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**Flash Report**  
***-1Q Results and FY14 Outlook-***

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**Teijin Limited**  
**August 4, 2014**

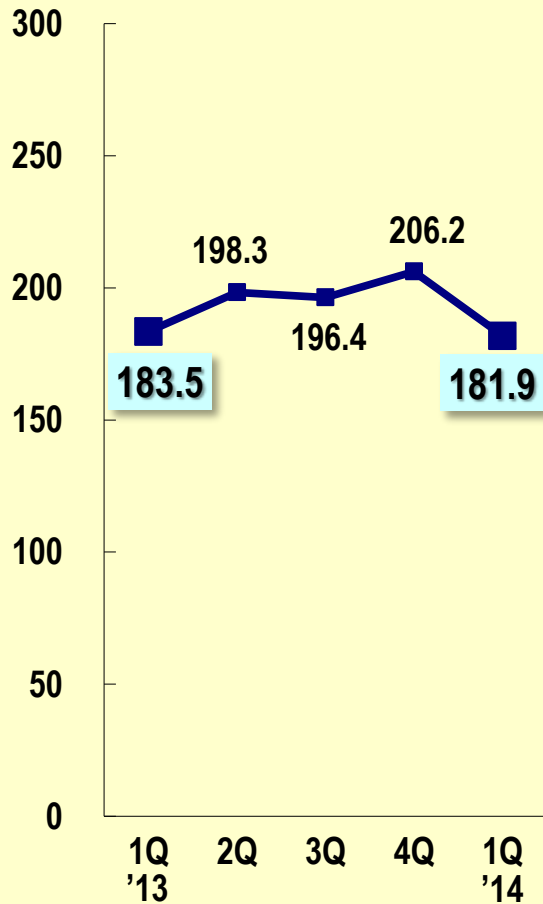
# **Outline of FY14 1Q Results**

# (1) Consolidated Results Highlights

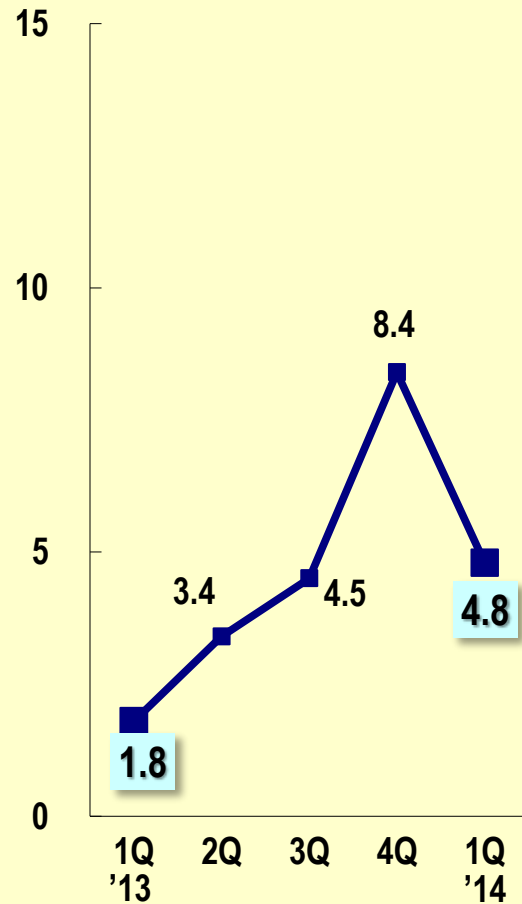
(¥ billion)

## Quarterly Movement

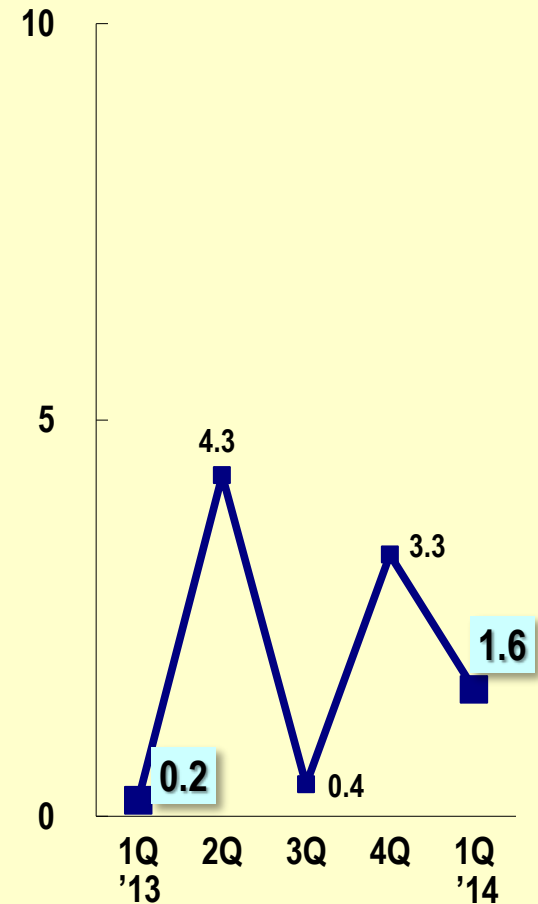
Sales



Operating income



Net income



## ◆ Operating results

(¥ billion)	FY13 1Q	FY14 1Q	Difference
Net sales	183.5	181.9	-1.7
Operating income	1.8	4.8	+3.0
OP margin	1.0%	2.6%	+1.6%
Nonoperating items (net)	(0.3)	(0.2)	+0.1
Ordinary income	1.6	4.7	+3.1
Extraordinary items (net)	(0.3)	(0.8)	-0.5
Income before income taxes	1.3	3.9	+2.5
Income taxes	1.1	2.4	+1.3
Minority interests in income (loss)	0.0	(0.1)	-0.1
Net income	0.2	1.6	+1.4
EPS (¥)	0.24	1.68	+1.44

EBITDA *1	13.1	15.9	+2.8
CAPEX *2	6.6	6.2	-0.3
Depreciation & amortization	11.3	11.1	-0.2
R&D expenses	7.6	7.7	+0.0
FCF	(24.1)	(21.5)	+2.6

### ➤ Net sales: Level, reflecting

- Positive impact of sales increases in both materials and solutions businesses
- Negative impact of the discontinuation of in-house production and sales of paraxylene

### ➤ Operating income, ordinary income and net income: Up, owing to

- Income increases, particularly in the Advanced Fibers and Composites and Healthcare segments
- Benefits of restructuring initiatives and measures to reduce costs

### ◆ PL exchange rate

	FY13 1Q	FY14 1Q
¥/US\$	99	102
¥/€	129	140
US\$/€	1.31	1.37

\*1 EBITDA = Operating income + Depreciation & amortization

\*2 CAPEX includes investments in intangible assets

◆ Nonoperating items

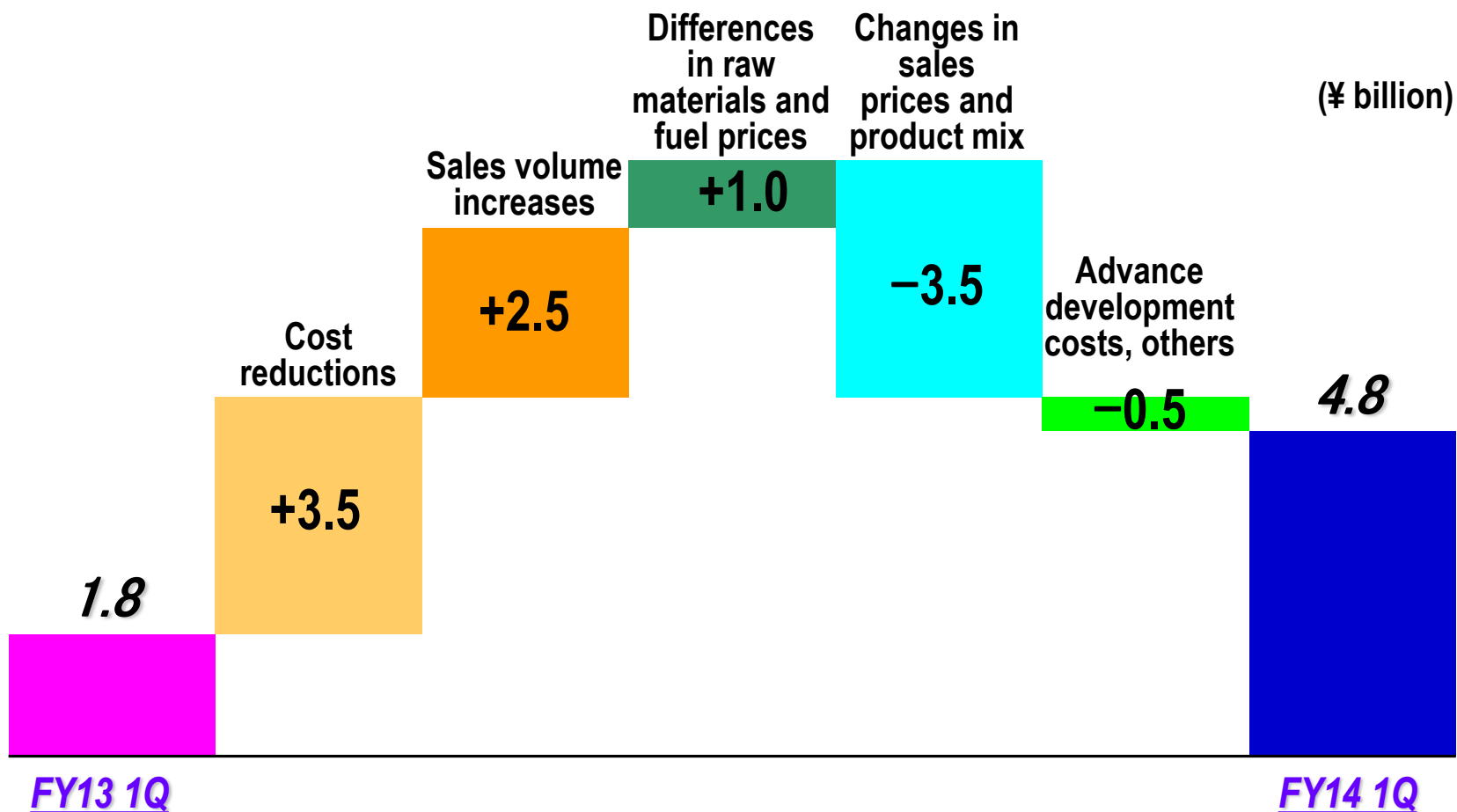
(¥ billion)	FY13 1Q	FY14 1Q	Difference
Interest income	0.1	0.1	+0.0
Dividends income	0.5	0.7	+0.3
Equity in earnings of affiliates	—	0.4	+0.4
Foreign exchange gains	0.0	—	-0.0
Gain on valuation of derivatives	0.7	—	-0.7
Others	0.2	0.2	+0.0
<b>Nonoperating income, total</b>	<b>1.5</b>	<b>1.5</b>	<b>-0.1</b>
Interest expenses	0.9	0.7	-0.2
Equity in losses of affiliates	0.1	—	-0.1
Foreign exchange losses	—	0.0	+0.0
Others	0.8	0.9	+0.1
<b>Nonoperating expenses, total</b>	<b>1.8</b>	<b>1.6</b>	<b>-0.2</b>
<b>Nonoperating items, total</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>+0.1</b>

◆ Extraordinary items

(¥ billion)	FY13 1Q	FY14 1Q	Difference
Gain on sales of noncurrent assets	0.0	0.0	+0.0
Gain on sales of investment securities	0.0	0.0	+0.0
Gain on transfer of business	0.1	—	-0.1
Others	0.0	0.0	+0.0
<b>Extraordinary income, total</b>	<b>0.1</b>	<b>0.1</b>	<b>-0.0</b>
Loss on sales and retirement of noncurrent assets	0.2	0.1	-0.1
Impairment loss	0.0	0.2	+0.2
Business structure improvement expenses	0.0	0.6	+0.5
Others	0.1	0.0	-0.1
<b>Extraordinary losses, total</b>	<b>0.4</b>	<b>0.9</b>	<b>+0.5</b>
<b>Extraordinary items, total</b>	<b>(0.3)</b>	<b>(0.8)</b>	<b>-0.5</b>

◆ Analysis of changes in operating income

- Profit level was bolstered by the positive impact of restructuring initiatives and measures to reduce costs
- Gains attributable to sales volume increases were countered by decreases resulting from the revision of drug reimbursement prices and increased pressure on sales prices in our materials businesses

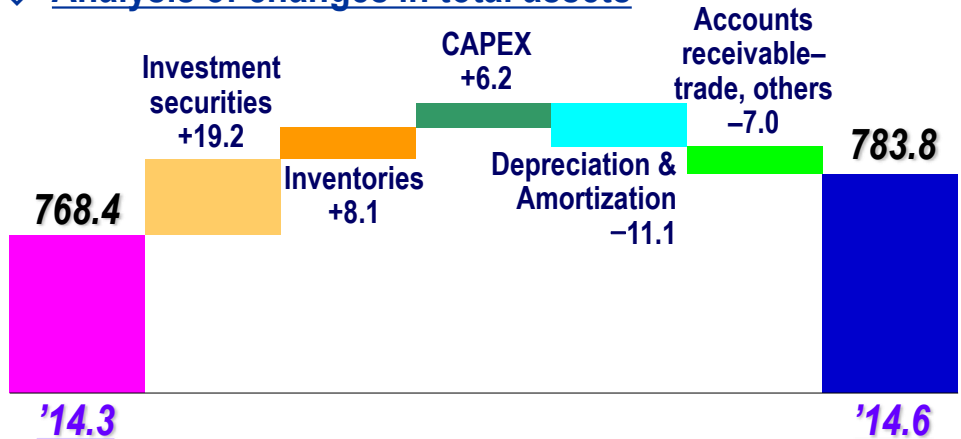


### ◆ Financial Position

(¥ billion)	March 31, 2014	June 30, 2014	Difference	(Impact of foreign exchange rate)
Total assets	768.4	783.8	+15.4	-4.1
Shareholders' equity	281.7	281.9	+0.2	-1.4
Interest-bearing debt	281.5	303.4	+21.9	-1.8
D/E ratio	1.00	1.08	+0.08	
Shareholders' equity ratio	36.7%	36.0%	0.37%	

• Increases in total assets and interest-bearing debt were due to the acquisition of a stake in Kyorin Holdings, Inc.

### ◇ Analysis of changes in total assets



### ◆ Cash Flows

(¥ billion)	FY13 1Q	FY14 1Q	Difference
Operating activities	2.6	4.8	+2.2
Investing activities	(26.7)	(26.4)	+0.3
FCF	(24.1)	(21.5)	+2.6
Financing activities	8.6	21.8	+13.2
Cash & cash equivalents	(15.5)	0.3	+15.8

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

### ◇ BS exchange rate

	March 31, 2014	June 30, 2014
JPY / USD	103	101
JPY / EUR	142	138
USD / EUR	1.38	1.36

## (2) Operating Results by Segment (Comparison with FY13 1Q)

(¥ billion)	Sales				Operating income (loss)			
	FY13 1Q	FY14 1Q	Difference	% Change	FY13 1Q	FY14 1Q	Difference	% Change
Advanced Fibers and Composites	28.2	31.4	+3.2	+11.2%	0.2	1.7	+1.5	+760.2%
Electronics Materials and Performance Polymer Products	44.3	46.2	+1.9	+4.3%	(0.2)	0.7	+1.0	—
Healthcare	31.5	33.2	+1.8	+5.6%	4.6	5.7	+1.1	+23.0%
Trading and Retail	57.1	57.5	+0.4	+0.8%	0.6	0.8	+0.2	+28.0%
<b>Total</b>	<b>161.1</b>	<b>168.4</b>	<b>+7.3</b>	<b>+4.5%</b>	<b>5.2</b>	<b>8.8</b>	<b>+3.6</b>	<b>+70.8%</b>
Others	22.4	13.5	-8.9	-39.8%	(0.0)	(0.7)	-0.7	—
Elimination and Corporate	—	—	—	—	(3.3)	(3.3)	+0.0	—
<b>Total</b>	<b>183.5</b>	<b>181.9</b>	<b>-1.7</b>	<b>-0.9%</b>	<b>1.8</b>	<b>4.8</b>	<b>+3.0</b>	<b>+162.0%</b>

- Substantial improvements were seen in operating income, particularly in the Advanced Fibers and Composites segment
- Decline in sales in the Others segment was attributable to our withdrawal from the paraxylene business

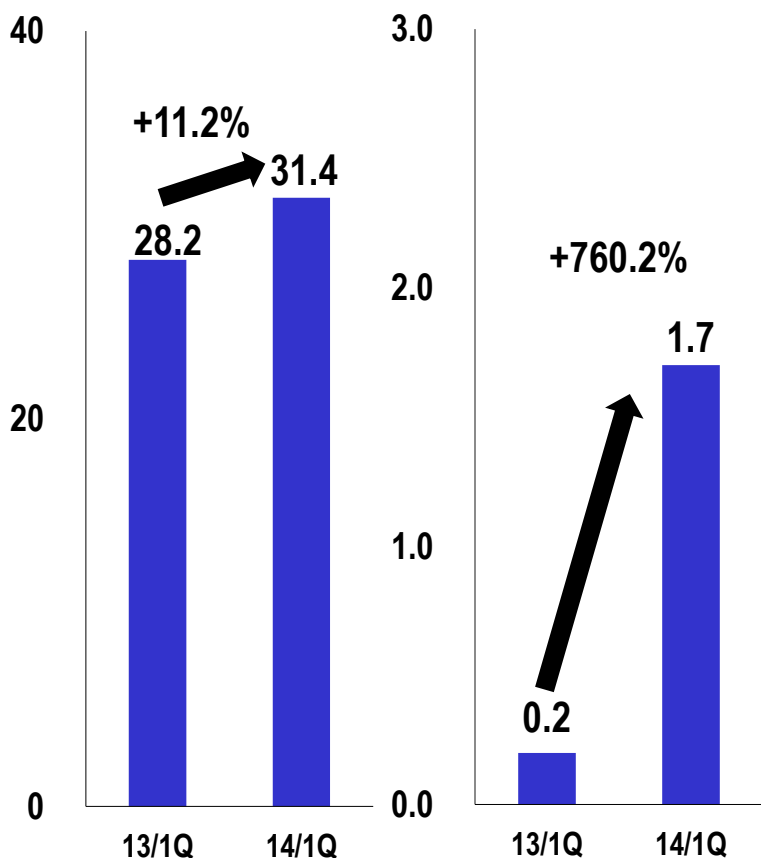


# ① Advanced Fibers and Composites

Sales

Operating income

(¥ billion)



(¥ billion)	13/1Q	14/1Q	Difference	Change
Sales	28.2	31.4	+3.2	+11.2%
Operating income	0.2	1.7	+1.5	+760.2%

## ◆ Summary & Actions

### ◇ High-Performance Fibers

Para-aramid fibers:

- Sales for automotive and infrastructure-related applications were steady
- Demand for use in ballistic protection products and protective clothing remained lackluster

Meta-aramid fibers:

- Sales for use in protective clothing and for industrial applications were solid
- Despite market expansion, sales for use in filters were hampered by mounting competition

Polyester fibers:

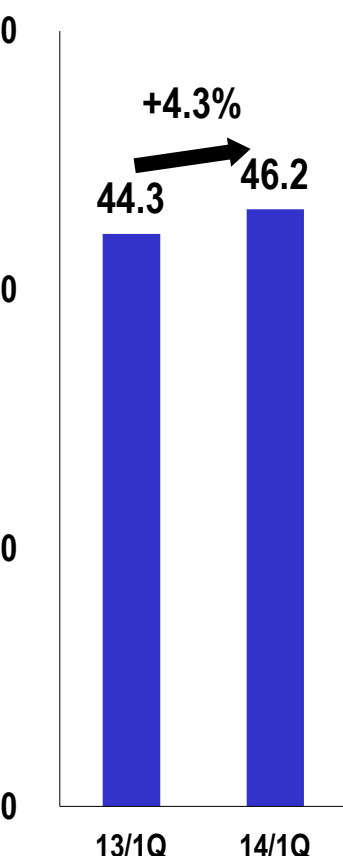
- Sales for use in sportswear and for infrastructure-related and civil engineering applications were firm

### ◇ Carbon Fibers and Composites

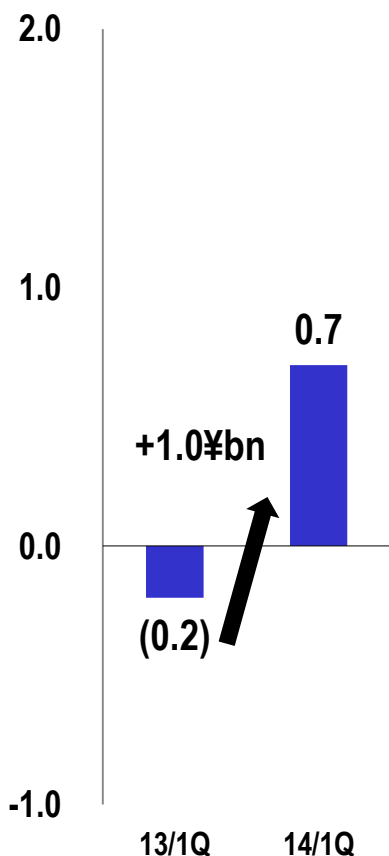
- Sales for use in aircraft were favorable
- Demand for use in pressure vessels was firm in North America
- In Asia, sales were robust for use in reinforcement materials for civil engineering applications

## ② Electronics Materials and Performance Polymer Products

**Sales**  
(¥ billion)



**Operating income**  
(¥ billion)



(¥ billion)	13/1Q	14/1Q	Difference	Change
Sales	44.3	46.2	+1.9	+4.3%
Operating income (loss)	(0.2)	0.7	+1.0	—

### ◆ Summary & Actions

#### ◇ Resin and Plastics Processing

##### Polycarbonate resin:

- Profitability improved, owing to cost-cutting efforts
- Business struggled on the sales front, as supply–demand balance remained soft
- Sales were firm for LED lighting applications, as well as for use in other electrical and electronics components

##### Processed plastics products and specialty polycarbonate resin:

- Sales of reverse-dispersion solvent-cast retardation film and specialty polycarbonate resin for smartphone camera lenses expanded

#### ◇ Films

##### Japan:

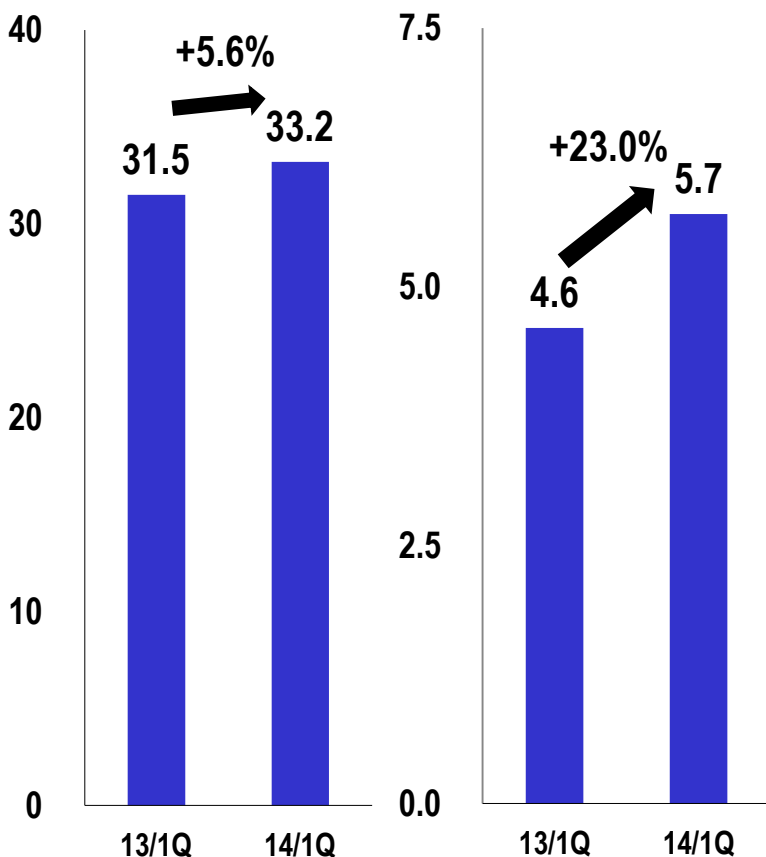
- Sales of release films for manufacturing processes remained firm for use in smartphones and tablet computers, among others
- Sales prices for use in LCD televisions remained low, despite a recovery in demand
- The suspension of production at our domestic joint venture’s Ibaraki factory reduced fixed costs

### ③ Healthcare

Sales

Operating income

(¥ billion)



(¥ billion)	13/1Q	14/1Q	Difference	Change
Sales	31.5	33.2	+1.8	+5.6%
Operating income	4.6	5.7	+1.1	+23.0%

#### ◆ Summary & Actions

##### ◇ Pharmaceuticals

- Operating conditions reflected the revision of reimbursement prices for prescription pharmaceuticals under Japan's NHI scheme and rising sales of generic drugs following adjustments to fees for medical services
- Sales of febuxostat (treatment for hyperuricemia and gout) expanded, further boosting our leading share of the Japanese market; overseas, efforts focused on increasing the number of countries and territories in which the drug is sold (currently 37)
- Sales of oral jelly and intravenous forms of osteoporosis treatment *Bonalon*<sup>®</sup>\* expanded steadily

##### ◇ Home Healthcare

- HOT: Rental volume remained firm, thanks to the release of new models
- CPAP: Rental volume rose steadily
- Operating conditions in the United States remained harsh; in response, we continued taking steps to restore profitability, including integrating sales bases and reducing headcount

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

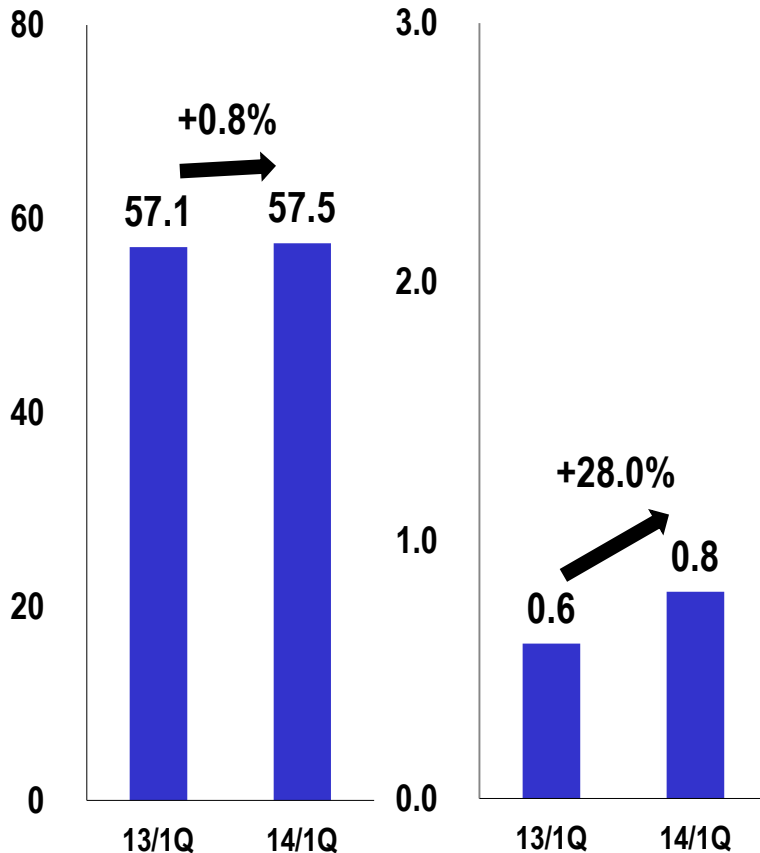
## ④ Trading and Retail

Sales

Operating income

(¥ billion)

(¥ billion)	13/1Q	14/1Q	Difference	Change
Sales	57.1	57.5	+0.4	+0.8%
Operating income	0.6	0.8	+0.2	+28.0%



### ◆ Summary & Actions

#### Fiber materials and apparel:

- Sales in Japan and exports for use in sportswear were firm, as were exports to Europe and North America for use in ladies' fashions
- Sales for use in uniforms got off to a sluggish start
- Shipments of summer apparel flagged, owing to unseasonable weather

#### Industrial textiles and materials:

- Sales of products for automotive applications remained brisk
- Shipments of tents, unwoven fabrics, materials for civil engineering applications and materials for bag filters were firm
- We established a new tire cord production joint venture (June 2014) and focused on expanding sales of rubber materials for automotive applications in Asia

## (3) Strategic Actions (April–June 2014)

### Strengthening core strategic businesses

- Continued preparing foundation for establishment of strategic alliance with Kyorin Holdings, Inc.  
Increased equity stake (June 2014) and dispatched executives (June 2014)
- Established tire cord production joint venture (June 2014)  
Joint venture with Ayaha Corporation is part of an effort to establish a supply chain for midstream automotive businesses



### Evolving our business model

- Established Teijin Product Development China Co., Ltd. (April 2014)  
Conducts R&D in all aspects of high-performance fibers, from yarn through to finished products, in the PRC; enables us to respond swiftly to the needs of customers in Asia
- Teijin products adopted for use in the Airbus A350XWB jetliner (May 2014)  
Thermoplastic carbon fiber-reinforced consolidated laminates qualified for use by Airbus



### Fostering businesses in overlapping domains

- Promoting development of sheet-type fibrin surgical sealant (June 2014)  
(Combines healthcare and materials technologies)  
The world's first recombinant DNA fibrin surgical sealant; easy to use, absorbable and delivers excellent hemostatic performance



# **FY14 Outlook**

## (1) Summary of Outlook for FY14

**No change from previous outlook (announced on May 9, 2014)**

FY13 FY14 Outlook	FY13	FY14 Outlook	Difference	
			Amount	%
(¥ billion)				
Net sales	784.4	780.0	-4.4	-0.6%
Operating income	18.1	25.0	+6.9	+38.3%
Operating margin	2.3%	3.2%	—	+0.9%
Ordinary income	19.9	22.5	+2.6	+13.1%
Net income	8.4	10.0	+1.6	+19.7%

## ◆ Dividends Declared for Fiscal 2013 and Forecast for Fiscal 2014

(¥/share)	FY13	FY14	Difference
Interim	2.0	2.0	—
Year-end	2.0	2.0	—
Annual dividends	4.0	4.0	—

EBITDA *1	63.7	70.0	+6.3
CAPEX *2	30.2	37.0	+6.8
Depreciation & amortization	45.7	45.0	-0.7
R&D expenses	32.2	34.0	+1.8
FCF	(8.7)	(10.0)	-1.3

(¥ billion)	Mar. 31, 2014	Mar. 31, 2015	Difference
Total assets	768.4	800.0	+31.6
Interest-bearing debt	281.5	290.0	+8.5

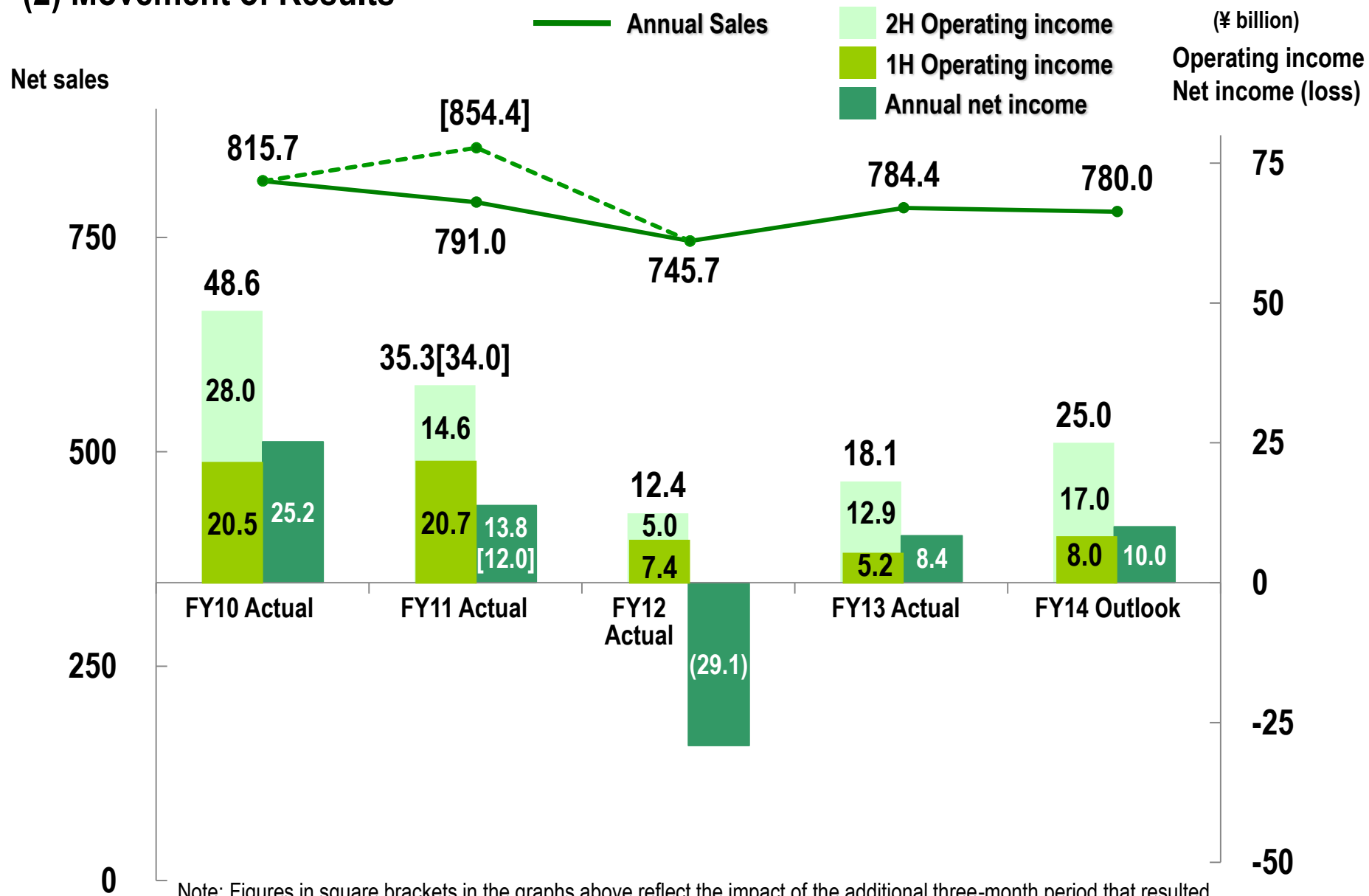
\*1 EBITDA = (Operating income + Depreciation & amortization)

\*2 CAPEX includes investments in intangible assets

## ◆ Exchange rate and Crude Oil Price Forecast for FY14

JPY per USD : 102    JPY per EUR : 140    Dubai crude oil price : USD 105/barrel

## (2) Movement of Results





## ◆ Changes in Net Sales and Operating Income for FY13–FY14

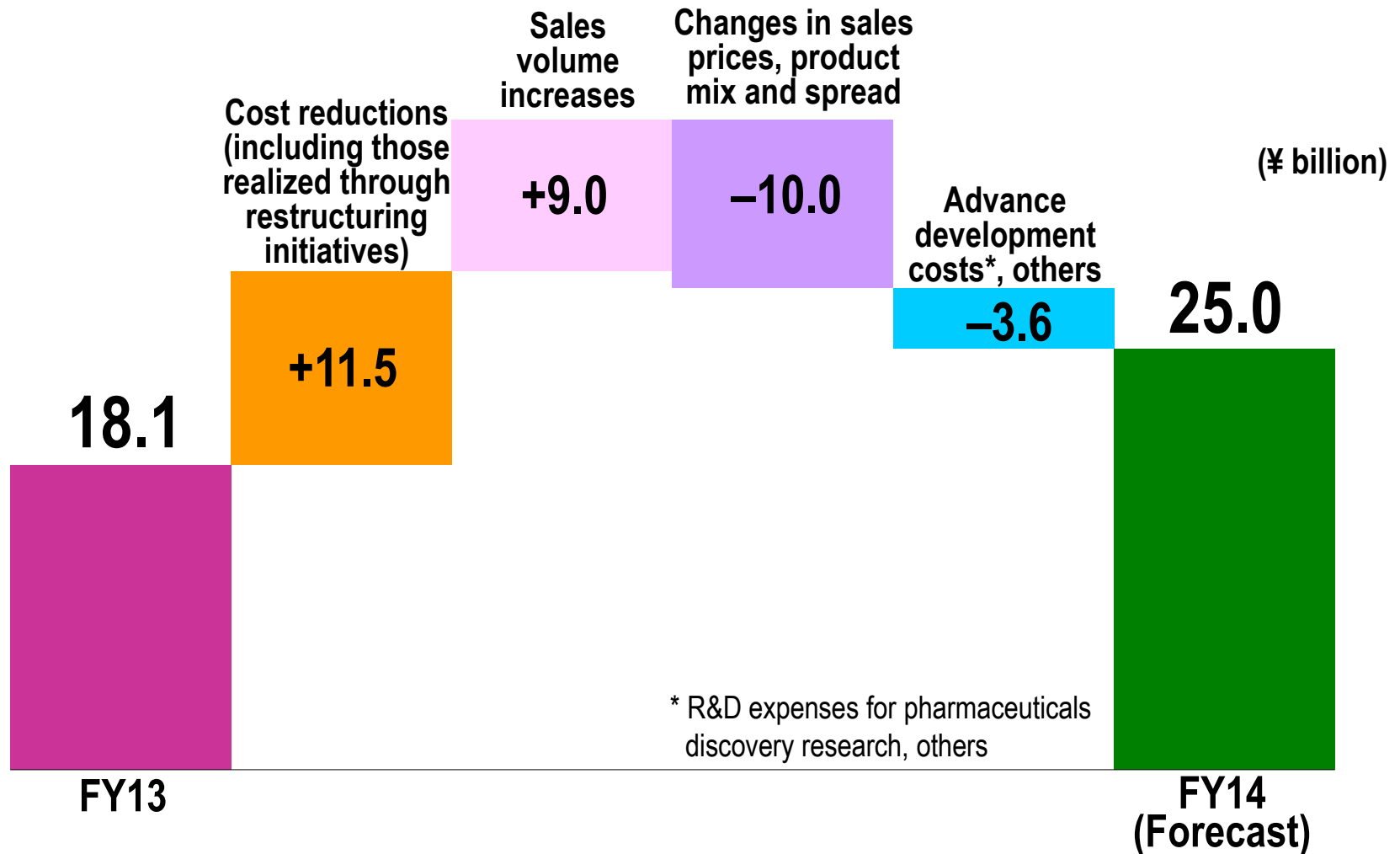
		FY13 Results			FY14 Outlook			Difference
		1H	2H	Total	1H	2H	Total	
		(¥ billion)						
Net sales	Advanced Fibers and Composites	58.4	65.2	123.6	65.0	65.0	130.0	+6.4
	Electronics Materials and Performance Polymer Products	91.3	88.1	179.4	90.0	90.0	180.0	+0.6
	Healthcare	64.8	73.6	138.4	65.0	75.0	140.0	+1.6
	Trading and Retail	120.9	133.3	254.2	125.0	140.0	265.0	+10.8
	Total	335.5	360.1	695.6	345.0	370.0	715.0	+19.4
	Others	46.3	42.5	88.8	30.0	35.0	65.0	-23.8
Total		381.8	402.6	784.4	375.0	405.0	780.0	-4.4
Operating income (loss)	Advanced Fibers and Composites	2.4	3.4	5.7	3.0	3.5	6.5	+0.8
	Electronics Materials and Performance Polymer Products	(2.7)	(4.5)	(7.2)	(2.0)	(1.0)	(3.0)	+4.2
	Healthcare	9.4	15.2	24.5	11.0	14.0	25.0	+0.5
	Trading and Retail	2.3	2.8	5.2	2.0	3.5	5.5	+0.3
	Total	11.4	16.8	28.2	14.0	20.0	34.0	+5.8
	Others	(0.3)	2.1	1.7	0.0	3.0	3.0	+1.3
	Elimination and Corporate	(5.9)	(6.0)	(11.9)	(6.0)	(6.0)	(12.0)	-0.1
Total		5.2	12.9	18.1	8.0	17.0	25.0	+6.9

## (3) Perception of trends in core businesses

Segment/business		Trends
Advanced Fibers and Composites	Aramid fibers	<p><b>Market: Growth remains stable, but pricing pressure continues to be stiff</b></p> <ul style="list-style-type: none"> <li>• Demand for automotive and infrastructure-related applications is robust</li> <li>• Demand for use in ballistic protection products remains lackluster in the United States and Europe</li> </ul>
	Carbon fibers and composites	<p><b>Market: Demand for core applications is firm</b></p> <ul style="list-style-type: none"> <li>• Demand for use in aircraft is steady, while that for use in pressure vessels is brisk in North America</li> <li>• Sales offensives, particularly by overseas manufacturers, are likely to soften sales prices</li> </ul>
Electronics Materials and Performance Polymer Products	Polycarbonate resin	<p><b>Market: The supply–demand balance remains soft, while prices for raw material BPA are rising</b></p> <ul style="list-style-type: none"> <li>• Narrow spreads persist</li> <li>• Sales of processed plastics and high-performance resins (for camera lenses) are healthy for use in smartphones and tablet computers</li> </ul>
	PET film	<p><b>Market: With the rise of manufacturers from Asia and emerging economies, competition is intensifying</b></p> <ul style="list-style-type: none"> <li>• Demand for use in LCD televisions shows signs of improving, but sales prices continue to fall</li> <li>• Sales of release films for manufacturing processes are robust for use in smartphones and tablet computers</li> </ul>
Healthcare	Pharmaceuticals	<p><b>Market: The market share of generic drugs is expanding in the wake of adjustments to fees for medical services in Japan</b></p> <ul style="list-style-type: none"> <li>• Febuxostat (treatment for hyperuricemia and gout): Sales continue to rise worldwide</li> <li>• Osteoporosis treatments: Operating environment remains harsh, owing to heightened competition</li> </ul>
	Home healthcare	<p><b>Market: Healthcare policies in Japan and the United States are diverging</b></p> <ul style="list-style-type: none"> <li>• Japan: Policies emphasize support for healthcare and nursing care businesses</li> <li>• United States: Policies put pressure on service providers with the aim of lowering healthcare costs</li> </ul>

## (4) Analysis of changes in operating income forecast

No change from previous outlook (announced on May 9, 2014)



## (5) Financial Highlights

	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Outlook
ROA <sup>*1</sup>	6.1%	4.5%	1.6%	2.4%	3.2%
ROE <sup>*2</sup>	9.1%	4.2%	-10.3%	3.0%	3.6%
Operating margin	6.0%	4.0%	1.7%	2.3%	3.2%
D/E ratio	0.94	0.89	1.00	1.00	1.0
Shareholders' equity ratio	37.3%	38.3%	35.6%	36.7%	35%
Earnings per share (¥)	25.6	12.2	(29.6)	8.5	10.2
Dividends per share (¥)	5.0	6.0	4.0	4.0	4.0
Total assets (¥ billion)	761.5	762.1	762.4	768.4	800.0
Interest-bearing debt (¥ billion)	267.4	261.0	270.8	281.5	290.0
EBITDA (¥ billion) <sup>*3</sup>	105.0	86.3	59.2	63.7	70.0

\*1 ROA= Operating income/Total assets

\*2 ROE= Net income/Shareholders' equity

\*3 EBITDA = Operating income + Depreciation & amortization

## Disclaimer Regarding Forward-Looking Statements and Business Risks

### Disclaimer

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

### Business Risks

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

#### (1) Market-related risk

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

#### (2) Product quality risk

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

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

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

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

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

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

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

## ◆ Consolidated Balance Sheets

(¥ billion)	Sept. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	June 30, 2013	Sept. 30, 2013	Dec. 31, 2013	Mar. 31, 2014	June 30, 2014
<b>Total assets</b>	731.8	780.0	762.4	783.8	766.8	791.0	768.4	783.8
<b>Current assets</b>	350.7	373.4	372.3	372.5	366.2	385.6	364.9	367.6
<b>Fixed assets</b>	381.0	406.6	390.1	411.4	400.6	405.4	403.5	416.2
<b>Total liabilities and net assets</b>	731.8	780.0	762.4	783.8	766.8	791.0	768.4	783.8
<b>Liabilities</b>	433.0	465.4	470.3	488.9	471.3	489.3	468.3	483.8
<b>[Interest-bearing debt]</b>	252.3	274.9	270.8	287.7	292.3	296.9	281.5	303.4
<b>Net assets</b>	298.8	314.5	292.1	294.9	295.5	301.7	300.1	300.0

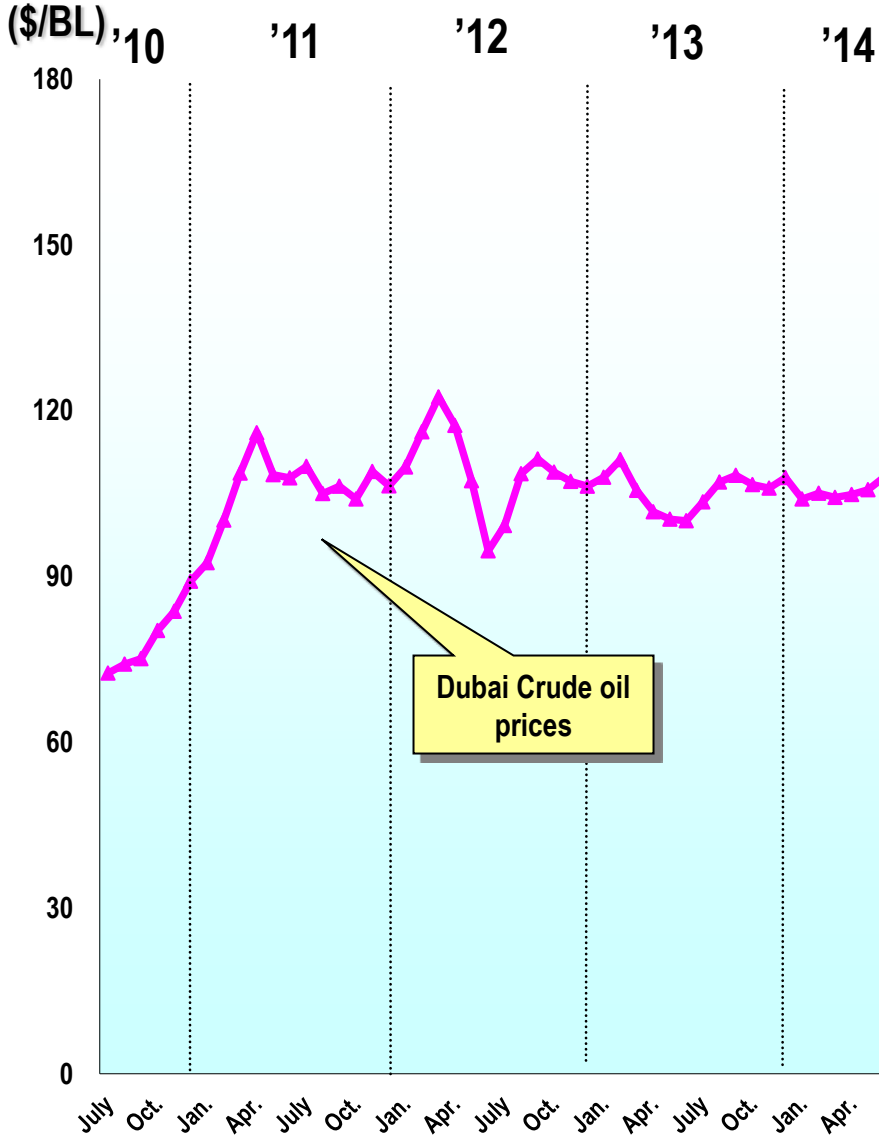
Note: For more information, see Teijin's quarterly results report (Consolidated Financial Results for the First Quarter of FY14).

## ◆ Consolidated Statements of Income

	FY13				FY14	FY13 1Q vs FY14 1Q
	1Q	2Q	3Q	4Q	1Q	
(¥ billion)						
<b>Net Sales</b>	183.5	198.3	196.4	206.2	181.9	-1.7
<b>Cost of sales</b>	137.9	151.3	148.2	152.7	133.9	-4.0
<b>Gross profit</b>	45.6	47.0	48.3	53.5	48.0	+2.3
<b>SG &amp; A</b>	43.8	43.6	43.8	45.1	43.1	-0.6
<b>Operating income</b>	1.8	3.4	4.5	8.4	4.8	+3.0
<b>Nonoperating items, net</b>	(0.3)	(0.8)	4.1	(1.2)	(0.2)	+0.1
(Balance of financial expenses)	(0.3)	(0.7)	(0.4)	(0.5)	0.1	+0.4
(Equity in earnings and losses of affiliates)	(0.1)	0.4	3.4	0.5	0.4	+0.5
<b>Ordinary income</b>	1.6	2.5	8.6	7.2	4.7	+3.1
<b>Extraordinary items (net)</b>	(0.3)	5.3	(6.6)	(3.8)	(0.8)	-0.5
<b>Income before income taxes</b>	1.3	7.8	2.0	3.4	3.9	+2.5
<b>Income taxes</b>	1.1	3.9	3.1	(0.1)	2.4	+1.3
<b>Minority interests (net)</b>	0.0	(0.4)	(1.6)	0.2	(0.1)	-0.1
<b>Net income</b>	0.2	4.3	0.4	3.3	1.6	+1.4

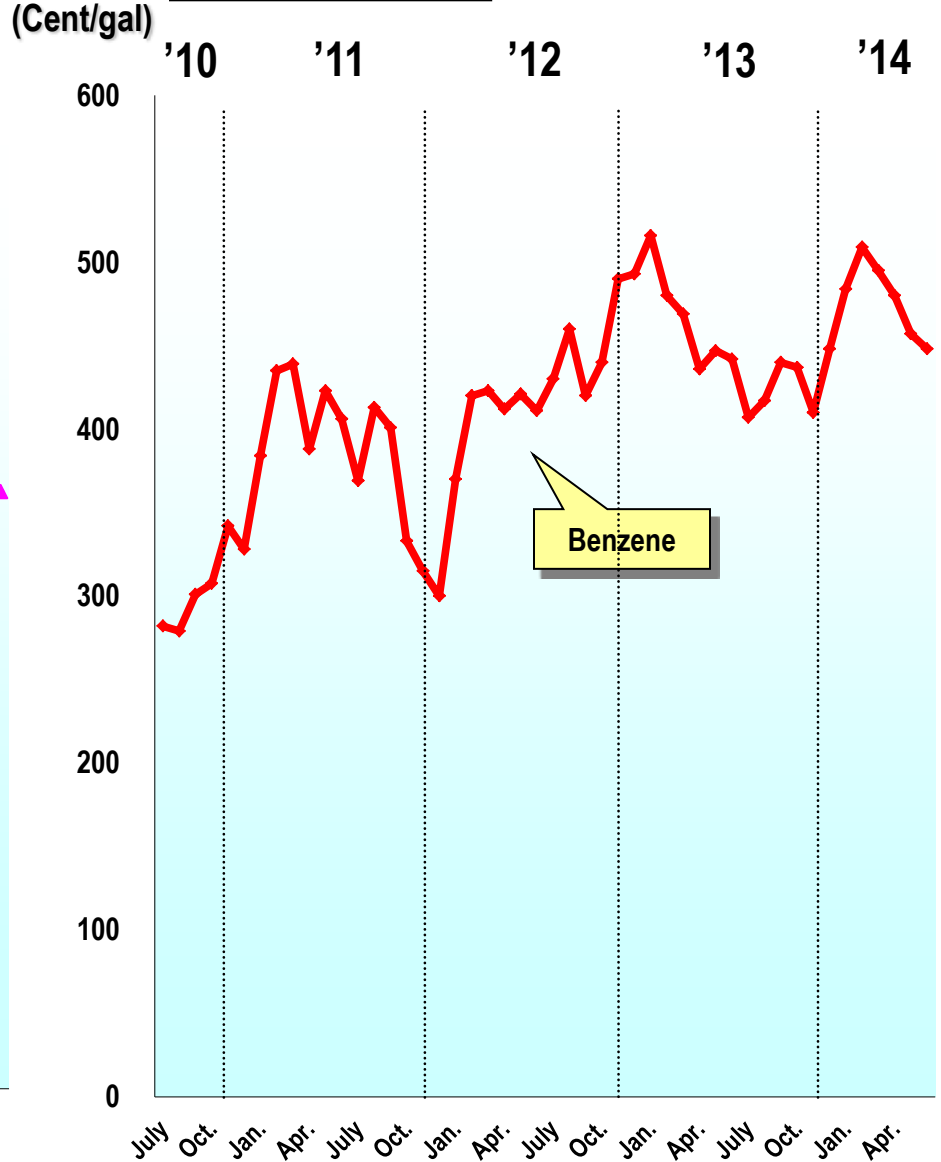
Note: For more information, see Teijin's quarterly results report (Consolidated Financial Results for the First Quarter of FY14).

### ◆ Dubai Crude Oil Prices



[Source: Teijin estimates based on data published by Platt's]

### ◆ Benzene Prices

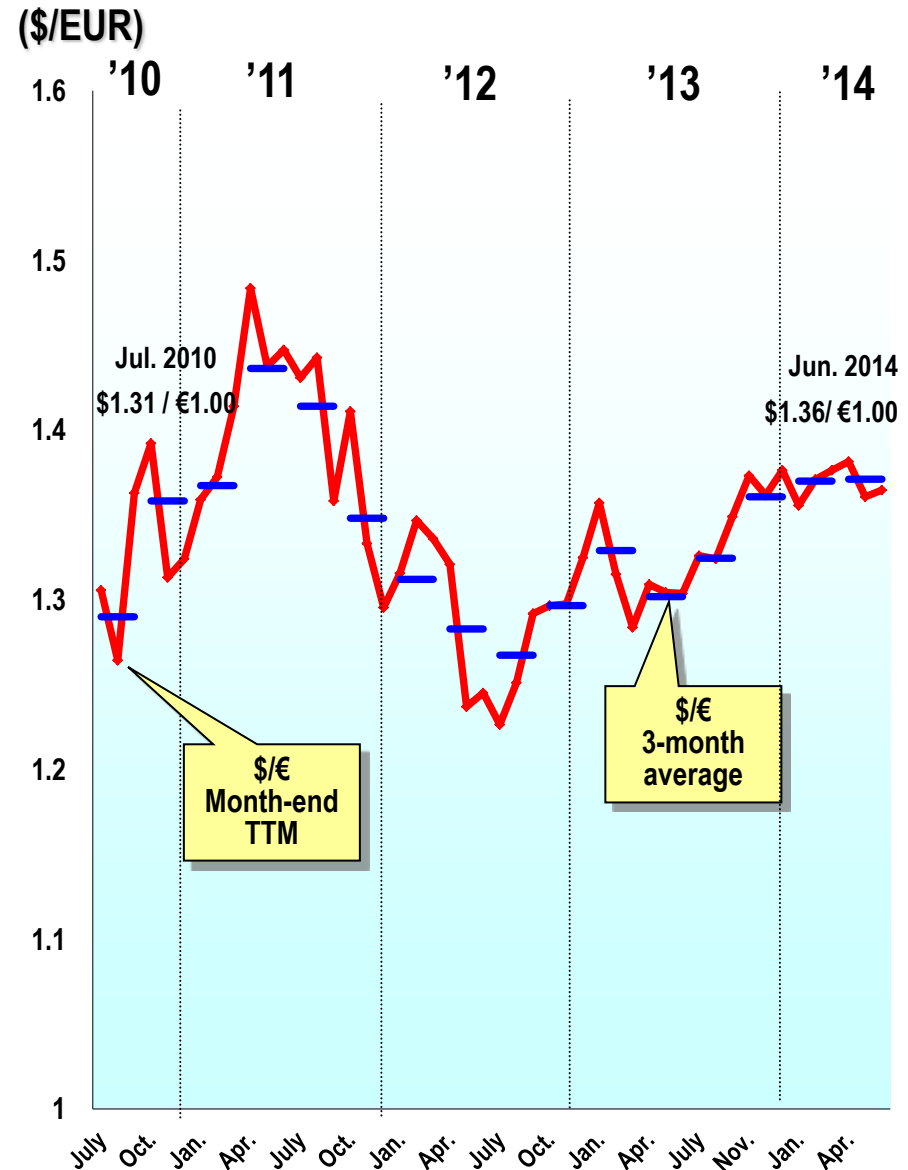
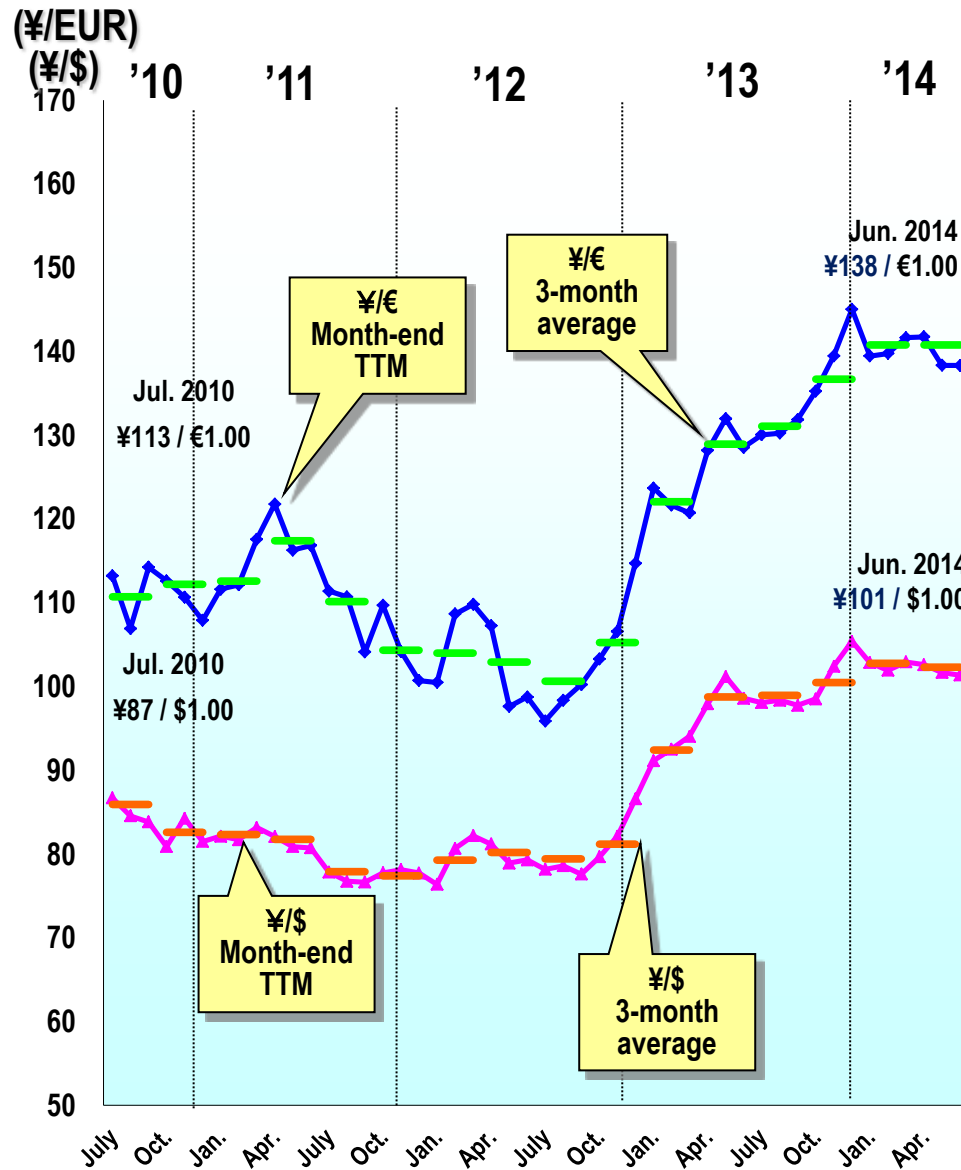


[Source: Teijin estimates based on data published by Dewitt]



### ◆ Yen/Dollar, Yen/Euro Exchange Rates

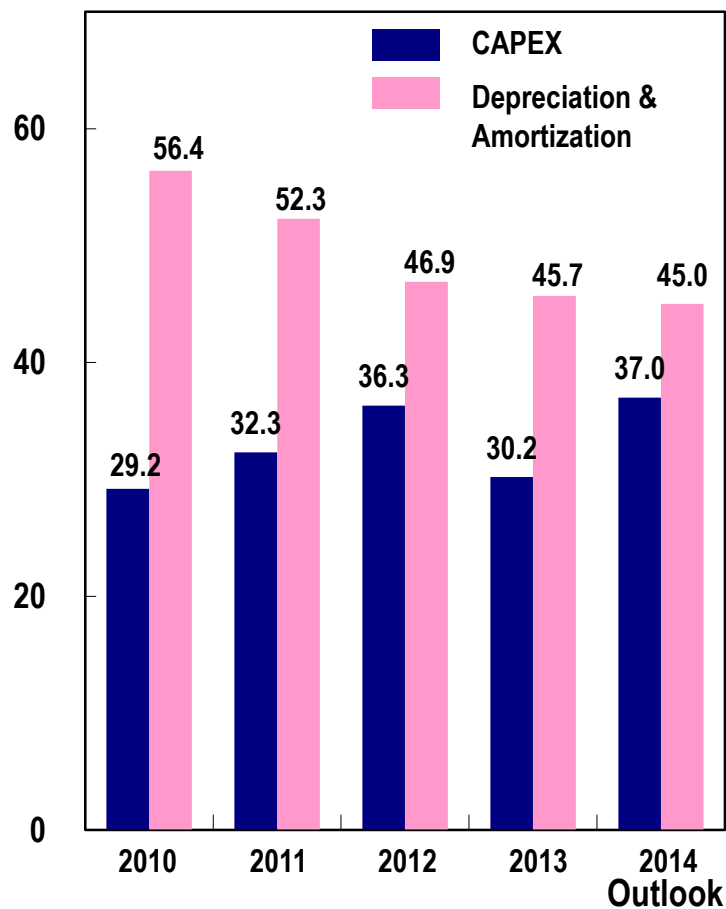
### ◆ Dollar/Euro Exchange Rates



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

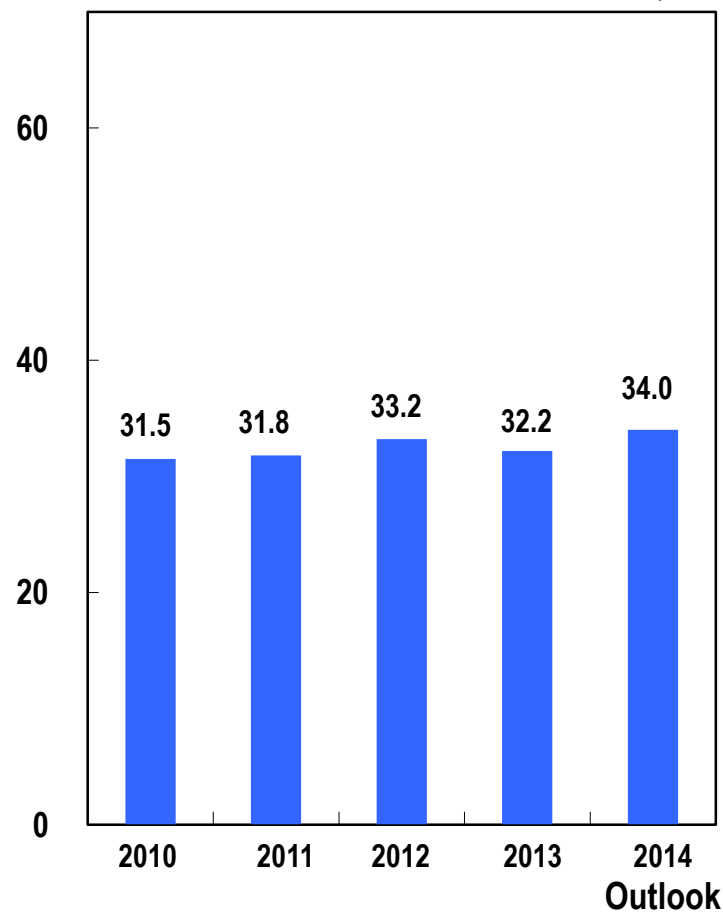
CAPEX/Depreciation & Amortization

(¥ billion)



R&D Expenses

(¥ billion)



◆ Sales of Principal Pharmaceuticals

(¥ billion)

Product	Target disease	FY13					FY14
		1Q	2Q	3Q	4Q	Annual Total	1Q
<i>Bonalon</i> <sup>®*</sup>	Osteoporosis	3.2	3.7	4.1	3.2	14.2	3.1
<i>Onealfa</i> <sup>®</sup>	Osteoporosis	1.5	1.7	1.9	1.4	6.6	1.4
<b>Osteoporosis total</b>		<b>4.7</b>	<b>5.4</b>	<b>6.0</b>	<b>4.7</b>	<b>20.8</b>	<b>4.5</b>
<i>Feburic</i> <sup>®</sup>	Hyperuricemia and gout	1.9	2.5	3.4	3.7	11.4	2.8
<i>Venilon</i> <sup>®</sup>	Severe infection	2.2	2.3	2.9	2.0	9.4	2.5
<i>Mucosolvan</i> <sup>®</sup>	Expectorant	1.7	1.8	2.4	1.9	7.9	1.6
<i>Laxoberon</i> <sup>®</sup>	Laxative	0.8	0.9	1.0	0.8	3.6	0.8
<i>Tricor</i> <sup>®</sup>	Hyperlipidemia	0.4	0.4	0.5	0.4	1.7	0.4
<i>Bonalfa</i> <sup>®</sup>	Psoriasis	0.3	0.3	0.3	0.3	1.3	0.3
<i>Alvesco</i> <sup>®</sup>	Asthma	0.3	0.3	0.4	0.3	1.3	0.3
<i>Somatuline</i> <sup>®*</sup>	Acromegaly and pituitary gigantism	0.1	0.1	0.2	0.2	0.6	0.2

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

\* *Somatuline*<sup>®</sup> is the registered trademark of Ipsen Pharma, Paris, France.

◆ Development status by therapeutic area

(As of June 30, 2014)

	Phase of Clinical Trials			
	Phase I	Phase II	Phase III	Filed
Bone and joint disease		ITM-058 KTP-001		
Respiratory disease	PTR-36			NA872ET [Mucosolvan®]
Cardio-vascular and metabolic disease	TMG-123	ITM-014N [Somatuline®] (New indication for neuroendocrine tumor) TMX-67XR* [Feburic®]	TMX-67TLS [Feburic®] (New indication for tumor lysis syndrome) TMX-67 [Feburic®] (PRC)	
Other			GGs-ON, -MPA, -CIDP [Venilon®] (New indication for optic neuritis) (New indication for microscopic polyangiitis) (New indication for chronic inflammatory demyelinating polyneuropathy)	

\* Clinical trials for TMX-67XR, a new sustained-release tablet version of febuxostat (new formulation) commenced in June 2014.

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

Agreement	Licensor	Nature of Agreement
May 2014	Sigma-Tau Pharma Ltd.	Exclusive development and distribution rights in Japan for EZN-2279, a therapeutic agent for adenosine deaminase (ADA) deficiency

◆ Newly developed pharmaceutical candidates

【Filed】

(As of June 30, 2014)

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
NA872ET (ambroxol hydrochloride)	Expectorant	Small, sustained-release tablet-form version of <i>Mucosolvan</i> (ambroxol hydrochloride) that is smaller than <i>Mucosolvan</i> L Capsule and thus easier to take. This version is promising because it allows easier apportioning of single doses.	Tablet	Licensed in from Boehringer Ingelheim GmbH (Germany) Filed in Japan in February 2014.

## 【Phase III】

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
GGs-ON (freeze-dried sulfonated human immunoglobulin)	Optic neuritis	The immunoregulatory mechanism of this drug inhibits inflammation of the optic nerve; also promising because of its ability to restore lost visual function.	Injection	Under joint development with Kaketsuken (New indication)
GGs-MPA (freeze-dried sulfonated human immunoglobulin)	Microscopic polyangiitis	This drug's anti-inflammatory and immunoregulatory actions mitigate autoimmune vasculitis; also promising as a treatment for mononeuritis multiplex, a neuropathic disorder that is not alleviated by standard therapies.	Injection	Under joint development with Kaketsuken (New indication)
GGs-CIDP (freeze-dried sulfonated human immunoglobulin)	Chronic inflammatory demyelinating polyneuropathy	The immunoregulatory action of this drug inhibits inflammation of the peripheral nerves; the drug thus offers promise as a treatment that will restore lost muscle strength.	Injection	Under joint development with Kaketsuken (New indication)
TMX-67TLS (febuxostat)	Tumor lysis syndrome	A highly potent drug that selectively inhibits xanthine oxidase. Offers promise as a once-daily treatment option that prevents hyperuricemia in patients with malignant tumors who have undergone chemotherapy.	Tablet	Developed in-house (New indication)
TMX-67 (febuxostat)	Hyperuricemia and gout	Trials to facilitate the licensing out of febuxostat (tablet-form treatment for hyperuricemia and gout currently sold in Japan and elsewhere) for sale in the PRC. A highly potent drug that selectively inhibits xanthine oxidase and is also safe for patients with impaired renal function who may be unable to tolerate existing treatments. Offers promise as a new treatment option that will improve the quality of life of hyperuricemia and gout sufferers in the PRC.	Tablet	Under joint development with Astellas Pharma China, Inc.

## 【Phase II】

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
ITM-014N (lanreotide acetate)	Neuroendocrine tumors	Promising for the treatment of neuroendocrine tumors; inhibits cell proliferation and improves associated symptoms by interacting with somatostatin receptors to induce apoptosis (direct mechanism) and by blocking the release of neurotrophic factors (indirect mechanism).	Injection	Licensed in from Ipsen Pharma SAS (France) (New indication)
ITM-058	Osteoporosis	Promising for the treatment of osteoporosis due to potency in promoting bone formation, resulting in a rapid increase in bone density and reduction in the risk of fracture. Superior to existing PTH derived drugs in its ability to increase bone density and its safety (minimal risk of hypercalcemia).	Injection	Licensed in from Ipsen Pharma SAS (France)
KTP-001	Treatment for lumbar disc herniation	For use in chemonucleolysis for herniated lumbar discs; because it is a recombinant human protease—identical in structure to matrix metalloprotease, which promotes the spontaneous regression of herniated discs—this drug minimizes the risk of allergic reaction and facilitates the selective treatment of affected discs, thus reducing damage to surrounding tissue and enhancing the viability of this procedure as a minimally invasive alternative to surgery and expanding the treatment options available to patients.	Injection	Engineered by Professor Hirotaka Haro and Dr. Hiromichi Komori; under joint development with Kaketsuken
TMX-67XR (febuxostat)	Hyperuricemia and gout	Sustained-release formulation of hyperuricemia and gout treatment febuxostat, which is currently on the market.	Oral	Developed in-house

## 【Phase I】

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
TMG-123	Type 2 diabetes	Uses a novel mechanism (activation of glucokinase (GK) expressed predominantly in the liver) to control blood glucose levels; holds promise for use by patients with impaired glucose homeostasis. Also expected to offer greater convenience (administered once daily, does not require adjustment of dose for patients with renal insufficiency and minimal risk of drug interaction).	Tablet	
PTR-36	Bronchial asthma	Uses a novel mechanism (CRTh2 receptor antagonism) to control symptoms of asthma, facilitating effective long-term management of the disease; offers promise for use alone, delivering therapeutic value comparable to that of steroids, for patients with mild asthma; also offers promise for use in tandem with steroid inhalants, delivering sufficient therapeutic value for patients with mild to severe asthma.	Tablet	Licensed in from Pulmagen Therapeutics (Asthma) Limited



# **TEIJIN**

*Human Chemistry, Human Solutions*

## *Human Chemistry, Human Solutions*

The promise of the Teijin brand is summed up in the resonant statement: "Human Chemistry, Human Solutions".

Our promise is to continue to develop chemical technologies that are friendly to both people and the global environment. It is to keep providing solutions that deliver the real value that society and our customers expect.

We will certainly keep this promise. Constantly working to enhance the Quality of Life –our very reason for being as a company– the Teijin Group will continue to win the trust of society and our customers.