

# Consolidated Financial Statements Summary

(For the nine months ended December 31, 2023)

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)



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(Amounts rounded to the nearest million yen)

## 1. Highlight of the Third quarter of FY2023 (April 1, 2023 through December 31, 2023)

(1) Consolidated financial results

(Percentages are year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the nine months ended December 31, 2023	759,599	-0.7	4,857	-67.3	7,637	-56.3	3,452	—
For the nine months ended December 31, 2022	765,099	11.4	14,834	-61.1	17,456	-57.8	(7,053)	—

cf. Comprehensive income for the nine months ended December 31, 2023 : 21,317 million yen (For the nine months ended December 31, 2022 : (184) million yen)

	E.P.S. *	Diluted E.P.S.
	Yen	Yen
For the nine months ended December 31, 2023	17.94	17.92
For the nine months ended December 31, 2022	(36.69)	-

\* E.P.S.: Earnings per share

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of December 31, 2023	1,284,311	466,376	34.2
As of March 31, 2023	1,242,433	451,084	34.2

cf. Shareholders' equity as of December 31, 2023 : 439,774 million yen (As of March 31, 2023 : 424,983 million yen)

## 2. Dividends

Period	Dividends per share				
	1Q	2Q	3Q	4Q	Annual
	Yen	Yen	Yen	Yen	Yen
FY2022	—	27.50	—	12.50	40.00
FY2023	—	15.00	—		
FY2023 (Outlook)				15.00	30.00

Note: Revision of outlook for dividends in the Third quarter: No

## 3. Forecast for operating results in the year ending March 31, 2024 (FY2023)

(Percentages are year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		E.P.S.
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2023 annual	1,030,000	1.1	18,000	39.9	19,000	108.8	8,000	—	41.57

Note: Revision of outlook for FY2023 consolidated operating results in the Third quarter: Yes

\* For the forecast for operating results in the year ending March 31, 2024 (FY2023), please refer to the "Notice Regarding the Revision of Financial Forecasts" and "Flash Report - Results of FY2023 3Q & Outlook for FY2023 -" announced today.

## 4. Appropriate Use of Forecasts and Other Information and Other Matters

(1) Cautionary statement on forward-looking statements

All forecasts in this document are based on management's assumptions in light of information currently available and involve certain risks and uncertainties. Actual results could differ materially from these forecasts.

# 1. Financial Statements

(For the nine months ended December 31, 2023)

## ( 1 ) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>&lt; Assets &gt;</b>		
<b>Current assets</b>		
Cash and deposits	142,780	157,593
Notes and accounts receivable - trade, and contract assets	186,460	182,964
Merchandise and finished goods	125,878	149,356
Work in process	15,596	17,065
Raw materials and supplies	55,252	60,486
Other current assets	87,837	85,892
Allowance for doubtful accounts	(462)	(712)
<b>Total</b>	<b>613,341</b>	<b>652,644</b>
<b>Noncurrent assets</b>		
<b>Tangible assets</b>		
Buildings and structures, net	76,961	75,839
Machinery and equipment, net	145,266	139,711
Other, net	125,629	138,130
<b>Total</b>	<b>347,857</b>	<b>353,681</b>
<b>Intangible assets</b>		
Goodwill	13,987	13,443
Other	146,563	133,746
<b>Total</b>	<b>160,550</b>	<b>147,189</b>
<b>Investments and other assets</b>		
Investment securities	82,139	90,390
Other	39,732	41,690
Allowance for doubtful accounts	(1,185)	(1,282)
<b>Total</b>	<b>120,686</b>	<b>130,798</b>
<b>Total noncurrent assets</b>	<b>629,093</b>	<b>631,667</b>
<b>Total assets</b>	<b>1,242,433</b>	<b>1,284,311</b>

(For the nine months ended December 31, 2023)

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>&lt; Liabilities &gt;</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	103,041	92,210
Short-term loans payable	132,619	179,669
Current portion of long-term loans payable	75,278	96,122
Current portion of bonds	—	20,060
Income taxes payable	5,332	6,034
Other	98,565	95,170
<b>Total</b>	<b>414,836</b>	<b>489,264</b>
<b>Noncurrent liabilities</b>		
Bonds payable	105,000	85,030
Long-term loans payable	194,332	171,423
Net defined benefit liability	36,124	36,955
Asset retirement obligations	1,278	1,284
Other	39,779	33,979
<b>Total</b>	<b>376,513</b>	<b>328,671</b>
<b>Total liabilities</b>	<b>791,349</b>	<b>817,936</b>
<b>&lt;Net assets&gt;</b>		
<b>Shareholders' equity</b>		
Capital stock	71,833	71,833
Capital surplus	103,160	103,224
Retained earnings	213,923	211,934
Treasury stock	(12,299)	(11,843)
<b>Total</b>	<b>376,617</b>	<b>375,148</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	20,640	20,918
Deferred gains or losses on hedges	527	1,729
Foreign currency translation adjustment	25,724	39,380
Remeasurements of defined benefit plans	1,474	2,599
<b>Total</b>	<b>48,365</b>	<b>64,626</b>
<b>Subscription rights to shares</b>	<b>682</b>	<b>540</b>
<b>Non-controlling interests</b>	<b>25,420</b>	<b>26,062</b>
<b>Total net assets</b>	<b>451,084</b>	<b>466,376</b>
<b>Total liabilities and net assets</b>	<b>1,242,433</b>	<b>1,284,311</b>

(For the nine months ended December 31, 2023)

**( 2 ) Consolidated Statements of Income**

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
<b>Net sales</b>	<b>765,099</b>	<b>759,599</b>
Cost of sales	575,721	559,824
<b>Gross profit</b>	<b>189,378</b>	<b>199,776</b>
Selling, general and administrative expenses	174,544	194,919
<b>Operating income</b>	<b>14,834</b>	<b>4,857</b>
Non-operating income		
Interest income	807	1,909
Dividends income	1,128	797
Equity in earnings of affiliates	3,889	7,696
Gain on valuation of derivatives	7,558	6,224
Miscellaneous income	652	828
Total	14,033	17,454
Non-operating expenses		
Interest expenses	5,486	9,333
Foreign exchange losses	4,920	3,656
Loss on valuation of derivatives	27	534
Miscellaneous loss	978	1,151
Total	11,411	14,674
<b>Ordinary income</b>	<b>17,456</b>	<b>7,637</b>
Extraordinary income		
Gain on sales of noncurrent assets	5,079	255
Gain on sales of investment securities	5,434	7,008
Insurance claim income	—	5,813
Other	199	469
Total	10,712	13,544
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	985	683
Loss on valuation of investment securities	1,497	252
Impairment loss	15,877	251
Loss on sale of shares of subsidiaries and associates	—	6,874
Loss on disaster	195	1,799
Other	485	616
Total	19,041	10,476
<b>Income before income taxes</b>	<b>9,127</b>	<b>10,705</b>
Income taxes	14,959	5,511
<b>Profit (loss)</b>	<b>(5,832)</b>	<b>5,194</b>
Profit attributable to non-controlling interests	1,220	1,742
<b>Profit (loss) attributable to owners of parent</b>	<b>(7,053)</b>	<b>3,452</b>

(For the nine months ended December 31, 2023)

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
<b>Profit (loss)</b>	<b>(5,832)</b>	<b>5,194</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(3,356)	216
Deferred gains or losses on hedges	(263)	1,155
Foreign currency translation adjustment	8,831	13,500
Remeasurements of defined benefit plans, net of tax	375	1,068
Share of other comprehensive income of associates accounted for using equity method	62	184
<b>Total</b>	<b>5,648</b>	<b>16,123</b>
<b>Comprehensive income</b>	<b>(184)</b>	<b>21,317</b>
Comprehensive income attributable to :		
Owners of parent	(1,413)	19,626
Non-controlling interests	1,229	1,691

## 2. Segment and Other Information

### **Notes Pertaining to going concern assumption:**

None

### **Notes on Significant changes in shareholders' equity:**

None

### **Notes on Changes in significant subsidiaries during the period under review:**

During the three months ended December 31, 2023, the Company sold its entire equity interests for Teijin Automotive Technologies (Tangshan) Co., Ltd (TAT Tangshan) which had formerly been the specified subsidiary of the Company. As a result, TAT Tangshan is no longer classified as the specified subsidiary of the Company and has been excluded from the scope of consolidation effective from the three months ended December 31, 2023.

### **Adoption of special quarterly accounting methods:**

Certain of the consolidated subsidiaries of the Company have adopted a method for estimating in practical terms the effective tax rate for the fiscal year, including for the nine months ended December 31, 2023, following the application of tax effect accounting to income before income taxes, and multiplying this by quarterly income before income taxes to estimate quarterly tax expense.

## Segment information

(1) Results of the Third quarter of FY2022 (April 1, 2022 through December 31, 2022)

1) Segment sales and operating income (loss)

(Millions of yen)

	Reportable operating segments					Others*	Total
	Materials	Fibers & Products Converting	Healthcare	IT	Subtotal		
Sales							
1) External customers	331,369	240,697	114,070	41,602	727,737	37,362	765,099
2) Intersegment transactions or transfers	7,724	1,564	0	4,811	14,099	3,653	17,752
Net sales	339,093	242,261	114,070	46,413	741,836	41,015	782,851
Segment income (loss)	(13,784)	7,918	20,909	5,420	20,463	(591)	19,872

\* "Others", which includes battery materials & membrane business and regenerative medicine & implantable medical device business, does not qualify as a reportable operating segment.

2) Difference between operating income and sum of operating income (loss) in reportable operating segments

(Adjustment)	(Millions of yen)
Operating income (loss)	Amount
Total reportable operating segments	20,463
Others segment	(591)
Elimination of intersegment transactions	(30)
Corporate expenses*	(5,008)
Operating income	14,834

\* Corporate expenses are expenses that cannot be allocated to individual reportable operating segments and are primarily related to head office administration.

3) Loss on impairment and goodwill by reportable segments

(Significant impairment of noncurrent assets)

In the Materials segment, the Company recorded an impairment loss of 15,504 million yen in the nine months ended December 31, 2022.

(Significant changes in goodwill)

In the Materials segment, the Company recorded an impairment losses on goodwill in the nine months ended December 31, 2022, resulting in a significant change in the amount of goodwill. The decrease in goodwill due to this event is 15,435 million yen. The impairment loss on goodwill is included in the figure presented above "Significant impairment of noncurrent assets".

(2) Results of the Third quarter of FY2023 (April 1, 2023 through December 31, 2023)

1) Segment sales and operating income (loss)

(Millions of yen)

	Reportable operating segments					Others*	Total
	Materials	Fibers & Products Converting	Healthcare	IT	Subtotal		
Sales							
1) External customers	321,296	238,833	107,098	51,670	718,898	40,701	759,599
2) Intersegment transactions or transfers	7,621	1,585	64	5,000	14,270	3,561	17,831
Net sales	328,918	240,417	107,162	56,670	733,167	44,262	777,430
Segment income (loss)	(5,794)	9,286	1,757	6,358	11,607	(1,218)	10,389

\* "Others", which includes battery materials & membrane business and regenerative medicine & implantable medical device business, does not qualify as a reportable operating segment.

2) Difference between operating income and sum of operating income (loss) in reportable operating segments

(Adjustment)	(Millions of yen)
Operating income (loss)	Amount
Total reportable operating segments	11,607
Others segment	(1,218)
Elimination of intersegment transactions	(187)
Corporate expenses*	(5,345)
Operating income	4,857

\* Corporate expenses are expenses that cannot be allocated to individual reportable operating segments and are primarily related to head office administration.

3) Changes in reportable segments

Until the end of FY2022, the Materials segment and the Healthcare segment each had a new business division operated under the President, Material Business of Teijin Group, and the President, Healthcare Business of Teijin Group, respectively. In the first quarter of FY2023, these two divisions were transferred to the "Others" segment. The main background to this change was the Teijin Group's ongoing efforts to review its management structure in line with the Teijin Group Reforms for Profitability Improvement, announced in February 2023. As part of these efforts, the two new business divisions were reorganized and integrated into a New Business Development Unit under corporate supervision as a measure to ensure that innovation will be created through cross-functional co-creation under corporate leadership toward the future.

In these financial statements, the figures concerning the relevant segments for the previous fiscal year are those recalculated in accordance with the new segment categorization for comparison purposes.

In addition, starting from the first quarter of FY2023, the reporting segments appear in the financial statements in a different order than before. Therefore, these financial statements also show data for the previous fiscal year in accordance with the new order of appearance of the reporting segments for comparison purposes.

4) Loss on impairment and goodwill by reportable segments

This item has been omitted because of the low significance.