



Notice of Convocation

The 147th Ordinary General Meeting of Shareholders

Teijin Limited

Disclaimer: *Please note that the following is a translation of the original Japanese documents prepared for the convenience of our non-Japanese shareholders with voting rights. Although this translation is intended to be complete and accurate, the Japanese original shall take precedence in the case of any discrepancies between this translation and the original. Certain information regarding voting procedures that is not applicable for shareholders resident outside Japan has been omitted or modified as applicable. In addition, these materials will not facilitate your status as a registered shareholder authorized to attend the Ordinary General Meeting of Shareholders. Every shareholder attending the Ordinary General Meeting of Shareholders is required to present the Voting Card, which is sent to the registered shareholder together with the original Notice of Convocation in Japanese, to the receptionist at the meeting.*

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(Securities code: 3401)
May 27, 2013

Dear Shareholder,

**Notice of Convocation of
the 147th Ordinary General Meeting of Shareholders**

You are cordially invited to attend the 147th Ordinary General Meeting of Shareholders of Teijin Limited (“the Company”) to be held as set forth below.

If you do not expect to attend the meeting, you may vote on the proposals for voting using the following method. Please refer to the following “Reference Documents for the General Meeting of Shareholders,” and exercise your voting rights by 5 p.m., Thursday, June 20, 2013.(Japan Time)

[In case of voting by Mail]

Please indicate your approval or disapproval of the proposals on the enclosed Document for the Exercise of Voting Rights, and mail the document so that it arrives by the above deadline.

[In case of voting by Internet etc.]

Please access to the web-site to exercising voting rights (<http://www.evotep.jp/>) through personal Computer, Smartphone or cellar phone with the log-in ID and temporary password indicated in the **enclosed Document for the Exercise of Voting Rights**, and input your approval or disapproval of the proposals according to the instructions on the window. You are kindly requested to read **the Guidance to exercise the voting rights by Internet etc.** before commencing the process of voting. In case of personal computer or smartphone, you may access to the **web-site to exercise voting rights** from the Company’s web-site.

Sincerely,

Shigeo Ohyagi
President and Representative Director
Teijin Limited
6-7, Minami-Hommachi 1-chome,
Chuo-ku, Osaka 541-8587,
Japan

Details

1. Date and Time of the Meeting:

Friday, June 21, 2013, at 10 a.m.(Japan Time)
(The door opens at 9 a.m.)

2. Place:

The Westin Osaka, 2nd Floor, Rose Room, 1-20, Oyodonaka 1-chome, Kita-ku, Osaka , Japan

3. Purposes

Reports:

Content of the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements and the Report by the Accounting Auditor and the Board of Corporate Auditors of the results of audit on the Consolidated Financial Statements, for the 147th Fiscal Year (April 1, 2012 to March 31, 2013)

Proposals for voting:

Proposal 1: Election of Ten (10) Directors

Proposal 2: Election of One (1) Corporate Auditor

4. Decision on Convocation

- (1) If you do not indicate either approval or disapproval on the Document for the Exercise of Voting Rights, we shall treat such “no answer” as your “approval” on the proposal.
- (2) In the event of an overlap in the exercise of voting rights via the Document for the Exercise of Voting Rights and the Internet voting system, the exercise of voting rights via the Internet voting system shall prevail.
- (3) If you vote more than once using the same method, your last vote shall prevail.

5. Attachments to Notice of Convocation and Reference Documents for the General Meeting of Shareholders

If any revision should be required to the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements, or Reference Documents for the General Meeting of Shareholders, such revision will be posted on the Company’s website. (<http://www.teijin.com/>)

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- **If you attend the General Meeting of Shareholders, please submit the attached Document for the Exercise of Voting Rights to the reception of the meeting.**
 - **If you attend the General Meeting of Shareholders by proxy, you may exercise your voting rights by authorizing one (1) other shareholder with voting rights to act as its proxy as stipulated in the Company’s Article of Incorporation.**

Reference Documents for the General Meeting of Shareholders

Proposals and Reference

Proposal 1: Election of Ten (10) Directors

The terms of office of ten (10) Directors—Toru Nagashima, Shigeo Ohyagi, Norio Kamei, Osamu Nishikawa, Takashi Takahashi, Yoshio Fukuda, Hajime Sawabe, Yutaka Iimura, Nobuo Seki and Kenichiro Senoh—will expire at the conclusion of this General Meeting of Shareholders.

Shareholders are therefore requested to elect the following ten (10) Directors (of whom nine (9) are up for reelection).

The candidates for Director are as follows.

No.	Candidate's Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions	Number of Company's Shares Owned
1	Shigeo Ohyagi (May 17, 1947)	Mar. 1971 Joined Teijin Limited Jun. 1999 Corporate Officer; Manager of Tokyo Branch, Medical & Pharmaceutical Business Division Jun. 2001 Executive Officer; Deputy General Manager , Pharmaceuticals Marketing Division Apr. 2002 General Manager, Medical & Pharmaceutical Business Division Jun. 2002 Senior Executive Officer Apr. 2003 General Manager, Medical & Pharmaceutical Business Group Oct. 2003 President & Representative Director, Teijin Pharma Limited Apr. 2005 CIO (Chief Information Officer), Teijin Limited Jun. 2005 Managing Director Jun. 2006 Senior Managing Director Apr. 2007 CSO (Chief Strategy Officer) Jun. 2008 President Representative Director (Incumbent), CEO (Chief Executive Officer) (Incumbent) Jun. 2010 President , Teijin Limited (Incumbent), <Significant Concurrent Positions> Chairman, Japan Bio Plastics Association Permanent Officer, Keidanren(Japan Business Federation)	176,000 shares

No.	Candidate's Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions	Number of Company's Shares Owned
2	Norio Kamei (June 13, 1948)	<p>Apr. 1972 Joined Teijin Limited</p> <p>Jul. 2001 Corporate Officer, Teijin Limited; Executive Vice-President, Teijin Akra S.A. de C.V.</p> <p>Jun. 2005 Executive Officer, Teijin Limited; General Manager, Industrial Fibers Business Group President & Representative Director, Teijin Techno Products Limited</p> <p>Jun. 2007 Senior Executive Officer, Teijin Limited</p> <p>Apr. 2009 General Manager, Polyester Fibers Business Group, Teijin Limited President & Representative Director, Teijin Fibers Limited</p> <p>Jun. 2009 Managing Director, Teijin Limited</p> <p>Nov. 2009 President CEO & Representative Director , Teijin Fibers Limited</p> <p>Jun. 2010 Senior Executive Officer , Director, Teijin Limited</p> <p>Apr. 2011 General Manager, Carbon Fibers and Composites Business Group President & Representative Director, Toho Tenax Co., Ltd.</p> <p>Jun. 2011 Representative Director (Incumbent)</p> <p>Apr. 2012 Executive Vice-President (Incumbent) General Manager Advanced Fibers & Composites Business Group General Manager Carbon Fibers and Composites Business Unit</p> <p>Apr. 2013 Managing GM, Advanced Fibers & Composites Business Group, Electric Materials & Performance Polymer Products Business Group and Raw Materials, Polymers & Procurement Division (Incumbent)</p>	67,030 Shares
3	Osamu Nishikawa (April 14, 1950)	<p>Apr. 1975 Joined Teijin Limited</p> <p>Jun. 2004 Corporate Officer, Teijin Limited Director, Teijin Pharma Limited</p> <p>Jun. 2006 Executive Officer, Teijin Limited</p> <p>Jun. 2007 Senior Managing Director & Representative Director, Teijin Pharma Limited</p> <p>Apr. 2008 General Manager, Medical & Pharmaceutical Business Group, Teijin Limited President & Representative Director, Teijin Pharma Limited</p> <p>Jun. 2008 Senior Executive Officer, Teijin Limited (Incumbent)</p> <p>Apr. 2010 CIO (Chief Information Officer), Teijin Limited</p> <p>Apr. 2011 CSRO (Chief Social Responsibility Officer), Teijin Limited Supervisor of Legal Office and Corporate Audit Office</p> <p>Jun. 2011 Director</p> <p>Jul. 2011 Director, Effective Utilization of Factories Project (Incumbent)</p> <p>Apr. 2012 Chief Social Responsibility Officer(Incumbent) Supervisor of Corporate Audit Office(currently Corporate Audit Department) (Incumbent)</p> <p>June 2012 Representative Director (Incumbent)</p>	30,000 Shares

No.	Candidate's Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions	Number of Company's Shares Owned
4	Takashi Takahashi (March 30, 1951)	<p>Apr. 1976 Joined Teijin Limited</p> <p>Jun. 2007 Corporate Officer, Teijin Limited Director, Teijin Film Limited General Manager, Technical Products Division Teijin DuPont Films Japan Limited</p> <p>Apr. 2010 General Manager, Film Business Group Teijin Limited President & Representative Director, Teijin Film Limited</p> <p>Jun. 2010 Executive Officer, Teijin Limited</p> <p>Jun. 2011 Senior Executive Officer (Incumbent)</p> <p>Apr. 2012 Chief Science and Technology Officer (Incumbent) Supervisor of Iwakuni, Matsuyama and Mihara Factory (Incumbent)</p> <p>Jun. 2012 Director (Incumbent) Supervisor of Safety Control (Incumbent)</p>	39,000 Shares
5	Yoshio Fukuda (March 1, 1953)	<p>Apr. 1976 Joined Teijin Limited</p> <p>Jun. 2006 Corporate Officer, Teijin Limited Director & General Manager, Raw Materials & Polymers Business Division, Teijin Fibers Limited</p> <p>May. 2007 President & Director, P.T.Teijin Indonesia Fiber Corporation Tbk</p> <p>Apr. 2010 General Manager , Corporate Strategy Division, Teijin Limited</p> <p>Jun. 2010 Director, Teijin Limited (Incumbent)</p> <p>Jun. 2011 Executive Officer Chairman, Teijin DuPont Films(Incumbent)</p> <p>Apr. 2012 General Manager, Electric Materials & Performance Polymer Products Business Group (Incumbent) General Manager, Resin & Plastic Processing Business Unit President & Representative Director, Teijin Chemicals Ltd. Vice-President & Representative Director, Win Tech Polymer</p> <p>Apr. 2013 Senior Executive Officer (Incumbent)</p>	47,000 Shares
*6	Jun Suzuki (February 19, 1958)	<p>Apr. 1983 Joined Teijin Limited</p> <p>Apr. 2011 President, Teijin Holdings Netherlands B.V.</p> <p>Apr. 2012 Corporate Officer, Teijin Limited Chief Marketing Officer Director, BRICs business</p> <p>Apr. 2013 Executive Officer, Teijin Limited(Incumbent) General Manager, Advanced Fibers & Composites Business Group (Incumbent) General Manager, Carbon Fibers and Composites Business Unit (Incumbent) President & Representative Director, Toho Tenax Co., Ltd. (Incumbent)</p>	26,000 shares

No.	Candidate's Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions	Number of Company's Shares Owned
7	Candidate for Outside Director Hajime Sawabe (January 9, 1942)	Apr. 1964 Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation) Jun. 1996 Director, TDK Corporation Jun. 1998 President & Representative Director, TDK Corporation Jun. 2006 Chairman & Representative Director, TDK Corporation Jun. 2008 Director, Teijin Limited (Incumbent); Member of the Advisory Board, Teijin Limited (Incumbent) Jun. 2011 Chairman of the Board & Director, TDK Corporation Jun. 2012 Counselor , TDK Corporation (Incumbent) <Significant Concurrent Positions > Counselor, TDK Corporation Outside Director, Asahi Glass Co., Ltd. Outside Corporate Auditor, Nikkei Inc. Councilor , Waseda University	28,000 Shares
<p><Reason of the nomination of the candidate for outside director></p> <ul style="list-style-type: none"> •Hajime Sawabe has served as President and Chairman of the Board of TDK Corporation, and he is expected to provide advice on the Company's business operations based on his abundant business experience and high level insight. •Nomura Securities Co., Ltd. where he served as an outside director until June 2011, received a business improvement order from the Financial Services Agency in August 2012 in connection with its employees' action of leaking corporate information on public offerings of shares. During his tenure as outside director of Nomura Securities Co., Ltd., he made proposals from the perspective of the legal compliance at the Board of directors meetings. <p><Participation in Board of directors meetings> 12 times out of 12 (100%)</p>			
8	Candidate for Outside Director Yutaka Iimura (October 16, 1946)	Apr. 1969 Joined Ministry of Foreign Affairs, Japan (MFA) Aug. 1999 Director, General, Economic Cooperation Bureau, MFA Feb. 2001 Deputy Vice-Minister, MFA Sep. 2001 Assistant Vice-Minister, MFA Jul. 2002 Ambassador of Japan in Indonesia Nov. 2002 Ambassador of Japan in Indonesia and the Democratic Republic of Timor-Leste (East Timor) Apr. 2006 Ambassador of Japan in France and The Principality of Andorra (Andorra) May. 2007 Ambassador of Japan in France, Andorra and the Principality of Monaco Jul. 2009 Retired from MFA Jul. 2009 Special Envoy of the Government of Japan for the Middle East and Europe (Incumbent) Jun. 2011 Director, Teijin Limited (Incumbent) Member of the Advisory Board, Teijin Limited (Incumbent) <Significant Concurrent Positions> Special Envoy of the Government of Japan for the Middle East and Europe Vice-Chairman, Japan Indonesia Association	6,000 Shares
<p><Reason of the nomination of the candidate for outside director></p> <ul style="list-style-type: none"> • Yutaka Iimura has served at the Ministry of Foreign Affairs, and he is expected beneficial to the business of the Company in terms of a global viewpoint, based on his ample wisdom and expertise. And so the Company judges he can fulfill his duties appropriately as Outside Director. <p><Participation in Board of directors meetings> 10 times out of 12 (83%)</p>			

No.	Candidate's Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions	Number of Company's Shares Owned
9	Candidate for Outside Director Nobuo Seki (September 21, 1944)	Apr. 1970 Joined Chiyoda Corporation Apr. 1992 Vice-President, Chiyoda International Corporation Jun. 1997 Director, Chiyoda Corporation Jun. 1998 Managing Director, Chiyoda Corporation Aug. 2000 Senior Managing Director & Representative Director, Chiyoda Corporation Apr. 2001 President & CEO, Chiyoda Corporation Apr. 2007 Chairman of the Board, Chiyoda Corporation Apr. 2009 General Corporate Advisor , Chiyoda Corporation Jun. 2012 Director, Teijin Ltd (Incumbent) Member of the Advisory Board, Teijin Limited (Incumbent) Jul. 2012 Adviser Chiyoda Corporation <Significant Concurrent Positions> Outside Corporate Auditor, SUGIYO Co., Ltd. Professor , Graduate School of Shibaura Institute of Technology Member of Management Committee , Tokyo Institute of Technology	2,000 Shares
<p><Reason of the nomination of the candidate for outside director> • Nobuo Seki has served as President and Chairman of the Board of Chiyoda Corporation, and he is expected to provide advice on the Company's business operations based on his abundant business experience and high level insight. <Participation in Board of directors meetings> 9 times out of 9 (100%)</p>			
10	Candidate for Outside Director Kenichiro Senoh (January 1, 1954)	Apr. 1976 Joined Fuji Photo Film Co., Ltd.(currently FUJIFILM Corporation) Dec. 1999 Representative Vice-President Keio Academic Enterprise Co., Ltd. Apr. 2001 Professor, Graduate school of Keio University Media and Government Apr. 2004 President & Chairperson, The Industry- Academic Collaboration Initiative (NPO) (Incumbent) Jun. 2012 Director, Teijin Limited (Incumbent) Member of the Advisory Board, Teijin Limited (Incumbent) <Significant Concurrent Positions> President & Chairperson, The Industry-Academia Collaboration Initiative (NPO) Chairman, Intellectual Property Strategy Headquarters By Intellectual Property, Enhancement of Competitiveness and Global standardization Special Investigation Committees President, CIEC(Community for Innovation of Education and learning through Computers and communication networks) Committee Member, Ministry of Agriculture, Forestry and Fisheries , Agriculture, Forestry and Fisheries Research Council	8,000 Shares
<p><Reason of the nomination of the candidate for outside director> • Kenichiro Senoh is serving many officers and committee members, and is expected to provide advice based on his specialist viewpoint of intellectual property field. <Participation in Board of directors meetings> 9 times out of 9 (100%)</p>			

Notes: 1. The candidate marked with * is a candidate for new Director.

2. Hajime Sawabe, Yutaka Iimura, Nobuo Seki and Kenichiro Senoh are candidates for Outside Directors. The Company requires the candidates for Outside Director to satisfy all the requirements of Independent Director stipulated by the Company. These four (4) candidates satisfy all such requirements. Since they also satisfy the requirements of independency as stipulated by Tokyo Stock Exchange Group, Inc. and Osaka Securities Exchange Co., Ltd., they were registered by the Company as "Independent Director / Auditor". The requirements of "Independent Director" stipulated by the Company are disclosed on the Company's Web site (<http://www.teijin.com/ir/governance/requirements/>).

3. The Company has entered into liability limitation agreements with Hajime Sawabe, Yutaka Iimura, Nobuo Seki and Kenichiro Senoh being incumbent Outside Directors, which limit the liabilities of each Outside Director to ¥20

million or the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, whichever is higher, in accordance with the provisions of Article 427 of the Companies Act and the Company's Articles of Incorporation. In case the election of is approved, the Company intends to enter into the same liability limitation agreement with them.

4. The chart below indicates the dates of the first appointment of the Outside Director for each candidate and the tenures in position as Outside Director before the closing of this General Meeting of Shareholders.

Name	Date of First Appointment	Tenure in Position
Hajime Sawabe	June 20, 2008	5years
Yutaka Iimura	June 22, 2011	2years
Nobuo Seki	June 22, 2012	1year
Kenichiro Senoh	June 22, 2012	1year

Proposal 2: Election of One (1) Corporate Auditor

The terms of office of one (1) Corporate Auditor—Noriko Hayashi—will expire at the conclusion of this General Meeting of Shareholders.

Shareholders are therefore requested to elect the following one (1) Corporate Auditor (reelection).

The Board of Corporate Auditors has already approved this proposal.

The candidates for Corporate Auditor are as follows.

Candidate's Name (Date of Birth)	Personal History, Positions and State of Representation of Other Entities	Number of Company's Shares Owned
Candidate for Outside Corporate Auditor	Apr. 1968 Registered as a lawyer (Tokyo Bar Association) Apr. 1994 Member of the Family Affairs Conciliation Committee, Tokyo Family Court Dec. 1996 Member of the Construction Work Disputes Committee, Tokyo Metropolitan Government Apr. 2000 Chairperson, Committee on Equality of Men and Women, Tokyo Bar Association May 2000 Representative, Hayashi Law Office (Incumbent) Apr. 2001 Public Interest Member, Central Labor Relations Commission Apr. 2005 Member of the Labor Policy Council and Chairperson, committee on Equal Employment Opportunity and Treatment to Both Sexes, Ministry of Health, Labor and Welfare Jun. 2009 Outside Corporate Auditor, Teijin Limited (Incumbent) Jun. 2010 Chairperson of Committee on labor Law Legislation, Japan Federation of Bar Associations (Incumbent)	10,000 shares
Noriko Hayashi (June 29, 1943)	<Reason of the nomination of the candidate for outside corporate auditor> Noriko Hayashi is acting as a lawyer and has filled several member posts on several governmental policy boards, she is expected to maintain and improve compliance of the Company based on her abundant wisdom. And so the Company judges she can fulfill her duties appropriately as Outside Corporate Auditor. <Participation in Board of directors meetings> 12 times out of 12 (100%) <Participation in Board of corporate auditors meetings> 8 times out of 8 (100%)	

Note: 1. Noriko Hayashi is a candidate for Outside Corporate Auditor. The Company requires the candidate for Outside Corporate Auditor to satisfy all the requirements of Independent Corporate Auditor stipulated by the Company. This candidate satisfies all such requirements. Since she also satisfies the requirements of independency as stipulated by Tokyo Stock Exchange Group, Inc. and Osaka Securities Exchange Co., Ltd., she was registered by the Company as "Independent Director / Auditor". The requirements of "Independent Auditor" stipulated by the Company are disclosed on the Company's Web site (<http://www.teijin.com/ir/governance/requirements/>)

2. The Company has entered into liability limitation agreements with Noriko Hayashi being incumbent Outside Corporate Auditor, which limit the liabilities of her to ¥20 million or the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, whichever is higher, in accordance with the provisions of Article 427 of the Companies Act and the Company's Articles of Incorporation. In case the election of is approved, the Company intends to enter into the same liability limitation agreement with her.
3. As of the close of this General Meeting of Shareholders, it has been approximately four years since Noriko Hayashi assumed her office (on June 24, 2009).

Attached Reports

Reports on Operations for the 147th Fiscal Year (April 1, 2012 to March 31, 2013)

1. Current State of the Teijin Group

(1) Progress and Results of Operations

1) Progress and Results of Operating Activities

① Sales and Income

Economic conditions remained generally fragile worldwide in fiscal 2012, ended March 31, 2013. With the real economy in Europe continuing to deteriorate, hindered by the lingering stress of structural adjustments dictated by austerity measures, growth in the People's Republic of China (PRC) and other emerging economies decelerated visibly, while recovery in the United States lacked strength. Japan's economy stalled, despite the positive impact of demand related to reconstruction in areas devastated by the Great East Japan Earthquake of March 11, 2011, against a backdrop characterized by the slowing economic growth overseas, a strong yen and changes that included the elimination of subsidies for the purchase of environment-friendly cars.

In this setting, consolidated net sales amounted to ¥745.7 billion, down 12.7% from fiscal 2011, or a contraction of 5.7% excluding the impact of the standardization of accounting periods on the results of some consolidated subsidiaries. Operating income fell 63.7%, to ¥12.4 billion, significantly short of our initial forecast of May 2012, as a worsening market environment hampered results in our materials businesses. Ordinary income tumbled 71.5%, to ¥9.8 billion, reflecting the drop in operating income, as well as a decline in equity in earnings of affiliates, among others. We reported a net loss of ¥29.1 billion, compared with net income of ¥12.0 billion in fiscal 2011, owing to extraordinary losses, including losses on impairment of goodwill and other factors. Net loss per share was ¥29.61.

② Analysis of Assets, Liabilities and Net Assets

Total assets as of March 31, 2013, amounted to ¥762.4 billion, up ¥0.3 billion from the end of fiscal 2011, reflecting declines in intangible fixed assets and other categories, a consequence of impairment losses, while a weaker yen pushed up the value of assets denominated in other currencies and higher share price increases pushed up the value of investments securities.

Total liabilities, at ¥470.3 billion, were up ¥20.4 billion from the fiscal 2011 year-end. Interest-bearing debt, which includes commercial paper, short-term loans payable, bonds payable and long-term loans payable, rose ¥9.7 billion, to ¥270.8 billion, mainly a result of increases in the yen value of liabilities denominated in other currencies, owing to a weaker yen.

Total net assets were ¥292.1 billion, a decrease of ¥20.1 billion. Shareholders' equity and total valuation and translation adjustments together represented ¥271.3 billion of the total, down ¥20.8 billion. This result was attributable to, among others, a net loss of ¥29.1 billion for the period under review and a decline in the deduction for foreign currency translation adjustments.

Segment operating results (sales and operating income) of the Teijin Group are as follows.

(Billions of yen / %)

		Fiscal 2011	Fiscal 2012	Change	Percentage
Net sales	Advanced Fibers and Composites	¥153.2	¥111.2	-¥42.1	-27.4%
	Electric Materials & Performance Polymer Products	215.4	175.5	-39.8	-18.5
	Health Care	143.0	138.3	-4.7	-3.3
	Products Converting	262.7	237.2	-25.6	-9.7
	Sub-Total	¥774.3	¥662.2	-112.1	-14.5
	Others	80.1	83.5	3.4	4.3
	Total	¥854.4	¥745.7	-108.7	-12.7
Operating income	Advanced Fibers and Composites	¥7.2	-¥4.7	-¥11.9	-
	Electric Materials & Performance Polymer Products	3.7	-1.9	-5.7	-
	Health Care	25.9	24.8	-1.1	-4.3
	Products Converting	6.6	4.7	-1.9	-28.8
	Sub-Total	¥43.4	¥22.9	-¥20.5	-47.3
	Others	3.7	4.2	0.5	13.2
	Elimination and corporate	(13.1)	(14.8)	-1.6	-
	Total	¥34.0	¥12.4	-¥21.7	-63.7

Note: Changes to reportable operating segments

In line with organizational reforms implemented on April 1, 2012, the Company reorganized its reportable operating segments, effective from the three months ended June 30, 2012.

Previously, the Company had divided its operations into five reportable operating segments: High-Performance Fibers; Polyester Fibers; Films and Plastics; Pharmaceuticals and Home Health Care; and Trading and Retail. Effective from the three months ended June 30, 2012, these segments were reorganized into four reportable operating segments.

The High-Performance Fibers segment has been renamed the Advanced Fibers and Composites segment, and now also includes polyester fibers for industrial applications, which was previously accounted for in the Polyester Fibers segment. The Films and Plastics segment has been renamed Electronics Materials and Performance Polymer Products, while the Pharmaceuticals and Home Health Care segment is now Healthcare. The apparel component of the Polyester Fibers segment has been incorporated into the Trading and Retail (currently Products Converting) segment. Others (other businesses), which does not qualify as a reportable operating segment, retained the same name, but now also includes the polyester raw materials and polymerization businesses, previously part of the Polyester Fibers segment.

Segment information for fiscal 2011, has been restated to conform with the new segmentation.

Business Segment Results for fiscal 2012 were as follows:

■ Advanced Fibers and Composites

Sales in the Advanced Fibers and Composites segment totaled ¥111.2 billion. The segment posted an operating loss of ¥4.7 billion.

High-Performance Fibers

Results were weak, owing to flagging demand in overseas markets.

Demand for *Twaron* para-aramid fibers for use in ballistic protection products and protective clothing remained lethargic throughout fiscal 2012, while demand for automotive applications in Europe and North America—firm in the first half of the period—remained in an adjustment phase during the third and fourth quarters. Demand for *Technora* para-aramid fibers was solid for automotive applications in Japan, but faltered overseas. Despite steady domestic demand for use in protective clothing, *Teijinconex* meta-aramid fibers continued to be negatively impacted overseas by drooping demand for general industrial applications and for use in filters, as well as by increasingly intense competition.

In polyester fibers for industrial applications, sales were slack overall, notably for automotive applications, export to Europe and yarn spinning, a consequence of such factors as limp economic conditions in Japan and Europe, reaction to the elimination of subsidies for the purchase of environment-friendly cars in Japan and protests against Japan in the PRC. In contrast, sales were firm for use in personal hygiene products, as well as for civil engineering and construction-related applications.

To counter these myriad circumstances, we pushed ahead with active efforts to enhance profitability by reducing costs and cultivating new applications for all high-performance fibers products.

Carbon Fibers and Composites

We focused on shifting to a solutions-based business model.

Shipments of *TENAX* carbon fibers remained favorable for use in aircraft, while among general industrial applications demand was steady for use in pressure vessels for natural gas-related applications, supported by the expansion of shale gas development in North America. However, demand for other applications languished, owing to the uncertain economic outlook in Europe and the PRC. Sales prices—which had fallen as a result of moves by manufacturers across the industry to boost production capacity, thereby weakening the supply-demand balance—showed signs of bottoming out.

In this environment, we sought to capitalize on rising demand, particularly for high-performance products. We also focused on shifting to a solutions-based business model that emphasizes responding to customer and market needs. To this end, we continued to actively promote meticulous measures aimed at improving the performance of our composites products through technological advances at all stages of the production process, from raw materials and carbon fibers through to intermediate products and molded composites.

■ Electronics Materials and Performance Polymer Products

The Electronics Materials and Performance Polymer Products segment reported sales of ¥175.5 billion and an operating loss of ¥1.9 billion.

Resin and Plastics Processing

The business was adversely affected by wilting market conditions.

Mainstay polycarbonate resin labored, owing to the impact of the prolonged economic stagnation in Europe and decelerating economic growth in the PRC, as Japan's electrical and electronics equipment manufacturers, our principal customers, continued to struggle, while prices for key raw materials remained high. In this environment, efforts focused on maintaining operating rates by increasing sales of general-purpose products, particularly in the PRC and other Asian markets, correcting break-even levels and reducing costs. Despite these actions, profitability was severely undermined.

In the area of processed plastics products, sales of *ELECLEAR* transparent electroconductive film were steady for use in capacitive touch screens for smartphones and tablet computers and resistive touch screens for handheld video game machines. In addition to bringing new film fabrication facilities on line at our Matsuyama Plant for a high-value added film, we began promoting collaborative development efforts with customers aimed at launching and expanding sales of this product in promising growth markets. Sales of specialty polycarbonate resin for smartphone and tablet computer camera lenses were brisk.

Films

With demand sluggish, we focused on efforts to develop new products.

We have a number of polyester films joint ventures with E.I. du Pont de Nemours and Company (DuPont) of the United

States around the world. Owing to listless conditions in the electronics market, a consequence of the global economic slowdown, demand has been generally slack since the second half of fiscal 2011. In Japan, demand for certain applications showed signs of picking up, buoyed by, among others, demand for use in smartphones and tablet computers, as well as in solar cells, the latter attributable to such factors as the introduction of a feed-in tariff scheme obliging electric power companies to purchase electricity generated from renewable energy sources. Nonetheless, profitability sank, as pricing competition increased for mainstay applications, including liquid crystal display televisions (LCD TVs). Overseas, profits were impeded by the impact of a delayed recovery in the solar cell market and by increasingly intense competition. In this environment, we endeavored to fortify our earnings base by implementing cost-cutting measures, focusing particularly on reducing production costs.

During the period, we pushed ahead with efforts to develop and foster demand for new products. These include *Teonex* polyethylene naphthalate (PEN) film, which was adopted for use in the world's largest flexible display, a high-performance polyethylene terephthalate (PET) film offering one of the highest ultraviolet (UV) light resistances currently available and an innovative transparent piezoelectric material made with multilayered polylactic acid (PLA) film.

■ Healthcare

Sales in the Healthcare segment came to ¥138.3 billion, while operating income was ¥24.8 billion.

Pharmaceuticals

We worked to expand sales of our novel treatment for hyperuricemia and gout worldwide.

The operating environment in Japan was challenging, owing to the revision of drug reimbursement prices under the National Health Insurance (NHI) scheme, as well as to increasingly intense competition as a result of the launch of rival products and rising sales of newly released generic drugs in the market for osteoporosis treatments. Despite this background, sales of *Feburic* (febuxostat), our novel tablet-form treatment for hyperuricemia and gout, continued to expand steadily, bolstered by regulatory approval for long-term prescription, obtained in April 2012. New products in Japan in the period under review included *Bonalon*^{®*} Bag for I.V. Infusion 900 µg, launched in May 2012, and *Bonalon*[®] Jelly 35 mg, the world's first osteoporosis treatment in an oral jelly form, released in March 2013, two drugs that significantly enhanced our osteoporosis portfolio, which also includes the original *Bonalon*[®] (tablet form) and *Onealfa*, an active vitamin D₃ preparation. In January 2013, we also launched *Somatuline*^{®†} subcutaneous injection, a treatment for acromegaly and pituitary gigantism.

Overseas, sales of febuxostat continued to strengthen. We have secured exclusive distributorship agreements for febuxostat covering 117 countries and territories, in 28 of which the drug is currently being sold. We are in the process of obtaining regulatory approval to sell the drug in the remaining 89 countries and territories.

Home Healthcare

Highlights included the launch of new models.

We currently provide home healthcare services to approximately 400,000 individuals in Japan and overseas. In Japan, rental volume for mainstay therapeutic oxygen concentrators for home oxygen therapy (HOT) remained high, thanks to the release of our latest therapeutic oxygen concentrator models, *Hi-Sanso 3S* and *Hi-Sanso Portable α* (alpha). Rental volume for continuous positive airway pressure (CPAP) ventilators for the treatment of sleep apnea syndrome (SAS) rose encouragingly, augmented by the launch of *NemLink*, a monitoring system for CPAP ventilators that uses mobile phone networks and which also provides pertinent data to medical care facilities to enhance the effectiveness of treatment. The rental markets for our noninvasive positive pressure ventilators (NPPVs) (the *NIP NASAL* series and *AutoSet CS*) and for *SAFHS* (Sonic Accelerated Fracture Healing System) also expanded favorably.

■ Products Converting

The Products Converting segment yielded sales of ¥237.2 billion, while operating income was ¥4.7 billion. During the period, we worked to ensure a stable supply framework by enhancing sewing facilities in the ASEAN region.

In October 2012, we integrated Group trading subsidiary N.I. Teijin Co., Ltd., with the polyester fibers for apparel business of Teijin Fibers Limited to form a new company, Teijin Frontier Co., Ltd.

In the apparel business, consumption in Japan was sluggish overall, owing to a variety of factors, including unseasonable weather. Nonetheless, sales were steady, thanks to decisive efforts to reinforce our production network, particularly sewing facilities in the Association of Southeast Asian Nations (ASEAN) region, to better respond to the demands of customers, mainly retailers of sportswear and men's business and casual attire, by ensuring stable supplies.

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

† *Somatuline*[®] is a registered trademark of Ipsen Pharma S.A.S., Paris, France.

In polyester filaments and textiles, we expanded collaborative efforts with major apparel manufacturers, including the *Delta* sportswear series. Sales of such distinctive products as *Super Extar*, a flame-resistant polyester curtain material, increased, but fashion textiles struggled, obstructed by worsening market conditions both in Japan and overseas.

In the area of industrial textiles and materials, sales of materials for automotive applications—including belts, hoses, tires, airbags and vehicle seats—rose, supported by robust conditions in the automobile industry. Sales of heavy-duty fabrics, nonwoven fabrics and materials for agricultural and civil engineering-related applications remained solid. In contrast, shipments of films and plastics flagged, a consequence of the deteriorating electronics market.

■ Others

This segment, which does not qualify as a reportable operating segment, generated sales of ¥83.5 billion and operating income of ¥4.2 billion.

In the IT business, revenues in net services were firm from smartphone-based services. With the aim of entering the social gaming market, we acquired a 63.8% stake in Japanese social application provider Istpika Co., Ltd., which thus became an equity method affiliate. In IT services, we took steps to reform our business structure, including withdrawing from unprofitable businesses.

2) Progress and Results of Non-Operating Activities

The progress and results of non-operating activities conducted by the Teijin Group (“the Group”) during the fiscal year under review were as follows.

The Group is actively engaged in efforts to reduce its environmental impact, conserve energy and resources and make effective use of waste as part of the Group’s important effort relating to all business operations. Specifically, as an effort to reduce the environmental burden to address climate change issues, the Group had endeavored to cut CO₂ emissions at its domestic locations for production, logistics and office operations aiming toward a reduction target of 20% or more of greenhouse gas emissions by fiscal 2020 compared with fiscal 1990 levels. As a result of such efforts, the Group has already achieved a more than 40% reduction, reaching the target ahead of schedule. Furthermore, as a new target of the entire Group including our overseas bases, we are striving to attain a new target of 1% or more reduction in CO₂ emissions per unit of production every year. To reduce waste, we engaged in zero emission activity to reduce the amount of non-recyclable waste emissions against the total amount of waste emissions to 1% or less. As a result, the Group achieved zero emissions at its major domestic offices and three major overseas companies.

The Group’s efforts to reduce its environmental impact also include the Design for Environment initiative: All of our products, manufacturing processes and IT services are designed to minimize their environmental impact in accordance with the Teijin Group Design for Environment Guidelines, which assess the environmental impact throughout a product’s life cycle. In addition, the reduction of environmental impact is promoted by the Group’s “environmental businesses,” including the development of cutting-edge materials that contribute to reducing CO₂ emissions and recycling technologies that enable the reuse of water and other resources.

In line with the social contribution policy shared by all Group companies, the Group is actively engaged in corporate social contribution activities leveraging the distinctive characteristics of each business group and each region.

In fiscal 2012, the Group conducted employee training to encourage participation in social contribution as part of its activities to nurture volunteer personnel. Such activities include the Volunteer Support Program, which financially supports the volunteer activities of employees of the Group companies and is funded by donations from volunteer employees and financial aid from Group companies; a leave system for bone marrow transplant donors and registered firefighters; and holidays reserved for volunteer activities.

For the areas affected by the Great East Japan Earthquake, the Group provided support totaling more than ¥500 million, including monetary donations and the provision of medical appliances. Since January 2012, the Company has been involved in the Kesenuma Kizuna (“strong bond”) Project*1, a project which provides continual support for community rebuilding in the affected areas.

As part of our international exchange activities, Teijin Polyester (Thailand) Limited (TPL), a Group company in Thailand, became an official sponsor for the Japan Dream Football Association (JDFA)*2, a general incorporated association, to help teach children in Southeast Asia the joy of soccer. The Group also participated in “TABLE FOR TWO”*3, an initiative that helps to solve social issues such as starvation in developing nations. We also continued the “Book Dream Project” by providing picture books to libraries in Indonesia and Thailand. This is made possible through the efforts of the Group’s employees who sell used books and other items to purchase the picture books.

The Group will continue to promote corporate social contribution activities with a focus on three themes—environment, social education and international exchange—to fulfill its responsibilities as a conscientious corporate citizen.

Notes: 1. The Kesenuma Kizuna Project is led by the National Institute of Advanced Industrial Science and Technology to provide continual support for the independence of people in the affected areas. The Group donated wastewater

- treatment systems to be used at temporary housing units and heat-retentive curtains.
- The Japan Dream Football Association (JDFA) was organized in 2011 by Masao Kiba, a former captain of GAMBA OSAKA, a member of Japan's professional football league, the J.League, a general incorporated association. In search of the first J.League player from Southeast Asia, JDFA is holding soccer clinics in Southeast Asian countries, visiting and assessing local leagues, evaluating and selecting high potential players, and scouting for talent, etc., through which JDFA seeks to offer a dream to children along with our aim to develop Japanese and Asian soccer leagues.
 - TABLE FOR TWO is a social contribution initiative originated in Japan and led by the nonprofit organization TABLE FOR TWO International. Part of the sales of the beverage vending machines and company cafeterias participating in the initiative is donated to provide school lunches to children in developing countries.

(2) Changes in Assets and Profit and Loss

Fiscal Period	144 th Fiscal Period FY2010	145 th Fiscal Period FY2011	146 th Fiscal Period FY2012	147 th Fiscal Period FY2013 (Current period)
Items				
Net sales (Millions of yen)	765,840	815,655	854,370	745,712
Operating income (Millions of yen)	13,435	48,560	34,044	12,357
Ordinary income (Millions of yen)	2,085	50,345	34,283	9,786
Net income (Millions of yen)	△35,683	25,182	11,979	△29,130
Net earnings per share (Yen)	△36.26	25.59	12.17	△29.61
Total assets (Millions of yen)	823,071	761,534	762,118	762,399
Net assets (Millions of yen)	295,282	307,698	312,217	292,127

(3) Capital Investments

Capital investments by the Group in fiscal 2012 totaled ¥32.3 billion, mainly for maintenance and renewal.

(4) Financing

While raising long term debts partially to secure finance, for short-term financing, we made efforts to reduce financing costs through direct financing markets. We also strove to reduce interest-bearing debt, but resulting in an increase in interest-bearing debt in long- and short-term loans by ¥9.7 billion from the end of the previous year and amounted to ¥270.8 billion by the effect of increases in the yen value of liabilities denominated in other currencies, owing to a weaker yen.

(5) Tasks Ahead

Groupwide Challenges

In fiscal 2012, stagnation at the macroeconomic level and an attendant upheaval in our market environment had a significant negative impact on our profit structure, with damage particularly evident in our materials businesses. Despite some signs of an upturn in the global economy, the outlook remains uncertain with a lurking risk of relapse.

Given this outlook, our priority in fiscal 2013 will be to implement measures aimed at facilitating a self-driven recovery in profitability and at improving our ability to generate cash—measures that don't depend on a timely upswing in the general operating environment. We will focus on restructuring our materials businesses through the realignment of production configurations and the reduction of fixed costs, as well as on revamping product mixes based on effective market analysis. In addition to shaving head office staff costs by streamlining and integrating our corporate organization, thereby bolstering work efficiency, we will strive to achieve further cost reductions by addressing this challenge on a Groupwide basis from a variety of perspectives.

We will also take a variety of steps in line with the growth strategies set forth in our medium- to long-term management vision. We will continue to concentrate investment in core strategic businesses, notably advanced fibers and composites and

healthcare, as well as new businesses for incubation, while geographically our emphasis will be on accelerating the expansion of our operations in promising Asian markets and in emerging economies. To ensure our ability to provide optimal solutions to our customers, we will emphasize strengthening our sales and R&D capabilities through collaborative development with customers—especially automakers—in our carbon fibers business, as well as through efforts to advance our mid- and downstream businesses, one examples of which is our project with Nitori Co., Ltd.

Challenges in Individual Business Segments

Advanced Fibers and Composites

We will continue to focus on reinforcing the cost structure of our aramid fibers business by reducing costs and enhancing productivity, as well as by augmenting sales for promising applications such as hoses for oil drilling and conveyor belts for mining in Europe and the Americas. We will also expedite efforts to foster new applications for aramid fibers in the PRC, a particularly promising market, as well as to expand sales in the PRC and elsewhere in Asia, by maximizing the capabilities of our new Technical Center Asia, a development and technical service facility opened recently in Shanghai, in the PRC. We will capitalize on the capabilities of Teijin Product Development China Co., Ltd., in Nantong, to advance our polyester fibers recycling business in the PRC and to develop new applications. Initiatives in the area of high-performance polyethylene will focus on cultivating markets in Europe, the Americas and India.

In carbon fibers and composites, we will work to expand sales for use in aircraft, the principal market for these products, as well as in pressure vessels. We will also endeavor to build a stable earnings base by cultivating new applications and boosting the efficiency of our production configurations. At a new pilot plant built to facilitate the continuous integrated production of thermoplastic carbon fiber-reinforced plastic(CFRP), which began operating in December 2012, we established a framework that has improved responsiveness at all stages of the production process, from prototype creation through to performance evaluation testing. We also embarked on the final stage of verification testing for mass production procedures. The Teijin Composites Application Center, located in Metro Detroit, Michigan, in the United State, is working with the pilot plant to foster new applications for thermoplastic composites.

Electronics Materials and Performance Polymer Products

In our resin and plastics processing business, our efforts will center on growth markets, notably the interior provinces of the PRC and key ASEAN economies, as well as on revamping our product portfolio to improve our profit structure. Of particular note, we will expand sales of such promising products as a specialty polycarbonate resin for use in smartphone and tablet computer camera lenses. On another front, in line with our medium- to long-term management vision, we signed an agreement with SK Chemicals Ltd. of the Republic of Korea (ROK) to establish a joint venture to develop, produce and distribute polyphenylene sulfide (PPS) resin, a super-engineering plastic. Work on a production facility for the new company is proceeding apace, with operations scheduled to begin in 2015. In our films business, we will concentrate on nurturing new applications and expanding sales in promising Asian markets. We will take steps in both resin and plastics processing and films to reinforce our competitiveness by making production configurations more efficient and by further reducing costs.

Healthcare

In our pharmaceuticals business, our focus will continue to be on further expanding sales of febuxostat, our fast-growing treatment for hyperuricemia and gout, and on increasing the drug's availability in markets outside of Japan, North America and Europe. In R&D, we commenced clinical trials in Japan for TMG-123, a novel drug for Type 2 diabetes, and in the United States for KTP-001, * a treatment for lumbar disc herniation, both in August 2012. In September 2012, we signed an exclusive licensing agreement with Pulmagen Therapeutics (Asthma) Limited of the United Kingdom, granting us development, manufacturing and marketing rights in Japan for ADC3680, a treatment for bronchial asthma discovered by that company. In November 2012, we commenced clinical trials in the PRC for TMX-67 (febuxostat), for treating hyperuricemia and gout, in collaboration with Astellas Pharma China, Inc., while the following month clinical trials began in Japan for *Venilon* for the treatment of optic neuritis, a new indication. With the aim of advancing global sales of our pharmaceuticals products and accelerating the development of promising new drugs, we resolved to expand clinical testing facilities at our Pharmaceutical Products Research Laboratories in Iwakuni, Yamaguchi.

* KTP-001 was discovered and is under development by Teijin Pharma Limited and Kaketsuken (The Chemo-Sero-Therapeutic Research Institute), a general incorporated foundation, based on an enzyme engineered by Professor Hirotaka Haro of the University of Yamanashi's Graduate School of Medicine and Engineering Advanced Medical Science and Dr. Hiromichi Komori, assistant head of the Department of Orthopaedic Surgery at Yokohama City Minato Red Cross Hospital.

In home healthcare, we will emphasize expanding rentals of CPAP ventilators for the treatment of SAS, the market for which is growing rapidly. In Japan, we will endeavor to expand rentals of our *WalkAide*[®] System, a recently launched neuromuscular electrical stimulation device for the treatment of gait impairment resulting from stroke, among other causes, which we currently market to medical institutions in the Tokyo metropolitan area. In our overseas markets—the United States, Spain and the ROK— we will continue taking steps to improve the efficiency of operations and reinforce our earnings base.

Products Converting

In response to increasingly diverse customer needs and the rapid globalization of our principal markets, we will work to fortify our operating foundation by strengthening collaboration between businesses in this segment and our materials businesses. We will also expand our production network in Asia.

Others IT business

In the IT business, We will take decisive steps in this business to develop innovative solutions that respond to the needs of customers, primarily in the net services and healthcare fields.

New Business Development

We continue to promote R&D aimed at achieving the prompt commercialization of new products in four key areas, namely, bioplastics, high-performance electronics materials, wastewater treatment and new healthcare businesses. In July 2012, we began production of *LIELSORT* lithium-ion battery (LiB) separators at ROK-based Teijin CNF Korea Co., Ltd., a joint venture with CNF Co., Ltd. With these separators having since been adopted for use by multiple manufacturers, Teijin CNF Korea is expected to shift to full-capacity production in fiscal 2013. In response to rapidly increasing wastewater treatment needs in the PRC, we recently established Teijin (Shenyang) Environmental Technologies Co., Ltd., which will anchor our wastewater treatment services business in that country. Looking ahead, we will work to expand marketing of our innovative comprehensive wastewater treatment services, which employ technologies that ensure outstanding energy efficiency and minimize CO₂ emissions.

(6) Primary Businesses

The Teijin Group conducts various businesses including the manufacture and sale of the products below, operating in the Advanced Fibers and Composites, Electric Materials & Performance Polymer Products, Health Care, Products Converting, and Others segments.

(As of March 31, 2013)

Business Segments	Business Fields	Principal Products and Businesses
Advanced Fibers and Composites	Aramid Fibers	Para-aramid fibers, Meta-aramid fibers, High-performance polyethylene, Artificial leather
	Carbon Fibers	Carbon fibers, Oxidized PAN fibers
	Polyester Fibers	PET · PEN fibers
Electric Materials & Performance Polymer Products	Plastics	Polycarbonate resin · sheet · film, molding product Transparent conductive film, PET · PEN · PBN resin, Flame-retardant agents
	Films	PET · PEN film
Health Care	Pharmaceuticals	Agent for Osteoporosis, Agent for Infection, Expectorant, Inhaled Corticosteroid Agent for Adult Asthma, Agent for Hyperlipidemia, Treatment for Hyperuricemia, Agent for treating pain associated with osteoarthritis of the knee
	Home Health Care	Oxygen Concentrator for home oxygen Therapy(HOT), Continuous Positive Airway Pressure Unit (CPAP), Ultrasound Bone Fracture Treatment Devices
Products Converting	Textiles and Apparel	Fiber materials, Textiles, Apparel products, General merchandise
	Industrial Textiles and Materials	Industrial and vehicle materials, Living and interior goods, Resin · films, Packing and construction materials,
Others	IT Services	Planning, development and consultation of information systems for cell-phone operators, general-companies, medical-related organizations, public offices and educational research institutions Supply of a variety of services of the planning, management of information systems
	Net Business	Supply of contents and e-commerce, etc. for cell phones or smartphones
	Raw Materials, Polymers	PET fiber raw materials

Notes: PET (Polyethylene terephthalate), PEN (Polyethylene naphthalate), PBN (Polybutylene naphthalate)

(7) Primary Business Places

(As of March 31, 2013)

Business	Function	Location
The Company	Headquarters	Osaka, Tokyo
Advanced Fibers and Composites	Manufacturing bases	Ehime, Yamaguchi, Shizuoka, Gifu
		U.S.A., Germany, the Netherlands, China, Thailand
	Operation bases	Tokyo, Osaka
		U.S.A., Germany, the Netherlands, China, Thailand
	Research bases	Osaka, Shizuoka, Ehime
		U.S.A., Germany, the Netherlands, Thailand
Electric Materials & Performance Polymer Products	Manufacturing bases	Gifu, Tochigi, Ibaraki, Ehime, Hiroshima
		China, Singapore, Indonesia
	Operation bases	Tokyo, Osaka, Aichi
		U.S.A., the Netherlands, China, Korea, Taiwan, Singapore, Malaysia, Indonesia
	Research bases	Gifu, Ehime, Chiba, Hiroshima
		China
Health Care	Manufacturing bases	Yamaguchi
	Operation bases	12 branches throughout Japan
		U.S.A.
Research bases	Tokyo, Yamaguchi	
		U.S.A., U.K.
Products Converting	Manufacturing bases	Ishikawa, Fukui,
		China, Thailand, Vietnam, Indonesia,
	Operation bases	Tokyo, Osaka, Aichi
		U.S.A., Germany, China, Thailand, Hong Kong
Others	Manufacturing bases	Tokyo, Ehime
	Operation bases	Tokyo, Osaka, Kanagawa, Fukuoka, Ehime, Yamaguchi
	Research bases	Tokyo, Osaka

Note: The function of headquarters is indicated in The Company, and the manufacturing, operation and research bases are indicated in each business segments.

(8) Employees

Business segments	146 th Fiscal Period FY2011 (As of March 31, 2012)	147 th Fiscal Period FY2012 (As of March 31, 2013) (Current period)	Change in the number of employees
Advanced Fibers and Composites	-	4,439	-
Electric Materials & Performance Polymer Products	-	2,427	-
Health Care	-	4,142	-
Products Converting	-	3,078	-
Others	-	2,551	-
Total	16,819	16,637	Δ 182

Notes: 1. The number of employees stated above represents the numbers of employees in each segment.

2. The number of employees stated above does not include temporary employees
(2,489 employees for the 146th fiscal period and 2,325 employees for the 147th fiscal period).

3. In April 2012, The Company reorganized its business segments and only the total number of employees is stated for the 146th Fiscal Period..

(9) Significant Subsidiaries

(As of March 31, 2013)

Business segments	Subsidiary (Location of The Head Office)	Capital	Investment ratio (%)	Principal business
Advanced fibers and Composites	Toho Tenax Co., Ltd. (Tokyo)	¥500 million	99.75	Production and sales of carbon fibers and Oxidized PAN fibers
	Toho Tenax Europe GmbH (Germany)	0.025 million euro	※100.00	Production and sales of carbon fibers
	Toho Tenax America, Inc. (U.S.A.)	US\$12.5 million	※100.00	Production and sales of carbon fibers and Oxidized PAN fibers
	Teijin Aramid B.V. (the Netherlands)	0.02 million euro	※100.00	Production and sales of para-aramid fibers
	Teijin (Thailand) Limited (Thailand)	800 million bath	※100.00	Production and sales of polyester fibers
	Teijin Polyester (Thailand) Limited (Thailand)	548 million bath	66.87	Production and sales of polyester fibers
Electric Materials & Performance Polymer Products	Teijin DuPont Films Japan Limited (Tokyo)	¥10,010 million	※ 60.00	Production and sales of polyester films
	Teijin Chemicals Limited (Tokyo)	¥2,149 million	100.00	Production and sales of synthetic resins, etc.
	Teijin Polycarbonate Singapore Pte Ltd. (Singapore)	US\$75 million	※100.00	Production and sales of polycarbonate resins
	Teijin Polycarbonate China Ltd.(China)	720 million RMB	※100.00	Production and sales of polycarbonate resin
	Teijin Chemicals Plastic Compounds Shanghai Ltd. (China)	143 million RMB	※100.00	Coloration, processing and sales of polycarbonate resins
Health Care	Teijin Pharma Limited (Tokyo)	¥10,000 million	100.00	Production and sales of medicinal drugs and medical equipment
	Teijin Home Health Care Ltd (Tokyo)	¥100 million	※100.00	Home health care services provider
	Braden Partners L.P. (U.S.A.)	US\$134 million	※100.00	Home health care services provider
Product Converting	Teijin Frontier Co., Ltd (Osaka)	¥2,000 million	100.00	Sales of textiles and others
	Nantong Teijin Co., Ltd. (China)	¥4,000 million	100.00	Production and sales of polyester textile goods
Others	Infocom Corporation (Tokyo)	¥1,590 million	57.54 Notes3	Development and sales of computer software, etc.
	Teijin Engineering Ltd. (Osaka)	¥475 million	100.00	Engineering services, design and sales of plants and equipment
	Teijin Logistics Co., Ltd. (Osaka)	¥80 million	100.00	Transportation and custody of goods
	TS Aromatics Limited (Tokyo)	¥100 Million	50.10	Sales of PET raw materials and by-product materials

Notes: 1. The Teijin Group has 72 consolidated companies including the aforementioned 20 significant subsidiaries; 71 companies are accounted for via the equity method.

2. ※ indicates the investment ratio including investment by subsidiaries.

3. The Company's ratio of investment in Infocom Corporation increased to 57.54% at the end of the year under review from 56.31% at the previous year-end because Infocom Corporation acquired its treasury shares from August to November 2012.

4. The Company succeeded some of the rights and obligations held by Teijin Fibers Limited through an absorption-type company split on October 1, 2012.

Then N. I. Teijin Shoji Co., Ltd conducted the absorption-type merger with Teijin Fibers Limited and changed the company name to "Teijin Frontier Co., Ltd" on October 1, 2012.

5. The Company conducted the absorption-type merger with Teijin Techno Products Limited on October 1, 2012.

(10) Primary Lenders and Amount of Borrowings

(as of March 31, 2013)

Primary Lenders	Balance of borrowings
	Millions of yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd. *	59,065
Development Bank of Japan Inc.	30,000
Japan Bank for International Cooperation	26,079
Mizuho Corporate Bank, Ltd. *	22,306
Sumitomo Mitsui Banking Corporation*	4,954

Notes: 1. * indicates that the balance of borrowings includes loans from overseas affiliate banks.

2. In addition to loans indicated in the balance of borrowings above, the Company borrows ¥72,585 million under syndicated loans.

2. Matters Regarding the Shares of the Company (as of March 31, 2013)

- | | |
|--|----------------------|
| (1) Issuable shares | 3,000,000,000 shares |
| (2) Issued shares | 984,758,665 shares |
| (3) Number of shareholders | 127,555 |
| (4) Top 10 shareholders of the Company | |

Shareholders		Investment in the Company	
		Number of shares held	Shareholding ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust account)	71,191,000	7.24
2	Japan Trustee Service Bank, Ltd.(Trust account)	46,188,000	4.70
3	Nippon Life Insurance Company	44,033,509	4.48
4	The Employee Stock Ownership Association of Teijin	23,534,131	2.39
5	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	20,694,935	2.11
6	SSBT OD05 Omnibus Account -Treaty Clients	19,234,200	1.96
7	Japan Trustee Service Bank, Ltd.(Trust account 9)	16,121,000	1.64
8	State Street Bank and Trust Company	12,278,799	1.25
9	Nisshinbo Holdings Inc.	9,766,292	0.99
10	State Street Bank West Client Treaty	9,153,272	0.93

Note: The shareholding ratio has been calculated after excluding Treasury stocks (1,926,148 shares) from the Issued shares.

3. Stock Option

(1) Status of Stock Option as of the last day of the subject Fiscal Year

Time of Issue (Issue date)	5 th (July 10, 2006)	6 th (July 5, 2007)	7 th (July 7, 2008)	8 th (July 9, 2009)	9 th (July 9, 2010)	10 th (Mar 12, 2012)	11 th (Mar 15, 2013)
Number of Issued Stock Option (unit)	146	207	328	420	349	737	698
Class and Number of Shares (Common Stock) to be acquired by the Stock Option	146,000	207,000	328,000	420,000	349,000	737,000	698,000
Issue Price of Stock Option (per share)	¥663	¥610	¥307	¥253	¥261	¥245	¥196
Exercise Price of Stock Option (per share)	¥1	¥1	¥1	¥1	¥1	¥1	¥1
Period during which the Stock Option may be exercised	July 10, 2006 ~ July 9, 2026	July 5, 2007 ~ July 4, 2027	July 7, 2008 ~ July 6, 2028	July 9, 2009 ~ July 8, 2029	July 9, 2010 ~ July 8, 2030	Mar 12, 2012 ~ Mar 11, 2032	Mar 15, 2013 ~ Mar 14, 2033

Of the above, total number of unexercised Stock Option held by Directors and Corporate Auditors of the Company (breakdown by each issue of the Stock Option)

(As of March 31, 2013)

Issue	Directors		Corporate Auditors	
	Number of Units	Number of Directors Holding Rights	Number of Units	Number of Corporate Auditors Holding Rights
The 5 th Issue of the Stock Option	20	5	2	1
The 6 th Issue of the Stock Option	31	6	7	2
The 7 th Issue of the Stock Option	57	6	10	2
The 8 th Issue of the Stock Option	74	6	13	2
The 9 th Issue of the Stock Option	68	6	12	2
The 10 th Issue of the Stock Option	150	6	17	1
The 11 th Issue of the Stock Option	181	6	-	-

Note: 1. No Stock Option is granted to any Outside Directors and Corporate Auditors.

2. The Stock Option held by the Corporate Auditors were distributed as a consideration of performance of duties as Director or Corporate Officer prior to assuming the position of Corporate Auditor.

(2) Stock Option distributed during the subject Fiscal Year

Stock Option distributed during the subject Fiscal Year is stated in the 11th Issue of the Stock Option noted in (1) above. Status of Stock Option distributed to employees of the Company in the 11th Issue of Stock Option.

No. of Unites	No. of Recipients
517	32

4. Directors and Corporate Auditors

(1) Directors and Corporate Auditors

(As of March 31, 2013)

Post	Name	Duty, State of significant positions concurrently Held at other companies
Chairman of the Board	Toru Nagashima	Outside Director, Sojitz Corp. Outside Director, Sekisui Chemical Co., Ltd. Outside Director, Kao Corporation Chairman, The Japan Overseas Enterprises Association Vice Chairman, Japan Association of Corporate Executives (Keizai Doyukai)
President, Representative Director	Shigeo Ohyagi	CEO (Chief Executive Officer) Chairman, Japan Bio Plastics Association Permanent Officer, Keidanren(Japan Business Federation)
Executive Vice-President, Representative Director	Norio Kamei	General Manager, Advanced Fibers & Composites Business Group General Manager, Carbon Fibers & Composites Business Unit President & Representative Director, Toho Tenax Co., Ltd.
Senior Executive Officer, Representative Director	Osamu Nishikawa	Chief Social Responsibility Officer Supervisor of Corporate Audit Office Director, Effective Utilization of Factories Project
*Senior Executive Officer, Director	Takashi Takahashi	Chief Science and Technology Officer Supervisor of Iwakuni, Matsuyama and Mihara factory Supervisor of Safety Control
Executive Officer, Director	Yoshio Fukuda	General Manager, Electric Materials & Performance Polymer Products Business Group, General Manager, Resin & Plastic Processing Business Unit President & Representative Director, Teijin Chemical Ltd. Chairman, Teijin DuPont Films
Director	Hajime Sawabe	Counselor of TDK Corporation Outside Director, Asahi Glass Co., Ltd. Outside Corporate Auditor, Nikkei Inc. Councilor, Waseda University
Director	Yutaka Imura	Special Envoy of the Government of Japan for Mid-East & Europe Vice-Chairman, Japan-Indonesia Association, Inc.
*Director	Nobuo Seki	Outside Corporate Auditor, SUGIYO Co., Ltd. Professor, Graduate School of Shibaura Institute of Technology Management Committee member, Tokyo Institute of Technology
*Director	Kenichiro Senoh	President & Chairperson, The Industry-Academia Collaboration Initiative (NPO) Chairman, Intellectual Property Strategy Headquarters By Intellectual Property, Enhancement of Competitiveness and Global standardization Special Investigation Committees President, CIEC(Community for Innovation of Education and learning through Computers and communication networks) Committee Member, Ministry of Agriculture, Forestry and Fisheries, Agriculture, Forestry and Fisheries Research Council
Full-time Corporate Auditor	Atsuo Amano	
*Full-time Corporate Auditor	Toshiaki Yatabe	
Corporate Auditor	Toshiharu Moriya	Professor, Graduate School of Accounting, Hosei University Outside Corporate Auditor, NIFTY Corp. Outside Corporate Auditor, Fujitsu Frontech Limited. Auditor, Kanagawa Dental College
Corporate Auditor	Noriko Hayashi	Representative, Hayashi Legal Office, Lawyer The Chairperson of Committee on Labor Law Legislation, Japan Federation of Bar Associations
*Corporate Auditor	Nobuo Tanaka	Global Associate, The Institute of Energy Economics Japan Part-time employee, INPEX Corporation

- Notes: 1. The directors and the corporate auditors marked with * were newly elected at the 146th Ordinary General Meeting of Shareholders held on June 22, 2012.
2. Four (4) Directors— Hajime Sawabe , Yutaka Iimura, Nobuo Seki and Kenichiro Senoh—are outside directors. The Company requires the candidates for outside director to satisfy the requirements of “Independent Director” stipulated by the Company. Hajime Sawabe and Yutaka Iimura satisfied all such requirements and maintained their independence throughout the relevant fiscal year, and Nobuo Seki and Kenichiro Senoh did so throughout the relevant fiscal year following his appointment at the 146th Ordinary General Meeting of Shareholders held on June 22, 2012. Because the four outside directors also satisfy the requirements of independence as stipulated by Tokyo Stock Exchange Group, Inc., and Osaka Securities Exchange Co., Ltd., they were registered by the Company as “Independent Director/Auditor” at the two stock exchanges. The requirements of “Independent Director” stipulated by the Company are disclosed on the Company’s Web site (<http://www.teijin.com/ir/governance/requirements/>).
3. There are no important interests between the Company and any of the entities at which the abovementioned outside directors hold positions as director/corporate auditor etc.
4. Three (3) Corporate Auditors— Toshiharu Moriya, Noriko Hayashi and Nobuo Tanaka—are outside corporate auditors. The Company requires the candidates for outside corporate auditor to satisfy the requirements of “Independent Corporate Auditor” stipulated by the Company. Toshiharu Moriya and Noriko Hayashi satisfied the all said requirements and maintained their independence throughout the relevant fiscal year. Nobuo Tanaka did so throughout the relevant fiscal year following his appointment at the 146th Ordinary General Meeting of Shareholders held on June 22, 2012. Because they also satisfy the requirements of independence as stipulated by Tokyo Stock Exchange Group, Inc., and Osaka Securities Exchange Co., Ltd., they were registered by the Company as “Independent Director/Auditor” at the two stock exchanges. The requirements of “Independent Corporate Auditor” stipulated by the Company are disclosed on the Company’s Web site (<http://www.teijin.com/ir/governance/requirements/>).
5. There are no important interests between the Company and any of the companies at which the abovementioned outside corporate auditors hold positions as director/corporate auditor etc.
6. Corporate Auditor Toshiharu Moriya is a Certified Public Accountant and has ample knowledge of finance and accounting.
7. The following Directors and Corporate Auditors retired as of June 22, 2012.
- | | |
|-------------------|-----------------|
| Director | Junji Morita |
| Director | Toshiaki Yatabe |
| Director | Kunio Suzuki |
| Corporate Auditor | Kihachiro Sano |
| Corporate Auditor | Ryozo Hayashi |

8. Changes in posts and duties of Directors during the subject fiscal year are as follows.

Name	New Post	Former Post	Date of Change
Osamu Nishikawa	Senior Executive Officer, Representative Director Chief Social Responsibility Officer Supervisor of Corporate Audit Office (currently Corporate Audit Department) Director, Effective Utilization of Factories Project	Senior Executive Officer, Director Chief Social Responsibility Officer Supervisor of Corporate Audit Office Director, Effective Utilization of Factories Project	June 22, 2012
Takashi Takahashi	Senior Executive Officer, Director Chief Science and Technology Officer Supervisor of Iwakuni, Matsuyama and Mihara factory Supervisor of Safety Control	Senior Executive Officer, Chief Science and Technology Officer Supervisor of Iwakuni, Matsuyama and Mihara factory	June 22, 2012
Yoshio Fukuda	Executive Officer, Director General Manager, Electric Materials & Performance Polymer Products Business Group General Manager, Resin & Plastic Processing Business Unit President & Representative Director, Teijin Chemicals Ltd. Chairman, Teijin DuPont films	Executive Officer, Director General Manager, Electric Materials & Performance Polymer Products Business Group General Manager, Resin & Plastic Processing Business Unit President & Representative Director, Teijin Chemicals Ltd. Chairman, Teijin DuPont films, Executive Vice-President, Representative Director, Win Tech Polymer Ltd.	March 29, 2013

9. Changes in posts and duties of Directors following the subject fiscal year are as follows.

Name	New Post	Former Post	Date of Change
*Toru Nagashima	Director, Senior Advisor	Director, Chairman of the Board	April 1, 2013
Norio Kamei	Executive Vice-President, Representative Director Managing GM, Advanced Fibers & Composites Business Group, Electric Materials & Performance Polymer Products Business Group and Raw Materials, Polymers & Procurement Division	Executive Vice-President, Representative Director General Manager, Advanced Fibers & Composites Business Group General Manager, Carbon Fibers & Composites Business Unit President & Representative Director, Toho Tenax Co., Ltd.	April 1, 2013
Yoshio Fukuda	Senior Executive Officer, Director General Manager, Electric Materials & Performance Polymer Products Business Group Chairman, Teijin DuPont films	Executive Officer, Director General Manager, Electric Materials & Performance Polymer Products Business Group General Manager, Resin & Plastic Processing Business Unit President & Representative Director, Teijin Chemicals Ltd. Chairman, Teijin DuPont films	April 1, 2013

*Toru Nagashima will retire the director at the conclusion of this General Meeting of Shareholders.

(2) Remuneration for Directors and Corporate Auditors

1) Remuneration for Directors during the subject fiscal year

(millions of yen)

Inside Directors		Outside Directors		Total	
Number of Directors	Amount of Remuneration	Number of Directors	Amount of Remuneration	Number of Directors	Amount of Remuneration
8	285	5	50	13	335

Notes: 1. Inside directors means directors other than outside directors.

- The Company has no director who is also an employee of the Company.
- The maximum annual remuneration for directors is ¥700 million, of which ¥630 million is for annual salary and ¥70 million is for the fair value of compensation-type stock options (as resolved by the 140th Ordinary General Meeting of Shareholders, held on June 23, 2006).
- The performance-based remuneration system is applied for the inside directors. The amount of remuneration is basically determined according to the consolidated Return on Assets (ROA) and additionally based on the consolidated Return on Equity (ROE), the improvement of operating income, achievements relative to budgets, and an evaluation of the director's performance. Outside directors receive a fixed amount of remuneration.
- The amounts of above remuneration include ¥26 million, an expected amount of performance-based remuneration to be paid to the six (6) inside directors appointed at the 146th Ordinary General Meeting of Shareholders held on June 22, 2012. Performance-based remuneration was not paid to outside directors. The amounts of above remuneration include ¥35 million as compensation-type stock options granted to inside directors for their duties performed during the subject fiscal year. Stock options were not granted to outside directors.
- The total remuneration paid to the inside directors, including the remuneration paid by the group companies to the inside directors who concurrently serve as directors of any of the group companies for the relevant fiscal year, amounted to ¥341 million. No outside directors concurrently serves as directors or corporate auditors of any of the group companies.
- Apart from the amounts of above remuneration, retirement benefits of ¥83 million were paid to two (2) inside directors who retired during the fiscal 2012. The Company abolished the retirement benefits payment system for retiring inside directors at the close of the 145th Ordinary General Meeting of Shareholders held on June 22, 2011. Retirement benefits are not paid to outside directors.

2) Remuneration for Corporate Auditors during the subject fiscal year

(millions of yen)

Inside Corporate Auditors		Outside Corporate Auditors		Total	
Number of Corporate Auditors	Amount of Remuneration	Number of Corporate Auditors	Amount of Remuneration	Number of Corporate Auditors	Amount of Remuneration
3	66	4	29	7	95

Notes: 1. Inside corporate auditors means corporate auditors other than outside corporate auditors.

- The maximum monthly remuneration for corporate auditors is ¥12 million (as resolved by the 133rd Ordinary General Meeting of Shareholders held on June 25, 1999).
- The total remuneration paid to the inside corporate auditors, including the remuneration paid by the group companies to the inside corporate auditors who concurrently serve as corporate auditors of any of the group companies for the fiscal 2012, amounted to ¥78 million. Retirement benefits are not paid by any of the group companies. No outside corporate auditors concurrently serves as corporate auditors of any of the group companies.
- Apart from the amounts of above remuneration, retirement benefits of ¥36 million were paid to one (1) inside corporate auditor who retired during the fiscal 2012. The Company abolished the retirement benefits payment system for retiring inside corporate auditors at the close of the 145th Ordinary General Meeting of Shareholders held on June 22, 2011. Retirement benefits are not paid to outside corporate auditors.

(3) Outside Directors and Outside Corporate Auditors

1) Significant Concurrent Positions and the relation between the Company and the entities at which Outside Directors and Outside Corporate Auditors hold such positions.

They are shown in the above-mentioned 「(1) Directors and Corporate Auditors」 .

2) Main Activities of Outside Directors and Outside Corporate Auditors

Category	Name	Main Activities
Outside Directors	Hajime Sawabe	Attended 12 of the 12 meetings of the Board of Directors held during the relevant fiscal year and offered valuable comments from his extensive management experience and knowledge.
	Yutaka Iimura	Attended 10 of the 12 meetings of the Board of Directors held during the relevant fiscal year and offered valuable comments from his expertise and knowledge cultivated over many years as a diplomat.
	Nobuo Seki	Attended 9 of the 9 meetings of the Board of Directors held since his assuming the position on June 22, 2012 and offered valuable comments from his extensive management experience and knowledge.
	Kenichiro Senoh	Attended 9 of the 9 meetings of the Board of Directors held since his assuming the position on June 22, 2012 and offered valuable comments from his specialist viewpoint of business model field.
Outside Corporate Auditors	Toshiharu Moriya	Attended 12 of 12 meetings of the Board of Directors and 8 of 8 meetings of the Board of Corporate Auditors held during the relevant fiscal year and offered valuable comments from his professional knowledge as a Certified Public Accountant.
	Noriko Hayashi	Attended 12 of 12 meetings of the Board of Directors and 8 of 8 meetings of the Board of Corporate Auditors held during the relevant fiscal year and offered valuable comments from her professional knowledge as lawyer, and offered, in particular, advice and suggestions Concerning compliance
	Nobuo Tanaka	Attended 9 of 9 meetings of the Board of Directors and 6 of 5 meetings of the Board of Corporate Auditors held since his assuming the position on June 22, 2012, and offered valuable comments from his experience at the government agencies and international organization and offered, in particular, advice and suggestions Concerning corporate governance.

3) Liabilities Limitation Agreements

① Liabilities Limitation Agreement with Outside Directors

The Company has executed a Liabilities Limitation Agreement with each of four (4) outside directors, Hajime Sawabe, Yutaka Iimura, Nobuo Seki and Kenichiro Senoh which limits the respective liabilities of each outside director to the higher amount of ¥20 million or the minimum liability amount stipulated in Article 425, Paragraph 1, of the Companies Act.

② Liabilities Limitation Agreement with Outside Corporate Auditors

The Company has executed a Liabilities Limitation Agreement with each of three (3) outside corporate auditors, Toshiharu Moriya, Noriko Hayashi and Nobuo Tanaka which limits the respective liabilities of each corporate auditor to the higher amount of ¥20 million or the minimum liability amount stipulated in Article 425, Paragraph 1, of the Companies Act.

5. Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC.

(2) Amount of Remuneration

(Millions of yen)

Details	Amount
1) The amount of remuneration, etc., to be paid by the Company to the accounting auditor	167
2) The total amount of cash or other proprietary interest to be paid by the Company and its subsidiaries to the accounting auditor	339

Notes: 1. The amount described in Item 1) of the above table is the total sum of the remunerations for audits under the Companies Act and the remuneration for the audits under Financial Products & Exchange Act in Japan because these are not clearly distinguished from each other in the contract between the Company and the accounting auditor.

2. Of the major subsidiaries of the Company, 10 companies, including Teijin Aramid B.V., undergo auditing by accounting firm other than the accounting auditor.

3. The Company pays remuneration to the accounting auditor for "Making comfort letters service for bond issue" and so on not specified in Article 2, Paragraph 1, of the Certified Public Accountant Act.

(3) Policy for Dismissal or Non-Reappointment of Accounting Auditor

The Company has a policy that the Board of Corporate Auditors will dismiss its accounting auditor based on an unanimous approval of corporate auditors in the event that it falls under any item of Article 340, Paragraph 1, of the Companies Act.

Furthermore, the Company has a policy of submitting a proposal regarding dismissal or non-reappointment of the accounting auditor to a shareholder's meeting in the event that it is deemed that a grave obstacle to the Company's audit operation involving the accounting auditor has occurred.

6. Corporate Governance System

(1) Reasons for Choosing the Current Corporate Governance System

The Company has adopted and will adopt from time to time mechanisms for corporate governance which is appropriate for achieving the purposes of the Company. Accordingly, the Company will timely review the mechanisms and such changes may be made in accordance with changes in the social and legal environments.

The current Companies Act requires the Board of Directors to appropriately carry out two functions: execution of business and management oversight and supervision. The governance system deemed appropriate is therefore based on these two core functions, with execution of business led by the Company's inside directors on the one hand, and management oversight and supervision focused on by outside directors and carried out by corporate auditors and the Board of Auditors on the other hand.

Therefore the Company intends to continue to be a company with Board of Corporate Auditors for the time being. At the Company, the strengthening of the management oversight and supervisory functions and similar corporate governance that are the aim of a "company with committees" are effectively achieved via an "Advisory Board", a "Board of Directors and executive officer system that includes independent outside directors," and a "Board of Auditors system that includes independent outside corporate auditors."

(2) Overview of Current Corporate Governance

1) Advisory Board (Management Consultative Committee)

The Advisory Board, comprising both Japanese and non-Japanese experts, has been established to provide advice to management in general and to evaluate the top managements, and operates as a consultative body to the Board of Directors. The Advisory Board is made up of five to seven outside advisors consisting of two or three non-Japanese advisors as well as the Chairman of the Company* and the President & CEO, and the Chairman of the Company chairs the Advisory Board. The Advisory Board also functions as a nominations and remuneration committee, making recommendations regarding the alternation of the CEO and nomination of a successor, deliberating the selection of Chairman, deliberating the system and levels of compensation for Teijin Group directors, and evaluating the performance of the CEO and representative directors.

*The case of absence of the Chairman of the Company, Senior Advisor will perform the office of the Chairman.

2) Board of Directors and Corporate Officer System that Includes Independent Outside Directors

To expedite decision making and clarify accountability of execution of business, the Company's Articles of Incorporation set the maximum members of the Board of Directors to 10 directors, and the Company has introduced a corporate officer system that delegates broad authority to corporate officers. Four members of the Board of Directors are independent outside directors. In addition, the Articles of Incorporation sets the term of office for directors at one year. The Board of Directors is chaired by the Chairman of the Company, as a means of separating oversight and supervision from execution of business.

The outside directors also contribute to enhancement of the transparency and accountability of the Board of Directors, with their oversight function with respect to internal directors and by management advice function based on their expertise.

3) Board of Auditors System that Includes Independent Outside Corporate Auditors

① Corporate Audits

The Company's Board of Auditors consists of five members, of whom a majority of three are independent outside auditors. This maintains transparency, and achieves the management oversight and audit function including audit of total risk management. In addition, the Committee of Teijin Group Corporate Auditors, comprising corporate auditors of Group companies, exists to enhance the effectiveness of group-wide oversight and audit of the entire Group, which correspond to group consolidated management and ensure impartial auditing.

The Company and its Group companies have a three-pronged audit system, which includes internal audits in addition to the corporate audits by corporate auditors and the accounting audits by the accounting auditors stipulated by the Companies Act and the Financial Products and Exchange Act. These three components work in mutual cooperation to enhance corporate governance.

② Internal Audit System

The Corporate Audit Office, reporting directly to CEO, has been established as an internal audit organization, and carries out Group-wide and global audits to evaluate efficiency and validity of internal control functions.

7 . Summary of Resolution to Establish Systems to Ensure Appropriate Business Operations

Resolutions on Basic Policies for establishment of Internal Control Systems

At a board meeting held on July 31, 2012, the Board of Directors made resolution on basic policies for establishment of internal control systems. This resolution should be regularly reviewed and confirmed at a board meeting once every year. Below is a summary of this resolution, the details of which can be viewed at the Company's Web site: (<http://www.teijin.com/ir/governance/resolution/>).

(1) Systems for Ensuring the Compliance with Laws, Regulations and the Articles of Incorporation in the Performance of Duties by Directors and Employees

The Company has declared the basic principles of compliance in its Teijin Group "Corporate Governance Guide" (available on the Company's Web site at : <http://www.teijin.com/ir/governance/guide/>).

To practice these basic principles, the Company shall establish systems and organizational structures that ensure practical operation and thorough observation of the Company's Corporate Philosophy, Corporate Code of Conduct, Corporate Standards of Conduct, Group Ethics Regulations and other related internal regulations.

The Company's representative directors and other executives shall take the initiative and set good examples in observing laws, regulations and the Articles of Incorporation, social rules and ethics, and shall promote compliance education and awareness among the Teijin Group's employees. In order to establish a compliance system across the entire Teijin Group, the Company appoints Chief Social Responsibility Officer as the officer in charge of compliance.

All directors, officers and employees of the Teijin Group are required to report to the Teijin entity to which they belong or to Teijin Limited which is the holding company of the Teijin Group, whether they detect any violations of laws and regulations or other serious information concerning compliance, in accordance with Group Ethics Regulations and other internal regulations. Chief Social Responsibility Officer shall direct and supervise investigations to confirm such reported facts and, upon consultation with CEO (President), determine appropriate measures.

The Company shall provide necessary means for directors, officers, employees and business partners to directly report any violation or doubtful activities of non-compliance. Such measures shall ensure that anonymity of the caller is protected and that the caller does not get any disadvantageous treatment. Important reports as well as measures taken by the relevant Teijin entity and their results shall be announced as appropriate to, and shall be recognized by, all directors, officers and employees of the Teijin Group.

The Company places Corporate Audit Office directly supervised by CEO, which performs internal auditing of the Teijin Group's execution of business and conducts the evaluation of the internal control system and proposes its improvement.

The Company shall maintain a resolute attitude toward pressure from antisocial forces, including demands for payoffs from specific shareholders or interference by crime syndicates, and shall not allow such interference. Chief Social Responsibility Officer shall be appointed as the person in charge of actions against antisocial forces. Chief Social Responsibility Officer shall establish action policies and other rules in consort with general manager, Human Resources Division and shall ensure observance of such policies and rules by directors, officers and employees within the Teijin Group.

(2) Systems for the Preservation and Management of Information in Relation with the Directors' Performance of Their Duties

Directors shall appropriately preserve and manage minutes of shareholders' general meetings, minutes of Board of Directors' meetings, and other documents and important information concerning the performance of their duties in accordance with relevant company regulations. Chairman of the Board, who chairs the Board of Directors, is responsible for the supervision and oversight of the preservation and management of such documents and important information. Documents concerning directors' performance of their duties shall be preserved for at least ten (10) years and shall be accessible whenever necessary.

(3) Rules and Systems for Risk Management

The Board of Directors shall operate a total risk management system to deal with any kind of risks that might threaten sustainable business development.

Total Risk Management (TRM) Committee, shall mainly deal with the business operational risks and strategic risks, and shall propose basic policies and annual plans related to TRM to the Board of Directors. Chief Social Responsibility Officer is in charge of establishing a system across the Teijin Group to manage business operation risk, and shall identify problems and deal with such risks upon occurrence thereof. CEO shall assess strategic risks and present his/her assessment to the Board of Directors as an important element upon which managerial decisions are made.

The Company shall implement necessary measures to ensure the continuation of businesses when faced with risk events including disasters, the inappropriate performance of duties by directors, officers or employees, and damage to critical IT systems.

(4) Systems for Ensuring that Directors' Duties Are Performed Efficiently

More than one Independent Outside Director who satisfy the requirements for independence stipulated by the Company shall be appointed as members of the Board of Directors in order to enhance the validity of the decisions to be made by the Board of Directors.

The Board of Directors shall have the representative directors and other executives conduct the operation of the Company and decisions for the items on which the representative directors and other executives have been delegated decision-making powers shall be made by the organization and procedures in accordance with the internal regulations. These regulations shall be revised as may be necessary to reflect any revision and/or abolition of laws and regulations and/or to increase the efficiency of the representative directors and other executives in executing their duties.

The Board of Directors shall organize the basic structure of Teijin Group, and shall establish efficient management, oversight and supervision system.

(5) Systems for Ensuring that Proper Business Operations Are Conducted within the Group of Companies, Including Subsidiaries and Parent Companies

The Company shall prepare group regulations that apply to all entities in the Teijin Group, in addition to measures to ensure that business activities are conducted in compliance with the relevant laws and regulations and the Articles of Incorporation.

Transactions within the Teijin Group must be conducted in an appropriate manner according to the social norms.

The representative directors and other executives shall provide necessary instructions to ensure that the Teijin Group entities have appropriate internal control systems.

Corporate Audit Office shall operate or supervise internal audits of the Teijin Group's business operations and ensure the efficiency and validity of internal control functions over the entire business of the Teijin Group.

Corporate Auditors shall establish appropriate systems, such as those for close coordination with the accounting auditors and Corporate Audit Office, to ensure effective and appropriate supervision and auditing of the Group's entire business operations.

To ensure the reliability of its financial reporting, the Company shall establish a group-wide internal control system for the financial reporting and the operation of the Teijin Group individual operational processes, and shall be properly and efficiently operate and assessed such systems.

(6) Assignment of Employees when the Corporate Auditors request to have Employees Assist in Performing Their Duties

The Company shall establish Teijin Group Auditors Office and appoint two or more employees, in principle, to assist Corporate Auditors in performing their duties.

(7) Independence from Directors of the employees Assisting the Corporate Auditors in Performing Their Duties

To secure the independence of members of Teijin Group Auditors Office above, all decisions concerning personnel measures regarding the members of Teijin Group Auditors require the prior consent of the full-time Corporate Auditors. The full-time Corporate Auditors shall assess the performance of the members of Teijin Group Auditors Office.

No members of Teijin Group Auditors Office can assume any post or function in any Teijin Group entity.

(8) System regarding Reports to Corporate Auditors by Directors, Employees and Others

Representative directors and other executives shall report at the meetings of the Board of Directors and other important meetings the status of the business operations they are in charge.

Representative directors and other executives shall immediately report to Corporate Auditors when they discover incidents that causes or may cause significant erosion of public trust of the Company, adverse effects on the performance of the Company, significant damage to the internal or external environment, safety and health (ESH); or related to product liability, significant violations of internal regulations, or other incidents similar thereof.

Directors, corporate officers and employees shall promptly and appropriately respond to requests made by the Corporate Auditors to report on the business operations or on the conditions of the assets and business of the Teijin Group.

(9) Other System for Ensuring that the Audits of Corporate Auditors Are Conducted Effectively

To ensure transparency, the majority of Corporate Auditors consists of Independent Outside Auditors that satisfy the requirements for independence that the Company specifies.

The corporate auditors shall enter into advisory agreements with outside law firms in order for themselves and Teijin

Group entities' corporate auditors to form independent opinions. When they consider it necessary in the course of conducting audits, the corporate auditors can, at their own discretion, retain outside advisers, including Certified Public Accountants and other consultants.

8. Basic Policy Regarding the Control of the Company

(1) Basic Policy Regarding the Company's Shareholders

(Basic policy regarding those who control the decision of the company's financial and business policy)

The Company believes the existence of its shareholders is based on free transactions in the market and therefore the Company's shareholders should make the final decisions as to whether to accept a proposal of a large-scale acquisition that would result in a transfer of the Company's ownership.

However, it is envisioned that some large-scale acquisition of the Company's shares or such proposals might entail, among others, the followings:

- ① The likelihood of causing obvious harm to the corporate value of the Company and the common interests of the shareholders.
- ② The threat of compelling the shareholders to sell their shares.
- ③ Acquisition conditions that are inappropriate or insufficient with a view to the Company's intrinsic value.

The Company believes such a large-scale acquirer of the Company's shares or a person or company who proposes such an action is exceptionally inappropriate to control the decision of the Company's financial and business policies.

(2) Measures to Realize the Basic Policy

The Company has already launched the following measures to improve the corporate value of the Company and the common interests of the shareholders to ensure that investors can continue to invest in the Company over the long term. The Company believes such measures will contribute to the realization of the basic policy described in (1) above.

1) Efforts to Improve Corporate Value through Rebuilding of our Revenue Base and Implementing of Growth Strategies

To attain global excellence and show our presence in the world, Teijin established the Medium- to Long-Term Management Vision "CHANGE for 2016" in February 2012, which consists of a long-term management vision through fiscal 2020 and a medium-term management vision through fiscal 2016. Teijin intends to steadily promote the priority projects that are set forth in "CHANGE for 2016," while addressing the ongoing deterioration of earnings, for which we urgently need to rebuild our revenue base by implementing cost-reduction measures. Such measures include structural reform of the materials businesses and reducing the number of staff at our headquarters. The specific measures to be taken in and after fiscal 2013 are included in "1. Current Status of the Teijin Group, (5) Tasks Ahead." We will achieve sustainable growth by steadily implementing these specific measures.

2) Measures to Improve Corporate Value through Strengthening Corporate Governance

As an essential system to achieve steady growth in the corporate value of the Company and the common interests of the shareholders, the Company has strived to strengthen corporate governance. Concretely, it is executed as shown below ;

- ① Separated and strengthened the decision-making and business operations and the monitoring/auditing 3 functions.
- ② Established an Advisory Board as the Board of Directors' consultative body that includes experts from Japan and overseas to receive advice and recommendations on management of the entire Group, thereby enhancing the effectiveness and transparency of management. The Advisory Board also evaluates the performance of top executives.
- ③ Established and disclosed the Corporate Governance Guide as a concrete guideline for corporate governance.

(3) Measures to Prevent Decisions on the Financial and Business Policies of the Company from Being Controlled by Those Deemed Inappropriate in Light of the Basic Policy (Takeover Defense Measures)

The Company established the Countermeasures to Large-Scale Acquisitions of the Company's Shares (Takeover Defense Measures) (hereinafter, "the Plan"), which were approved by shareholders at the 146th Annual General Meeting of Shareholders held on June 22, 2012.

The summary of the Plan is as follows:

1) Applicable Acquisitions

Applicable acquisitions are those that lead to holdings of 20% or more of the Company's shares.

2) Procedures for Negotiations with Acquirer

Acquirers are required to submit in advance an acquisition statement and provide a period that allows the Company to collect information and examine the acquisition proposal, present the Company management's plans and alternative proposals to shareholders and negotiate with the acquirer.

3) Allotment of Stock Option with call in the Event That an Acquirer Does Not Comply with Procedures

If an acquirer does not comply with the aforementioned procedures, in accordance with the recommendation of the Independent Committee, the Board of Directors will decide to allot all shareholders registered at that time Stock Option with call, without contribution, at the rate of one Stock Option per one share of stock held.

4) Calling the Stock Option with a Call and Distribution of the Company's Stock

According to the Call Option attached to the stock option, the Company will call the stock option in exchange for the Company's shares from all shareholders other than the acquirer and other non-qualified parties at a rate of one (1) share of the Company's stock per one (1) stock option.

5) Impact on Shareholders Other than the Acquirer and Other Non-qualified Parties

As the Company's shares are evenly delivered to all the shareholders other than the acquirer and other non-qualified parties, the shares held by the shareholders would not be diluted. As the Company's shares are not granted to the acquirer and other non-qualified parties, this would result in dilution of the acquirer's voting rights to a maximum of 50%.

6) Requirements for the Allotment of the Stock Option Without Contribution

The allotment of the stock option without contribution will be implemented in case any acquisition falls under any of the following cases and it is deemed reasonable to implement an allotment of the stock option without contribution:

- ① In case the acquisition does not comply with the procedure set forth in the Plan;
- ② In case the acquisition is likely to cause obvious harm to the corporate value of the Company and/or the common interests of the shareholders in view of the purpose of the acquisition and the post-acquisition management policy in such cases as, for example, the buyout of the Company's shares to demand that the Company purchase said shares at an inflated price;
- ③ In case the acquisition threatens to have the effect of compelling the shareholders to sell their shares;
- ④ In case the acquisition conditions are insufficient or inappropriate with a view to the Company's intrinsic value.

7) Overview of Process Prior to Triggering The Plan

When the acquirer submits the Acquisition Statement, the Independent Committee consisting of five members appointed from among the outside directors and outside corporate auditors may require the Company's Board of Directors to present its opinion regarding the details of the acquisition by the acquirer within a specified period of time (a maximum 30 days). Following this, the Independent Committee will collect and examine information for a maximum period of 60 days. The Independent Committee may extend this assessment period for up to 30 days.

Based on its collection and examination of this information, the Independent Committee will make a recommendation to the Board of Directors for either the implementation or non-implementation of an allotment of the stock option without contribution. The Company's Board of Directors shall respect and adhere to the aforementioned recommendation from the Independent Committee and finally resolve whether implement or non-implement an allotment of the stock option without contribution. However, the Board of Directors shall convene a shareholders' meeting as soon as practicable and raise a proposal on the implementation of the allotment of stock option without contribution as a matter to be resolved thereat, in case the Independent Committee has placed a reserve that prior approval of a shareholders' meeting should be obtained for the recommendation that an allotment of the stock option without contribution should be implemented.

Note: Details of the "Countermeasures to Large-Scale Acquisitions of Teijin Shares (Takeover Defense Measures)" are available on the Company's Internet site (<http://www.teijin.com/ir/governance/defense/>).

(4) Explanation as to How the Above Measures Comply with the Basic Policy, Do Not Harm the Common Interests of the Shareholders of the Company and Do Not Pursue the Personal Interests of the Company's Directors and Corporate Auditors

The Plan was designed to incorporate the following perspectives and therefore the Company believes that it should comply with the Basic Policy, be consistent with the corporate value of the Company and the common interests of the shareholders and not pursue the personal interests of the Company's Directors and Corporate Auditors.

1) Respect of Shareholders' Intent

The Plan became effective upon its approval at the 146th Ordinary General Meeting of Shareholders, held on June 22, 2012, and will remain in effect for three years, until the conclusion of the Ordinary General Meeting of Shareholders pertaining to the business year ending March 2015. Moreover, as the term of office of the Company's directors is one (1) year, the shareholders' intent may be well reflected by way of the election of directors. Furthermore, even before the expiry

of the effective period after The Plan is introduced, The Plan shall be abolished immediately in case a proposal that The Plan be abolished is approved at a shareholders' meeting of the Company.

2) Emphasis on the Judgment by Highly Independent Outside Directors and Independent Outside Corporate Auditors

Upon the introduction of the Plan, the Company established the Independent Committee, an organ with the role of substantial and objective decision making for the benefit of shareholders while eliminating the possibility of arbitrary decisions by the Company's Board of Directors with regard to the actual operation of the Plan. The Independent Committee consists of members elected and appointed by the Company's Board of Directors from among those persons of outside director or outside corporate auditor.

3) Reinforcement and Continuity of Corporate Governance

The Company intends to separate and reinforce three managerial functions (decision making, execution of business and monitoring/auditing) by electing four independent outside directors on its Board of Directors, which comprises a maximum of 10 directors, and having three independent outside corporate auditors comprising a majority of the number of corporate auditors. The Company has also established an Advisory Board- comprising five to seven outside advisers, the Chairman of the Company*, and the President & CEO – as a consultative body to the Board of Directors that is charged with deliberating the alternation of President & CEO and nomination of successors, as well as compensation systems for directors and corporate auditors of the Teijin Group. Guidelines on corporate governance of the Company including these measures above are disclosed in the form of the Corporate Governance Guide.

The above measures are viewed as groundbreaking initiatives for corporate governance among Japanese listed companies. This mechanism should have the effect of strongly breaking the self-protective conduct of the Company's directors and corporate auditors and are expected to prevent the arbitrary application of The Plan. The Company intends to maintain its corporate governance above during the effective period of This Plan.

*The case of absence of the Chairman of the Company, Senior Advisor will perform the office of the Chairman.

4) Setting of Rational and Objective Requirements for Triggering The Plan

The Plan is structured not to be easily triggered unless rational, detailed and objective requirements are satisfied, and moreover, these objective requirements are consistent with the cases set out for determining a person who is deemed inappropriate to control the decisions of the Company's financial and business policies. This idea serves to prevent the Board of Directors from arbitrarily triggering the Plan.

9. Policy Regarding the Determination of Dividends from Retained Earnings

Our basic policy for profit sharing is to ensure dividends are in line with consolidated operating results. We also give consideration to the need to ensure financial soundness, to our ability to maintain stable dividend payments over the medium to long term and to securing sufficient internal reserves to fund strategic investments aimed at ensuring future growth.

Consolidated Balance Sheets

(As March 31, 2013)

(Million yen)

	FY2011 (As of Mar. 31, 2012)	FY2012 (As of Mar. 31, 2013)
< Assets >		
Current assets		
Cash and deposits	33,440	48,858
Notes and accounts receivable-trade	172,087	169,015
Finished goods	69,315	74,110
Work in process	10,141	9,468
Raw materials and supplies	29,540	28,054
Short-term loans receivable	11,939	14,483
Deferred tax assets	12,215	11,616
Other current assets	26,049	20,308
Allowance for doubtful accounts	(2,940)	(3,659)
Total	361,789	372,255
Fixed assets		
Tangible assets		
Buildings and structures, net	70,377	70,359
Machinery, equipment and vehicles, net	106,074	101,287
Land	43,629	43,734
Construction in progress	7,370	9,561
Other, net	16,849	19,913
Total	244,301	244,856
Intangible assets		
Goodwill	46,319	18,104
Other	16,371	15,571
Total	62,690	33,676
Investments and other assets		
Investment securities	55,621	64,796
Long-term loans receivable	3,436	2,656
Prepaid pension cost	15,598	23,004
Deferred tax assets	1,397	1,691
Other	19,604	21,802
Allowance for doubtful accounts	(2,321)	(2,339)
Total	93,336	111,611
Total fixed assets	400,328	390,143
Total assets	762,118	762,399

Consolidated Balance Sheets

(As March 31, 2013)

(Million yen)

	FY2011 (As of Mar. 31, 2012)	FY2012 (As of Mar. 31, 2013)
< Liabilities >		
Current liabilities		
Notes and accounts payable-trade	90,225	91,875
Short-term loans payable	61,554	67,326
Current portion of long-term loans payable	46,858	52,389
Commercial papers	18,000	—
Current portion of bonds	501	16,996
Income taxes payable	5,604	2,890
Deferred tax liabilities	10	12
Accrued expenses	19,017	17,758
Other	36,179	40,030
Total	277,951	289,281
Noncurrent liabilities		
Bonds payable	30,000	30,000
Long-term loans payable	102,191	102,247
Provision for retirement benefits	18,783	20,351
Deferred tax liabilities	8,836	12,658
Other	12,137	15,733
Total	171,949	180,990
Total liabilities	449,901	470,271
<Net assets>		
Shareholders' equity		
Capital stock	70,816	70,816
Capital surplus	101,389	101,407
Retained earnings	141,441	107,328
Treasury stock	(127)	(415)
Total	313,519	279,137
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	9,913	13,550
Deferred gains or losses on hedges	306	1,069
Foreign currency translation adjustment	(31,708)	(22,505)
Total	(21,488)	(7,885)
Subscription rights to shares	566	649
Minority interests	19,619	20,226
Total net assets	312,217	292,127
Total liabilities and net assets	762,118	762,399

Consolidated Statements of Income

(April 1, 2012 to March 31, 2013)

(Million yen)

	FY2011 (Apr. 2011-Mar. 2012)	FY2012 (Apr. 2012-Mar. 2013)
Net sales	854,370	745,712
Cost of sales	629,152	555,208
Gross profit	225,218	190,504
Selling, general and administrative expenses	191,174	178,146
Operating income	34,044	12,357
Nonoperating revenues		
Interest income	612	525
Dividends income	712	822
Equity in earnings of affiliates	5,299	572
Foreign exchange gains	232	—
Gain on valuation of derivatives	—	2,617
Miscellaneous income	1,111	1,077
Total	7,968	5,614
Nonoperating expenses		
Interest expenses	4,885	3,408
Foreign exchange losses	—	606
Contribution	1,101	998
Miscellaneous loss	1,743	3,172
Total	7,729	8,186
Ordinary income	34,283	9,786
Extraordinary income		
Gain on sales of noncurrent assets	281	1,407
Gain on sales of investment securities	1,268	44
Gain on sales of subsidiaries and affiliates' stocks	712	—
Gain on revision of retirement benefit plan	—	418
Other	679	495
Total	2,942	2,366
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	952	1,510
Loss on valuation of investment securities	191	761
Impairment loss	2,614	29,417
Loss on revision of retirement benefit plan	3,299	—
Other	2,334	2,564
Total	9,392	34,253
Income (loss) before income taxes	27,832	(22,101)
Income taxes - current	9,942	4,224
Income taxes - deferred	4,779	1,884
Total	14,722	6,108
Income (loss) before minority interests	13,109	(28,209)
Minority interests in income	1,130	921
Net income (loss)	11,979	(29,130)

Consolidated Statement of Changes in Net Assets

(April 1, 2012 to March 31, 2013)

(Million yen)

	FY2011 (Apr. 2011-Mar. 2012)	FY2012 (Apr. 2012-Mar. 2013)
Shareholders' Equity		
Common stock		
Balance at end of previous fiscal year	70,816	70,816
Changes of items during the period		
Total	—	—
Balance at end of current fiscal year	70,816	70,816
Capital surplus		
Balance at end of previous fiscal year	101,373	101,389
Changes of items during the period		
Disposal of treasury stock	16	18
Total	16	18
Balance at end of current fiscal year	101,389	101,407
Retained earnings		
Balance at end of previous fiscal year	135,385	141,441
Changes of items during the period		
Cash dividends paid	(5,905)	(4,921)
Net income	11,979	(29,130)
Others	(17)	(59)
Total	6,056	(34,112)
Balance at end of current fiscal year	141,441	107,328
Treasury stock at cost		
Balance at end of previous fiscal year	(151)	(127)
Changes of items during the period		
Treasury stock purchased	(14)	(326)
Disposal of treasury stock	39	38
Total	24	(288)
Balance at end of current fiscal year	(127)	(415)
Shareholders' Equity Total		
Balance at end of previous fiscal year	307,423	313,519
Changes of items during the period		
Cash dividends paid	(5,905)	(4,921)
Net income (loss)	11,979	(29,130)
Others	(17)	(59)
Treasury stock purchased	(14)	(326)
Disposal of treasury stock	55	56
Total	6,096	(34,382)
Balance at end of current fiscal year	313,519	279,137

Consolidated Statement of Changes in Net Assets

(April 1, 2012 to March 31, 2013)

(Million yen)

	FY2011 (Apr. 2011-Mar. 2012)	FY2012 (Apr. 2012-Mar. 2013)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at end of previous fiscal year	10,823	9,913
Changes of items during the period		
Net changes of items other than shareholders' equity	(910)	3,637
<u>Total</u>	<u>(910)</u>	<u>3,637</u>
Balance at end of current fiscal year	9,913	13,550
Deferred gains or losses on hedges		
Balance at end of previous fiscal year	(198)	306
Changes of items during the period		
Net changes of items other than shareholders' equity	504	762
<u>Total</u>	<u>504</u>	<u>762</u>
Balance at end of current fiscal year	306	1,069
Foreign currency translation adjustments		
Balance at end of previous fiscal year	(33,812)	(31,708)
Changes of items during the period		
Net changes of items other than shareholders' equity	2,103	9,202
<u>Total</u>	<u>2,103</u>	<u>9,202</u>
Balance at end of current fiscal year	(31,708)	(22,505)
Valuation and translation adjustments Total		
Balance at end of previous fiscal year	(23,186)	(21,488)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,697	13,603
<u>Total</u>	<u>1,697</u>	<u>13,603</u>
Balance at end of current fiscal year	(21,488)	(7,885)
Stock acquisition rights		
Balance at end of previous fiscal year	439	566
Changes of items during the period		
Net changes of items other than shareholders' equity	127	82
<u>Total</u>	<u>127</u>	<u>82</u>
Balance at end of current fiscal year	566	649
Minority interest in consolidated subsidiaries		
Balance at end of previous fiscal year	23,023	19,619
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,403)	606
<u>Total</u>	<u>(3,403)</u>	<u>606</u>
Balance at end of current fiscal year	19,619	20,226
Net assets Total		
Balance at end of previous fiscal year	307,698	312,217
Changes of items during the period		
Cash dividends paid	(5,905)	(4,921)
Net income (loss)	11,979	(29,130)
Others	(17)	(59)
Treasury stock purchased	(14)	(326)
Disposal of treasury stock	55	56
Net changes of items other than shareholders' equity	(1,577)	14,292
<u>Total</u>	<u>4,518</u>	<u>(20,089)</u>
Balance at end of current fiscal year	312,217	292,127

(For reference)

Consolidated Statements of Comprehensive Income

(April 1, 2012 to March 31,2013)

(Million yen)

	FY2011 (Apr. 2011-Mar. 2012)	FY2012 (Apr. 2012-Mar. 2013)
Income (loss) before minority interests	13,109	(28,209)
Other comprehensive income		
Valuation difference on available-for-sale securities	(900)	3,638
Deferred gains or losses on hedges	504	762
Foreign currency translation adjustment	2,099	8,785
Share of other comprehensive income of associates accounted for using equity method	(21)	597
Total	1,680	13,784
Comprehensive income	14,790	(14,424)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	13,677	(15,527)
Comprehensive income attributable to minority interests	1,113	1,102

(For reference)

Consolidated Statements of Cash Flows

(April 1, 2012 to March 31, 2013)

(Million yen)

	FY2011 (Apr. 2011-Mar. 2012)	FY2012 (Apr. 2012-Mar. 2013)
Cash flows from operating activities		
Income (loss) before income taxes	27,832	(22,101)
Depreciation and amortization of others	52,303	46,876
Impairment loss	2,614	29,417
Increase in provision for retirement benefits	678	1,199
Decrease (increase) in prepaid pension costs	395	(7,302)
Increase in allowance for doubtful receivables	1,157	475
Interest and dividend income	(1,325)	(1,348)
Interest expense	4,885	3,408
Equity in losses (earnings) of affiliates	(5,299)	(572)
Loss (gain) on valuation of derivatives	—	(2,617)
Loss on sales and retirement of noncurrent assets	670	102
Loss (gain) on sales of investment securities	(1,946)	60
Loss on valuation of investment securities	191	761
Decrease (increase) in notes and accounts receivable-trade	(14,410)	11,070
Decrease (increase) in inventories	(3,358)	2,509
Increase (decrease) in notes and accounts payable-trade	1,278	(4,786)
Increase (decrease) in accrued payments due to change in retirement benefit plan	—	6,545
Other, net	(1,309)	(4,762)
Subtotal	64,360	58,936
Interest and dividends income received	3,672	4,043
Interest expenses paid	(4,902)	(3,487)
Income taxes paid	(9,460)	(3,308)
Casualty insurance income	—	8,120
Net cash and cash equivalents provided by operating activities	53,668	64,305
Cash flows from investing activities		
Purchase of property, plant and equipment	(27,641)	(31,030)
Proceeds from sales of property, plant and equipment	487	1,928
Purchase of intangible assets	(3,656)	(2,664)
Purchase of investment securities	(1,601)	(3,947)
Proceeds from sales of investment securities	2,354	315
Purchase of investments in subsidiaries	(4,950)	—
Decrease (increase) in short-term loans receivable	(687)	(1,563)
Payments of long-term loans receivable	(56)	(774)
Collections of long-term loans receivable	136	230
Other, net	449	(361)
Net cash and cash equivalents used in investing activities	(35,164)	(37,867)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	16,781	(2,547)
Increase (decrease) in commercial paper	(15,000)	(18,000)
Proceeds from issuance of bonds	6,106	23,911
Redemption of bonds	(10,957)	(7,695)
Proceeds from long-term loans payable	22,159	44,347
Repayment of long-term loans payable	(25,286)	(46,861)
Cash dividends paid	(5,905)	(4,921)
Cash dividends paid to minority shareholders	(1,676)	(182)
Other, net	(343)	(652)
Net cash and cash equivalents provided by financing activities	(14,122)	(12,605)
Effect of exchange rate changes on cash and cash equivalents	447	1,585
Net increase in cash and cash equivalents	4,828	15,417
Cash and cash equivalents at beginning of period	28,454	33,283
Cash and cash equivalents at end of period	33,283	48,700