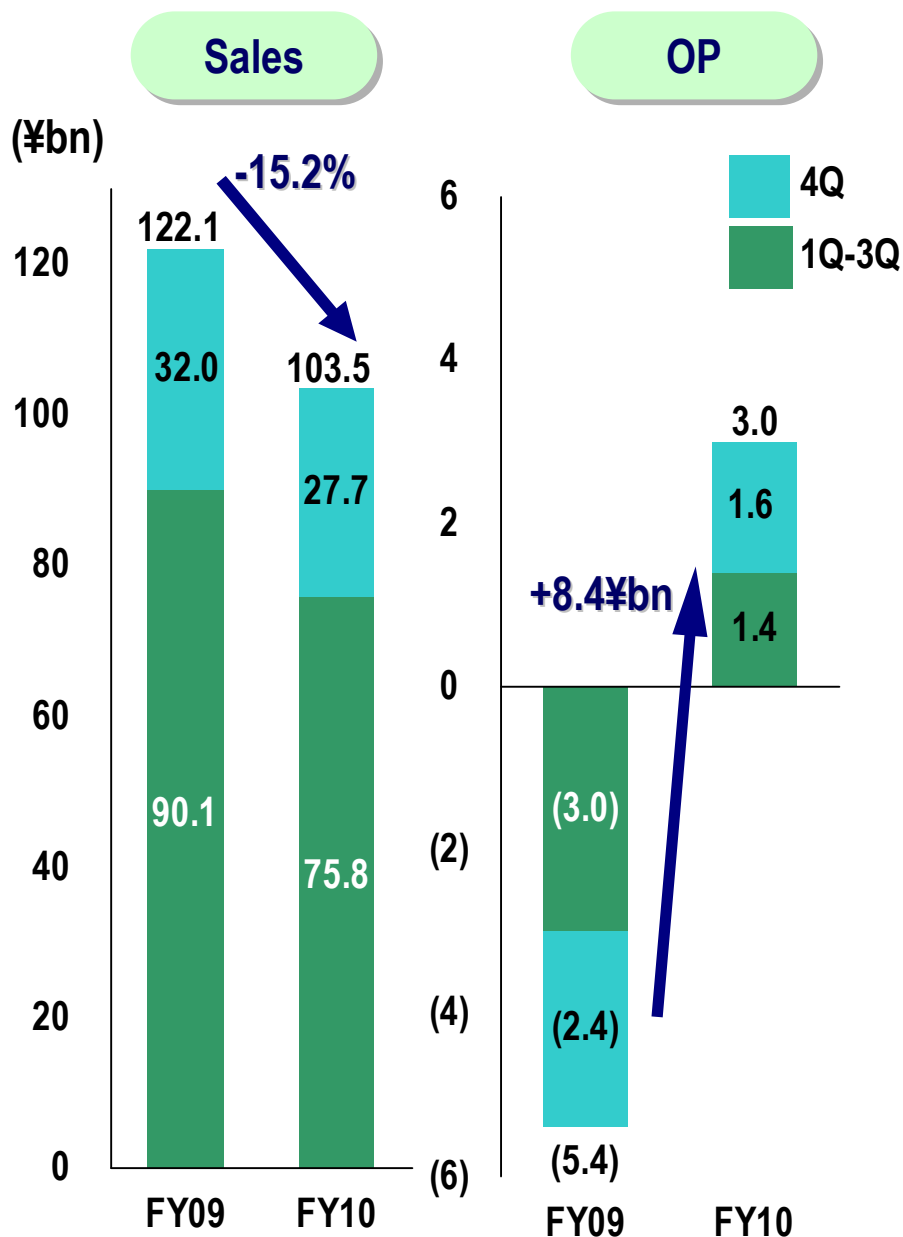
◇ Aramid Fibers:

- Para-aramid fibers: Demand for use in automotive-related materials remained brisk
- Meta-aramid fibers: Demand for use in industrial materials rallied
- Resumed production on a line in the Netherlands that had been temporarily shut down (September 2010)
- Announced decision to commercialize high-performance polyethylene products (November 2010)

◇ Carbon Fibers:

- Demand continued on an upswing in key sectors
- Made steady progress in restoring sales prices for both sports and leisure equipment and general industrial applications
- Focused on fortifying relations with automobile and aircraft manufacturers
- Commenced production on fourth line in Germany (September 2010)

② Polyester Fibers: Decline in sales, but return to profitability at the operating level, owing to the positive impact of structural reforms



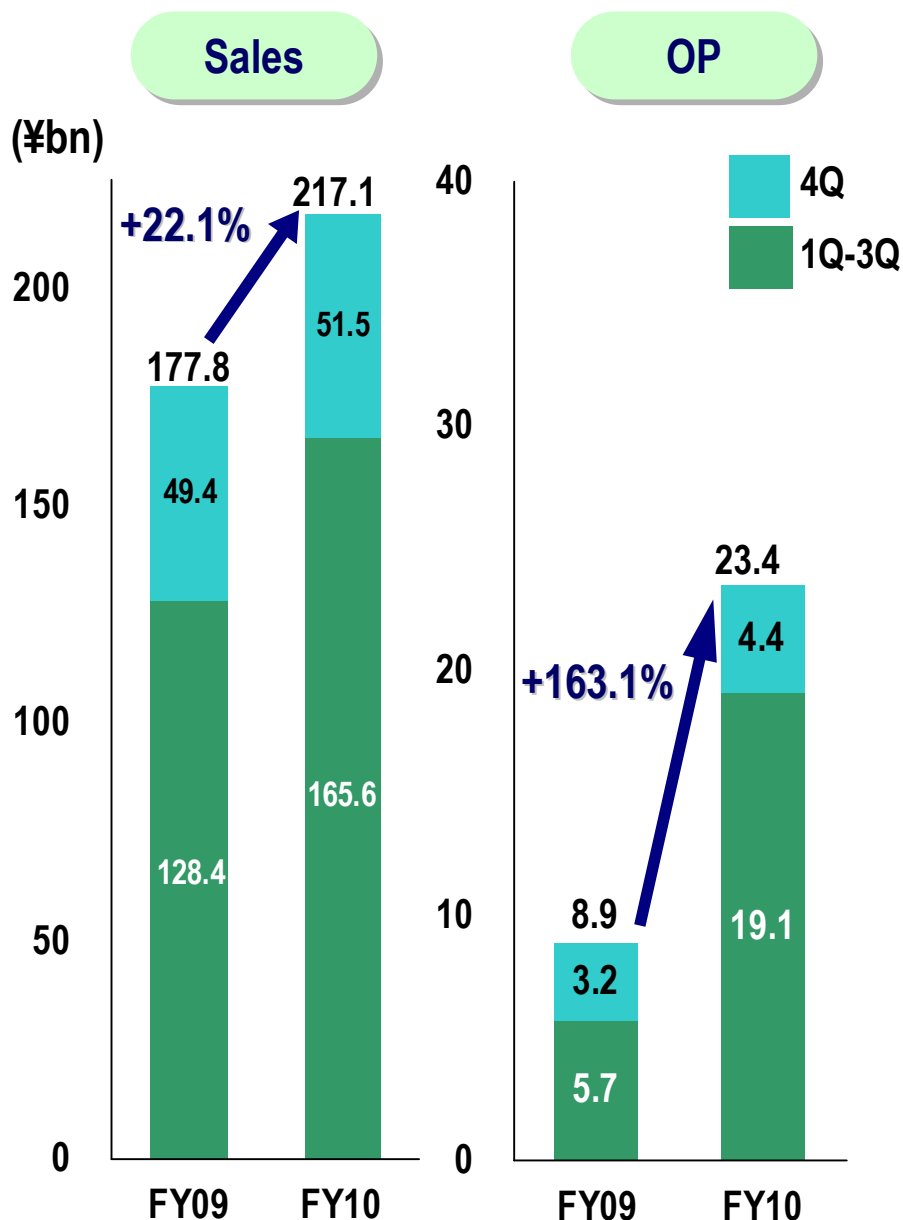
(¥bn)	FY09	FY10	Diff.	Change
Sales	122.1	103.5	-18.6	-15.2%
OP	(5.4)	3.0	+8.4	-

◆ Summary & Actions

◇ **Polyester fibers:**

- Demand improved both in Japan and overseas for use in industrial materials, particularly for automotive applications
- Structural reforms—including the shift of production of certain products to our Thai subsidiary—began to yield benefits
- Transferred stake in subsidiary in Indonesia (April 2010) and in Teijin Monofilament Germany GmbH (June 2010)

③ Films and Plastics: Increase in sales and substantial increase in operating income



(¥bn)	FY09	FY10	Diff.	Change
Sales	177.8	217.1	+39.3	+22.1%
OP	8.9	23.4	+14.5	+163.1%

◆ Summary & Actions

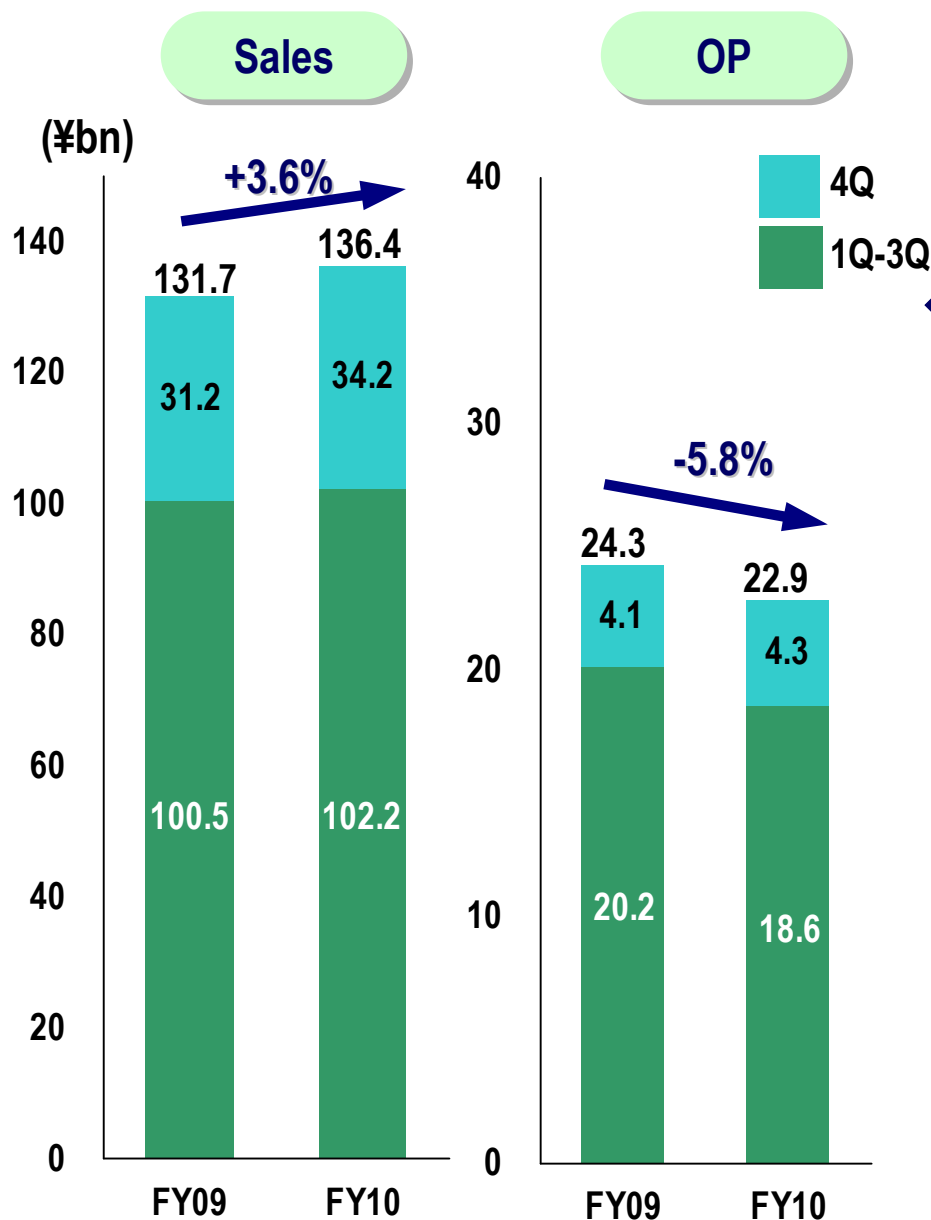
◇ Plastics:

- Polycarbonate resin:
  - Demand in the PRC and elsewhere in Asia was healthy
  - Polymer plants in the PRC and Singapore continued to operate at high capacity
- Processed polycarbonate resin products:
  - Shipments of polycarbonate retardation film were brisk

◇ Films:

- PET film (Japan):
  - Demand remained firm for use in flat panel displays (FPDs)
  - Rebounded sharply for use in solar cells
- PET film (Europe and USA):
  - Rebounded sharply for use in solar cells

④ Pharmaceuticals & Home Health Care: Sales up, slight decline in operating income



(¥bn)	FY09	FY10	Diff.	Change
Sales	131.7	136.4	+4.7	+3.6%
OP	24.3	22.9	-1.4	-5.8%

◆ Summary & Actions

◇ **Pharmaceuticals:**

- Shipments of *Bonalon*<sup>\*1</sup> 35mg tablet and *Onealfa* increased favorably
- TMX-67<sup>\*2</sup>: Received approval to manufacture and market in Japan (January 2011); plan to commence domestic sales in the first quarter of fiscal 2011 under the name *FEBURIC*  
Sales in the United States and Europe rose favorably
- Began marketing *Synvisc Dispo*, for treating pain associated with osteoarthritis of the knee (December 2010)

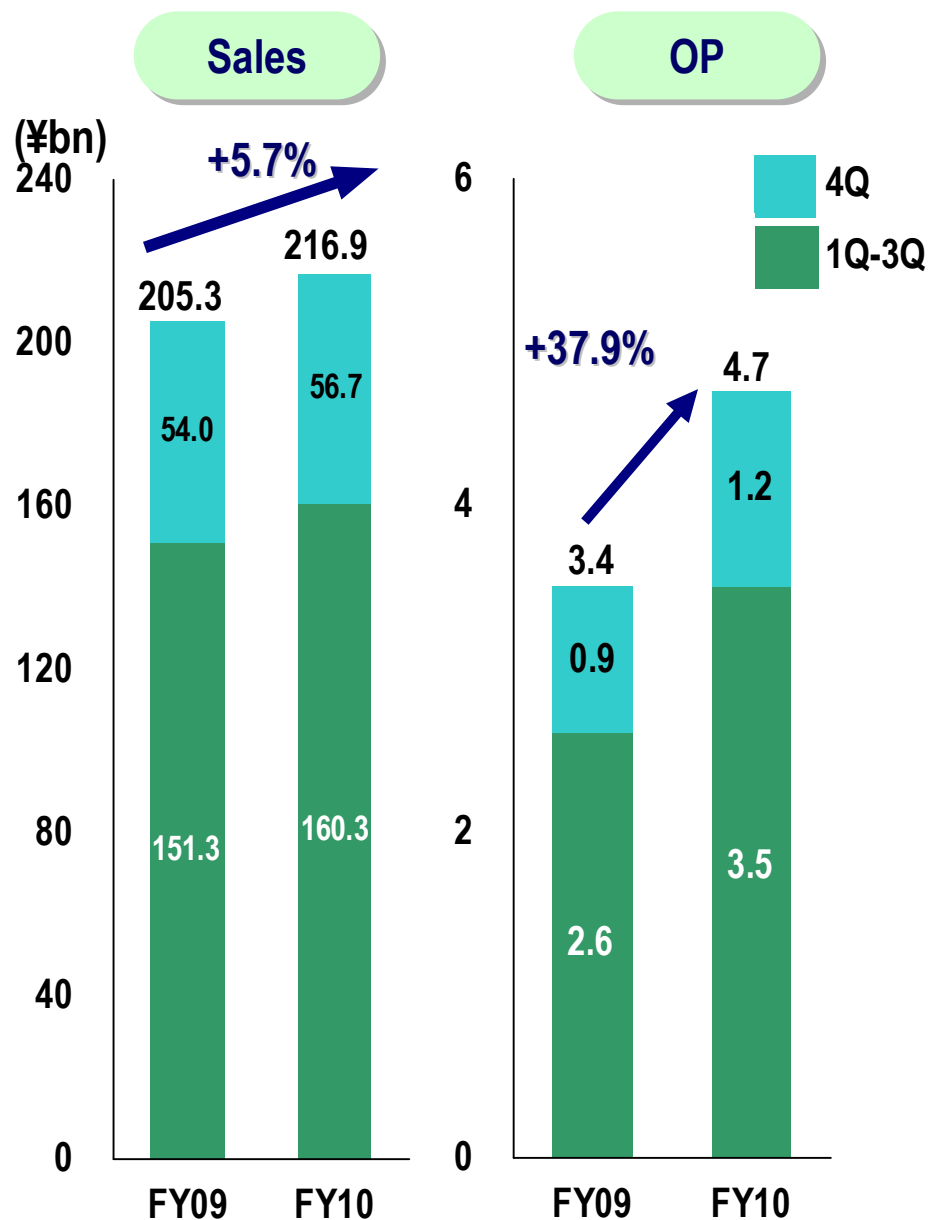
◇ **Home Health Care:**

- HOT: Rental volume remained firm
- CPAP/*SAFHS*: Rental volume continued to climb
- Overseas: Rental volume expanded favorably, particularly in the United States

\*1 *Bonalon*® is the registered trademark of Merck & Co., Inc., Whitehouse Station, NJ, USA.

\*2 Ethical drug for the treatment of hyperuricemia

⑤ Trading & Retail: Increase in sales and operating income



(¥bn)	FY09	FY10	Diff.	Change
Sales	205.3	216.9	+11.6	+5.7%
OP	3.4	4.7	+1.3	+37.9%

◆ Summary & Actions

◇ Trading & Retail:

- **Textiles & Apparel**  
Mainstay OEM business : Augmented sales to key customers
- **Industrial Textiles & Materials**
  - Sales for automotive applications strengthened
  - Sales of general-purpose products, including filters and nonwoven materials recovered
  - Sales of materials for use in LCD televisions and mobile phone handsets were brisk

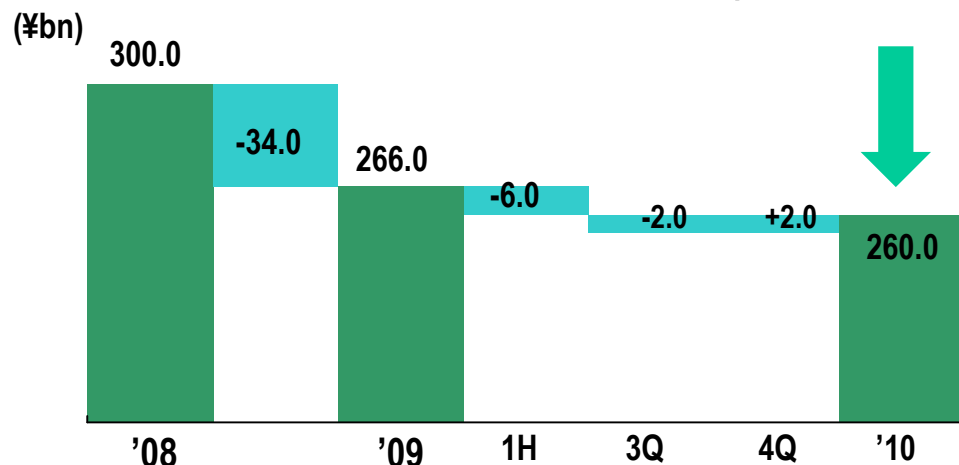
## ◆ Changes in Net Sales and Operating Income for FY09-FY10

		FY09					FY10				
		1Q	2Q	3Q	4Q	Annual Total	1Q	2Q	3Q	4Q	Annual Total
Net Sales	(¥bn)										
	High-Performance Fibers	19.9	21.0	22.3	26.8	89.9	25.6	26.5	24.7	26.6	103.4
	Polyester Fibers	27.7	32.5	29.9	32.0	122.1	24.7	26.2	24.9	27.7	103.5
	Films & Plastics	34.0	46.2	48.2	49.4	177.8	51.8	59.1	54.8	51.5	217.1
	Pharma. & H.H.C.	32.4	32.7	35.4	31.2	131.7	33.7	32.8	35.7	34.2	136.4
	Trading & Retail	44.4	51.8	55.2	54.0	205.3	48.7	53.5	58.1	56.7	216.9
	Total	158.3	184.1	191.0	193.4	726.8	184.5	198.0	198.2	196.6	777.3
	Others	7.7	10.0	9.1	12.2	39.0	8.1	9.3	8.0	12.9	38.3
Total	166.0	194.2	200.1	205.6	765.8	192.6	207.3	206.3	209.5	815.7	
Operating Income	High-Performance Fibers	(2.0)	(2.2)	(1.9)	(1.5)	(7.7)	0.0	1.1	1.2	2.1	4.4
	Polyester Fibers	(1.6)	(0.4)	(1.0)	(2.4)	(5.4)	0.0	(0.0)	1.4	1.6	3.0
	Films & Plastics	(1.8)	2.7	4.7	3.2	8.9	3.6	7.3	8.1	4.4	23.4
	Pharma. & H.H.C.	6.5	6.0	7.7	4.1	24.3	6.9	4.9	6.8	4.3	22.9
	Trading & Retail	0.2	0.9	1.5	0.9	3.4	0.7	1.2	1.6	1.2	4.7
	Total	1.3	6.9	11.0	4.3	23.6	11.3	14.6	19.2	13.6	58.5
	Others	0.1	0.6	0.6	1.3	2.6	(0.1)	1.0	0.2	2.0	3.1
	Elimination & corporate	(2.9)	(3.2)	(3.1)	(3.5)	(12.7)	(3.1)	(3.1)	(3.5)	(3.4)	(13.1)
Total	(1.5)	4.3	8.6	2.1	13.4	8.1	12.4	15.9	12.2	48.6	

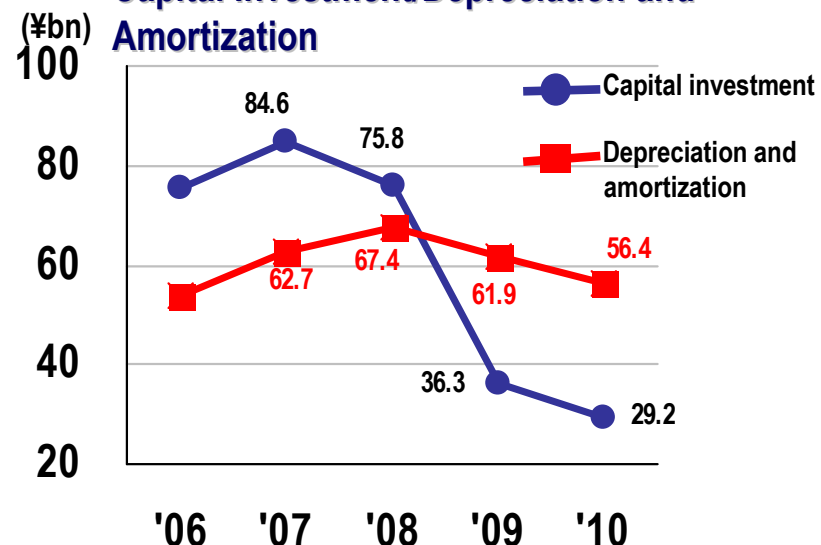
## ◆ Secure a positive free cash flow by restraining capital investment for two years and increasing the efficiency of working capital

### ■ Reduction of Fixed Costs

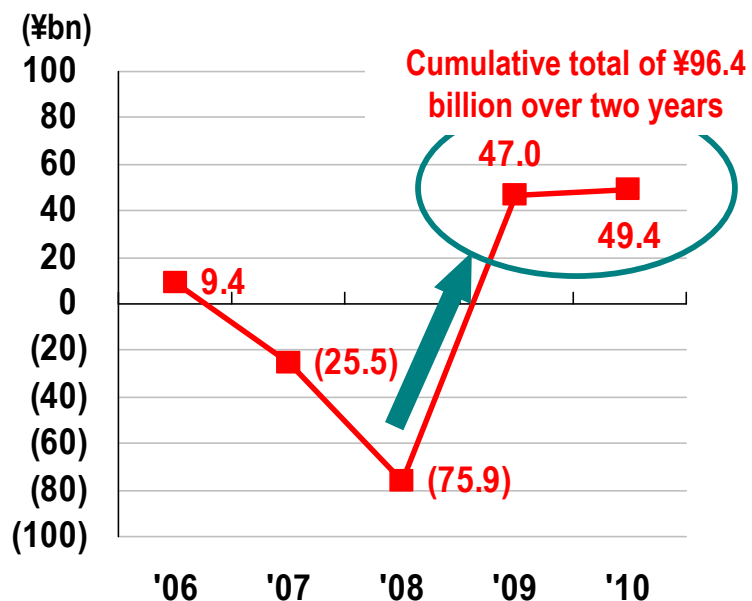
Fixed Costs: Down ¥40.0 billion in FY10, compared with FY08



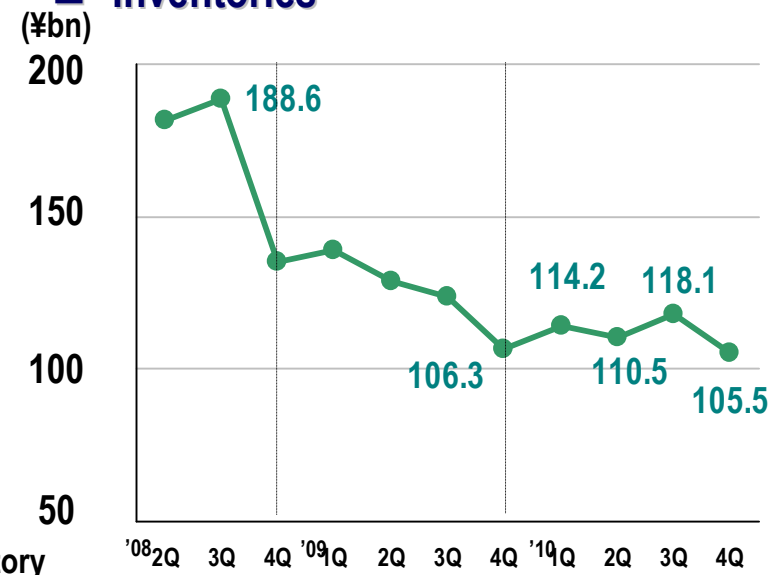
### ■ Capital Investment/Depreciation and Amortization



### ■ Free Cash Flow



### ■ Inventories



Inventory Turnover (days) 89 92 68 \*102 82 77 68 \*74 67 74 66 \*

\* 4Q inventory turnover is calculated based on cost of sales for the full term.

## (5) Progress of structural reforms in the polyester fibers and PET films businesses

◆ Polyester Fibers Business

<ul style="list-style-type: none"> <li>● Created optimal global production configuration</li> </ul>	<ul style="list-style-type: none"> <li>● Transformed Thai polyester fibers subsidiary into backbone production facility and scaled back domestic production substantially</li> </ul>
<ul style="list-style-type: none"> <li>● Decisively reformed loss-making businesses</li> </ul>	<ul style="list-style-type: none"> <li>● Withdrew from the operations of Teijin Nestex Limited (March 2010)</li> <li>● Withdrew from the operations of Teijin Monofilament U.S., Inc. (March 2010)</li> <li>● Dissolved joint venture Solotex Corp. (March 2010)</li> <li>● Divested PT. Teijin Indonesia Fiber Tbk (April 2010)</li> <li>● Divested Teijin Monofilament Germany GmbH (June 2010)</li> </ul>
<ul style="list-style-type: none"> <li>● Restructured the value chain</li> </ul>	<ul style="list-style-type: none"> <li>● Established automotive seat fabrics subsidiary in joint venture with Suminoe Textile Co., Ltd. (December 2009)</li> </ul>

◆ PET Film Business

<ul style="list-style-type: none"> <li>● Shut down or suspended operation of loss-making plants and production lines</li> </ul>	<ul style="list-style-type: none"> <li>● USA: Reduced number of plants from five plants to one film-forming plant and one processing plant</li> <li>● Europe: Shut down one loss-making production line (June 2009)</li> </ul>
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## (6) Financial Highlights

	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual
ROA *1	7.7%	6.5%	1.9%	1.6%	6.1%
ROE *2	9.7%	3.3%	(12.3%)	(12.4%)	9.1%
Operating margin	7.4%	6.3%	1.9%	1.8%	6.0%
D/E ratio	0.81	0.83	1.18	1.18	0.94
Shareholders' equity ratio	36.7%	38.5%	35.0%	33.0%	37.3%
Total asset turnover	1.04	1.03	1.00	0.90	1.03
Earnings per share (¥)	36.8	13.2	(43.7)	(36.3)	25.6
Dividends per share (¥)	10.0	8.0	5.0	2.0	5.0
Total assets (¥bn)	999.9	1,016.0	874.2	823.1	761.5
Interest-bearing debt (¥bn)	295.5	325.2	361.3	320.3	267.4
EBITDA (¥bn) *3	129.1	127.8	85.3	75.3	105.0

\*1. ROA= Operating income/Total assets

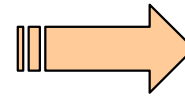
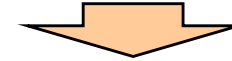
\*2. ROE= Net income/Shareholders' equity

\*3. EBITDA = Operating income + Depreciation & amortization

## ◆ Short-Term Management Policies (Fiscal 2011)

- Manifest the full benefits of structural reforms
- Strengthen sales capabilities and R&D platform
- Continue to pursue efficient risk management
- Respond to the impact of the Great East Japan Earthquake and achieve the prompt restoration of normal operations

Actively foster businesses that support future growth, as well as promising projects



Reposition Teijin on a growth trajectory

### ➤ Challenges in individual business segments

High-Performance Fibers	<ul style="list-style-type: none"> <li>● <b>Aramid fibers:</b> Expand sales for promising applications; reduce costs; cultivate markets for high-performance polyethylene products</li> <li>● <b>Carbon fibers:</b> Press ahead with structural reforms; boost sales for highly profitable applications; expand applications for composite materials</li> </ul>
Polyester Fibers	<ul style="list-style-type: none"> <li>● Establish best possible production configuration to reduce costs; provide environment-friendly solutions (<i>ECO CIRCLE, PLANTPET</i>)</li> </ul>
Films and Plastics	<ul style="list-style-type: none"> <li>● <b>Plastics:</b> Respond to persistently high raw materials prices by implementing sales price adjustments; expand sales of processed plastics</li> <li>● <b>Films:</b> Push forward with the shift of production to Asian markets; expand production capacity for promising products, including films for FPDs</li> </ul>
Pharmaceuticals and Home Health Care	<ul style="list-style-type: none"> <li>● <b>Pharmaceuticals:</b> Expand sales of new drugs (<i>FEBURIC, Synvisc Dispo</i>)</li> <li>● <b>Home health care:</b> Reinforce profitability of overseas home health care operations</li> </ul>
Trading and Retail	<ul style="list-style-type: none"> <li>● Strengthen collaboration with polyester fibers and high-performance fibers businesses</li> </ul>
IT and Others	<ul style="list-style-type: none"> <li>● <b>IT:</b> Develop solutions that respond to the needs of users</li> <li>● <b>New businesses:</b> Promote the rapid commercialization of products in five key areas: reinforce R&amp;D</li> </ul>

## ➤ Impact of Great East Japan Earthquake

### ● Impact on performance in fiscal 2010 and steps taken in response

#### ● Films

Suspension of operations at Teijin DuPont Films Japan's Utsunomiya and Ibaraki plants

→ Ibaraki plant resumed production on March 25, 2011 and the Utsunomiya plant resumed production on certain lines on April 30 and is expected to restore normal operations by mid-June

#### ● Home health care

Began dispatching portable oxygen cylinders to patients and providing emergency supplies to health care facilities in areas hardest hit by the earthquake and tsunami and in areas affected by scheduled rolling blackouts

✧ Reported extraordinary loss of ¥2.9 billion as earthquake-related expenses (valuation loss on inventories, facility repairs necessary for resumption of production, others)

### ● Impact on performance in fiscal 2011 remains unclear

- Resumption of operations by customers in areas affected by the earthquake and tsunami, speed of recovery in demand
- Interruption of supply chain
- Impact of restrictions on use of electric power

### ➤ Outlook for operating results in fiscal 2011

- We face unusual difficulties in determining the future outlook as a result of the March 11 earthquake disaster
- Accordingly, forecasts for our fiscal 2011 operating results will not be issued at this time.
- We will publish forecasts at the earliest possible opportunity. At the latest, this will be when we announce our fiscal 2011 first quarter results.
- With the aim of ensuring conformance with International Financial Reporting Standards (IFRS), we have resolved to adopt the straight-line method for determining depreciation of fixed assets, effective from fiscal 2011. To date, we have principally used the declining balance method, which is predominant in Japan. This change is expected to lower depreciation by approximately ¥7.0 billion in fiscal 2011.

### ➤ Dividend forecast for fiscal 2011

- Due to unusual difficulties in determining the future outlook as a result of the March 11 earthquake disaster, forecasts for our fiscal 2011 operating results will not be issued at this time. Accordingly, we have also not yet determined dividend forecasts for the period. Based on a careful examination of results trends, we will prepare and announce our dividend forecasts at the earliest possible opportunity.

## Disclaimer Regarding Forward-Looking Statements and Business Risks

### Disclaimer

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

### Business Risks

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

#### (1) Market-related risk

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

#### (2) Product quality risk

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

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

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

#### (4) Risks related to overseas operations

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

#### (5) Risks related to accidents and disasters

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

This material is based on the consolidated results for FY10 announced at 11:30 A.M. on May 9, 2011 (local time in Japan).

All product names in this document are registered trademarks.

◆ Quarterly Movement of Results

(¥bn)	FY09					FY10				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Net sales	166.0	194.2	200.1	205.6	765.8	192.6	207.3	206.3	209.5	815.7
Operating income	(1.5)	4.3	8.6	2.1	13.4	8.1	12.4	15.9	12.2	48.6
Ordinary income	(4.4)	0.8	5.8	(0.1)	2.1	7.8	12.7	16.9	12.9	50.3
Net income	(17.7)	(8.1)	(5.7)	(4.2)	(35.7)	4.0	7.5	8.5	5.2	25.2

EBITDA *	13.6	19.9	24.1	17.8	75.3	22.0	26.6	30.0	26.4	105.0
Depreciation & amortization	15.1	15.6	15.5	15.7	61.9	13.9	14.1	14.1	14.3	56.4
R&D expenses	8.1	8.6	8.1	8.6	33.4	7.6	7.7	7.8	8.3	31.5
FCF	(7.8)	9.4	(2.9)	48.3	47.0	(11.5)	19.8	7.6	33.5	49.4

\*EBITDA = Operating income + Depreciation & amortization

## ◆ Consolidated Balance Sheets &lt;Assets&gt;

(¥bn)	Jun. 30, '09	Sep. 30, '09	Dec. 31, '09	Mar. 31, '10	Jun. 30, '10	Sep. 30, '10	Dec. 31, '10	Mar. 31, '11
<b>Total assets</b>	<b>875.9</b>	<b>867.8</b>	<b>877.1</b>	<b>823.1</b>	<b>805.5</b>	<b>776.7</b>	<b>791.9</b>	<b>761.5</b>
<b>Current assets</b>	<b>345.4</b>	<b>340.8</b>	<b>373.3</b>	<b>332.7</b>	<b>331.5</b>	<b>326.4</b>	<b>345.0</b>	<b>336.9</b>
Cash and time deposits	27.9	22.6	28.1	23.1	19.6	25.8	18.0	28.6
Trade notes and accounts receivable	141.1	155.1	177.1	159.0	162.0	153.7	171.0	156.1
Inventories	138.7	128.7	123.9	106.3	114.2	110.5	118.1	105.5
Others	37.7	34.5	44.3	44.4	35.6	36.4	37.8	46.6
<b>Fixed assets</b>	<b>530.5</b>	<b>527.0</b>	<b>503.9</b>	<b>490.3</b>	<b>474.1</b>	<b>450.3</b>	<b>446.9</b>	<b>424.6</b>
Tangible assets	340.8	337.8	322.9	316.9	293.4	274.1	270.9	259.7
Intangible assets	81.6	80.5	78.1	77.4	75.7	72.8	69.9	67.6
Investments and other assets	108.1	108.6	102.9	96.0	105.0	103.4	106.1	97.4

Note: For more information, see Teijin's Consolidated Financial Statements Summary (for the year ended March 31, 2011).

## ◆ Consolidated Balance Sheets &lt;Liabilities and net assets&gt;

(¥bn)	Jun. 30, '09	Sep. 30, '09	Dec. 31, '09	Mar. 31, '10	Jun. 30, '10	Sep 30, '10	Dec. 31, '10	Mar. 31, '11
<b>Total liabilities and net assets</b>	<b>875.9</b>	<b>867.8</b>	<b>877.1</b>	<b>823.1</b>	<b>805.5</b>	<b>776.7</b>	<b>791.9</b>	<b>761.5</b>
<b>Liabilities</b>	<b>555.1</b>	<b>554.5</b>	<b>577.8</b>	<b>527.8</b>	<b>509.8</b>	<b>482.5</b>	<b>486.3</b>	<b>453.8</b>
Current liabilities	330.4	324.8	342.2	293.8	281.7	270.2	269.2	244.8
Noncurrent liabilities	224.8	229.7	235.6	233.9	228.1	212.3	217.1	209.1
(Interest-bearing debt)	381.1	369.6	371.2	320.3	329.9	305.9	293.2	267.4
<b>Net assets</b>	<b>320.7</b>	<b>313.2</b>	<b>299.4</b>	<b>295.3</b>	<b>295.7</b>	<b>294.3</b>	<b>305.6</b>	<b>307.7</b>
Shareholders' equity	303.1	295.0	289.3	284.4	288.1	295.6	302.1	307.4
Valuation and translation adjustments and others	(6.8)	(6.2)	(13.4)	(13.0)	(13.6)	(23.1)	(19.1)	(23.2)
Stock acquisition rights	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.4
Minority interests in consolidated subsidiaries	24.1	24.0	23.0	23.6	20.8	21.2	22.1	23.0

Note: For more information, see Teijin's Consolidated Financial Statements Summary (for the year ended March 31, 2011).



## ◆ Consolidated Statements of Income

	(¥bn)	FY09				FY10			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Net Sales</b>		<b>166.0</b>	<b>194.2</b>	<b>200.1</b>	<b>205.6</b>	<b>192.6</b>	<b>207.3</b>	<b>206.3</b>	<b>209.5</b>
<b>Cost of sales</b>		<b>124.1</b>	<b>145.1</b>	<b>147.3</b>	<b>157.5</b>	<b>140.6</b>	<b>149.5</b>	<b>145.4</b>	<b>150.8</b>
<b>Gross profit</b>		<b>41.9</b>	<b>49.1</b>	<b>52.8</b>	<b>48.1</b>	<b>52.0</b>	<b>57.8</b>	<b>60.8</b>	<b>58.7</b>
<b>SG &amp; A</b>		<b>43.5</b>	<b>44.8</b>	<b>44.2</b>	<b>46.0</b>	<b>44.0</b>	<b>45.4</b>	<b>44.9</b>	<b>46.6</b>
<b>Operating income</b>		<b>(1.5)</b>	<b>4.3</b>	<b>8.6</b>	<b>2.1</b>	<b>8.1</b>	<b>12.4</b>	<b>15.9</b>	<b>12.2</b>
<b>Nonoperating items (net)</b>		<b>(2.9)</b>	<b>(3.5)</b>	<b>(2.8)</b>	<b>(2.1)</b>	<b>(0.3)</b>	<b>0.3</b>	<b>1.0</b>	<b>0.8</b>
<b>( Balance of financial expenses)</b>		<b>(1.0)</b>	<b>(1.2)</b>	<b>(1.1)</b>	<b>(0.9)</b>	<b>(0.6)</b>	<b>(0.9)</b>	<b>(0.7)</b>	<b>(0.9)</b>
<b>(Equity on gains and losses of unconsolidated subsidiaries and affiliates)</b>		<b>(1.6)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>0.2</b>	<b>0.9</b>	<b>1.7</b>	<b>2.2</b>	<b>1.5</b>
<b>Ordinary income</b>		<b>(4.4)</b>	<b>0.8</b>	<b>5.8</b>	<b>(0.1)</b>	<b>7.8</b>	<b>12.7</b>	<b>16.9</b>	<b>12.9</b>
<b>Extraordinary items(net)</b>		<b>(15.9)</b>	<b>(5.7)</b>	<b>(17.5)</b>	<b>0.3</b>	<b>(1.1)</b>	<b>(0.2)</b>	<b>(0.5)</b>	<b>(4.0)</b>
<b>Income before income taxes</b>		<b>(20.3)</b>	<b>(4.8)</b>	<b>(11.7)</b>	<b>0.3</b>	<b>6.7</b>	<b>12.5</b>	<b>16.4</b>	<b>8.9</b>
<b>Income taxes</b>		<b>(2.6)</b>	<b>3.0</b>	<b>(6.0)</b>	<b>4.0</b>	<b>2.4</b>	<b>4.5</b>	<b>6.5</b>	<b>2.8</b>
<b>Minority interest (net)</b>		<b>(0.0)</b>	<b>0.2</b>	<b>(0.0)</b>	<b>0.5</b>	<b>0.2</b>	<b>0.5</b>	<b>1.5</b>	<b>0.9</b>
<b>Net income</b>		<b>(17.7)</b>	<b>(8.1)</b>	<b>(5.7)</b>	<b>(4.2)</b>	<b>4.0</b>	<b>7.5</b>	<b>8.5</b>	<b>5.2</b>

Note: For more information, see Teijin's Consolidated Financial Statements Summary (for the year ended March 31, 2011).

◆ Nonoperating items

	FY09				FY10			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
(¥bn)								
Interest income	0.3	0.2	0.2	0.0	0.1	0.1	0.1	0.1
Dividend income	0.5	0.1	0.3	0.1	0.5	0.0	0.3	0.1
Equity in earnings of affiliates	-	-	-	-	0.9	1.7	2.2	1.5
Foreign exchange gain	0.1	-	-	-	-	-	-	0.9
Other income	0.2	0.6	0.1	0.2	0.1	0.2	0.4	0.2
<b>Nonoperating revenues total</b>	<b>1.2</b>	<b>0.8</b>	<b>0.6</b>	<b>0.3</b>	<b>1.6</b>	<b>2.1</b>	<b>3.0</b>	<b>2.8</b>
Interest expense	1.8	1.5	1.6	1.0	1.2	1.1	1.1	1.1
Equity in losses of affiliates	1.6	1.0	1.0	(0.2)	-	-	-	-
Foreign exchange loss	-	0.8	0.2	0.1	0.2	0.1	0.6	-
Contribution	-	-	-	-	-	-	-	0.7
Other expenses	0.7	1.0	0.6	1.6	0.5	0.6	0.3	0.3
<b>Nonoperating expenses total</b>	<b>4.1</b>	<b>4.3</b>	<b>3.4</b>	<b>2.4</b>	<b>1.9</b>	<b>1.8</b>	<b>1.9</b>	<b>2.1</b>
<b>Nonoperating items total</b>	<b>(2.9)</b>	<b>(3.5)</b>	<b>(2.8)</b>	<b>(2.1)</b>	<b>(0.3)</b>	<b>0.3</b>	<b>1.0</b>	<b>0.8</b>

Note: For more information, see Teijin's Consolidated Financial Statements Summary (for the year ended March 31, 2011).

◆ Extraordinary items

	FY09				FY10			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
(¥bn)								
Gain on sales of property, plant and equipment	1.0	0.0	-	0.0	-	-	-	1.4
Gain on sales of investment securities	-	-	1.5	5.8	0.7	0.5	-	1.0
Others	0.1	0.1	0.1	0.9	0.1	0.3	0.4	0.0
Extraordinary income total	1.1	0.1	1.6	6.6	0.7	0.8	0.4	2.3
Loss on disposal and sales of fixed assets	0.1	0.3	0.3	0.8	0.1	0.1	0.1	0.3
Special factory operating loss	5.3	2.9	1.1	1.4	-	-	-	-
Loss on impairment	0.6	1.6	0.8	1.5	-	-	-	1.8
Restructuring costs	3.2	-	16.2	1.2	0.8	0.2	-	0.0
Additional contribution to reserve for losses on securities held in money trusts	7.2	-	-	-	-	-	-	-
Earthquake-related expenses	-	-	-	-	-	-	-	2.9
Others	0.5	1.0	0.8	1.4	0.9	0.7	0.8	1.5
Extraordinary losses total	17.0	5.8	19.1	6.3	1.8	1.0	0.9	6.4
Extraordinary items total	(15.9)	(5.7)	(17.5)	0.3	(1.1)	(0.2)	(0.5)	(4.0)

Note: For more information, see Teijin's Consolidated Financial Statements Summary (for the year ended March 31, 2011).

## ◆ Consolidated Statements of Cash Flows

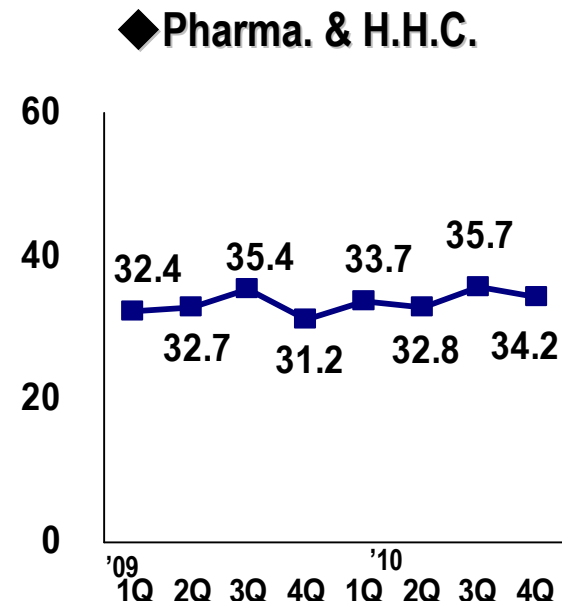
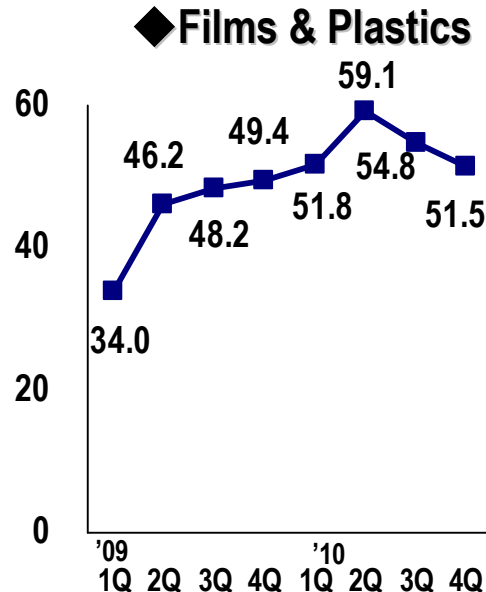
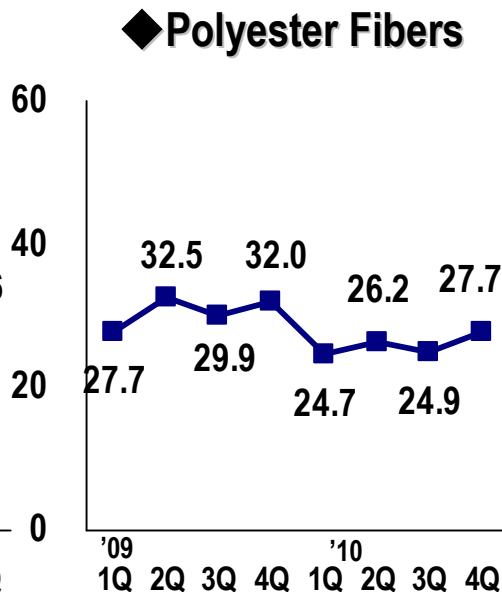
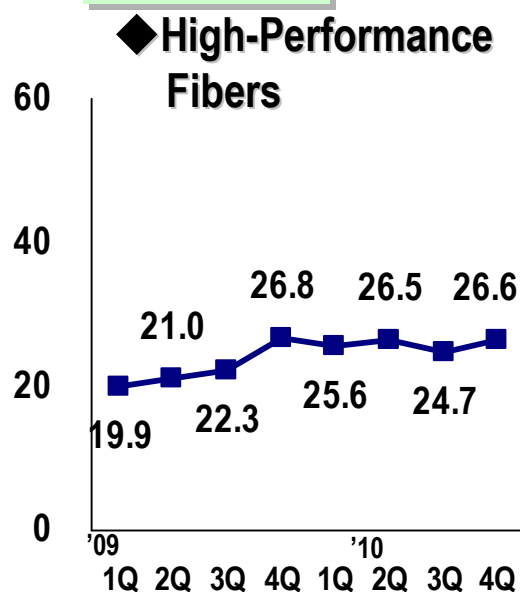
	FY09				FY10			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
(¥bn)								
Income before income taxes	(20.3)	(4.8)	(11.7)	0.3	6.7	12.5	16.4	8.9
Depreciation and amortization	15.1	15.6	15.5	15.7	13.9	14.1	14.1	14.3
Changes in inventories	(0.8)	10.4	2.0	18.1	(11.2)	0.6	(8.2)	12.5
Income taxes paid	(3.6)	5.3	(2.4)	(3.3)	(4.7)	3.6	(5.9)	(4.8)
Changes in receivables & payables	16.3	(3.1)	(20.5)	15.5	(7.0)	6.1	(6.5)	4.9
Others	0.9	(2.4)	22.1	0.7	(6.3)	(7.3)	5.5	4.7
Net cash and cash equivalents provided by operating activities	7.5	20.9	5.0	47.1	(8.6)	29.7	15.6	40.4
Purchase of property, plant and equipment	(11.5)	(10.3)	(5.4)	(6.9)	(5.4)	(6.1)	(6.3)	(7.6)
Purchase of investment securities	(0.2)	(0.4)	(1.7)	1.1	(2.2)	(1.4)	(0.4)	(0.4)
Others	(3.5)	(0.7)	(0.9)	7.0	4.8	(2.4)	(1.4)	1.1
Net cash and cash equivalents used in investing activities	(15.3)	(11.4)	(7.9)	1.2	(2.9)	(10.0)	(8.0)	(6.9)
Free Cash Flow	(7.8)	9.4	(2.9)	48.3	(11.5)	19.8	7.6	33.5
Net cash and cash equivalents provided by financing activities, etc	16.6	(14.6)	8.4	(53.2)	7.9	(13.6)	(15.3)	(23.0)
Net increase in cash and cash equivalents	8.8	(5.2)	5.5	(4.9)	(3.5)	6.2	(7.8)	10.6

Note: For more information, see Teijin's Consolidated Financial Statements Summary (for the year ended March 31, 2011).

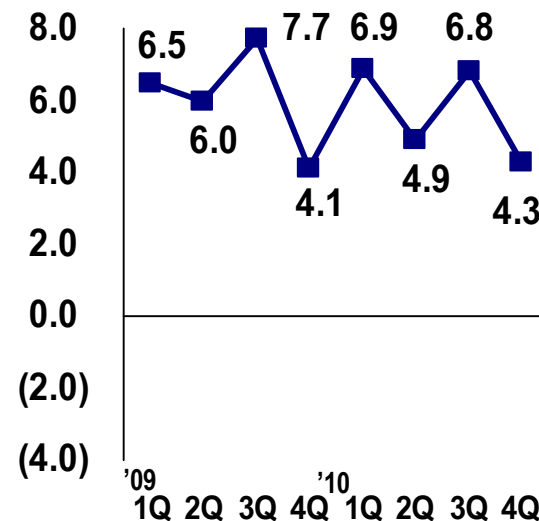
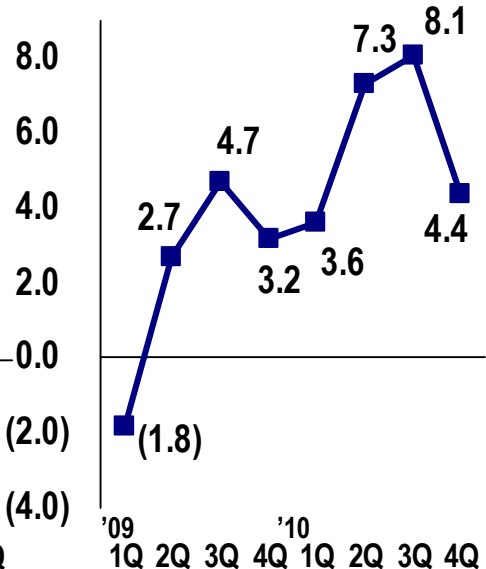
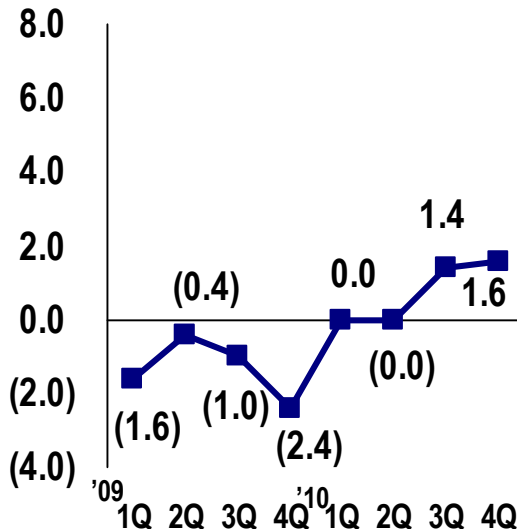
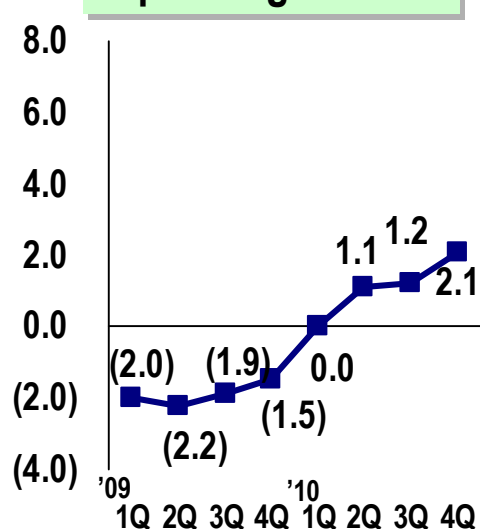
# ◆ Changes in Operating Income by Business Segment

## Net Sales

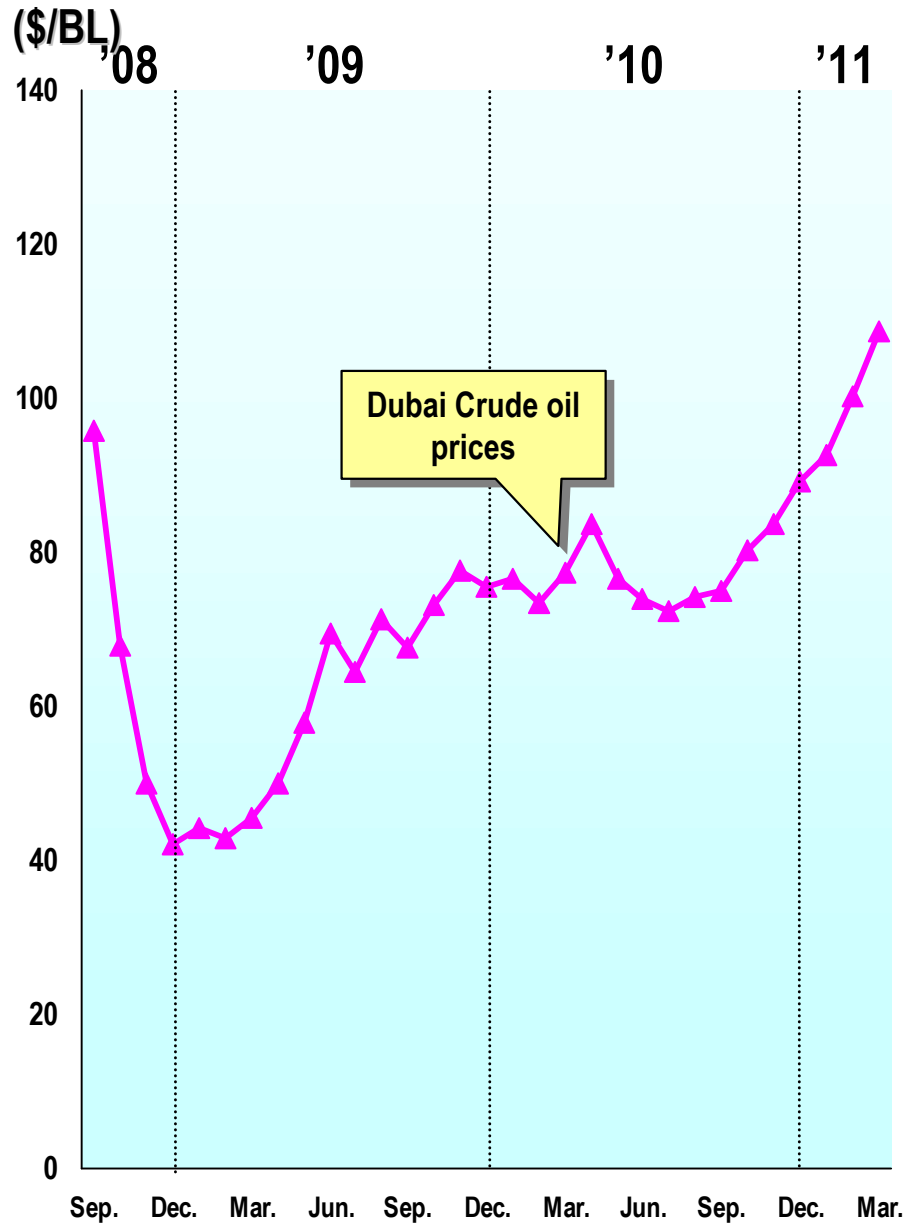
(¥bn)



## Operating Income

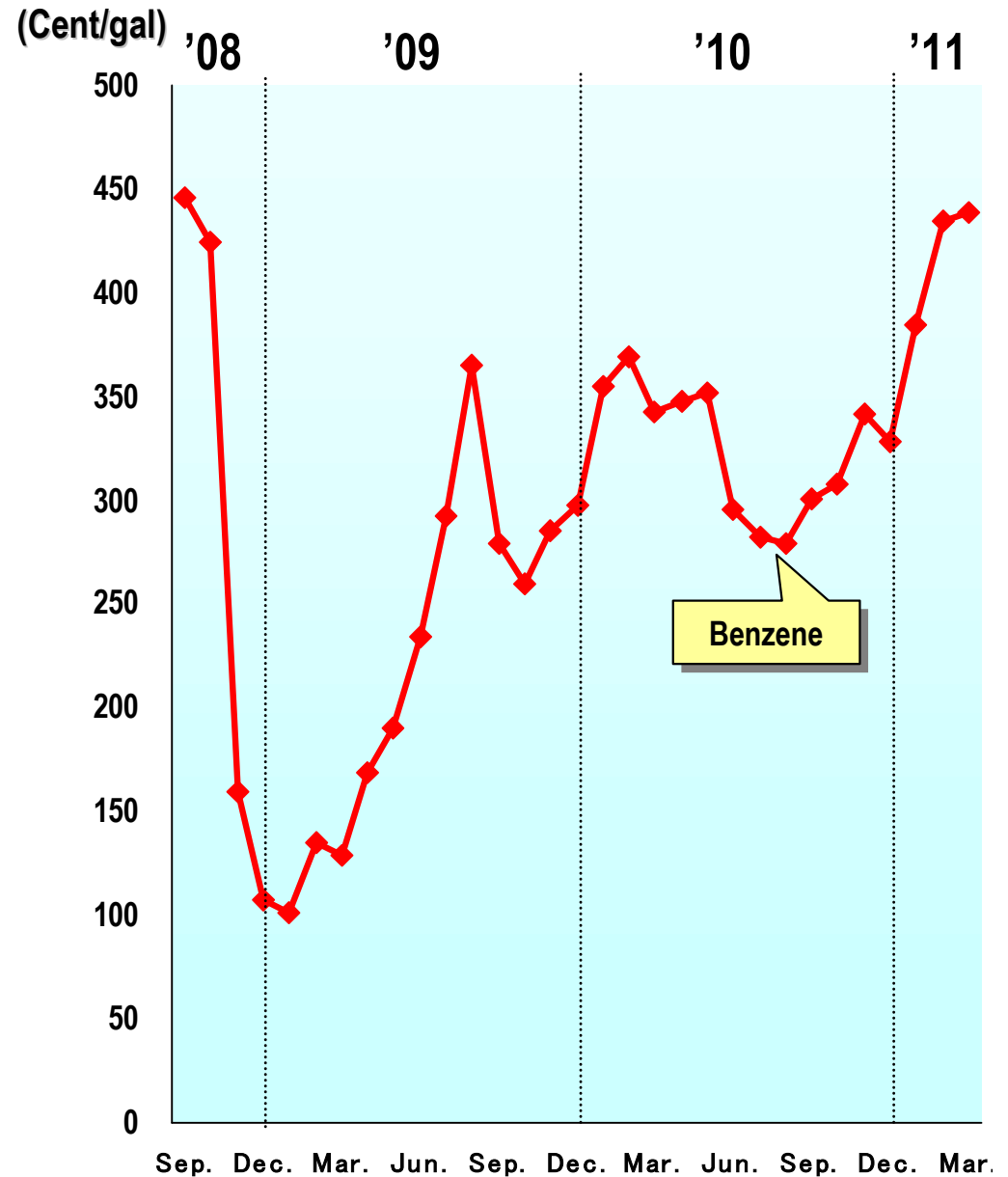


◆ Dubai Crude Oil Prices



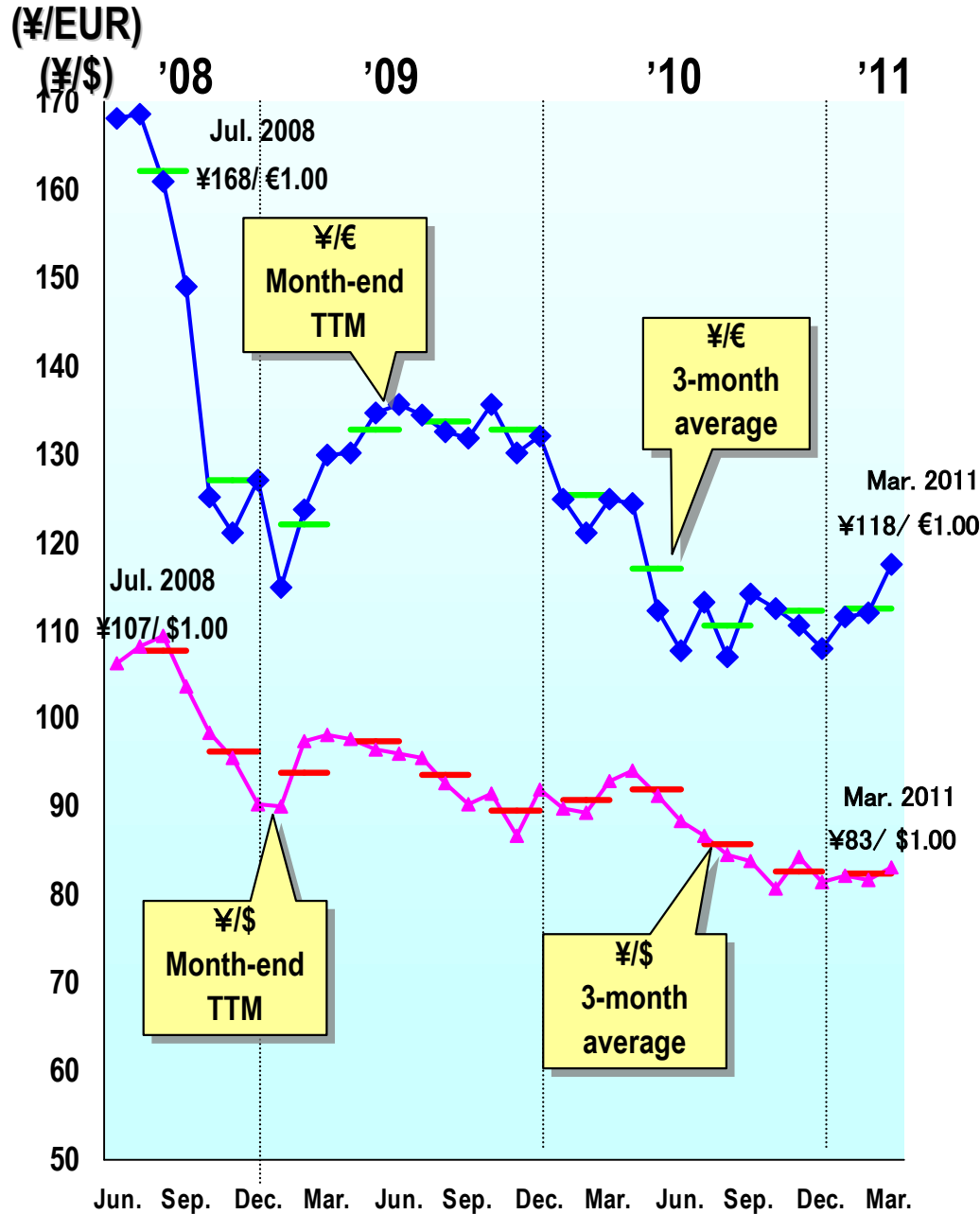
【Source: Teijin estimates based on data published by Platt's】

◆ Benzene Prices

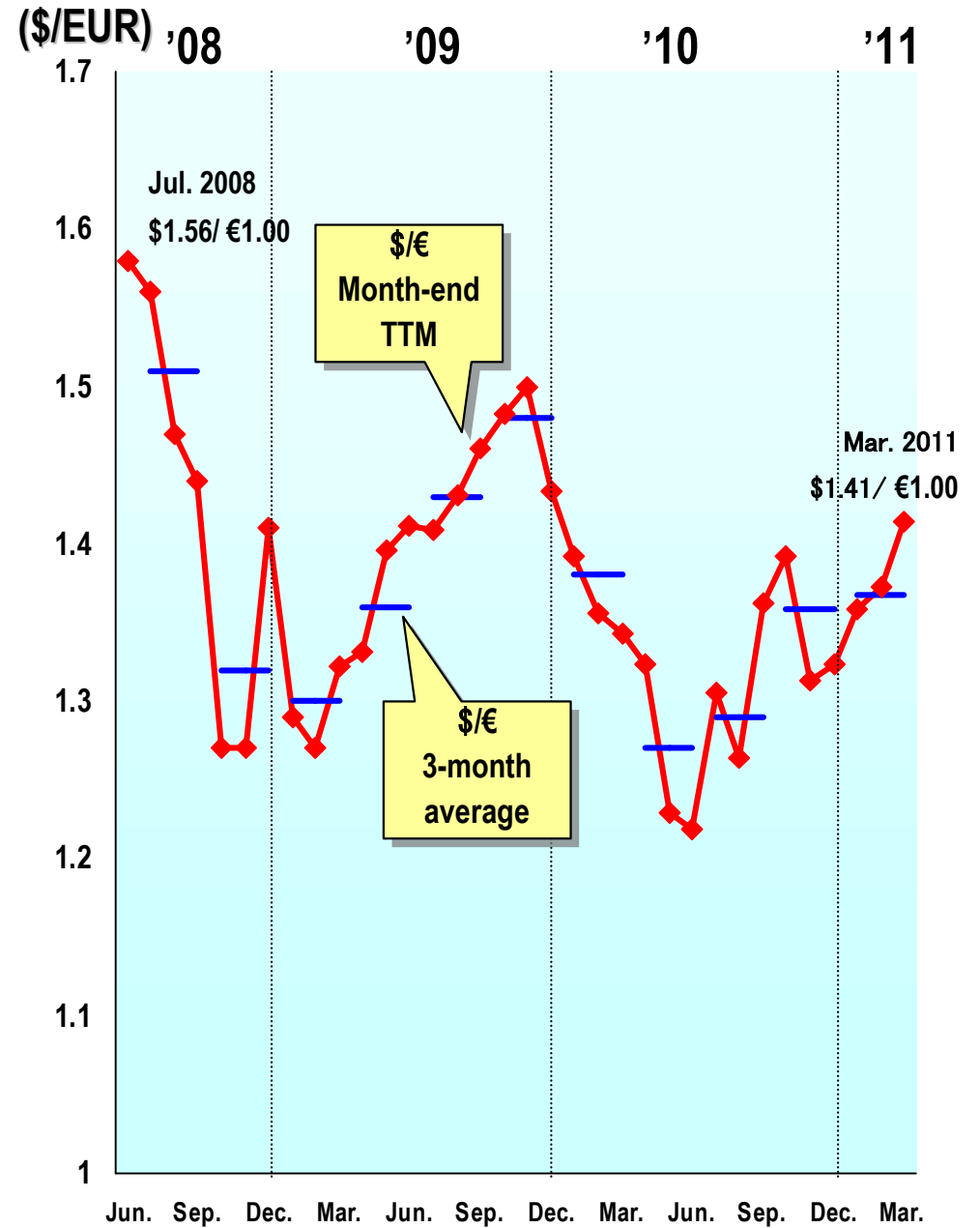


【Source: Teijin estimates based on data published by Dewitt】

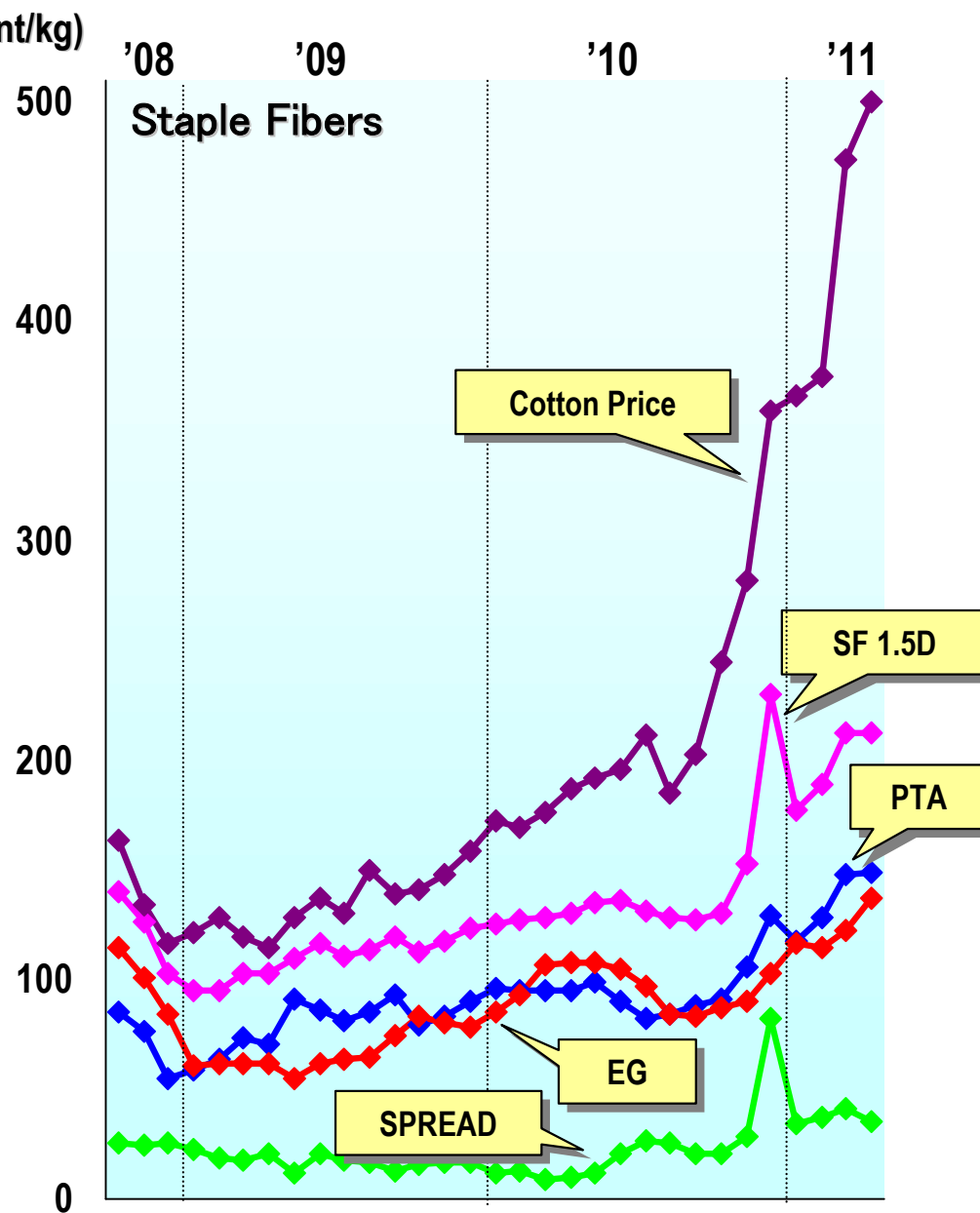
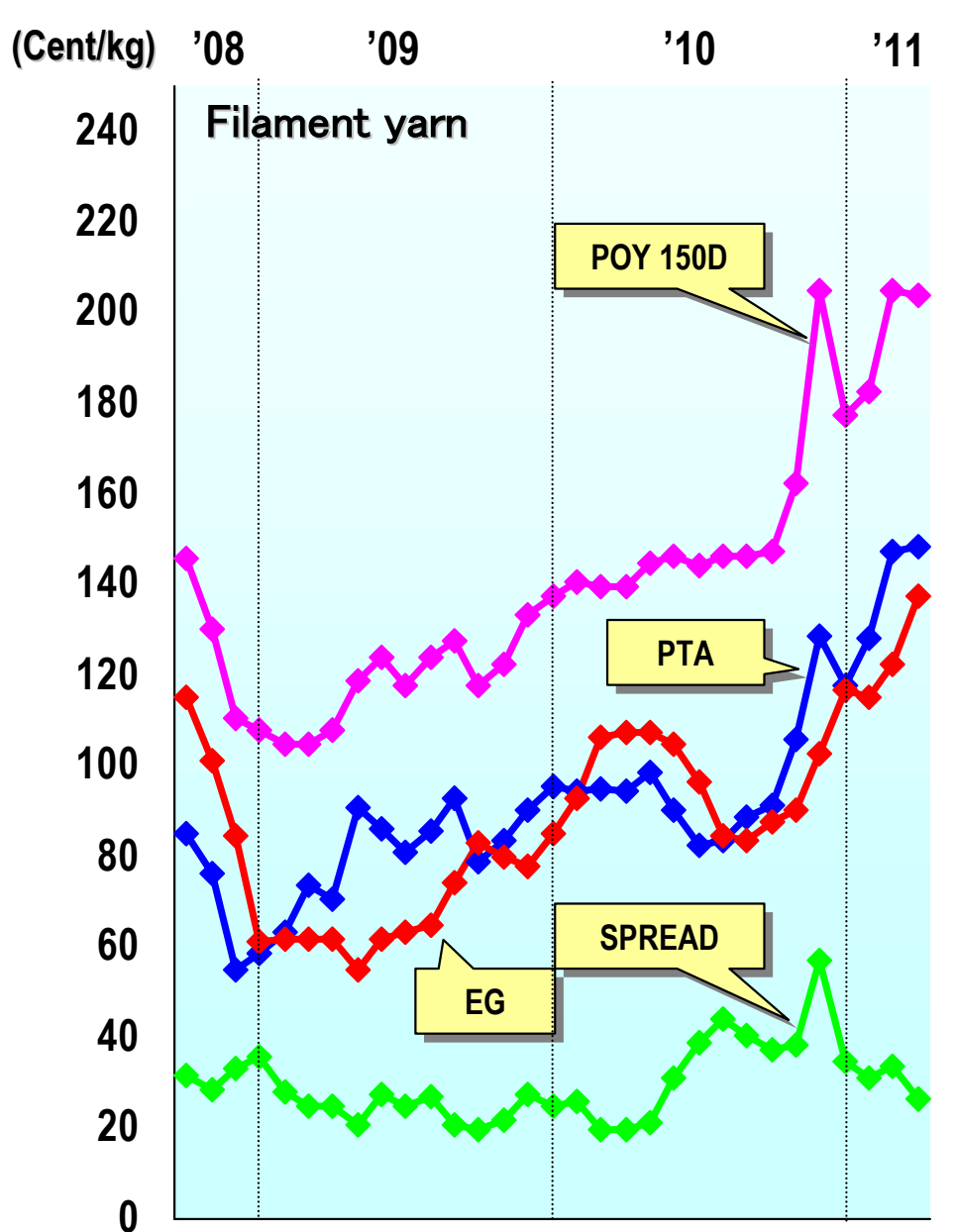
◆ Yen/Dollar, Yen/Euro Exchange Rates



◆ Dollar/Euro Exchange Rates



### ◆ Polyester Fibers Prices, Raw Materials Prices



Sep. Dec. Mar. Jun. Sep. Dec. Mar. Jun. Sep. Dec. Mar.

Sep. Dec. Mar. Jun. Sep. Dec. Mar. Jun. Sep. Dec. Mar.

[Source: Teijin estimates based on data published by PCI]



## ◆ Sales of Principal Pharmaceuticals

(¥bn)

Product	Indication	FY09					FY10				
		1Q	2Q	3Q	4Q	Annual Total	1Q	2Q	3Q	4Q	Annual Total
<i>Bonalon</i>	Osteoporosis	5.4	5.3	6.0	4.6	21.3	5.2	5.2	5.8	4.8	21.0
<i>Onealfa</i>	Osteoporosis	3.1	3.0	3.4	2.4	11.9	2.9	2.8	3.1	2.6	11.4
<b>Osteoporosis total</b>		<b>8.5</b>	<b>8.3</b>	<b>9.5</b>	<b>7.0</b>	<b>33.3</b>	<b>8.1</b>	<b>8.0</b>	<b>8.9</b>	<b>7.3</b>	<b>32.4</b>
<i>Mucosolvan</i>	Expectorant	2.6	2.3	3.2	2.2	10.3	2.5	2.1	2.9	2.4	10.0
<i>Venilon</i>	Severe infection	2.1	1.9	2.2	1.7	8.0	2.4	2.3	2.4	2.0	9.1
<i>Laxoberon</i>	Laxative	1.2	1.2	1.3	1.0	4.7	1.1	1.1	1.2	1.0	4.4
<i>Tricor</i>	Treatment for hyperlipidemia	0.4	0.4	0.5	0.3	1.6	0.4	0.4	0.4	0.5	1.8
<i>Bonalfa</i>	Treatment for Psoriasis	0.5	0.4	0.5	0.3	1.7	0.4	0.4	0.5	0.3	1.6
<i>Alvesco</i>	Treatment for asthma	0.3	0.2	0.3	0.3	1.1	0.3	0.3	0.4	0.3	1.2
<i>Spiropent</i>	Bronchodilator	0.3	0.3	0.3	0.2	1.1	0.3	0.2	0.3	0.2	1.0
<i>Synvisc Dispo</i>	Treatment for pain associated with OA of the knee	-	-	-	-	-	-	-	0.2	0.5	0.7

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

◆ Development Status by Therapeutic Area

(As of March 31, 2011)

	Phase of Clinical Trials				
	Phase I	Phase II	Phase III	Filed	Approved/New Launch
Bone and joint disease	ITM-058 GTH-42J <sup>*1</sup>			GTH-42V <sup>*2</sup>	
Respiratory disease					BTR-15K <sup>*3</sup> (New indication: asthma in children)
Cardio-vascular and metabolic disease		ITM-077 NTC-801	ITM-014		TMX-67 <sup>*4</sup>
Other			GGs [Venilon <sup>®</sup> ] (New indication for multiple sclerosis)	TV-02H <sup>*5</sup> [Bonalfa <sup>®</sup> Ointment] (PRC)	

<sup>\*1</sup> Phase I clinical trials for GTH-42J began in May 2010.

<sup>\*2</sup> Teijin filed for approval to manufacture and market GTH-42V in Japan in February 2011.

<sup>\*3</sup> In January 2011, BTR-15K was approved for a new indication (asthma in children)

<sup>\*4</sup> In January 2011, TMX-67 was approved for manufacture and marketing in Japan

<sup>\*5</sup> Teijin submitted a report on phase III clinical trials (required to secure import permit) for TV-02H and an application for permission to market the drug to the State Food and Drug Administration in the PRC in September 2010 (additional filing for low-concentration preparation)

◆ Status of Licensed-in Products in Preclinical Stage (Information for the past three years)

Contract	Company	Description
March 2008	Dong Wha Pharmaceutical Industrial Co., Ltd. (ROK)	Licensing agreement for osteoporosis drug

◆ Status of New Products

(As of March 31, 2011)

Generic name	Target Disease	Medical properties/Characteristics	Dosage form	Market size	Remarks
<i>Synvisc Dispo</i> 2ml (Sodium hyaluronate cross-linked polymer, cross-linked with vinyl sulfone)	Indicated for the treatment of pain in osteoarthritis (OA) of the knee in patients who have failed to respond adequately to conservative nonpharmacologic therapy or conventional oral medications	Treatment for pain associated with OA of the knee. Because molecular weight of sodium hyaluronate closely matches that of healthy synovial fluid, direct injection into the knee causes a temporary increase in synovial fluid viscosity, improving resistance to joint damage and relieving pain. Doses are smaller and fewer injections are needed to achieve extended pain relief, compared with other viscosupplements.	Injection	¥50.0 billion (Japanese market for sodium hyaluronate drugs)	Agreement for exclusive rights to commercialize in Japan signed with Genzyme Japan K.K. Commenced sales in Japan on December 14, 2010

◆ Approved

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
TMX-67 (febuxostat)	Gout and hyperuricemia	A novel non-purine drug that inhibits synthesis of uric acid; taken once daily, it reduces serum uric acid levels to the target level and keeps it low; no adjustment of dosage is required for patients with mild to moderate renal impairment, thereby offering hope to a significantly broader group of patients.	Oral	Developed in-house Received approval on January 21, 2011, to manufacture and market in Japan
BTR-15K (ciclesonide)	Asthma in children	A new indication for Alvesco, an inhaled steroid for treating asthma already on the market, for children; this is the first drug of its kind in Japan that is taken once daily; equally or more efficacious than other inhaled steroids, and less likely to cause either systemic or localized side effects.	Inhaled	Licensed in from Nycomed Group (Switzerland) Approved for new indication (asthma in children) on January 21, 2011

◆ Newly Developed Pharmaceutical Candidates

(As of March 31, 2011)

## Filed

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
TV-02H (tacalcitol monohydrate)	Psoriasis vulgaris	Licensing-out of <i>Bonalfa</i> high ointment 20 $\mu$ g/g to China; This product will offer an additional treatment option for psoriasis in China. Although two strengths (2 $\mu$ g/g and 20 $\mu$ g/g) of <i>Bonalfa</i> ointment are available in Japan, only <i>Bonalfa</i> ointment 2 $\mu$ g/g is available in China at present	Topical ointment	Filed with PRC's State Food and Drug Administration in September 2010 (Supplemental NDA to <i>Bonalfa</i> ointment 2 $\mu$ g/g )
GTH-42V (alendronate sodium hydrate)	Osteoporosis	Intravenous form of <i>Bonalon</i> , currently sold as an osteoporosis drug; holds promise as an alternative prescription in cases where patients are unable to take oral medications or where patient noncompliance is an issue; also promising because less likely than oral drugs to cause side effects in the upper gastrointestinal tract.	Injection	Licensed in from Merck & Co., Inc. (USA) Filed in Japan in February 2011.

## 【Phase III】

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
GGs (freeze-dried sulfonated human immunoglobulin)	Multiple sclerosis	Elicits an immune response that lowers the frequency of neurological manifestations of multiple sclerosis; holds promise as the first-choice alternative in cases where side effects and/or patient noncompliance mean existing drugs are unviable.	Injection	Developing jointly with Kaketsuken (New indication)
ITM-014 (Lanreotide acetate)	Acromegaly	Suppresses the excessive secretion of growth hormones associated with acromegaly; pharmaceutical formulation facilitates sustained release and extended pharmaceutical action, while prefilled syringe format makes it more convenient than existing acromegaly drugs and thus more conducive to patient compliance.	Injection	Licensed in from Ipsen Pharma SAS (France)

## 【Phase II】

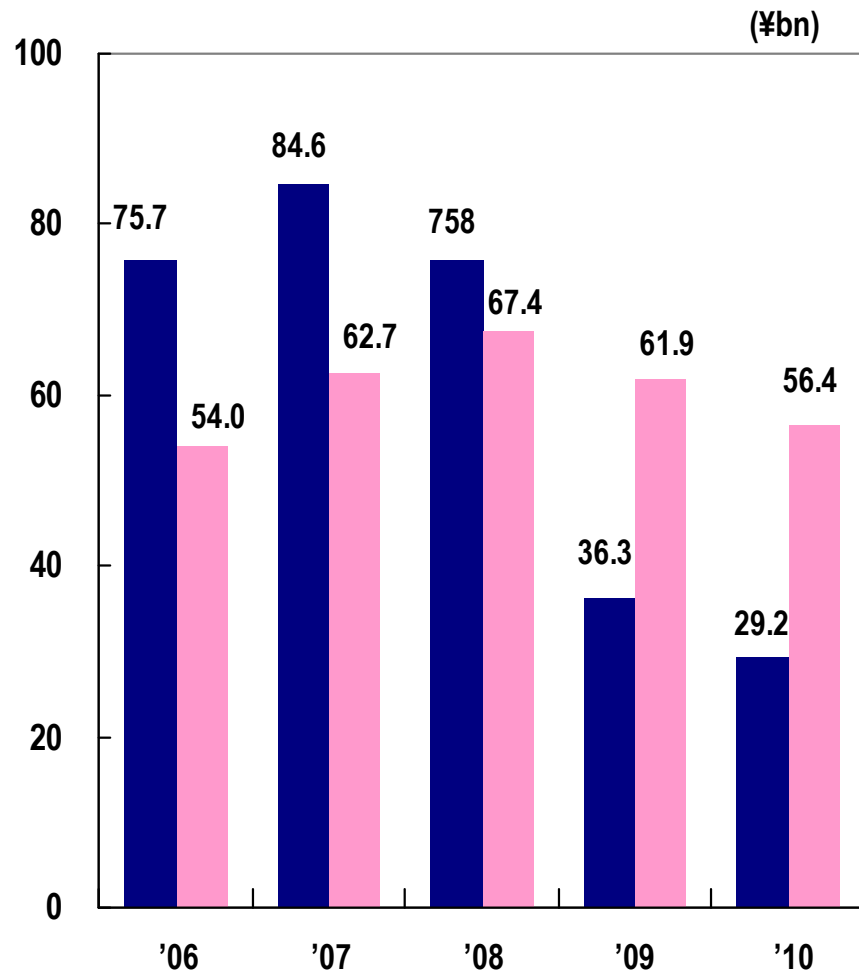
Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
ITM-077 (Taspoglutide)	Type II diabetes	Consists glycemic control with low risk of hypoglycemia, which stimulating glucose-dependent insulin secretion; Has body weight loss effect; once-weekly dosage is possible, enhancing convenience; Also expecting it protects and promotes regeneration of pancreatic beta cells, which secrete insulin.	Injection	Licensed in from Ipsen Pharma SAS (France); Developing jointly with Chugai Pharmaceutical Co., Ltd.
NTC-801	Atrial fibrillation and flutter	Promising atrial selective anti-arrhythmic drug for the treatment and prevention of atrial fibrillation and flutter; expecting that it does not cause ventricular side effects, such as arrhythmogenic or negative inotropic action, a problem with existing anti-arrhythmic drugs.	Oral	Developing jointly with Nissan Chemical Industries, Ltd.

## 【Phase I】

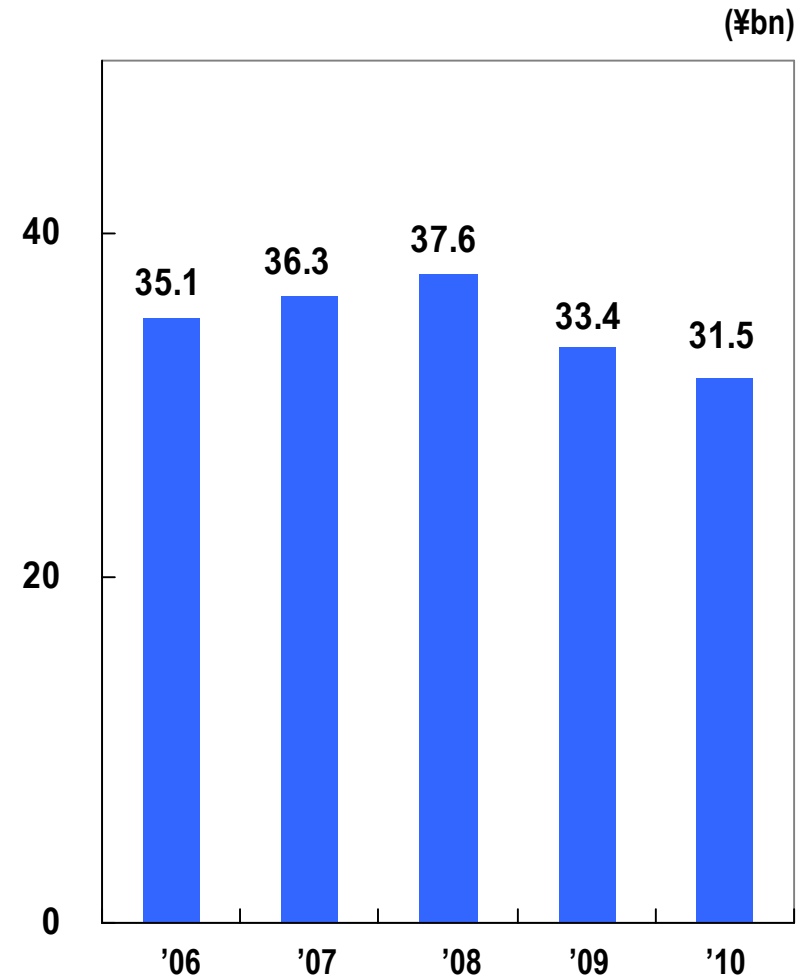
Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
ITM-058	Osteoporosis	Promising for the treatment of osteoporosis due to potency in promoting bone formation, resulting in a rapid increase in bone density and reduction in the risk of fracture. Superior to existing 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)
GTH-42J	Osteoporosis	Oral jelly formulation of <i>Bonalon</i> (alendronate sodium hydrate), currently sold as an osteoporosis drug; intended as the world's first jelly-form osteoporosis treatment; offers promise as an alternative for osteoporosis patients who dislike taking pills because it is easy to swallow and moderately firm, so holds shape; also promising because it is easily managed by elderly individuals.	Oral jelly	Licensed in from Merck & Co., Inc. (USA)

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

CAPEX/Depreciation & Amortization



R&D Expenses



# **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.