

History of the Teijin Group's Business

Since its founding, the Teijin Group has continuously transformed its portfolio in anticipation of changing times and social needs, continuing to realize growth while contributing to more comfortable and enriching lifestyles for people. Going forward, to realize an eco-friendly society and support the peace of mind, safety, and health of people, we will continue to focus our efforts on constantly enhancing the value of our products and services. At the same time, we will boldly take on the challenge of providing new solutions to help address social issues.

1918–1960s

Transitioning from Rayon Fibers to Synthetic Fibers

At the time of its founding, Teijin established Japan's first technology for manufacturing semi-synthetic rayon fibers and spearheaded the development phase of the rayon business as a leading company. Thereafter, Teijin proactively expanded its business, supported by the highly profitable polyester fiber *TETORON*. The Company also successively established manufacturing sites in Japan and overseas, growing into a global synthetic fiber manufacturer.



Bird's-eye view of a factory from the 1920s

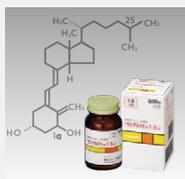


Polyester fiber *TETORON*

1970s–1980s

Leveraging Our Fundamental Technologies to Pursue New Businesses

While continuing to drive growth with *TETORON* as its mainstay product, Teijin expanded its business as a high-performance materials manufacturer by boldly embracing the challenge of developing and commercializing new businesses. Teijin also commenced pharmaceutical and home healthcare businesses by drawing on its knowledge and experience in synthetic chemistry and polymer chemistry. In addition, by establishing its information systems division as a subsidiary and commencing the external sales business, the Company created its current business foundation that spans across the three fields of Materials, Healthcare, and IT.



Creation of active Vitamin D₃ drug

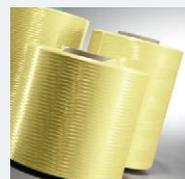


Development of oxygen concentrators for home use

1990s–2000s

Expanding Our Business into High-Value-Added Fields

In 1999, Teijin acquired an equity stake in Toho Rayon Co., Ltd. (also known as Toho Tenax Co., Ltd.) with the aim of entering into the carbon fibers business. Additionally, in 2000 the Company acquired the *Twaron* para-aramid business from Acordis B.V. of the Netherlands. In these ways, Teijin expanded its business into high-value-added fields. Furthermore, the Company established the Teijin Composites Innovation Center in 2008, thereby undertaking R&D activities geared toward composite materials.



Para-aramid fiber *Twaron*



Thermoplastic CFRP concept car

Provide Solutions to Improve Quality of Life

Ceaseless Portfolio Transformation Anticipating Changes in Society

- Establishment of a technological platform based on in-house R&D and the introduction of external advanced technologies
- Ceaseless portfolio transformation into higher value-added businesses from commoditized businesses
- Bold challenges toward new business models and value creation based on core technologies

Synthetic fibers

(Rayon fibers → Polyester fibers)

Chemicals

(Resins, films)

Healthcare

(Pharmaceuticals, home healthcare)

Healthcare business derived from synthetic chemistry and engineering

1918

1930

1940

1950

1960

1970

1980

► Changes in social needs
(Improvement of Quality of Life)

Needs for sufficient goods and quantities
Transition from natural ingredients to man-made ingredients

2010s

Transforming Our Business Model to Become a Solutions Provider

At the start of the 2010s, Teijin began to undertake structural reforms centered on the polyester fiber business as profits began to deteriorate due to the commoditization of materials. Moreover, amid a sluggish business performance due to the deep economic recession caused by the global financial crisis, the Company formulated a revised medium-term management plan in fiscal 2014 following significant downward revisions to its targets, thus implementing further structural reforms.

Thereafter, in fiscal 2016 Teijin established its long-term vision with a view to 10 years in the future and commenced a business portfolio transformation centered on the combination of multi-materials, collaboration between businesses, and solution provision. As part of this transformation in the Material Business, Teijin acquired North America's largest Tier 1 supplier, Continental Structural Plastics Holdings Corporation (CSP), which provides automotive components that make use of composite materials, in January 2017. In addition, the Company bolstered its proposal-making capabilities in downstream domains and customer collaboration in an effort to expand its businesses in high-value-added fields. In the Healthcare Business, Teijin strived to go beyond existing businesses such as pharmaceuticals and home healthcare through initiatives aimed at establishing new businesses including pre-symptomatic and prevention treatment not covered by insurance at hospitals, as well as comprehensive community-based healthcare services.



Carbon fiber intermediate materials for aircraft



Automotive composites



Enhanced barley product BARLEyMax

■ Materials ■ Healthcare

Main Accomplishments (Fiscal 2015–Fiscal 2019)

Dramatic Reforms of Businesses with Issues

- Resin: Shutdown of the Singapore Factory
- Film: Transfer of business to Toyobo Co., Ltd.
- Home healthcare: Withdrawal from North American business

Strategic Investment in Portfolio Transformation

- Acquisition of CSP
- Acquisition of Inapal Plasticos SA (Portugal)
- Acquisition of Benet Automotive s.r.o. (Czech Republic)
- Establishment of Teijin Nakashima Medical Co., Ltd.

Strengthening of Core Profit Base in Existing Businesses

- Aramid and carbon fibers: Determination and execution of large-scale capital expenditures
- Pharmaceuticals and home healthcare: Commencement of organizational integration

Main Issues

- Improvement in profitability in the automotive composites business
- Development and expansion of new healthcare businesses
- Execution of large-scale M&As in the Healthcare Business Field

Focus on delivering the Three Solutions

Safety, Security, and Disaster Mitigation Solutions

Demographic Change and Increased Health Consciousness Solutions

Environmental Value Solutions

IT

IT business expanded from a systems provider to a service provider

High-performance fibers and composites

(Aramid fibers, carbon fibers, automotive components)

Multi-materials combined for higher value-added products

To Be a Company That Supports the Society of the Future

We will contribute to the resolution of social issues through our Three Solutions.



1990

2000

2010

2020

Needs for sophisticated functions and quality and longer life expectancies
Improvement in material functions and quality of medical treatment

Needs for eco-friendly products, fulfilling emotional desires, and extended healthy life expectancies
Diversification of information value and services, environmental contributions, and response to the aging society