

---

Flash Report

*Results of FY2021 1Q & Outlook for FY2021*

---

Teijin Limited

August 6, 2021

# Key Points for this report

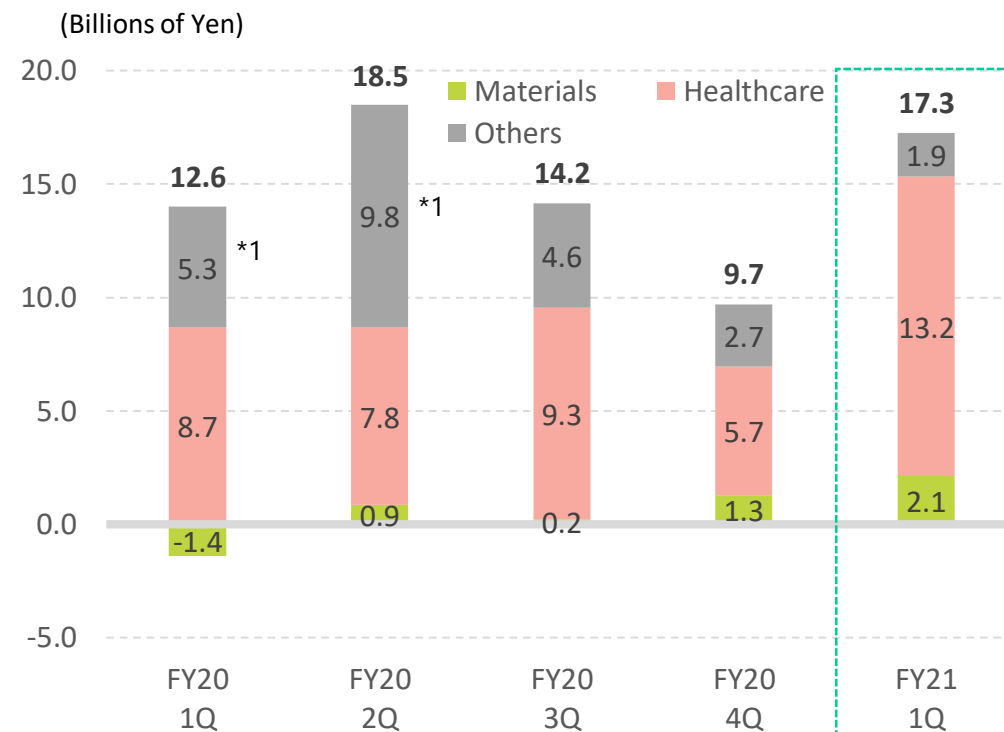
## ■ Business Performance for FY2021 1Q

- The Company has made a good start to FY2021 due to economic recovery from the impact of the COVID-19 pandemic and the effects of major investment in the Healthcare Business, with EBITDA of 33.9 billion yen (progress rate: 26%), a 32% increase from FY2020 1Q, and operating income of 17.3 billion yen (progress rate: 29%), a 37% increase from FY2020 1Q; both net sales and operating income for FY2021 1Q exceeded the pre-COVID-19 level in FY2019 1Q
- The sum of operating income from the Materials and Healthcare Business segments more than doubled compared with FY2020 1Q
  - Sales increased in all Materials Business subsegments from FY2020 1Q
  - Sales of diabetes treatments made a good start; sales of the main pharmaceutical products and home healthcare equipment rentals remained firm
- Profit attributable to owners of parent also increased to 9.8 billion yen, a 72% increase from FY2020 1Q, mainly due to the operating income increase and a lower tax burden rate than in FY2020 1Q

## ■ Outlook for FY2021

- Our forecast for annual net sales has been revised upward (900.0 billion yen, + 8%) from previous forecast<sup>\*2</sup>, reflecting firm 1Q progress, while other previous outlooks<sup>\*2</sup> have remained unchanged. The previous outlook<sup>\*2</sup> is for sales and profits to increase, compared to the previous year (Sales: 870.0 billion yen, +4%, EBITDA: 130.0 billion yen, +22%, Operating income: 60.0 billion yen, +9%, and Profit attributable to owners of parent: 35.0 billion yen, return to profitability).
- There is no change to the annual dividend forecast of 55 yen per share, a 5-yen year-on-year increase

Changes in quarterly operating income by segment



\*1 Medical protective equipment (gowns, etc.) contributed significantly

## Key Assumptions regarding the Company's Main Target Markets in FY2021

Main businesses		Markets	Main Areas	FY2021 1Q	Outlook for FY2021
Materials	Aramid	Automotive	Europe US	<ul style="list-style-type: none"> <li>Demand was strong despite the impact of a semiconductor shortage</li> </ul>	<ul style="list-style-type: none"> <li>Demand will remain high</li> </ul>
		Industrial materials	Europe US	<ul style="list-style-type: none"> <li>Sales of products for optical-fiber and other applications recovered to the FY2019 level; demand remained high</li> </ul>	<ul style="list-style-type: none"> <li>Demand will remain firm</li> </ul>
	Resin	Automotive	Japan China Asia	<ul style="list-style-type: none"> <li>A semiconductor shortage affected the operation of some customers</li> </ul>	<ul style="list-style-type: none"> <li>The impact of the semiconductor shortage will remain in 2Q and diminish after 3Q despite uncertainty</li> </ul>
	Carbon fibers	Aircraft	Europe US	<ul style="list-style-type: none"> <li>Demand for air travel, mainly on domestic routes, recovered in countries/regions with a high vaccination rate</li> <li>Supply chains also moved to secure the necessary inventory</li> </ul>	<ul style="list-style-type: none"> <li>The trend toward a recovery in demand will continue</li> </ul>
	Composites	Automotive	US Europe	<ul style="list-style-type: none"> <li>Automotive production output fell short of the forecast for the current fiscal year and the FY2019 level due to the semiconductor shortage</li> </ul>	<ul style="list-style-type: none"> <li>The impact of the semiconductor shortage will remain but gradually diminish; it will only slightly affect the SUV and pickup-truck</li> <li>it is forecast that the production output will increase to exceed the FY2019 level*1</li> </ul>

# Key Assumptions regarding the Company's Main Target Markets in FY2021

Main businesses	Markets	Main Areas	FY2021 1Q	Outlook for FY2021
Healthcare	Pharmaceuticals	Japan	<ul style="list-style-type: none"> <li>The market for gout and hyperuricemia treatments grew continuously</li> <li>There was a shift to strengthen e-promotion due to restrictions on in-person visits to medical institutions amid the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>The same trends as in 1Q will continue</li> </ul>
	Home healthcare		<ul style="list-style-type: none"> <li>In the home oxygen therapy (HOT) market, a decline in the number of hospitalized patients accelerated a shift to home healthcare</li> <li>The market for CPAP devices grew strongly despite a slow increase in the number of patients undergoing examinations due to COVID-19 waves</li> </ul>	<ul style="list-style-type: none"> <li>The same trends as in 1Q will continue but COVID-19 waves gradually diminish due to the spread of the COVID-19 vaccination.</li> </ul>
	New healthcare		<ul style="list-style-type: none"> <li>A certain number of surgeries involving orthopedic implantable devices were postponed due to the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>The same trends as in 1Q will continue but COVID-19 waves gradually diminish due to the spread of the COVID-19 vaccination.</li> </ul>
Fibers & Products Converting	Fiber materials and apparel	Japan	<ul style="list-style-type: none"> <li>Apparel sales at stores remained sluggish due to the state of emergency</li> <li>Demand for the EC sales and the stay-at-home grew</li> </ul>	<ul style="list-style-type: none"> <li>The same trends as in 1Q will continue</li> </ul>
	Industrial materials	Japan China	<ul style="list-style-type: none"> <li>Demand for products for automotive applications generally recovered</li> <li>The market for water treatment filters and related products firm</li> </ul>	<ul style="list-style-type: none"> <li>Demand will remain firm</li> </ul>
	Medical protective Equipment (gowns, etc.)	Japan	<ul style="list-style-type: none"> <li>Governmental demand for supplies fell</li> </ul>	<ul style="list-style-type: none"> <li>There will be no change from 1Q</li> </ul>
IT	IT	Japan	<ul style="list-style-type: none"> <li>Piracy websites continued to affect e-comic services from 4Q of the previous fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>The impact of piracy websites will diminish in the first half of the current fiscal year</li> </ul>

- 
- 
- 
- |    |                           |      |
|----|---------------------------|------|
| 1. | Results of FY2021 1Q      | P. 5 |
| 2. | Outlook for FY2021        | P.13 |
| 3. | Main topics               | P.19 |
| 4. | Supplementary information | P.22 |

---

Disclaimer Regarding Forward-Looking Statements

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

Note

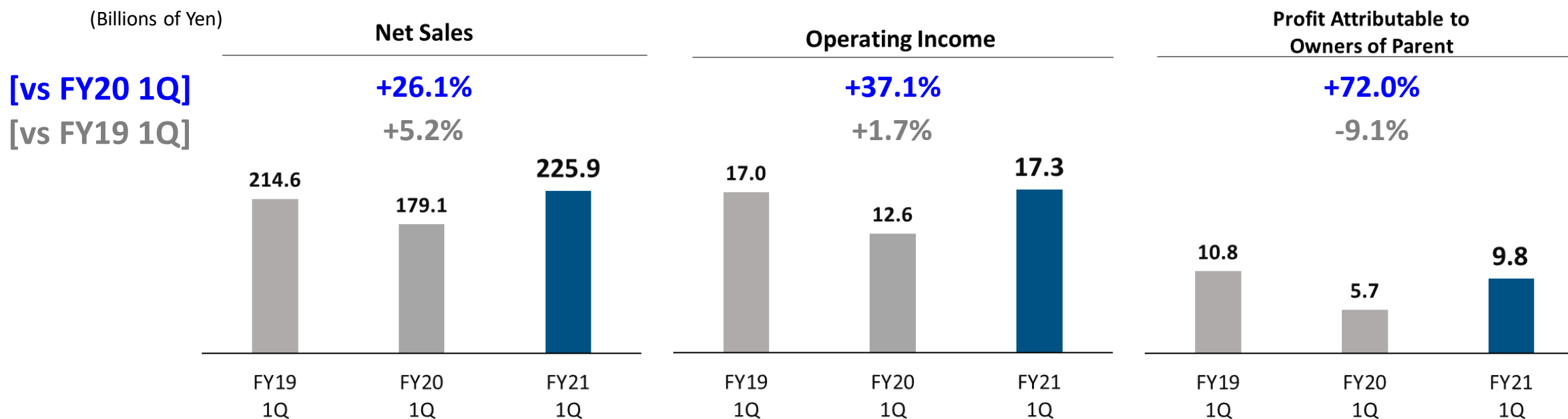
This material is based on the consolidated results for FY2021 1Q announced at 11:30 A.M. on August 6, 2021 (local time in Japan).

---

# 1. Results of FY2021 1Q

◆ FY2021 1Q actual highlights [\[Compared with FY2020 1Q\]](#)

- Net sales increased significantly from FY2020 1Q due to firm sales in each segment and the revision of selling prices in response to a sharp rise in raw material price in the Materials Field, etc.
- Operating income also significantly increased from FY2020 1Q due to a sales increase in products mainly for automotive and aircraft applications in the Materials Business Field, with generally firm sales in each segment, and the contribution of diabetes treatments, despite the fall of government demand for medical protective equipment (gowns, etc.) in the Fibers & Products Converting Business; operating income for FY2021 1Q exceeded the level in FY2019 1Q before the impact of COVID-19
- Profit attributable to owners of parent increased significantly from FY2020 1Q mainly due to the increase in operating income, and lower tax burden rates than in FY2020 1Q



## ◆ Operating results [Compared with FY2020 1Q]

	(Billions of Yen)				
	FY19 1Q	FY20 1Q	FY21 1Q	Difference (vs FY20 1Q)	% Change
Net Sales	214.6	179.1	225.9	+46.8	+26.1%
Operating Income	17.0	12.6	17.3	+4.7	+37.1%
Non-operating Items (Net)	(0.1)	(0.1)	1.2	+1.3	-
Ordinary Income	16.9	12.4	18.4	+6.0	+48.2%
Extraordinary Items (Net)	(1.8)	(1.4)	(1.9)	-0.5	-
Income Before Income Taxes	15.1	11.0	16.5	+5.5	+49.8%
Profit Attributable to Owners of Parent	10.8	5.7	9.8	+4.1	+72.0%
ROE <sup>*1</sup>	10.6%	5.7%	9.5%	+3.8%	
ROIC <sup>*2</sup>	10.3%	7.8%	8.7% <sup>*3</sup>	+0.9%	
EBITDA <sup>*4</sup>	29.4	25.6	33.9	+8.3	

\*1 ROE= Profit attributable to owners of parent / Average\* total shareholders' equity

\*2 ROIC based on operating income = Operating income / Average\* invested capital  
(Invested capital = Net assets + Interest-bearing debt - Cash and deposits)

\*Average: ((Beginning balance + Ending balance) / 2)

\*1,2 are annualized numbers based on 3 months results

\*3 The calculated beginning balance of invested capital includes an increase due to the takeover of the sales rights for diabetes treatments and other related assets

	(Billions of Yen)				
	FY19 1Q	FY20 1Q	FY21 1Q	Difference (vs FY20 1Q)	% Change
CAPEX <sup>*5</sup>	14.0	13.1	150.1	+136.9	-
(CAPEX after adjustment※)			17.7		
Depreciation & Amortization	12.5	13.0	16.6	+3.6	+28.0%
R&D Expenses	7.9	7.4	6.3	-1.1	-14.4%

※Excluding an increase in intangible assets (132.4 billion yen <sup>\*6</sup>) due to the takeover of the sales rights for diabetes treatments and other related assets

## ◇ Exchange rate &amp; Oil price

	FY20 1Q	FY21 1Q
PL exchange rate		
JPY / USD	108	109
JPY / EUR	118	132
An average Dubai crude oil price (USD/barrel)	31	67

\*4 EBITDA = Operating income + Depreciation & amortization

\*5 CAPEX includes investments in intangible assets (excludes M&A)

\*6 Corrected from 132.2 billion yen after announcement on May 11, 2021

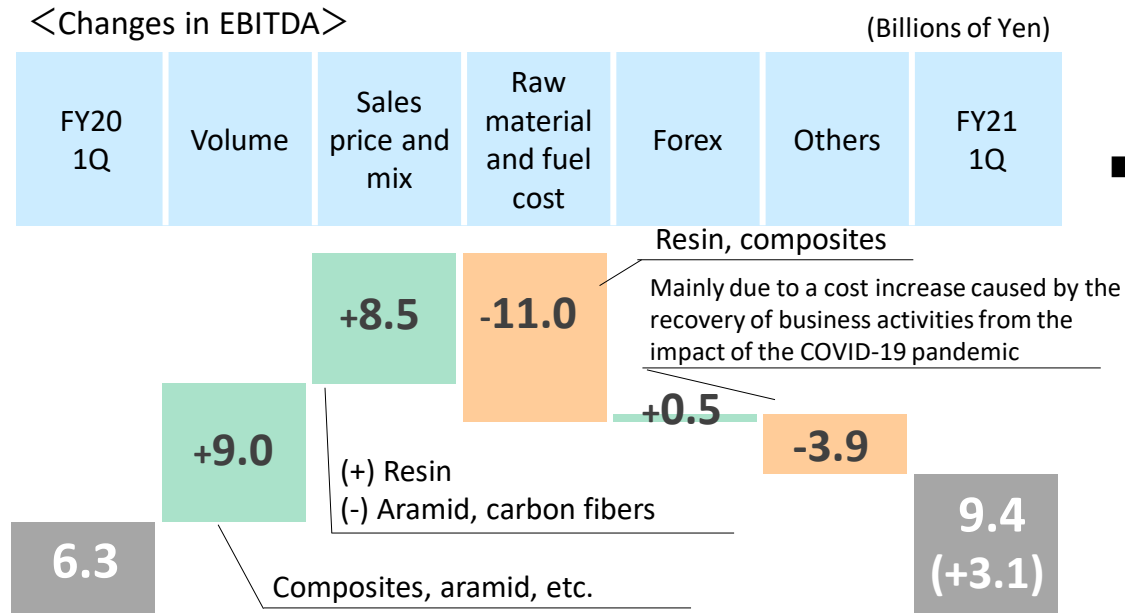


## ◆ Materials Segment [Compared with FY2020 1Q]

(Billions of Yen)

	FY19 1Q	FY20 1Q	FY21 1Q	Difference (vs FY20 1Q)
Net sales	86.1	53.9	95.8	+41.9
EBITDA	12.7	6.3	9.4	+3.1
Depreciation & Amortization	7.1	7.7	7.2	-0.4
Operating income	5.6	(1.4)	2.1	+3.5
ROIC	7%	(2%)	3%	+4%

### <Changes in EBITDA>



- Aramid
  - Sales increased significantly due to a recovery in major markets, particularly the markets for products for automotive and optical fiber applications, despite a decline in production caused by a major regular repair with the impact of an extension of period, etc.
- Resin
  - Sales increased due to strong demand
  - Under the impact of a sharp rise in the prices of BPA and other materials, selling prices were revised
- Carbon fibers
  - Sales of *Tenax* carbon fibers increased for all applications, including aircraft, wind power generation, and recreation
  - Continued efforts were made to develop intermediate materials and prepare to start commercial production of the new carbon fiber plant in North America
- Composites
  - CSP's\* automotive parts sales in the U.S. increased significantly due to the recovery of the U.S. automotive market, especially sales of SUVs and pickup-trucks
  - Meanwhile, the subsegment was under the impact of an OEM production decline caused by a lack of semiconductors and a sharp rise in material prices due to tight supply and demand balance for materials
  - In the U.S., retaining workforce is still difficult under the impact of high unemployment benefits

\*CSP : Continental Structural Plastics Holdings Corporation

## ◆ Healthcare Segment [Compared with FY2020 1Q]

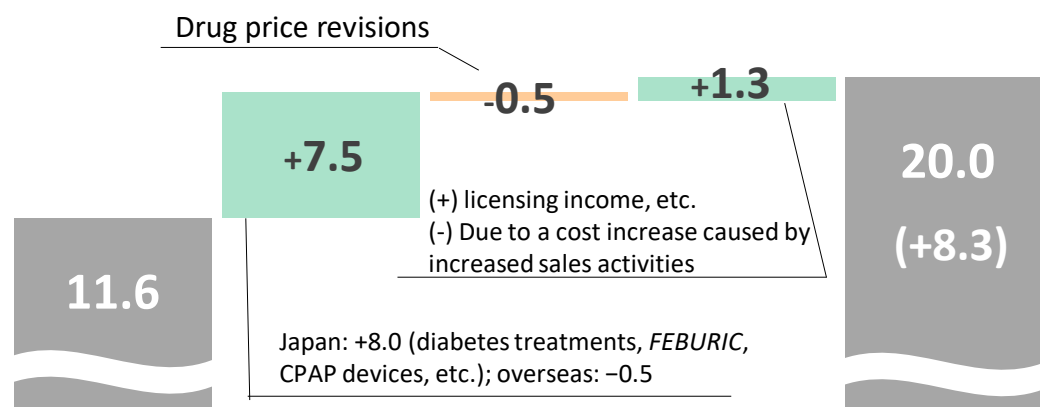
(Billions of Yen)

	FY19 1Q	FY20 1Q	FY21 1Q	Difference (vs FY20 1Q)
Net sales	39.8	36.2	45.9	+9.7
EBITDA	13.5	11.6	20.0	+8.3
Depreciation & Amortization	3.0	3.0	6.7	+3.8
Operating income	10.5	8.7	13.2	+4.5
ROIC	51%	46%	24%	-22%

## &lt;Changes in EBITDA&gt;

(Billions of Yen)

FY20 1Q	Volume	Sales price and mix	Others	FY21 1Q
------------	--------	------------------------	--------	------------



## ■ Pharmaceuticals

- Sales of the four type-2 diabetes treatments made a good start
- Sales of *FEBURIC*\*<sup>1</sup> and *Somatuline*\*<sup>2</sup> in Japan grew steadily despite the impact of drug price revisions in April 2021
- There was also licensing income
- XEOMIN*\*<sup>3</sup> was approved for the additional indication of lower limb spasticity in June 2021

## ■ Home healthcare

- Home oxygen therapy (HOT):Hospitalization restraint accelerated a shift to home healthcare, increasing the number of rented units of HOT equipment
- CPAP:The Company's market share increased, and the number of rented CPAP devices grew continuously, despite a slow increase in the number of patients undergoing examinations due to the COVID-19 pandemic

## ■ New healthcare

- Sales grew increased due to a steady increase in sales of new products in the orthopedic implantable devices including artificial joints and absorbable osteosynthesis materials

\*1 Hyperuricemia and gout treatment drug

\*2 Acromegaly and pituitary gigantism, gastroenteropancreatic neuroendocrine tumors treatment drug

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

\*3 Upper limb spasticity treatment drug

## ◆ Fibers &amp; Products Converting Segment [Compared with FY2020 1Q]

(Billions of Yen)

	FY19 1Q	FY20 1Q	FY21 1Q	Difference (vs FY20 1Q)
Net sales	73.8	71.6	65.5	-6.1
EBITDA	2.7	6.6	3.6	-3.0
Depreciation & Amortization	1.7	1.5	1.6	+0.0
Operating income	1.0	5.1	2.0	-3.1
ROIC	3%	15%	7%	-8%

## ◆ IT Segment [Compared with FY2020 1Q]

(Billions of Yen)

	FY19 1Q	FY20 1Q	FY21 1Q	Difference (vs FY20 1Q)
Net sales	10.9	13.5	13.5	+0.0
EBITDA	1.5	2.2	2.4	+0.2
Depreciation & Amortization	0.2	0.2	0.3	+0.1
Operating income	1.3	2.0	2.1	+0.1
ROIC	33%	50%	57%	+7%

## ■ Fibers &amp; Products Converting Segment

-Industrial materials :

- Sales of automotive materials, performance polymer products for semiconductors and electronic parts, and lifestyle products such as curtains remained strong
- Short polyester fibers for water treatment filters and sound absorbing materials remained strong

-Fiber materials and apparel: Despite gradually recovering from the impact of the COVID-19 pandemic, apparel sales generally remained sluggish due to the stay-at-home trend and the closure of stores under the state of emergency

-Basic profitability increased through the concentration on certain selected businesses, and restricted business activities helped decrease SG&A expenses, although government demand for medical protective equipment (gowns, etc.) fell

## ■ IT Segment

-Both the digital entertainment field and the business solution field remained firm despite the impact of piracy websites on e-comic services in the former field and the lasting impact of the COVID-19 pandemic in the latter

## ■ Others

-J-TEC\*, which the Company made a subsidiary in March 2021, saw an increase not only in sales of the autologous cultured epidermis *JACE* and the autologous cultured corneal epithelium *NEPIC* in its regenerative medicine business but also in sales in its custom development and manufacturing business and R&D support business; sales at the subsidiary thus remained firm

## ◆ Non-operating items [Compared with FY2020 1Q]

	(Billions of Yen)		
	FY20 1Q	FY21 1Q	Difference
Interest income	0.2	0.1	-0.1
Dividends income	0.5	0.4	-0.0
Equity in earnings of affiliates	0.2	1.5	+1.4
Gain on valuation of derivatives	-	0.2	+0.2
Others	0.4	0.3	-0.1
<b>Non-operating income, total</b>	<b>1.3</b>	<b>2.6</b>	<b>+1.3</b>
Interest expenses	0.8	0.7	-0.0
Loss on valuation of derivatives	0.2	0.2	-0.0
Others	0.4	0.4	+0.0
<b>Non-operating expenses, total</b>	<b>1.4</b>	<b>1.4</b>	<b>-0.0</b>
<b>Non-operating items, total</b>	<b>(0.1)</b>	<b>1.2</b>	<b>+1.3</b>

## ◆ Extraordinary items [Compared with FY2020 1Q]

	(Billions of Yen)		
	FY20 1Q	FY21 1Q	Difference
Gain on sales of noncurrent assets	0.0	0.0	-0.0
Others	0.0	0.0	+0.0
<b>Extraordinary income, total</b>	<b>0.1</b>	<b>0.1</b>	<b>+0.0</b>
Loss on sales and retirement of noncurrent assets	0.2	0.5	+0.3
Loss on valuation of investment securities	0.9	-	-0.9
Impairment loss	-	1.5	+1.5
Others	0.4	0.0	-0.4
<b>Extraordinary loss, total</b>	<b>1.5</b>	<b>2.0</b>	<b>+0.5</b>
<b>Extraordinary items, total</b>	<b>(1.4)</b>	<b>(1.9)</b>	<b>-0.5</b>

## ◆ Financial position [Compared with the end of FY2020]

(Billions of Yen)

	Mar. 31, 2021	Jun. 30, 2021	Difference	(Impact of foreign exchange rate)
Total assets	1,036.9 <sup>*1</sup>	1,180.8	+143.9	+2.4
Liabilities	608.6 <sup>*1</sup>	741.8	+133.2	+0.2
[Interest-bearing debt]	380.0	502.9	+122.8	-0.4
Net assets	428.3	439.0	+10.8	+2.2
D/E ratio	0.94	1.21	+0.27	-

## ◆ Cash flows [Compared with FY2020 1Q]

(Billions of Yen)

	FY20 1Q	FY21 1Q	Difference
Operating activities	16.6	1.3	-15.2
Investing activities	(15.7)	(151.5)	-135.8
Free cash flow	0.8	(150.2)	-151.1
Financing activities	4.0	118.6	+114.7
Net inc/dec in Cash & cash equivalents	4.8	(31.6)	-36.4

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

## ◇ Changes in total assets

(Billions of Yen)

	Mar. 31, 2021	Jun. 30, 2021	Difference
Cash and deposits	170.2	138.6	-31.6
Trade receivables	181.0	180.6	-0.4
Inventory assets	141.0	146.6	+5.5
Tangible and intangible assets	357.1	489.7	+132.6 <sup>*2</sup>
Investment securities	84.8	91.2	+6.4
Others	102.7	134.1	+31.4
Total assets	1,036.9	1,180.8	+143.9

## ◇ BS exchange rate

	Mar. 31, 2021	Jun. 30, 2021
JPY / USD	111	111
JPY / EUR	130	132

\*1 During the previous consolidated fiscal year, the Company applied a provisional accounting treatment concerning its acquisition of an additional equity interest in CSP Victall (Tangshan) Structural Composites Co., Ltd. and its inclusion of the latter company as a subsidiary in December 2020. These are revisions as a result of the confirmation of the provisional accounting treatment in the first quarter of FY2021. (In the announcement as of May 11, 2021, the value of total assets was 1,036.4 billion yen and liabilities 608.2 billion yen.)

\*2 Including an increase in intangible fixed assets (132.4 billion yen) due to the takeover of the sales lights for diabetes treatments and other related assets

## 2. Outlook for FY2021

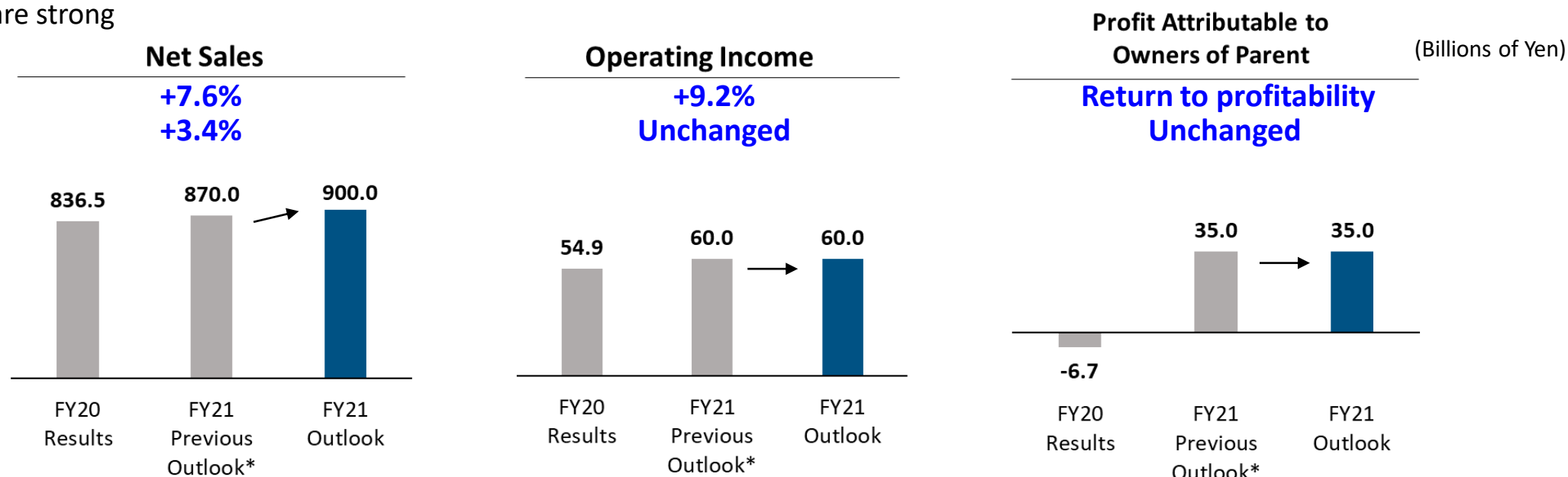
## ◆ Outlook highlights [Compared with FY2020 and FY2021 Previous Outlook\*]

- It is forecast that net sales and operating income will increase year on year mainly due to recovery from the impact of the COVID-19 pandemic and the contribution of the diabetes treatments taken over from Takeda Pharmaceutical Co., Ltd.
- Comparison with the previous outlook

Our net sales forecast has been revised upward to 900.0 billion yen: Mainly reflecting selling price revisions in response to a sharp rise in raw material prices in the Materials Business Fields

Our forecast for operating income and profit attributable to owners of parent remains the same: Considering a shortage of semiconductors and a sharp rise in raw material prices in the composites business, while sales in the resin and plastic processing business and the carbon fibers business are strong

vs FY2020  
vs FY2021  
Previous Outlook\*



### Assumptions

		FY20 Actual	FY21 Previous Outlook*	FY21 Outlook
Full-term average exchange rate	JPY / USD	106	105	110
	JPY / EUR	124	125	130
An average Dubai crude oil price (USD/barrel)		44	60	70

Dividend forecast for FY2021 : No changes from previous outlook\*  
Interim 27.5 yen/share Year-end 27.5 yen/share Annual 55 yen/share  
(FY2020 : Interim 25 yen/share Year-end 25 yen/share Annual 50 yen/share)

◆ Summary of outlook for FY2021 highlights **[Compared with FY2020 and FY2021 Previous Outlook]**

(Billions of Yen)	FY20	FY21 Outlook	Difference	% Change	FY20 Previous Outlook*	Difference	% Change
	Net sales	836.5	900.0 <sup>*5</sup>	+63.5	+7.6%	870.0 <sup>*5</sup>	+30.0
Operating income	54.9	60.0	+5.1	+9.2%	60.0	0.0	0.0%
Ordinary income	53.7	60.0	+6.3	+11.8%	60.0	0.0	0.0%
Profit attributable to owners of parent	(6.7)	35.0	+41.7	-	35.0	0.0	0.0%
ROE <sup>*1</sup>	-1.7%	8%	+10%		8%	0%	
ROIC <sup>*2</sup>	8.6%	7% <sup>*6</sup>	-2%		7% <sup>*6</sup>	0%	
EBITDA <sup>*3</sup>	106.8	130.0	+23.2		130.0	0.0	
Free cash flow	28.1	(130.0) <sup>*7</sup>	-158.1		(130.0) <sup>*7</sup>	0.0	
CAPEX <sup>*4</sup>	60.3	210.0 <sup>*7</sup>	+149.7		210.0 <sup>*7</sup>	0.0	
Depreciation & Amortization	51.8	70.0	+18.2		70.0	0.0	
R&D Expenses	32.7	34.0	+1.3		34.0	0.0	

\*1 ROE= Profit attributable to owners of parent / Average\* total shareholders' equity

\*2 ROIC based on operating income = Operating income / Average\* invested capital  
(Invested capital = Net assets + Interest-bearing debt – Cash and deposits)

\*Average: ([Beginning balance + Ending balance] / 2)

\*3 EBITDA = Operating income + Depreciation & amortization

\*4 CAPEX includes investments in intangible assets (excludes M&A)

\*5 Includes a decrease due to the application of the new standards for revenue recognition under Japan GAAP

\*6 The calculated beginning balance of invested capital includes an increase due to the takeover of the sales rights for diabetes treatments and other related assets

\*7 Including an increase in intangible assets (132.4 billion yen) due to the takeover of the sales rights for diabetes treatments and other related assets



## ◆ Net sales and operating income by segment

[Compared with FY2020, and FY2021 Previous Outlook]

Comparison with the previous outlook: Our forecast for net sales of high-performance materials has been revised upward by 30.0 billion yen. Selling price revisions in response to a sharp rise in the prices of resin materials were mainly considered

(Billions of Yen)

	FY20	FY21 Outlook	Difference	% Change	FY21 Previous Outlook*	Difference
Net sales						
High-performance materials	210.4	260.0	+49.6	+23.6%	230.0	+30.0
Composites	86.6	110.0	+23.4	+27.1%	110.0	0.0
Materials Total	297.0	370.0	+73.0	+24.6%	340.0	+30.0
Healthcare	148.7	180.0	+31.3	+21.1%	180.0	0.0
Fibers & Products Converting	314.9	265.0 <sup>*1</sup>	-49.9	-15.8%	265.0 <sup>*1</sup>	0.0
IT	58.1	65.0	+6.9	+11.9%	65.0	0.0
Others	17.8	20.0	+2.2	+12.1%	20.0	0.0
<b>Total</b>	<b>836.5</b>	<b>900.0<sup>*1</sup></b>	<b>+63.5</b>	<b>+7.6%</b>	<b>870.0<sup>*1</sup></b>	<b>+30.0</b>
Operating income (loss)						
Materials	1.0	11.0	+10.0	-	11.0	0.0
Healthcare	31.5	40.0	+8.5	+26.9%	40.0	0.0
Fibers & Products Converting	17.5	7.0	-10.5	-60.0%	7.0	0.0
IT	10.4	10.0	-0.4	-3.9%	10.0	0.0
Others	(0.2)	(2.0)	-1.8	-	(2.0)	0.0
Elimination and Corporate	(5.2)	(6.0)	-0.8	-	(6.0)	0.0
<b>Total</b>	<b>54.9</b>	<b>60.0</b>	<b>+5.1</b>	<b>+9.2%</b>	<b>60.0</b>	<b>0.0</b>

\*1 Includes a decrease due to the application of the new standards for revenue recognition under Japan GAAP

\*2 EBITDA = Operating income + Depreciation & amortization

## ◆ Key financial indicators by segment

[Compared with FY2020, and FY2021 Previous Outlook]

(Billions of Yen)

	FY20	FY21 Outlook	Difference	FY21 Previous Outlook*	Difference
EBITDA <sup>*2</sup>					
Materials	31.5	43.5	+12.0	43.5	0.0
Healthcare	43.7	67.5	+23.8	67.5	0.0
Fibers & Products Converting	23.9	13.5	-10.4	13.5	0.0
IT	11.3	11.5	+0.2	11.5	0.0
Others	0.7	0.0	-0.7	0.0	0.0
Elimination and Corporate	(4.3)	(6.0)	-1.7	(6.0)	0.0
<b>Total</b>	<b>106.8</b>	<b>130.0</b>	<b>+23.2</b>	<b>130.0</b>	<b>0.0</b>
ROIC <sup>*3</sup>					
Materials	0%	3%	+3%	3%	0%
Healthcare	41%	18% <sup>*4</sup>	-23%	18% <sup>*4</sup>	0%
Fibers & Products Converting	14%	6%	-8%	6%	0%
IT	66%	67%	+1%	67%	0%
<b>Total</b>	<b>8.6%</b>	<b>7%<sup>*4</sup></b>	<b>-2%</b>	<b>7%<sup>*4</sup></b>	<b>0%</b>

\*3 ROIC based on operating income = Operating income / Average\* invested capital  
(Invested capital = Net assets + Interest-bearing debt – Cash and deposits)

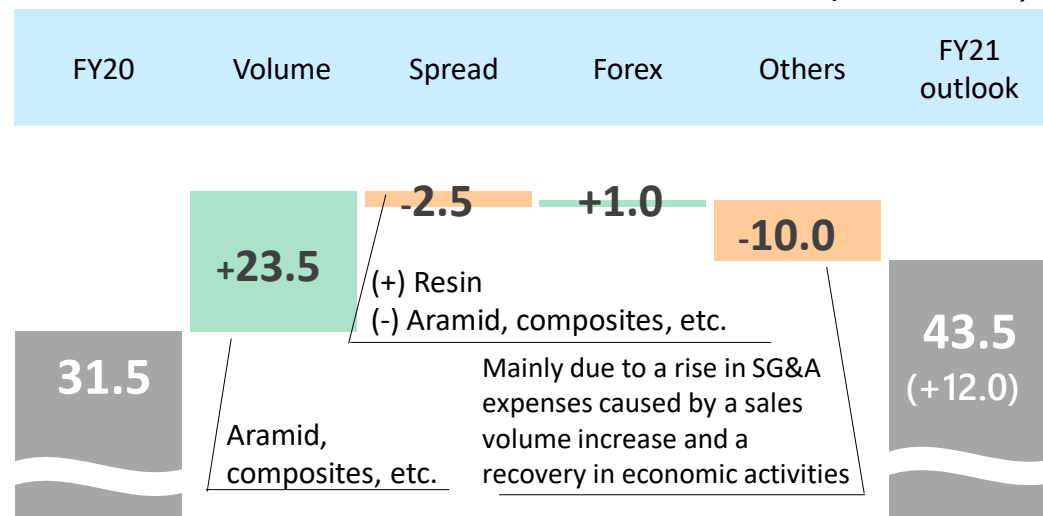
\*Average: ((Beginning balance + Ending balance) / 2)

\*4 The calculated beginning balance of invested capital includes an increase due to the takeover of the sales rights for diabetes treatments and other related assets

## Factors of changes in EBITDA forecast in FY2021 [Compared with FY2020]

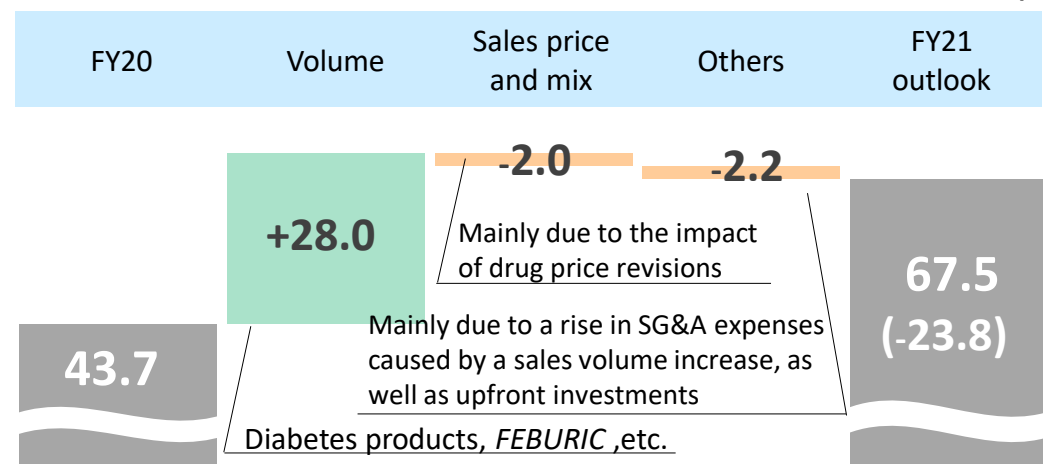
### Materials

(Billions of Yen)



### Healthcare

(Billions of Yen)



### Materials

Predicted recovery in demand for products for automotive and aircraft applications, etc.

#### - Aramid

- Strong demand for products mainly for automotive applications resulting in sales recovery
- Scheduled large-scale periodic maintenance (with the impact of a slight extension of period)

#### - Resin

- Sales increase in value-added products
- Progress in spread correction due to selling price revisions in response to a sharp rise in material prices

#### - Carbon fibers

- Stronger sales mainly for aircraft applications than expected at the beginning of the term
- Continued preparations for putting a new plant in North America into operation

#### - Composites

- Demand for SUV and pickup-truck applications will remain strong
- Gradual recovery from the impact of an OEM production decline due to a shortage of semiconductors in 1Q
- Predicted end of material price rise due to tight supply and demand balance within the first half of the fiscal year

### Healthcare

Continued strong sales of existing products in the pharmaceutical and home healthcare businesses and the contribution of diabetes treatments, whose sales rights have been taken over since the current fiscal year

#### - Pharmaceutical and home healthcare

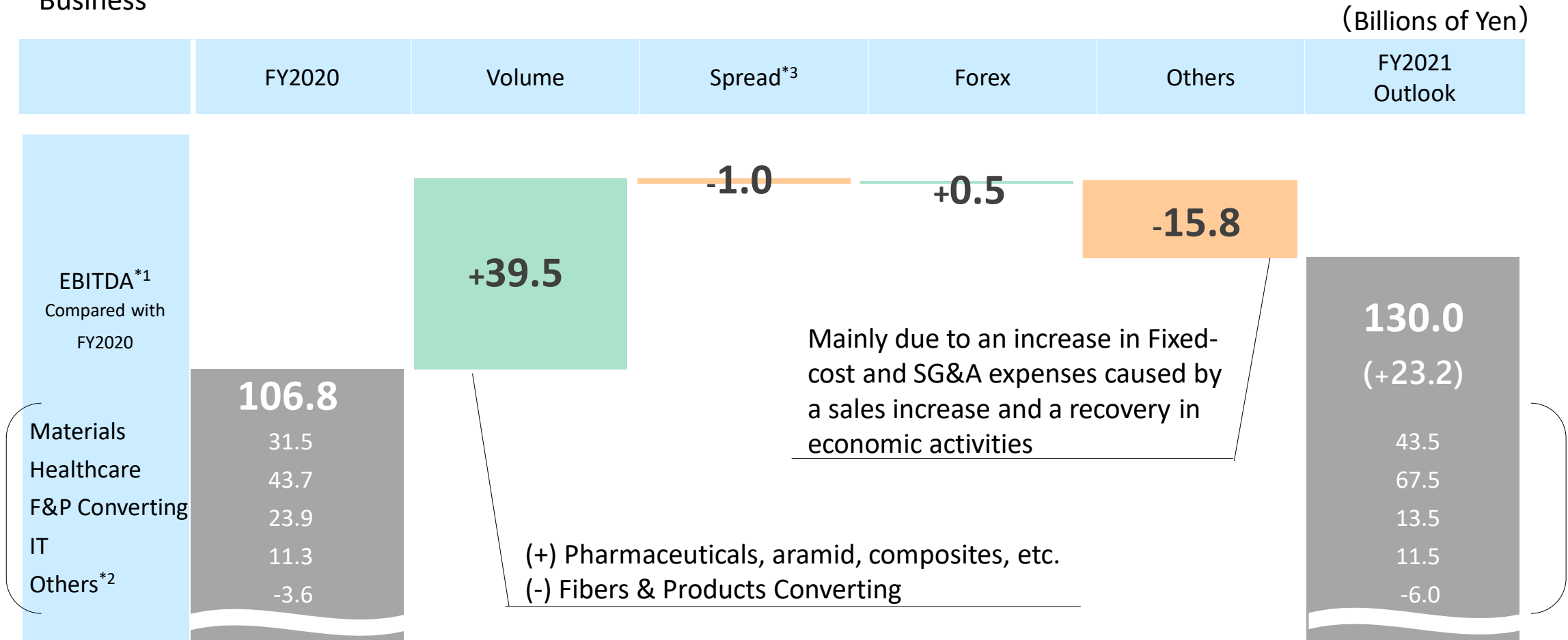
- The volumes of *FEBURIC* sales and CPAP devices rental will increase
- Contribution of sales of diabetes treatments

#### - New healthcare business

- Steady growth in sales of new artificial hip joint products

## Factors of changes in EBITDA forecast in FY2021 [Compared with FY2020]

- EBITDA will drastically increase mainly due to a recovery in demand for products for automotive applications in the Materials Business, and the contribution of diabetes treatments to the business performance of the Healthcare Business, despite the fall of government demand for medical protective equipment (gowns, etc.) in the Fibers & Products Converting Business



\*1 EBITDA = Operating income + Depreciation & amortization \*2 "Others" denotes the total of "Others" and "Elimination and Corporate" \*3 Sales price and mix + raw material and fuel cost

## 3. Main topics

- ◆ Raise of and newly set for CO<sub>2</sub> emissions reduction target in the Medium-Term Management Plan

◆ Raise of the Company's CO<sub>2</sub> emissions reduction target and a new target set for the supply chains' CO<sub>2</sub> emissions reduction

Teijin has revised its CO<sub>2</sub> emissions reduction targets in the Medium-Term Management Plan, in order to accelerate its efforts to achieve net-zero CO<sub>2</sub> emissions by FY2050

【Global trends】

- ✓ The International community has demonstrated a stronger commitment to achieving carbon neutrality
- ✓ Countries, including Japan, have raised their CO<sub>2</sub> emissions reduction targets (Japan has raised the target of a 26% reduction by 2030 versus 2013, to a 46% reduction)

\*Teijin announced its support for the Japan Climate Initiative (JCI)'s message calling for raising Japan's 2030 reduction target

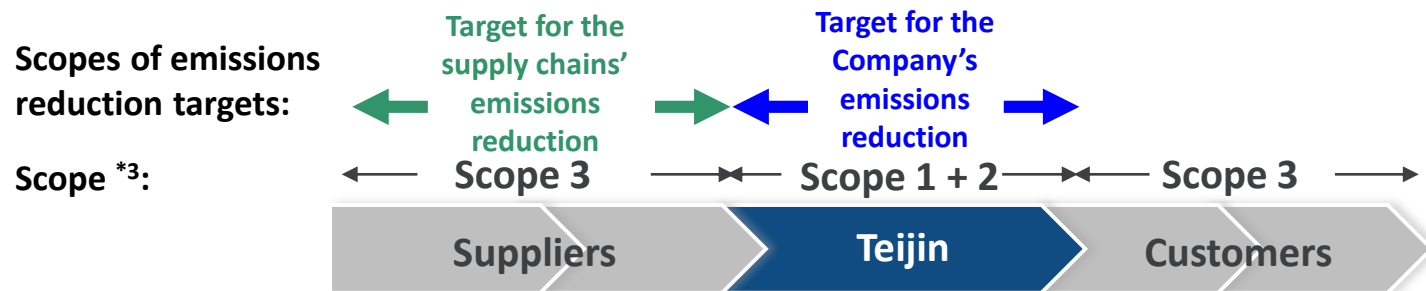
【Targets】

✓ **Raising the Company's (Scope 1 and 2) CO<sub>2</sub> emissions reduction target**

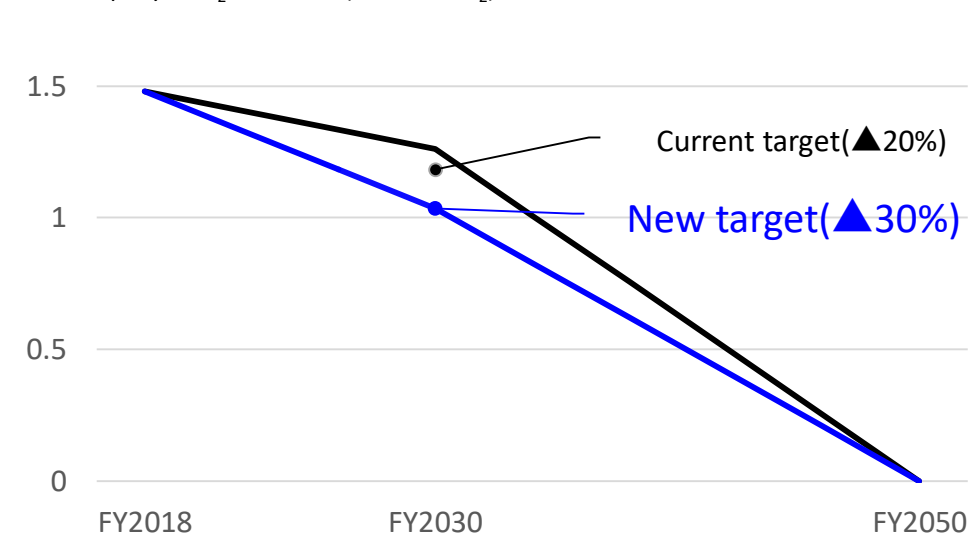
Reducing Scope 1 and 2 emissions by **30%** by FY2030 compared to FY2018\*<sup>1</sup>  
(target before revision: a 20% reduction)

✓ **Setting a new target for the supply chains' (Scope 3) CO<sub>2</sub> emissions reduction**

Reducing emissions from sources that cover more than two thirds of Scope 3 emissions\*<sup>2</sup> by **15%** by FY2030 compared to FY2018



The Company's CO<sub>2</sub> emissions (million t CO<sub>2</sub>)



— From the reduction level of aligning to the 2°C target to the achievement of net zero by 2050  
 — From the reduction level of aligning to well below 2°C target to the achievement of net zero by 2050

\*1: Reducing Scope 1 and 2 emissions by 30% compared to FY2018: A target that exceeds the Japanese government's target (a 46% reduction) when compared with the Company's actual CO<sub>2</sub> emissions in FY2013

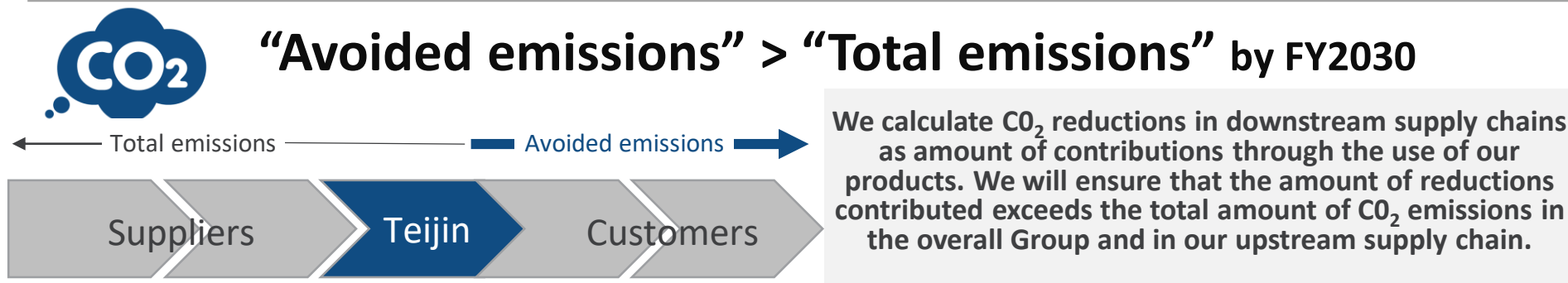
\*2: Sources that cover more than two thirds of Scope 3 emissions: Scope 3 emissions sources of Category 1 emissions (emissions from purchased goods and services) excluding trading business

\*3: Scope: Defined by the Greenhouse Gas (GHG) Protocol, which provides standards for GHG emissions calculation

◆ Medium-Term Management Plan 2020–2022 *ALWAYS EVOVLING*: Revision of the long-term targets for environmental impact reduction

		MTP	Latest revision	
Long-term environmental targets (vs. FY2018)	Climate Change (CO <sub>2</sub> Emission)	In-house emission (Scope1+2)	FY2030 20 % reduction	▶ 30 % reduction
			FY2050 Net <b>Zero</b> Emissions	▶ (Unchanged)
	Supply Chain (Scope3)	FY2030 (No numerical target)	▶ 15 % reduction *	
	Water (freshwater intake)	FY2030 30 % improvement	▶ (Unchanged)	
	Hazardous Materials (per sales unit)	FY2030 20 % improvement	▶ (Unchanged)	
	resource circulation (Landfill waste)	FY2030 10 % improvement	▶ (Unchanged)	

Promote CO<sub>2</sub> emission reduction, taking the entire supply chain into scope



\* Sources that covers more than two thirds of Scope 3 emissions: Scope 3 emissions sources of Category 1 emissions (emissions from purchased goods and services) excluding trading business

## 4. Supplementary information

## Factors that affect income statement regularly

Segment	Major factor
Materials	<ul style="list-style-type: none"> <li>• Aramid: large-scale periodic maintenance in FY2021 1Q (once in three years)</li> <li>• Polycarbonate resin: periodic maintenance in 2Q &amp; 3Q every year</li> </ul>
Healthcare	<ul style="list-style-type: none"> <li>• Cost increase in 4Q</li> <li>• Temporal licensing income/outgo</li> </ul>
Fibers & Products Converting	<ul style="list-style-type: none"> <li>• Fiber materials and apparel: 3Q is a season for sales of autumn/winter closing, and 4Q for spring closing</li> </ul>
IT	<ul style="list-style-type: none"> <li>• Delivery increase in 2Q and 4Q due to system acceptance period</li> </ul>

[ Special factor in FY2021 outlook ]

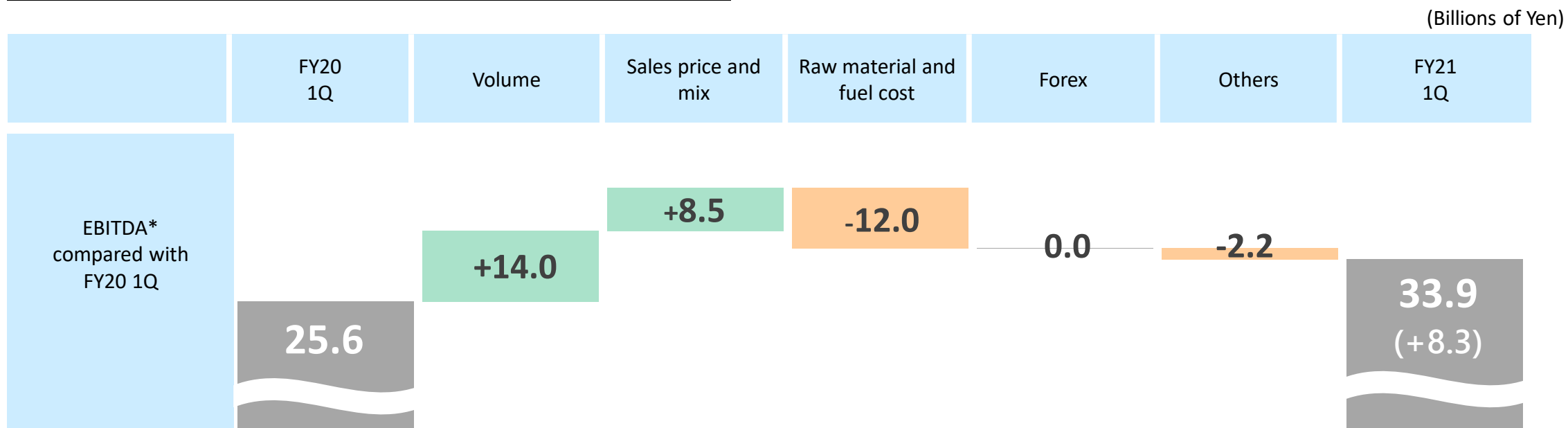
- The Materials Business and the Fibers & Products Converting Business will continue to recover from the impact of the COVID-19 pandemic mainly in products for automotive applications and aircraft applications, etc.



## ◆ Changes in EBITDA\* (consolidated total) [Compared with FY2020 1Q]

(Billions of Yen)

	FY19 1Q	FY20 1Q	FY21 1Q	Difference (vs FY20 1Q)
Net sales	214.6	179.1	225.9	+46.8
EBITDA*	29.4	25.6	33.9	+8.3
Depreciation & Amortization	12.5	13.0	16.6	+3.6
Operating income	17.0	12.6	17.3	+4.7
ROIC	10.3%	7.8%	8.7%	+0.9%



\* EBITDA = Operating income + Depreciation &amp; amortization

## ◆ Changes in net sales and operating income by segment [Compared with FY2020 1Q and FY2020 4Q]

(Billions of Yen)

	FY19					FY20					FY21 1Q Apr.-Jun.	Difference 21/1Q -20/1Q	Difference 21/1Q -20/4Q
	1Q Apr.-Jun.	2Q Jul.-Sep.	3Q Oct.-Dec.	4Q Jan.-Mar.	Total	1Q Apr.-Jun.	2Q Jul.-Sep.	3Q Oct.-Dec.	4Q Jan.-Mar.	Total			
<b>Net sales</b>													
High-performance materials	63.3	62.4	55.6	55.0	236.4	43.8	47.6	54.4	64.7	210.4	69.3	+25.6	+4.7
Composites	22.8	23.1	22.9	22.4	91.2	10.1	24.8	25.2	26.4	86.6	26.4	+16.3	+0.1
Materials Total	86.1	85.4	78.6	77.4	327.5	53.9	72.4	79.6	91.0	297.0	95.8	+41.9	+4.8
Healthcare	39.8	39.1	40.3	34.7	153.9	36.2	36.9	38.8	36.8	148.7	45.9	+9.7	+9.1
Fibers & Products Converting	73.8	80.4	77.2	74.9	306.3	71.6	86.5	79.0	77.8	314.9	65.5	-6.1	-12.3
IT	10.9	12.2	11.2	14.3	48.6	13.5	15.0	13.7	15.8	58.1	13.5	+0.0	-2.3
Others	4.0	4.2	4.1	5.0	17.4	3.9	4.2	4.5	5.3	17.8	5.2	+1.3	-0.1
<b>Total</b>	<b>214.6</b>	<b>221.4</b>	<b>211.4</b>	<b>206.3</b>	<b>853.7</b>	<b>179.1</b>	<b>215.0</b>	<b>215.6</b>	<b>226.8</b>	<b>836.5</b>	<b>225.9</b>	<b>+46.8</b>	<b>-0.9</b>
<b>Operating income (loss)</b>													
Materials	5.6	4.6	2.9	2.8	15.8	(1.4)	0.9	0.2	1.3	1.0	2.1	+3.5	+0.8
Healthcare	10.5	8.9	9.7	3.4	32.6	8.7	7.8	9.3	5.7	31.5	13.2	+4.5	+7.5
Fibers & Products Converting	1.0	1.8	1.4	1.2	5.4	5.1	7.6	3.6	1.2	17.5	2.0	-3.1	+0.8
IT	1.3	2.3	1.9	2.3	7.8	2.0	2.7	2.1	3.5	10.4	2.1	+0.1	-1.4
Others	(0.0)	0.3	(0.1)	0.2	0.3	(0.4)	0.1	0.2	(0.1)	(0.2)	(0.3)	+0.1	-0.2
Elimination and Corporate	(1.4)	(1.1)	(1.3)	(1.9)	(5.8)	(1.4)	(0.6)	(1.3)	(1.9)	(5.2)	(1.9)	-0.5	+0.0
<b>Total</b>	<b>17.0</b>	<b>16.8</b>	<b>14.5</b>	<b>8.0</b>	<b>56.2</b>	<b>12.6</b>	<b>18.5</b>	<b>14.2</b>	<b>9.7</b>	<b>54.9</b>	<b>17.3</b>	<b>+4.7</b>	<b>+7.6</b>

## ◆ Consolidated statements of income

(Billions of Yen)

	FY19				FY20				FY21
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.
<b>Net Sales</b>	<b>214.6</b>	<b>221.4</b>	<b>211.4</b>	<b>206.3</b>	<b>179.1</b>	<b>215.0</b>	<b>215.6</b>	<b>226.8</b>	<b>225.9</b>
Cost of sales	147.0	153.4	146.1	143.8	119.4	148.4	152.2	161.4	155.0
<b>Gross profit</b>	<b>67.7</b>	<b>68.0</b>	<b>65.3</b>	<b>62.4</b>	<b>59.7</b>	<b>66.6</b>	<b>63.4</b>	<b>65.3</b>	<b>70.9</b>
SG&A	50.7	51.2	50.9	54.4	47.1	48.1	49.2	55.6	53.6
<b>Operating income</b>	<b>17.0</b>	<b>16.8</b>	<b>14.5</b>	<b>8.0</b>	<b>12.6</b>	<b>18.5</b>	<b>14.2</b>	<b>9.7</b>	<b>17.3</b>
Non-operating items, net	(0.1)	(0.6)	(0.1)	(1.1)	(0.1)	(0.7)	(1.5)	1.1	1.2
(Balance of financial expenses)	(0.1)	(0.5)	(0.4)	(0.4)	(0.1)	(0.3)	(0.2)	(0.2)	(0.2)
(Equity in earnings and losses of affiliates)	0.4	0.7	0.2	0.8	0.2	1.2	0.5	0.7	1.5
<b>Ordinary income</b>	<b>16.9</b>	<b>16.2</b>	<b>14.4</b>	<b>6.9</b>	<b>12.4</b>	<b>17.8</b>	<b>12.6</b>	<b>10.8</b>	<b>18.4</b>
Extraordinary items (net)	(1.8)	(2.3)	0.6	(9.3)	(1.4)	(1.1)	3.3	(45.1)	(1.9)
<b>Income before income taxes</b>	<b>15.1</b>	<b>13.9</b>	<b>15.0</b>	<b>(2.4)</b>	<b>11.0</b>	<b>16.7</b>	<b>16.0</b>	<b>(34.3)</b>	<b>16.5</b>
Income taxes	4.0	3.7	4.7	2.1	4.8	5.7	4.4	(1.3)	6.1
Profit attributable to non-controlling interests	0.3	0.5	0.5	0.4	0.5	0.7	0.7	0.5	0.7
<b>Profit attributable to owners of parent</b>	<b>10.8</b>	<b>9.7</b>	<b>9.7</b>	<b>(4.9)</b>	<b>5.7</b>	<b>10.3</b>	<b>10.8</b>	<b>(33.5)</b>	<b>9.8</b>

## ◆ Consolidated balance sheets

(Billions of Yen)

	FY19				FY20				FY21
	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31,* 2020	Mar. 31,* 2021	Jun. 30, 2021
<b>Total assets</b>									
Current assets	511.6	525.5	528.0	505.3	502.6	513.1	507.4	534.6	538.9
Fixed assets	491.0	505.2	513.9	498.9	502.4	505.5	513.3	502.3	641.9
<b>Total</b>	<b>1,002.6</b>	<b>1,030.7</b>	<b>1,041.9</b>	<b>1,004.2</b>	<b>1,004.9</b>	<b>1,018.5</b>	<b>1,020.7</b>	<b>1,036.9</b>	<b>1,180.8</b>
<b>Total liabilities and net assets</b>									
Liabilities	586.0	610.3	606.5	592.8	588.0	583.7	574.4	608.6	741.8
[Interest-bearing debt]	374.3	407.6	398.2	381.9	391.4	387.3	362.8	380.0	502.9
Net assets	416.6	420.4	435.4	411.4	416.9	434.8	446.3	428.3	439.0
<b>Total</b>	<b>1,002.6</b>	<b>1,030.7</b>	<b>1,041.9</b>	<b>1,004.2</b>	<b>1,004.9</b>	<b>1,018.5</b>	<b>1,020.7</b>	<b>1,036.9</b>	<b>1,180.8</b>

\* During the previous consolidated fiscal year, the Company applied a provisional accounting treatment concerning its acquisition of an additional equity interest in CSP Victall (Tangshan) Structural Composites Co., Ltd. and its inclusion of the latter company as a subsidiary in December 2020. These are revisions as a result of the confirmation of the provisional accounting treatment in the first quarter of FY2021.

## ◆ Historical financial indicators

	FY16	FY17	FY18	FY19	FY20	FY21
	Actual	Actual <sup>*7</sup>	Actual	Actual	Actual	Outlook
ROE <sup>*1</sup>	15.7%	12.5%	11.2%	6.3%	(1.7%)	8%
ROIC <sup>*2</sup>	10.0%	11.2%	9.3%	8.7%	8.6%	7% <sup>*8</sup>
EBITDA <sup>*3</sup> (Billions of Yen)	95.8	115.5	107.6	107.2	106.8	130.0
Earnings per share <sup>*4</sup> (Yen)	254.9	231.3	232.4	131.6	(34.7)	177.8
Dividends per share <sup>*4</sup> (Yen)	55	60	70 <sup>*</sup>	60	50	55
						*Including a commemorative dividend of 10 yen per share for our founding centennial
Total assets (Billions of Yen)	964.1	982.0	1,020.7	1,004.2	1,036.9 <sup>*9</sup>	1,170.0
Interest-bearing debt (Billions of Yen)	376.2	344.2	369.2	381.9	380.0	500.0
D/E ratio <sup>*5</sup>	1.11	0.88	0.90	0.97	0.94	1.1
D/E ratio (capital adjustment) <sup>*6</sup>	-	-	-	-	-	1.0
Shareholders' equity ratio	35.1%	40.0%	40.2%	39.3%	39.2%	38%

\*1 ROE= Profit attributable to owners of parent / Average\* total shareholders' equity

\*2 ROIC based on operating income = Operating income / Average\* invested capital  
( Net assets + Interest-bearing debt – Cash and deposits )

\*Average: ([Beginning balance + Ending balance] / 2)

\*3 EBITDA = Operating income + Depreciation & amortization

\*4 Reflecting the impact of the consolidation of shares

\*5 D/E ratio = Interest-bearing debt / Total shareholders' equity (Gross)

\*6 D/E ratio taking into account the equity credit of the subordinated bonds  
(The Company issued restricted stock of 60.0 billion yen on July 21, 2021.)

\*7 Teijin has adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No. 28, February 16, 2018) from FY2018. Results for FY2017 have been adjusted to reflect the retrospective application of the new accounting standard.

\*8 The calculated beginning balance of invested capital includes an increase due to the takeover of the sales rights for diabetes treatments and other related assets

\*9 During the previous consolidated fiscal year, the Company applied a provisional accounting treatment concerning its acquisition of an additional equity interest in CSP Victall (Tangshan) Structural Composites Co., Ltd. and its inclusion of the latter company as a subsidiary in December 2020. This is revision as a result of the confirmation of the provisional accounting treatment in the first quarter of FY2021.

## ◆ Sales of principal pharmaceuticals in Japan

(Billions of Yen)

Product	Target disease	FY2020					FY2021
		1Q Apr.- Jun.	2Q Jul.- Sep.	3Q Oct.- Dec.	4Q Jan.- Mar.	Total	1Q Apr.- Jun.
<i>FEBURIC</i> <sup>®</sup>	Hyperuricemia and gout	<b>8.7</b>	<b>8.9</b>	<b>9.6</b>	<b>8.3</b>	<b>35.6</b>	<b>9.6</b>
Diabetes drugs <sup>*1</sup>	Type 2 Diabetes	-	-	-	-	-	<b>7.5</b>
<i>Bonalon</i> <sup>®*2</sup>	Osteoporosis	<b>2.1</b>	<b>2.1</b>	<b>2.3</b>	<b>1.8</b>	<b>8.3</b>	<b>2.0</b>
<i>Somatuline</i> <sup>®*3</sup>	Acromegaly and pituitary gigantism, gastroenteropancreatic neuroendocrine tumors	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>1.2</b>	<b>5.2</b>	<b>1.3</b>
<i>Venilon</i> <sup>®</sup>	Severe infection	<b>1.4</b>	<b>1.2</b>	<b>1.4</b>	<b>1.0</b>	<b>5.0</b>	<b>1.2</b>
<i>Mucosolvan</i> <sup>®</sup>	Expectorant	<b>0.6</b>	<b>0.5</b>	<b>0.7</b>	<b>0.5</b>	<b>2.2</b>	<b>0.5</b>
<i>LOQOA</i> <sup>®</sup>	osteoarthritis pain and inflammation	<b>0.5</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>2.1</b>	<b>0.5</b>
<i>Onealfa</i> <sup>®</sup>	Osteoporosis	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>1.0</b>	<b>0.2</b>
<i>Alvesco</i> <sup>®</sup>	Asthma	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>1.1</b>	<b>0.2</b>
<i>Laxoberon</i> <sup>®</sup>	Laxative	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.8</b>	<b>0.2</b>

\*1 Total of four products: *Inisync*<sup>®</sup>, *Nesina*<sup>®</sup>, *Liovel*<sup>®</sup>, and *Zafatek*<sup>®</sup>\*2 *Bonalon*<sup>®</sup> is the registered trademark of Merck Sharp & Dohme Corp., U.S.A.\*3 *Somatuline*<sup>®</sup> is the registered trademark of Ipsen Pharma, France.

◆ Non-financial Information : ESG External Evaluation

**Selected as a component stock of all four ESG indices of GPIF**

Teijin Limited has been included in all four indices selected by Government Pension Investment Fund (GPIF) of Japan upon commencing ESG investment.

The four indices are FTSE Blossom Japan Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index (WIN) and S&P/JPX Carbon Efficient Index.



**2021** CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

THE INCLUSION OF TEIJIN LIMITED IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF TEIJIN LIMITED BY MSCI OR ANY OF ITS AFFILIATES.  
THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

**2021** CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)



**Included in these two domestic programs as a company with outstanding ESG initiatives**

“Nadeshiko”

Encouraging women’s success in the workplace



Promoting health and productivity management



**Status of inclusion in SRI indices**



***TEIJIN***

*Human Chemistry, Human Solutions*