Financial Section

Consolidated 11-Year Summary

Years ended March 31	2000	2001	2002	2003
Operating Results				
Net sales	¥ 604,173	¥ 761,410	¥ 923,446	¥ 890,434
Gross profit	169,188	205,404	211,660	209,491
Percentage of net sales	28.0%	27.0%	22.9%	23.5%
Operating income	26,285	43,713	29,497	35,298
Percentage of net sales	4.4%	5.7%	3.2%	4.0%
Net income (loss)	7,079	15,950	975	(20,977)
Percentage of net sales	1.2%	2.1%	0.1%	–2.4%
Segment Information				
Net sales:				
Fibers and Textiles	317,544	343,911	509,891	489,485
Synthetic Fibers	—	—	—	—
Films and Plastics	112,921	210,997	192,426	182,398
Pharmaceuticals and Home Health Care	87,217	88,643	94,542	92,464
Trading and Retail	—	—	—	—
Machinery and Engineering	38,990	71,538	74,481	72,784
IT and New Products, etc.(1)	47,501	46,321	52,106	53,303
Total	¥ 604,173	¥ 761,410	¥ 923,446	¥ 890,434
Operating income (loss):				
Fibers and Textiles	(1,953)	430	7,435	8,221
Synthetic Fibers	—	—	—	—
Films and Plastics	7,779	17,560	(3,158)	3,734
Pharmaceuticals and Home Health Care	16,570	15,809	16,916	16,192
Trading and Retail	—	—	—	—
Machinery and Engineering	(313)	4,744	2,568	3,723
IT and New Products, etc.(1)	3,552	4,684	4,919	3,528
Elimination and corporate(2)	650	486	817	(100)
Total	¥ 26,285	¥ 43,713	¥ 29,497	¥ 35,298
Financial Position				
Total assets	¥1,015,857	¥1,058,514	¥1,104,633	¥1,036,518
Total current assets	437,876	416,784	459,334	435,187
Property, plant and equipment, net	369,819	391,383	433,022	432,999
Total current liabilities	354,680	386,477	495,591	444,140
Long-term debt due after one year	220,564	189,121	159,661	207,774
Shareholders' equity	294,643	320,769	311,469	278,527
Cash Flows				
Cash flows from operating activities	61,061	79,446	52,394	58,316
Depreciation and amortization	36,824	48,777	51,185	53,028
Cash flows from investing activities	(39,852)	(50,511)	(51,284)	(65,919)
Purchase of property, plant and equipment	(36,484)	(41,520)	(50,862)	(66,936)
Cash flows from financing activities	(22,925)	(55,842)	(6,197)	10,842
Net increase (decrease) in cash and cash equivalents	(4,601)	(26,267)	(3,957)	2,762
Per Share Data (Yen)				
Net income (loss): Primary	¥ 7.8	¥ 17.6	¥ 1.1	¥ (22.7)
Fully diluted	—	17.3	1.1	(22.7)
Shareholders' equity	325.2	354.1	335.5	300.3
Cash dividends	6.0	6.5	6.5	6.5
Ratios				
Net income to shareholders' equity (ROE)(3)	2.4%	5.2%	0.3%	–7.1%
Operating income to total assets (ROA)(3)	2.8	4.2	2.7	3.3
Shareholders' equity to total assets	29.0	30.3	28.2	26.9
Dividend payout ratio	77	37	607	—
Other Data				
R&D expenses (Millions of yen)	¥ 28,452	¥ 30,275	¥ 31,864	¥ 29,880
Number of shares outstanding (Thousands)	905,993	905,993	928,299	928,299
Number of employees	21,971	22,256	24,026	23,265

Notes: 1. Up to fiscal 2003, this segment was called "New Products and Other Businesses."
2. In fiscal 2003, ended March 31, 2004, the allocation method for corporate expenses was changed.
3. Throughout this annual report, ROE is calculated as net income divided by average shareholders' equity, and ROA is calculated as operating income divided by average total assets. Shareholders' equity = Total net assets at year-end – Stock acquisition rights at year-end – Minority interest in consolidated subsidiaries at year-end.

Millions of yen

2004	2005	2006	2007	2008	2009	**2010**
¥874,569	¥908,389	¥938,082	¥1,009,586	¥1,036,624	¥943,410	**¥765,840**
212,682	222,607	250,365	258,737	256,428	218,636	**191,901**
24.3%	24.5%	26.7%	25.6%	24.7%	23.2%	**25.1%**
38,745	51,865	76,757	75,061	65,162	17,966	**13,436**
4.4%	5.7%	8.2%	7.4%	6.3%	1.9%	**1.8%**
8,455	9,159	24,853	34,125	12,613	(42,963)	**(35,684)**
1.0%	1.0%	2.6%	3.4%	1.2%	—	**—**
—	—	—	—	—	—	**—**
247,530	278,846	260,967	293,280	317,612	273,208	**205,154**
186,504	216,432	264,511	287,902	293,834	258,004	**177,791**
93,104	97,104	105,589	113,093	114,403	127,146	**131,711**
256,295	261,199	259,828	266,492	265,931	239,163	**205,314**
43,290	—	—	—	—	—	**—**
47,846	54,808	47,187	48,819	44,844	45,889	**45,870**
¥874,569	¥908,389	¥938,082	¥1,009,586	¥1,036,624	¥943,410	**¥765,840**
—	—	—	—	—	—	**—**
9,144	10,520	14,549	17,342	24,448	(2,780)	**(15,111)**
4,020	19,145	40,950	33,900	20,247	226	**7,997**
17,252	18,148	19,318	21,192	21,691	24,838	**24,201**
5,320	6,145	5,316	5,395	5,255	3,873	**3,441**
3,861	—	—	—	—	—	**—**
5,456	3,758	3,760	4,320	3,516	3,589	**2,954**
(6,308)	(5,851)	(7,136)	(7,088)	(9,995)	(11,780)	**(10,046)**
¥ 38,745	¥ 51,865	¥ 76,757	¥ 75,061	¥ 65,162	¥ 17,966	**¥ 13,436**
¥914,502	¥852,029	¥943,991	¥ 999,917	¥1,015,991	¥874,157	**¥823,071**
342,127	369,860	399,002	417,409	417,395	351,120	**332,746**
393,820	322,652	346,498	379,632	382,568	339,704	**316,901**
330,862	320,828	397,919	426,748	417,534	325,074	**293,848**
199,298	158,959	108,715	102,105	117,200	177,081	**188,480**
293,898	290,586	338,609	366,753	391,010	305,577	**271,306**
44,973	73,313	75,491	96,456	53,740	40,392	**80,433**
52,794	52,287	50,389	54,009	62,668	67,364	**61,879**
(16,715)	12,708	(74,062)	(87,065)	(79,218)	(116,304)	**(33,437)**
(47,569)	(43,900)	(66,620)	(69,996)	(78,821)	(75,845)	**(34,119)**
(32,325)	(79,643)	1,511	(19,074)	16,080	79,178	**(42,949)**
(4,451)	6,249	4,689	(9,309)	(9,271)	1,274	**4,128**
¥ 9.0	¥ 9.7	¥ 26.6	¥ 36.8	¥ 13.2	¥ (43.7)	**¥ (36.3)**
9.0	9.7	26.6	36.8	13.2	—	**—**
316.8	313.3	364.8	395.2	397.3	310.5	**276.2**
6.5	6.5	7.5	10.0	8.0	5.0	**2.0**
3.0%	3.1%	7.9%	9.7%	3.3%	–12.3%	**–12.4%**
4.0	5.9	8.5	7.7	6.5	1.9	**1.6**
32.1	34.1	35.9	36.7	38.5	35.0	**33.0**
72	67	28	27	61	—	**—**
¥ 32,830	¥ 30,024	¥ 31,196	¥ 35,097	¥ 36,282	¥ 37,630	**¥ 33,356**
928,299	928,299	928,299	928,299	984,754	984,759	**984,759**
20,551	18,960	18,819	19,053	19,125	19,453	**18,778**

Summary

Operating Environment

In fiscal 2009, the fiscal year ended March 31, 2010, a steady improvement was evident in the global economy, reflecting such factors as the success of economic stimulus measures initiated by various countries. Domestic demand continued to drive recovery in the PRC. Economic conditions also revived gradually in the rest of Asia, with the exception of Japan, where, despite encouraging signs, the pace of growth remained frail, owing to a persistently strong yen and lingering deflation. The United States and Europe succeeded in stemming the downturn, but fell short of a full economic recuperation, despite a brighter underlying tone.

Strategies in Action

During the period under review, we continued to press ahead with restructuring efforts—primarily in our materials businesses—with the aim of realizing an operating structure that ensures profitability at the net income level, even with facility operating rates at 70%. We also placed a high priority on securing a positive free cash flow.

In polyester fibers and other poorly performing businesses, we continued to make progress in the implementation of structural reforms. We also achieved a noteworthy reduction in fixed costs and capital investment and succeeded in shrinking inventories. As a consequence, we moved significantly closer to our goal of realizing an operating structure that ensures profitability at the net income level, even with facility operating rates at 70%. We also achieved a positive free cash flow of ¥47.0 billion, compared with a negative free cash flow of ¥75.9 in fiscal 2008.

Operating Results

	Billions of yen		
Years ended March 31	2009	**2010**	Change
Net Sales	¥943.4	**¥765.8**	**-18.8%**

In our materials businesses, the benefits of an upturn in demand in the second half were overshadowed by sluggish results in the first half. As a consequence, net sales fell steeply despite an increase in sales in the Pharmaceuticals and Home Health Care segment.

	Billions of yen		
Years ended March 31	2009	**2010**	Change
Operating Income	¥18.0	**¥13.4**	**-25.2%**

The principal factor behind the decline in operating income was a widening of the net loss in our Synthetic Fibers segment, which negated a sharp increase in operating income in the Films and Plastics segment.

	Billions of yen		
Years ended March 31	2009	**2010**	Change
Net Loss	¥(43.0)	**¥(35.7)**	**—**

The net loss reflected the special factory operating loss prompted by a decline in facility operating rates, restructuring costs and a loss arising from an additional contribution to the reserve to cover losses on the disposal of securities with market value held in money trusts. The net loss narrowed from fiscal 2008 as the impact of these factors was alleviated somewhat by a reduction in income taxes.

	Billions of yen		
Years ended March 31	2009	**2010**	Change
Total Assets	¥874.2	**¥823.1**	**-5.8%**

Total assets declined, owing to such factors as the reduction of inventories and property, plant and equipment, net—the latter due to a freeze on major capital investment and the advance of depreciation and amortization.

	Billions of yen	
Years ended March 31	2009	**2010**
Free Cash Flow	¥(75.9)	**¥47.0**

Free cash flow turned decisively positive, reflecting an increase in net cash and cash equivalents provided by operating activities, together with a sharp decline in cash and cash equivalents used in investing activities, owing to a moratorium on major capital investment.

Key Indicators

Years ended March 31	2009	**2010**
ROA	1.9%	**1.6%**
ROE	–12.3%	**-12.4%**
Debt-to-equity ratio	1.18 times	**1.18 times**

Return on assets (ROA)—calculated using operating income—was down, owing primarily to unfavorable income results. Despite progress in the reduction of interest-bearing debt, the debt-to-equity ratio remained level, as the net loss pushed down shareholders' equity.

Tasks Ahead

We have designated fiscal 2010 as the year in which we will conclude structural reforms and achieve a return to profitability. During the period, we expect urgent measures and structural reforms implemented in our materials businesses since the second half of fiscal 2008 to begin yielding results, as projected. To achieve a return to profitability at the net income level, we will build on these benefits, as well as on a recovery in demand—buttressed by improving economic conditions worldwide, led by the PRC and ASEAN—and the highly stable income structure of our pharmaceuticals and home health care businesses.

Results of Operations

Net Sales

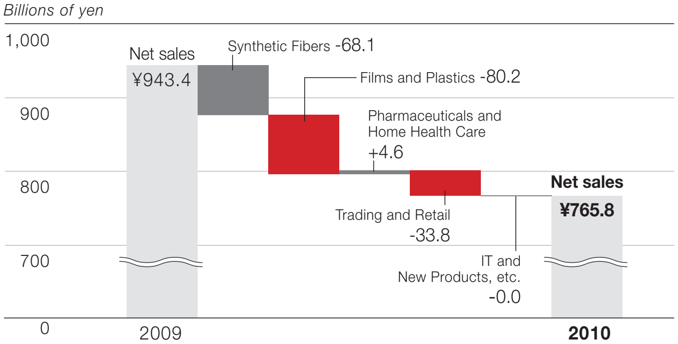
Consolidated net sales declined 18.8%, or ¥177.6 billion, to ¥765.8 billion, as the benefits of an upturn in demand and the positive impact of urgent measures and structural reforms in the second half of fiscal 2009 were overshadowed by sluggish results in the first half. The steep decline in net sales occurred despite an increase in sales in the Pharmaceuticals and Home Health Care segment and was largely attributable to deteriorating sales in our materials businesses, notably in the Synthetic Fibers and the Films and Plastics segments and in the Trading and Retail segment.

Sales in the Synthetic Fibers segment in fiscal 2009 plummeted for the full term, despite having appeared to bottom out in the first quarter of the period. Declines were reported in polyester fibers, aramid fibers and carbon fibers, although signs of improvement have since emerged for aramid fibers and polyester fibers, particularly for use in automotive applications. Carbon fibers also faced a harsh operating environment throughout the period, but there have since been indications of an upturn. Sales were also down substantially in the Films and Plastics segment, despite suggestions of a rally after the first quarter. Demand for plastics was robust, underpinned by a rapid recovery in demand in the PRC, while demand for films rebounded, led by the Asian market. In the Pharmaceuticals and Home Health Care segment, sales for the full term were up, as both businesses reported solid sales increases. Highlights of the period included the start of sales in Europe of gout and hyperuricemia treatment TMX-67, a highly promising major drug that is already on the market in United States. Sales in the Trading and Retail segment also fell, despite signs of an improvement in sales of industrial textiles and materials, as sales of textiles and apparel slumped. In the IT and New Products, etc., segment, sales remained level, owing to firm results in the IT solutions and Services businesses.

Years ended March 31

Analysis of Net Sales

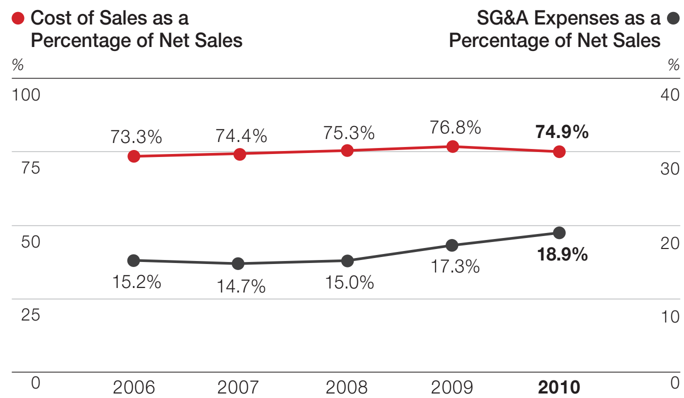
Billions of yen



Costs and Expenses

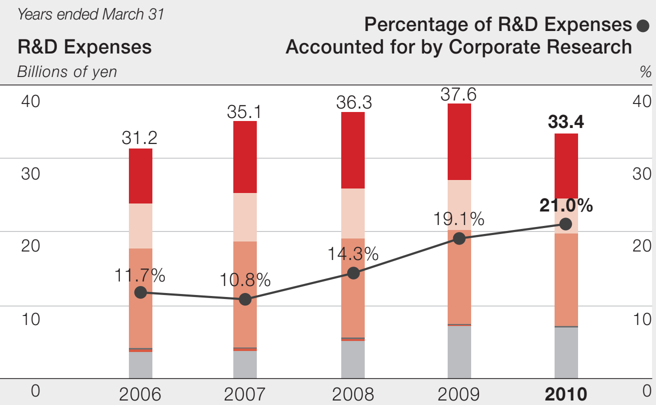
Cost of sales contracted 20.8%, or ¥150.8 billion, to ¥574.0 billion, a consequence of the decline in net sales, but also thanks to cost-cutting initiatives. As a percentage of consolidated net sales, cost of sales dipped 1.9 percentage points, to 74.9%, largely attributable to curbed costs in the materials businesses. Selling, general and administrative (SG&A) expenses fell 11.0%, or ¥17.9 billion, to ¥145.1 billion, as the successful implementation of urgent measures

Years ended March 31



Research and Development

Years ended March 31



	2006	2007	2008	2009	**2010**
Synthetic Fibers	¥ 7.4	¥ 9.8	¥10.4	¥10.4	**¥8.8**
Films and Plastics	6.1	6.6	6.8	6.8	**4.8**
Pharmaceuticals and Home Health Care	13.6	14.4	13.5	12.8	**12.6**
Trading and Retail	0.2	0.2	0.2	0.2	**0.2**
IT and New Products, etc.	0.3	0.3	0.2	0.1	**0.0**
Corporate research	3.7	3.8	5.2	7.2	**7.0**

Recognizing technological innovation as the cornerstone of future corporate growth, we have grouped promising markets into four key fields, which we have termed automobiles and aircraft, information and electronics, health care and environment and energy. We continue striving to conduct decisive and efficient R&D in all four of these fields.

Corporate research, in particular, focuses on technological innovation and the cultivation of new businesses. In fiscal 2009, investments in corporate research accounted for 21.0% of total R&D expenses, an increase of 1.9 percentage points from the previous fiscal year.

For more information on our R&D activities, see pages 38–41.

reduced fixed costs. As a percentage of net sales, however, SG&A expenses rose 1.6 percentage points, to 18.9%, owing primarily to the drop in net sales.

Despite ongoing investments in core technological areas and in corporate research aimed at cultivating new businesses, R&D expenses slipped 11.4%, or ¥4.3 billion, to ¥33.4 billion. This was attributable to the decisive application of concentration and selectivity to the approval of investments.

Operating Income

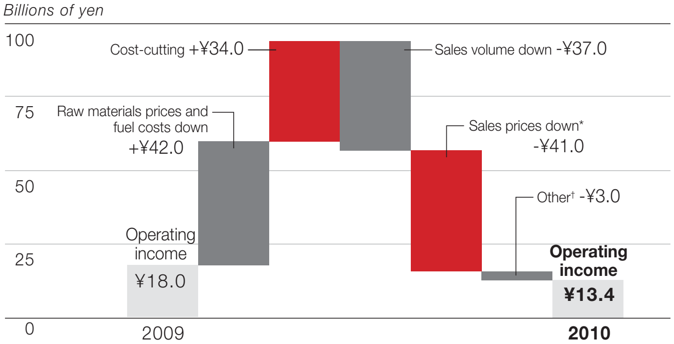
Operating income fell 25.2%, or ¥4.5 billion, to ¥13.4 billion, while the operating margin edged down 0.1 percentage point, to 1.8%. Although the operating loss in the polyester fibers business shrank, spurred by efforts to reduce costs, the operating loss in the Synthetic Fibers segment widened substantially, a consequence of major operating income declines in the aramid fibers and carbon fibers businesses. The Films and Plastics segment reported a sharp increase in operating income, as results for plastics were robust—bolstered by the restoration of polycarbonate resin production facilities to full capacity operation in the second quarter—and the films business appeared to be regaining ground. Operating income in the Pharmaceuticals and Home Health Care segment edged down, despite solid results, reflecting a decrease in technology licensing fees collected. In the Trading and Retail segment, operating income faltered, constrained by falling shipments. Operating income was also down in the IT and New Products, etc., segment.

Additionally, while lower prices for fuel and raw materials and cost-cutting measures contributed ¥76.0 billion to operating income, this was offset by the negative impact—estimated at ¥81.0 billion—of falling shipments and sales prices, among others, resulting in the net fall in operating income.

Years ended March 31

Analysis of Operating Income

Billions of yen

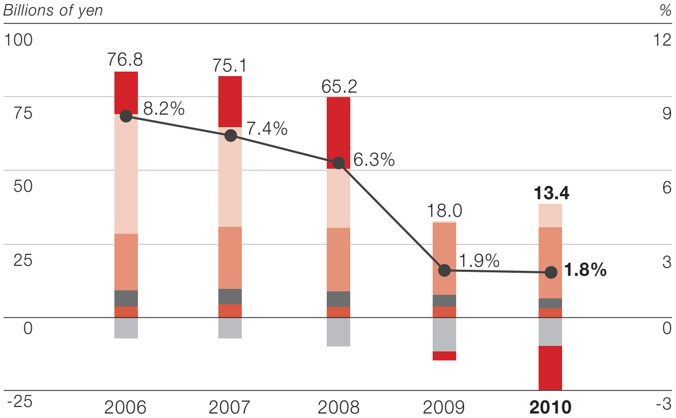


* Net change resulting from decline in sales prices, improvement in product mix and revision of drug reimbursement prices.
† Includes increase in amortization of goodwill.

Years ended March 31

Operating Income (Loss) **Operating Margin ●**

Billions of yen %



	2006	2007	2008	2009	2010
Synthetic Fibers	¥14.5	¥17.3	¥ 24.4	¥ (2.8)	**¥(15.1)**
Films and Plastics	41.0	33.9	20.2	0.2	**8.0**
Pharmaceuticals and Home Health Care	19.3	21.2	21.7	24.8	**24.2**
Trading and Retail	5.3	5.4	5.3	3.9	**3.4**
IT and New Products, etc.	3.8	4.3	3.5	3.6	**3.0**
Elimination and corporate	(7.1)	(7.1)	(10.0)	(11.8)	**(10.0)**

Other Income (Expenses)

Other expenses, a net figure comprising nonoperating expenses and extraordinary expenses, amounted to ¥50.0 billion, down ¥1.8 billion from fiscal 2008. Contributing factors included a ¥17.3 billion increase in restructuring costs attributable to the transfer of shares in our Indonesian polyester fibers subsidiary and an additional contribution to cover losses on disposal of securities with market value held in money trusts of ¥7.2 billion. These expenses were partially offset by a ¥4.7 billion decline in interest expense, owing to reduced interest rates; a ¥4.7 decline in equity in losses of unconsolidated subsidiaries and affiliates, due to the absence of equity in losses of NatureWorks LLC, which was divested in the previous period; a ¥7.2 decline in impairment loss; and a ¥7.0 billion increase in gain on sales of investment securities.

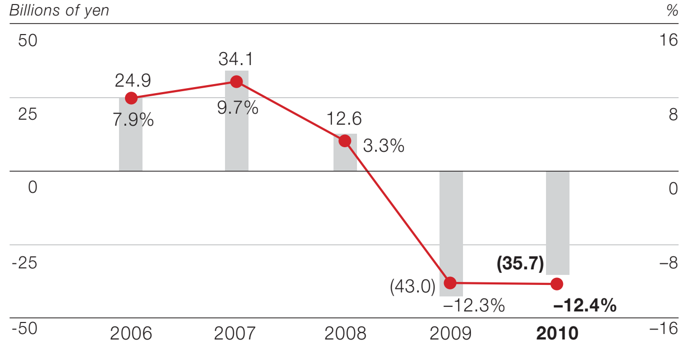
Net Loss

Owing to the aforementioned erosion of consolidated net sales and operating income, the loss before income taxes and minority interests widened. Nonetheless, the net loss narrowed ¥7.3 billion, to ¥35.7 billion. ROE fell 0.1 percentage point, to -12.4%.

Years ended March 31

Net Income (Loss) **ROE ●**

Billions of yen %



Business Segment Results

Synthetic Fibers

Sales in the Synthetic Fibers segment declined 24.9%, compared with the previous fiscal year, to ¥205.2 billion. The operating loss widened by ¥12.3 billion, to ¥15.1 billion.

Aramid Fibers

Demand continued to recover steadily.

Demand for *Twaron*® and *Technora*® para-aramid fibers revived, particularly for use in automotive-related materials, as production in the automotive industry turned the corner. Results for *Twaron*® were further aided by firm markets for use in protective clothing and materials, as well as in optical fibers and cables. Demand for *Teijinconex*® meta-aramid fibers also picked up, particularly for steelmaking-related applications, augmented by indications of a recovery in steel production. In this environment, we pushed ahead with efforts to develop new applications and with measures aimed at reducing fixed costs.

Carbon Fibers

Efforts to shrink inventories and cost-cutting measures were implemented to counter a slump in demand. Demand now looks likely to pick up.

Tenax® carbon fibers faced a harsh operating environment throughout the period. Demand for general industrial applications and sports and leisure equipment deflated in the first half, while the second half brought production adjustments by aircraft manufacturers, which had performed comparatively well until that point.

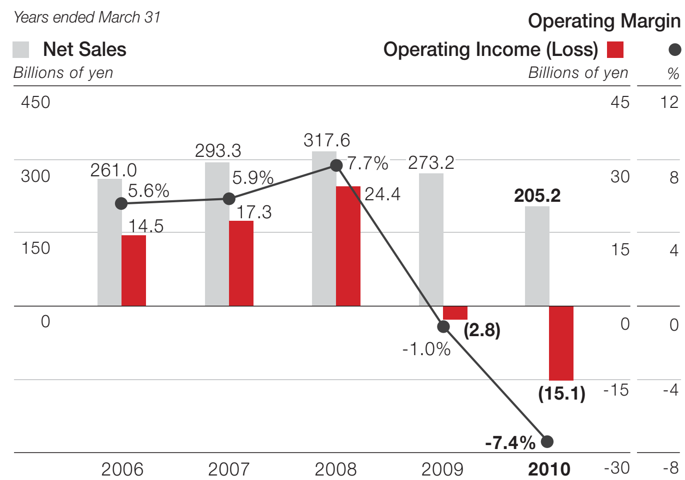
In response to operating conditions, we sought to reinforce our sales organization, as well as to shrink inventories at our production facilities in Japan, Europe and the United States. We also sought to optimize personnel assignments and implemented decisive cost-cutting measures. With the advance of inventory adjustments for all applications, demand now looks likely to pick up, prompting hopes of a solid recovery. However, a full-scale improvement in the supply–demand balance is expected to take some time.

Polyester Fibers

The operating loss shrank, thanks to the progress of restructuring efforts.

The polyester fibers business continued to face a severe operating environment, a consequence of the global economic slump. Nonetheless, we succeeded in narrowing the operating loss substantially by shifting our focus to high-profit products and implementing decisive cost-cutting measures. In Japan, subsidiary Teijin Fibers Limited saw sales of textiles for apparel constrained by sagging market conditions, although sales for use in industrial materials appeared to be on an upswing, particularly for automotive applications. Our subsidiaries in Thailand and Indonesia continued to operate in a harsh environment.

In line with the plan for restructuring our polyester fibers operations, we pressed ahead with a variety of reforms. As part of this effort, on December 18, 2009, we resolved to transfer our entire stake in our Indonesian polyester fibers subsidiary. The transfer was completed on April 15, 2010.



Films *and* Plastics

The Films and Plastics segment generated sales of ¥177.8 billion, down 31.1%. Segment operating income amounted to ¥8.0 billion, an increase of ¥7.8 billion.

Plastics

Demand for polycarbonate resin picked up, while demand for processed polycarbonate resin products advanced favorably.

Shipments of mainstay *Panlite*® polycarbonate resin recovered steadily from April 2009 forward, underpinned by a rapid recovery in demand in the PRC. In response, we began gradually to increase operating rates at our polymer plants in the PRC and Singapore, restoring these facilities to full capacity operation in late April and mid-June, respectively.

In the area of processed polycarbonate resin products, shipments of *ELECLEAR*® transparent electroconductive film increased for use as the base film for touch panels used in smartphones, among others. Shipments of *PURE-ACE*® polycarbonate retardation film also expanded, bolstered by rising sales for use as antireflective film for mobile phone LCDs, and by a global market share in excess of 60% for use in 3D glasses for movie theaters. Late in the period, *Panlite*® became the first polycarbonate resin to be selected for the glazing of rear quarter and partition windows for domestically manufactured vehicles.

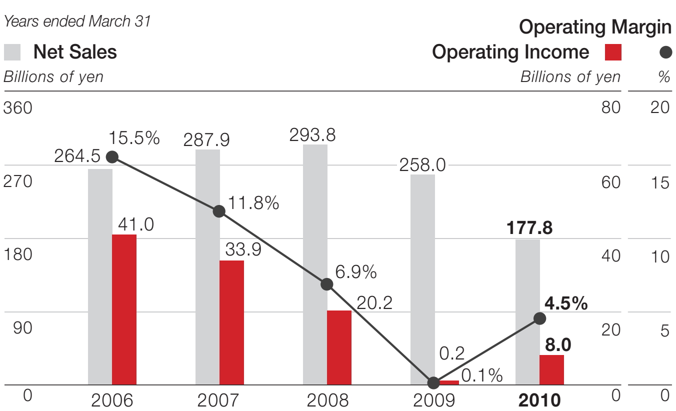
Films

Demand for PET film rallied in the Asian market. In Europe and the United States, we pressed forward with restructuring measures.

We currently have polyester films joint ventures with E.I. du Pont de Nemours and Company (DuPont) of the United States in six countries. The impact of the global economic downturn persisted through March 2009, after which demand for polyester films rallied, particularly in Asia.

In Japan, overall demand for polyester films for optical applications strengthened from March 2009 forward. Of particular note, from the second quarter of fiscal 2009, demand for mainstay PET film for use as FPD reflective film outpaced the previous fiscal year, while demand for use in solar cell back sheets recovered to the fiscal 2008 level.

Production lines at our polyester films joint ventures in both the PRC and Indonesia have been operating at full capacity since April 2009. In Europe and the United States, however, the operating environment remained harsh. Against this background, we proceeded with crucial structural reforms aimed at restoring profitability. These included ceasing production at our Circleville plant, in the United States, in February 2009; suspending production on one line at our plant in Luxembourg in June 2009; and phasing out production at the Florence plant, in the United States. Profitability improved, owing to signs of a resurgence in demand for PET film beginning in autumn 2009 and the positive impact of restructuring measures.



Pharmaceuticals *and* Home Health Care

Sales in the Pharmaceuticals and Home Health Care segment rose 3.6%, to ¥131.7 billion, although operating income slipped 2.6%, to ¥24.2 billion.

Pharmaceuticals

Shipments of *Bonalon*®* rose steadily. Marketing of TMX-67, a new treatment for gout and hyperuricemia, expanded.

In the area of osteoporosis treatments, shipments of *Bonalon*® 35mg tablet, a once-weekly form of *Bonalon*®, increased favorably, while shipments of *Onealfa*®, an active vitamin D_3 preparation, remained firm. Together, these products give Teijin a leading share of this market in Japan.

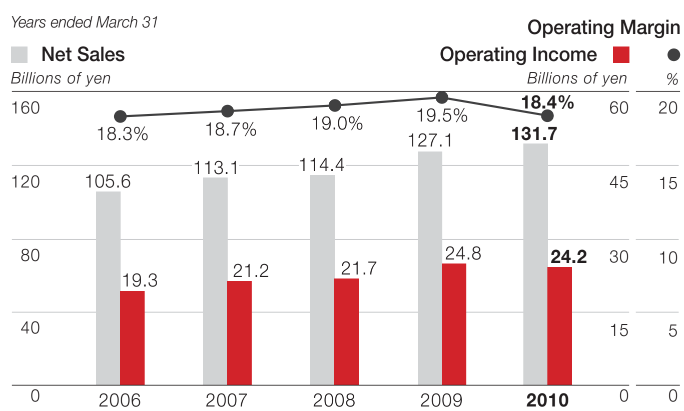
In R&D, in April 2009 we commenced phase II clinical trials for ITM-077, a treatment for type II diabetes currently under development in collaboration with Chugai Pharmaceutical, and NTC-801, a treatment for atrial fibrillation and flutter being developed with Nissan Chemical Industries. In December 2009, we filed an application with the Japanese Ministry of Health, Labour and Welfare to manufacture and market gout and hyperuricemia treatment TMX-67 in Japan. In Europe, partner Beaufour Ipsen of France, to whom we have licensed out TMX-67 (febuxostat), signed an exclusive sublicensing agreement for the drug with the Menarini Group of Italy. In March 2010, the Menarini Group began marketing TMX-67, under the brand name *ADENURIC*®, in several countries, including France. In the United States, licensee Takeda Pharmaceuticals North America reported steadily increasing sales of TMX-67, which it markets under the name *ULORIC*®.

Home Health Care

Rental volume remained favorable for both HOT equipment and CPAP ventilators.

Rental volume for mainstay HOT equipment remained robust. Rentals of CPAP ventilators also continued to climb and we maintained our focus on expanding the market for these devices. In September 2009 we opened a dedicated home health care technical services center staffed by highly trained personnel, enabling us to respond swiftly to inquiries from health care facilities and users.

* *Bonalon*® is the registered trademark of Merck & Co., Inc., Whitehouse Station, NJ, U.S.A.



Trading *and* Retail

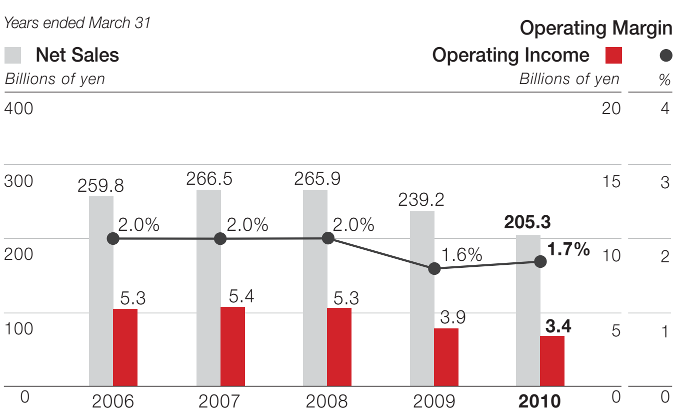
In the Trading and Retail segment, sales declined 14.2%, to ¥205.3 billion, while operating income fell 11.2%, to ¥3.4 billion. In textiles and apparel, sales of textiles slumped, but we proceeded with efforts to grow our apparel business. In industrial textiles and materials, sales of materials for automotive applications rebounded.

Textiles and Apparel

Sales of both raw yarn and fabrics fell steeply, owing to stagnant conditions in the European and U.S. markets, coupled with a strong yen and the withdrawal of several domestic raw yarn manufacturers from production in Japan. Nonetheless, we promoted efforts to further foster our apparel business, including reinforcing sales in the PRC by launching a television shopping service and boosting operations in metropolitan Tokyo by expanding our office in the city's trendy Harajuku district and opening a new store operated by I.T.'S International Co., Ltd., a joint venture specialty retailer of private-label apparel.

Industrial Textiles and Materials

Sales of materials for automobile tires and airbags recovered to between 70% and 80% of the fiscal 2008 level, although sales of materials for conveyor belts and rubber hoses flagged. In the area of materials for interior applications, the success of active efforts to expand commercial rights supported brisk sales of wall and floor coverings, curtains and lifestyle-related products.



IT *and* New Products, etc.

IT and New Products, etc., segment sales remained level at ¥45.9 billion. Operating income declined 17.7%, to ¥3.0 billion.

IT

Results for both IT solutions and Services were firm.

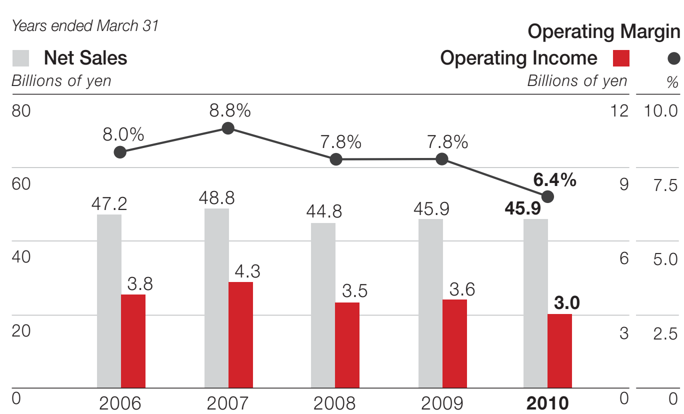
The IT business is divided into IT solutions and Services. During the period, we promoted stringent efforts to enhance profitability by ensuring effective project-specific budget and progress management, as well as measures to reduce costs. Results in this business remained firm, reflecting ongoing efforts to expand our content distribution and e-commerce site management businesses, as well as steps to reinforce the competitiveness of our data center management business. On November 30, 2009, we increased our stake in subsidiary Infocom Corporation by 5%, to 55.14%, through the acquisition of 7,200 additional shares in the company.

New Products, etc.

We continued to promote ambitious R&D efforts with the aim of promptly commercializing achievements in five key areas, namely, bioplastics, composite materials, high-performance electronics materials, highly thermally conductive materials and water treatment.

In bioplastics, we developed a new antihydrolysis technology for *BIOFRONT*® plant-based heat-resistant bioplastic that substantially improves the product's durability. We also completed construction of a new demonstration plant for *BIOFRONT*® at the Matsuyama Plant on schedule and in September 2009 brought the new facility on line. We expect both achievements to help accelerate development efforts.

In the area of basic R&D, we inaugurated the Integrative Technology Research Institute, within the Tokyo Research Center, in July 2009. The new facility conducts R&D aimed at developing new technologies for biopolymers, advanced medical materials and electronics materials, as well as in fields that integrate such technologies.



Financial Position

Analysis of Assets, Liabilities, Net Assets and Cash Flows

Despite a ¥41.1 billion reduction in interest-bearing debt, to ¥320.3 billion, the debt-to-equity ratio remained level at 1.18 times, while the equity ratio slipped 2.0 percentage points, to 33.0%, as shareholders' equity and valuation and translation adjustments and others fell ¥34.3 billion, to ¥271.3 billion.

Regardless of a slight worsening of key indicators of financial soundness, our long-term debt ratings remained level with fiscal 2008. Owing to successful efforts to secure a positive free cash flow, we saw a significant improvement in key indicators of liquidity. The interest coverage ratio more than tripled, to 13.1 times, while the debt payback period declined to 4.0 years, from 8.9 years in the previous fiscal year.

As of March 31, 2010

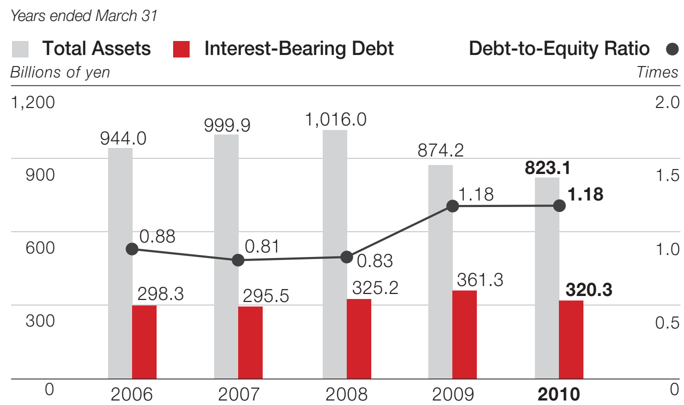
	Moody's	Rating and Investment Information, Inc.
Rating	A3	A
Outlook	Negative	Stable

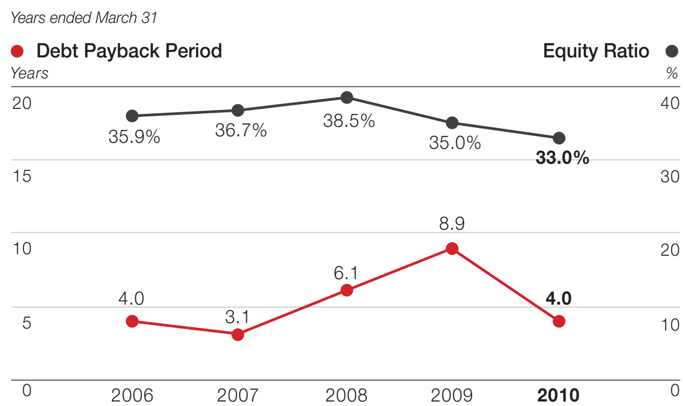
Assets, Liabilities and Net Assets

Total assets as of March 31, 2010, amounted to ¥823.1 billion, a decrease of 5.8%, or ¥51.1 billion from the end of fiscal 2008. This result reflected declines in inventories and property, plant and equipment, net—the latter due to a freeze on major capital investment and the advance of depreciation and amortization.

Total liabilities, at ¥527.8 billion, were down ¥16.4 billion from the fiscal 2008 year-end. Interest-bearing debt, which includes bank loans, long-term loans and commercial paper, declined ¥41.1 billion, and accounted for ¥320.3 billion of the total. The decrease in interest-bearing debt was attributable to restraints on capital investment and the reduction of inventories, which bolstered free cash flow, thus facilitating the repayment of debt.

Total net assets were ¥295.3 billion, a decline of ¥34.7 billion. Shareholders' equity and valuation and translation adjustments and others together represented ¥271.3 billion of the total, down ¥34.3 billion. This decline was due to a net loss of ¥35.7 billion for the period under review.





Cash Flows

Net cash and cash equivalents provided by operating activities in fiscal 2009 amounted to ¥80.4 billion. This result was attributable to a decrease in inventories and an increase in payables, as well as depreciation and amortization and other write-offs, which combined to offset the impact of a sizeable loss before income taxes, an increase in receivables and income taxes paid.

Despite a decrease in cash applied to capital expenditure, to ¥36.3 billion, from ¥75.8 billion in fiscal 2008, and proceeds from sales and redemption of investment securities, net cash and cash equivalents used in investing activities came to ¥33.4 billion.

Operating and investing activities in fiscal 2009 thus provided a net total of ¥47.0 billion.

Net cash and cash equivalents used in financing activities amounted to ¥42.9 billion. This result reflected the issue and redemption of bonds, net proceeds from short-term bank loans and long-term debt, and the repayment thereof, and the payment of dividends, among others.

After factoring in the impact of exchange rate fluctuations, operating, investing and financing activities in the period under review resulted in a ¥4.1 billion increase in net cash and cash equivalents as of March 31, 2010.

Years ended March 31	2006	2007	2008	2009	2010
	Billions of yen				
Cash flows from operating activities	¥ 75.5	¥ 96.5	¥ 53.7	¥ 40.4	**¥ 80.4**
Cash flows from investing activities	(74.1)	(87.1)	(79.2)	(116.3)	**(33.4)**
Free cash flow	1.4	9.4	(25.5)	(75.9)	**47.0**
Cash flows from financing activities	1.5	(19.1)	16.1	79.2	**(42.9)**
Net increase (decrease) in cash and cash equivalents	4.7	(9.3)	(9.3)	1.3	**4.1**

Outlook for Fiscal 2010

Medium-Term Outlook

In fiscal 2010, we anticipate an improvement in operating results in our materials businesses. We also expect to start reaping the benefits of urgent measures and structural reforms in these businesses. As a consequence, we foresee a return to profitability at the net income level in fiscal 2010 and the repositioning of the Teijin Group on a growth trajectory in fiscal 2011.

In fiscal 2011, we aim to achieve ROA in excess of 6%, ROE of higher than 7% and a debt-to-equity ratio below 1.0 times.

Major Challenges

Groupwide Challenges

We have designated fiscal 2010 as the year in which we will conclude urgent measures and structural reforms and achieve a return to profitability.

In fiscal 2010, we foresee the yielding of results brought about by urgent measures and structural reforms implemented in our materials businesses since the second half of fiscal 2008. To achieve a return to profitability at the net income level, we will build on these benefits, as well as on a recovery in demand—buttressed by improving economic conditions worldwide, led by the PRC and ASEAN—and the highly stable income structure of our pharmaceuticals and home health care businesses.

In our materials businesses, strategies will emphasize the creation of an optimal global production configuration and the expansion of midstream and downstream businesses, including through collaboration with third parties. In service-related businesses, we will focus on building a highly profitable organization by stepping up the establishment of innovative business models. Groupwide efforts will highlight reinforcing sales capabilities, thereby positioning us to respond effectively to rapid market fluctuations, as well as fortifying our technological prowess, cultivating and growing new businesses and expanding our operations in key fields and growth markets worldwide. With the aim of improving financial soundness, we will work to secure a positive free cash flow by maintaining our freeze on major capital investment and taking steps to increase the efficiency of working capital.

Through technology-driven innovation, we aim to achieve sustainable growth by providing solutions in two key areas—green chemistry and health care—and in domains that overlap these areas, notably advanced medical materials and bioplastics. Green chemistry encompasses high-performance materials, as well as green businesses and energy, while health care includes pharmaceuticals and health care services.

In existing businesses, one focus will be environment-friendly materials, including:

- Materials that help reduce the weight and energy requirements of finished products, such as aramid fibers used to strengthen cables, as well as hoses used in drilling offshore oil fields, carbon fiber composite materials for aircraft and automotive applications and polycarbonate resin for vehicle windows.
- Materials that contribute to the reduction of carbon dioxide emissions, notably PET film for use in solar cells and chemically recycled PET fibers.

In our pharmaceuticals business, efforts in the field of cardiovascular and metabolic disease—one of three key therapeutic areas—will focus on expanding sales of gout and hyperuricemia treatment TMX-67 in global markets. In our home health care business, we are steadily expanding operations in the United States and Spain.

New business development will center on reinforcing R&D efforts with the aim of promptly commercializing achievements in five key areas—bioplastics, composite materials, high-performance electronics materials, highly thermally conductive materials and water treatment. In the area of bioplastics, we will nurture markets for a product that boasts high heat resistance and suitability for molding and processing; we also aim to increase our annual production capacity for this product to 5,000 tons in 2011 with the expansion of our demonstration plant. In composite materials, we will collaborate with customers in the development of new technologies and applications, concentrating predominantly on carbon fiber composite materials, for the automotive and aircraft markets. In high-performance electronics materials, we will emphasize heat-resistant LiB separators, while in highly thermally conductive materials we will accelerate the development of heat-dissipating materials. In the area of water treatment, we will step up the expansion of operations in the PRC.

Challenges in Individual Business Segments

Effective from fiscal 2010, Teijin will divide its Synthetic Fibers segment into the High-Performance Fibers and the Polyester Fibers segments. Teijin will also rename its IT and New Products, etc., segment IT and Others.

High-Performance Fibers

We will strive to reinforce the structure of our aramid fibers business by promoting decisive efforts to develop new products and applications, cultivate demand, expand sales and reduce costs and inventories. We will endeavor to shrink losses in our carbon fibers business by strengthening sales capabilities, positioning us well to cultivate demand and bolster sales. At the same time, we will radically pare fixed costs and create an efficient global production system that ensures profitability even with facility operating rates at 70% of capacity. In the area of composite materials, efforts will focus on the expansion of sales.

Polyester Fibers

We are currently in the process of implementing two key reforms, approved in fiscal 2009, in line with the restructuring plan for this business, which are to shift production of polyester filaments from Japan to our subsidiary in Thailand and to establish the best possible production system, comprising plants in Thailand and Japan, for polyester fibers for industrial applications. Through such efforts, we will strive to create an optimal global production configuration for polyester fibers, thereby facilitating a decisive reduction of costs. We will also implement measures to achieve a return to profitability by promoting the development of new products and expanding midstream and downstream businesses.

Films and Plastics

In the plastics business, we will further reinforce our operating foundations in promising markets, particularly the PRC and ASEAN. We will also take steps to optimize our global production system and improve the effectiveness of raw materials procurement. We will shift our focus to customized high-performance products, including compounds and processed plastics. In films, we will respond to increasing demand for thick films by expanding the capacity of our production facilities. With the aim of restoring our films business to profitability, we will press ahead with the shift of production to promising Asian markets and the restructuring of our plants in the United States and Luxembourg.

Pharmaceuticals and Home Health Care

To secure profitability, we will work to increase sales of key pharmaceuticals, including osteoporosis treatments, and rentals of home health care equipment. We will seek to rapidly expand sales of gout and hyperuricemia treatment TMX-67 in European markets and in the United States, as well as to launch the product in other promising markets, notably the PRC, in due course. In addition, we will step up efforts to develop new drugs. In home health care, we will seek to strengthen the profitability of our overseas operations.

Trading and Retail

In response to increasingly diverse market needs, we will maximize our global network and actively seek to cultivate commercial rights in promising sectors.

IT and Others

In the IT business, efforts will focus on establishing a profitable business structure that is not easily swayed by market fluctuations.

Outlook for Financial Position in Fiscal 2010

Outlook for Operating Results

In fiscal 2010, brisk economic recovery is expected to continue in the PRC and other Asian countries. The economies of Japan, Europe and the United States are also expected to continue improving, although at a more hesitant pace. However, our operating environment remains unpredictable, owing to risks associated with the possibility of increases in prices for raw materials and fuel—particularly crude oil—and with political unrest and economic fluctuations in Southeast Asia and Europe.

In this environment, we expect demand to increase gradually in our materials businesses, prompted by a continued recovery in sales for automotive and electrical and electronics applications, among others. Underscoring this projection, operating rates at pertinent production facilities have continued to rise since bottoming out in the fourth quarter of fiscal 2008. Our pharmaceuticals and home health care businesses also continue benefiting from market growth. We are particularly positive about prospects for the expansion of sales of gout and hyperuricemia treatment TMX-67, which is now on the market in Europe and the United States. As a consequence, we forecast a steady improvement in operating results in our materials businesses and our Pharmaceuticals and Home Health Care segment, despite the likelihood of increases in raw materials and fuel prices and the April 2010 revision of drug reimbursement prices (official prescription drug prices) under Japan's NHI scheme.

For fiscal 2010, we currently forecast consolidated net sales of ¥800.0 billion, operating income of ¥32.0 billion and net income of ¥10.0 billion. Net sales and operating income forecasts reflect projected increases in sales and income in our materials businesses. These forecasts assume exchange rates of ¥90 to US$1.00 and ¥130 to €1.00 and a Dubai crude oil price of US$80 per barrel.

Outlook for Financial Position

For the foreseeable future, we will continue to place a high priority on ensuring a positive free cash flow. To this end, we will maintain the current freeze on major capital investment, focusing instead on maximizing the benefits of investments made to date. We will also strive to enhance the efficiency of working capital, particularly through the reduction of inventories. Through these and other efforts, we aim to achieve ROA—calculated using operating income—of 4.0%, ROE of 3.6% and a debt-to-equity ratio of 1.1 times in fiscal 2010.

Risk Factors

The Teijin Group has implemented organizational and systematic responses to various risks inherent in its operations. As of the date of this document, these risks included, but were not limited to, the risks listed below. The upheaval that has characterized the global financial markets of late appears to have settled to some degree and the Teijin Group faces very little risk of difficulty in procuring necessary funds.

Market-Related Risk

The Teijin Group manufactures and sells products, the sales of which may be affected by market conditions and competition with other companies, and by market price fluctuations arising thereof. Businesses involving commoditized materials—notably the polyester fibers business of the Synthetic Fibers segment and the polyester films and polycarbonate fibers businesses of the Films and Plastics segment—are particularly vulnerable to fluctuations in shipments, sales prices and procurement costs for raw materials and fuel related to market conditions and competition with other companies. Because the cost of raw materials and fuel accounts for a major portion of production costs in these businesses, fluctuations in the price of crude oil may have a significant impact on the Group's income performance.

The majority of products in the Teijin Group's materials businesses are intermediates. Owing to inventory adjustments at each stage of production and sales, the rate of expansion or contraction of end-user demand for such products may exceed that of the real economy.

The Teijin Group's Pharmaceuticals and Home Health Care segment is vulnerable to changes in drug reimbursement prices under Japan's NHI scheme, as well as to increasingly intense competition, both of which may have a negative impact on sales prices.

Fluctuations in foreign exchange and interest rates also have the potential to affect the Teijin Group's operating results and/or financial position.

Product Quality Risk

Teijin Pharma Limited, the principal subsidiary in the Teijin Group's Pharmaceuticals and Home Health Care segment, has established its own product reliability assurance function in the form of a compliance division. This division, which functions independently of other Group businesses, is charged with quality assurance in all aspects of the pharmaceuticals and home health care businesses. The Group maintains insurance coverage against product liability.

Nonetheless, as the pharmaceuticals business involves products that may affect the lives of users, quality issues have the potential to negatively affect, among others, the Group's operating results, financial position and public reputation.

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. In the initial stages, there is a high risk that researchers will fail to discover a promising drug. Even if a promising drug is discovered, clinical trials may prove it not to be as effective as anticipated, or to have unexpected adverse side effects, thereby forcing the abandonment of plans to apply for approval. There is also a risk that a new drug candidate may not receive regulatory approval as a result of the examination process that follows application, or that approval may be rescinded based on the outcome of research conducted subsequent to launch.

Risks Related to Overseas Operations

The Teijin Group has operations—particularly in the Synthetic Fibers, Films and Plastics, Pharmaceuticals and Home Health Care and Trading and Retail segments—in the PRC, Southeast Asia (including Thailand and Singapore), Europe (including Germany and the Netherlands) and the United States. These operations are vulnerable to the impact of fluctuations in foreign exchange and interest rates. Our operations in the PRC and Southeast Asia, in particular, may also be affected by such factors as the enforcement of new—or unexpected changes to existing—laws, regulations or tax systems that exert an adverse impact on the Group, or by social unrest triggered by, among others, economic fluctuations, changes of government or acts of terror or war. The manifestation of such risks has the potential to adversely affect the Group's operating results and/or financial position.

Consolidated Balance Sheets

TEIJIN LIMITED

As of March 31, 2009 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	**2010**	**2010**
ASSETS			
Current assets:			
Cash and time deposits (Note 3)	¥ 18,956	**¥ 23,122**	**$ 248,517**
Receivables:			
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	2,230	**3,056**	**32,846**
Other	149,693	**155,895**	**1,675,570**
Loans to:			
Unconsolidated subsidiaries and affiliates	5,078	**2,873**	**30,879**
Other	528	**627**	**6,739**
Other	19,584	**13,036**	**140,112**
Inventories (Note 7)	135,065	**106,315**	**1,142,681**
Deferred income taxes (Note 14)	9,170	**19,783**	**212,629**
Other current assets	12,873	**10,710**	**115,111**
Allowance for doubtful receivables	(2,057)	**(2,671)**	**(28,708)**
Total current assets	351,120	**332,746**	**3,576,376**
Investments and other assets:			
Investments in (Notes 5 and 8):			
Unconsolidated subsidiaries and affiliates	16,393	**19,087**	**205,148**
Other	46,215	**43,289**	**465,273**
Loans to:			
Unconsolidated subsidiaries and affiliates	1,872	**1,665**	**17,896**
Other	1,152	**2,514**	**27,021**
Prepaid pension expenses (Note 9)	16,746	**16,208**	**174,205**
Other	18,741	**12,794**	**137,510**
Allowance for doubtful receivables	(2,643)	**(2,005)**	**(21,550)**
	98,476	**93,552**	**1,005,503**
Property, plant and equipment (Note 8)**:**			
Land	46,180	**45,636**	**490,499**
Buildings and structures	184,567	**187,267**	**2,012,758**
Machinery, equipment and vehicles	554,892	**575,159**	**6,181,847**
Tools	71,694	**72,467**	**778,880**
Construction in progress	26,477	**9,258**	**99,506**
Other	1,256	**2,369**	**25,461**
	885,066	**892,156**	**9,588,951**
Accumulated depreciation	(545,362)	**(575,255)**	**(6,182,878)**
	339,704	**316,901**	**3,406,073**
Intangible assets	15,623	**17,614**	**189,316**
Deferred income taxes (Note 14)	2,891	**2,438**	**26,204**
Goodwill	66,343	**59,820**	**642,949**
	84,857	**79,872**	**858,469**
	¥874,157	**¥823,071**	**$8,846,421**

See accompanying Notes to Consolidated Financial Statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	**2010**	**2010**
LIABILITIES AND NET ASSETS			
Current liabilities:			
Bank loans (Note 8)	¥ 72,432	**¥ 54,137**	**$ 581,868**
Long-term debt due within one year (Note 8)	34,561	**24,319**	**261,382**
Commercial paper	76,000	**51,000**	**548,151**
Payables:			
Trade notes and accounts payable (Note 8):			
Unconsolidated subsidiaries and affiliates	1,234	**1,274**	**13,693**
Other	68,211	**82,982**	**891,896**
Other	33,222	**30,916**	**332,287**
Income taxes payable	2,743	**5,025**	**54,009**
Accrued expenses	19,402	**17,118**	**183,985**
Deferred income taxes (Note 14)	363	**157**	**1,687**
Other current liabilities	16,906	**8,791**	**94,488**
Provision for business structure improvement	—	**18,129**	**194,852**
Total current liabilities	325,074	**293,848**	**3,158,298**
Long-term debt due after one year (Note 8)	177,081	**188,480**	**2,025,795**
Employees' retirement benefits (Note 9)	19,241	**18,474**	**198,560**
Directors' and statutory auditors' retirement benefits	1,838	**1,801**	**19,357**
Deferred income taxes (Note 14)	8,914	**10,577**	**113,682**
Liabilities in accordance with the application of the equity method	23	**19**	**204**
Other non-current liabilities	12,001	**14,590**	**156,815**
Contingent liabilities (Note 19)			
Net assets (Note 10)			
Shareholders' equity:			
Common stock			
Authorized—3,000,000,000 shares in 2009 and 2010			
Issued—984,758,665 shares in 2009			
984,758,665 shares in 2010	70,817	**70,817**	**761,145**
Capital surplus	101,325	**101,328**	**1,089,080**
Retained earnings	150,886	**112,983**	**1,214,349**
Treasury stock, at cost: 587,193 shares in 2009			
2,616,343 shares in 2010	(226)	**(773)**	**(8,308)**
Total shareholders' equity	322,802	**284,355**	**3,056,266**
Valuation and translation adjustments and others:			
Net unrealized holding gains on securities	12,744	**13,025**	**139,994**
Deferred gains (losses) on hedges	(1,321)	**299**	**3,214**
Foreign currency translation adjustments	(28,648)	**(26,373)**	**(283,460)**
Total valuation and translation adjustment and others	(17,225)	**(13,049)**	**(140,252)**
Stock acquisition rights	320	**401**	**4,310**
Minority interest in consolidated subsidiaries	24,088	**23,575**	**253,386**
Total net assets	329,985	**295,282**	**3,173,710**
	¥874,157	**¥823,071**	**$8,846,421**

Consolidated Statements of Operations

TEIJIN LIMITED

Years ended March 31, 2009 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	**2010**	**2010**
Net sales	¥943,410	**¥765,840**	**$8,231,298**
Costs and expenses:			
Cost of sales	724,774	**573,939**	**6,168,734**
Selling, general and administrative expenses	163,040	**145,109**	**1,559,641**
Research and development expenses	37,630	**33,356**	**358,512**
Operating income	17,966	**13,436**	**144,411**
Other income/(expenses):			
Interest and dividend income	1,790	**1,591**	**17,100**
Interest expenses	(10,495)	**(5,785)**	**(62,178)**
Gain on sales of investment securities	198	**7,165**	**77,010**
Gain on sales of property, plant and equipment	1,273	**1,022**	**10,985**
Gain on compensation for transfer of property	71	**120**	**1,290**
Loss on disposal of property, plant and equipment	(2,379)	**(1,509)**	**(16,219)**
Write-down of investment securities	(2,701)	**(1,221)**	**(13,123)**
Impairment loss (Note 11)	(11,588)	**(4,387)**	**(47,152)**
Special provision for allowance for doubtful receivables	(295)	**(525)**	**(5,643)**
Restructuring costs	(3,320)	**(20,621)**	**(221,636)**
Special factory operating loss (Note 12)	(10,185)	**(10,713)**	**(115,144)**
Environmental protection costs (Note 13)	(17)	**(408)**	**(4,385)**
Equity in losses of unconsolidated subsidiaries and affiliates	(8,046)	**(3,389)**	**(36,425)**
Additional contribution to cover losses on disposal of securities with market value held in money trusts (Note 20)	—	**(7,199)**	**(77,375)**
Other, net	(6,177)	**(4,173)**	**(44,852)**
	(51,871)	**(50,032)**	**(537,747)**
Loss before income taxes and minority interests	(33,905)	**(36,596)**	**(393,336)**
Income taxes (Note 14)**:**			
Current	7,330	**7,766**	**83,469**
Deferred	2,911	**(9,288)**	**(99,828)**
	10,241	**(1,522)**	**(16,359)**
Minority interests in net (income)/losses of consolidated subsidiaries	1,183	**(610)**	**(6,557)**
Net loss	¥ (42,963)	**¥ (35,684)**	**$ (383,534)**

	Yen		U.S. dollars (Note 1)
Net loss per share (Note 2)	¥(43.65)	**¥(36.26)**	**$(0.390)**
Net loss per share—diluted	—	**—**	**—**
Cash dividends applicable to the year	5.00	**2.00**	**0.021**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Net Assets

TEIJIN LIMITED

Years ended March 31, 2009 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	**2010**	**2010**
Shareholders' equity			
Common stock			
Balance at end of previous fiscal year	¥ 70,816	**¥ 70,817**	**$ 761,145**
Changes in items during the period:			
New issue of stock	1	**—**	**—**
Total	1	**—**	**—**
Balance at end of current fiscal year	70,817	**70,817**	**761,145**
Capital surplus			
Balance at end of previous fiscal year	101,325	**101,325**	**1,089,048**
Changes in items during the period:			
New issue of stock	1	**—**	**—**
Disposal of treasury stock	(42)	**3**	**32**
Transfer of loss on disposal of treasury stock	41	**—**	**—**
Total	(0)	**3**	**32**
Balance at end of current fiscal year	101,325	**101,328**	**1,089,080**
Retained earnings			
Balance at end of previous fiscal year	199,953	**150,886**	**1,621,733**
Change owing to application of accounting policies for overseas consolidated subsidiaries	1,342	**—**	**—**
Changes in items during the period:			
Cash dividends paid	(6,398)	**(1,969)**	**(21,163)**
Net loss	(42,963)	**(35,684)**	**(383,534)**
Others*	(1,007)	**(250)**	**(2,687)**
Transfer of loss on disposal of treasury stock	(41)	**—**	**—**
Total	(50,409)	**(37,903)**	**(407,384)**
Balance at end of current fiscal year	150,886	**112,983**	**1,214,349**
Treasury stock at cost			
Balance at end of previous fiscal year	(245)	**(226)**	**(2,429)**
Changes in items during the period:			
Treasury stock purchased	(77)	**(580)**	**(6,234)**
Disposal of treasury stock	96	**33**	**355**
Total	19	**(547)**	**(5,879)**
Balance at end of current fiscal year	(226)	**(773)**	**(8,308)**
Shareholders' equity, total			
Balance at end of previous fiscal year	371,849	**322,802**	**3,469,497**
Change owing to application of accounting policies for overseas consolidated subsidiaries	1,342	**—**	**—**
Changes in items during the period:			
New issue of stock	2	**—**	**—**
Cash dividends paid	(6,398)	**(1,969)**	**(21,163)**
Net loss	(42,963)	**(35,684)**	**(383,534)**
Others*	(1,007)	**(250)**	**(2,687)**
Treasury stock purchased	(77)	**(580)**	**(6,234)**
Disposal of treasury stock	54	**36**	**387**
Total	(50,389)	**(38,447)**	**(413,231)**
Balance at end of current fiscal year	¥322,802	**¥284,355**	**$3,056,266**

* Changes in surpluses owing to actuarial differences in retirement benefit obligations calculated based on U.K. accounting standards.
See accompanying Notes to Consolidated Financial Statements.

(continued on page 64)

(continued from page 63)

Consolidated Statements of Changes in Net Assets

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2010	2010
Valuation and translation adjustments and others			
Net unrealized holding gains on securities			
Balance at end of previous fiscal year	¥ 24,062	**¥ 12,744**	**$ 136,973**
Changes in items during the period:			
Net changes in items other than shareholders' equity	(11,318)	**281**	**3,021**
Total	(11,318)	**281**	**3,021**
Balance at end of current fiscal year	12,744	**13,025**	**139,994**
Deferred gains (losses) on hedges			
Balance at end of previous fiscal year	(341)	**(1,321)**	**(14,198)**
Changes in items during the period:			
Net changes in items other than shareholders' equity	(980)	**1,620**	**17,412**
Total	(980)	**1,620**	**17,412**
Balance at end of current fiscal year	(1,321)	**299**	**3,214**
Foreign currency translation adjustments			
Balance at end of previous fiscal year	(4,560)	**(28,648)**	**(307,911)**
Changes in items during the period:			
Net changes in items other than shareholders' equity	(24,088)	**2,275**	**24,451**
Total	(24,088)	**2,275**	**24,451**
Balance at end of current fiscal year	(28,648)	**(26,373)**	**(283,460)**
Valuation and translation adjustments and others, total			
Balance at end of previous fiscal year	19,161	**(17,225)**	**(185,135)**
Changes in items during the period:			
Net changes in items other than shareholders' equity	(36,386)	**4,176**	**44,883**
Total	(36,386)	**4,176**	**44,883**
Balance at end of current fiscal year	(17,225)	**(13,049)**	**(140,252)**
Stock acquisition rights			
Balance at end of previous fiscal year	221	**320**	**3,439**
Changes in items during the period:			
Net changes in items other than shareholders' equity	99	**81**	**871**
Total	99	**81**	**871**
Balance at end of current fiscal year	320	**401**	**4,310**
Minority interests in consolidated subsidiaries			
Balance at end of previous fiscal year	20,018	**24,088**	**258,900**
Changes in items during the period:			
Net changes in items other than shareholders' equity	4,070	**(513)**	**(5,514)**
Total	4,070	**(513)**	**(5,514)**
Balance at end of current fiscal year	24,088	**23,575**	**253,386**
Net assets, total			
Balance at end of previous fiscal year	411,249	**329,985**	**3,546,700**
Change owing to application of accounting policies for overseas consolidated subsidiaries	1,342	**—**	**—**
Changes in items during the period:			
New issue of stock	2	**—**	**—**
Cash dividends paid	(6,398)	**(1,969)**	**(21,163)**
Net loss	(42,963)	**(35,684)**	**(383,534)**
Others*	(1,007)	**(250)**	**(2,687)**
Treasury stock purchased	(77)	**(580)**	**(6,234)**
Disposal of treasury stock	54	**36**	**387**
Net changes in items other than shareholders' equity	(32,217)	**3,744**	**40,241**
Total	(82,606)	**(34,703)**	**(372,990)**
Balance at end of current fiscal year	¥329,985	**¥295,282**	**$3,173,710**

* Changes in surpluses owing to actuarial differences in retirement benefit obligations calculated based on U.K. accounting standards.

Consolidated Statements of Cash Flows

TEIJIN LIMITED

Years ended March 31, 2009 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	**2010**	**2010**
Cash flows from operating activities:			
Loss before income taxes	¥(33,905)	**¥(36,596)**	**$ (393,336)**
Depreciation and amortization	67,364	**61,879**	**665,080**
Impairment loss	11,588	**4,387**	**47,152**
Increase/(decrease) in retirement benefits	1,717	**(551)**	**(5,922)**
Increase in provision for business structure improvement	—	**18,129**	**194,852**
Decrease in allowance for doubtful receivables	(164)	**(68)**	**(731)**
Interest and dividend income	(1,790)	**(1,591)**	**(17,100)**
Interest expenses	10,495	**5,785**	**62,178**
Equity in losses of unconsolidated subsidiaries and affiliates	8,046	**3,389**	**36,425**
Loss on sales or disposal of property, plant and equipment	1,106	**487**	**5,234**
Gain on sales of investment securities	(198)	**(7,165)**	**(77,010)**
Write-down of investment securities	2,701	**1,221**	**13,123**
(Increase)/decrease in receivables	33,989	**(7,234)**	**(77,752)**
(Increase)/decrease in inventories	(4,401)	**29,631**	**318,476**
Increase/(decrease) in payables	(35,110)	**15,451**	**166,068**
Other, net	(3,152)	**6,893**	**74,086**
Subtotal	58,286	**94,047**	**1,010,823**
Interest and dividends received	3,527	**3,774**	**40,563**
Interest paid	(10,142)	**(6,155)**	**(66,154)**
Income taxes paid	(11,279)	**(4,034)**	**(43,358)**
Additional contribution to reserve for losses on securities held in money trusts (Note 20)	—	**(7,199)**	**(77,375)**
Net cash and cash equivalents provided by operating activities	40,392	**80,433**	**864,499**
Cash flows from investing activities:			
Purchase of property, plant and equipment	(75,845)	**(34,119)**	**(366,713)**
Proceeds from sales of property, plant and equipment	2,022	**1,757**	**18,884**
Purchase of investment securities	(3,805)	**(1,183)**	**(12,715)**
Purchase of shares of newly consolidated subsidiaries	(24,537)	**—**	**—**
Proceeds from sales and redemption of investment securities	693	**10,242**	**110,082**
Increase in short-term loans receivable	(8,085)	**(2,502)**	**(26,892)**
Long-term loans advanced	(1,072)	**(1,805)**	**(19,400)**
Collections on long-term loans receivable	673	**260**	**2,794**
Other, net	(6,348)	**(6,087)**	**(65,423)**
Net cash and cash equivalents used in investing activities	(116,304)	**(33,437)**	**(359,383)**
Cash flows from financing activities:			
Increase/(decrease) in short-term bank loans, net	36,322	**(20,488)**	**(220,206)**
Decrease in commercial paper, net	(23,000)	**(25,000)**	**(268,702)**
Proceeds from issuance of bonds	50,321	**15,226**	**163,650**
Redemption of bonds	(32,764)	**(28,436)**	**(305,632)**
Proceeds from long-term debt	68,886	**25,754**	**276,806**
Repayment of long-term debt	(13,302)	**(8,473)**	**(91,068)**
Cash dividends paid	(6,398)	**(1,969)**	**(21,163)**
Cash dividends paid to minority shareholders	(879)	**(169)**	**(1,816)**
Other, net	(8)	**606**	**6,512**
Net cash and cash equivalents provided by/(used in) financing activities	79,178	**(42,949)**	**(461,619)**
Effect of exchange rate changes on cash and cash equivalents	(1,992)	**81**	**871**
Net increase in cash and cash equivalents	1,274	**4,128**	**44,368**
Cash and cash equivalents at beginning of year	19,094	**18,796**	**202,021**
Increase/(decrease) of cash and cash equivalents due to change in scope of consolidation	(1,572)	**40**	**430**
Cash and cash equivalents at end of year (Note 3)	¥ 18,796	**¥ 22,964**	**$ 246,819**

See accompanying Notes to Consolidated Financial Statements.

Note 1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of Teijin Limited (the "Company") have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law (the "Law") and the related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Prior to the year ended March 31, 2009, the accounts of overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. From the fiscal year ended March 31, 2009, the Company adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement" (Practical Issues Task Force (PITF) No. 18, issued by the Accounting Standards Board of Japan (ASBJ) on May 17, 2006). In principle, the Company unified accounting standards for foreign subsidiaries and makes necessary adjustments upon consolidation. There were no material effects as a result of the adoption of PITF No. 18 on the consolidated financial statements for the years ended March 31, 2009 and 2010.

The accompanying consolidated financial statements have been reformatted and translated into English with some expanded descriptions from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2010, which was ¥93.04 to U.S.$1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

Note 2. Summary of significant accounting policies

Consolidation

The consolidated financial statements include the accounts of the Company and 81 significant subsidiaries for the year ended March 31, 2010. For 2009, 83 significant subsidiaries were included in the consolidated financial statements. Investments in 70 (81 in 2009) unconsolidated subsidiaries and affiliates are, with minor exceptions, stated at cost, adjusted for equity in undistributed earnings and losses since acquisition.

Companies which are 40% or more owned and substantially controlled by the Company are considered subsidiaries for inclusion in the consolidation. Equity method accounting is applied to unconsolidated subsidiaries and affiliates which are substantially controlled or of which operating and financial policies are significantly influenced by the Company.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time the Company acquired control of the respective subsidiary.

Goodwill is usually amortized using the straight-line method over the estimated useful life from five years to 20 years.

The accounts of 41 (41 in 2009) consolidated subsidiaries are included on the basis of their fiscal years ending December 31 (January 31 for two (two in 2009) and February 28 for two (two in 2009) other subsidiaries). These subsidiaries do not prepare, for consolidation purposes, statements for the period, which corresponds with the fiscal year of the Company.

For these 45 (45 in 2009) consolidated subsidiaries, when there are significant transactions that occur between their respective fiscal year-ends and the Company's year-end, necessary adjustments are made to reflect the transactions in the accompanying consolidated financial statements.

Statements of cash flows

In preparing the consolidated statements of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with maturities not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

Allowance for doubtful receivables

The allowance for doubtful receivables is provided in amounts sufficient to cover possible losses on collection. It is determined by adding the individually estimated uncollectible amounts of certain receivables to an amount calculated using the provision rate based on past experience.

Securities

Under the Japanese accounting standard for financial instruments, all companies are required to classify securities as (a) securities held for trading purposes ("trading securities"), (b) debt securities intended to be held to maturity ("held-to-maturity debt securities"), (c) equity securities issued by subsidiaries and affiliated companies, and (d) all other securities that are not classified in any of the above categories ("available-for-sale securities").

The Company and its consolidated subsidiaries (the "Companies") do not hold trading securities. Held-to-maturity debt securities are stated at amortized cost.

Equity securities issued by subsidiaries and affiliated companies, which are not consolidated or accounted for using the equity method, are stated at moving-average cost. Available-for-sale securities with available fair market values are stated at fair market value. Unrealized gains and losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on sales of such securities are computed using moving-average cost.

Debt securities with no available fair market value are stated at amortized cost, net of the amount considered not collectible. Other securities with no available fair market value are stated at moving-average cost.

If the market value of held-to-maturity debt securities, equity securities issued by unconsolidated subsidiaries and affiliated companies and available-for-sale securities declines significantly, such securities are stated at fair market value and the difference between fair market value and the carrying amount is recognized as a loss in the period of the decline. If the fair market value of equity securities issued by unconsolidated subsidiaries and affiliated companies not on the equity method is not readily available, the securities should be written down to net asset value with a corresponding charge in the consolidated statements of operations in the event net asset value declines significantly. In these cases, the fair market value or the net asset value will be the carrying amount of the securities at the beginning of the next year.

Inventories

Inventories are stated at the lower of average cost or net realizable value.

(Change in accounting procedures)

From the fiscal year ended March 31, 2009, the Company adopted "Accounting Standards for Measurement of Inventories" (ASBJ Statement No. 9, issued on July 5, 2006). The effect of the adoption on net income is insignificant.

Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is determined over the estimated useful life of the asset principally by the declining balance method for domestic companies and by the straight-line method for overseas subsidiaries. For domestic companies, buildings acquired after March 31, 1998, are depreciated using the straight-line method.

(Additional information)

Effective from the year ended March 31, 2009, in conformance with the revision of the Corporate Tax Law, the Company and its domestic consolidated subsidiaries revised the estimated useful life applicable for fixed assets. As a result of this change, operating income decreased by ¥605 million and income before income taxes and minority interests decreased by ¥822 million for the year ended March 31, 2009. The effect of this change on segment information is explained in Note 18, "Segment information."

Intangible assets

Goodwill, patents, trademarks and other intangible assets are amortized using the straight-line method over the estimated useful life of the asset.

Software for internal use is amortized using the straight-line method over the estimated useful life (five years).

Research and development expenses

The Company charges research and development expenses to income as incurred.

Retirement benefits

(1) Employees

The Company has an unfunded lump-sum benefit plan and a funded contributory pension plan, generally covering all employees. Certain consolidated subsidiaries have unfunded lump-sum benefit plans and non-contributory pension plans. Most foreign subsidiaries do not have pension plans.

Under the terms of the lump-sum benefit plans, eligible employees are entitled under most circumstances, upon mandatory retirement at age 60 or earlier voluntary termination, to a lump-sum payment based on their compensation at the time of severance and years of service.

The liabilities and expenses for severance and retirement benefits are determined based on the amounts actuarially calculated using certain assumptions. The Company and its consolidated subsidiaries provided for employees' severance and retirement benefits at March 31, 2009 and 2010, based on the estimated amounts of projected benefit obligation and the fair value of the pension assets at those dates.

Prior service costs and actuarial gains and losses are recognized in expenses using the straight-line method over mainly 12 years, which is within the average of the estimated remaining service years of the employees, commencing with the current and the following period, respectively.

(2) Directors and statutory auditors

The Company and its domestic consolidated subsidiaries provide for lump-sum retirement payments for directors and statutory auditors in amounts that would be required if they retired at the balance sheet dates.

Liabilities in accordance with the application of the equity method

Liabilities in accordance with the application of the equity method have been provided with respect to losses that may arise from the Company's portion of the capital deficits of unconsolidated subsidiaries and affiliates which are accounted for by the equity method, after giving consideration to the Company's investments in, and guarantees for, such companies.

Provision for business structure improvement

The provision is provided in amounts sufficient to cover possible losses for business structure improvement.

Derivatives and hedge accounting

The Companies state derivative financial instruments at fair value and recognize changes in the fair value as gain or loss unless the derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company and its domestic subsidiaries defer recognition of the gain or loss resulting from a change in fair value of the derivative financial instrument until the related loss or gain on the hedged item is recognized.

However, in cases where forward foreign exchange contracts are used as hedges and meet certain hedging criteria, forward foreign exchange contracts and hedged items are accounted for in the following manner:

(1) If a forward foreign exchange contract is executed to hedge an existing foreign currency receivable or payable,
   (a) the difference, if any, between the Japanese yen amount of the hedged foreign currency receivable or payable translated using the spot rate at the inception date of the contract and the book value of the receivable or payable is recognized in the consolidated statements of operations in the period which includes the inception date, and
   (b) the discount or premium on the contract (that is, the difference between the Japanese yen amount of the contract translated using the contracted forward rate and that translated using the spot rate at the inception date of the contract) is recognized over the term of the contract.

(2) If a forward foreign exchange contract is executed to hedge a future transaction denominated in a foreign currency, the future transaction will be recorded using the contracted forward rate, and no gain or loss on the forward foreign exchange contract will be recognized.

Also, if interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

Income taxes

The provision for income taxes is based on income for financial statement purposes. Income taxes comprise corporation tax, enterprise tax, and prefectural and municipal inhabitants taxes. The assets and liabilities approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The Company and its wholly owned domestic consolidated subsidiaries have adopted the consolidated tax return filing under Japanese tax regulations for the year ended March 31, 2006 and thereafter.

Translation of foreign currency

Cash, receivables and payables denominated in foreign currencies are translated into Japanese yen at year-end exchange rates. All revenues and expenses in foreign currencies are translated at the exchange rates prevailing when such transactions are made. The resulting exchange loss or gain is charged or credited to income.

The balance sheet accounts of the foreign consolidated subsidiaries and foreign investments accounted for by the equity method are translated at the rates of exchange in effect at the balance sheet date, except for capital accounts and assets and liabilities due to/from the Company, which are translated at historical rates. Accounts in the statements of operations are translated at the average rates of exchange for the year. Differences arising from translations are presented as "Foreign currency translation adjustments" in the accompanying consolidated financial statements. The Companies report foreign currency translation adjustments in net assets.

Net income (loss) per share

Computations of net loss per share of common stock are based on the weighted-average number of shares outstanding during each period. Diluted net loss per share is calculated based on the assumption that all dilutive convertible debentures and stock warrants were converted or exercised at the beginning of the year or at the time of issue.

Net loss per share for the years ended March 31, 2009 and 2010, is calculated based on the following factors:

Year ended March 31, 2009

(a) Net loss:	¥42,963 million
(b) Amount not attributable to common shareholders:	¥ — million
(c) Bonuses to directors and statutory auditors included in (b):	¥ — million
(d) Net loss allocated to common stock:	¥42,963 million
(e) Average number of shares outstanding during the period:	984,208 thousand shares
(f) Increase in number of shares:	— thousand shares
(g) Increase in number of stock acquisition rights included in (f):	— thousand shares
(h) Summary of outstanding potential shares excluded from the computation of diluted EPS, if calculated for the period, since such potential stocks do not have a dilutive effect:	Common stock acquisition rights for the purpose of granting stock options (585 thousand shares of common stock can be issued under the common stock acquisition rights).

Year ended March 31, 2010

(a) Net loss:	¥35,684 million	($383,534 thousand)
(b) Amount not attributable to common shareholders:	¥ — million	($ — thousand)
(c) Bonuses to directors and statutory auditors included in (b):	¥ — million	($ — thousand)
(d) Net loss allocated to common stock:	¥35,684 million	($383,534 thousand)
(e) Average number of shares outstanding during the period:	984,000 thousand shares	
(f) Increase in number of shares:	— thousand shares	
(g) Increase in number of stock acquisition rights included in (f):	— thousand shares	
(h) Summary of outstanding potential shares excluded from the computation of diluted EPS, if calculated for the period, since such potential stocks do not have a dilutive effect:	Common stock acquisition rights for the purpose of granting stock options (390 thousand shares of common stock can be issued under the common stock acquisition rights).	

(Change in accounting procedures)

Recognition of revenues and costs on construction contracts

Prior to the year ended March 31, 2010, the Company and its consolidated domestic subsidiaries (the "domestic companies") recognized revenues and costs of construction contracts using the completed-contract method. Effective from the year ended March 31, 2010, the domestic companies adopted the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, issued on December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, issued on December 27, 2007). Accordingly, when the outcome of individual contracts can be estimated reliably, the domestic companies apply the percentage-of-completion method to work commencing in the year ended March 31, 2010, otherwise the completed-contract method is applied. The percentage/stage of completion at the end of the reporting period is measured by the proportion of the cost incurred to the estimated total cost. The change had no material impact on the consolidated financial statements.

Reclassifications and restatement

Certain prior year amounts have been reclassified and restated to conform to the current year presentation. These reclassifications and restatements had no impact on previously reported results of operations or retained earnings.

Note 3. Statements of cash flows

The reconciliation of cash and time deposits in the consolidated balance sheets and cash and cash equivalents in the consolidated statements of cash flows as of March 31, 2009 and 2010, is as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Cash and time deposits in the consolidated balance sheets	¥18,956	**¥23,122**	**$248,517**
Time deposits with maturities exceeding 3 months	(160)	**(158)**	**(1,698)**
Cash and cash equivalents in the consolidated statements of cash flows	¥18,796	**¥22,964**	**$246,819**

Note 4. Fair value of financial instruments

(Additional information)

Effective from the year ended March 31, 2010, the Company adopted the revised "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, revised on March 10, 2008) and the "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, revised on March 10, 2008). Information on financial instruments for the year ended March 31, 2010, required pursuant to the revised accounting standards is as follows:

(1) Qualitative information on financial instruments

(a) Policies for using financial instruments

The Companies' fund management policy is to put money into short-term deposit only and to raise money through bank loans, commercial paper and corporate bonds.

The Companies principally enter into derivatives transactions in connection with managing their market risk and not for speculation or trading purposes.

(b) Details of financial instruments used and the exposure to risk and how it arises

Trade notes and accounts receivable are exposed to customers' credit risk. To manage that risk, the Companies check the balance of the accounts and confirm the collection of money at the due date. The Companies also review the credit risk of main customers every six months in accordance with the Company's credit management regulations.

Securities are exposed to market price fluctuation risk, however, the Companies only hold shares in firms with which they have business relations and these are not for speculation.

The due date of trade notes and accounts payable are mainly within one year.

Commercial paper and short-term loans are used mainly for operating purposes, and funding through corporate bonds and long-term loans is mainly for capital investment. Debts with a floating rate are exposed to interest rate fluctuation risk, but some long-term debt interest is converted to a fixed rate through interest rate swap transactions.

The Companies use derivative transactions of, for example, forward currency exchange and currency swaps that are used to hedge the risk of fluctuation in foreign currency exchange rates with respect to monetary receivables and payables denominated in foreign currencies resulting from import and export transactions. With respect to other derivative transactions, interest rate swap transactions are used to hedge the risk of fluctuation in interest rates and commodity swap transactions are used to hedge the risk of fluctuation in the commodity prices of fuel. The Companies evaluate hedge effectiveness by comparing the cumulative changes in cash flows from, or the changes in fair value of, hedged items with the corresponding changes in the hedging derivative instruments.

The Companies report periodically to the Chief Financial Officer and the Accounting and Treasury Office on the actual results of derivative transactions. The actual results of derivative transactions for which hedge accounting cannot be applied are reported to the Board of Directors after the end of each year. Furthermore the Companies enter into contracts with highly rated international institutions as counterparts to these transactions to minimize credit risk exposure.

(c) Supplementary information on fair values

The fair value of financial instruments is calculated based on quoted market price or, in cases where there is no market price, by making a reasonable estimation. Because the preconditions applied include a floating element, estimations of fair value may vary. The contracted amounts, as presented in Note 6, "Derivative transactions," do not reflect market risk.

(2) Fair values of financial instruments

The following table summarizes fair value and book value of the financial instruments, and the difference between them, as of March 31, 2010. Items for which fair value is difficult to estimate are not included in the follwing table.

	Millions of yen			Thousands of U.S. dollars
	2010			**2010**
	Book value	Fair value	Difference	Difference
(1) Cash and time deposits	**¥ 23,122**	**¥ 23,122**	**¥ —**	**$ —**
(2) Receivables	**158,952**	**158,952**	**—**	**—**
(3) Short-term loans	**3,236**	**3,236**	**—**	**—**
(4) Securities (other)	**39,155**	**39,155**	**—**	**—**
(5) Long-term loans	**4,442**	**—**	**—**	**—**
Allowance for doubtful receivables (*1)	**(552)**	**—**	**—**	**—**
	3,890	**3,890**	**—**	**—**
Total	**¥228,355**	**¥228,355**	**¥ —**	**$ —**
(1) Payables	**84,257**	**84,257**	**—**	**—**
(2) Short-term loans	**54,137**	**54,137**	**—**	**—**
(3) Commercial paper	**51,000**	**51,000**	**—**	**—**
(4) Bonds	**47,270**	**48,658**	**1,388**	**14,918**
(5) Long-term loans	**165,529**	**166,671**	**1,142**	**12,274**
Total	**¥402,193**	**¥404,723**	**¥2,530**	**$27,192**
Derivative transactions (*2)				
(1) For which hedge accounting is not applied	**(535)**	**(535)**	**—**	**—**
(2) For which hedge accounting is applied	**(1,528)**	**(1,528)**	**—**	**—**
Total	**¥ (2,063)**	**¥ (2,063)**	**¥ —**	**$ —**

(*1) Allowance estimated individually is deducted from loans.

(*2) Derivative transactions are presented net of receivables and liabilities, and figures within parenthesis indicate net liabilities.

(Footnote 1) The method of estimating the fair value for securities and derivative transactions is as follows:

Assets

(1) Cash and time deposits, (2) Receivables, (3) Short-term loans

These terms are all short-term, and the fair value is nearly equal to book value, so the book value is used as fair value.

(4) Securities (other)

The fair value of shares is the market price. See Note 5, "Securities" for information on securities categorized by holding purposes.

(5) Long-term loans

The fair value of long-term loans, distinguished by the term, is discounted by the interest rate that is based on that of government bonds, to which a spread that reflects credit risk has been added.

Moreover, the fair value of long-term loans that are doubtful is estimated in the same way or is provided in an amount sufficient to cover possible losses on collection.

Liabilities

(1) Payables, (2) Short-term loans, (3) Commercial paper

These terms are all short-term and the fair value is nearly equal to book value, so the book value is used as fair value.

(4) Bonds

The fair value of corporate bonds is calculated based on market price, or, in cases where there is no market price, by using the discounted cash flow, based on the sum of the principal and total interest of the remaining period and credit risk.

(5) Long-term loans

The fair value of long-term loans is the sum of the principal and total interest discounted by the rate that is applied if a new loan is made. Certain long-term loans with floating rates are tied to interest rate swap transactions and subject to special treatment.

Derivative transactions

See Note 6, "Derivative transactions."

(Footnote 2) Financial instruments for which fair value is difficult to estimate

Market prices for these shares are not available and the future cash flow cannot be estimated. Therefore, the fair value is difficult to estimate. Hence, these are not included in Note 5, "Securities," below.

	Millions of yen	Thousands of U.S. dollars
Unlisted shares	¥ 3,959	$ 42,552
Shares in affiliated companies	15,302	164,467
Total	¥19,261	$207,019

(Footnote 3) Expected repayment of monetary assets and securities with maturity after the date of the accounting period is as follows:

	Millions of yen		Thousands of U.S. dollars	
	Within one year	One year to five years	Within one year	One year to five years
Cash and time deposits	¥ 23,122	¥ —	$ 248,517	$ —
Receivables	158,952	—	1,708,426	—
Short-term loans	3,236	—	34,781	—
Securities	—	—	—	—
Long-term loans	¥ 263	¥4,179	$ 2,827	$44,916

(Footnote 4) Expected repayment of corporate bonds and long-term loans

See Note 8, "Bank loans and long-term debt."

Note 5. Securities

(1) Information on securities held by the Companies at March 31, 2009, is as follows:

a) There were no held-to-maturity debt securities with fair values at March 31, 2009.

b) The following table summarizes acquisition costs and book values (fair values) of available-for-sale securities with available fair values as of March 31, 2009:

	Millions of yen		
	2009		
	Acquisition cost	Book value	Difference
Securities with book values exceeding acquisition costs:			
Corporate shares	¥15,274	¥35,939	¥20,665
Securities with book values not exceeding acquisition costs:			
Corporate shares	8,013	5,853	(2,160)
Total	¥23,287	¥41,792	¥18,505

c) Total sales of available-for-sale securities sold in the year ended March 31, 2009, and the related gains and losses amounted to ¥689 million, ¥22 million and ¥91 million, respectively.

d) Available-for-sale securities with no fair values as of March 31, 2009, consisted mostly of non-listed equity securities and others amounting to ¥3,274 million and ¥1,149 million, respectively.

(2) Information on securities held by the Companies at March 31, 2010, is as follows:

a) There were no held-to-maturity debt securities with fair values at March 31, 2010.

b) The following table summarizes acquisition costs and book values (fair values) of available-for-sale securities with fair values as of March 31, 2010:

	Millions of yen			Thousands of U.S. dollars
	2010			2010
	Acquisition cost	Book value	Difference	Difference
Securities with book values exceeding acquisition costs:				
Corporate shares	**¥14,401**	**¥34,892**	**¥20,491**	**$220,239**
Securities with book values not exceeding acquisition costs:				
Corporate shares	**5,788**	**4,263**	**(1,525)**	**(16,391)**
Total	**¥20,189**	**¥39,155**	**¥18,966**	**$203,848**

c) Total sales of available-for-sale securities in the year ended March 31, 2010, and the related gains and losses amounted to ¥10,205 million ($109,684 thousand), ¥7,237 million ($77,784 thousand) and ¥18 million ($193 thousand), respectively.

d) Available-for-sale securities with no fair values as of March 31, 2010, consisted mostly of non-listed equity securities and others amounting to ¥3,652 million ($39,252 thousand) and ¥307 million ($3,300 thousand), respectively.

Note 6. Derivative transactions

(1) The following tables summarize market value information as of March 31, 2009, of outstanding derivative transactions for which hedge accounting is not applied:

Outstanding positions, for which gains and losses were recognized in the financial statements as of March 31, 2009, were as follows:

Currency-related derivatives

	Millions of yen			
	2009			
	Contracted amount	Amount of principal due over one year	Fair value	Recognized gain (loss)
Foreign currency forward contract transactions:				
Sell: U.S. dollars	¥ 165	¥—	¥ 164	¥ 1
Buy: U.S. dollars	¥ 1,845	¥—	¥ 1,639	¥(206)
Buy: Japanese yen	¥12,105	¥—	¥12,895	¥ 790
Foreign currency swap transactions:				
Japanese yen received for U.S. dollars	¥ 7,006	¥—	¥ 2	¥ 2

Interest-rate-related derivatives

	Millions of yen			
	2009			
	Contracted amount	Amount of principal due over one year	Fair value	Recognized gain (loss)
Interest rate swap transactions:				
Variable rate received for variable rate	¥14,715	¥14,715	¥(152)	¥(152)

(2) The following tables summarize market value information as of March 31, 2010, of outstanding derivative transactions for which hedge accounting is not applied:

Outstanding positions, for which gains and losses were recognized in the financial statements as of March 31, 2010, were as follows:

Currency-related derivatives

	Millions of yen				Thousands of U.S. dollars
	2010				2010
	Contracted amount	Amount of principal due over one year	Fair value	Recognized gain (loss)	Recognized gain (loss)
Foreign currency swap transactions:					
Japanese yen received for U.S. dollars	**¥ 8,381**	**¥—**	**¥(114)**	**¥(114)**	**$(1,225)**
Foreign currency forward contract transactions:					
Sell: U.S. dollars	**¥ 2,476**	**¥—**	**¥ 276**	**¥ 276**	**$ 2,966**
Sell: Japanese yen	**¥ 855**	**¥—**	**¥ 101**	**¥ 101**	**$ 1,086**
Buy: Japanese yen	**¥13,172**	**¥—**	**¥(796)**	**¥(796)**	**$(8,555)**

Interest-rate-related derivatives

	Millions of yen				Thousands of U.S. dollars
	2010				2010
	Contracted amount	Amount of principal due over one year	Fair value	Recognized gain (loss)	Recognized gain (loss)
Interest rate swap transactions:					
Variable rate received for fixed rate	**¥92**	**¥—**	**¥(3)**	**¥(3)**	**$(32)**

(3) The following tables summarize market value information as of March 31, 2010, of outstanding derivative transactions for which hedge accounting is applied:

Currency-related derivatives: Principled method

	Millions of yen			Thousands of U.S. dollars
	2010			2010
	Contracted amount	Amount of principal due over one year	Fair value	Fair value
Foreign currency swap transactions:				
Japanese yen received for Euro	**¥34,678**	**¥11,197**	**¥(2,922)**	**$(31,406)**
Foreign currency forward contract transactions:				
Sell: U.S. dollars	**¥11,864**	**¥ —**	**¥ 136**	**$ 1,462**
Sell: Euro	**¥ 37**	**¥ —**	**¥ (2)**	**$ (21)**
Sell: Japanese yen	**¥ 9,098**	**¥ 5,020**	**¥ 1,146**	**$ 12,317**
Buy: U.S. dollars	**¥ 8,521**	**¥ —**	**¥ 339**	**$ 3,644**
Buy: Euro	**¥ 36**	**¥ —**	**¥ 0**	**$ 0**

Currency-related derivatives: Conventional method

	Millions of yen			Thousands of U.S. dollars
	2010			2010
	Contracted amount	Amount of principal due over one year	Fair value	Fair value
Foreign currency forward contract transactions:				
Sell: U.S. dollars	**¥4,212**	**¥—**	**¥—**	**$—**
Sell: Euro	**¥1,288**	**¥—**	**¥—**	**$—**
Buy: U.S. dollars	**¥ 601**	**¥—**	**¥—**	**$—**
Buy: Euro	**¥ 103**	**¥—**	**¥—**	**$—**

Interest-rate-related derivatives: Principled method

	Millions of yen			Thousands of U.S. dollars
	2010			2010
	Contracted amount	Amount of principal due over one year	Fair value	Fair value
Interest rate swap transactions:				
Variable rate received for fixed rate	**¥25,740**	**¥25,740**	**¥(286)**	**$(3,074)**

Interest-rate-related derivatives: Conventional method

	Millions of yen			Thousands of U.S. dollars
	2010			2010
	Contracted amount	Amount of principal due over one year	Fair value	Fair value
Interest rate swap transactions:				
Variable rate received for fixed rate	**¥22,400**	**¥ 22,400**	**¥—**	**$—**
Fixed rate received for variable	**¥ 1,000**	**¥ —**	**¥—**	**$—**

Commodity-related derivatives: Principled method

	Millions of yen			Thousands of U.S. dollars
	2010			2010
	Contracted amount	Amount of principal due over one year	Fair value	Fair value
Commodity swap transactions:				
Oil	**¥265**	**¥—**	**¥61**	**$656**

(4) The fair value of foreign currency forward contract transactions is based on the year-end forward rate. The fair value of foreign currency swap transactions, interest rate swap transactions and commodity swap transactions is based on the prices presented by the counterpart financial institutions.

(5) The recognized gain or loss is estimated by the counterpart financial institutions.

Note 7. Inventories

Inventories at March 31, 2009 and 2010, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Finished goods	¥ 95,419	**¥ 71,583**	**$ 769,379**
Work in process	11,641	**9,389**	**100,914**
Raw materials	22,062	**19,348**	**207,953**
Supplies	5,943	**5,995**	**64,435**
	¥135,065	**¥106,315**	**$1,142,681**

Note 8. Bank loans and long-term debt

Bank loans were represented by bank overdrafts and short-term notes with interest at average annual rates of approximately 2.7% and 1.2% in 2009 and 2010, respectively.

Long-term debt at March 31, 2009 and 2010, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Unsecured:			
Banks and insurance companies at 0.3–1.7%, maturing serially through 2016	¥ 96,255	**¥105,821**	**$1,137,371**
1.3% bonds, due 2009	10,000	**—**	**—**
1.6% bonds, due 2013	15,000	**15,000**	**161,221**
1.8% bonds, due 2015	15,000	**15,000**	**161,221**
0.7–1.1% medium-term notes, due 2009–2011	5,174	**—**	**—**
0.9–1.0% medium-term notes, due 2009–2010	9,333	**—**	**—**
1.1–1.3% medium-term notes, due 2009–2010	8,470	**—**	**—**
1.0% medium-term notes, due 2011	—	**991**	**10,651**
1.1% medium-term notes, due 2010	—	**1,586**	**17,047**
1.1–1.3% medium-term notes, due 2010	—	**3,965**	**42,616**
0.3–1.3% medium-term notes, due 2010–2011	—	**10,727**	**115,295**
Loans denominated in foreign currencies (principally U.S. dollars), 0.7–5.7% maturing serially through 2014	52,409	**59,708**	**641,745**
Lease obligations, 8.2% maturing serially through 2024	1,268	**2,349**	**25,247**
	212,909	**215,147**	**2,312,414**
Less amounts due within one year	34,625	**24,506**	**263,392**
	¥178,284	**¥190,641**	**$2,049,022**

At March 31, 2010, assets pledged as collateral for secured other liabilities of ¥25 million ($269 thousand) were as follows:

	Millions of yen	Thousands of U.S. dollars
Property, plant and equipment, net of accumulated depreciation	¥151	$1,623
Other assets	5	54

The aggregate annual maturities of long-term debt at March 31, 2010, were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2011	¥24,506	$263,392
2012	18,107	194,615
2013	59,366	638,070
2014	50,454	542,283
2015 and thereafter	62,713	674,043

Note 9. Employees' retirement benefits

(Change in accounting procedures)
Effective from the year ended March 31, 2010, the Company and its consolidated domestic subsidiaries adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19, issued on July 31, 2008). This change had no material impact on the consolidated financial statements for the year ended March 31, 2010.

(1) The liabilities for severance and retirement benefits included in the liability section of the consolidated balance sheets as of March 31, 2009 and 2010, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Projected benefit obligation	¥ 139,177	**¥ 131,446**	**$ 1,412,791**
Unrecognized prior service costs	4,725	**4,034**	**43,358**
Less unrecognized actuarial differences	(32,560)	**(18,705)**	**(201,043)**
Less fair value of pension assets	(112,049)	**(117,662)**	**(1,264,639)**
Prepaid pension expense	19,948	**19,361**	**208,093**
Liability for severance and retirement benefits	¥ 19,241	**¥ 18,474**	**$ 198,560**

(2) The expenses for severance and retirement benefits included in the consolidated statements of operations for the years ended March 31, 2009 and 2010, comprised the following:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Service costs—benefits earned during the year	¥ 5,842	**¥ 5,403**	**$ 58,071**
Interest cost on projected benefit obligation	3,555	**3,465**	**37,242**
Expected return on pension assets	(3,743)	**(3,369)**	**(36,210)**
Amortization of actuarial differences	2,100	**3,835**	**41,219**
Amortization of prior service costs	(656)	**(662)**	**(7,115)**
Severance and retirement benefit expenses	¥ 7,098	**¥ 8,672**	**$ 93,207**

(3) The discount rate and the rate of expected return on pension assets used by the Companies were mainly 2.0% and 3.0%, respectively, for the years ended March 31, 2009, and mainly 2.0% and 3.3%, respectively, for the year ended March 31, 2010.

(4) The estimated amount of all retirement benefits to be paid at future retirement dates is allocated equally to each service year using the estimated number of total service years. Prior service costs and actuarial gains and losses are recognized in expenses using the straight-line method over mainly 12 years, which is within the average of the estimated remaining service years of the employees, commencing with the current and the following period, respectively.

Note 10. Net assets

Under Japanese laws and regulations, the entire amount of the issue price of shares is required to be accounted for as common stock, although a company may, by resolution of its Board of Directors, account for an amount not exceeding one-half of the issue price of the new shares as capital surplus.

Under the Japanese Corporate Law, in cases where dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend and excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Additional paid-in capital is included in capital surplus and legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Legal earnings reserve and additional paid-in capital may be used to eliminate or reduce a deficit or may be capitalized by a resolution of the shareholders' meeting. All additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends. The maximum amount that the Company can distribute as dividends is calculated based on the unconsolidated financial statements of the Company in accordance with Japanese laws and regulations.

At the Board of Directors' meeting held on May 10, 2010, appropriations of retained earnings for the year ended March 31, 2010, were duly approved as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends: ¥2.00 ($0.02) per share	¥1,964	$21,109

Note 11. Impairment loss

Certain consolidated subsidiaries accounted for impairment losses for the year ended March 31, 2010, as follows:

Impairment loss

Location	Usage purpose	Type of assets	Millions of yen	Thousands of U.S. dollars
Bobingen, Germany	Synthetic fiber production facilities	Land and machinery, etc.	¥1,758	$18,895
Mihara City in Hiroshima Prefecture	Synthetic fiber production facilities	Machinery, etc.	1,278	13,736
South Carolina, U.S.A.	Synthetic fiber production facilities	Machinery and intangible assets, etc.	928	9,974
Matsuyama City in Ehime Prefecture	Synthetic fiber production facilities, etc.	Machinery, etc.	756	8,126
Nomi City in Ishikawa Prefecture, etc.	Synthetic fiber production facilities, etc.	Land and machinery, etc.	413	4,439
Matsuyama City in Ehime Prefecture	Plastics production facilities	Machinery	171	1,838
Chiyoda-ku in Tokyo	Idle assets	Software	148	1,591
Mihara City in Hiroshima Prefecture	Power supply facilities	Machinery, etc	140	1,505
Others	—	—	136	1,461
		Totals	¥5,728	$61,565

The Companies set asset groups by the business unit on which the profit or loss is continually controlled. Idle assets, which are not being used for business, are separately treated.

Among the assets used for business purposes, certain production facilities were devalued to the recoverable values by ¥5,553 million ($59,684 thousand) as "Impairment loss," including ¥1,341 million ($14,413 thousand) as "Restructuring costs," due to sluggish demand, etc. Recoverable value was measured by the usage value, which was calculated by discounting future cash flows with discount rates of 7%–10%.

The book values of idle assets with no utilization plan were written down to recoverable values by ¥175 million ($1,881 thousand). Recoverable value was measured by the net salvage value, based on real-estate appraisals or similar methods. If it is determined that an idle asset cannot be sold or diverted to another use, the asset is valued at zero.

Note 12. Special factory operating loss

Special factory operating loss included in other income (expenses) was incurred due to a decline in the capacity utilization ratio.

Note 13. Environmental protection costs

Environmental protection costs represent the soil cleanup costs and the costs for asbestos exposure prevention.

Note 14. Income taxes

Significant components of the Companies' deferred tax assets and liabilities as of March 31, 2009 and 2010, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Deferred tax assets:			
Excess bonuses accrued	¥ 3,409	**¥ 3,244**	**$ 34,867**
Provision for loss on guarantees	1,468	**3,035**	**32,620**
Loss on valuation of stocks of subsidiaries and affiliates	—	**9,145**	**98,291**
Write-down of investment securities	1,457	**3,817**	**41,025**
Retirement benefits	5,106	**3,805**	**40,896**
Accumulated impairment loss	8,621	**8,796**	**94,540**
Provision for business structure improvement	—	**7,117**	**76,494**
Net operating losses	47,390	**56,773**	**610,200**
Capital losses	3,552	**3,593**	**38,618**
Other	11,918	**11,848**	**127,344**
Total	82,921	**111,173**	**1,194,895**
Valuation allowance	(48,286)	**(67,332)**	**(723,689)**
Total deferred tax assets	34,635	**43,841**	**471,206**
Offset with deferred tax liabilities	(22,574)	**(21,620)**	**(232,373)**
Net deferred tax assets	¥ 12,061	**¥ 22,221**	**$ 238,833**
Deferred tax liabilities:			
Adjustments to fixed assets based on Corporate Tax Law	¥ (7,985)	**¥ (7,384)**	**$ (79,364)**
Accelerated depreciation of foreign subsidiaries' fixed assets	(4,068)	**(3,779)**	**(40,617)**
Tax effect of foreign subsidiaries' undistributed earnings	(4,427)	**(4,007)**	**(43,067)**
Valuation differences of newly acquired subsidiaries	(5,958)	**(5,958)**	**(64,037)**
Net unrealized holding gains on securities	(5,811)	**(5,845)**	**(62,822)**
Other	(3,602)	**(5,381)**	**(57,835)**
Total deferred tax liabilities	(31,851)	**(32,354)**	**(347,742)**
Offset with deferred tax assets	22,574	**21,620**	**232,373**
Net deferred tax liabilities	¥ (9,277)	**¥ (10,734)**	**$ (115,369)**

Note 15. Leases

(Change in accounting procedures)

On March 30, 2007, the Accounting Standards Board of Japan issued "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16). The new accounting standard requires that finance lease transactions which do not transfer ownership are accounted for in the same manner as sales/purchase transactions. The Company applies this standard for finance lease transactions that commenced on and after April 1, 2008. In compliance with the new standard, the Company accounts for finance leases that commenced on and before March 31, 2008, and which did not transfer ownership, in the same manner as operating leases. The effect on net income has been insignificant.

(1) Finance leases as lessee

Finance lease transactions that commenced on and before March 31, 2009, and which did not transfer ownership, are accounted for in the same manner as operating leases.

The original lease obligations, payments to date and payments remaining for assets leased from other parties under non-capitalized finance leases as of March 31, 2009 and 2010, are as follows:

	Millions of yen		
Year ended March 31, 2009	Original lease obligation	Payments to date	Payments remaining
Machinery, equipment and vehicles	¥2,380	¥1,551	¥ 829
Other fixed assets	2,445	1,638	807
Intangible assets	124	83	41
Total	¥4,949	¥3,272	¥1,677

	Millions of yen		
Year ended March 31, 2010	Original lease obligation	Payments to date	Payments remaining
Machinery, equipment and vehicles	**¥2,097**	**¥1,601**	**¥496**
Other fixed assets	**1,245**	**875**	**370**
Intangible assets	**81**	**56**	**25**
Total	**¥3,423**	**¥2,532**	**¥891**

	Thousands of U.S. dollars		
Year ended March 31, 2010	Original lease obligation	Payments to date	Payments remaining
Machinery, equipment and vehicles	**$22,538**	**$17,207**	**$5,331**
Other fixed assets	**13,382**	**9,405**	**3,977**
Intangible assets	**871**	**602**	**269**
Total	**$36,791**	**$27,214**	**$9,577**

Future minimum lease payments for the remaining lease periods as of March 31, 2009 and 2010, including interest, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Due within one year	¥ 739	**¥455**	**$4,890**
Due over one year	967	**458**	**4,923**
Total	¥1,706	**¥913**	**$9,813**

Lease payments for finance leases which do not transfer ownership were ¥1,081 million and ¥667 million ($7,169 thousand) for the years ended March 31, 2009 and 2010, respectively.

(2) Operating leases as lessee

Future minimum lease payments for the remaining lease periods, as of March 31, 2009 and 2010, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2010**	**2010**
Due within one year	¥ 284	**¥ 272**	**$ 2,923**
Due over one year	1,527	**1,338**	**14,381**
Total	¥1,811	**¥1,610**	**$17,304**

Note 16. Stock option plans

(1) Information on stock option plans at March 31, 2009, is shown below.

The account title and the amount related to stock options in the year ended March 31, 2009, are as follows:

Account title	Selling, general and administrative expenses
Amount	¥101 million

The following tables summarize contents of stock options as of March 31, 2009.

Company name	Teijin Limited
Position and number of grantee	Directors, Employees and Directors of affiliates: 60
Class and number of stock	Common Stock 535,000
Date of issue	July 1, 2003
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 2, 2005 to July 1, 2008
Company name	Teijin Limited
Position and number of grantee	Directors, Employees and Directors of affiliates: 53
Class and number of stock	Common Stock 460,000
Date of issue	July 2, 2004
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 3, 2006 to July 2, 2009
Company name	Teijin Limited
Position and number of grantee	Directors, Employees and Directors of affiliates: 55
Class and number of stock	Common Stock 430,000
Date of issue	July 4, 2005
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 5, 2007 to July 4, 2010
Company name	Teijin Limited
Position and number of grantee	Directors and Corporate Officers: 54
Class and number of stock	Common Stock 146,000
Date of issue	July 10, 2006
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 10, 2006 to July 9, 2026
Company name	Teijin Limited
Position and number of grantee	Directors and Corporate Officers: 55
Class and number of stock	Common Stock 207,000
Date of issue	July 5, 2007
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 5, 2007 to July 4, 2027
Company name	Teijin Limited
Position and number of grantee	Directors and Corporate Officers: 57
Class and number of stock	Common Stock 328,000
Date of issue	July 7, 2008
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 7, 2008 to July 6, 2028

The following tables summarize the scale and movement of stock options as of March 31, 2009.

Non-exercisable stock options

	Stocks					
Company name	Teijin Limited					
	2003	2004	2005	2006	2007	2008
Stock options outstanding at April 1, 2008	—	—	—	—	—	—
Stock options granted	—	—	—	—	—	328,000
Forfeitures	—	—	—	—	—	—
Conversion to exercisable stock options	—	—	—	—	—	328,000
Stock options outstanding at March 31, 2009	—	—	—	—	—	—

Exercisable stock options

	Stocks					
Company name	Teijin Limited					
	2003	2004	2005	2006	2007	2008
Stock options outstanding at April 1, 2008	25,000	195,000	390,000	144,000	207,000	—
Conversion from non-exercisable stock options	—	—	—	—	—	328,000
Stock options exercised	25,000	—	—	2,000	—	—
Forfeitures	—	—	—	—	—	—
Stock options outstanding at March 31, 2009	—	195,000	390,000	142,000	207,000	328,000

The following table summarizes price information of stock options as of March 31, 2009.

	Yen					
Company name	Teijin Limited					
	2003	2004	2005	2006	2007	2008
Paid-in value	¥304	¥405	¥515	¥ 1	¥ 1	¥ 1
Average market price of the stock at the time of exercise	¥408	—	—	¥311	—	—
Fair value at the date of grant	—	—	—	¥663	¥610	¥307

The method of estimation for the fair value of stock options granted in the year ended March 31, 2009, is as follows:

Method of valuation	Black-Scholes Model
Volatility	27%
Expected remaining period	6.0 years
Expected dividend	¥8.0 per share
Interest rate without any risks	1.35%

(2) Information on stock option plans at March 31, 2010, is shown below.

The account title and the amount related to stock options in the year ended March 31, 2010, are as follows:

Account title	Selling, general and administrative expenses
Amount	¥106 million ($1,139 thousand)

The following tables summarize the contents of stock options as of March 31, 2010.

Company name	Teijin Limited
Position and number of grantee	Directors, Employees and Directors of affiliates: 53
Class and number of stock	Common Stock 460,000
Date of issue	July 2, 2004
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 3, 2006 to July 2, 2009
Company name	Teijin Limited
Position and number of grantee	Directors, Employees and Directors of affiliates: 55
Class and number of stock	Common Stock 430,000
Date of issue	July 4, 2005
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 5, 2007 to July 4, 2010
Company name	Teijin Limited
Position and number of grantee	Directors and Corporate Officers: 54
Class and number of stock	Common Stock 146,000
Date of issue	July 10, 2006
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 10, 2006 to July 9, 2026
Company name	Teijin Limited
Position and number of grantee	Directors and Corporate Officers: 55
Class and number of stock	Common Stock 207,000
Date of issue	July 5, 2007
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 5, 2007 to July 4, 2027
Company name	Teijin Limited
Position and number of grantee	Directors and Corporate Officers: 57
Class and number of stock	Common Stock 328,000
Date of issue	July 7, 2008
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 7, 2008 to July 6, 2028
Company name	Teijin Limited
Position and number of grantee	Directors and Corporate Officers: 57
Class and number of stock	Common Stock 420,000
Date of issue	July 9, 2009
Condition of settlement of rights	No provisions
Period grantees provide service in return for stock options	No provisions
Period subscription rights are to be exercised	From July 9, 2009 to July 8, 2029

The following tables summarize the scale and movement of stock options as of March 31, 2010.

Non-exercisable stock options

	Stocks					
Company name	Teijin Limited					
	2004	2005	2006	2007	2008	2009
Stock options outstanding at April 1, 2009	—	—	—	—	—	—
Stock options granted	—	—	—	—	—	420,000
Forfeitures	—	—	—	—	—	—
Conversion to exercisable stock options	—	—	—	—	—	420,000
Stock options outstanding at March 31, 2010	—	—	—	—	—	—

Exercisable stock options

	Stocks					
Company name	Teijin Limited					
	2004	2005	2006	2007	2008	2009
Stock options outstanding at April 1, 2009	195,000	390,000	142,000	207,000	328,000	—
Conversion from non-exercisable stock options	—	—	—	—	—	420,000
Stock options exercised	—	—	15,000	23,000	6,000	—
Forfeitures	195,000	—	—	—	—	—
Stock options outstanding at March 31, 2010	—	390,000	127,000	184,000	322,000	420,000

The following table summarizes price information of stock options as of March 31, 2010.

	Yen					
Company name	Teijin Limited					
	2004	2005	2006	2007	2008	2009
Paid-in value	¥405	¥515	¥ 1	¥ 1	¥ 1	¥ 1
Average market price of the stock at the time of exercise	—	—	¥275	¥275	¥282	—
Fair value at the date of grant	—	—	¥663	¥610	¥307	¥253

The method of estimation for the fair value of stock options granted in the year ended March 31, 2010, is as follows:

Method of valuation	Black-Scholes Model
Volatility	31%
Expected remaining period	5.5 years
Expected dividend	¥5.0 per share
Interest rate without any risks	0.73%

Note 17. Business combination

Teijin Holdings USA Inc. acquired Braden Partners L.P., a provider of home oxygen and respiratory medications, equipment and services in the United States. All of the purchase was paid in cash. Under the acquisition, Braden Partners L.P. became a wholly owned subsidiary of the Company after June 13, 2008. The acquisition was to build our operating base in the U.S. market in the home health care business. Teijin Holdings USA Inc. will make additional payments if certain predefined milestones are achieved. These contingent payments will be recognized as goodwill upon payment.

Note 18. Segment information

(1) Industry segment information

The Company has five industry segments.

Synthetic fibers:

—Production and sales of polyester filaments and other fibers for apparel and industrial applications, and artificial leather

Films and plastics:

—Production and sales of films and resins for various industrial applications

Pharmaceuticals and home health care:

—Production and sales of prescription and non-prescription drugs and production, sales and rental of home health care devices

Trading and retail:

—Trading and retail of polyester filaments and other fibers

IT and new products, etc.:

—Serving software and other

Industry segment information for the years ended March 31, 2009 and 2010, is as follows:

(a) Statements of operations items

	Millions of yen				
Year ended March 31, 2009	Net sales to external customers	Intersegment net sales and transfer amounts	Net sales	Operating expenses	Operating income (loss)
Synthetic fibers	¥273,208	¥ 61,574	¥ 334,782	¥ 337,562	¥ (2,780)
Films and plastics	258,004	9,742	267,746	267,520	226
Pharmaceuticals and home health care	127,146	1	127,147	102,309	24,838
Trading and retail	239,163	7,871	247,034	243,161	3,873
IT and new products, etc.	45,889	41,224	87,113	83,524	3,589
Total	943,410	120,412	1,063,822	1,034,076	29,746
Elimination and corporate	—	(120,412)	(120,412)	(108,632)	(11,780)
Consolidated total	¥943,410	¥ —	¥ 943,410	¥ 925,444	¥ 17,966

	Millions of yen				
Year ended March 31, 2010	Net sales to external customers	Intersegment net sales and transfer amounts	Net sales	Operating expenses	Operating income (loss)
Synthetic fibers	**¥205,154**	**¥ 47,482**	**¥252,636**	**¥267,747**	**¥ (15,111)**
Films and plastics	**177,791**	**6,978**	**184,769**	**176,772**	**7,997**
Pharmaceuticals and home health care	**131,711**	**1**	**131,712**	**107,511**	**24,201**
Trading and retail	**205,314**	**4,787**	**210,101**	**206,660**	**3,441**
IT and new products, etc.	**45,870**	**31,351**	**77,221**	**74,267**	**2,954**
Total	**765,840**	**90,599**	**856,439**	**832,957**	**23,482**
Elimination and corporate	**—**	**(90,599)**	**(90,599)**	**(80,553)**	**(10,046)**
Consolidated total	**¥765,840**	**¥ —**	**¥765,840**	**¥752,404**	**¥ 13,436**

	Thousands of U.S. dollars				
Year ended March 31, 2010	Net sales to external customers	Intersegment net sales and transfer amounts	Net sales	Operating expenses	Operating income (loss)
Synthetic fibers	**$2,205,009**	**$ 510,339**	**$2,715,348**	**$2,877,763**	**$ (162,415)**
Films and plastics	**1,910,909**	**75,000**	**1,985,909**	**1,899,957**	**85,952**
Pharmaceuticals and home health care	**1,415,638**	**11**	**1,415,649**	**1,155,535**	**260,114**
Trading and retail	**2,206,728**	**51,451**	**2,258,179**	**2,221,195**	**36,984**
IT and new products, etc.	**493,014**	**336,963**	**829,977**	**798,226**	**31,751**
Total	**8,231,298**	**973,764**	**9,205,062**	**8,952,676**	**252,386**
Elimination and corporate	**—**	**(973,764)**	**(973,764)**	**(865,789)**	**(107,975)**
Consolidated total	**$8,231,298**	**$ —**	**$8,231,298**	**$8,086,887**	**$ 144,411**

(b) Assets, depreciation and amortization, impairment loss and capital expenditure

	Millions of yen			
Year ended March 31, 2009	Assets	Depreciation and amortization	Impairment loss	Capital expenditure
Synthetic fibers	¥396,937	¥30,997	¥ 8,886	¥47,531
Films and plastics	188,288	15,892	2,049	10,509
Pharmaceuticals and home health care	107,846	9,080	—	7,369
Trading and retail	82,847	280	—	392
IT and new products, etc.	52,749	2,089	299	3,664
Total	828,667	58,338	11,234	69,465
Elimination and corporate	45,490	2,514	354	6,341
Consolidated total	¥874,157	¥60,852	¥11,588	¥75,806

	Millions of yen			
Year ended March 31, 2010	Assets	Depreciation and amortization	Impairment loss	Capital expenditure
Synthetic fibers	**¥357,206**	**¥27,438**	**¥5,201**	**¥14,184**
Films and plastics	**182,000**	**12,567**	**171**	**5,797**
Pharmaceuticals and home health care	**108,913**	**8,920**	**—**	**8,444**
Trading and retail	**78,212**	**271**	**40**	**159**
IT and new products, etc.	**51,255**	**2,205**	**141**	**2,263**
Total	**777,586**	**51,401**	**5,553**	**30,847**
Elimination and corporate	**45,485**	**3,140**	**174**	**5,467**
Consolidated total	**¥823,071**	**¥54,541**	**¥5,727**	**¥36,314**

	Thousands of U.S. dollars			
Year ended March 31, 2010	Assets	Depreciation and amortization	Impairment loss	Capital expenditure
Synthetic fibers	**$3,839,273**	**$294,905**	**$55,901**	**$152,451**
Films and plastics	**1,956,148**	**135,071**	**1,838**	**62,307**
Pharmaceuticals and home health care	**1,170,604**	**95,873**	**—**	**90,757**
Trading and retail	**840,628**	**2,913**	**430**	**1,709**
IT and new products, etc.	**550,892**	**23,699**	**1,515**	**24,322**
Total	**8,357,545**	**552,461**	**59,684**	**331,546**
Elimination and corporate	**488,876**	**33,749**	**1,870**	**58,759**
Consolidated total	**$8,846,421**	**$586,210**	**$61,554**	**$390,305**

(2) Regional segment information

Regional segment information for the years ended March 31, 2009 and 2010, is as follows:

	Millions of yen					
Year ended March 31, 2009	Net sales to external customers	Intersegment net sales or transfer amounts	Net sales	Operating expenses	Operating income (loss)	Assets
Japan	¥599,088	¥ 42,599	¥ 641,687	¥ 621,247	¥20,440	¥ 660,792
Asia	159,893	33,575	193,468	197,436	(3,968)	135,899
America	104,781	3,351	108,132	107,436	696	61,740
Europe	79,648	28,038	107,686	97,000	10,686	162,997
Total	943,410	107,563	1,050,973	1,023,119	27,854	1,021,428
Elimination and corporate	—	(107,563)	(107,563)	(97,675)	(9,888)	(147,271)
Consolidated total	¥943,410	¥ —	¥ 943,410	¥ 925,444	¥17,966	¥ 874,157

Year ended March 31, 2010	Millions of yen Net sales to external customers	Intersegment net sales or transfer amounts	Net sales	Operating expenses	Operating income (loss)	Assets
Japan	¥535,214	¥ 26,431	¥561,645	¥534,310	¥27,335	¥ 615,160
Asia	132,747	19,000	151,747	150,142	1,605	130,345
America	51,914	419	52,333	54,925	(2,592)	42,934
Europe	45,965	21,789	67,754	71,546	(3,792)	156,975
Total	765,840	67,639	833,479	810,923	22,556	945,414
Elimination and corporate	—	(67,639)	(67,639)	(58,519)	(9,120)	(122,343)
Consolidated total	¥765,840	¥ —	¥765,840	¥752,404	¥13,436	¥ 823,071

Year ended March 31, 2010	Thousands of U.S. dollars Net sales to external customers	Intersegment net sales or transfer amounts	Net sales	Operating expenses	Operating income (loss)	Assets
Japan	$5,752,515	$ 284,082	$6,036,597	$5,742,799	$293,798	$ 6,611,780
Asia	1,426,773	204,214	1,630,987	1,613,736	17,251	1,400,957
America	557,975	4,504	562,479	590,338	(27,859)	461,457
Europe	494,035	234,188	728,223	768,980	(40,757)	1,687,177
Total	8,231,298	726,988	8,958,286	8,715,853	242,433	10,161,371
Elimination and corporate	—	(726,988)	(726,988)	(628,966)	(98,022)	(1,314,950)
Consolidated total	$8,231,298	$ —	$8,231,298	$8,086,887	$144,411	$ 8,846,421

The main countries included in Asia, America and Europe are as follows:
Asia: Thailand, Indonesia, China and Singapore
America: The United States of America
Europe: The Netherlands and Germany

(3) Overseas sales for the years ended March 31, 2009 and 2010, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2010	2010
Asia	¥198,114	¥165,208	$1,775,666
America	107,859	59,939	644,228
Europe and other	89,382	52,459	563,833
Overseas sales	¥395,355	¥277,606	$2,983,727

Overseas sales include overseas subsidiaries' sales to overseas third parties, as well as the Company's and domestic subsidiaries' export sales to third parties.

The main countries included in Asia, America, and Europe and other are as follows:
Asia: Thailand, Indonesia and China
America: The United States of America
Europe and other: Italy, Germany and France

(4) "Elimination and corporate" in the "Operating expenses" column of the above schedules includes corporate expenses amounting to ¥11,883 million and ¥10,324 million ($110,973 thousand) for the years ended March 31, 2009 and 2010, respectively, which mainly consist of basic research expenses and corporate administrative departments' expenses in the Company.

(5) "Elimination and corporate" in the "Assets" column of the above schedules includes corporate assets amounting to ¥92,827 million and ¥112,483 million ($1,208,977 thousand) for the years ended March 31, 2009 and 2010, respectively, which mainly consist of cash, time deposits and investments in securities held by the Company.

(6) Additional information
In the fiscal year ended March 31, 2009, as discussed in Note 2, the Company and its domestic consolidated subsidiaries revised the estimated useful life applicable for fixed assets due to a revision of the Corporate Tax Law. The effect of this change was to increase operating expenses in "Synthetic fibers" by ¥589 million, "Films and plastics" by ¥45 million, "Trading and retail" by ¥0 million and "IT and new products, etc." by

¥3 million, and to decrease operating expenses in "Pharmaceuticals and home health care" by ¥33 million, and decrease or increase operating income by the same amount respectively, compared with amounts that would have been recorded under the previous method.

Note 19. Contingent liabilities

At March 31, 2010, the Companies were contingently liable as follows:

		Millions of yen	Thousands of U.S. dollars
(a)	As endorser of notes discounted or endorsed	¥ 102	$ 1,096
(b)	As guarantors of indebtedness of:		
	Unconsolidated subsidiaries and affiliates	¥ 9,436	$101,419
	Others	2,530	27,192
		¥11,966	$128,611
(c)	As guarantor of accounts receivable negotiated to third parties	¥ 2,394	$ 25,731

Note 20. Subsequent events

(1) At the Board of Directors' meeting held on May 10, 2010, appropriations of retained earnings for the year ended March 31, 2010, were duly approved as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends: ¥2.00 ($0.02) per share	¥1,964	$21,109

(2) The Company entrusted cash for the payment of straight bonds (fourth series of unsecured straight bonds due September 29, 2009; issue amount: ¥15 billion) based on a debt assumption agreement concluded with a financial institution on November 29, 2005. These bonds are derecognized in the Company's consolidated balance sheets. Based on the judgment that the current financial market conditions increased the possibility that the principal of the securities invested and held by the trust could not be redeemed in full, the Company made an additional contribution to the trust of ¥7,199 million on June 1, 2009, to revise the contents of the investment held by the trust. The contribution is recorded as other loss in the fiscal year ended March 31, 2010. Since the debt assumption agreement continues in force, the off-balance-sheet accounting of the bonds is continuing.

Independent Auditors' Report

To the Shareholders and Board of Directors of Teijin Limited:

We have audited the accompanying consolidated balance sheets of Teijin Limited and consolidated subsidiaries as of March 31, 2009 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Teijin Limited and consolidated subsidiaries as of March 31, 2009 and 2010, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

As discussed in Note 20 (2) to the consolidated financial statements, on June 1, 2009, the Company made an additional contribution to the trust of approximately ¥7,199 million in relation to a debt assumption agreement of fourth series of unsecured straight bonds. The contribution is recorded as other loss in the fiscal year ended March 31, 2010.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010, are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.

(KPMG AZSA & Co.)

Osaka, Japan
June 23, 2010

Corporate Data

(As of March 31, 2010)

Established	June 17, 1918	
Head Offices	**Osaka Head Office** 6-7, Minami Hommachi 1-chome, Chuo-ku, Osaka 541-8587, Japan Tel: +81-6-6268-2132 **Tokyo Head Office** Kasumigaseki Common Gate West Tower, 2-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-8585, Japan Tel: +81-3-3506-4529	
Fiscal Year-End	March 31	
Common Stock	Authorized	3,000,000,000 shares
	Issued	984,758,665 shares
	Paid-in capital	¥70,817 million
	Shareholders	124,769
Number of Teijin Group Companies	Japan	76
	Overseas	80
	Total	156
Number of Teijin Group Employees (Consolidated)	Japan	10,197
	Overseas	8,581
	Total	18,778
Stock Exchange Listings	Tokyo, Osaka	
Stock Code	3401	
Stock Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation	
Dividends	Dividends are usually declared in May and November. Dividends are usually paid in or about May and November.	
Reports Available to Shareholders and Investors	Corporate Brochure Annual Report Fact Book *Kessan Tanshin* (Japanese summary financial report) The Teijin Group CSR Report	
Annual Meeting of Shareholders	The annual meeting of shareholders is held before the end of June.	
Independent Public Accountants	KPMG AZSA & Co.	
Teijin on the Internet	http://www.teijin.co.jp Teijin's web site offers a wealth of corporate and product information, including the latest annual report, financial results and corporate news.	
Investor Relations	If you have any questions or would like copies of any of our reports, please contact: Junichi Ichida, General Manager, Public Relations & Investor Relations Office, Kasumigaseki Common Gate West Tower, 2-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-8585, Japan Tel: +81-3-3506-4407 Fax: +81-3-3506-4150 E-mail: ir@teijin.co.jp	