
Flash Report

Results of FY2022 3Q & Outlook for FY2022

Teijin Limited
February 8, 2023

Points of Financial Results of FY2022 3Q & Outlook for FY2022

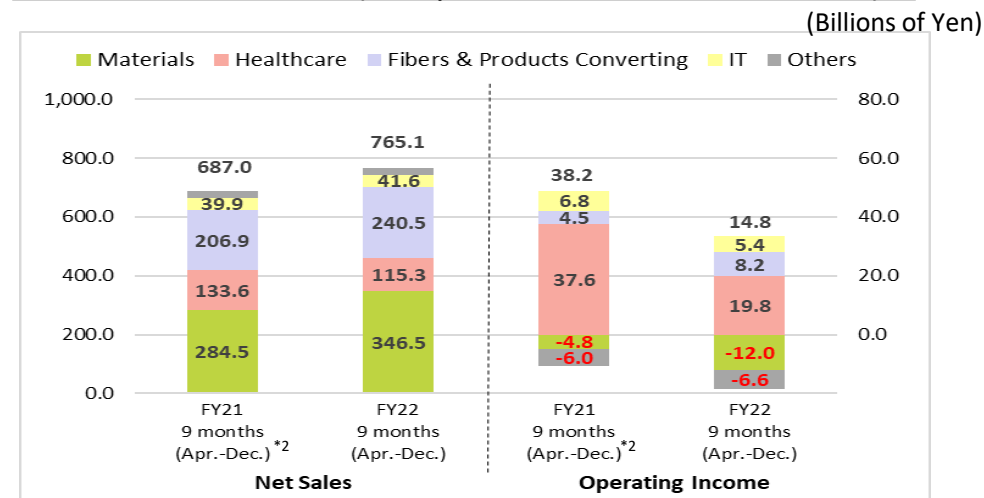
■ 9 months (Apr.-Dec.) results for FY2022(Compared with FY2021 9 months)

- Net sales increased by 11.4% to 765.1 billion yen mainly due to a sales increase against the backdrop of strong demand, selling price revisions made in response to the rises in material and fuel prices, and gains on the foreign exchange rate. However, operating income decreased by 61.1 % to 14.8 billion yen
 - Materials: An operating loss of 12.0 billion yen was recorded, primarily due to a decline in productivity in the United States caused by an equipment breakdown, decreased production volume in Europe caused by the labor shortage and a plant fire, lockdowns in China and the slowing of the Chinese economy, and rises in material and fuel prices and logistics costs, despite the contribution to earnings of an increase in the sales volume of products mainly for automotive and aircraft applications, gains on foreign exchange rates, and other factors
 - Healthcare: Operating income decreased mainly due to the market entry of generic alternatives to *FEBURIC* and drug price revisions
 - A loss attributable to owners of parent of 7.1 billion yen was recorded, in contrast to a profit of 25.8 billion yen for the 3Q of FY2021, due to the recording of impairment losses and a rise in the tax burden rate triggered by increased deficits at overseas subsidiaries

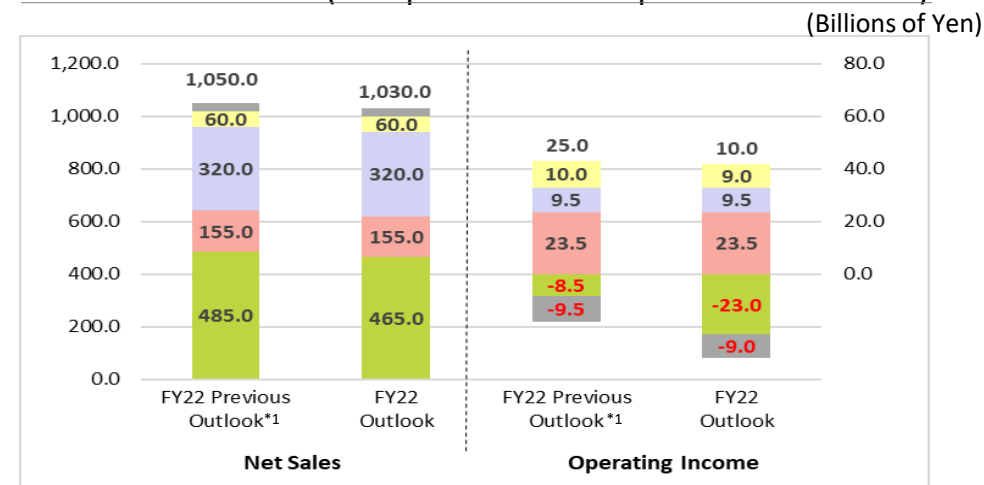
■ Outlook for FY2022 (Compared with the previous outlook*1)

- The annual forecasts of net sales and operating income have been revised downward from the previous values (1.05 trillion yen and 25.0 billion yen, respectively) to 1.03 trillion yen and 10.0 billion yen, respectively.
 - Operating income is forecast to significantly decrease mainly due to unfavourable factors in the Materials Business Field, including a plant fire at a European base, delayed operation resumption after recovery from an equipment breakdown at a U.S. plant
- The annual forecast of loss attributable to owners of parent has been revised downward from the previous forecast of the net income of 16.0 billion yen to the loss of 18.0 billion yen mainly due to the recording of impairment losses on the goodwill of the composites business
- No change to the previously announced forecast of the annual dividend per share (40 yen = an interim dividend of 27.5 yen + a forecast year-end dividend of 12.5 yen)

Results of FY2022 3Q (Compared with FY2021 9 months)



Outlook for FY2022 (Compared with the previous outlook*1)



*1 Announced on November 7, 2022

*2 From FY2022, the orthopedic implantable devices business, which was formerly part of the Healthcare segment, is part of "Others" segment.

Therefore, the figures for FY2021 are those recalculated in accordance with the new segment categorization for comparison purposes

Key Assumptions regarding the Company's Main Target Markets (FY2022)

Although demand in general is predicted to remain firm, there is some uncertainty over the future of demand mainly for automotive products.

| Main businesses | | Markets | Main Areas | FY2022 9 months (Apr.-Dec.) | Outlook in FY2022 4Q |
|-----------------|---------------|----------------------------------|------------------------|---|---|
| Materials | Aramid | Automotive | Europe US | <ul style="list-style-type: none"> • Demand was strong especially in Europe for tires for luxury cars and EVs • Demand remained firm in the US too | <ul style="list-style-type: none"> • Despite the predicted slowing of demand in the future, demand will remain firm during 4Q |
| | | Industrial materials | Europe US | <ul style="list-style-type: none"> • Demand for products for optical fiber applications remained high | <ul style="list-style-type: none"> • Demand will remain firm |
| | | Ballistic /Protective apparel | Europe US | <ul style="list-style-type: none"> • Demand for products for bulletproof and protective apparel applications remained firm | <ul style="list-style-type: none"> • Demand will remain firm |
| | Resin | Office machine | China Asia | <ul style="list-style-type: none"> • Customers' manufacturing operations declined due to difficulty in procuring parts caused by lockdowns in China and decreased demand | <ul style="list-style-type: none"> • Week demand will remain |
| | | Automotive | Japan China Asia | <ul style="list-style-type: none"> • Customers' manufacturing operations declined due to a shortage of semiconductors and electronic parts and lockdowns in China | <ul style="list-style-type: none"> • Demand will decline mainly in China |
| | Carbon fibers | Aircraft | Europe US | <ul style="list-style-type: none"> • Demand for passenger aircraft was strong due to recovery in passenger numbers | <ul style="list-style-type: none"> • Demand will remain firm |
| | Composites | Automotive | US Europe China | <ul style="list-style-type: none"> • OEM production was still constrained due to the semiconductor shortage and the disruption of supply chains | <ul style="list-style-type: none"> • Amid firm demand, restrictions on OEM production due to the semiconductor shortage will be gradually eliminated |

Key Assumptions regarding the Company's Main Target Markets (FY2022)

| Main businesses | Markets | Main Areas | FY2022 9 months (Apr.-Dec.) | Outlook in FY2022 4Q |
|---------------------------------|-----------------------------|--------------------------------|--|---|
| Healthcare | Pharmaceuticals | Japan | <ul style="list-style-type: none"> Market size of gout and hyperuricemia treatments will shrink due to the market entry of generic drugs despite an ongoing increase in the number of patients suffering from these diseases The market for diabetes treatments grows slightly, but competition in the market remains fierce Since medical institutions continues to impose restrictions on in-person visits to them amid the COVID-19 pandemic, e-promotion is continuously enhanced | |
| | Home healthcare | | <ul style="list-style-type: none"> In the home oxygen therapy (HOT) market, despite a continued shift to home healthcare caused by restrictions on hospitalization, the pandemic-triggered increase in the number of newly introduced HOT equipment units is slowing down Despite the continued expansion of the market for continuous positive airway pressure (CPAP) devices, the recovery of the number of examinations has slowed slightly mainly due to the eighth COVID-19 wave | |
| Fibers & Products Converting | Fiber materials and apparel | Europe US China Japan | <ul style="list-style-type: none"> Although the European, U.S., and Chinese markets remained firm, the pace of demand growth slowed from the second half of the quarter The Japanese consumer market was recovering due to relaxation of restrictions on people's activities | <ul style="list-style-type: none"> Market conditions will be weak due to inflation and the increased interest rates in Europe and the United States and due to the further spread of the pandemic in China In Japan, the price hike will decrease the public appetite for consumption |
| | Industrial materials | Japan China | <ul style="list-style-type: none"> Sales of automotive applications are on a recovery trend, but were affected by semiconductor shortages | <ul style="list-style-type: none"> Semiconductor shortage gradually return to normal The Chinese market will be weak due to the further spread of the pandemic |
| IT | E-comic | Japan | <ul style="list-style-type: none"> Impact of piracy websites on e-comic decreased, and the market grew continuously | <ul style="list-style-type: none"> The impact of piracy websites will last, but the market will grow continuously |

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|----|---------------------------|------|
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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

Information about pharmaceuticals, medical devices, and regenerative medical products (including pipeline products) included in this material is not provided for the purposes of advertising or medical advice.

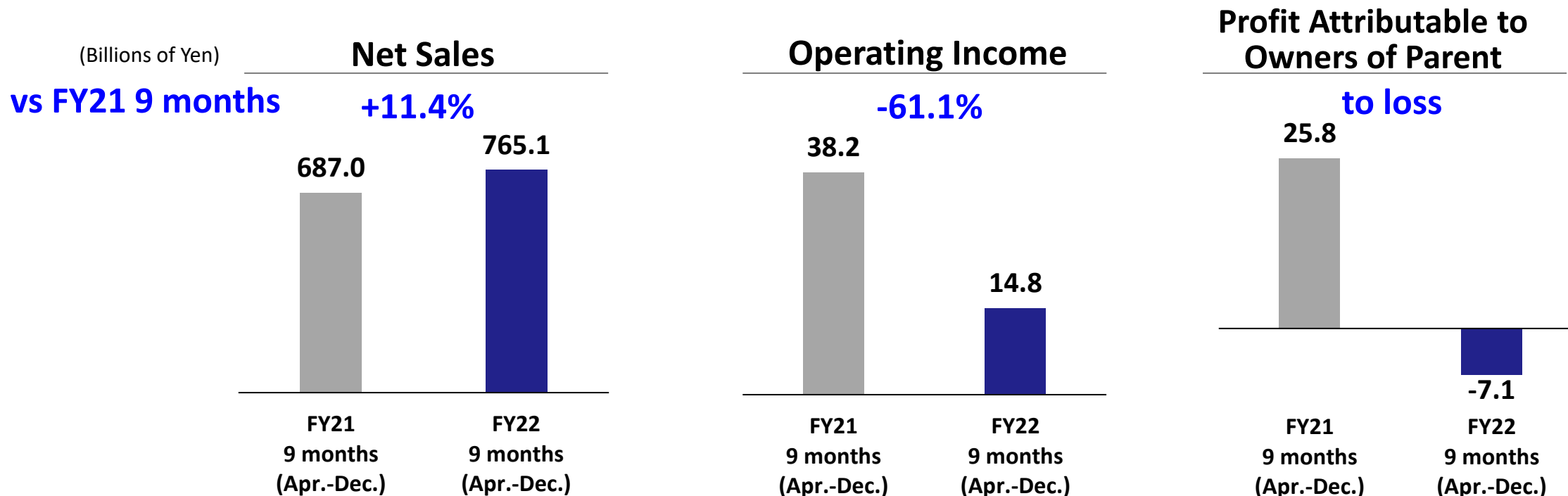
This material is based on the consolidated results for FY2022 3Q announced at 11:00 A.M. on February 8, 2023 (local time in Japan).

◆ FY2022 3Q actual highlights [Compared with FY2021 9 months]

[Net sales] Consolidated net sales increased by 11.4% year on year mainly due to an increase in the sales volume of products for automotive and aircraft applications against a backdrop of continuously strong demand in the Materials Business Field, selling price revisions made in response to the rises in raw material and fuel prices, and favorable foreign exchange rates

[Operating income] The operating income of the Materials Business Field fell into negative territory, primarily due to a decline in productivity in the United States caused by an equipment breakdown at a plant, a decrease in both productivity and production volume in Europe caused by the labor shortage and a plant fire, respectively, lockdowns in China and the slowing of the Chinese economy, and rises in material and fuel prices and logistics costs. The Healthcare Business Field also experienced a year-on-year decrease in operating income mainly due to the market entry of generic alternatives to *FEBURIC* and drug price revisions. Consolidated operating income decreased by 61.1%

[Profit attributable to owners of parent] A loss attributable to owners of parent of 7.1 billion yen was recorded due to impairment losses recorded in the composites business and a rise in the tax burden rate triggered by increased deficits at overseas subsidiaries, in addition to the decline in operating income



◆ Operating results [Compared with FY2021 9 months (Apr.-Dec.)]

| | (Billions of Yen) | | | |
|--|-------------------------|-------------------------|------------|----------|
| | FY21 | FY22 | Difference | % Change |
| | 9 months (Apr.-Dec.) | 9 months (Apr.-Dec.) | | |
| Net Sales | 687.0 | 765.1 | +78.1 | +11.4% |
| Operating Income | 38.2 | 14.8 | -23.3 | -61.1% |
| Non-operating Items (Net) | 3.2 | 2.6 | -0.5 | -16.8% |
| Ordinary Income | 41.3 | 17.5 | -23.9 | -57.8% |
| Extraordinary Items (Net) | 2.2 | (8.3) | -10.5 | - |
| Income Before Income Taxes | 43.5 | 9.1 | -34.4 | -79.0% |
| Profit Attributable to Owners of Parent | 25.8 | (7.1) | -32.9 | - |
| ROE ^{*1} | 8.2% | (2.2%) | -10.4% | - |
| ROIC ^{*2} | 6.4% ^{*3} | 2.4% | -4.0% | - |
| EBITDA ^{*4} | 89.3 | 70.7 | -18.5 | -20.8% |

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) | | | |
|---|-------------------------|-------------------------|------------|----------|
| | FY21 | FY22 | Difference | % Change |
| | 9 months (Apr.-Dec.) | 9 months (Apr.-Dec.) | | |
| CAPEX ^{*5} (CAPEX after adjustment※) | 181.0 | 42.9 | -138.1 | -76.3% |
| Depreciation & Amortization | 51.1 | 55.9 | +4.8 | +9.4% |
| R&D Expenses | 22.3 | 23.4 | +1.1 | +5.0% |

※Excluding an increase in intangible assets (132.4 billion yen) due to the takeover of the sales rights for diabetes treatments and other related assets

◇ Exchange rate & Oil price

| | | FY21 | FY22 |
|--|----------|-------------------------|-------------------------|
| | | 9 months (Apr.-Dec.) | 9 months (Apr.-Dec.) |
| PL exchange rate | Yen/US\$ | 111 | 137 |
| | Yen/Euro | 131 | 141 |
| An average Dubai crude oil price (US\$/barrel) | | 72 | 96 |
| An average Europe natural gas price (Euro/MWh) | | 56 | 136 |

*4 EBITDA = Operating income + Depreciation & amortization

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

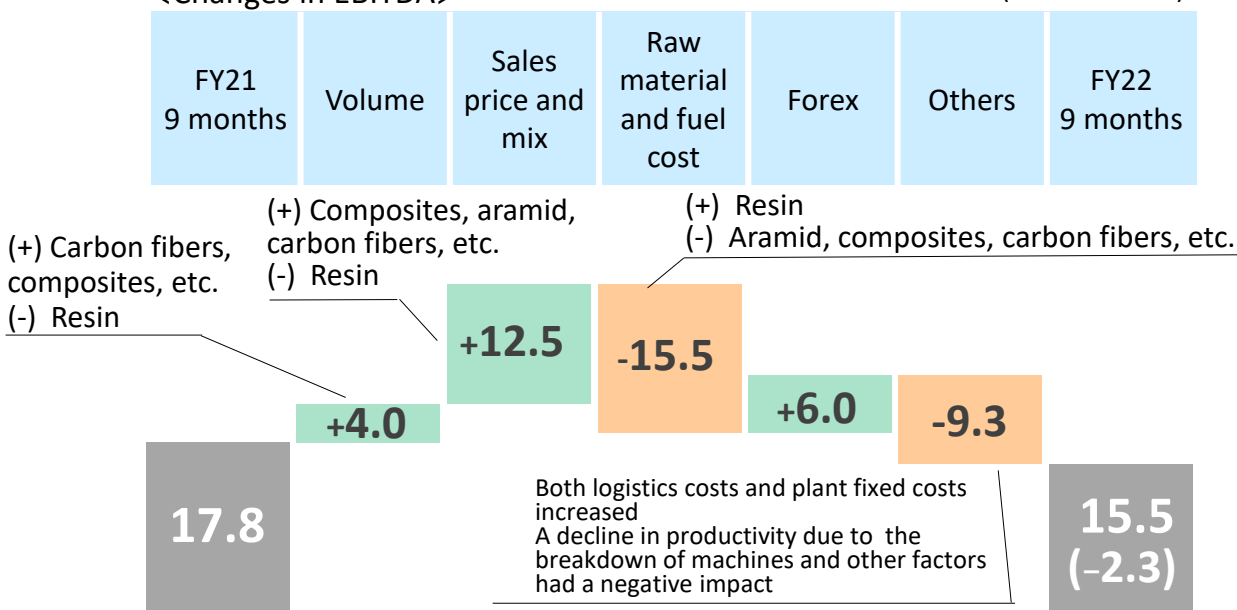
◆ Materials Segment [Compared with FY2021 9 months]

(Billions of Yen)

| | FY21 9 months (Apr.-Dec.) | FY22 9 months (Apr.-Dec.) | Difference | % change |
|--------------------------------|---------------------------------|---------------------------------|------------|-------------|
| Net sales | 284.5 | 346.5 | +61.9 | +21.8% |
| EBITDA | 17.8 | 15.5 | -2.3 | -12.8% |
| Depreciation & Amortization | 22.6 | 27.5 | +4.9 | +21.7% |
| Operating income | (4.8) | (12.0) | -7.2 | - |
| ROIC | (2%) | (4%) | -2% | - |

<Changes in EBITDA>

(Billions of Yen)



- Aramid (Both net sales and operating income increased)**
 - Sales volume decreased due to a decline in productivity caused mainly by the labor shortage and the limited supply of key consumables from suppliers, and decreased production volume caused primarily by the suspension of operations of production lines after a fire at the raw material plant
 - Accelerated efforts were made to revise selling prices in response to the significant impact of the increased natural gas price on costs
 - Favorable foreign exchange rates contributed to earnings
- Resin (Both net sales and operating income decreased)**
 - Lockdowns in China and the subsequent slowdown of the Chinese economy lowered the plant operating rate, resulting in a decline in sales volume
- Carbon fibers (Both net sales and operating income increased)**
 - Demand for products for most applications remained firm
 - The sales volume of products for aircraft applications grew, helping improve the sales mix
 - Selling prices were revised in response to a rise in the price of AN, a major raw material for the segment
- Composites (Net sales increased but operating income decreased)**
 - Sales volume increased mainly due to a gradual reduction in the impact of the suspension of OEM production caused primarily by the shortage of parts and materials, including semiconductors, and ramping up sales for a new large-scale program
 - In response to the continuing rise in raw material prices, negotiations for selling price revisions were conducted
 - Productivity remained low due to tight labor markets and the resulting labor shortage
 - The breakdown of machines caused a decline in productivity and additional costs
- Battery Materials (Both net sales and operating income increased)**
 - Demand for separators for smartphones was strong, and the sales volume increased

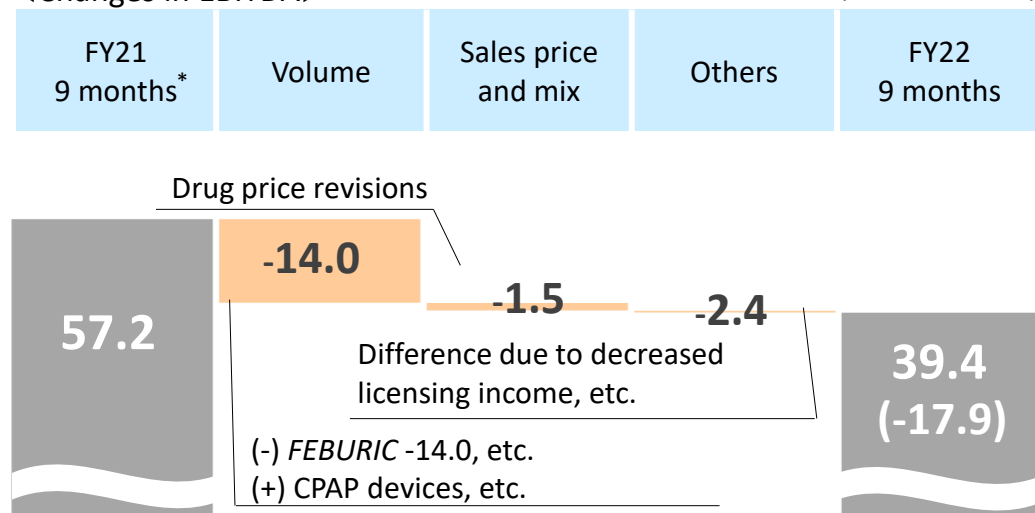
◆ Healthcare Segment [Compared with FY2021 9 months]

(Billions of Yen)

| | FY21 9 months* (Apr.-Dec.) | FY22 9 months (Apr.-Dec.) | Difference | % change |
|--------------------------------|----------------------------------|---------------------------------|------------|-------------|
| Net sales | 133.6 | 115.3 | -18.3 | -13.7% |
| EBITDA | 57.2 | 39.4 | -17.9 | -31.2% |
| Depreciation & Amortization | 19.7 | 19.6 | -0.1 | -0.6% |
| Operating income | 37.6 | 19.8 | -17.7 | -47.2% |
| ROIC | 24% | 14% | -9% | - |

<Changes in EBITDA>

(Billions of Yen)



* From FY2022, the orthopedic implantable devices business, which was formerly part of the Healthcare segment, is part of "Others" segment. Therefore, the figures for FY2021 are those recalculated in accordance with the new segment categorization for comparison purposes

■ Pharmaceuticals

- The sales volume of *FEBURIC**¹ declined due to the market entry of generic alternatives in June 2022
- Sales of the diabetes treatments remained firm
- Sales of *Somatuline**² and *Xeomin**³ grew steadily
- Income was affected by drug price revisions and the absence of licensing income recorded for FY2021 3Q
- In January 2023, *OSTABALO 1.5 mg*, a treatment for osteoporosis, was launched on the market

■ Home healthcare

- HOT: Despite a continued shift to home healthcare caused by restrictions on hospitalization, the pandemic-triggered increase in the number of newly introduced oxygen concentrators slowed down, resulting in the number of rented oxygen concentrators staying at the FY2021 level
- CPAP: The number of rented CPAP devices continued to grow despite the slowing recovery of the number of examinations mainly due to the eighth COVID-19 wave

*1 Gout and hyperuricemia treatment drug

*2 Acromegaly and pituitary gigantism, thyroid-stimulating hormonesecreting pituitary adenoma, and gastroenteropancreatic neuroendocrine tumours treatment drug
Somatuline® is the registered trademark of Ipsen Pharma, France

*3 Upper limb spasm and lower limb spasm treatment drug
Xeomin® is the registered trademark of Merz Pharma GmbH & Co. KGaA, Germany

◆ Fibers & Products Converting Segment [Compared with FY2021 9 months]

(Billions of Yen)

| | FY21 9 months (Apr.-Dec.) | FY22 9 months (Apr.-Dec.) | Difference | % change |
|--------------------------------|---------------------------------|---------------------------------|------------|-------------|
| Net sales | 206.9 | 240.5 | +33.6 | +16.3% |
| EBITDA | 9.3 | 13.3 | +4.0 | +43.6% |
| Depreciation & Amortization | 4.8 | 5.1 | +0.4 | +8.2% |
| Operating income | 4.5 | 8.2 | +3.7 | +80.7% |
| ROIC | 5% | 8% | +3% | - |

◆ IT Segment [Compared with FY2021 9 months]

(Billions of Yen)

| | FY21 9 months (Apr.-Dec.) | FY22 9 months (Apr.-Dec.) | Difference | % change |
|--------------------------------|---------------------------------|---------------------------------|------------|-------------|
| Net sales | 39.9 | 41.6 | +1.7 | +4.3% |
| EBITDA | 7.7 | 5.9 | -1.8 | -23.2% |
| Depreciation & Amortization | 0.9 | 0.5 | -0.4 | -41.1% |
| Operating income | 6.8 | 5.4 | -1.4 | -20.8% |
| ROIC | 58% | 47% | -11% | - |

■ Fibers & Products Converting Segment (Both net sales and operating income increased)

- Industrial materials: Sales of polyester staple fibers for water treatment filters, automotive parts, and artificial leathers remain strong
- Fiber materials and apparel: Sales of textile and apparel products for European, US and Chinese markets has remained strong
- Conducting the raise of selling prices for fiber materials and textiles although the business results were affected by the sharp rise in raw material and fuel prices and logistics costs and an increase in purchase costs due to the depreciation of the yen

■ IT Segment (Both net sales and operating income increased)

- In the Internet business field, enhanced advertising and promotion efforts were continuously devoted to e-comics services, resulting in good sales
- In the business solution field, performance remained strong in B2B services, but healthcare services were affected by the COVID-19 pandemic

■ Others: Engineering business, orthopedic implantable devices business, regenerative medicine business, and others

- The orthopedic implantable device business, for which the main products include artificial joints and absorbable osteosynthesis materials, achieved an increase in operating income as a result of its acquisition of the spine and trauma business from KiSCO Co., Ltd. in February 2022, as well as strong sales of artificial joints
- Japan Tissue Engineering Co., Ltd. ("J-TEC"), regenerative medicine business, achieved an increase in sales of the autologous cultured cartilage *JACC* and the autologous cultured oral mucosal epithelium *OCURAL*, but experienced a decline in sales of the autologous cultured epidermis *JACE*, resulting in a decrease in net sales and operating income

◆ Non-operating items [Compared with FY2021 9 months]

| | (Billions of Yen) | | |
|--------------------------------------|---------------------------------|---------------------------------|-------------|
| | FY21 9 months (Apr.-Dec.) | FY22 9 months (Apr.-Dec.) | Difference |
| Interest income | 0.3 | 0.8 | +0.5 |
| Dividends income | 1.0 | 1.1 | +0.1 |
| Equity in earnings of affiliates | 4.3 | 3.9 | -0.5 |
| Gain on valuation of derivatives | 2.5 | 7.6 | +5.0 |
| Others | 0.8 | 0.7 | -0.2 |
| Non-operating income, total | 9.0 | 14.0 | +5.0 |
| Interest expenses | 2.4 | 5.5 | +3.1 |
| Foreign exchange losses | 1.4 | 4.9 | +3.5 |
| Loss on valuation of derivatives | 0.4 | 0.0 | -0.4 |
| Others | 1.7 | 1.0 | -0.8 |
| Non-operating expenses, total | 5.9 | 11.4 | +5.5 |
| Non-operating items, total | 3.2 | 2.6 | -0.5 |

◆ Extraordinary items [Compared with FY2021 9 months]

| | (Billions of Yen) | | |
|---|---------------------------------|---------------------------------|--------------|
| | FY21 9 months (Apr.-Dec.) | FY22 9 months (Apr.-Dec.) | Difference |
| Gain on sales of noncurrent assets | 0.1 | 5.1 | +5.0 |
| Gain on sales of investment securities | 5.3 | 5.4 | +0.1 |
| Others | 0.2 | 0.2 | +0.0 |
| Extraordinary income, total | 5.6 | 10.7 | +5.1 |
| Loss on sales and retirement of noncurrent assets | 1.3 | 1.0 | -0.3 |
| Loss on valuation of investment securities | - | 1.5 | +1.5 |
| Impairment loss | 1.9 | 15.9 [*] | +14.0 |
| Others | 0.2 | 0.7 | +0.4 |
| Extraordinary loss, total | 3.4 | 19.0 | +15.6 |
| Extraordinary items, total | 2.2 | (8.3) | -10.5 |

* Including an impairment loss of 15.4 billion yen on the goodwill of TAT-US

◆ Financial position [Compared with the end of FY2021]

| | (Billions of Yen) | | | (Impact of foreign exchange rate) |
|--|-------------------|---------------|------------|-----------------------------------|
| | Mar. 31, 2022 | Dec. 31, 2022 | Difference | |
| Total assets | 1,207.6 | 1,239.0 | +31.4 | +21.9 |
| Liabilities | 742.8 | 786.3 | +43.5 | +13.9 |
| [Interest-bearing debt] | 485.2 | 523.6 | +38.5 | +10.9 |
| Net assets | 464.8 | 452.7 | -12.1 | +8.0 |
| D/E ratio ^{*1} | 1.10 | 1.23 | +0.12 | - |
| D/E ratio (capital adjustment) ^{*2} | 0.97 | 1.08 | +0.11 | - |

◇ Changes in total assets

| | (Billions of Yen) | | |
|---------------------------------|-------------------|---------------|------------|
| | Mar. 31, 2022 | Dec. 31, 2022 | Difference |
| Cash and deposits | 134.5 | 148.9 | +14.4 |
| Trade receivables ^{*4} | 196.8 | 182.8 | -14.0 |
| Inventory assets | 164.6 | 202.1 | +37.5 |
| Tangible and intangible assets | 506.3 | 494.9 | -11.3 |
| Investment securities | 85.0 | 84.4 | -0.6 |
| Others | 120.4 | 125.8 | +5.4 |
| Total assets | 1,207.6 | 1,239.0 | +31.4 |

◆ Cash flows [Compared with FY2021 9 months]

| | (Billions of Yen) | | |
|--|---------------------------|---------------------------|------------|
| | FY21 9 months (Apr.-Dec.) | FY22 9 months (Apr.-Dec.) | Difference |
| Operating activities | 63.8 | 43.8 | -20.0 |
| Investing activities | (179.8) ^{*3} | (39.9) | +139.8 |
| Free cash flow | (116.0) | 3.8 | +119.8 |
| Financing activities | 76.2 | 10.6 | -65.6 |
| Net inc/dec in Cash & cash equivalents | (39.8) | 14.4 | +54.2 |

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

◇ BS exchange rate

| | Mar. 31, 2022 | Dec. 31, 2022 |
|----------|---------------|---------------|
| Yen/US\$ | 122 | 133 |
| Yen/Euro | 137 | 141 |

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

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

*3 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

*4 Including contract assets

2. Outlook for FY2022

◆ Outlook highlights [Compared with FY2021 and FY2022 Previous Outlook*]

[Year on year]

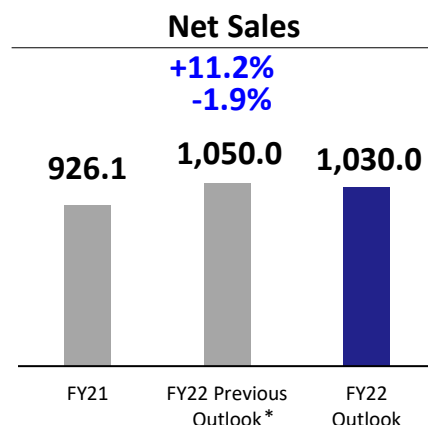
- Net sales is forecast to increase mainly due to the enhancement of production capacity against the backdrop of strong demand in the Materials Business Field, a sales volume increase as a result of the operation of new plants, selling price revisions made in response to rises in raw material and fuel prices, and favorable foreign exchange rates
- Operating income is forecast to decrease mainly due to unfavorable factors in the Materials Business Field—a decline in productivity in the United States caused by an equipment breakdown, a decrease in both production volume and productivity in Europe caused by a plant fire and the labor shortage, respectively, and a rise in the natural gas price in Europe and a sales volume decline caused by the market entry of generic alternatives to *FEBURIC*, a key pharmaceutical product in the Healthcare Business Field
- A loss attributable to owners of parent is forecast due to impairment losses recorded in the composites business and a rise in the tax burden rate triggered by increased deficits at overseas subsidiaries, in addition to the decline in operating income

[Compared with the previous outlook*]

- Net sales are forecast to be slightly lower than the previously announced forecast value mainly due to reduced sales volume caused by decreased production volume after a plant fire at a European base in the Materials Business Field
- Operating income is forecast to be even lower than the previously announced forecast value mainly due to unfavorable factors in the Materials Business Field, including a decrease in the production volume of a European base caused by a plant fire delayed operation resumption after recovery from an equipment breakdown at a U.S. plant
- A loss attributable to owners of parent is forecast due to impairment losses recorded in the composites business and a rise in the tax burden rate triggered by increased deficits at overseas subsidiaries, in addition to the decline in operating income

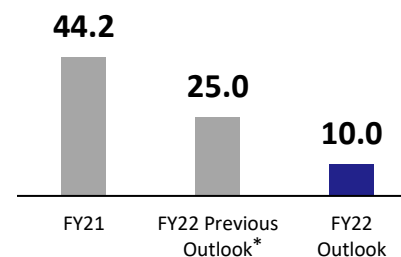
(Billions of Yen)

vs FY2021
vs FY2022
Previous Outlook*



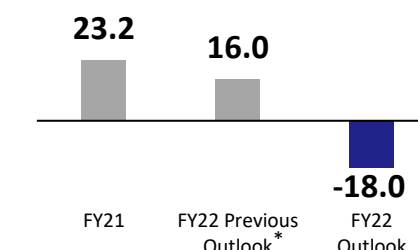
Operating Income

-77.4%
-60.0%



Profit Attributable to Owners of Parent

to loss



Assumptions

| | | FY22 | | |
|--|----------|------|-------------------|--------------|
| | | FY21 | Previous Outlook* | FY22 Outlook |
| Full-term average exchange rate | Yen/US\$ | 112 | 137 | 135 |
| | Yen/Euro | 131 | 139 | 140 |
| An average Dubai crude oil price (US\$/barrel) | | 78 | 97 | 90 |
| An average Europe natural gas price (Euro/MWh) | | 69 | 166 | 118 |

Dividend forecast for FY2022 : No changes from previous outlook*
Interim 27.5 yen/share(Decided) Year-end 12.5 yen/share Annual 40 yen/share
(FY2021: Interim 27.5 yen/share Year-end 27.5 yen/share Annual 55 yen/share)

◆ Summary of outlook for FY2022 highlights [Compared with FY2021 and FY2022 Previous Outlook*¹]

(Billions of Yen)

| | FY21 | FY22 Outlook | Difference | % Change | FY22 Previous Outlook* ¹ | Difference | % Change |
|--|-----------------------|--------------|------------|----------|-------------------------------------|------------|----------|
| Net sales | 926.1 | 1,030.0 | +103.9 | +11.2% | 1,050.0 | -20.0 | -1.9% |
| Operating income | 44.2 | 10.0 | -34.2 | -77.4% | 25.0 | -15.0 | -60.0% |
| Ordinary income | 49.7 | 12.0 | -37.7 | -75.9% | 29.0 | -17.0 | -58.6% |
| Profit attributable to owners of parent | 23.2 | (18.0) | -41.2 | - | 16.0 | -34.0 | - |
| ROE* ² | 5.5% | (4%) | -10% | | 4% | -8% | |
| ROIC* ³ | 5.5%* ⁸ | 1% | -5% | | 3% | -2% | |
| EBITDA* ⁴ | 113.0 | 85.0 | -28.0 | | 100.0 | -15.0 | |
| Free cash flow | (108.7)* ⁹ | 15.0 | +123.7 | | 15.0 | 0.0 | |
| CAPEX* ⁵ | 200.8* ⁹ | 60.0 | -140.8 | | 70.0 | -10.0 | |
| Depreciation & Amortization | 68.8 | 75.0 | +6.2 | | 75.0 | 0.0 | |
| R&D Expenses | 33.3 | 34.0 | +0.7 | | 34.0 | 0.0 | |
| D/E ratio* ⁶ | 1.10 | 1.2 | +0.1 | | 1.1 | +0.1 | |
| D/E ratio (capital adjustment)* ⁷ | 0.97 | 1.1 | +0.1 | | 1.0 | +0.1 | |

*1 Announced on November 7, 2022

2 ROE= Profit attributable to owners of parent / Average total shareholders' equity

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 EBITDA = Operating income + Depreciation & amortization

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

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

*7 D/E ratio taking into account the equity credit of the subordinated bonds

(The Company issued subordinated bonds of 60.0 billion yen on July 21, 2021.)

*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 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 FY2021 and FY2022 Previous Outlook*1]











(Billions of Yen)

| | FY21*2 | FY22 Outlook | Difference | % Change | FY22 Previous Outlook*1 | Difference |
|------------------------------|--------------|----------------|---------------|---------------|-------------------------|--------------|
| Net sales | | | | | | |
| Materials | 385.1 | 465.0 | +79.9 | +20.7% | 485.0 | -20.0 |
| Healthcare | 175.1 | 155.0 | -20.1 | -11.5% | 155.0 | 0.0 |
| Fibers & Products Converting | 282.5 | 320.0 | +37.5 | +13.3% | 320.0 | 0.0 |
| IT | 53.8 | 60.0 | +6.2 | +11.6% | 60.0 | 0.0 |
| Others | 29.6 | 30.0 | +0.4 | +1.3% | 30.0 | 0.0 |
| Total | 926.1 | 1,030.0 | +103.9 | +11.2% | 1,050.0 | -20.0 |

(Billions of Yen)

| | FY21*2 | FY22 Outlook | Difference | % Change | FY22 Previous Outlook*1 | Difference |
|------------------------------|-------------|--------------|--------------|---------------|-------------------------|--------------|
| Operating income (loss) | | | | | | |
| Materials | (5.7) | (23.0) | -17.3 | - | (8.5) | -14.5 |
| Healthcare | 43.3 | 23.5 | -19.8 | -45.7% | 23.5 | 0.0 |
| Fibers & Products Converting | 5.6 | 9.5 | +3.9 | +68.4% | 9.5 | 0.0 |
| IT | 9.7 | 9.0 | -0.7 | -7.2% | 10.0 | -1.0 |
| Others | (2.3) | (3.0) | -0.7 | - | (3.0) | 0.0 |
| Elimination and Corporate | (6.4) | (6.0) | +0.4 | - | (6.5) | +0.5 |
| Total | 44.2 | 10.0 | -34.2 | -77.4% | 25.0 | -15.0 |

Trends behind the operating income forecast

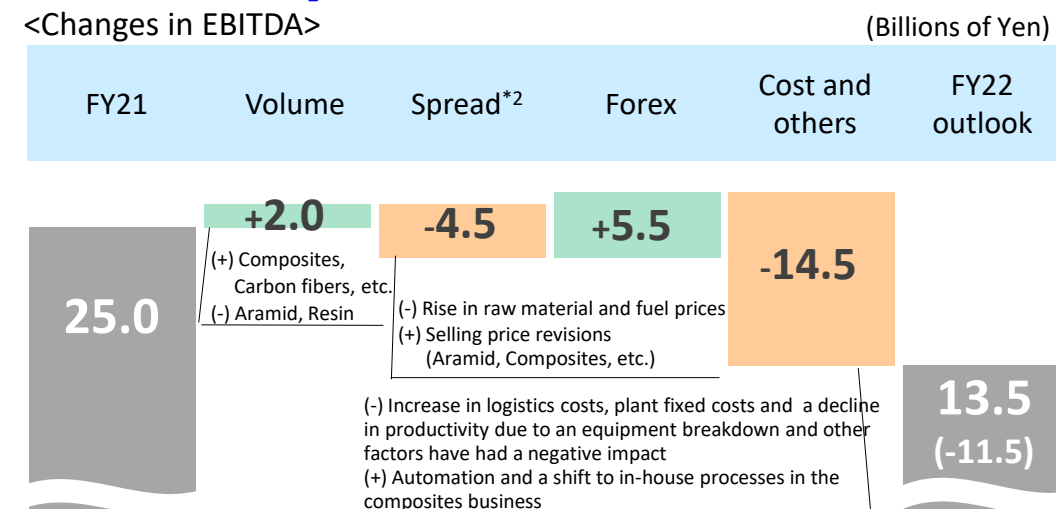
| | Compared with FY2021 | Compared with FY2022 Previous Outlook*1 |
|------------------------------|--|---|
| Consolidated |  <ul style="list-style-type: none"> Operating income will decrease |  <ul style="list-style-type: none"> The forecast for operating income has been revised downward |
| Materials |  <ul style="list-style-type: none"> An equipment breakdown at a U.S. base caused a decline in productivity In Europe, productivity has declined due to the labor shortage, and production volume has decreased due to a plant fire Operating income will be affected by a further rise in raw material and fuel prices |  <ul style="list-style-type: none"> Production volume has decreased due to a plant fire at a European base There has been a delay in productivity improvement due to delayed operation resumption after recovery from an equipment breakdown at a U.S. plant |
| Healthcare |  <ul style="list-style-type: none"> Operating income will be affected by a sales volume decrease due to the market entry of generic drugs as alternatives to <i>FEBURIC</i>, the segment's pharmaceutical product |  <ul style="list-style-type: none"> No change from the previous outlook |
| Fibers & Products Converting |  <ul style="list-style-type: none"> The sales volume of industrial materials for automotive applications, and textiles and apparel products, will increase due to a recovery from the impacts of the COVID-19 pandemic and overseas plant shutdowns |  <ul style="list-style-type: none"> No change from the previous outlook |
| IT |  <ul style="list-style-type: none"> Costs will increase due to the enhancement of marketing despite a sales increase and a decrease in the temporary cost of head office relocation |  <ul style="list-style-type: none"> Advertising costs have increased |

*1 Announced on November 7, 2022

*2 From FY2022, the orthopedic implantable devices business, which was formerly part of the Healthcare segment, is part of "Others" segment. Therefore, the figures for FY2021 are those recalculated in accordance with the new segment categorization for comparison purposes

◆ Materials Segment [Compared with FY2021 and FY2022 Previous Outlook*1]

| | FY21 | FY22Outlook | | | Difference | (Billions of Yen) | |
|-----------------------------|-------|-------------|--------|--------|------------|-------------------------------|------------|
| | | 1H | 2H | Total | | FY22 Previous Outlook*1 | Difference |
| Net sales | | | | | | | |
| High-performance materials | 273.5 | 151.1 | 138.9 | 290.0 | +16.5 | 310.0 | -20.0 |
| Composites | 111.6 | 81.4 | 93.6 | 175.0 | +63.4 | 175.0 | 0.0 |
| Total | 385.1 | 232.6 | 232.4 | 465.0 | +79.9 | 485.0 | -20.0 |
| EBITDA | 25.0 | 13.9 | (0.4) | 13.5 | -11.5 | 28.0 | -14.5 |
| Depreciation & Amortization | 30.7 | 18.3 | 18.2 | 36.5 | +5.8 | 36.5 | 0.0 |
| Operating income | (5.7) | (4.5) | (18.5) | (23.0) | -17.3 | (8.5) | -14.5 |
| ROIC | (2%) | (2%) | (10%) | (6%) | -4% | (2%) | -4% |



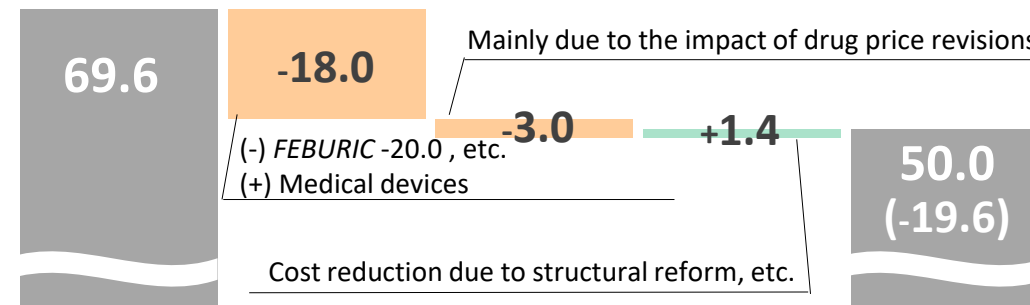
Trends behind the operating income forecast

| Subsegment | Compared with FY2021 | Compared with FY2022 Previous Outlook*1 |
|---------------|---|---|
| Aramid | <p>↓</p> <ul style="list-style-type: none"> Sales volume has decreased due to a decline in productivity caused mainly by a tight labor supply in Europe and the limited supply of key consumables from suppliers, and decreased production volume caused primarily by the suspension of operations of some production lines after a fire at a raw-material plant Impact of large-scale periodic maintenance and its extension along with power outage at raw material plant have eliminated Profitability will worsen due to further rises in material and fuel prices, although those increases will be revised selling prices | <p>↓</p> <ul style="list-style-type: none"> Sales volume has decreased due to the suspension of operations of some production lines after a fire at a raw-material plant Natural gas price has been lower than expected |
| Resin | <p>↓</p> <ul style="list-style-type: none"> Operating income had been affected by the gap in carry-over stock at the beginning of FY2021, lockdowns in China and the country's subsequent economic slowdown, and the rise in logistics costs | <p>↓</p> <ul style="list-style-type: none"> The slowing of the Chinese economy after repeated lockdowns has had a greater impact than expected |
| Carbon fibers | <p>↑</p> <ul style="list-style-type: none"> Sales volume will increase due to a strong recovery in aircraft demand Sales volume will increase due to the start of operation of the new plant in the US | <p>↑</p> <ul style="list-style-type: none"> Material and fuel prices have been lower than expected |
| Composites | <p>↓</p> <ul style="list-style-type: none"> Operating income will be affected by production inefficiency and additional costs that were caused by the breakdown of machines at a US plant Productivity has remained at a low level due to the tight labor market and the resulting labor shortage in the United States Sales volume will increase due to the new large-scale programs, and demand from OEMs will increase due to the alleviation of the semiconductor shortage In response to the continuing rises in material prices, negotiations for selling price revisions have been concluded with multiple OEMs. | <p>↓</p> <ul style="list-style-type: none"> There has been a delay in productivity improvement due to delayed operation resumption after recovery from an equipment breakdown at a U.S. plant Sales volume in some programs has decreased due to a supply shortage of OEM parts |

*1 Announced on November 7, 2022 *2 Sales price and mix + raw material and fuel cost

◆ Healthcare Segment [Compared with FY2021 and FY2022 Previous Outlook*¹]

| | FY21* ² | FY22Outlook | | | Difference | (Billions of Yen) | | <Changes in EBITDA> | | | | (Billions of Yen) |
|-----------------------------|--------------------|-------------|------|-------|------------|---|------------|---------------------|--------|------------------------|--------|-------------------|
| | | 1H | 2H | Total | | FY22 Previous Outlook* ¹ | Difference | FY21* ² | Volume | Sales price and mix | Others | |
| Net sales | 175.1 | 78.7 | 76.3 | 155.0 | -20.1 | 155.0 | 0.0 | 69.6 | -18.0 | -3.0 | +1.4 | 50.0 |
| EBITDA | 69.6 | 27.7 | 22.3 | 50.0 | -19.6 | 50.0 | 0.0 | | | | | (-19.6) |
| Depreciation & Amortization | 26.3 | 13.0 | 13.5 | 26.5 | +0.2 | 26.5 | 0.0 | | | | | |
| Operating income | 43.3 | 14.7 | 8.8 | 23.5 | -19.8 | 23.5 | 0.0 | | | | | |
| ROIC | 21% | 16% | 10% | 12% | -9% | 12% | 0% | | | | | |



Trends behind the operating income forecast

| Subsegment | Compared with FY2021 | Compared with FY2022 Previous Outlook* ¹ |
|------------------------------------|---|---|
| Pharmaceuticals Home healthcare | <ul style="list-style-type: none"> Operating income will be affected by a sales volume decrease of <i>FEBURIC</i>, the pharmaceutical product, due to the market entry of generic drugs, and drug price revisions Sales volume and the number of rented medical devices will increase Integration between the pharmaceuticals field and the home healthcare field will be promoted | <ul style="list-style-type: none"> No change from the previous outlook |
| New healthcare | <ul style="list-style-type: none"> Sustained efforts will be made to establish a foundation for the comprehensive community-based healthcare business Expanding the product lineup of functional foods | <ul style="list-style-type: none"> No change from the previous outlook |

*1 Announced on November 7, 2022

*2 From FY2022, the orthopedic implantable devices business, which was formerly part of the Healthcare segment, is part of "Others" segment. Therefore, the figures for FY2021 are those recalculated in accordance with the new segment categorization for comparison purposes

Financial soundness and shareholder return policy

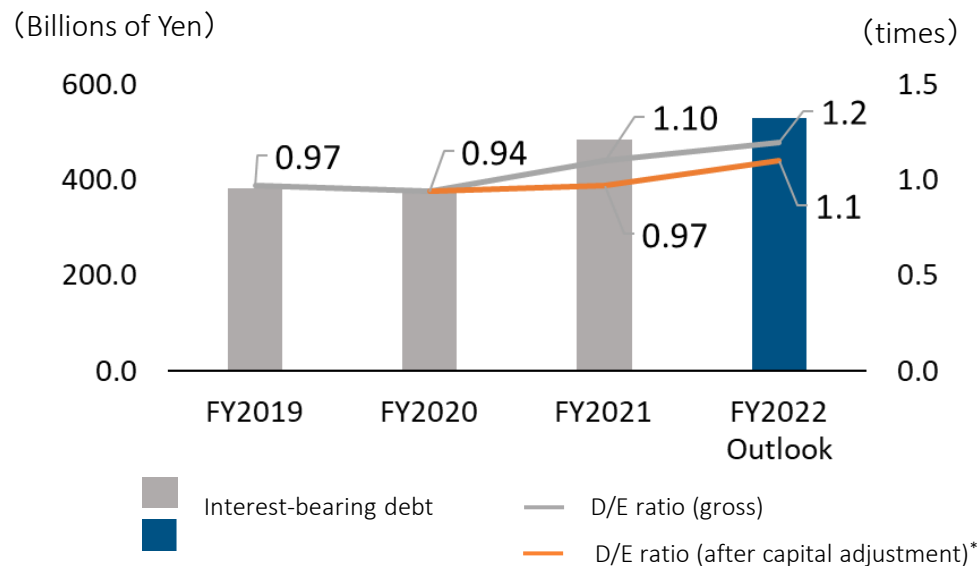
Financial soundness

- Teijin’s financial position has deteriorated due to increased liabilities caused by its takeover of the sales rights for diabetes treatments from Takeda Pharmaceutical Co., Ltd. in April 2021 and a deterioration in business performance. At the end of FY2022, it is expected to slightly exceed a debt-to-equity ratio of 0.9 (after capital adjustment), which is positioned as a target in the medium-term plan

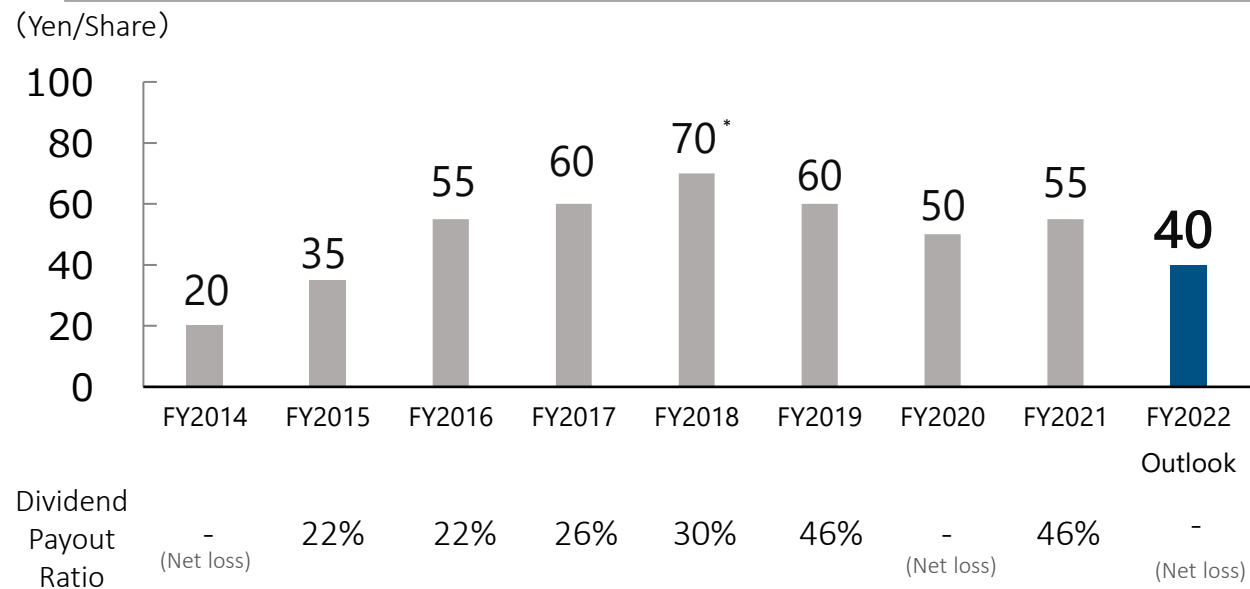
Shareholder return policy

- We will not change the dividend policy of "stable and continuous dividends" and "which target payout ratio is 30% over the medium term"
- Regarding the annual dividend, we maintain the previous forecast of 40 yen per share, with an interim dividend of 27.5 yen and a year-end forecast of 12.5 yen (The annual dividend is expected to decrease by 15 yen compared to the previous fiscal year)

Trend of interest-bearing debt and D/E ratio



Trend of dividend per share



* D/E ratio with adjusted capitalization of subordinated bond (60.0 billion yen subordinated bond was issued on July 21, 2021)

* Incl. the commemorative dividend of 10 yen/share for the 100th anniversary of foundation

Note) Consolidated five ordinary shares into one share on Oct 1, 2016. Dividends are converted based on the effect of the share consolidation

Summary of the fire occurring at Teijin Aramid's raw material plant in the Netherland

- Fire occurred at a raw-material plant of Teijin Aramid B.V., a Dutch-based Teijin Group company engaged in the aramid business
- Place : Teijin Aramid B.V. raw-material plant (The Netherlands)
- Date of occurrence : On the evening of December 3, 2022 (CET) , fire extinguished within 1 hour
- Cause of the fire : It has been revealed that a leak of raw material from the equipment led to the fire.
- Damage : No human injury or environmental damage. Minor equipment damage only because of the limited area of the fire in the raw-material plant
- Current status of local operations
 - Raw-material production process: Currently suspended, but good prospect on resuming operation
 - Spinning process: Production continued at a reduced operational level, but expect to improve the production of final products from the beginning of March
- Impact on this fiscal year's financial results
 - Despite the book value and restoration costs of the fire-damaged equipment are not material, the resulting decrease in both sales volume and the equipment capacity utilization will seriously affect the financial results of the Materials Business Field

We take this fire very seriously and will do our best to prevent the recurrence of similar events and to enhance our safety management system

Factors that affect income statement regularly

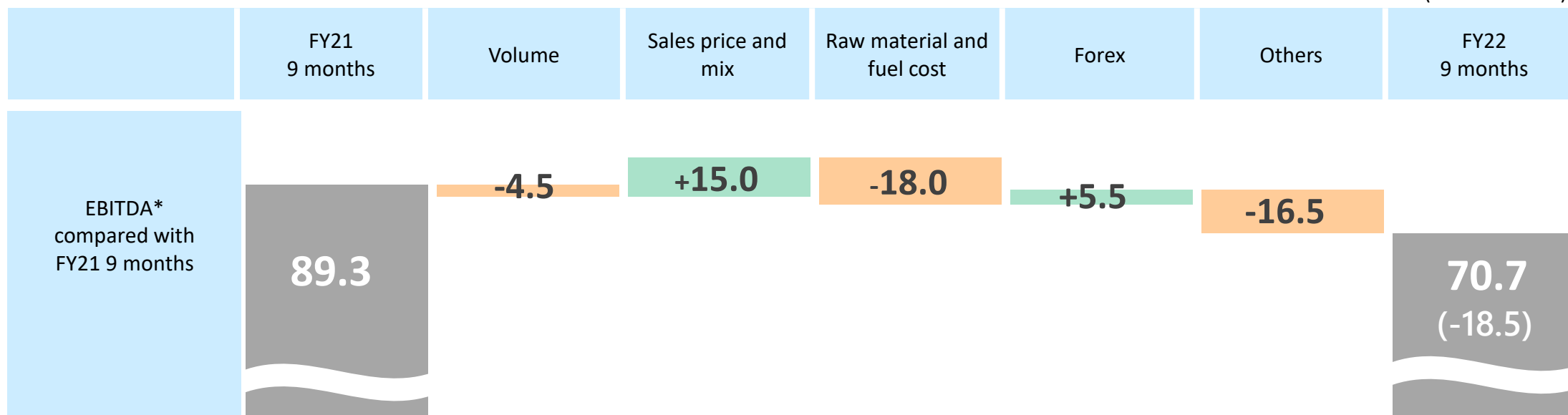
| Segment | Major factor |
|---------------------------------|---|
| Materials | <ul style="list-style-type: none">• Aramid: large-scale periodic maintenance performed every three years (The next maintenance of this kind is scheduled for FY2024 1Q)• Resin: periodic maintenance in 2Q & 3Q every year |
| Healthcare | <ul style="list-style-type: none">• Cost increase in 4Q |
| Fibers & Products Converting | <ul style="list-style-type: none">• Fiber materials and apparel: 3Q is a season for sales of autumn/winter closing, and 4Q for spring closing |
| IT | <ul style="list-style-type: none">• Delivery increase in 2Q and 4Q due to system acceptance period |

◆ Changes in EBITDA* (consolidated total) [Compared with FY2021 9 months]

(Billions of Yen)

| | FY21 9 months (Apr.-Dec.) | FY22 9 months (Apr.-Dec.) | Difference | % change |
|--------------------------------|---------------------------------|---------------------------------|------------|-------------|
| Net sales | 687.0 | 765.1 | +78.1 | +11.4% |
| EBITDA* | 89.3 | 70.7 | -18.5 | -20.8% |
| Depreciation & Amortization | 51.1 | 55.9 | +4.8 | +9.4% |
| Operating income | 38.2 | 14.8 | -23.3 | -61.1% |
| ROIC | 6.4% | 2.4% | -4.0% | - |

(Billions of Yen)



* EBITDA = Operating income + Depreciation & amortization

◆ Changes in net sales and operating income by segment [Compared with FY2021 3Q and FY2022 2Q]

(Billions of Yen)

| | FY21* | | | | | FY22 | | | Difference 22/3Q -21/3Q | Difference 22/3Q -22/2Q |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|--------------|-----------------|-----------------|-----------------|-------------------------------|-------------------------------|
| | 1Q Apr.-Jun. | 2Q Jul.-Sep. | 3Q Oct.-Dec. | 4Q Jan.-Mar. | Total | 1Q Apr.-Jun. | 2Q Jul.-Sep. | 3Q Oct.-Dec. | | |
| Net sales | | | | | | | | | | |
| High-performance materials | 69.3 | 70.3 | 66.3 | 67.5 | 273.5 | 69.9 | 81.2 | 72.3 | +5.9 | -8.9 |
| Composites | 26.4 | 24.8 | 27.4 | 33.0 | 111.6 | 37.5 | 44.0 | 41.6 | +14.3 | -2.3 |
| Materials Total | 95.8 | 95.0 | 93.7 | 100.6 | 385.1 | 107.4 | 125.2 | 113.9 | +20.2 | -11.3 |
| Healthcare | 44.0 | 43.0 | 46.6 | 41.5 | 175.1 | 43.6 | 35.1 | 36.5 | -10.1 | +1.4 |
| Fibers & Products Converting | 65.5 | 68.0 | 73.4 | 75.6 | 282.5 | 73.6 | 84.8 | 82.1 | +8.7 | -2.7 |
| IT | 13.5 | 13.7 | 12.6 | 13.9 | 53.8 | 12.9 | 14.4 | 14.3 | +1.8 | -0.0 |
| Others | 7.1 | 7.7 | 7.3 | 7.5 | 29.6 | 6.3 | 7.2 | 7.8 | +0.4 | +0.6 |
| Total | 225.9 | 227.5 | 233.6 | 239.0 | 926.1 | 243.8 | 266.6 | 254.6 | +21.0 | -12.0 |
| Operating income (loss) | | | | | | | | | | |
| Materials | 2.1 | 1.2 | (8.1) | (0.9) | (5.7) | (0.7) | (3.7) | (7.5) | +0.5 | -3.8 |
| Healthcare | 13.3 | 10.9 | 13.4 | 5.7 | 43.3 | 10.8 | 3.9 | 5.2 | -8.2 | +1.3 |
| Fibers & Products Converting | 2.0 | 1.6 | 0.9 | 1.1 | 5.6 | 1.9 | 3.4 | 2.9 | +1.9 | -0.5 |
| IT | 2.1 | 2.7 | 2.1 | 2.9 | 9.7 | 1.5 | 2.0 | 1.9 | -0.1 | -0.0 |
| Others | (0.4) | (0.7) | (0.2) | (0.9) | (2.3) | (1.1) | (0.8) | (0.4) | -0.1 | +0.4 |
| Elimination and Corporate | (1.9) | (1.3) | (1.4) | (1.9) | (6.4) | (1.5) | (1.2) | (1.5) | -0.2 | -0.3 |
| Total | 17.3 | 14.2 | 6.7 | 6.0 | 44.2 | 10.8 | 3.5 | 0.6 | -6.1 | -2.9 |

*From FY2022, the orthopedic implantable devices business, which was formerly part of the Healthcare segment, is part of "Others" segment. Therefore, the figures for FY2021 are those recalculated in accordance with the new segment categorization for comparison purposes

◆ Consolidated statements of income

| | (Billions of Yen) | | | | | | | |
|--|-------------------|--------------|--------------|--------------|--------------|--------------|---------------|--|
| | FY21 | | | | FY22 | | | |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | |
| | Apr.-Jun. | Jul.-Sep. | Oct.-Dec. | Jan.-Mar. | Apr.-Jun. | Jul.-Sep. | Oct.-Dec. | |
| Net Sales | 225.9 | 227.5 | 233.6 | 239.0 | 243.8 | 266.6 | 254.6 | |
| Cost of sales | 155.0 | 158.7 | 169.9 | 171.4 | 174.9 | 204.0 | 196.8 | |
| Gross profit | 70.9 | 68.8 | 63.8 | 67.6 | 68.9 | 62.6 | 57.8 | |
| SG&A | 53.6 | 54.6 | 57.1 | 61.6 | 58.1 | 59.2 | 57.2 | |
| Operating income | 17.3 | 14.2 | 6.7 | 6.0 | 10.8 | 3.5 | 0.6 | |
| Non-operating items, net | 1.2 | (0.0) | 2.0 | 2.3 | 3.5 | 2.2 | (3.1) | |
| (Balance of financial expenses) | (0.2) | (0.5) | (0.4) | (0.5) | (0.4) | (1.1) | (2.0) | |
| (Equity in earnings and losses of affiliates) | 1.5 | 1.4 | 1.4 | 1.2 | 1.2 | 1.3 | 1.3 | |
| Ordinary income | 18.4 | 14.2 | 8.7 | 8.4 | 14.3 | 5.7 | (2.5) | |
| Extraordinary items (net) | (1.9) | 3.4 | 0.8 | (7.8) | 0.2 | (0.4) | (8.1) | |
| Income before income taxes | 16.5 | 17.6 | 9.4 | 0.6 | 14.5 | 5.3 | (10.6) | |
| Income taxes | 6.1 | 5.1 | 4.5 | 2.4 | 6.7 | 4.3 | 3.9 | |
| Profit attributable to non-controlling interests | 0.7 | 0.7 | 0.7 | 0.8 | 0.5 | 0.7 | 0.0 | |
| Profit attributable to owners of parent | 9.8 | 11.8 | 4.3 | (2.7) | 7.3 | 0.3 | (14.6) | |

◆ Consolidated balance sheets

(Billions of Yen)

| | FY21 | | | | FY22 | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Jun. 30, 2021 | Sep. 30, 2021 | Dec. 31, 2021 | Mar. 31, 2022 | Jun. 30, 2022 | Sep. 30, 2022 | Dec. 31, 2022 |
| Total assets | | | | | | | |
| Current assets | 538.9 | 551.7 | 553.7 | 572.0 | 603.0 | 633.1 | 608.8 |
| Fixed assets | 646.1 | 617.1 | 622.0 | 635.6 | 662.3 | 672.0 | 630.2 |
| Total | 1,185.0 | 1,168.8 | 1,175.7 | 1,207.6 | 1,265.3 | 1,305.1 | 1,239.0 |
| Total liabilities and net assets | | | | | | | |
| Liabilities | 743.9 | 718.2 | 720.9 | 742.8 | 785.4 | 822.2 | 786.3 |
| [Interest-bearing debt] | 502.9 | 482.8 | 472.9 | 485.2 | 517.8 | 544.7 | 523.6 |
| Net assets | 441.1 | 450.6 | 454.8 | 464.8 | 479.9 | 482.9 | 452.7 |
| Total | 1,185.0 | 1,168.8 | 1,175.7 | 1,207.6 | 1,265.3 | 1,305.1 | 1,239.0 |

◆ Changes in net sales and operating income by segment [Compared with FY2021]

(Billions of Yen)

| | FY2021* | | | FY2022 Outlook | | | Difference | | |
|------------------------------|--------------|--------------|--------------|----------------|--------------|----------------|--------------|--------------|---------------|
| | 1H | 2H | Total | 1H | 2H | Total | 1H | 2H | Total |
| Net sales | | | | | | | | | |
| High-performance materials | 139.6 | 133.9 | 273.5 | 151.1 | 138.9 | 290.0 | +11.5 | +5.0 | +16.5 |
| Composites | 51.2 | 60.4 | 111.6 | 81.4 | 93.6 | 175.0 | +30.2 | +33.2 | +63.4 |
| Materials Total | 190.8 | 194.3 | 385.1 | 232.6 | 232.4 | 465.0 | +41.7 | +38.2 | +79.9 |
| Healthcare | 86.9 | 88.2 | 175.1 | 78.7 | 76.3 | 155.0 | -8.2 | -11.9 | -20.1 |
| Fibers & Products Converting | 133.5 | 148.9 | 282.5 | 158.4 | 161.6 | 320.0 | +24.9 | +12.6 | +37.5 |
| IT | 27.3 | 26.5 | 53.8 | 27.3 | 32.7 | 60.0 | -0.0 | +6.3 | +6.2 |
| Others | 14.8 | 14.8 | 29.6 | 13.5 | 16.5 | 30.0 | -1.3 | +1.7 | +0.4 |
| Total | 453.4 | 472.7 | 926.1 | 510.5 | 519.5 | 1,030.0 | +57.1 | +46.9 | +103.9 |
| Operating income (loss) | | | | | | | | | |
| Materials | 3.3 | (9.0) | (5.7) | (4.5) | (18.5) | (23.0) | -7.7 | -9.6 | -17.3 |
| Healthcare | 24.2 | 19.1 | 43.3 | 14.7 | 8.8 | 23.5 | -9.5 | -10.2 | -19.8 |
| Fibers & Products Converting | 3.6 | 2.1 | 5.6 | 5.3 | 4.2 | 9.5 | +1.7 | +2.2 | +3.9 |
| IT | 4.8 | 4.9 | 9.7 | 3.5 | 5.5 | 9.0 | -1.3 | +0.6 | -0.7 |
| Others | (1.2) | (1.1) | (2.3) | (1.9) | (1.1) | (3.0) | -0.8 | +0.1 | -0.7 |
| Elimination and Corporate | (3.2) | (3.2) | (6.4) | (2.8) | (3.2) | (6.0) | +0.4 | +0.0 | +0.4 |
| Total | 31.5 | 12.7 | 44.2 | 14.2 | (4.2) | 10.0 | -17.2 | -17.0 | -34.2 |

*From FY2022, the orthopedic implantable devices business, which was formerly part of the Healthcare segment, is part of "Others" segment. Therefore, the figures for FY2021 are those recalculated in accordance with the new segment categorization for comparison purposes

◆ Key financial indicators by segment [Compared with FY2021 and FY2022 Previous Outlook*¹]

| | | | | (Billions of Yen) | |
|------------------------------|--------------------------|--------------|--------------|-------------------------------------|--------------|
| | FY21 ^{*2} | FY22 Outlook | Difference | FY22 Previous Outlook ^{*1} | Difference |
| EBITDA^{*3} | | | | | |
| Materials | 25.0 | 13.5 | -11.5 | 28.0 | -14.5 |
| Healthcare | 69.6 | 50.0 | -19.6 | 50.0 | 0.0 |
| Fibers & Products Converting | 12.1 | 16.0 | +3.9 | 16.0 | 0.0 |
| IT | 10.8 | 10.0 | -0.8 | 11.0 | -1.0 |
| Others | 1.0 | 0.5 | -0.5 | 0.5 | 0.0 |
| Elimination and Corporate | (5.5) | (5.0) | +0.5 | (5.5) | +0.5 |
| Total | 113.0 | 85.0 | -28.0 | 100.0 | -15.0 |
| ROIC^{*4} | | | | | |
| Materials | (2%) | (6%) | -4% | (2%) | -4% |
| Healthcare | 21% ^{*5} | 12% | -9% | 12% | 0% |
| Fibers & Products Converting | 4% | 7% | +3% | 7% | 0% |
| IT | 61% | 52% | -9% | 58% | -6% |
| Total | 5.5%^{*5} | 1% | -5% | 3% | -2% |

*1 Announced on November 7, 2022

*2 From FY2022, the orthopedic implantable devices business, which was formerly part of the Healthcare segment, is part of "Others" segment.

Therefore, the figures for FY2021 are those recalculated in accordance with the new segment categorization for comparison purposes

*3 EBITDA = Operating income + Depreciation & amortization

4 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)

*5 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

◆ Historical financial indicators

| | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 |
|---|----------------------|-----------------|---------|---------|--------------------|---------|
| | Actual ^{*6} | Actual | Actual | Actual | Actual | Outlook |
| ROE ^{*1} | 12.5% | 11.2% | 6.3% | (1.7%) | 5.5% | (4%) |
| ROIC ^{*2} | 11.2% | 9.3% | 8.7% | 8.6% | 5.5% ^{*7} | 1% |
| EBITDA ^{*3} (Billions of Yen) | 115.5 | 107.6 | 107.2 | 106.8 | 113.0 | 85.0 |
| Earnings per share (Yen) | 231.3 | 232.4 | 131.6 | (34.7) | 120.6 | (93.6) |
| Dividends per share (Yen) | 60 | 70 [*] | 60 | 50 | 55 | 40 |
| [*] Including a commemorative dividend of 10 yen per share for our founding centennial | | | | | | |
| Total assets (Billions of Yen) | 982.0 | 1,020.7 | 1,004.2 | 1,041.1 | 1,207.6 | 1,230.0 |
| Interest-bearing debt (Billions of Yen) | 344.2 | 369.2 | 381.9 | 380.0 | 485.2 | 530.0 |
| D/E ratio ^{*4} | 0.88 | 0.90 | 0.97 | 0.94 | 1.10 | 1.2 |
| D/E ratio (capital adjustment) ^{*5} | - | - | - | - | 0.97 | 1.1 |
| Shareholders' equity ratio | 40.0% | 40.2% | 39.3% | 39.0% | 36.4% | 34% |

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

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

*6 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.

*7 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

◆ Sales of principal pharmaceuticals in Japan

(Billions of Yen)

| Product | Target disease | FY2021 | | | | | FY2022 | | |
|---|--|---------------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|
| | | 1Q Apr.- Jun. | 2Q Jul.- Sep. | 3Q Oct.- Dec. | 4Q Jan.- Mar. | Total | 1Q Apr.- Jun. | 2Q Jul.- Sep. | 3Q Oct.- Dec. |
| <i>FEBURIC</i> [®] | Gout and hyperuricemia | 9.6 | 9.7 | 10.6 | 8.9 | 38.8 | 8.7 | 1.7 | 2.3 |
| Total sales of four diabetes treatments | | 7.5 | 7.0 | 7.4 | 5.6 | 27.5 | 6.9 | 6.2 | 6.7 |
| <i>Nesina</i> [®] | Type 2 Diabetes | 3.6 | 3.3 | 3.5 | 2.7 | 13.1 | 3.4 | 3.1 | 3.3 |
| <i>Inisync</i> [®] | Type 2 Diabetes (combination drug) | 2.1 | 2.0 | 2.1 | 1.7 | 7.9 | 2.0 | 1.8 | 2.0 |
| <i>Liovel</i> [®] | Type 2 Diabetes (combination drug) | 1.2 | 1.0 | 1.1 | 0.8 | 4.1 | 1.0 | 0.9 | 0.9 |
| <i>Zafatek</i> [®] | Type 2 Diabetes | 0.7 | 0.6 | 0.7 | 0.5 | 2.5 | 0.5 | 0.5 | 0.4 |
| <i>Bonalon</i> ^{®*1} | Osteoporosis | 2.0 | 2.0 | 2.1 | 1.7 | 7.8 | 1.8 | 1.8 | 1.8 |
| <i>Somatuline</i> ^{®*2} | Acromegaly and pituitary gigantism, thyroid stimulating hormone-secreting pituitary tumors, and gastroenteropancreatic neuroendocrine tumors | 1.3 | 1.3 | 1.5 | 1.2 | 5.4 | 1.4 | 1.4 | 1.5 |
| <i>Venilon</i> [®] | Severe infection | 1.2 | 1.2 | 1.3 | 0.9 | 4.6 | 1.0 | 1.1 | 1.2 |
| <i>LOQQA</i> [®] | osteoarthritis pain and inflammation | 0.5 | 0.5 | 0.6 | 0.4 | 2.0 | 0.5 | 0.5 | 0.5 |
| <i>XEOMIN</i> ^{®*3} | Upper and lower limb spasticity | 0.05 | 0.2 | 0.4 | 0.4 | 1.0 | 0.4 | 0.4 | 0.5 |
| <i>Mucosolvan</i> [®] | Expectorant | 0.5 | 0.5 | 0.7 | 0.5 | 2.2 | 0.4 | 0.4 | 0.5 |

*1 *Bonalon*[®] is the registered trademark of Merck Sharp & Dohme Corp., U.S.A.*2 *Somatuline*[®] is the registered trademark of Ipsen Pharma, France.*3 *Xeomin*[®] is the registered trademark of Merz Pharma GmbH & Co. KGaA, Germany

◆ Non-financial Information : ESG External Evaluation

Selected as a component stock of all five ESG indices of GPIF



**FTSE Blossom
Japan Index**

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX



**FTSE Blossom
Japan Sector
Relative Index**

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