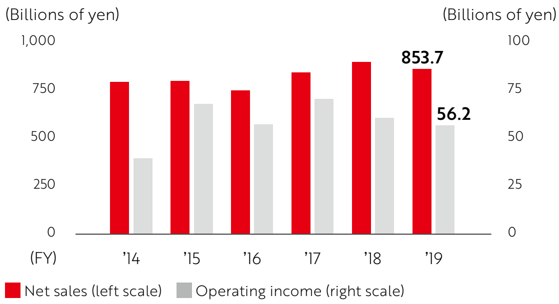
# Financial and Non-Financial Highlights

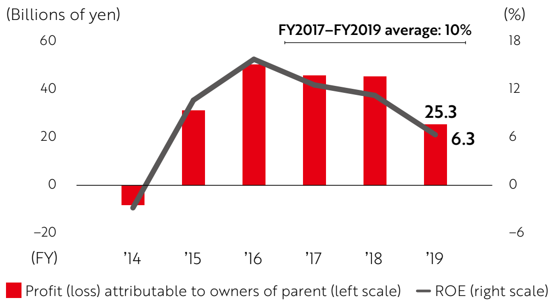
## Financial Highlights

### Net Sales/Operating Income



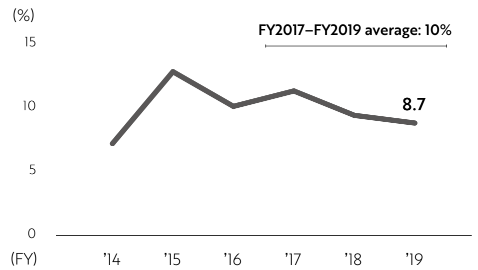

Despite a temporary decline due to restructuring, consolidated net sales have increased since fiscal 2016 due to growth in existing businesses and contributions from CSP, which was acquired in 2017, leading to a recovery in operating income. Since this recovery, profits have become stable.

### Profit (Loss) Attributable to Owners of Parent/ROE



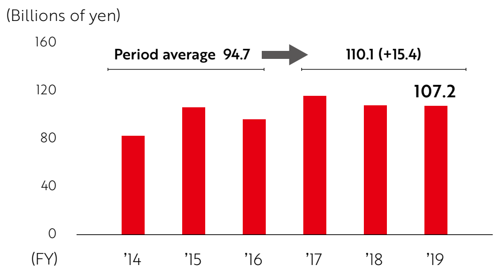

Profit attributable to owners of parent has recovered significantly since fiscal 2014, when numbers were in the red. However, this profit declined year on year in fiscal 2019, due in part to the recording of extraordinary losses. While we reached our target under the previous plan of ROE of 10% or more in fiscal 2017 and fiscal 2018, we did not reach this target in fiscal 2019 due to the decline in profit attributable to owners of parent.

### ROIC (based on operating income)



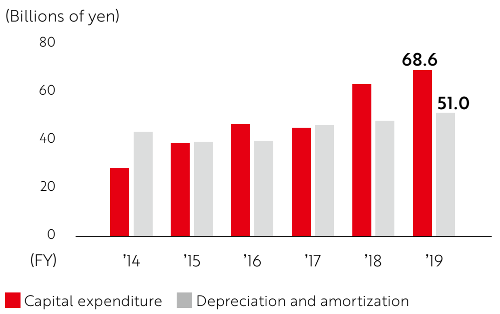

With operating income remaining stable, we achieved our goal under the previous medium-term management plan of maintaining a baseline ROIC based on operating income of 8% or more.

### EBITDA



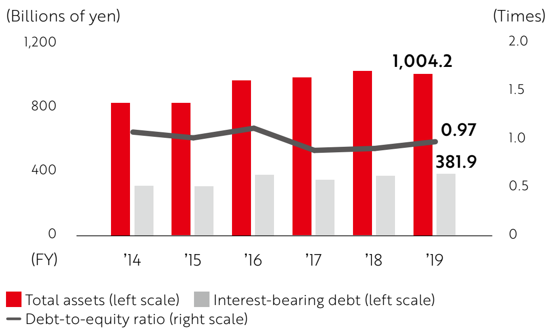

Due to restructuring, the Teijin Group has improved its ability to generate cash and expanded its businesses through such means as M&As. As a result, the Company achieved steady growth in EBITDA under the previous medium-term management plan. Compared with the average increase over the period of the medium-term management plan from fiscal 2014 to fiscal 2016, the average increase in EBITDA was ¥15.4 billion higher over the three-year period of the previous medium-term management plan.

### Capital Expenditure/ Depreciation and Amortization




Cash generated through sales activities, sale of assets, and other measures was allocated to capital expenditures focused on mobility industries such as automobile and aerospace. Depreciation and amortization increased due in part to the rise in capital expenditures and the execution of M&As.

### Total Assets/Interest-Bearing Debt/ Debt-to-Equity Ratio




Total assets have been increasing, due mainly to M&As and growth in existing businesses. The debt-to-equity ratio has been kept at below 1.0.

*1 Includes $CO_2$, methane, and $N_2O$ *2 Total $CO_2$ emissions from the Group and supply chain upstream *3 Reduction impact on $CO_2$ emissions in the supply chain downstream through the use of the Company's products *4 $CO_2$ emissions are calculated according to the coefficients specified in the Law Concerning the Promotion of the Measures to Cope with Global Warming (the emissions coefficient for electricity was 0.555 kg $CO_2$/kWh up to fiscal 2014 and 0.579 kg $CO_2$/kWh in fiscal 2015). Since fiscal 2016, adjusted emissions coefficients of individual electric power companies have been used for power purchased in Japan, and the latest available IEA country-specific emissions coefficients have been used for power purchased in other countries. However, for power purchased overseas, where known, power company-specific emissions coefficients are used for the calculations.

## Non-Financial Highlights

★ Independently assured indicators

### Total $CO_2$*1 Emissions*2

Fiscal 2018

4.6 million tons-$CO_2$

Fiscal 2019

4.4 million tons-$CO_2$

### Avoided $CO_2$*1 Emissions*3

Fiscal 2018

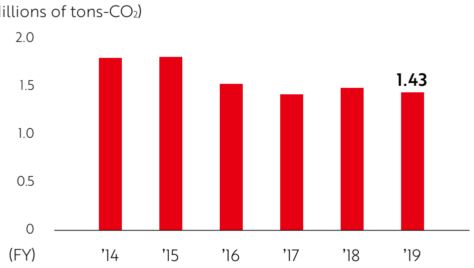
3.5 million tons-$CO_2$

Fiscal 2019

3.3 million tons-$CO_2$

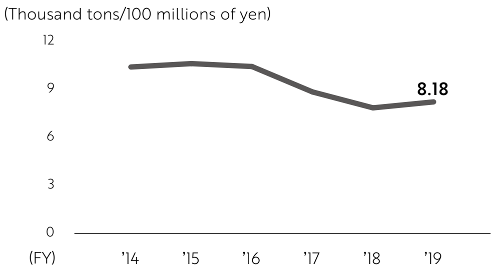
By fiscal 2030 at the latest, we aim to make our avoided $CO_2$ emissions larger than our total Groupwide emissions and supply chain upstream emissions. In fiscal 2019, our avoided $CO_2$ emissions were 3.3 million tons-$CO_2$, while our total $CO_2$ emissions were 4.4 million tons-$CO_2$.

### Group $CO_2$ Emissions*4



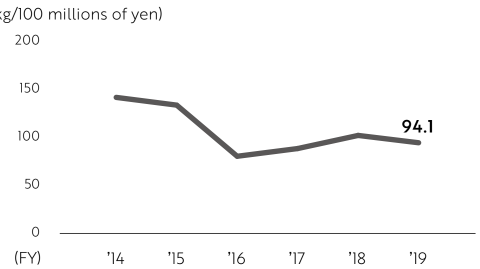

By fiscal 2030, we aim to reduce our Group $CO_2$ emissions by 20% compared with levels in fiscal 2018. By fiscal 2050, we aim for net zero emissions. In fiscal 2019, our Group $CO_2$ emissions were down 3% year on year, to 1.43 million tons-$CO_2$★, due to the transfer of the film business.

### Freshwater Intake Volume per Sales Unit



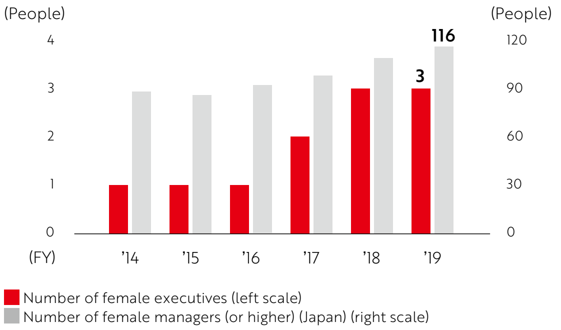

We aim for a 30% improvement in freshwater intake volume per sales unit by fiscal 2030, compared with levels in fiscal 2018. In fiscal 2019, our freshwater intake volume was 69.9 million tons★, essentially on a par with that of fiscal 2018. However, our freshwater intake volume per sales unit increased 5% over fiscal 2018.

### Hazardous Chemical Substance Emissions*5 per Sales Unit



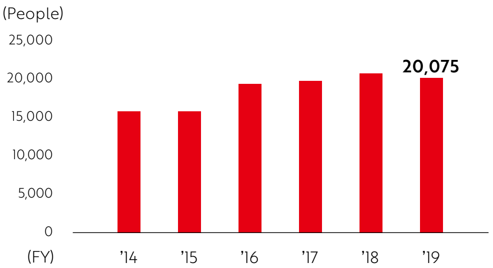

By fiscal 2030, we aim to improve our hazardous chemical substance emissions per sales unit by 20% over levels in fiscal 2018. In fiscal 2019, our hazardous chemical substance emissions decreased 11% year on year, owing to the reinforcement of efforts to curb emissions. In addition, our hazardous chemical substance emissions per sales unit improved 7% compared with fiscal 2018.

### Number of Female Executives*6/ Number of Female Managers (or Higher) (Japan*7)




We have established KPIs for diversity of executives and women's advancement targets. By fiscal 2030, we aim to increase the number of female executives to 10 or more and the number of female managers (or higher) in Japan to 300 or more. In fiscal 2019, the number of female executives was three, and the number of female managers (or higher) in Japan was 116★.

### Number of Employees




The number of Group employees as of March 31, 2020 was 20,075, down 596 compared with the previous fiscal year-end due in part to the transfer of the film business. Group employees at locations outside of Japan accounted for 53% of all employees.

We deduct an amount of $CO_2$ emissions equivalent to the amount of energy sold to other companies. *5 Among the class 1 designated chemical substances under the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management and chemical substances indicated by the Japan Chemical Industry Association, chemical substances harmful to aquatic environments and the ozone layer are subject to the calculation of atmospheric, water, and soil emissions. *6 Board of Directors, statutory auditors, Group executive officers, and Group corporate officers *7 Four core Group companies in Japan: Teijin Limited, Teijin Pharma Limited, Teijin Frontier Co., Ltd., and Infocom Corporation