

NEWS RELEASE

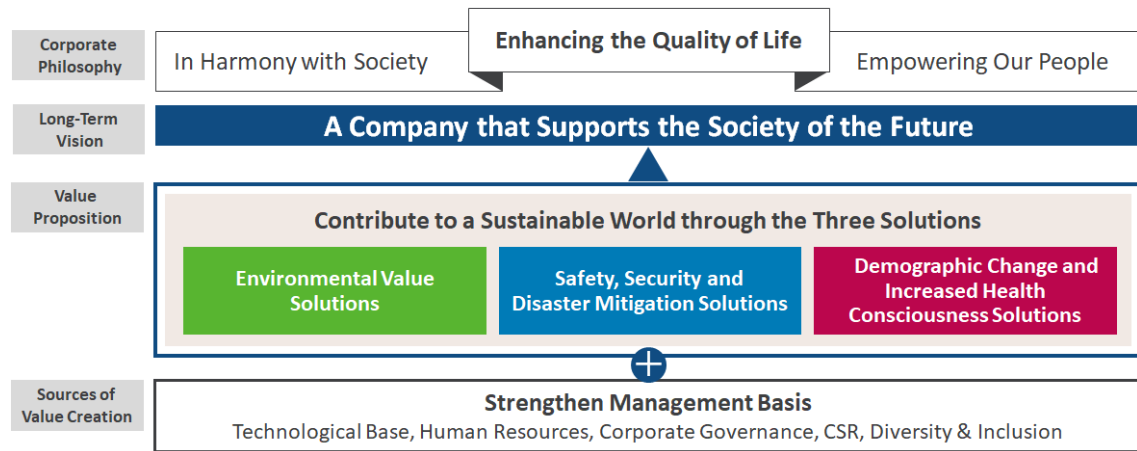
**Teijin Unveils “ALWAYS EVOLVING”
Medium-term Management Plan for 2020–2022
— Aiming to be a company that supports the society of the future —**

Tokyo, Japan, February 5, 2020 --- [The Teijin Group](#) announced today its new medium-term management plan for 2020–2022 “ALWAYS EVOLVING.”

The plan outlines Teijin’s next steps toward becoming a company that supports the society of the future by creating new value through ceaseless evolution and ambition and by offering solutions for sustainability. Under the plan, the Teijin Group expects to establish a solid growth platform for group collaboration aimed at realizing the company’s long-term vision.

1. Basic Aims

To help realize a sustainable society, the plan calls for Teijin to deliver solutions in three key fields: 1) environmental value, 2) safety, security and disaster mitigation, and 3) demographic change and increased health consciousness



Environmental value solutions	Products and services that contribute to global environmental goals, such as mitigation of and adaptation to climate change and the realization of a circular economy
Safety, security and disaster mitigation solutions	Products and services that protect lives and mitigate various risks, such as disasters
Demographic change and increased health consciousness solutions	Products and services that support healthy and comfortable lives for people of all ages

2. Priority Measures

The plan will establish a platform for more solid growth to realize the Teijin Group's long-term vision, including through initiatives based on priority measures explained below.

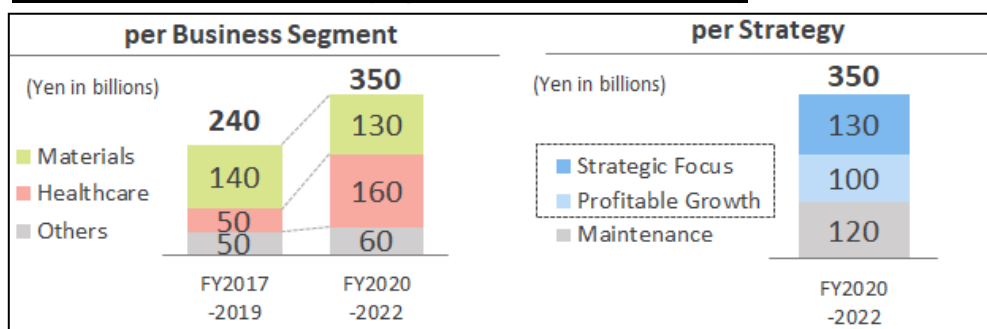
(1) Create opportunities (investment in Three Solutions Fields and Strategic Focus areas)

- To establish the growth platform, the Teijin Group will expand its capital investment and M&A budget to JPY 350 billion for the coming three-year period, up from JPY 240 billion in the existing three-year period.
- Teijin will invest 85% of the above budget in the Three Solutions fields and accelerate efforts to address pressing issues in global society, aiming to increase sales in these three fields to 75% of total sales by FY2030.
- Teijin's business portfolio will be broadly divided into Strategic Focus areas to boost cash-generating abilities in new businesses and Profitable Growth areas to expand stably profitable existing businesses. The goal is to increase cash-generating abilities by transforming the overall business portfolio through a strategic allocation of corporate resources. Teijin will invest 60% (excluding recurring investments) and target EBITDA of at least 1/3 (33%) in Strategic Focus businesses by FY2030.

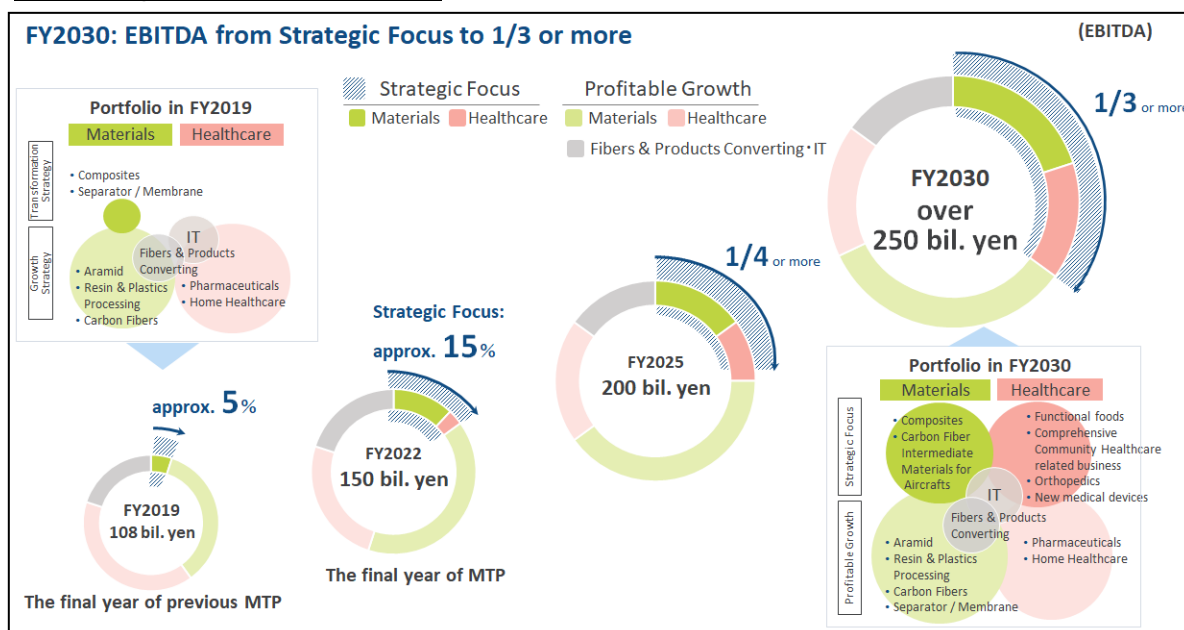
Business portfolio

	Boost cash-generating abilities in new businesses (Strategic Focus)	Expand stably profitable existing businesses (Profitable Growth)
Materials	-Composites for automotive applications -Carbon fiber intermediate materials for aircraft applications	- Aramids - Resin & plastic processing - Carbon fiber - Separators and membranes
Healthcare	- New businesses for comprehensive community healthcare - Functional food ingredients - Healthcare new businesses for orthopedics, new medical care devices, etc.	- Pharmaceuticals - Home medical care
Others	—	- Fibers & Products Converting - IT

Breakdown of investments (capital investment and M&A)



Business portfolio transformation



(2) Reduce risks (environmental impact)

Teijin Group will prioritize people in its efforts to realize a sustainable society. In addition, Teijin will deliver innovative solutions for improved quality of life and to minimize the environmental and social impact of its businesses. In line with the new medium-term management plan, Teijin will set long-term targets for reducing environmental impact as well as for developing new business.

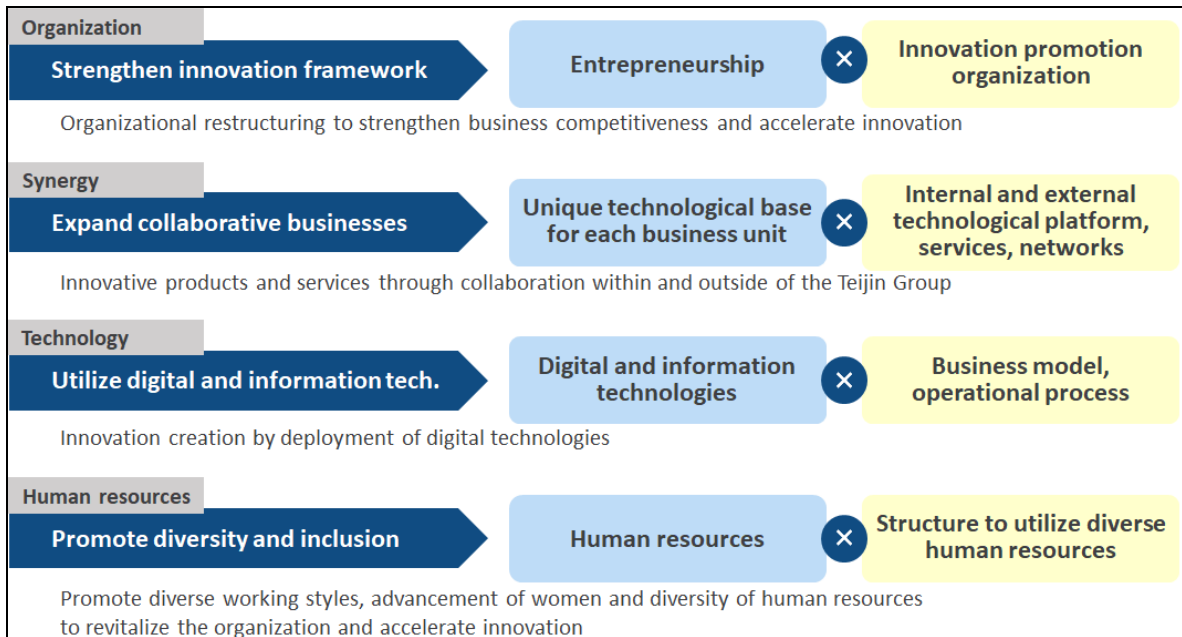
Long-term goals for reducing environmental impact

Item	Target year	Goal
Contribution to CO2 reduction	2030	Reduce total emissions
Climate change (CO2 emissions)	2030	20% reduction from FY2018 total emissions
	2050	Zero emissions
Water quality	2030	30% improvement from FY2018 level (per unit of freshwater withdrawal sales)
Hazardous materials	2030	20% improvement from FY2018 level (hazardous chemical emissions per unit of sales)

Note: Resource circulation goals will be set separately

(3) Strengthen business base (innovation creation)

The Teijin Group will strengthen its foundation for innovation creation and accelerate its creation of business opportunities to deliver sustainable solutions and to open new markets.



Regarding human resources, the Teijin Group will offer increasingly diverse working styles, active roles for women and workforce diversity to energize the organization and accelerate innovation creation. Targets will be set in line with regional characteristics. Diversity and inclusion will be implemented throughout the group.

3. Main Business Strategies

(1) Materials business field

The Teijin Group will accelerate its development of high-added-value applications incorporating high-performance materials and multi-materialization measures.

Strategic Focus (boost cash-generating abilities in new businesses)

Composites for automotive applications	Increase top share of U.S. market and further penetrate European and Chinese markets. Restore profitability of North American base (CSP) in FY2021 (after amortization of goodwill)
Carbon fiber intermediate materials for aircraft applications	Adopt new big programs and launch higher-profit mass production operations around FY2023

Profitable Growth (expand stably profitable existing businesses)

Aramids	Maintain high growth (CAGR 5-7%) by expanding manufacturing capacity and adding new applications
Resin & plastic processing	Secure stable earnings by adding new high-added-value products

(2) Healthcare business field

Utilizing strengths cultivated through existing businesses, the Teijin Group will develop comprehensive community-based healthcare businesses in sectors including rehabilitation, nursing care, prevention and health promotion.

Strategic Focus (boost cash-generating abilities in new businesses)

Functional food ingredients, comprehensive community healthcare businesses, new medical care devices, etc.	Expansion of businesses and markets both in areas covered and not covered by Japan's health insurance system
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Profitable Growth (expand stably profitable existing businesses)

Pharmaceuticals and home healthcare	Strengthen business platform through organizational reforms to launch new drugs and minimize effects of Febric cliff
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(3) Fibers & products converting / IT

Profitable Growth (expand stably profitable existing businesses)

Fibers & products converting	Expand businesses in growth areas and raise basic profitability
IT	Continue to grow electronic comics and healthcare businesses

4. Numerical Targets

The Teijin Group, placing emphasis on both investment efficiency and earning power, uses ROE (company-wide) and operating profit ROIC (company-wide and business-specific) as profitability indicators, and EBITDA (company-wide and business-specific) as its most important growth indicator.

	FY2019 (Outlook)	FY2022 Targets		Previous MTP (Outlook)	MTP Targets (FY2020 - 2022)
ROE	8%	10%+	Investment		
			Capex + M&A	240 bil. yen around	350 bil. yen
ROIC (based on operating income)	8%	8%+	R&D expenses	110 bil. yen around	110 bil. yen
EBITDA	108 bil. yen	150 bil. yen	D/E ratio	0.9	0.9 around
Materials *1	47 bil. yen	80 bil. yen	Shareholder returns		
Healthcare	45 bil. yen	45 bil. yen	Dividend payout ratio	30%	30% around
Others *2	16 bil. yen	25 bil. yen	Share repurchase	20 bil. yen	Flexibly conduct

*1 excluding Fibers & Products Converting
*2 including Fibers & Products Converting * IT, Others, Elimination and corporate

For more details on Teijin's new medium- and long-term vision, please visit:

https://www.teijin.com/ir/management/vision/pdf/plan_pm_200205.pdf

About the Teijin Group

Teijin (TSE: 3401) is a technology-driven global group offering advanced solutions in the areas of environmental value; safety, security and disaster mitigation; and demographic change and increased health consciousness. Its main fields of operation are high-performance fibers such as aramid, carbon fibers & composites, healthcare, films, resin & plastic processing, polyester fibers, products converting and IT. The group has over 170 companies and around 20,000 employees spread out over 20 countries worldwide. It posted consolidated sales of JPY888.6 billion (USD 8.1 billion) and total assets of JPY 1,020.7 billion (USD 9.3 billion) in the fiscal year ending March 31, 2019. Please visit www.teijin.com

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