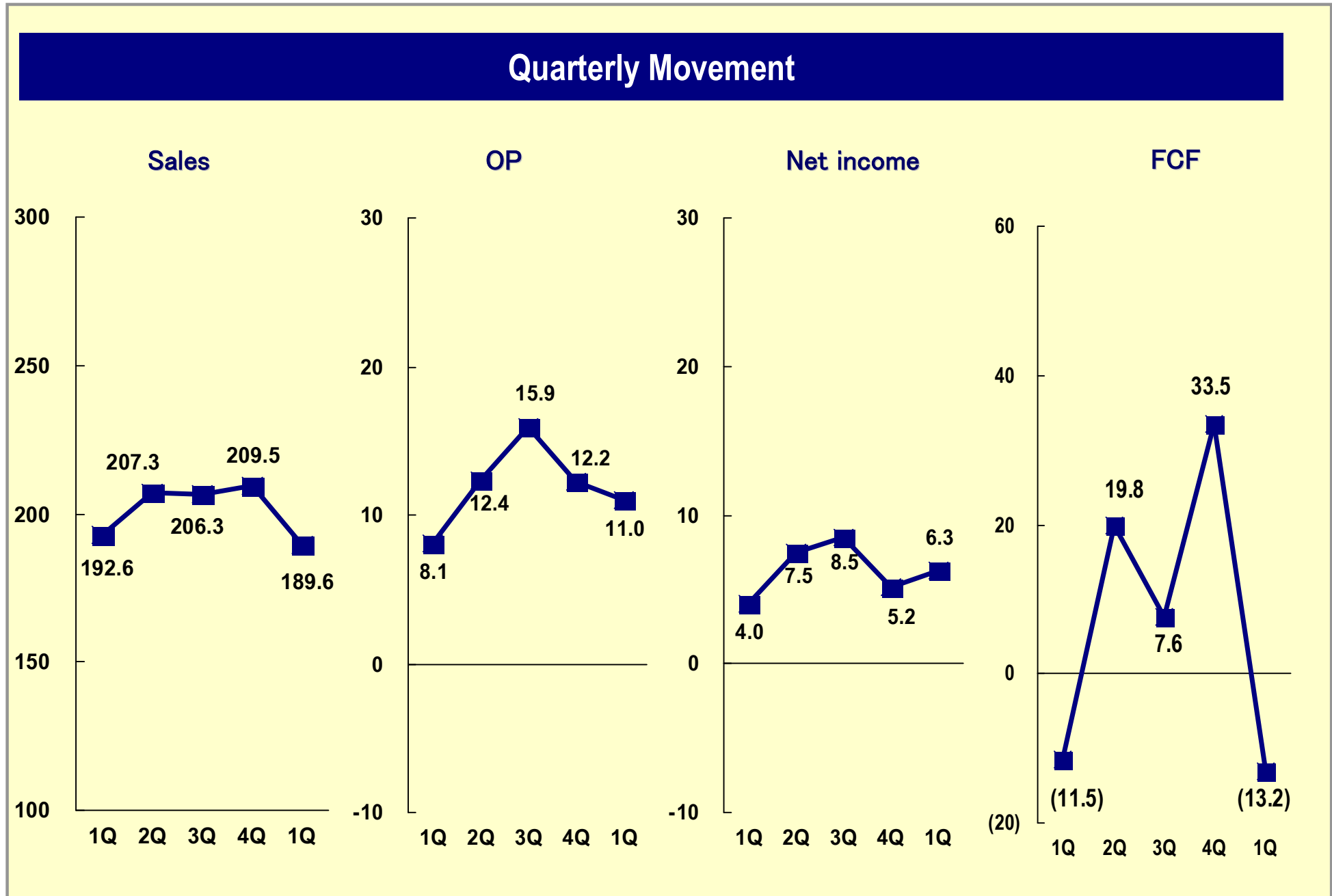

Flash Report
-1Q Results and FY11 Outlook-

Teijin Limited
August 1, 2011

Outline of FY11 1Q Result

(1) Consolidated Results Highlights

(¥bn)



◆ Operating Results

(¥bn)	FY10 1Q	FY11 1Q	Diff.
Net sales	192.6	189.6	-3.0
OP	8.1	11.0	+3.0
OP margin	4.2%	5.8%	-
Nonoperating items (net)	(0.3)	1.8	+2.1
Ordinary income	7.8	12.8	+5.1
Extraordinary items (net)	(1.1)	(0.1)	+1.0
Income before income taxes	6.7	12.7	+6.0
Income taxes	2.4	5.9	+3.5
Minority interest of consolidated subsidiaries(net)	0.2	0.5	+0.3
Net income(loss)	4.0	6.3	+2.2
EPS (¥)	4.10	6.38	+2.28

EBITDA *1	22.0	22.5	+0.5
CAPEX *2	4.6	5.0	+0.3
Depreciation & amortization	13.9	11.4	-2.4
R&D expenses	7.6	7.2	-0.5
FCF	(11.5)	(13.2)	-1.8

*1 EBITDA = Operating income + Depreciation & amortization

*2 CAPEX includes investments in intangible assets

- Net sales: Slipped, reflecting the impact of the earthquake and our withdrawal from loss-making businesses
- Operating income: Up, owing to firm demand in High-Performance Fibers segment and the positive impact of structural reforms
- Ordinary income: Up, bolstered by better results at unconsolidated affiliates accounted for by the equity method
- Net income: Up, reflecting improvement in net extraordinary items

◇ PL exchange rate

	FY10 1Q	FY11 1Q
¥/US\$	91	82
¥/€	126	113
US\$/€	1.38	1.37

Note: 1Q for overseas companies is Jan. 1 to Mar. 31.

◆ Extraordinary items

(¥bn)	FY10 1Q	FY11 1Q	Diff.
Gain on sales of investment securities	0.7	0.7	+0.0
Others	0.1	0.2	+0.1
Extraordinary income total	0.7	0.9	+0.1
Restructuring costs	0.8	-	-0.8
Earthquake-related expenses	-	0.4	+0.4
Others	1.1	0.5	-0.5
Extraordinary losses total	1.8	1.0	-0.9
Extraordinary items total	(1.1)	(0.1)	+1.0

Income taxes	2.4	5.9	+3.5
Minority interest in net gains & losses of consolidated subsidiaries	0.2	0.5	+0.3

- Improvement in net extraordinary items: + ¥1.0 billion
 - Structural reforms close to completion
 - Earthquake-related expenses ¥0.4 billion (Transfer of fixed costs, other losses, etc.)
- Increase in income taxes: + ¥3.5 billion
 - Attributable to increase in quarterly income before income taxes

◆ Financial Position

(¥bn)	Mar. 31, '11	Jun. 30, '11	Diff.	(Impact of foreign exchange rate)
Total assets	761.5	782.0	+20.5	+11.5
Shareholders' equity	284.2	291.4	+7.2	+3.4
Interest-bearing debt	267.4	284.6	+17.2	+4.9

D/E ratio	0.94	0.98	+0.04
Shareholders' equity ratio	37.3%	37.3%	-0.1%

- Total assets: Up
 - Due to higher inventories, a consequence of falling demand in the wake of the Great East Japan Earthquake
- Shareholders' equity: Up
 - Attributable to quarterly net income and a weakening of the yen
- Interest-bearing debt: Up
 - Owing to procurement of funds to increase working capital

◆ Cash Flows

(¥bn)	Operating activities	Investing activities	FCF	Financing activities	Cash & cash equivalents
FY11 1Q	-8.0	-5.3	-13.2	+9.3	-3.9
FY10 1Q	-8.6	-2.9	-11.5	+7.9	-3.5

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

◇ BS exchange rate

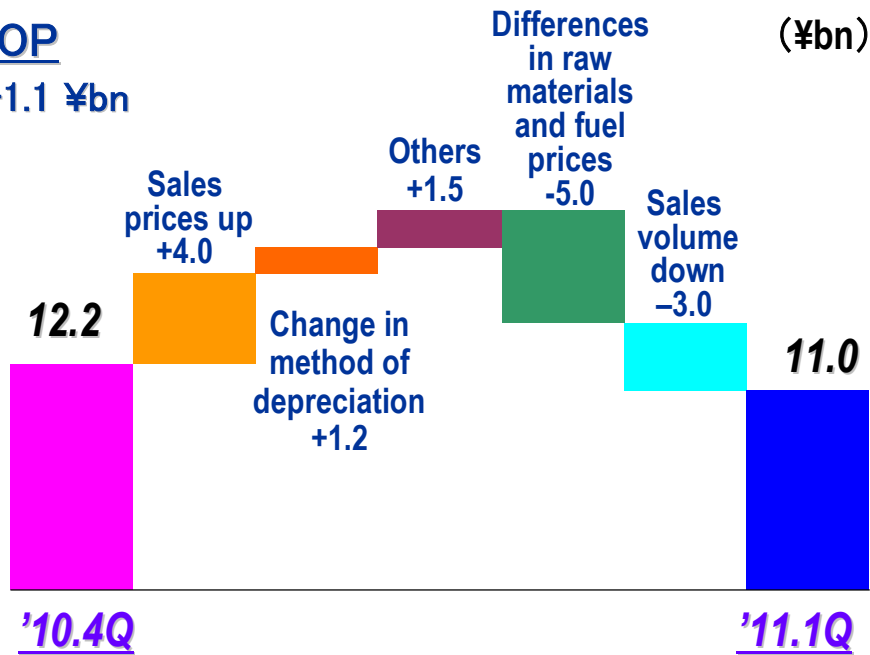
	Dec. 31, '10	Mar. 31, '11
¥/US\$	81	83
¥/€	108	118
US\$/€	1.32	1.41

Note: 1Q for overseas companies is Jan. 1 to Mar. 31.

◆ Analysis of Changes in Operating Results and Financial Position

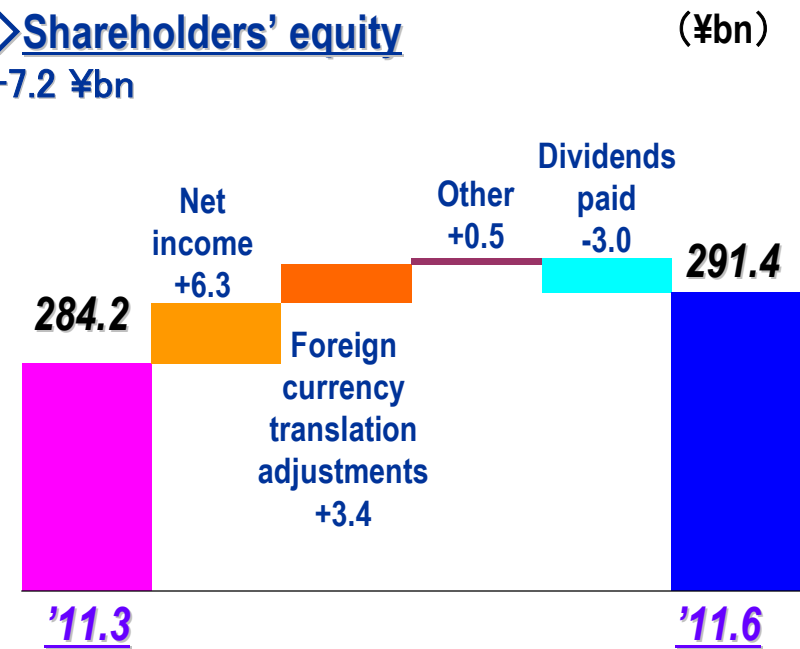
◇ OP

-1.1 ¥bn



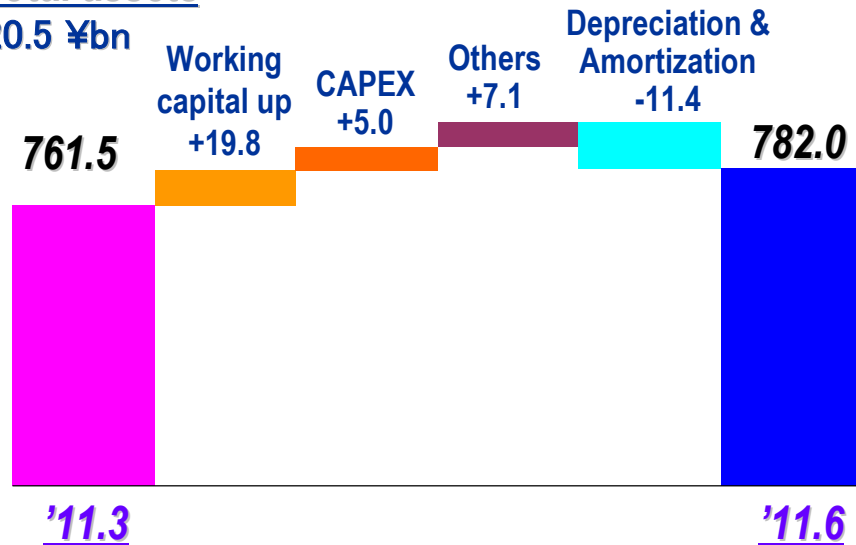
◇ Shareholders' equity

+7.2 ¥bn



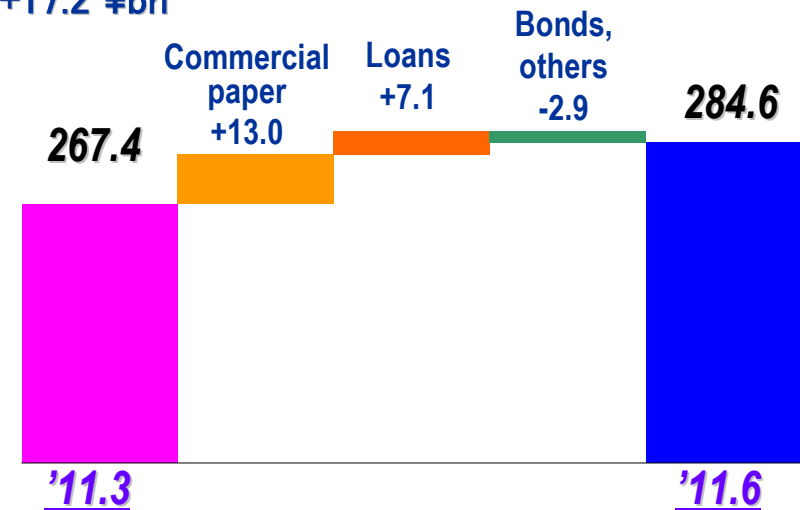
◇ Total assets

+20.5 ¥bn



◇ Interest-bearing debt

+17.2 ¥bn

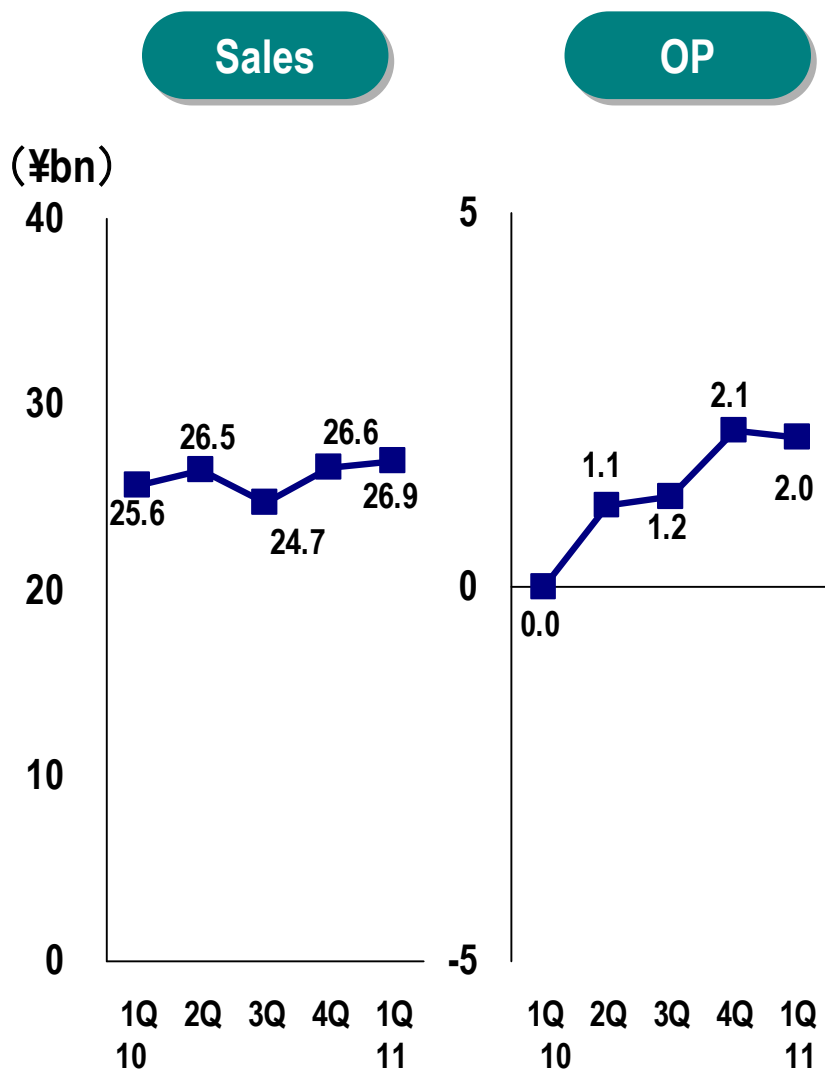


(2) Operating Results by Segment (Comparison with FY10 1Q)

(¥bn)	Sales				OP			
	FY10 1Q	FY11 1Q	Diff.	% Change	FY10 1Q	FY11 1Q	Diff.	% Change
High-Performance Fibers	25.6	26.9	+1.3	+5.1%	0.0	2.0	+2.0	-
Polyester Fibers	24.7	23.8	-0.9	-3.8%	0.0	0.5	+0.5	-
Films & Plastics	51.8	46.9	-4.9	-9.4%	3.6	3.2	-0.5	-12.8%
Pharma. & H.H.C.	33.7	34.9	+1.2	+3.6%	6.9	7.2	+0.3	+5.0%
Trading & Retail	48.7	48.2	-0.6	-1.1%	0.7	1.0	+0.3	+46.7%
Total	184.5	180.6	-3.9	-2.1%	11.3	13.9	+2.7	+23.6%
Others	8.1	9.0	+0.9	+11.0%	(0.1)	0.3	+0.4	-
Elimination & corporate	-	-	-	-	(3.1)	(3.2)	-0.1	-
Total	192.6	189.6	-3.0	-1.6%	8.1	11.0	+3.0	+36.6%

① High-performance fibers: Increase in sales and operating income

(¥bn)	10/1Q	11/1Q	Diff.	Change
Sales	25.6	26.9	+1.3	+5.1%
OP	0.0	2.0	+2.0	-



◆ Summary & Actions

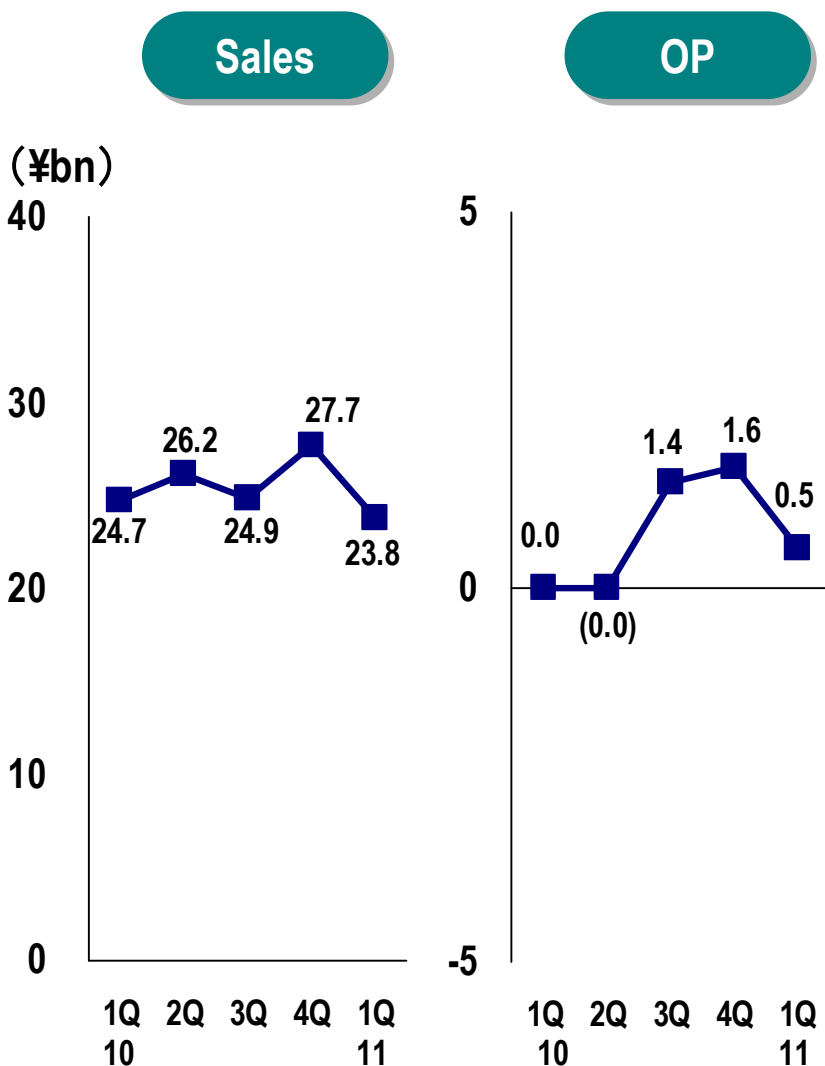
◇ Aramid Fibers:

- **Para-aramid fibers:**
Demand was firm, particularly for use in automotive-related materials, protective clothing and materials and fiber optic cables
- **Meta-aramid fibers:**
Demand was brisk in the PRC for use in filters and in Europe for use in automotive-related materials

◇ Carbon Fibers and Composites:

- Increased facility operating rates in response to improving demand for all major applications
- Sought to accommodate brisk demand for use in aircraft applications by focusing on enhancing supply capabilities
- Demand for use in sports and leisure equipment was solid
- Responded to considerable automaker interest by accelerating efforts to commercialize new technologies for CFRP that reduce molding time for parts to under one minute

② Polyester fibers: Sales down slightly, remained profitable at the operating level



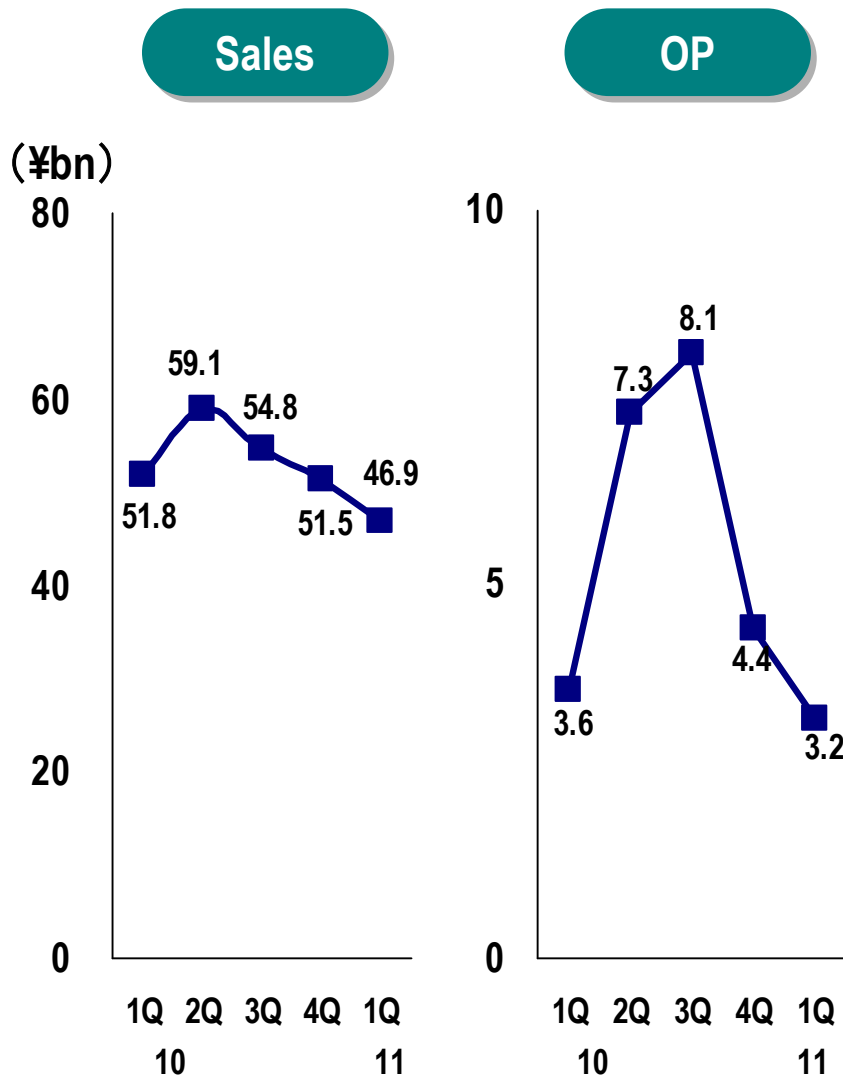
(¥bn)	10/1Q	11/1Q	Diff.	Change
Sales	24.7	23.8	-0.9	-3.8%
OP	0.0	0.5	+0.5	-

◆ Summary & Actions

◇ Polyester Fibers:

- Demand for products for automotive applications hampered by the earthquake; full recovery expected from July 2011
- Capitalizing on demand associated with official energy saving initiatives and measures to promote cooler business attire, as well as on demand for materials for civil engineering and construction applications related to reconstruction efforts
- Stepping up efforts to commercialize new line of bio-derived PET products (*PLANTPET; ECO CIRCLE Plantfiber*)

③ Films and Plastics: Decline in sales and operating income



(¥bn)	10/1Q	11/1Q	Diff.	Change
Sales	51.8	46.9	-4.9	-9.4%
OP	3.6	3.2	-0.5	-12.8%

◆ Summary & Actions

◇ Plastics:

Demand for use in electrical and electronics equipment and for automotive applications slowed, owing to the impact of the Great East Japan Earthquake

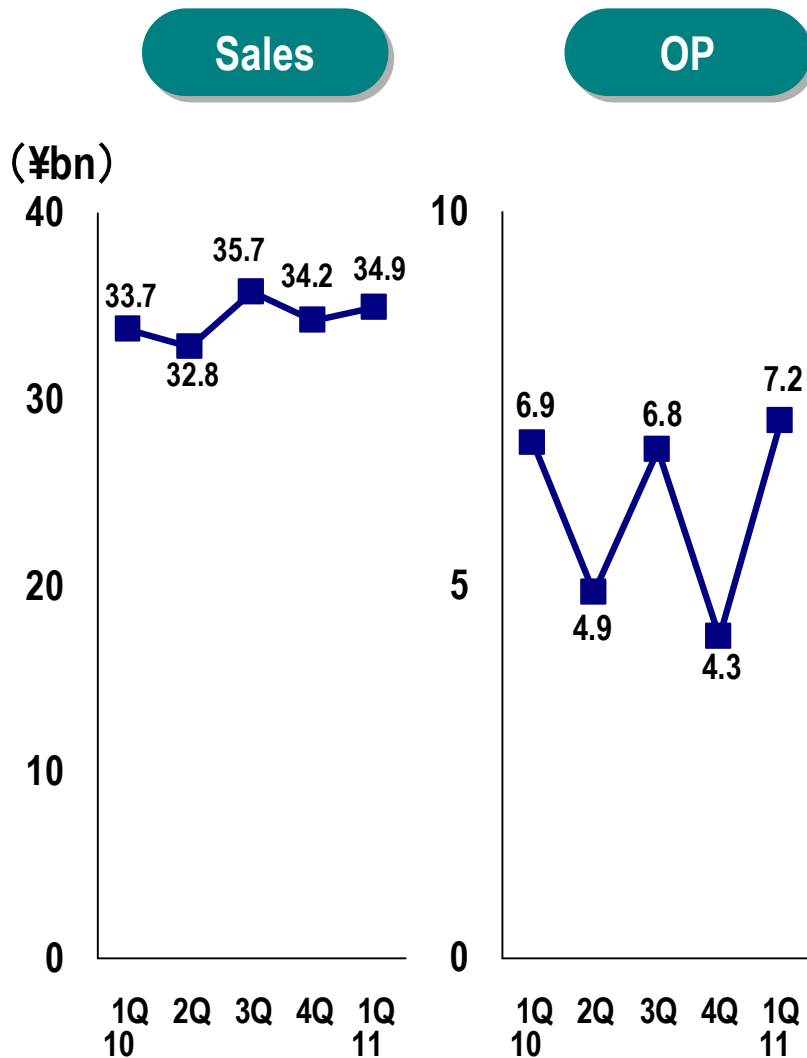
- Polycarbonate resin:
 - In response to persistently high prices for key raw materials, we continued to focus on implementing sales price adjustments
- Processed polycarbonate resin products:
 - Sales of newly developed products expanded steadily
 - Our share of the market for polycarbonate retardation film remains high

◇ Films:

- PET film (Japan): Demand remained steady for use as FPD reflective film and in solar cell back sheets; Utsunomiya and Ibaraki factories partially affected by earthquake, forcing temporary suspension of production by mid-June 2011
- PET film (Europe and USA): Demand for use in solar cells, among others, showed signs of slowing

④ Pharmaceuticals and Home Health Care: Increase in sales and operating income

(¥bn)	10/1Q	11/1Q	Diff.	Change
Sales	33.7	34.9	+1.2	+3.6%
OP	6.9	7.2	+0.3	+5.0%



◆ Summary & Actions

◇ Pharmaceuticals:

- Launched new treatment for hyperuricemia (*FEBURIC*) —the first novel drug in this field for 40 years— in Japan, in May 2011, and continued expanding the geographic scale of overseas marketing efforts
- Sales of *Synvisc Dispo*, an intra-articular injection-form drug for treating pain associated with osteoarthritis of the knee, launched in Japan in December 2010, were firm
- Shipments of *Bonalon** increased favorably
- Commenced sales of inhaled steroid *Alvesco* for asthma in children (April 2011)

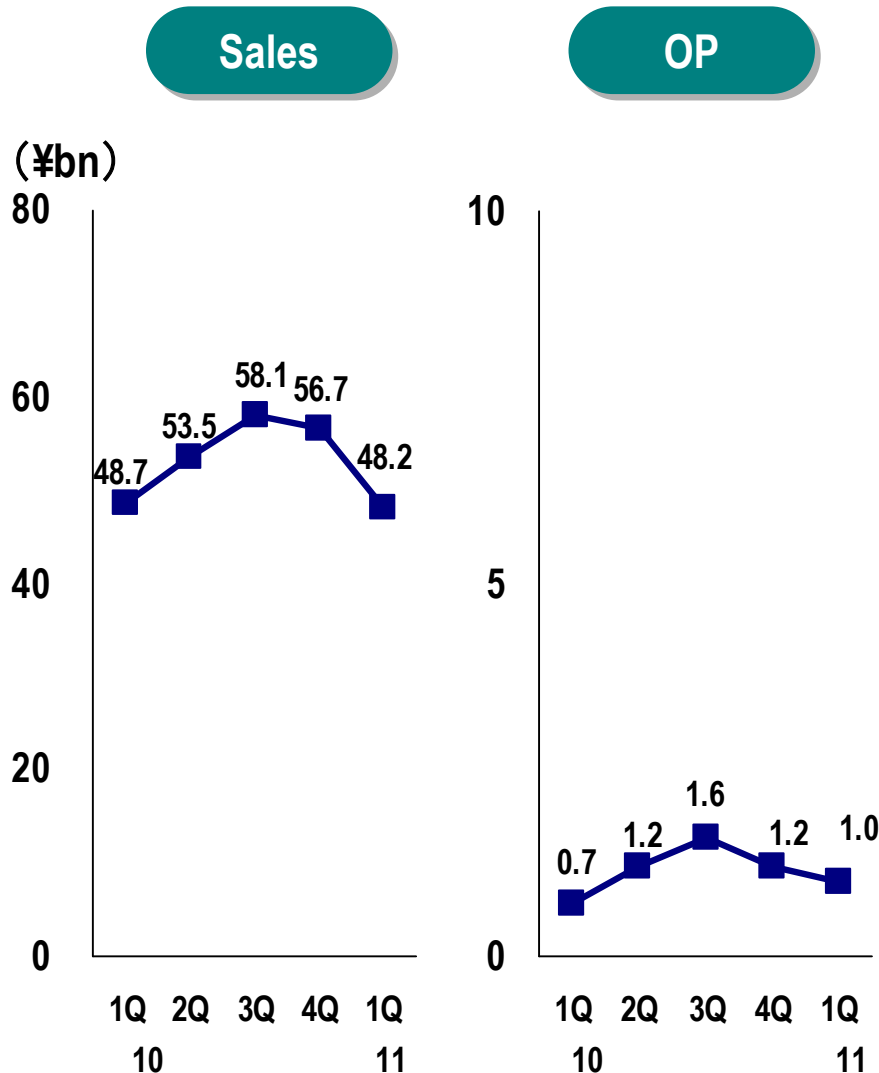
◇ Home Health Care:

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

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

⑤ Trading and Retail: Sales down slightly, increase in operating income

(¥bn)	10/1Q	11/1Q	Diff.	Change
Sales	48.7	48.2	-0.6	-1.1%
OP	0.7	1.0	+0.3	+46.7%



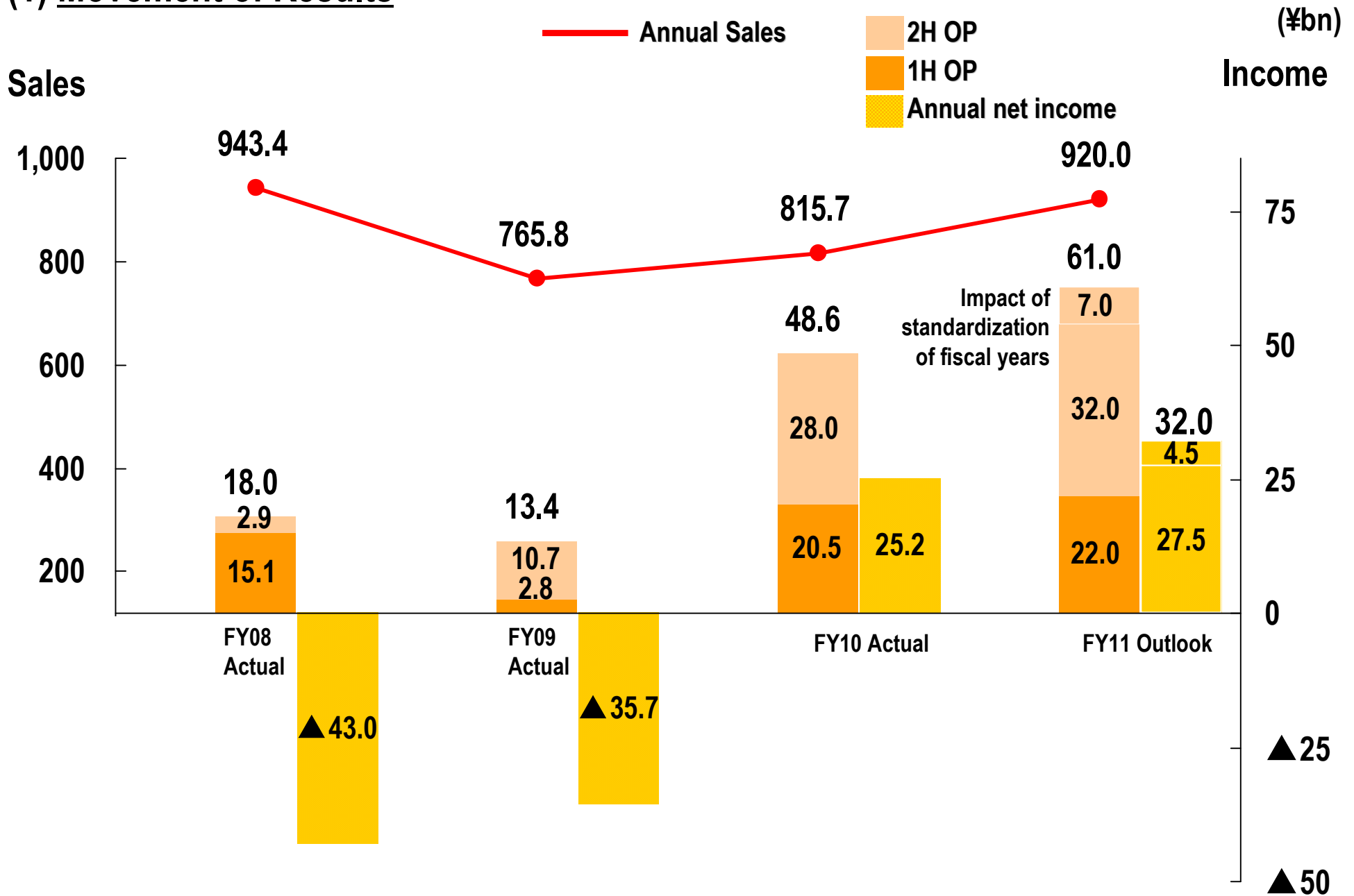
◆ Summary & Actions

◇ Trading and Retail:

- **Textiles and Apparel**
 - Sales of casual wear to volume retailers fell
 - Withdrawal from poorly performing businesses and the reduction of costs helped bolster operating income
- **Industrial Textiles and Materials**
 - Sales of products for automotive-related applications down, owing to the impact of the earthquake
 - Category sales were essentially level with the first quarter of fiscal 2010, owing to robust sales of general-purpose products and materials for interior and household applications

FY11 Outlook

(1) Movement of Results



(2) Summary of Outlook for FY11

(¥bn)	FY10	FY11	Difference	
			Amount	%
Net sales	815.7	920.0	+104.3	+13%
Operating income	48.6	61.0	+12.4	+26%
Operating margin	6.0%	6.6%	-	+0.6%
Ordinary income	50.3	61.0	+10.7	+21%
Net income	25.2	32.0	+6.8	+27%

EBITDA *1	105.0	116.0	+11.0
CAPEX *2	29.2	45.0	+15.8
Depreciation & amortization	56.4	55.0	-1.4
R&D expenses	31.5	33.0	+1.5
FCF	49.4	30.0	-19.4

◆ Dividends Declared for Fiscal 2010 and Forecast for Fiscal 2011

(¥/share)	FY10	FY11	Diff.
Interim	2.0	3.0	+1.0
Year-end	3.0	3.0	-
Annual dividends	5.0	6.0	+1.0

(¥bn)	Mar. 31, '11	Mar. 31, '12	Diff.
Assets:			
Inventories	105.5	110.0	+4.5
Total	761.5	780.0	+18.5
Interest-bearing debt	267.4	250.0	-17.4

*1 EBITDA = (Operating income + Depreciation & amortization)

*2 CAPEX includes investments in intangible assets

◆ Exchange rate and Crude Oil Price Forecast for FY11

JPY per USD : 81 JPY per EUR : 115
Dubai crude oil price : US\$109/barrel

(3) Changes in Net Sales and Operating Income for FY10-FY11

		FY10					Annual Total	FY11 (Outlook)			Annual Total
		1Q	2Q	3Q	4Q	1Q		2Q	2H		
Net Sales	High-Performance Fibers	25.6	26.5	24.7	26.6	103.4	26.9	28.1	85.0	140.0	
	Polyester Fibers	24.7	26.2	24.9	27.7	103.5	23.8	31.2	65.0	120.0	
	Films & Plastics	51.8	59.1	54.8	51.5	217.1	46.9	48.1	150.0	245.0	
	Pharma. & H.H.C.	33.7	32.8	35.7	34.2	136.4	34.9	35.1	80.0	150.0	
	Trading & Retail	48.7	53.5	58.1	56.7	216.9	48.2	51.8	125.0	225.0	
	Total	184.5	198.0	198.2	196.6	777.3	180.6	194.4	505.0	880.0	
	Others	8.1	9.3	8.0	12.9	38.3	9.0	11.0	20.0	40.0	
Total	192.6	207.3	206.3	209.5	815.7	189.6	205.4	525.0	920.0 [*80.0]		
Operating Income	High-Performance Fibers	0.0	1.1	1.2	2.1	4.4	2.0	3.0	9.0	14.0	
	Polyester Fibers	0.0	(0.0)	1.4	1.6	3.0	0.5	1.0	2.5	4.0	
	Films & Plastics	3.6	7.3	8.1	4.4	23.4	3.2	3.3	13.5	20.0	
	Pharma. & H.H.C.	6.9	4.9	6.8	4.3	22.9	7.2	5.3	15.5	28.0	
	Trading & Retail	0.7	1.2	1.6	1.2	4.7	1.0	1.0	3.0	5.0	
	Total	11.3	14.6	19.2	13.6	58.5	13.9	13.6	43.5	71.0	
	Others	(0.1)	1.0	0.2	2.0	3.1	0.3	0.7	2.0	3.0	
Elimination & corporate	(3.1)	(3.1)	(3.5)	(3.4)	(13.1)	(3.2)	(3.3)	(6.5)	(13.0)		
Total	8.1	12.4	15.9	12.2	48.6	11.0	11.0	39.0	61.0 [*7.0]		

* Impact of standardization of fiscal years

(4) Financial Highlights

	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Outlook
ROA ^{*1}	6.5%	1.9%	1.6%	6.1%	8%
ROE ^{*2}	3.3%	(12.3%)	(12.4%)	9.1%	11%
Operating margin	6.3%	1.9%	1.8%	6.0%	7%
D/E ratio	0.83	1.18	1.18	0.94	0.8
Shareholders' equity ratio	38.5%	35.0%	33.0%	37.3%	40%
Earnings per share (¥)	13.2	(43.7)	(36.3)	25.6	32.5
Dividends per share (¥)	8.0	5.0	2.0	5.0	6.0
Total assets (¥bn)	1,016.0	874.2	823.1	761.5	780.0
Interest-bearing debt (¥bn)	325.2	361.3	320.3	267.4	250.0
EBITDA (¥bn) ^{*3}	127.8	85.3	75.3	105.0	116.0

*1. ROA= Operating income/Total assets

*2. ROE= Net income/Shareholders' equity

*3. EBITDA = Operating income + Depreciation & amortization

(5) Changes in Account Policy

【Timing】 Effective from the fiscal year ending March 31, 2012

【Scope】 All Teijin Group subsidiaries

a) Impose March 31 settlement date for all Teijin Group subsidiaries

Adjust accounting periods of those subsidiaries with settlement dates other than March 31, thereby resolving problems arising from having disparate fiscal years.

- 【Aims】**
- Guarantee the timeliness and appropriateness of disclosure and prepare for the adoption of International Financial Reporting Standards (IFRS)
 - Facilitate the more efficient application of the PDCA cycle, thus accelerating both decision making and action

Note: For unconsolidated affiliates accounted for by the equity method, the timing of implementation will be determined case-by-case on the basis of material impact and through negotiation with joint venture partners

b) Shift to straight-line method for determining depreciation

Domestic consolidated subsidiaries, which principally use the declining-balance method, are shifting to the straight-line method

- 【Aim】**
- Unify standards for decision making, prepare for the adoption of IFRS

(6) Impact of Great East Japan Earthquake: Current situation and outlook

Application/Market	Current situation and outlook
Automobiles	<ul style="list-style-type: none"> • Owing to a decline in automakers' operating rates, demand is flagging, particularly in our Polyester Fibers, Plastics and Fiber Products Marketing business groups • Operating rates have improved gradually since bottoming out at 50%–55% in April/May 2011, and are expected to recover to 80%–90% for the second quarter and 100% for the second half
Electrical, electronics and OA equipment	<ul style="list-style-type: none"> • Plastics: Owing to difficulties in procuring parts made in Japan, operating rates at customers' production facilities in Japan and the PRC have plummeted, hampering demand, particularly for compounds used in OA equipment • Films: Demand is languishing for use in FPDs, primarily for LCD televisions, and in solar cell back sheets • Our operating rates are expected to continue recovering gradually from summer onward, although the speed will vary according to application/customer, with facilities returning to full production in the second half of fiscal 2011
Pharmaceuticals and home health care	<ul style="list-style-type: none"> • Demand remains favorable overall, although rental volume in the home health care business is down in areas devastated by the earthquake

(6)-2 Impact of Great East Japan Earthquake on FY11 performance

Impact on operating income	¥ 4.5 billion
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Lost sales opportunities	¥ 5.0 billion
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Fixed costs included in extraordinary losses	– ¥ 0.5 billion
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Impact on extraordinary losses	¥ 0.5 billion
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Transfer of fixed costs, other losses, etc.	¥ 0.5 billion
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Total losses associated with disaster in FY11	¥ 5.0 billion
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(7) Groupwide challenges

■ Up to and including fiscal 2010: Structural reforms

■ Fiscal 2011: Measures aimed at repositioning Teijin on a growth trajectory

- Respond swiftly and effectively to the devastation caused by the Great East Japan Earthquake and achieve the full and prompt restoration of normal operations
- Manifest the full benefits of structural reforms
 - > Continue working to enhance cost competitiveness
 - > Maintain stance on restricting total capital investment
- Continue to promote effective risk management
 - > Formulate contingency plans
- Strengthen sales capabilities and R&D platform
 - > Maintain dedicated focus on customers
 - > Enhance product pipeline
 - > Promote the development of sophisticated new products; reinforce midstream and downstream capabilities
- Take active steps to foster new businesses and to participate in promising projects
- Formulate new medium-term management plan
(to be announced in February 2012)

Toward sustainable growth

(7) Challenges in individual businesses**Companywide challenges**

- ◆ Capitalize on recovery-related demand
- ◆ Restore sales by responding to recovery in automotive production, etc.

Aramid Fibers	<ul style="list-style-type: none"> ● Improve productivity by eliminating production bottlenecks ● Raise sales prices while maintaining current market share ● Cultivate market for high-performance polyethylene products
Carbon Fibers and Composites	<ul style="list-style-type: none"> ● Reinforce technologies and cultivate new applications for thermoplastic composites ● Promptly commercialize next-generation technologies ● Improve profitability of thermoset composites business
Polyester Fibers	<ul style="list-style-type: none"> ● Ensure continued smooth production of items shifted from Japan to subsidiary in Thailand ● Maintain sales prices despite softening of raw materials prices
Plastics	<ul style="list-style-type: none"> ● Adjust sales prices in response to persistently high raw materials prices ● Promote development of technologies to expand processed polycarbonate products business ● Expand sales for automotive glazing
Films	<ul style="list-style-type: none"> ● Maintain market share for principal applications and adjust sales prices ● Expand production capacity for promising products used in FPDs, among others
Pharmaceuticals and Home Health Care	<ul style="list-style-type: none"> ● Boost sales and accelerate global marketing of novel treatment for hyperuricemia ● Promptly expand sales of <i>Synvisc Dispo</i> ● Reinforce profitability of home health care business in overseas markets
Trading and Retail	<ul style="list-style-type: none"> ● Expand commercial area by reinforcing production network in Asia
IT	<ul style="list-style-type: none"> ● Develop solutions that respond to customer needs

(8) Status of new business development efforts

① Thermoplastic CFRP

Tightening of European CO₂ emissions regulations

⇒ Innovative technologies contributing to lighter vehicle weight and the development of electric vehicles an important R&D theme

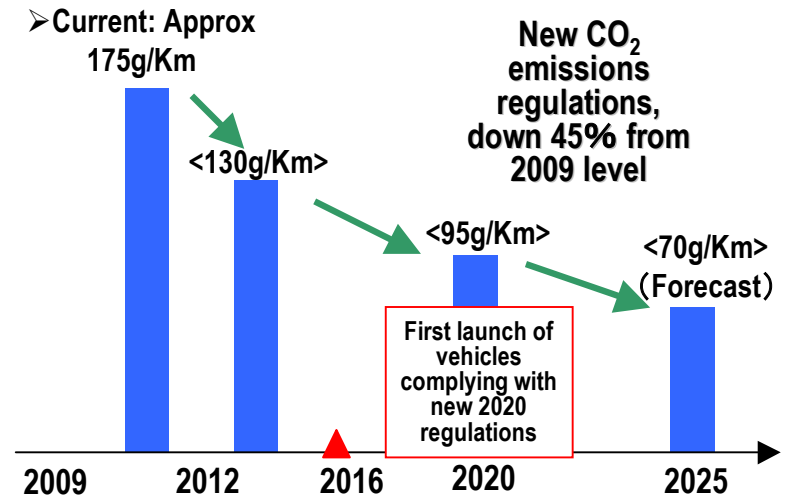
Teijin has established the world's first mass-production technologies for thermoplastic CFRP that facilitate molding in less than one minute

* In 2011, these technologies were recognized with a major award for innovation from Frost & Sullivan

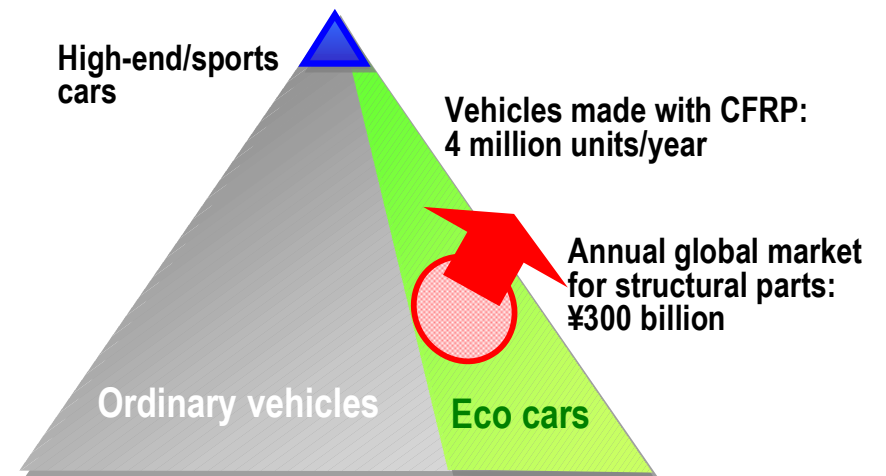
- Facilitate high productivity and low production costs
- Parts are more easily bonded together
- Recyclable

⇒ Promote adoption of ultralight vehicles with new vehicle architecture featuring CFRP as eco cars (utility vehicles) = Cultivate new markets

Tightening of European CO₂ emissions regulations



Outlook for Global Automotive Market in 2020



Total annual global production: 84 million units

Source: Fuji-Keizai Group

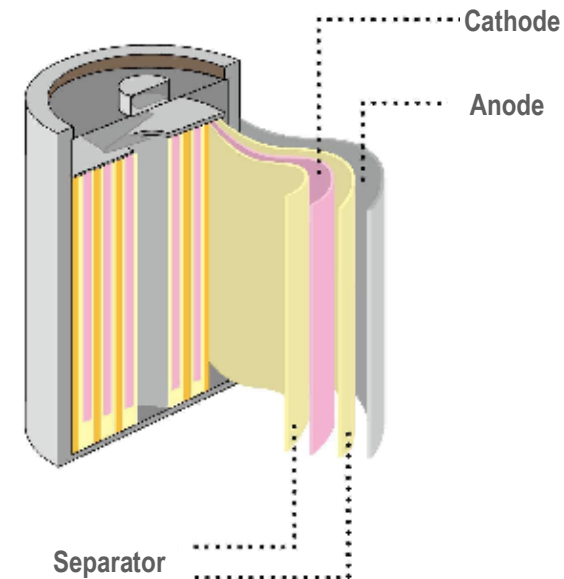
Accelerating development of technologies that will facilitate mass production

② LiB separators

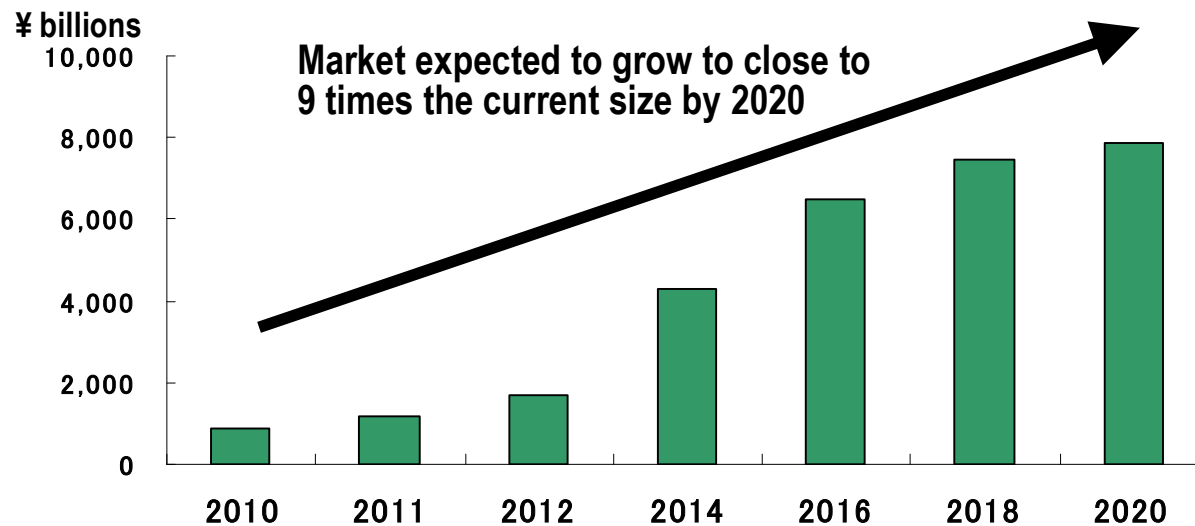
Increased battery capacity and energy density

⇒ Need to ensure greater product safety by reducing the risk of explosion

- Development of separators made with aramid materials, ensuring superior heat resistance and durability



Outlook for LiB Market (for use in PCs, mobile phones and automobiles)



Demand for use in PCs and automobiles expected to lead market growth

③ Wastewater treatment

Shortage of water resources and increasingly acute problem of water contamination

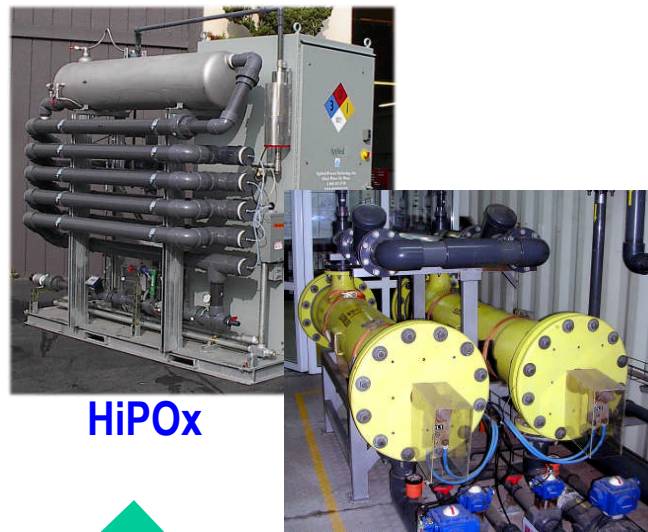
⇒ Increasingly sophisticated needs related to the recycling/reuse of water and water processing

Biological treatment technologies



MSABP

Advanced treatment technologies



HiPOx

ELCAT

(Examples of use)

MSABP

- Plant built in the PRC by Shin-Etsu Chemical Co., Ltd.
- Wastewater processing facility in Angola
- Plant built in the PRC by a Nippon Kayaku Co., Ltd., group company
- Verification tests conducted in cooperation with Japan Sewage Works Agency

HiPOx

- Joint development with the Singapore Public Utilities Board
- ⇒ Technology award from Japan Ozone Association

Plant engineering, water quality analysis, consulting

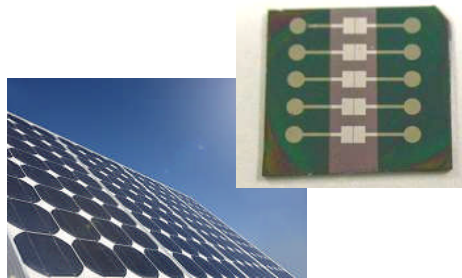
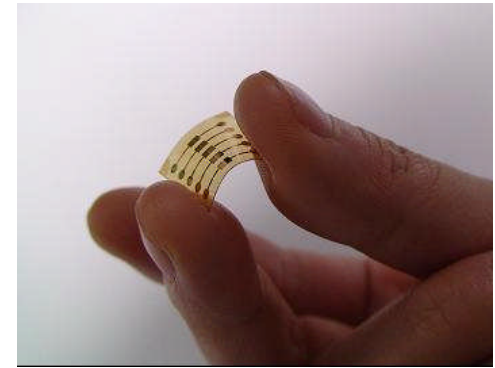
Aiming to provide comprehensive water treatment solutions

④ Nanosilicon inks for semiconductors

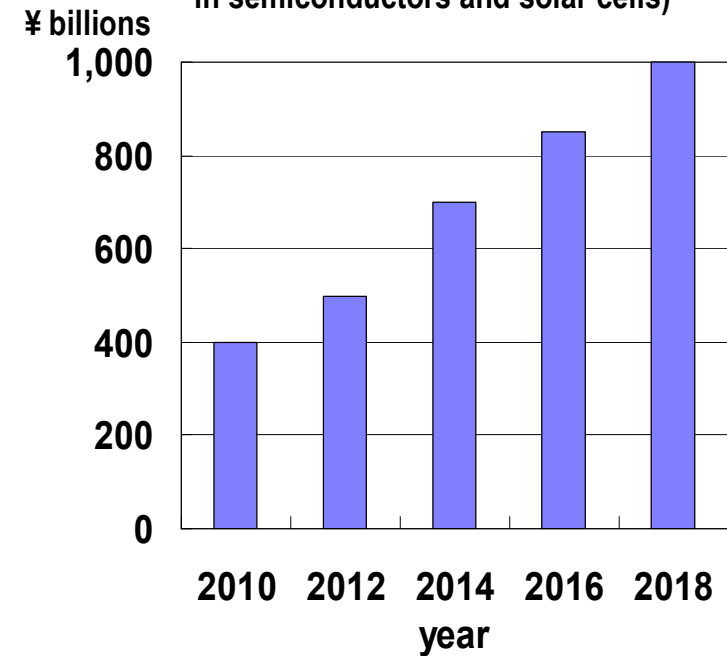
Trend toward light, thin and flexible solar cells and LCDs

⇒ Heightened interest in printed electronics

- Developed technology for fabrication of silicon semiconductors on general-use plastic substrates
- Acquired NanoGram Corporation of the United States (July 2010)
 - > Boasts the world's only laser pyrolysis technology for manufacturing nanomaterials
 - > Developed silicon inks, a crucial material for semiconductors



Outlook for Silicon Market (for use in semiconductors and solar cells)



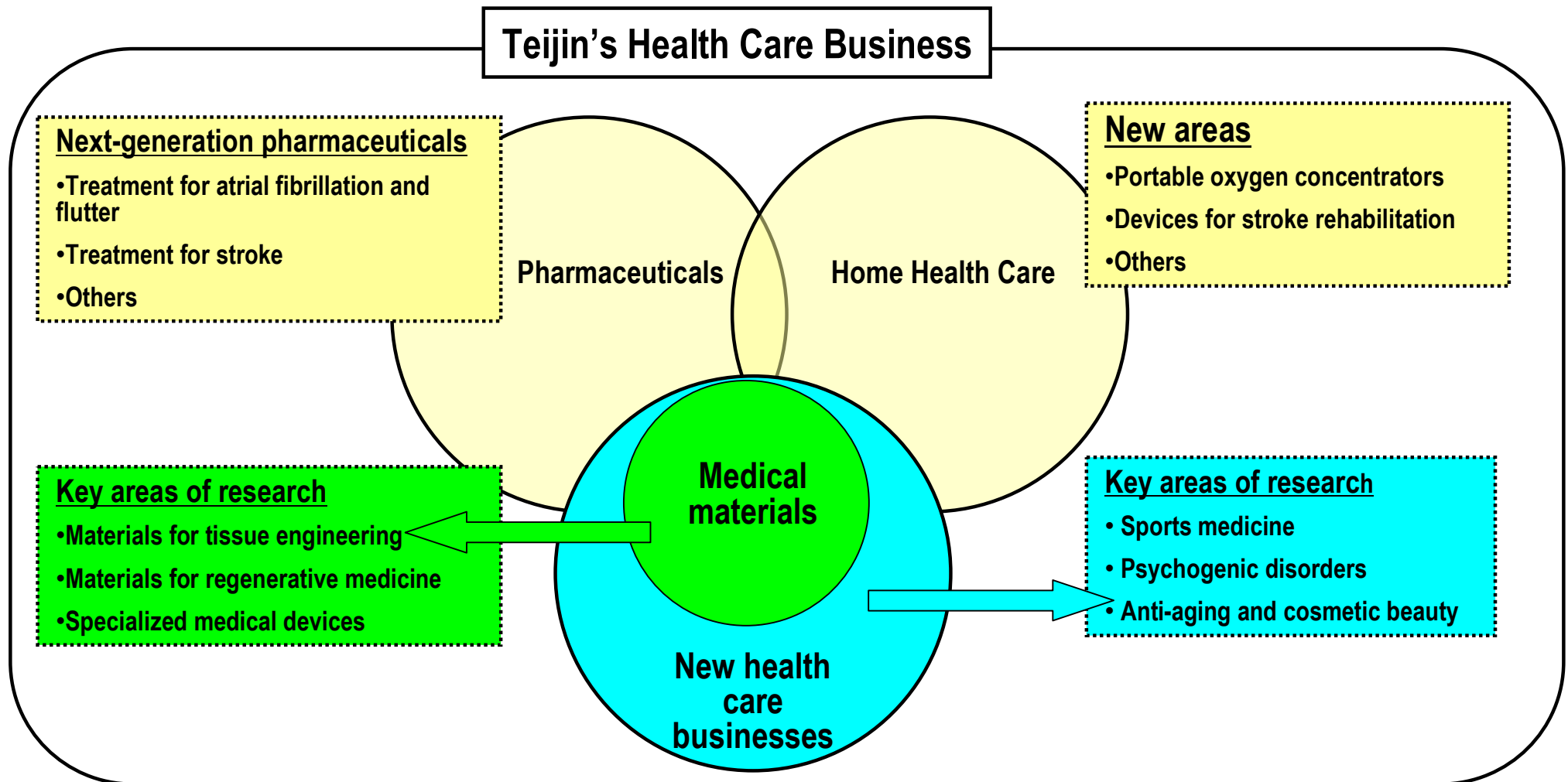
Makes it possible to significantly reduce production costs for semiconductors and solar cell elements



Entry into the market for silicon devices

⑤ Health care business

New businesses in existing domains and in overlapping domains, notably advanced medical materials



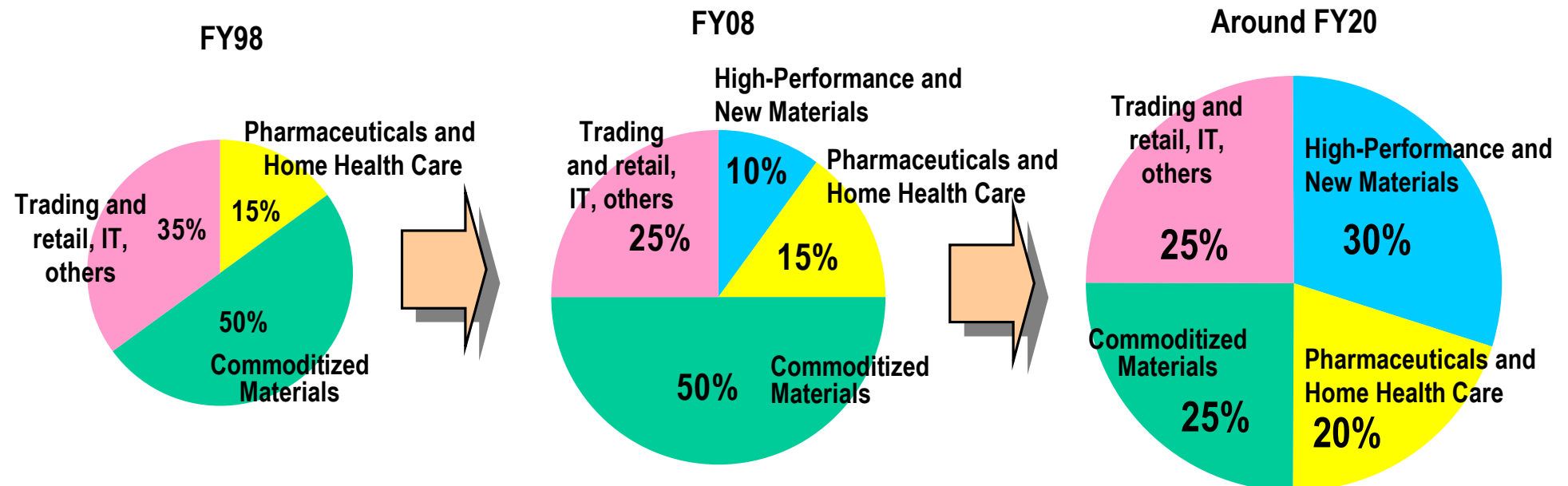
New directions for our health care business

(9) Formulation of new medium-term management plan

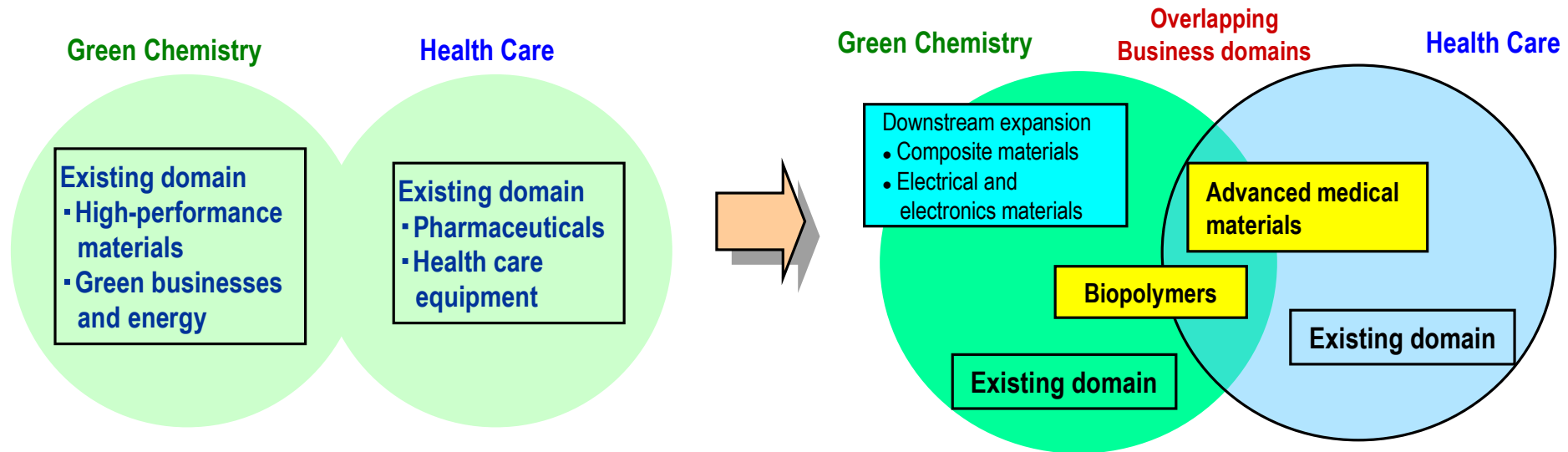
- Formulate plan with long-term perspective and clear vision of where we want to be
 - Contribute to society through our business activities
 - Ensure consistently profitable growth
 - Achieve global excellence

- Restructure business, technology and geographic portfolios

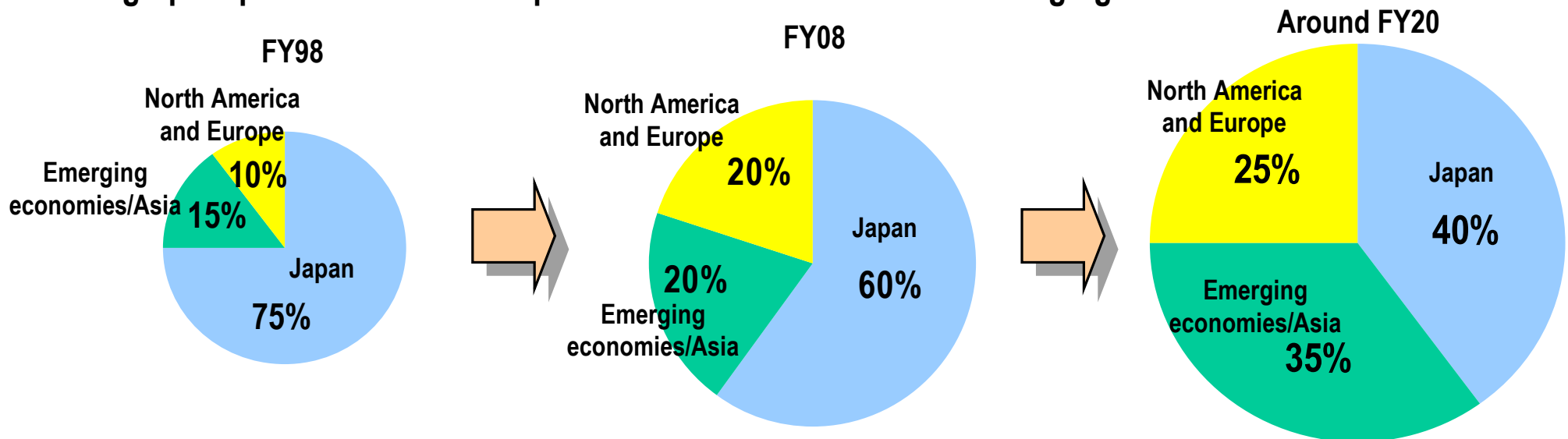
Business Portfolio: Focus on expansion centered on high-performance materials and health care



Technology portfolio: Promote downstream capabilities in the high-performance materials business and cultivate overlapping domains , including medical materials



Geographic portfolio: Reinforce presence in the PRC and other emerging markets



- **Verify profit drivers and designate key business domains**
 - Take decisive steps to strengthen existing businesses
 - Strengthen global operations
 - Reinforce cost competitiveness
 - Foster new businesses
- **Focus on technology-driven growth and enhance basic assets crucial to its achievement (personnel and corporate organization)**
 - Transform optimal configurations for individual businesses into optimal configurations for the entire Teijin Group
 - Fortify business incubation capabilities
- **Maintain firm commitment to effective corporate governance**

New medium-term management plan:

To be announced in February 2012

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 FY11 1Q announced at 11:30 A.M. on August 1, 2011 (local time in Japan).

All product names in this document are registered trademarks.

◆ Consolidated Balance Sheets

(¥bn)	Mar. 31, '10	Jun. 30, '10	Sep. 30, '10	Dec. 31, '10	Mar. 31, '11	Jun. 30, '11
Total assets	823.1	805.5	776.7	791.9	761.5	782.0
Current assets	332.7	331.5	326.4	345.0	336.9	358.3
Fixed assets	490.3	474.1	450.3	446.9	424.6	423.8
Total liabilities and net assets	823.1	805.5	776.7	791.9	761.5	782.0
Liabilities	527.8	509.8	482.5	486.3	453.8	468.3
(Interest-bearing debt)	320.3	329.9	305.9	293.2	267.4	284.6
Net assets	295.3	295.7	294.3	305.6	307.7	313.8

Note: For more information, see Teijin's quarterly results report (Consolidated Financial Results for the First Quarter of FY11).

◆ Consolidated Statements of Income

	FY10				FY11	FY10 4Q vs FY11 1Q	
	(¥bn)	1Q	2Q	3Q	4Q	1Q	
Net Sales		192.6	207.3	206.3	209.5	189.6	-19.9
Cost of sales		140.6	149.5	145.4	150.8	133.9	-16.9
Gross profit		52.0	57.8	60.8	58.7	55.7	-3.0
SG & A		44.0	45.4	44.9	46.6	44.7	-1.9
Operating income		8.1	12.4	15.9	12.2	11.0	-1.1
Nonoperating items (net)		(0.3)	0.3	1.0	0.8	1.8	+1.0
(Balance of financial expenses)		(0.6)	(0.9)	(0.7)	(0.9)	(0.4)	+0.4
(Equity on gains and losses of unconsolidated subsidiaries and affiliates)		0.9	1.7	2.2	1.5	2.6	+1.1
Ordinary income		7.8	12.7	16.9	12.9	12.8	-0.1
Extraordinary items(net)		(1.1)	(0.2)	(0.5)	(4.0)	(0.1)	+3.9
Income before income taxes		6.7	12.5	16.4	8.9	12.7	+3.8
Income taxes		2.4	4.5	6.5	2.8	5.9	+3.1
Minority interest (net)		0.2	0.5	1.5	0.9	0.5	-0.4
Net income		4.0	7.5	8.5	5.2	6.3	+1.1

Note: For more information, see Teijin's quarterly results report (Consolidated Financial Results for the First Quarter of FY11).

◆ Nonoperating items

(¥bn)	FY10	FY11 1Q
Interest income	0.5	0.1
Dividend income	0.9	0.4
Equity in earnings of affiliates	6.3	2.6
Foreign exchange gain	0.1	-
Other income	0.9	0.3
Nonoperating revenues total	8.7	3.4
Interest expense	4.4	1.0
Foreign exchange loss	-	0.2
Contribution	0.7	-
Other expenses	1.8	0.4
Nonoperating expenses total	6.9	1.6
Nonoperating items total	1.8	1.8

◆ Extraordinary items

(¥bn)	FY10	FY11 1Q
Gain on sales of property, plant and equipment	1.4	-
Gain on sales of investment securities	2.2	0.7
Others	0.5	0.2
Extraordinary income total	4.1	0.9
Loss on disposal and sales of fixed assets	0.6	0.0
Loss on impairment	1.8	-
Restructuring costs	1.0	-
Earthquake-related expenses	2.9	0.4
Others	3.7	0.5
Extraordinary losses total	10.0	1.0
Extraordinary items total	(5.9)	(0.1)

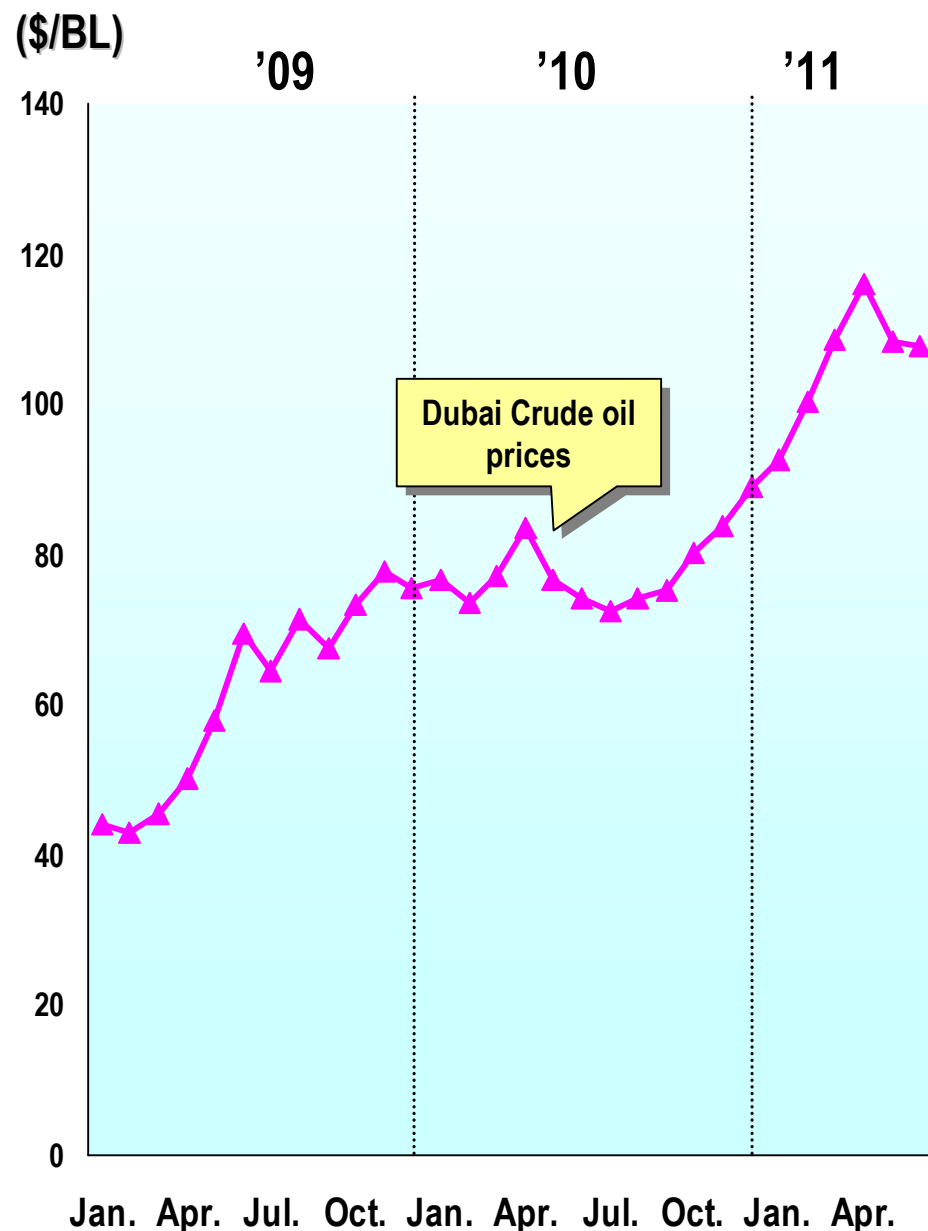
◆ Outlook for FY11

(¥bn)	FY10					FY11 (Outlook)			
	1Q	2Q	3Q	4Q	Annual Total	1Q	2Q	2H	Annual Total
Net sales	192.6	207.3	206.3	209.5	815.7	189.6	205.4	525.0	920.0
Operating income	8.1	12.4	15.9	12.2	48.6	11.0	11.0	39.0	61.0
Ordinary income	7.8	12.7	16.9	12.9	50.3	12.8	10.7	37.5	61.0
Net income	4.0	7.5	8.5	5.2	25.2	6.3	5.2	20.5	32.0

EBITDA *	22.0	26.6	30.0	26.4	105.0	22.5			116.0
Depreciation & amortization	13.9	14.1	14.1	14.3	56.4	11.4			55.0
R&D expenses	7.6	7.7	7.8	8.3	31.5	7.2			33.0
FCF	(11.5)	19.8	7.6	33.5	49.4	(13.2)			30.0

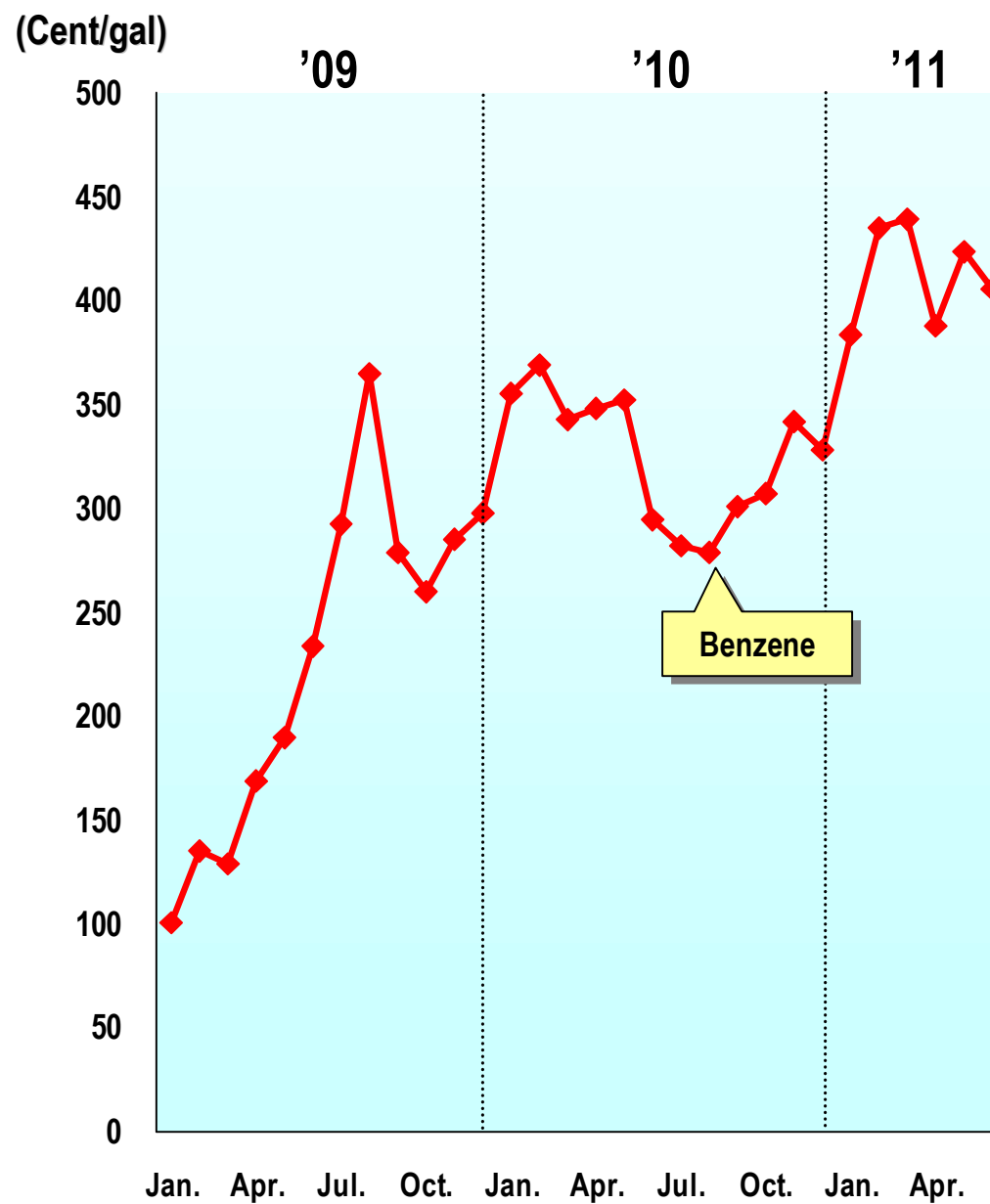
*EBITDA = Operating income + Depreciation & amortization

◆ Dubai Crude Oil Prices



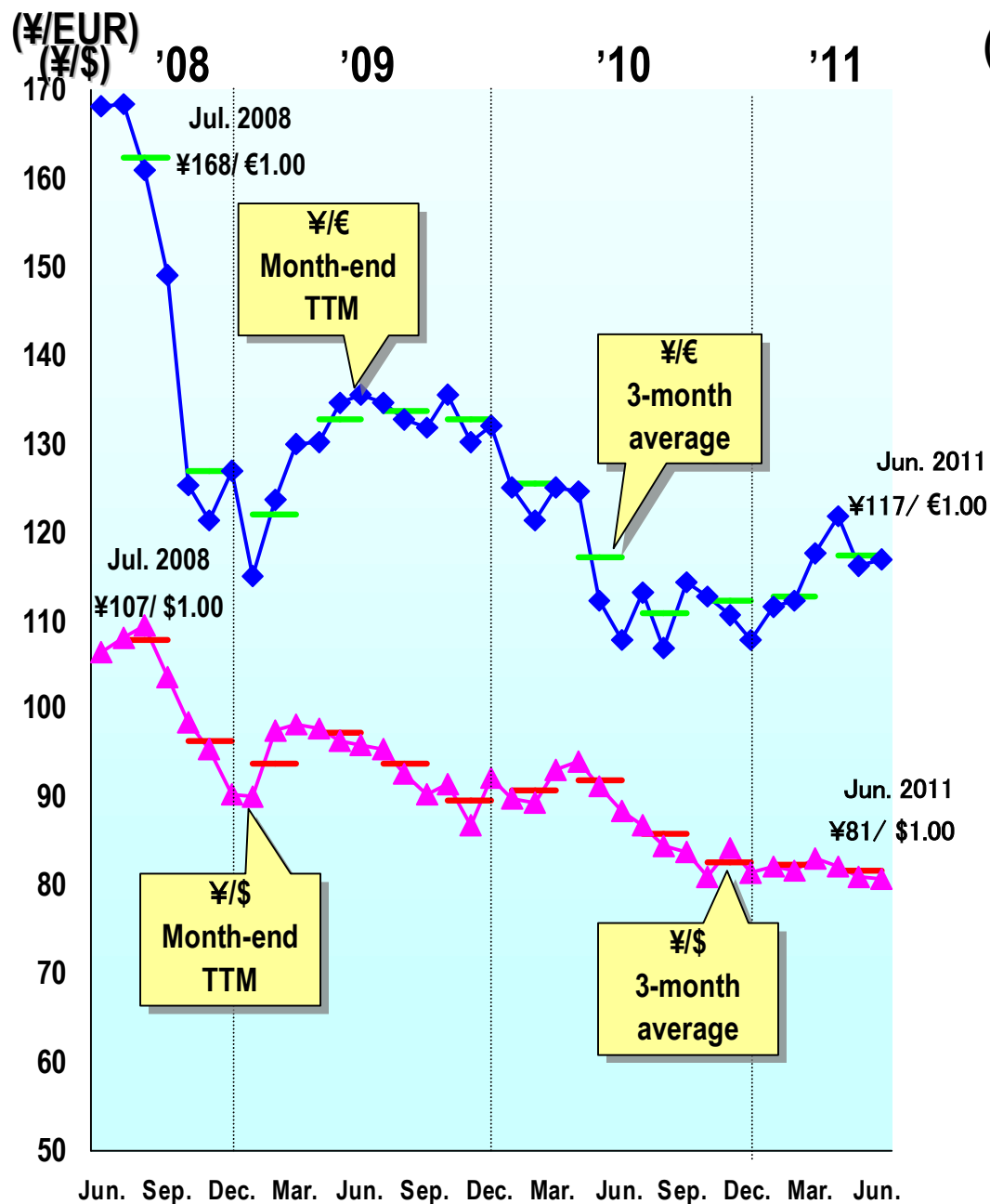
【Source: Teijin estimates based on data published by Platt's】

◆ Benzene Prices

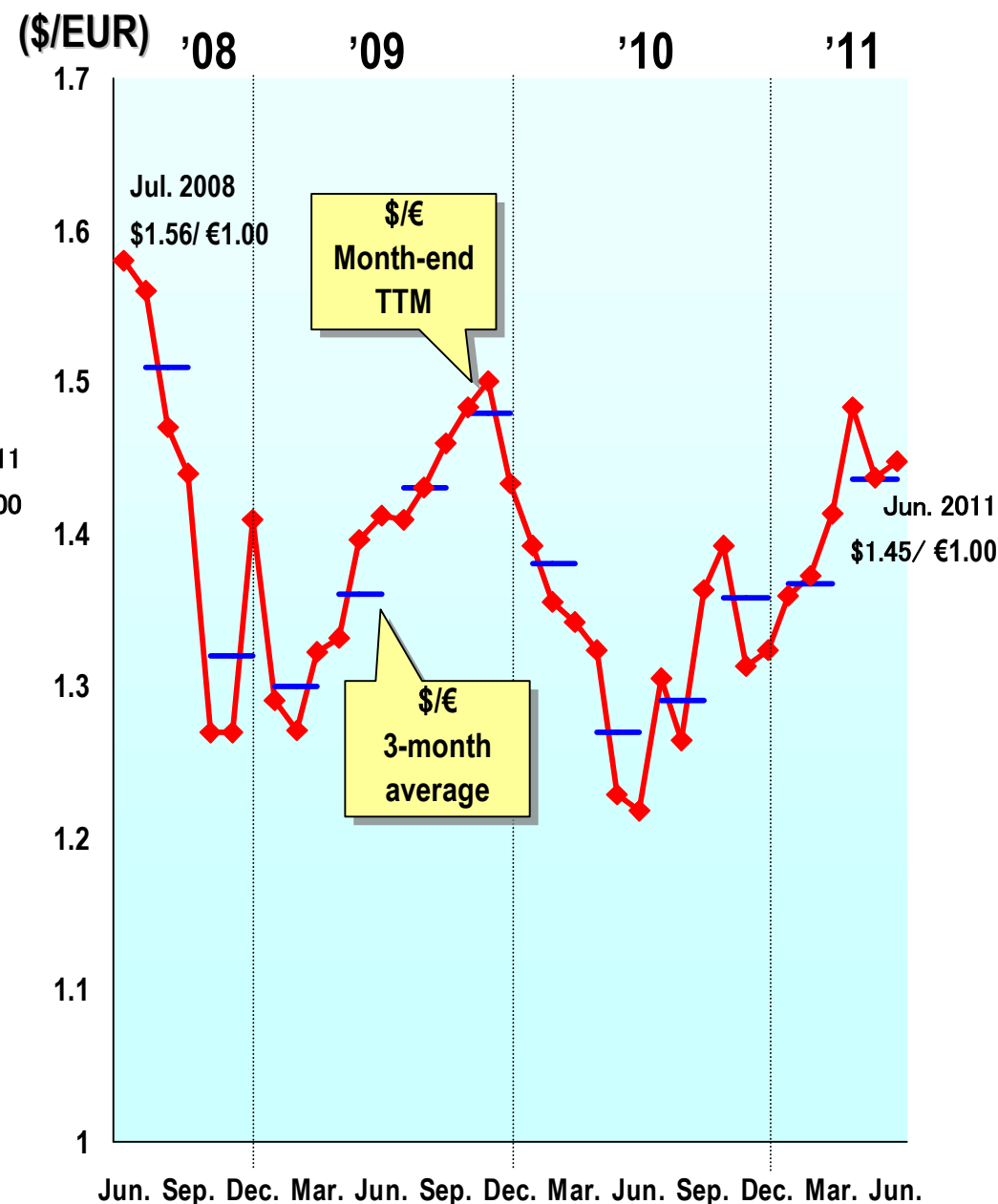


【Source: Teijin estimates based on data published by Dewitt】

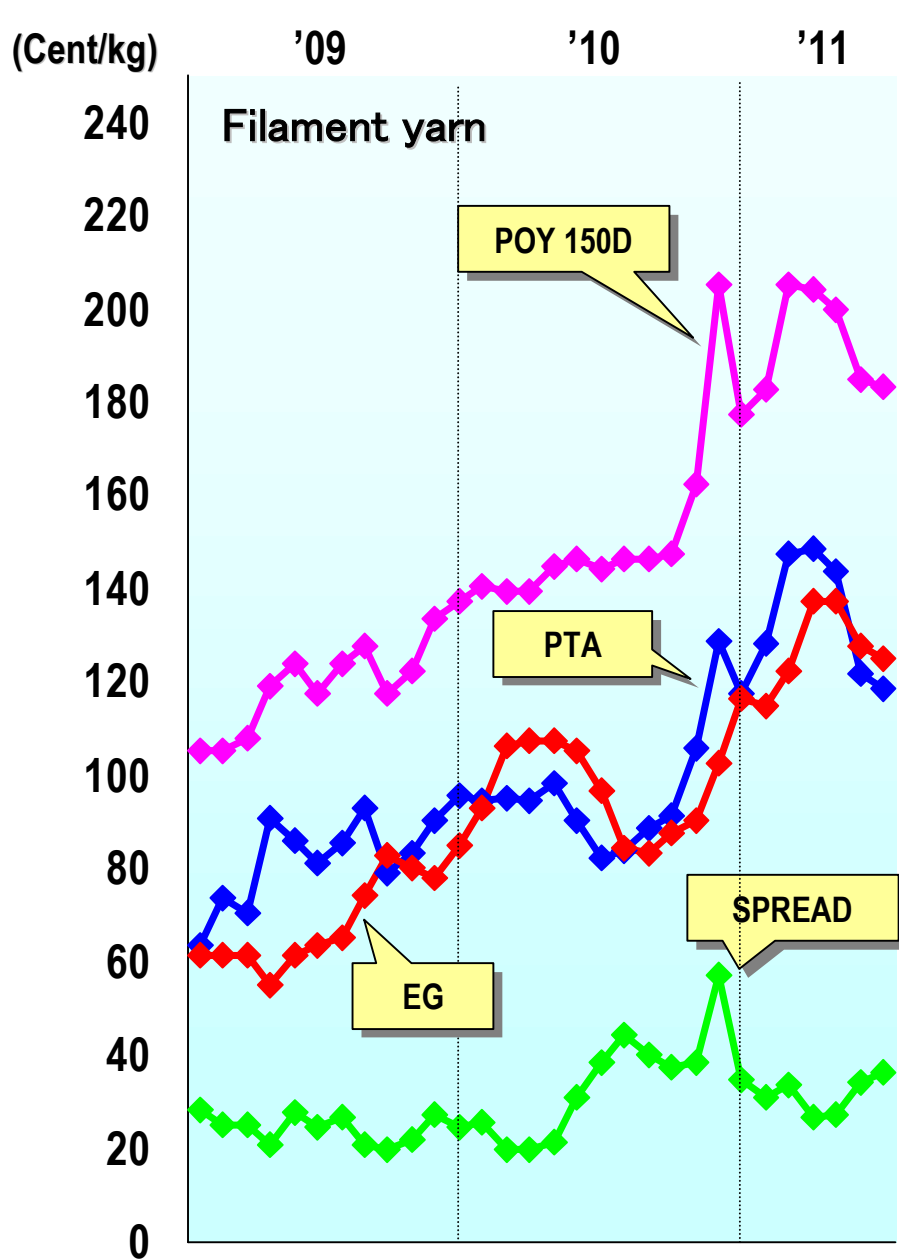
◆ Yen/Dollar, Yen/Euro Exchange Rates



◆ Dollar/Euro Exchange Rates

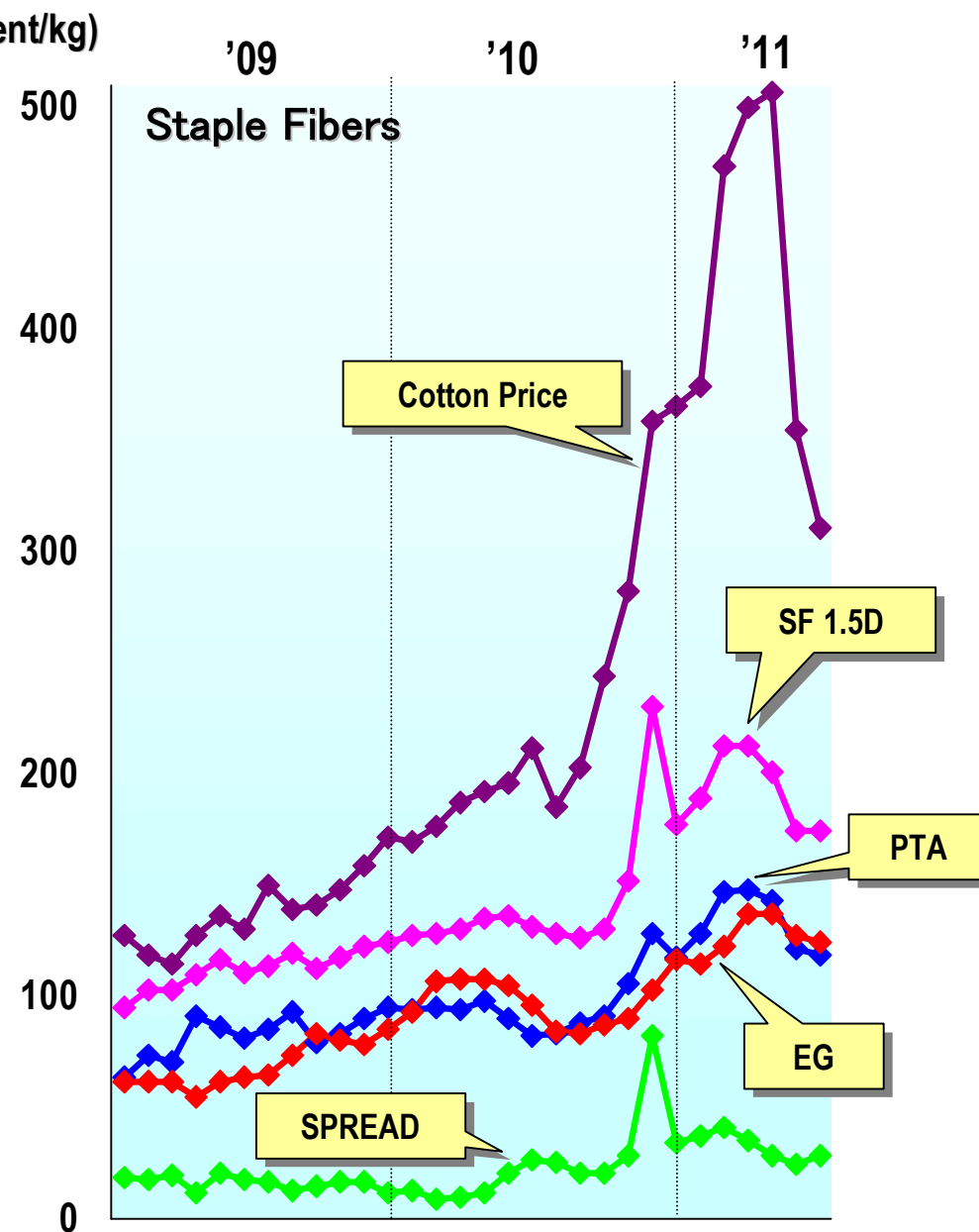


◆ Polyester Fibers Prices, Raw Materials Prices



Jan. Apr. Jul. Oct. Jan. Apr. Jul. Oct. Jan. Apr.

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



Jan. Apr. Jul. Oct. Jan. Apr. Jul. Oct. Jan. Apr.

◆ Sales of Principal Pharmaceuticals

(¥bn)

Product	Indication	FY10					FY11
		1Q	2Q	3Q	4Q	Annual Total	1Q
<i>Bonalon*</i>	Osteoporosis	5.2	5.2	5.8	4.8	21.0	5.2
<i>Onealfa</i>	Osteoporosis	2.9	2.8	3.1	2.6	11.4	2.7
Osteoporosis total		8.1	8.0	8.9	7.3	32.4	7.9
<i>Mucosolvan</i>	Expectorant	2.5	2.1	2.9	2.4	10.0	2.4
<i>Venilon</i>	Severe infection	2.4	2.3	2.4	2.0	9.1	2.3
<i>Laxoberon</i>	Laxative	1.1	1.1	1.2	1.0	4.4	1.0
<i>Tricor</i>	Hyperlipidemia	0.4	0.4	0.4	0.5	1.8	0.3
<i>Bonalfa</i>	Psoriasis	0.4	0.4	0.5	0.3	1.6	0.3
<i>Alvesco</i>	Asthma	0.3	0.3	0.4	0.3	1.2	0.3
<i>Spiropent</i>	Bronchodilator	0.3	0.2	0.3	0.2	1.0	0.2
<i>Synvisc Dispo</i>	Osteoarthritis pain in the knee	-	-	0.2	0.5	0.7	0.4
<i>Feburic</i>	Hyperuricemia and gout	-	-	-	-	-	0.5

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

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

◆ Development Status by Therapeutic Area

(As of June 30, 2011)

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

*1 Teijin filed for approval to manufacture and market GTH-42V in Japan in February 2011.

*2 In January 2011, BTR-15K was approved for a new indication (asthma in children)

*3 In January 2011, TMX-67 was approved for manufacture and marketing in Japan

*4 Teijin commenced clinical testing of GGS (Venilon[®]) for microscopic polyangiitis, a new indication

*5 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 New Products

Brand name (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
<i>Synvisc Dispo</i> 2ml (Sodium hyaluronate cross-linked polymer, cross-linked with vinyl sulfone)	Pain in osteoarthritis (OA) of the knee	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	Licensed in from Genzyme Corporation (U.S.A.) Commenced sales in Japan on December 14, 2010
Feburic (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 Commenced sales in Japan on May 17, 2011
Alvesco 100µg Inhaler 56 Puff (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 Commenced sales in Japan on April 7, 2011

◆ Newly Developed Pharmaceutical Candidates

(As of June 30, 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 μ g/g to China; This product will offer an additional treatment option for psoriasis in China. Although two strengths (2 μ g/g and 20 μ g/g) of <i>Bonalfa</i> ointment are available in Japan, only <i>Bonalfa</i> ointment 2 μ 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 μ 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】

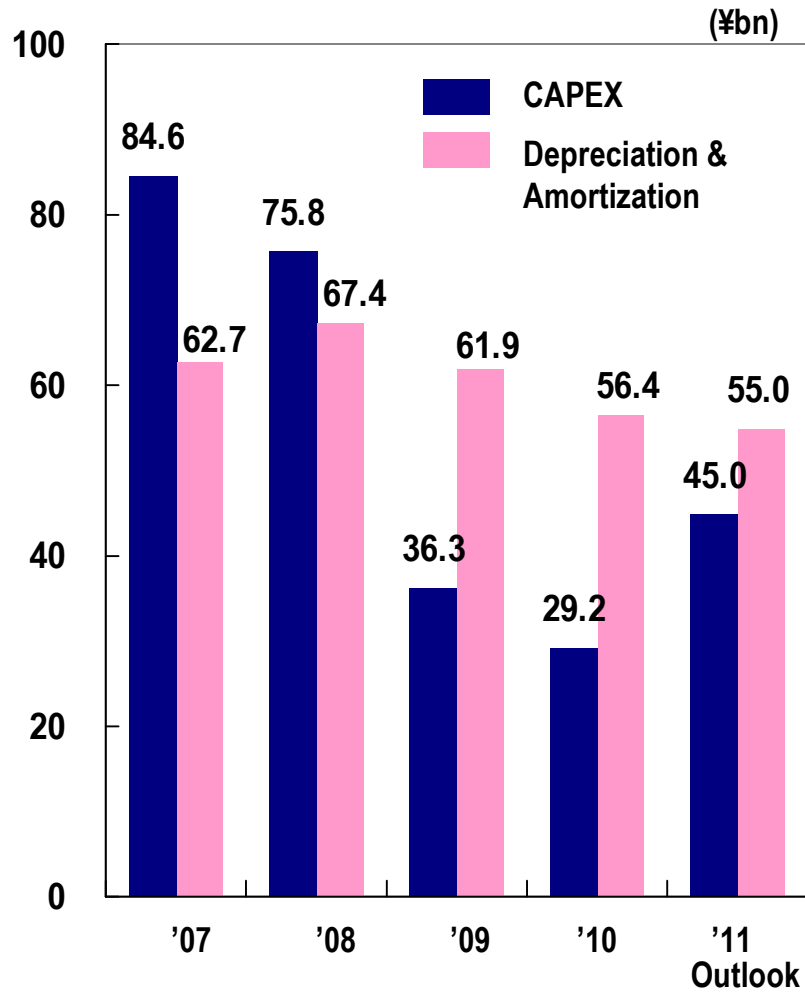
Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
ITM-077 (Taspoglutide)	Type II diabetes	Consists glycemic control with low risk of hypoglycemia, which stimulating glucose-dependent insulin secretion; Has body weight loss effect; once-weekly dosage is possible, 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.
GGS (freeze-dried sulfonated human immunoglobulin)	Microscopic polyangiitis	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	Developing jointly with Kaketsuken (New indication)

【Phase I】

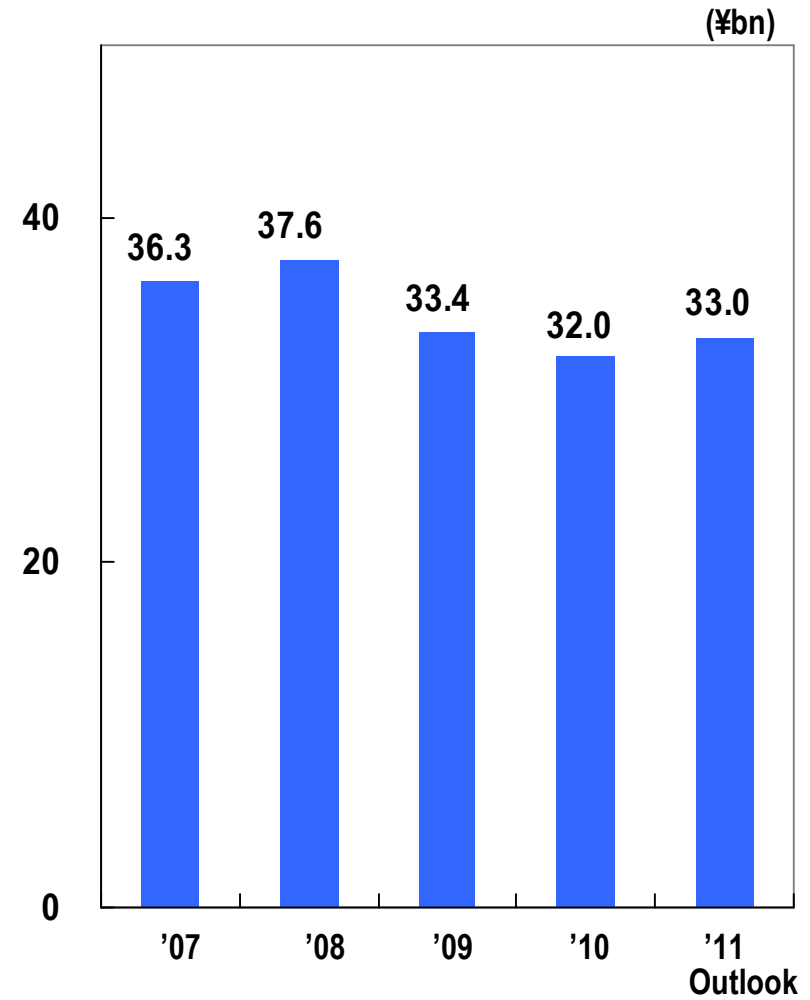
Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
ITM-058	Osteoporosis	Promising for the treatment of osteoporosis due to potency in promoting bone formation, resulting in a rapid increase in bone density and reduction in the risk of fracture. Superior to existing 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.