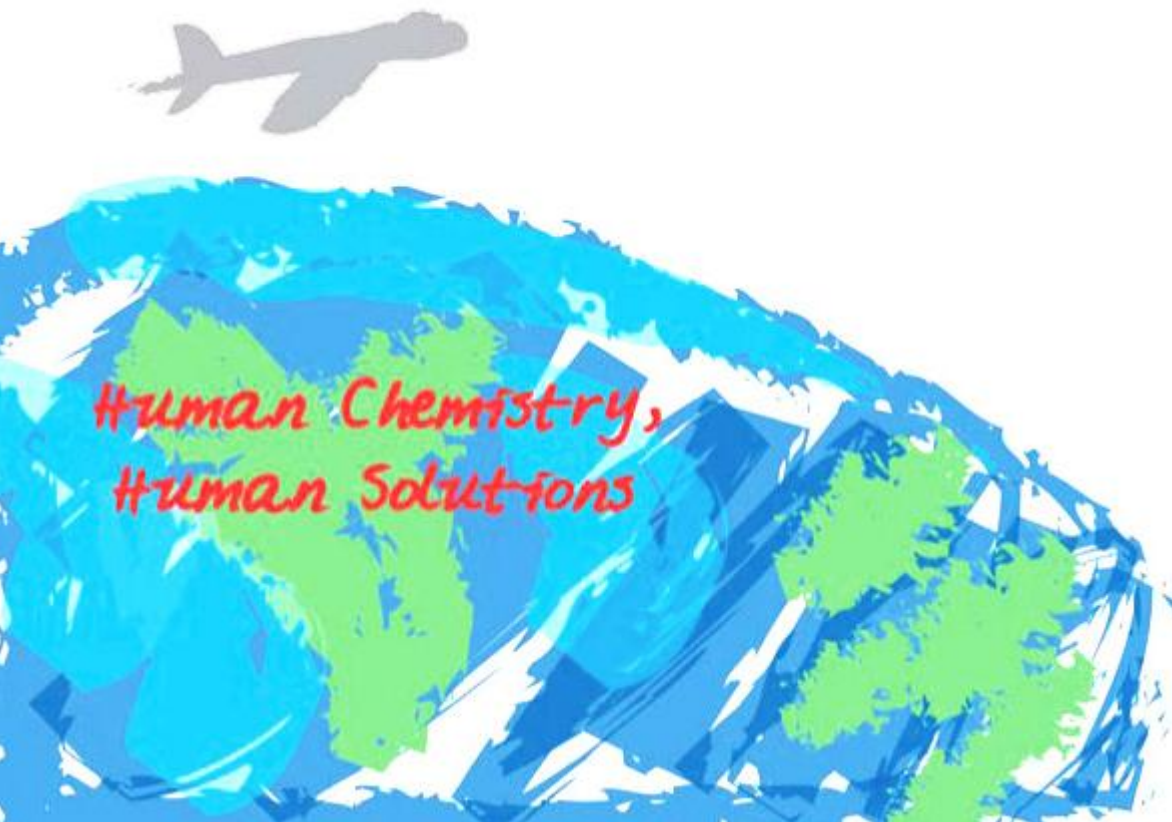


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# Flash Report

## *-FY08 Financial Performance & FY09 Outlook-*

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ECOCIRCLE™:  
the closed-loop recycling system

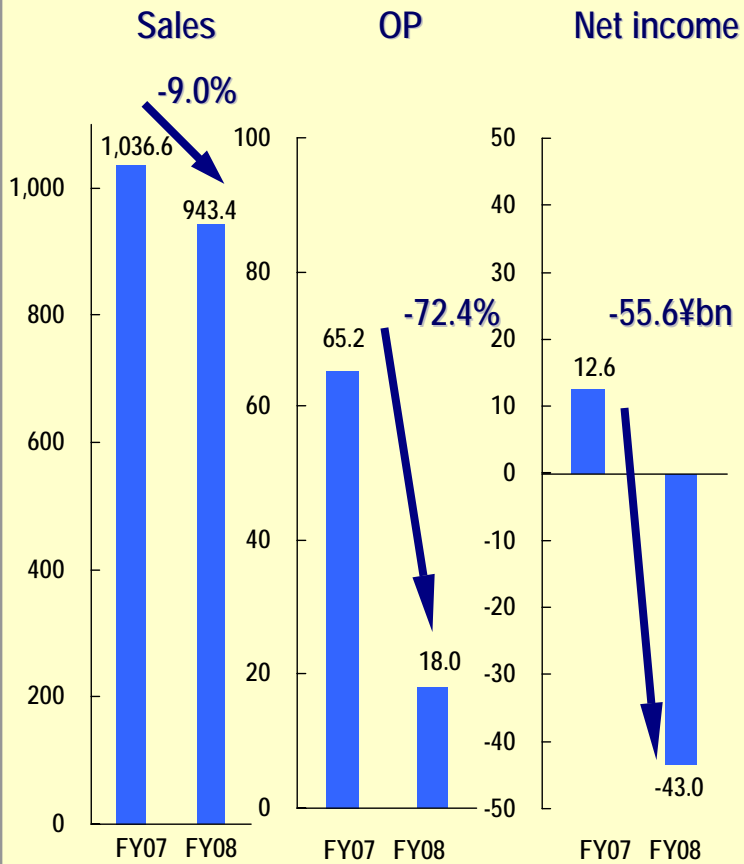


Teijin Limited  
May 11, 2009

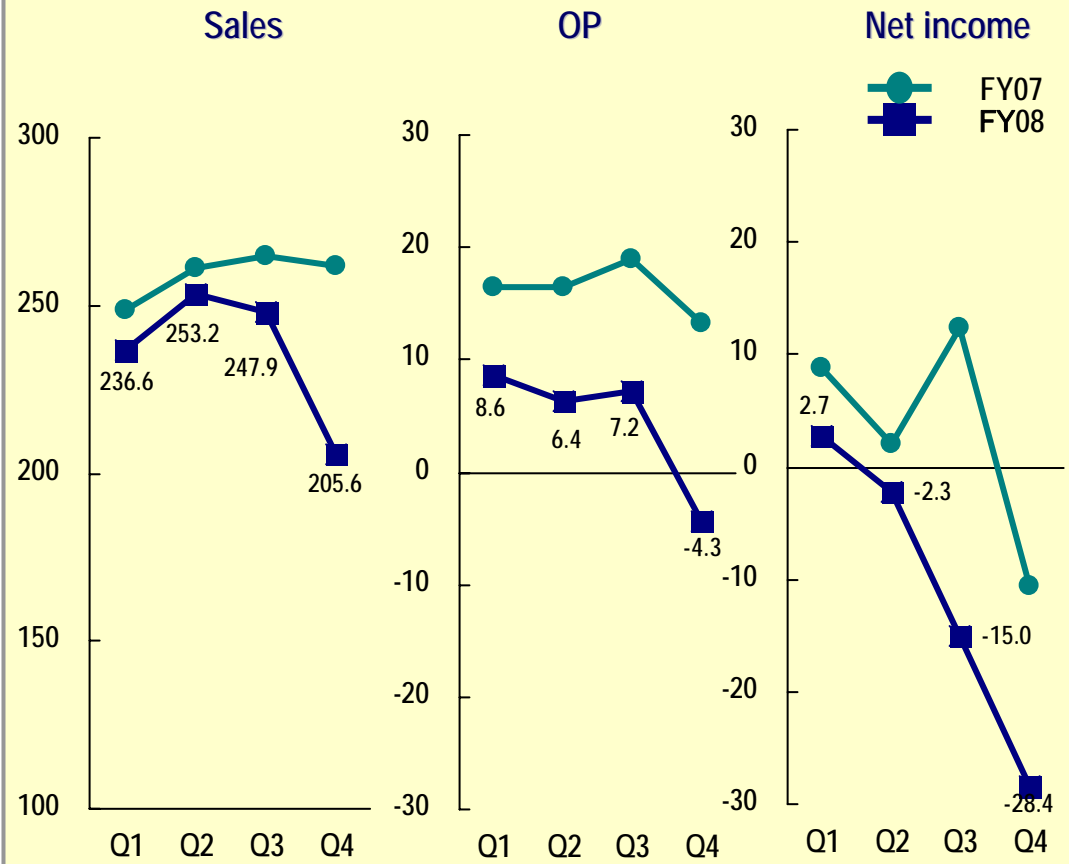
# (1) Consolidated Results Highlights

(¥bn)

## Full-Term Operating Movement



## Quarterly Movement (Q1 '08 – Q4 '08)



## ◆ Operating Results

(¥bn)	FY07	FY08	Diff.	
			Amount	%
Net sales	1,036.6	943.4	-93.2	-9.0%
OP	65.2	18.0	-47.2	-72.4%
OP margin	6.3%	1.9%	-4.4%	-
Nonoperating items (net)	-18.9	-20.6	-1.8	-
Ordinary income	46.3	-2.7	-49.0	-
Extraordinary items (net)	-34.0	-31.2	+2.8	-
Income before income taxes	12.3	-33.9	-46.2	-
Income taxes	10.5	10.2	-0.3	-2.4%
Minority interest of consolidated subsidiaries(net)	-10.8	-1.2	+9.6	+89.1%
Net income	12.6	-43.0	-55.6	-
EPS (¥)	13.16	-43.65	-56.81	-

Year-end dividend: ¥2.0/share; annual dividend: ¥5.0/share

EBITDA*	127.8	85.3	-42.5
CAPEX	84.6	75.8	-8.8
Depreciation & amortization	62.7	67.4	+4.7
R&D expenses	36.3	37.6	+1.3

\*EBITDA = Operating income + Depreciation & amortization

## ➤ Declines in net sales and OP:

Rising raw materials prices and fuel costs in the first half and shrinking demand in the second half due to recessionary conditions worldwide pushed down net sales and OP

## ➤ Ordinary loss

## ➤ Record net loss:

Performance was further hampered by substantial extraordinary losses, resulting in our worst-ever net loss

## ◇ PL exchange rate

	FY07 Average	FY08 Average
¥/US\$	118	103
¥/€	161	152
US\$/€	1.37	1.47

Note: Fiscal year-end for overseas companies is Dec 31.

## ◆ Extraordinary items

	FY07	FY08			Diff.
		Q1-Q3	Q4	total	
(¥bn)					
Gain on sales of investment securities	5.3	0.2	-	0.2	-5.1
Others	3.5	0.6	1.3	1.9	-1.6
Extraordinary income total	8.8	0.8	1.3	2.1	-6.8
Special factory operating loss	3.2	2.4	7.8	10.2	+7.0
Loss on impairment	32.2	6.1	5.5	11.6	-20.6
Restructuring costs	-	-	3.3	3.3	+3.3
Others	7.5	5.3	2.9	8.2	+0.8
Extraordinary losses total	42.9	13.9	19.4	33.3	-9.5
Extraordinary items total	-34.0	-13.1	-18.1	-31.2	+2.8
Income taxes	10.5	8.9	1.3	10.2	-0.3
Minority interest in net losses of consolidated subsidiaries	-10.8	-0.7	-0.5	-1.2	+9.6

- Extraordinary items: Net improvement
  - Positive factor: Loss on impairment down
  - Negative factors: Gain on sales of investment securities down, special factory operating loss up, restructuring costs incurred
- Income taxes were unchanged:
  - Increase in losses with no tax benefits
  - Reversal of deferred income taxes
- Minority interest in net losses of consolidated subsidiaries was down:
  - In fiscal 2007, minority interest in net losses of consolidated subsidiaries accounted for 50% of impairment loss, owing to the application of impairment accounting to the fixed assets of our U.S. films joint venture. In fiscal 2008, this was not a factor.

## ◆ Financial Position

(¥bn)	Mar. 31, '08	Mar. 31, '09	Diff.	(Impact of foreign exchange rate)
Total assets	1,016.0	874.2	-141.8	-82.0
Shareholders' equity	391.0	305.6	-85.4	-24.0
Interest-bearing debt	325.2	361.3	+36.1	-41.0

D/E ratio	0.83	1.18	+0.35
Shareholders' equity ratio	38.5%	35.0%	-3.5%
BPS(¥)	397.27	310.49	-86.78

- Total assets declined, a consequence of:
  - Foreign currency exchange rate fluctuations
  - Sharp decrease in trade notes and accounts receivable, which accompanied a decline in net sales
  - Decline in investments in securities, a consequence of falling share prices
- Shareholders' equity declined, owing to:
  - Net loss for the period
  - Increase in deduction for foreign currency translation adjustments
- Interest-bearing debt rose, reflecting:
  - Acquisition of home health care services provider

- Net cash and cash equivalents provided by operating activities: Principal factors included the decline in net income
- Net cash and cash equivalents used in investing activities: Principal factors included the acquisition of shares in subsidiaries

## ◆ Cash Flows

(¥bn)	Operating activities	Investing activities	FCF	Financing activities	Cash & cash equivalents
FY08	40.4	-116.3	-75.9	77.2	1.3
FY07	* 53.7	-79.2	-25.5	16.2	-9.3

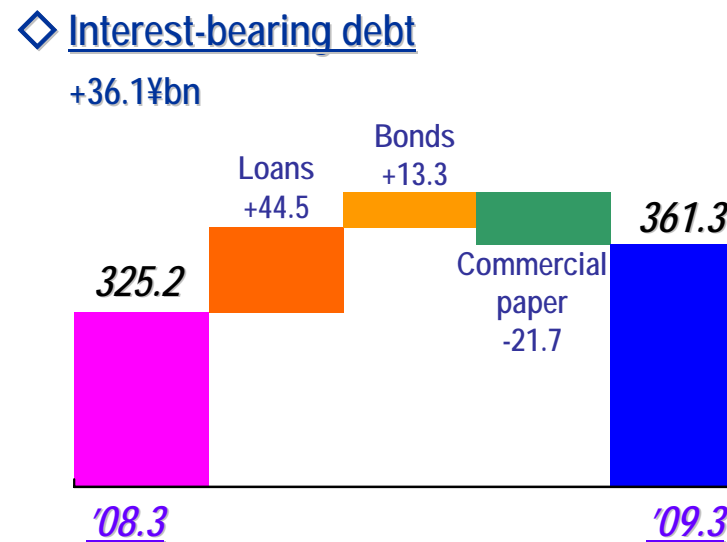
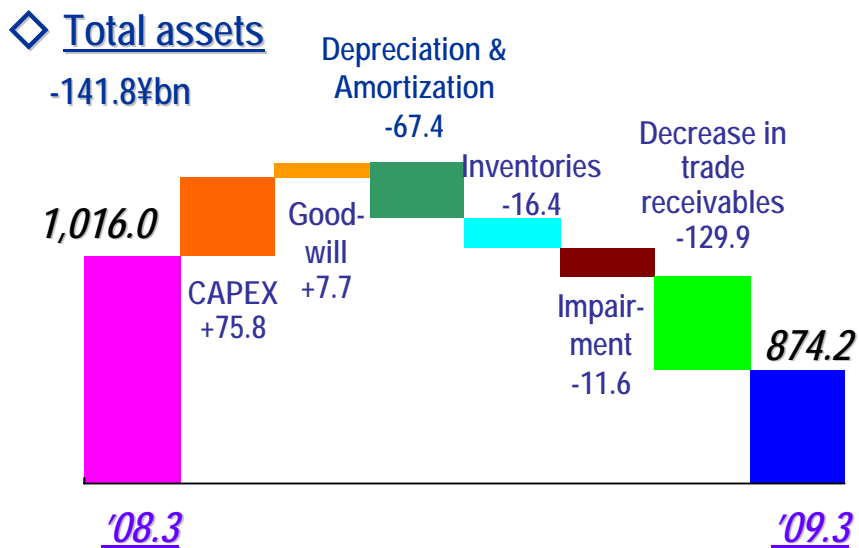
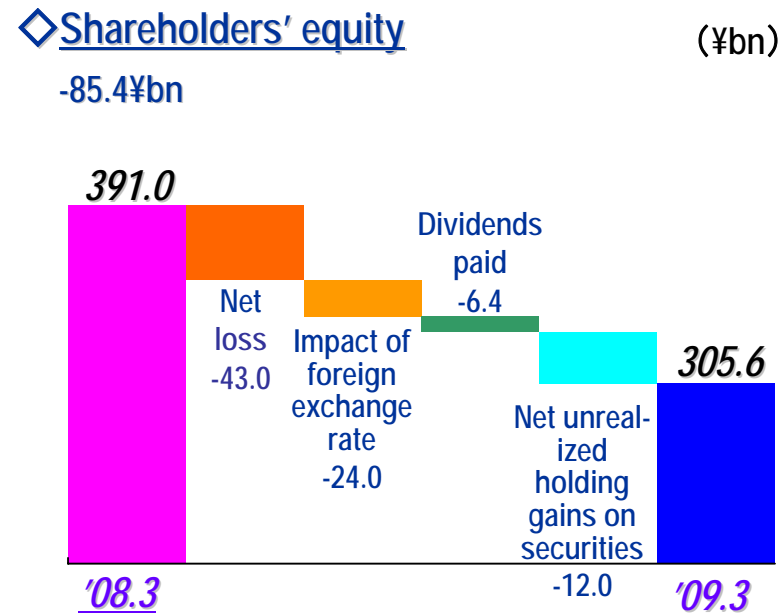
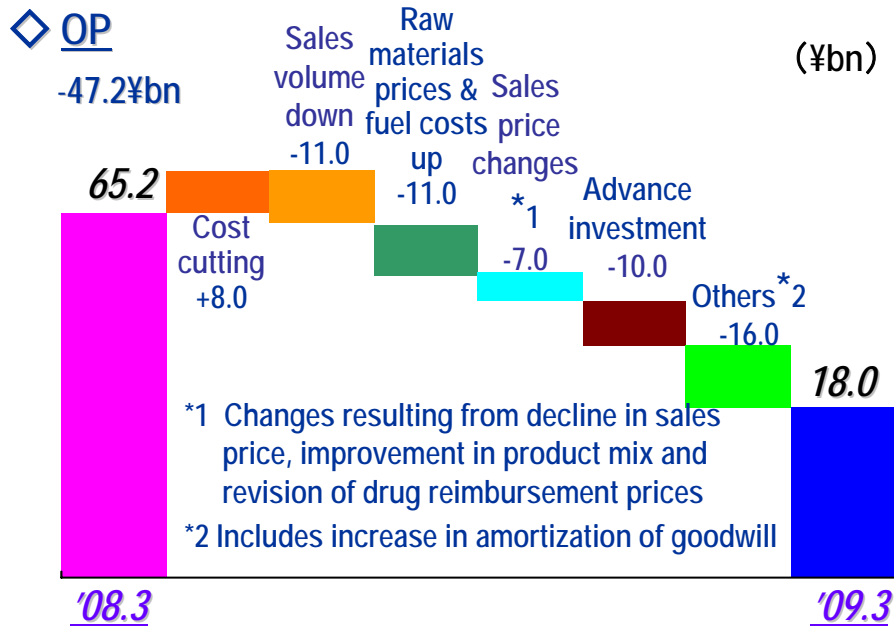
## ◇ BS exchange rate

	Dec. 31, '07	Dec. 31, '08
¥/US\$	114	91
¥/€	167	128
US\$/€	1.46	1.41

Note: Of this total, approximately ¥10.0 billion was accounted for by transient payments by a subsidiary in the Netherlands.

Note: Fiscal year-end for overseas companies is Dec 31.

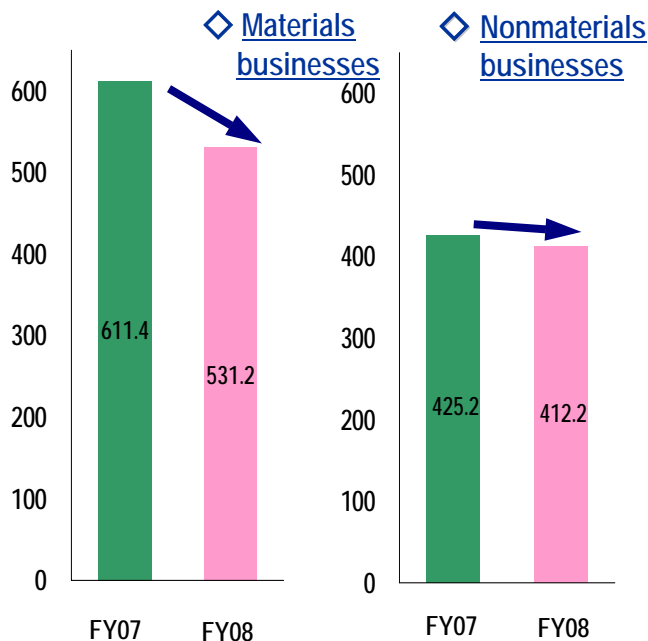
## ◆ Analysis of Changes in Operating Results and Financial Position



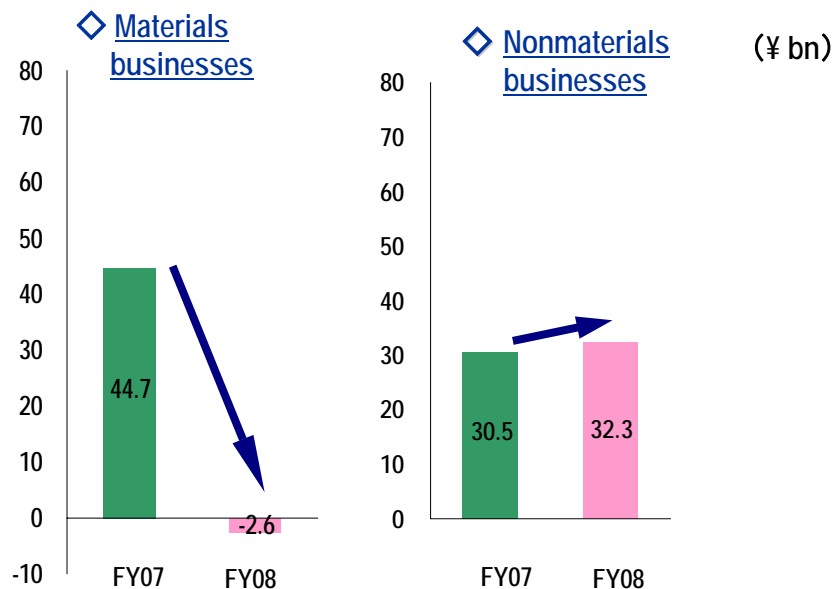
(2) Operating Results by Segment (Comparison with FY07)

(¥bn)	Sales				OP			
	FY07	FY08	Diff.	% Change	FY07	FY08	Diff.	% Change
Synthetic Fibers	317.6	273.2	-44.4	-14.0%	24.4	-2.8	-27.2	-
Films & Plastics	293.8	258.0	-35.8	-12.2%	20.2	0.2	-20.0	-98.9%
Pharma. & H.H.C.	114.4	127.1	+12.7	+11.1%	21.7	24.8	+3.1	+14.5%
Trading & Retail	265.9	239.2	-26.8	-10.1%	5.3	3.9	-1.4	-26.3%
IT & New Products, etc.	44.8	45.9	+1.0	+2.3%	3.5	3.6	+0.1	+2.1%
Elimination & Corporate	-	-	-	-	-10.0	-11.8	-1.8	-
<b>Total</b>	<b>1,036.6</b>	<b>943.4</b>	<b>-93.2</b>	<b>-9.0%</b>	<b>65.2</b>	<b>18.0</b>	<b>-47.2</b>	<b>-72.4%</b>

◆ Sales

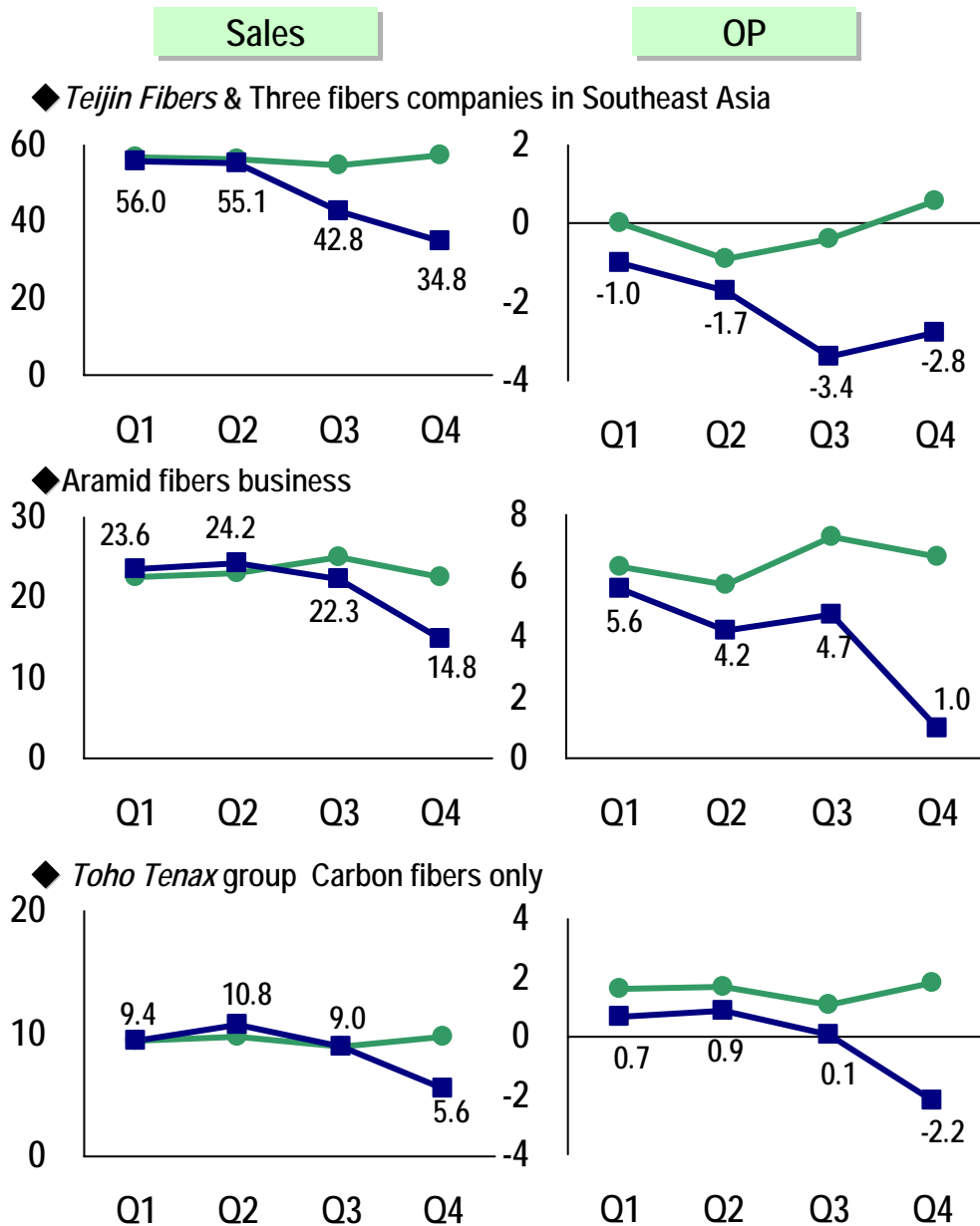
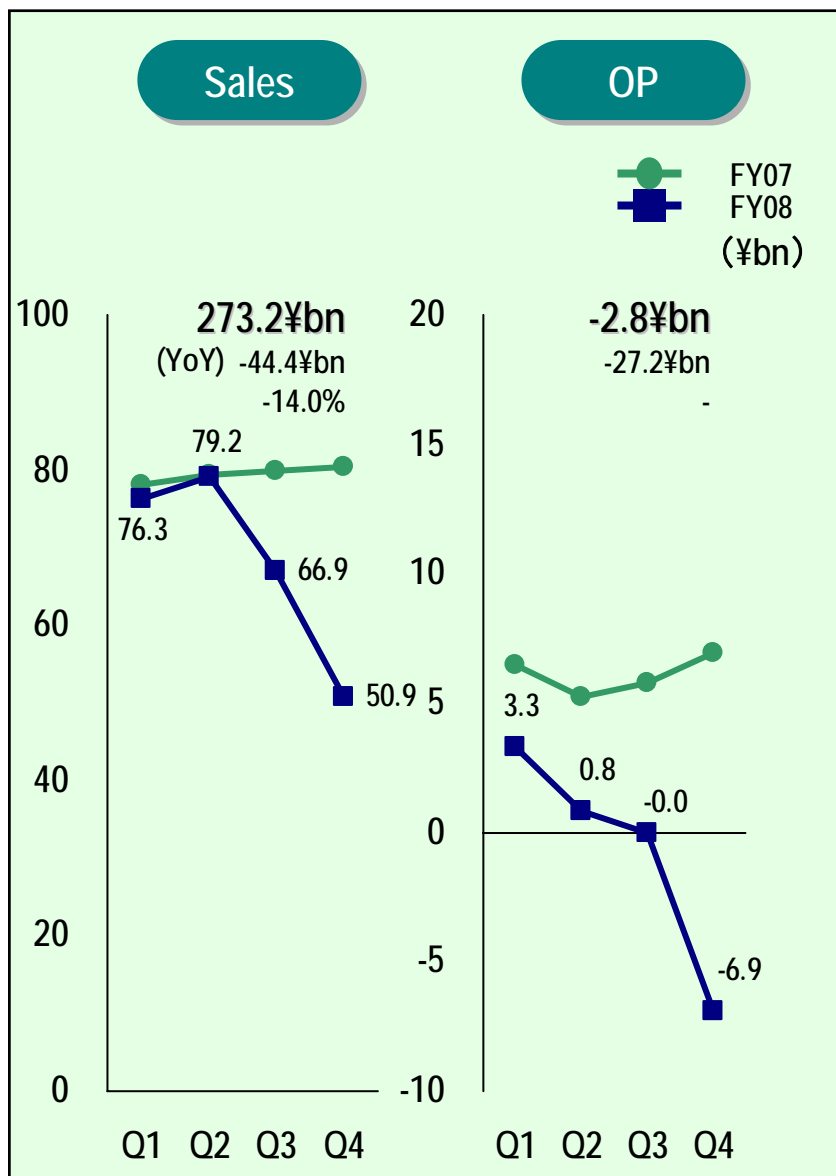


◆ OP



\* Materials businesses : Synthetic fibers, Films & Plastics  
Nonmaterials businesses : Pharma. & H.H.C., Trading & Retail, IT & New Products, etc.

① Synthetic Fibers: Decline in sales; fell into the red, resulting in operating loss for the period



## ◆ Operating Results

- ◇ Polyester Fibers: Sales declined, operating loss widened
- ◇ High Performance Fibers : Sales declined, operating income fell sharply

## ◆ Summary & Actions

### ◇ Polyester Fibers:

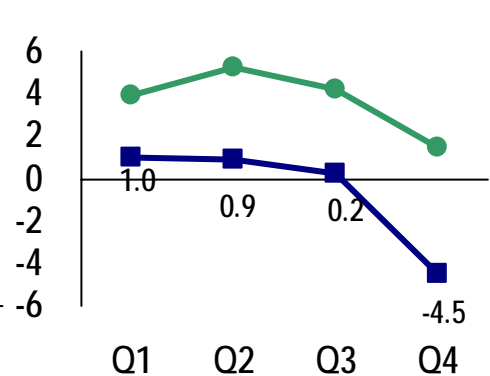
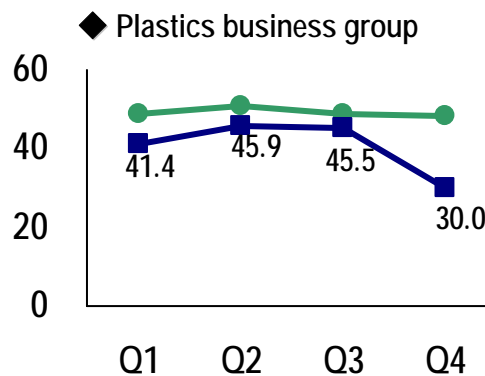
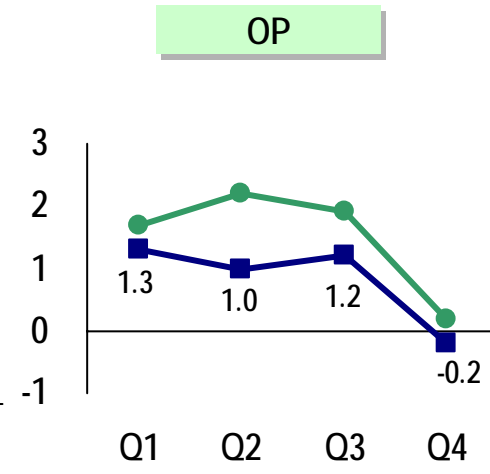
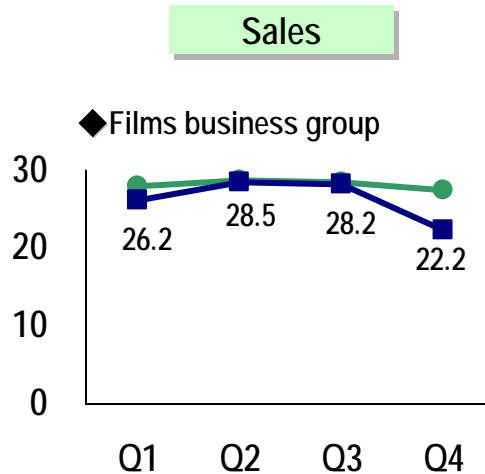
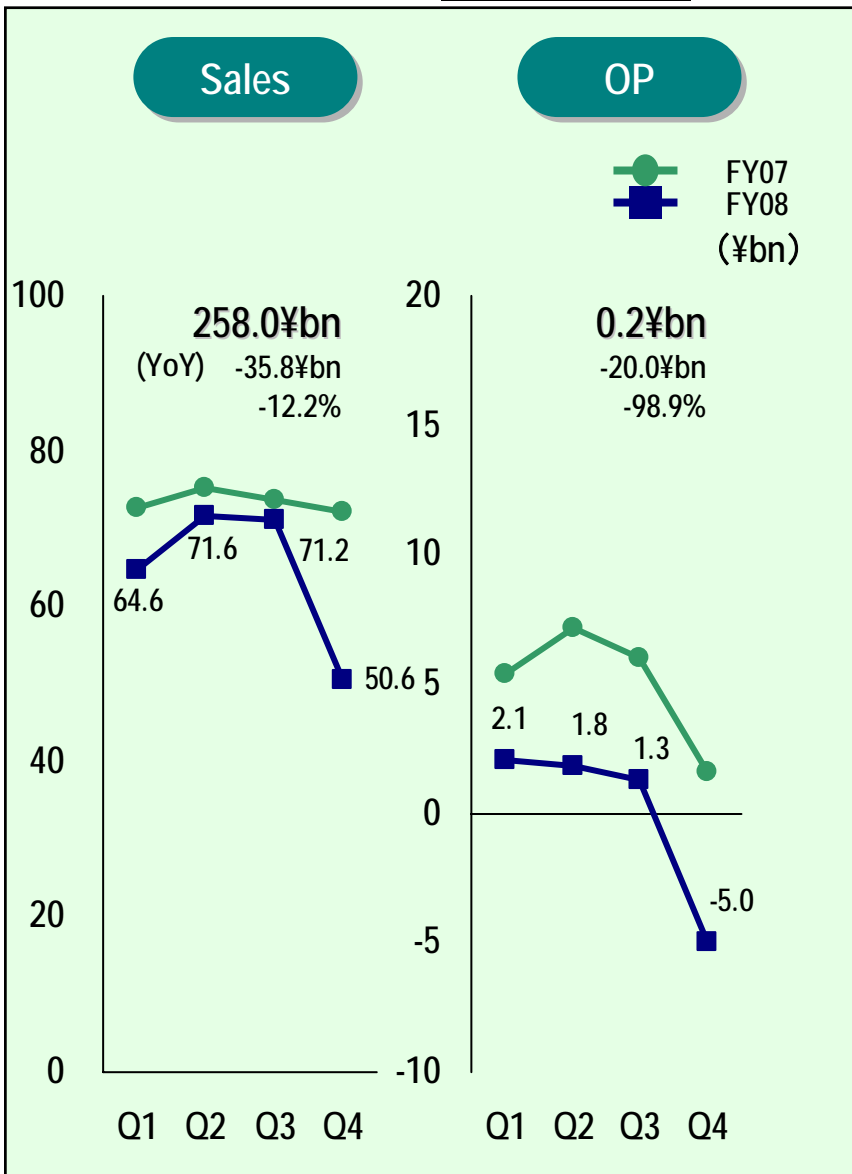
- Overall: Operating loss widened, owing to high raw materials prices and fuel costs in the first half and further global economic deterioration in the second half
  - Concluded licensing contract for heavy-metal-free PET material
  - Started commercial production of *Nanofront*\*

### ◇ High Performance Fibers :

- Aramid fibers: Firm in the first half, but faltered from November, particularly for automotive applications
  - Completed first phase of new production facilities for *Twaron* (July 2008)
  - Income was driven down as impact of recessionary conditions was exacerbated by unfavorable exchange rates
- Carbon fibers: Sales were down sharply from September on
  - Recession weakened demand for general industrial applications and sports and leisure equipment

\* A new high-strength polyester nanofiber

② Films and Plastics: Decline in sales, sharp drop in operating income; income and expenses close to even



## ◆ Operating Results

◇ Films: Decline in sales and OP

◇ Plastics: Decline in sales; fell into the red, resulting in operating loss for the period

## ◆ Summary & Actions

### ◇ Films:

- PET film (Japan), PEN film: Sales remained steady through September, but recessionary conditions triggered a sharp decline in demand from October
- PET film (USA): Sales were firm through September; the operating loss narrowed with the decline of depreciation and amortization related to the application of impairment accounting in the previous period

### ◇ Plastics:

- Polycarbonate resin:
  - Recessionary conditions triggered a sharp decline in demand from October
  - High raw materials prices and fuel costs in the first half and the appreciation of the yen in the second half resulted in an operating loss
- Processed polycarbonate resin products:
  - Electroconductive film for touch panels: Completed expansion of production facilities for clear electroconductive film (October 2008) and expanded shipments

### ③ Pharmaceuticals & H.H.C.: Increase in sales and OP

#### ◆ Operating Results

##### ◇ Pharmaceuticals & H.H.C.:

Sales expanded favorably despite revision of NHI drug reimbursement prices and medical service fees

#### ◆ Summary & Actions

##### ◇ Pharmaceuticals:

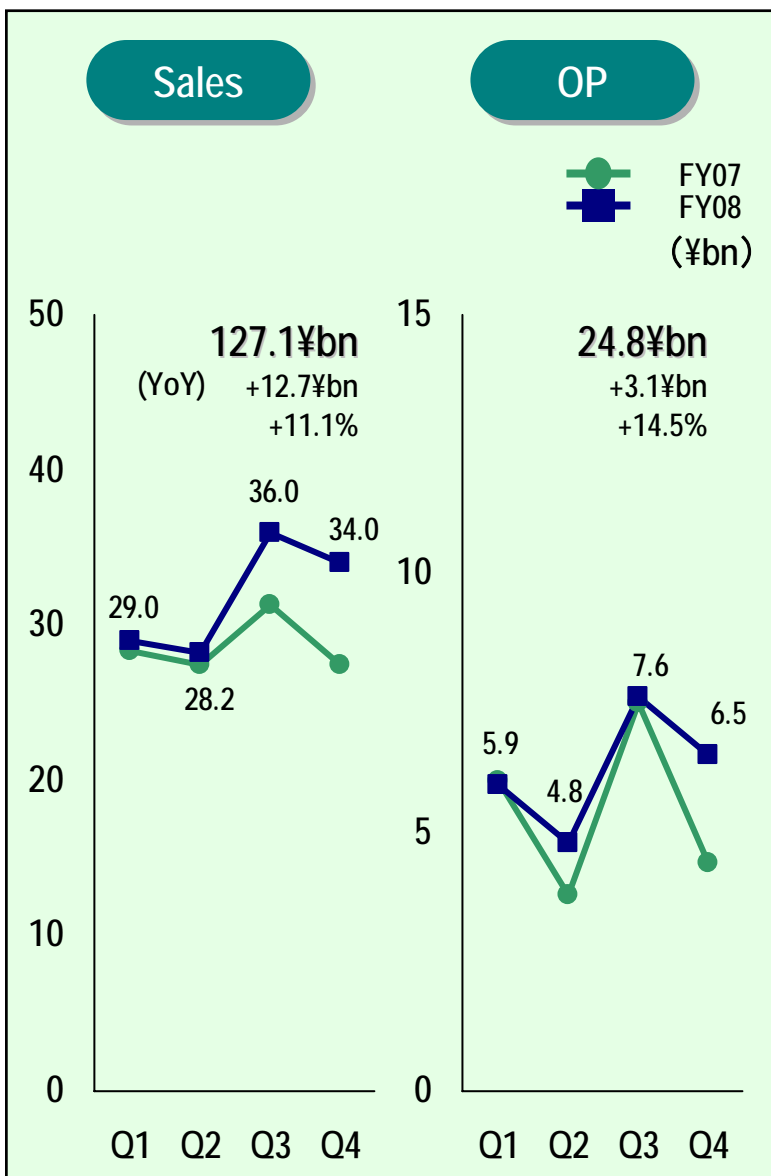
- Shipments of once-weekly *Bonalon* 35mg tablet increased favorably
- R&D:
  - Obtained marketing authorization for TMX-67\* in Europe (April 2008) and began marketing the drug in the United States (March 2009)
  - Concluded licensing agreement with Bristol-Myers Squibb of the United States, allowing them to market NTC-801\*\* outside Japan(March 2009)

##### ◇ Home Health Care:

- HOT: Rental volume remained high
- CPAP, SAFHS: Rental volumes were favorable
- Acquired U.S. home health care services provider\*\*\* (June 2008)
- Established HOT JV\*\*\*\* in Europe (February 2009)

\* Treatment for gout and hyperuricemia    \*\* Atrial fibrillation and flutter treatment

\*\*\* Braden Partners L.P.    \*\*\*\* JV partner: Laboratorios del Dr. Esteve S.A. (Spain)



④ Trading & Retail: Decline in sales and OP

◆ Operating Results

◇ Trading & Retail: Profitability deteriorated, owing to a sluggish market for textiles and apparel and a rapid softening of the market for industrial textiles and materials

◆ Summary & Actions

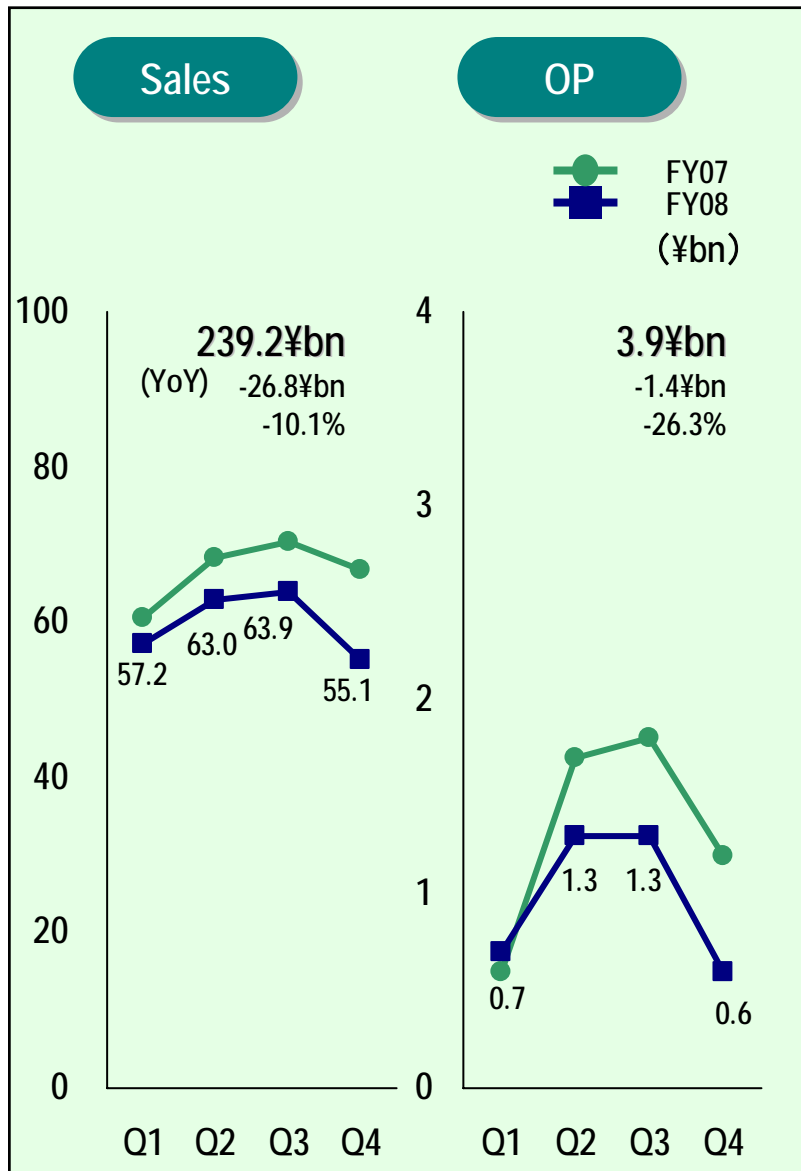
◇ Trading & Retail:

➤ Textiles & Apparel:

- Sales were increasingly sluggish, reflecting recessionary conditions
- Launched environment-friendly textiles
- Established a JV (specialty retailer of private-label apparel) with Flandre Co., Ltd., and others

➤ Industrial Textiles & Materials

- Sales of textiles for automotive, electrical and electronics applications weakened in the second half
- Sales of general-purpose industrial textiles and materials and products for interior applications were sluggish



⑤ IT & New Products, etc.: Sales and OP flat

◆ Operating Results

◇ IT: Sales and OP up

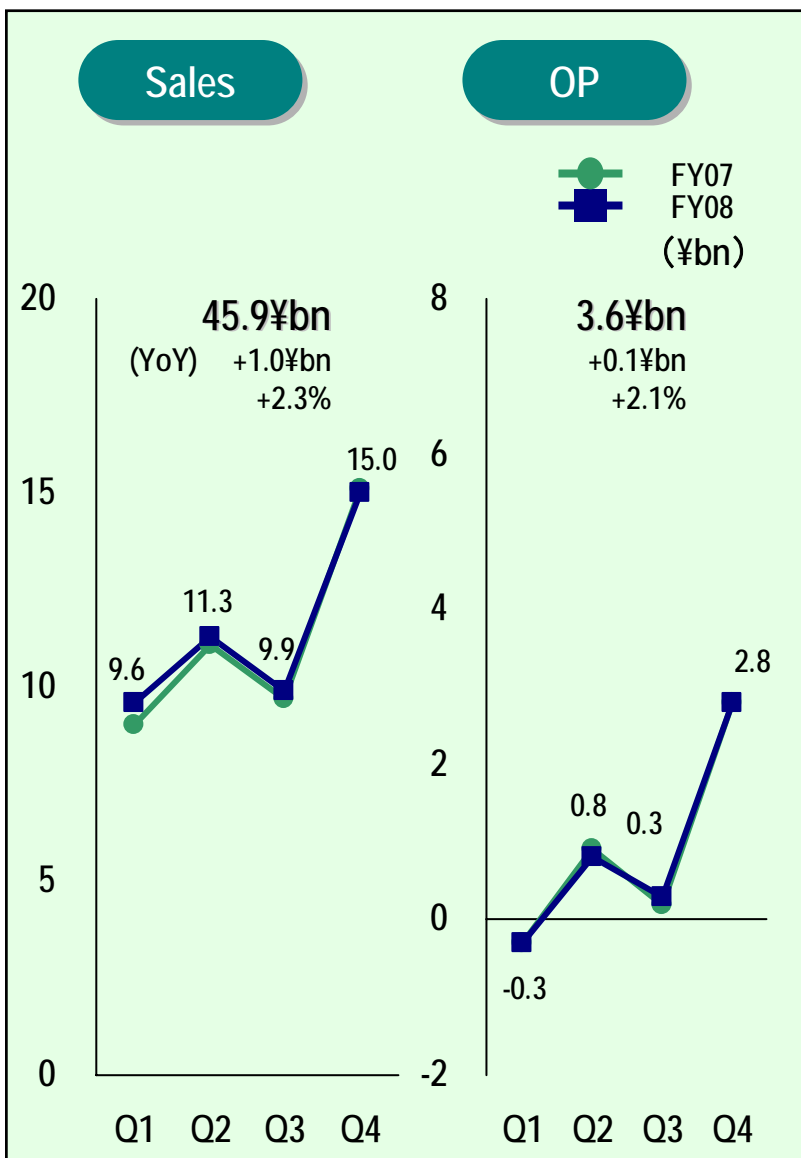
◆ Summary & Actions

◇ IT:

- IT solutions: Sought to enhance profitability
- Services: Promoted measures to bolster performance, including expanding e-book distribution and other services

◇ New Products, etc:

- Completed Teijin Technology Innovation Center, which aims to hasten the realization of new businesses (April 2008)
- Bioplastics:
  - Broke ground on pilot plant for *BIOFRONT* (December 2008) (Scheduled for completion in summer 2009)
- Composite materials:
  - Acquired stake in GH Craft Ltd. (June 2008)
  - Established Teijin Composites Innovation Center (July 2008)

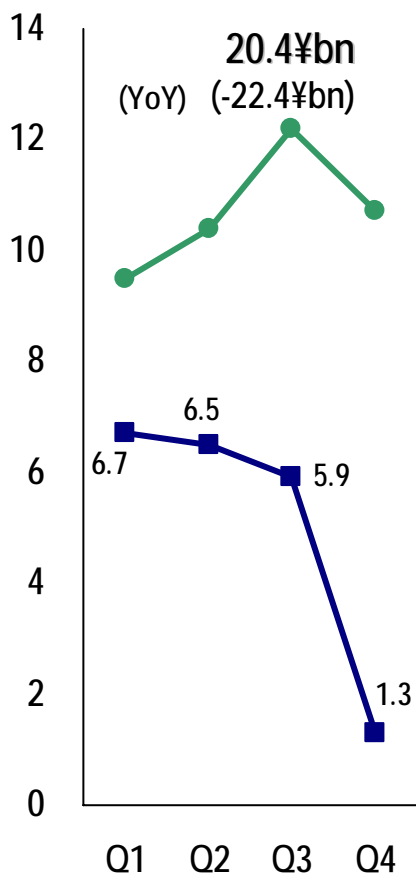


### (3) Changes in Operating Income by Geographical Segment

FY07  
 FY08  
 (¥bn)

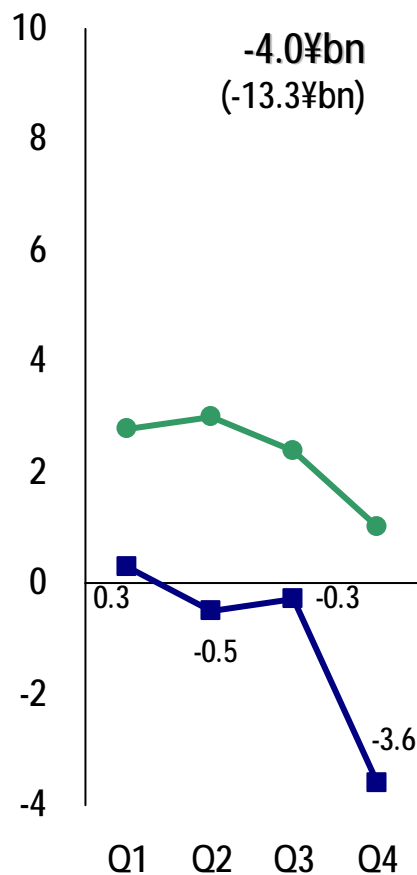
#### Japan

OP declined for polyester fibers, carbon fibers, films and plastics



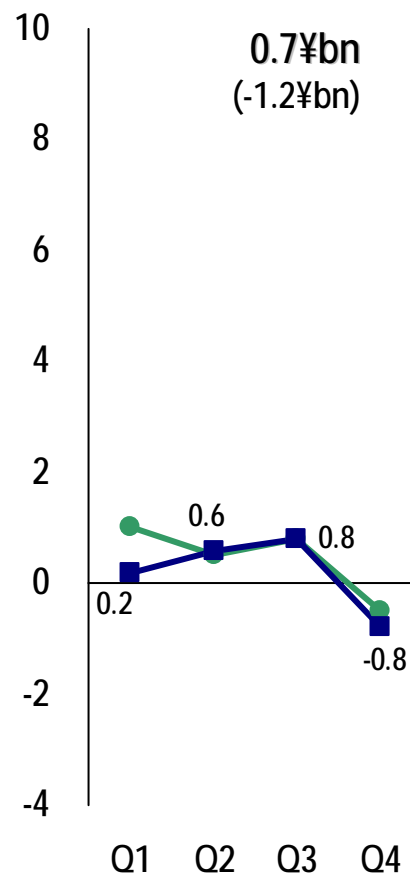
#### Asia

OP decreased sharply for plastics; loss widened for polyester fibers



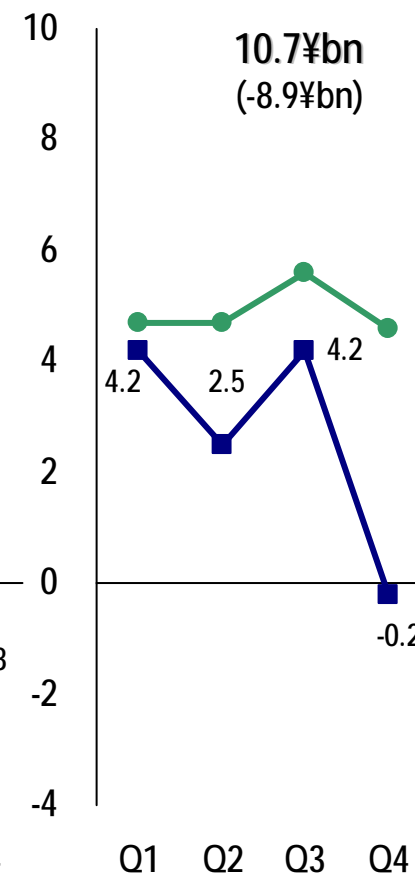
#### Americas

Operating loss narrowed for films; OP declined for carbon fibers and aramid fibers



#### Europe

OP declined sharply for aramid fibers and decreased for carbon fibers



## (4) Overview of Main Subsidiaries

		Net sales	OP					
			FY07	FY08	Diff.	FY07	FY08	Diff.
		(¥bn)						
Synthetic Fibers	<i>Teijin Fibers</i>	149.1	126.4	-22.7	-0.3	-5.9	-5.6	
	Three fibers companies in Southeast Asia	77.0	62.4	-14.6	-0.4	-3.0	-2.6	
	Total	226.1	188.8	-37.3	-0.7	-8.9	-8.2	
	Aramid fibers business	93.2	84.9	-8.3	26.0	15.6	-10.4	
	<i>Toho Tenax</i> group Carbon fibers only	38.1	34.8	-3.3	6.2	-0.4	-6.6	
T&R	<i>NI Teijin Shoji</i> (Nonconsolidated results)	222.0	201.4	-20.6	4.7	3.8	-0.9	
F&P	Films business group	112.7	105.2	-7.5	5.9	3.2	-2.6	
	Plastics business group	196.8	162.7	-34.1	14.8	-2.4	-17.2	
IT	<i>Infocom</i> (Nonconsolidated results)	25.8	28.5	+2.8	0.8	2.0	+1.2	

## Notes:

1. FY08: Figures for Teijin Fibers include the results of newly consolidated TS Aromatics Limited, a JV with Showa Shell Sekiyu K.K.
2. Figures for the three fiber companies in SE Asia are aggregate totals for the three companies
3. The "aramid fibers business" includes the Teijin Aramid group and the aramid fibers business of Teijin Techno Products Limited

◆ Basic Management Policies

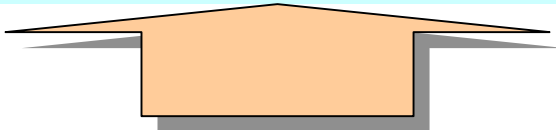
1. To respond to dramatic changes in our operating environment and a sharp decline in demand, our plans call for the:

- ◆ Implementation of urgent measures (launched in the second half of fiscal 2008)
- ◆ Restructuring of businesses to ensure profitability at the net income level even with facility operating rates at 70%



2. Over the medium to long term, we will:

- ◆ Continue to implement strategies in promising markets designed to ensure sustainable growth founded on technology-driven innovation



Determination to achieve results and  
ability to act boldly

## ◆ Urgent Measures and Structural Reforms

### ➤ Objectives

Return to profitability at the net income level	Transform Teijin back into an entity that yields profits (fiscal 2009) Return to profitability (fiscal 2010)
Achieve a positive cash flow	Secure a positive cash flow in excess of <b>¥10 billion</b> (fiscal 2009)

### ➤ Urgent measures underway since October 2008

1. Reduce capital investment	Reduce by <b>¥10.0 billion</b> (to ¥75.0 billion)
2. Lower costs and inventories	Reduce inventories by <b>¥50.0 billion</b> , to <b>¥135.0 billion*</b>
3. Implement partial return of remuneration for directors	By <b>10%–15%</b> since January 2009
4. Curtail personnel costs by revamping relevant systems and cutting back on overtime	

+

Structural reforms  
in fiscal 2009

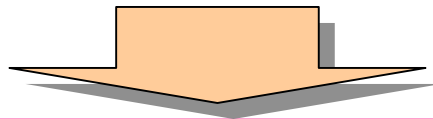
\* ¥188.6 billion as of the end of the third quarter of fiscal 2008

## (1) Restructure Poorly Performing Businesses

- Drastically revamp loss-making businesses and create an optimal global production configuration

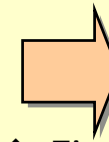
(Polyester fibers, PET film, polycarbonate resin)

- Markets for commoditized materials, while offering reasonable growth prospects, pose few barriers to new entrants and erode Teijin's core competencies



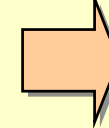
- Drastically revamp\* loss-making businesses, rather than seeking to increase sales  
(\* For example: scale back, reorganize, form alliances, divest)
- Take decisive steps to cut costs  
Reorganize production facilities to create an optimal global production configuration

◆ Fiscal 2009



Take action

◆ Fiscal 2010



Complete reforms

- Through these efforts, we will strive to return to profitability at the net income level in fiscal 2010

### ◆ Polyester fibers

- Shift focus to high-performance and environment-friendly products
- Take decisive steps to cut costs: For overseas production, concentrate on products that are most advantageous for the location
- Restructure value chain: For example, create vertically integrated organization for automotive interior materials business and establish new company to operate specialty retail stores selling private-label apparel

### ◆ PET film

- Shift focus to Asia: Strengthen key businesses, including films for solar cells
- Thoroughly rationalize production facilities in the United States and Europe: Take necessary steps, including shutting down loss-making U.S. and European production lines
- Japan: Revamp cost structure; strengthen development of high-performance and new products

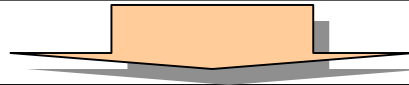
### ◆ Polycarbonate resin

- Adopt business structure that ensures profitability even with facility operating rates at 70%
  - Shift production from Japan to overseas facilities (Singapore, PRC)
  - Domestic production facilities: Transform into development centers or production facilities for high-performance products
  - Reinforce downstream businesses
  - Accelerate shift of focus from products for optical applications to those for general applications

## (2) Restructure High-Performance Materials Businesses

### ➤ Lower breakeven point and cultivate new markets worldwide

- Demand is likely to remain stagnant, reflecting the global economic crisis (fiscal years 2009 and 2010)
- Markets continue to expand as emphasis on safety and environmental concerns spurs demand for lighter and more energy- and resource-efficient products
- Barriers to new market entrants are significant and Teijin continues to enjoy a high level of competitiveness



### ➤ Lower breakeven point

Strive to create an optimal configuration of production facilities and lines

### ➤ Cultivate new markets worldwide

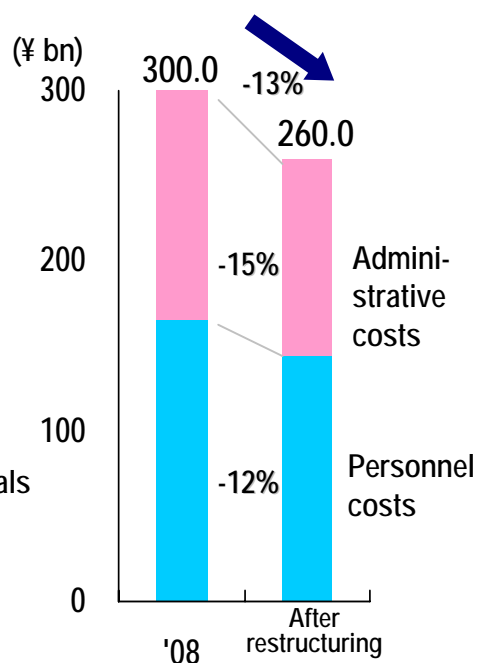
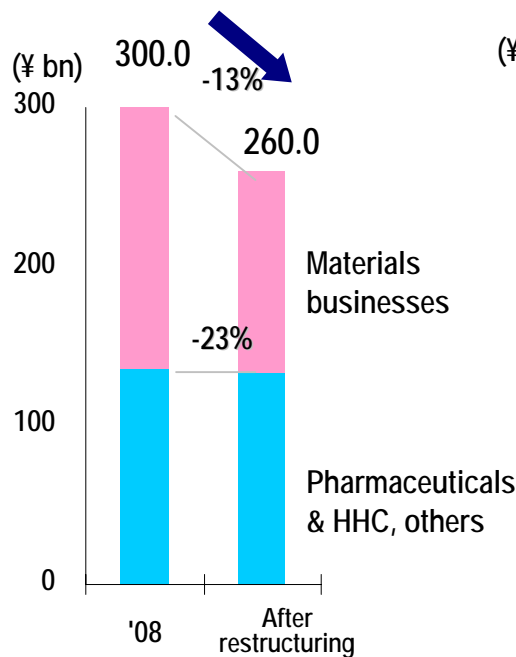
- Persist with efforts to develop new materials and products
- Promote continuous innovation aimed at securing cost competitiveness
- Reinforce efforts to develop mid- and downstream business models

### (3) Promote Sweeping Companywide Efforts to Reduce Fixed Costs

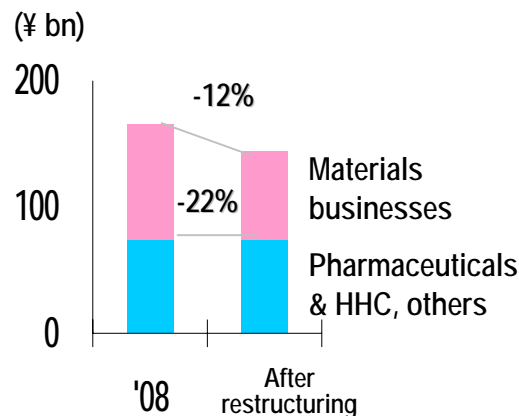
Reduce fixed costs\* by ¥40.0 billion annually

\* Excluding depreciation and amortization

- Overall: ¥300.0 billion ⇒ ¥260.0 billion (13% reduction)
- Materials businesses: Reduce by 23%
- Personnel costs: Reduce by ¥20.0 billion (Reduce per-employee personnel costs and streamline labor force)
- R&D costs: Focus investment in key areas and reduce costs by 10%

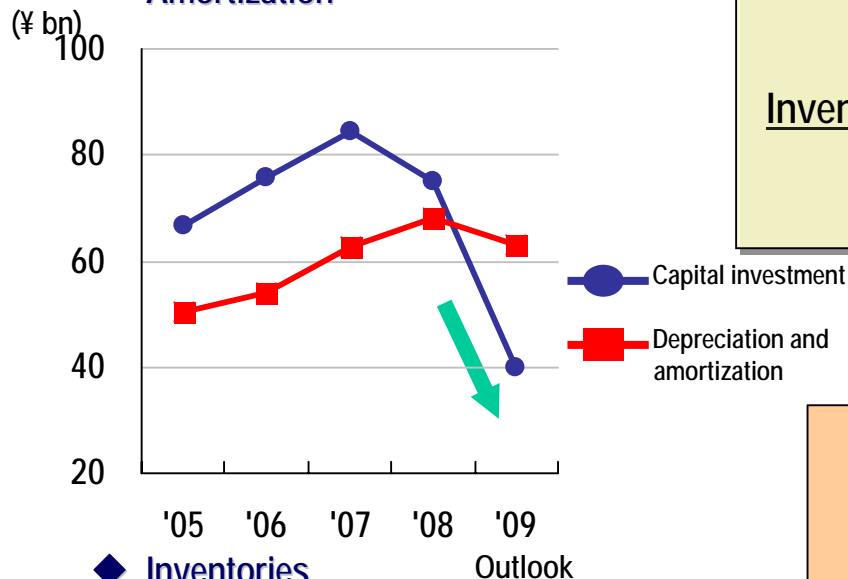


◆ Reduce personnel costs in materials businesses



(4) Freeze Major Capital Investment for Two Years and Increase the Efficiency of Working Capital

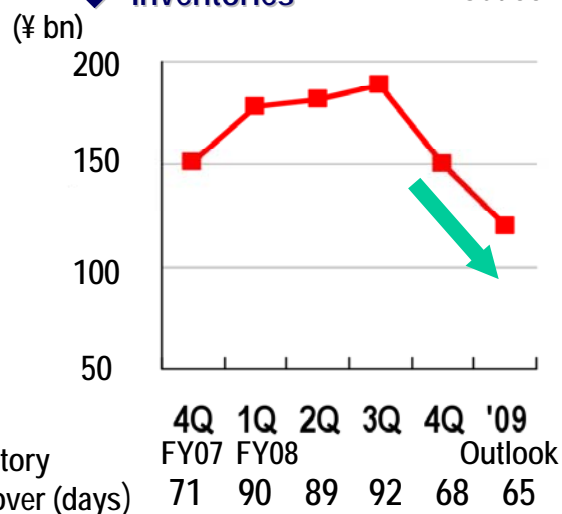
◆ Capital Investment/Depreciation and Amortization



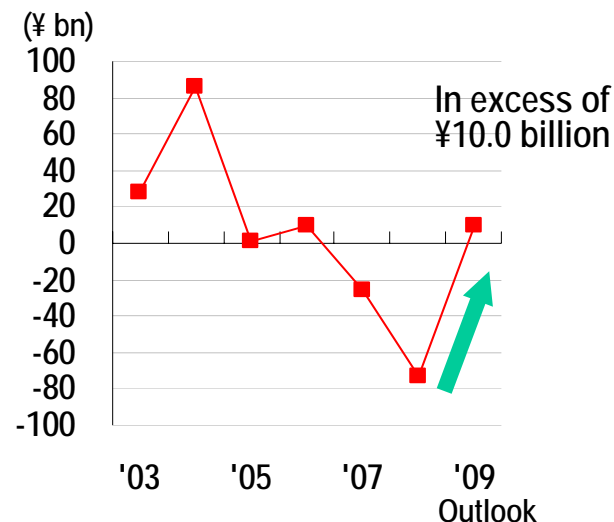
Capital investment: Reduce by ¥35.0 billion, to approx. ¥40.0 billion in fiscal 2009

Inventories: Reduce by ¥25.0 billion, to approx. ¥110.0 billion (turnover: 65 days) at fiscal 2009 year-end

◆ Inventories

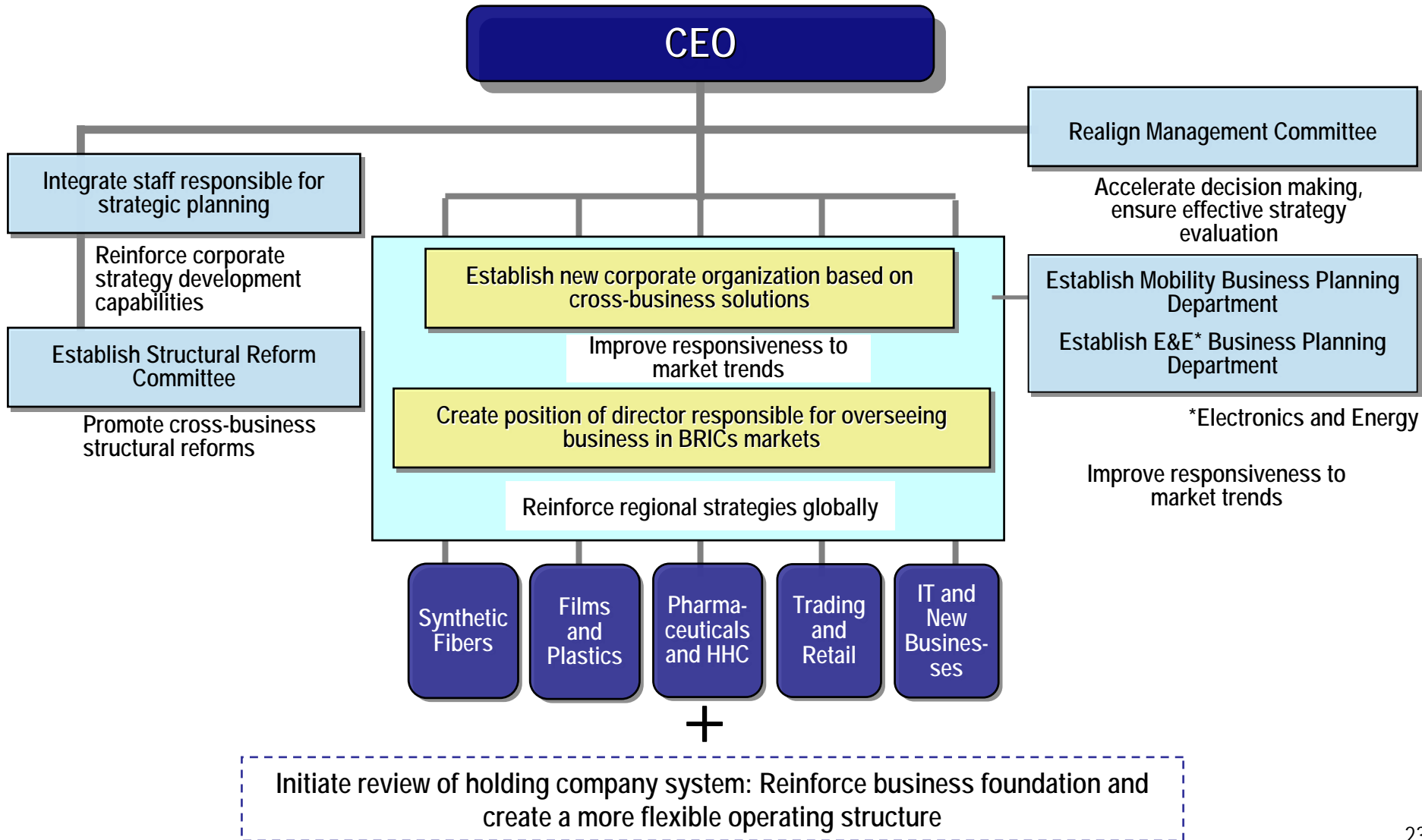


◆ Free Cash Flow



- For the foreseeable future, we will focus on maximizing the benefits of advance investments
- Reinforcing production management will enable us to reassess inventory targets

(5) Revamp corporate organization to support efforts to restructure Teijin and reposition it on a growth trajectory



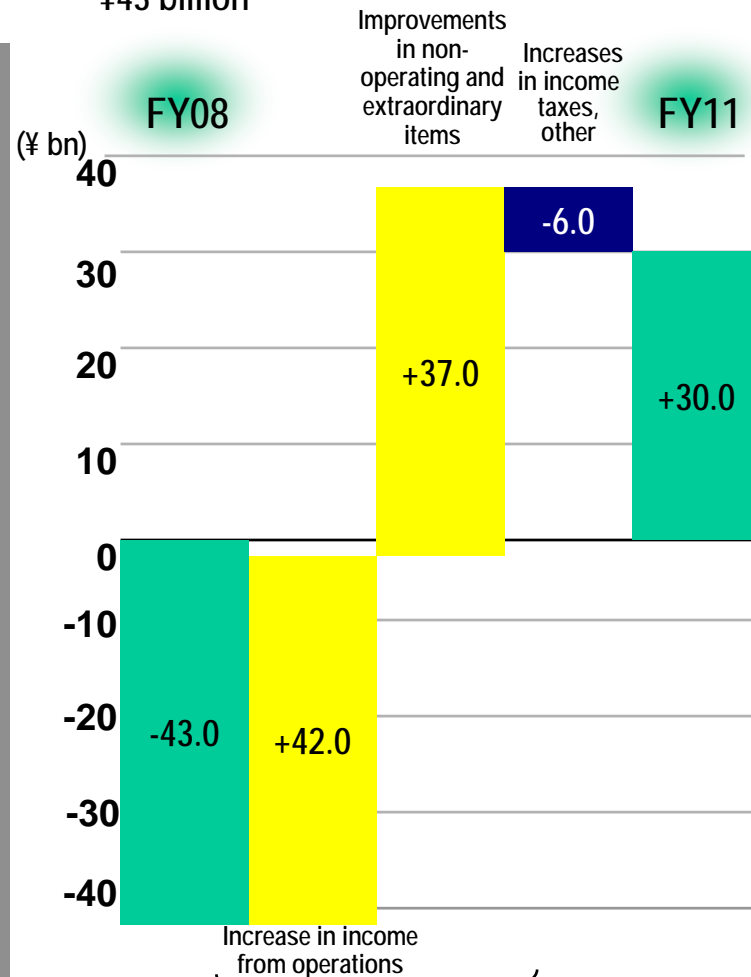
## ◆ Teijin: Impact of Structural Reforms

## Outlook for Fiscal 2011

		FY08	FY11 (Forecast)
Net sales	¥ billions	¥943.4	¥950.0
Operating income	¥ billions	18.0	60.0
Net (loss) income	¥ billions	-43.0	30.0
Net income per share	¥ per share	-43.7	30.0
ROE	%	-12.3	> 7%
ROA*	%	1.9	> 6%
Debt-to-equity ratio	Times	1.2	< 1.0

\* Calculated using operating income

## ◆ Factors behind expected improvement to net income of ¥30 billion, from a net loss of ¥43 billion



Increase in income attributable to structural reforms and the increasingly diverse nature of Teijin's business portfolio

### ➤ Forecast for Operating Results

- The global slump has further increased uncertainty over the economic and business environments. In our materials businesses, in particular, it is difficult at this point to make accurate predictions with any assurance.
- We are also planning to implement dramatic structural reforms in our materials businesses in fiscal 2009. Depending on the progress of these efforts, there is a possibility our operating results will vary significantly from current expectations.
- For these reasons, we have taken the decision not to announce results forecasts for fiscal 2009 at this time.
- We will announce forecasts at the earliest possible date. At the latest, this will be when we announce our fiscal 2009 Q2 results; at the earliest, it will be when we announce our first quarter results.

### ➤ Dividend Forecast for Fiscal 2009

- As of now, we have not formulated forecasts for operating results in fiscal 2009. Accordingly, we have also not yet determined a dividend forecast for the period. In the coming months, based on a careful examination of results trends, we will prepare dividend forecasts for the period and announce them at the earliest possible opportunity.

## Disclaimer Regarding Forward-Looking Statements and Business Risks

### Disclaimer

Any statements in this document, other than those of historical fact, 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.

### Business Risks

The Teijin Group recognizes certain risks as having the potential to affect its operating results and/or financial position. As of the date of this document, these risks included, but were not limited to, the risks listed below. Despite the current upheaval in the global financial markets, the Teijin Group faces very little risk of a widening of spreads on funds procured in foreign currencies and is not in a position that would make it difficult to procure necessary funds. With the impact of the financial crisis having spread to the real economy, however, there is a risk in the Group's materials businesses that shipments will continue to dwindle as demand abates.

#### (1) Market-related risk

The Teijin Group manufactures and sells products, the sales of which may be affected by market conditions, competition with other companies and price fluctuations arising thereof, as well as fluctuations in raw materials prices and fuel costs, and such market factors as fluctuations in foreign exchange and interest rates.

#### (2) Product quality risk

Teijin's pharmaceuticals and home health care businesses manufacture and sell products that may affect the lives of users. Accordingly, quality issues relating to such products have the potential to negatively affect, among others, the Group's operating results, financial position and public reputation.

#### (3) R&D-related risk in the pharmaceuticals business

R&D in the pharmaceuticals business is characterized by significant investments of funds and time. Pharmaceuticals discovery research has a high incidence of failure to discover promising drugs. There are also risks that plans to apply for regulatory approval may be abandoned or that approval may be rescinded.

This material is based on the consolidated results for FY08 announced at 11:30 A.M. on May 11, 2009 (local time in Japan).

All product names in this document are registered trademarks.

◆ Financial Highlights

	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Actual
ROA *1	8.5%	7.7%	6.5%	1.9%
ROE *2	7.9%	9.7%	3.3%	-12.3%
Operating margin	8.2%	7.4%	6.3%	1.9%
D/E ratio	0.88	0.81	0.83	1.18
Shareholders' equity ratio *3	35.9%	36.7%	38.5%	35.0%
Total asset turnover	1.04	1.04	1.03	1.00
Earnings per share (¥)	26.6	36.8	13.2	-43.7
Dividends per share (¥)	7.5	10.0	8.0	5.0
Total assets (¥bn)	944.0	999.9	1,016.0	874.2
Interest-bearing debt (¥bn)	298.3	295.5	325.2	361.3
EBITDA (¥bn) *4	127.1	129.1	127.8	85.3

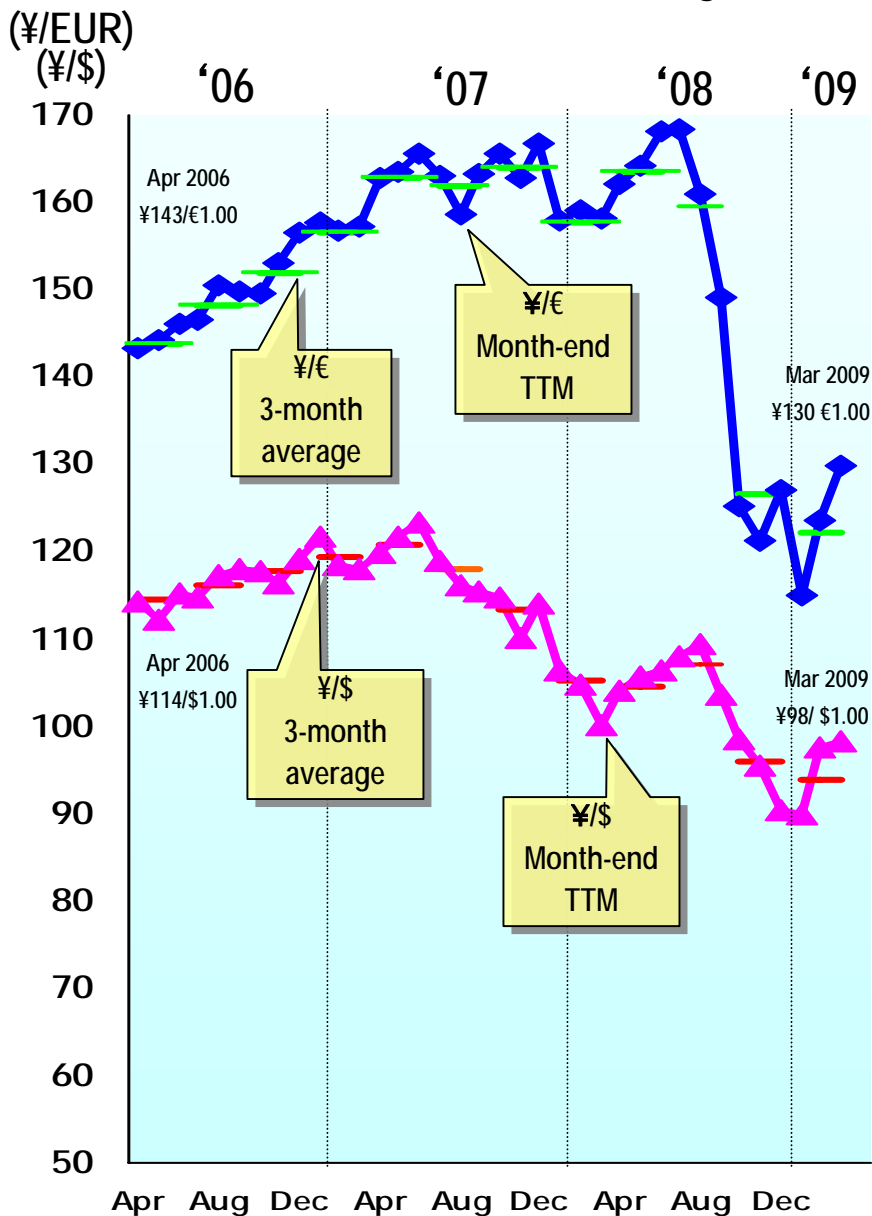
\*1. ROA= Operating income/Total assets

\*2. ROE= Net income/Shareholders' equity

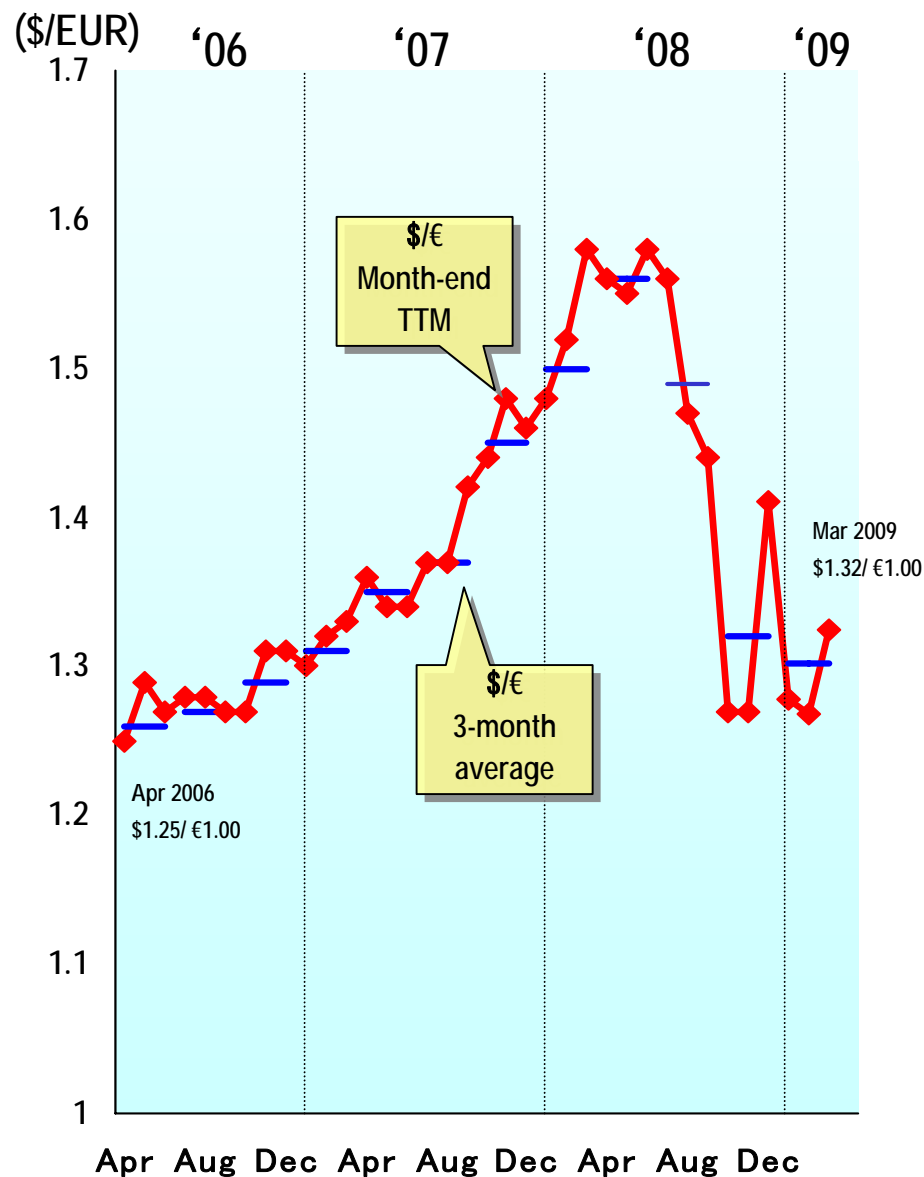
\*3. Figures prior to FY06 are calculated using total shareholders' equity as defined under previous accounting standard

\*4. EBITDA = Operating income + Depreciation & amortization

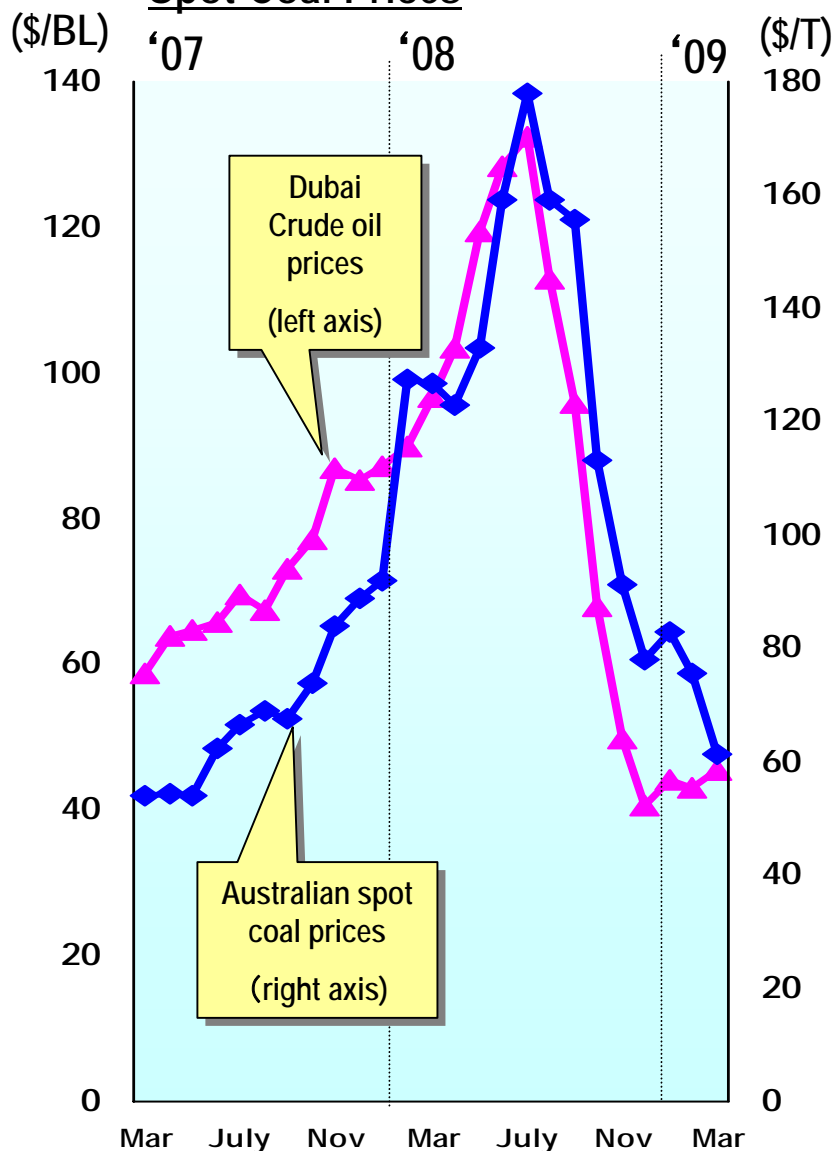
### ◆ Yen/Dollar, Yen/Euro Exchange Rates



### ◆ Dollar/Euro Exchange Rates

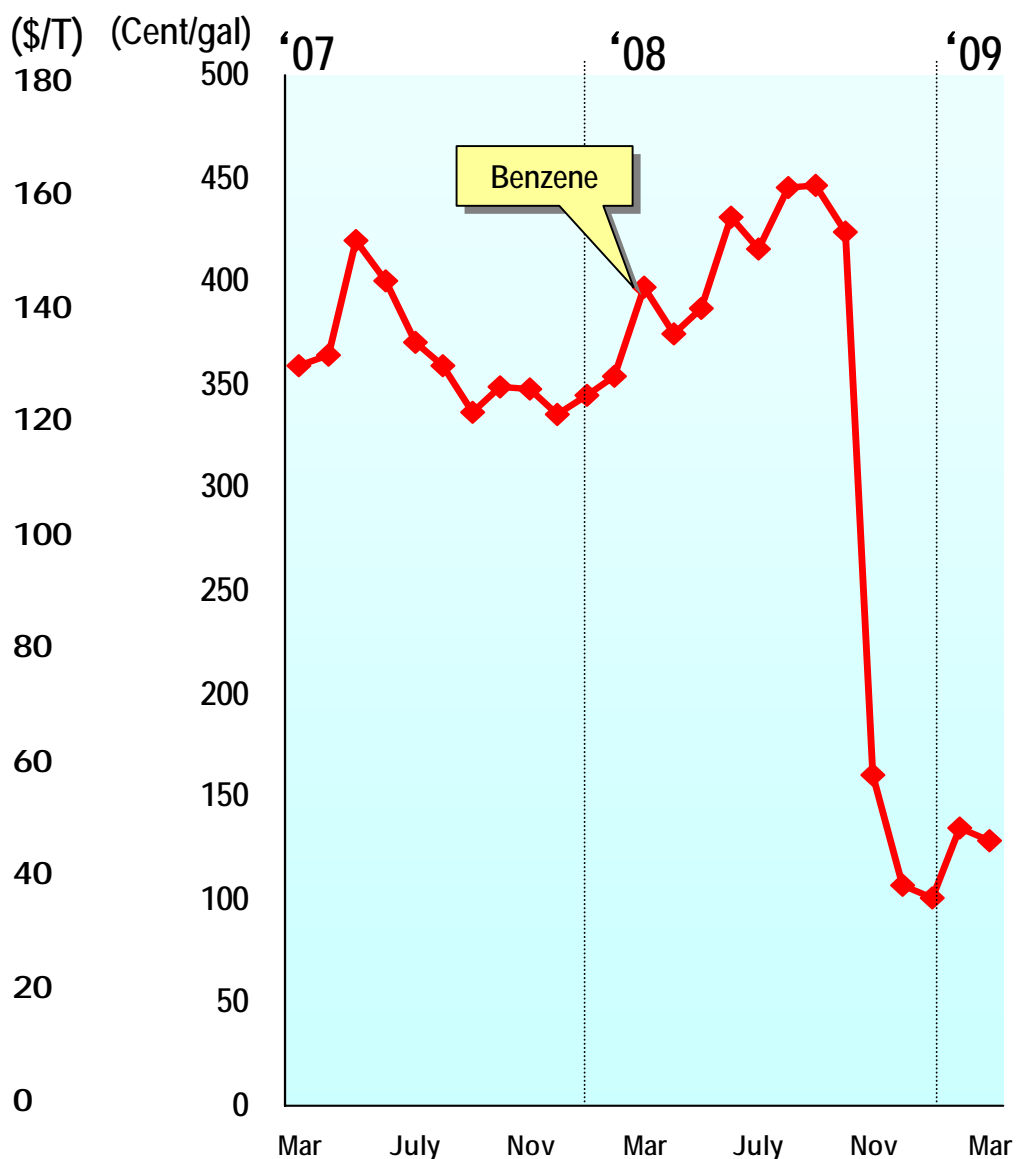


### ◆ Dubai Crude Oil Prices, Australian Spot Coal Prices



【Source: Teijin estimates based on data published by Global Coal】

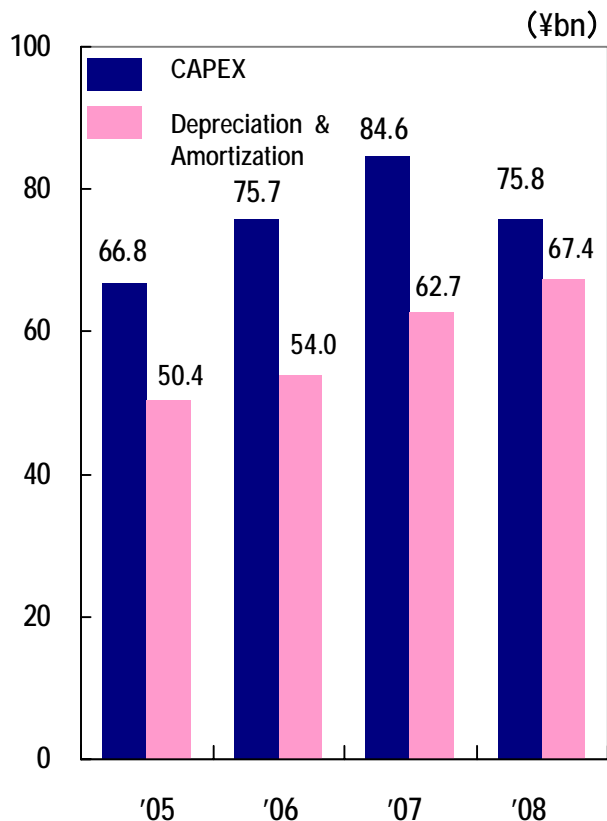
### ◆ Benzene Prices



【Source: Teijin estimates based on data published by Dewitt】

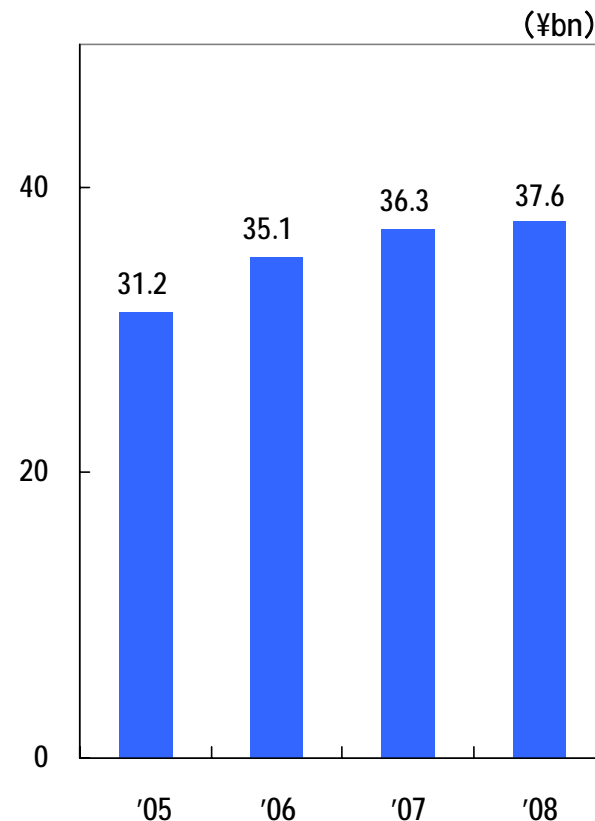
◆ CAPEX, Depreciation & Amortization, and R&D Expenses

CAPEX/Depreciation & Amortization



➤ CAPEX to exceed depreciation & amortization, particularly in growth SBUs

R&D Expenses



➤ Approx. 60% of R&D expenses to be allocated to growth SBUs, notably pharma. & H.H.C. (FY08)

## ◆ Progress of CAPEX in Materials Businesses

### ◇ Expansion of production facilities: Projects completed in FY08

Business group	Products	Aim of project	Date of completion	Location	Increase in capacity
High Performance Fibers	Carbon fibers ( <i>Tenax</i> )	Increase production capacity	April 2008	Japan (Mishima)	2,700 tons/yr
Plastics	Polycarbonate /PET film ( <i>ELECLEAR</i> )	Increase production capacity	October 2008	Japan (Mihara)	Approx. 100%
High Performance Fibers	Para-aramid fibers ( <i>Twaron</i> )	Increase polymerization and spinning capacity	2008 mid-year onward (gradual)	Netherlands (Arnhem)	Approx. 15%

### ◇ Expansion of production facilities: Projects slated for launch in the next few years

Business group	Products	Aim of project	Date of completion	Location	Increase in capacity
High Performance Fibers	Carbon fibers ( <i>Tenax</i> )	Increase production capacity	Scheduled to come on line in the second half of FY2010	Germany (Oberbruch)	1,700 tons/yr
Plastics	Polycarbonate resin ( <i>Panlite</i> ) ( <i>Multilon</i> )	Increase compounding capacity		China (Shanghai)	39,000 tons/yr

◆ Movement of Quarterly Performance

(\\$bn)	FY07					FY08				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net sales	248.5	261.3	264.9	262.0	1,036.6	236.6	253.2	247.9	205.6	943.4
Operating income	16.5	16.5	19.0	13.2	65.2	8.6	6.4	7.2	-4.3	18.0
Operating margin	6.7%	6.3%	7.2%	5.0%	6.3%	3.6%	2.5%	2.9%	-	1.9%
Ordinary income	15.4	11.9	16.7	2.3	46.3	6.6	2.3	-2.1	-9.5	-2.7
Net income	8.9	2.0	12.3	-10.6	12.6	2.7	-2.3	-15.0	-28.4	-43.0

EBITDA*	30.9	31.1	35.7	30.1	127.8	24.6	23.0	25.0	12.7	85.3
CAPEX	13.4	22.8	17.6	30.9	84.6	15.7	20.9	19.8	19.4	75.8
Depreciation & amortization	14.4	14.6	16.7	16.9	62.7	16.0	16.6	17.8	17.0	67.4
R&D expenses	8.1	9.4	9.1	9.6	36.3	9.1	9.5	9.9	9.1	37.6

\*EBITDA = (Operating income + Depreciation & amortization)

◆ Qualitative Operating Results by Segment

		FY 2007				FY 2008			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
(¥bn)									
Sales	Synthetic Fibers	78.0	79.4	79.8	80.5	76.3	79.2	66.9	50.9
	Films & Plastics	72.6	75.2	73.8	72.2	64.6	71.6	71.2	50.6
	Pharma. & H.H.C.	28.3	27.4	31.3	27.4	29.0	28.2	36.0	34.0
	Trading & Retail	60.6	68.2	70.3	66.8	57.2	63.0	63.9	55.1
	IT & New Products, etc.	9.0	11.1	9.7	15.1	9.6	11.3	9.9	15.0
	Total	248.5	261.3	264.9	262.0	236.6	253.2	247.9	205.6
Operating income	Synthetic Fibers	6.5	5.2	5.8	6.9	3.3	0.8	-0.0	-6.9
	Films & Plastics	5.4	7.2	6.0	1.6	2.1	1.8	1.3	-5.0
	Pharma. & H.H.C.	6.0	3.8	7.5	4.4	5.9	4.8	7.6	6.5
	Trading & Retail	0.6	1.7	1.8	1.2	0.7	1.3	1.3	0.6
	IT & New Products, etc.	-0.3	0.9	0.2	2.8	-0.3	0.8	0.3	2.8
	Elimination & Corporate	-1.7	-2.3	-2.3	-3.7	-3.0	-3.1	-3.3	-2.3
Total	16.5	16.5	19.0	13.2	8.6	6.4	7.2	-4.3	

◆ Consolidated Statements of Income

	FY07		FY08		Diff.	
	Amount	% of total	Amount	% of total	Amount	%
(¥bn)						
Net Sales	1,036.6	100.0%	943.4	100.0%	-93.2	-9.0%
Cost of sales	780.2	75.3%	724.8	76.8%	-55.4	-7.1%
Gross profit	256.4	24.7%	218.6	23.2%	-37.8	-14.7%
SG & A	191.3	18.5%	200.7	21.3%	+9.4	+4.9%
Operating income	65.2	6.3%	18.0	1.9%	-47.2	-72.4%
Nonoperating items (net)	-18.9	-	-20.6	-	-1.8	-
( Balance of financial expenses)	-9.0	-	-8.7	-	+0.3	-
(Equity on gains and losses of unconsolidated subsidiaries and affiliates)	-4.6	-	-8.0	-	-3.4	-
Ordinary income	46.3	4.5%	-2.7	-	-49.0	-
Extraordinary items(net)	-34.0	-	-31.2	-	2.8	-
Income before income taxes	12.3	1.2%	-33.9	-	-46.2	-
Income taxes	10.5	1.0%	10.2	1.1%	-0.3	-
Minority interest (net)	-10.8	-	-1.2	-	+9.6	-
Net income	12.6	1.2%	-43.0	-	-55.6	-

Note: For more information, see the Financial Statements-Summary for the year ended March 31, 2009.

## ◆ Consolidated Balance Sheets &lt;Assets&gt;

	(¥bn)	Mar 31, 2008	Mar 31, 2009	Diff.	
				Amount	%
Total assets		1,016.0	874.2	-141.8	-14.0%
Current assets		417.4	351.1	-66.3	-15.9%
Cash and time deposits		19.1	19.0	-0.1	-0.7%
Trade notes and accounts receivable		204.9	151.9	-53.0	-25.9%
Inventories		151.5	135.1	-16.4	-10.8%
Others		41.9	45.2	+3.3	+7.9%
Fixed assets		598.6	523.0	-75.6	-12.6%
Tangible assets		382.6	339.7	-42.9	-11.2%
Intangible assets		74.7	82.0	+7.3	+9.7%
Investments and other assets		141.3	101.4	-40.0	-28.3%

Note: For more information, see the Financial Statements-Summary for the year ended March 31, 2009.

## ◆ Consolidated Balance Sheets &lt;Liabilities and net assets&gt;

	(¥bn)	Mar 31, 2008	Mar 31, 2009	Diff.	
				Amount	%
Total liabilities and net assets		1,016.0	874.2	-141.8	-14.0%
Liabilities		604.7	544.2	-60.6	-10.0%
Current liabilities		417.5	325.1	-92.5	-22.1%
Noncurrent liabilities		187.2	219.1	+31.9	+17.0%
( Interest-bearing debt )		325.2	361.3	+36.1	+11.1%
Net assets		411.2	330.0	-81.3	-19.8%
Shareholders' equity		371.8	322.8	-49.0	-13.2%
Valuation and translation adjustments and others		19.2	-17.2	-36.4	-
Stock acquisition rights		0.2	0.3	+0.1	+44.8%
Minority interests in consolidated subsidiaries		20.0	24.1	+4.1	+20.3%

Note: For more information, see the Financial Statements-Summary for the year ended March 31, 2009.

◆ Nonoperating items

(¥bn)	FY07	FY08	Diff.
Interest income	0.6	0.6	-0.0
Dividend income	1.2	1.2	-0.1
Other income	1.4	1.6	+0.2
Nonoperating revenues total	3.3	3.4	+0.1
Interest expense	10.8	10.5	-0.3
Equity in losses of unconsolidated subsidiaries and affiliates	4.6	8.0	+3.4
Foreign exchange loss	0.1	0.9	+0.9
Other expenses	6.6	4.6	-2.0
Nonoperating expenses total	22.2	24.1	+1.9
Nonoperating items total	-18.9	-20.6	-1.8

◆ Extraordinary items

(¥bn)	FY07	FY08	Diff.
Gain on prior term adjustments	0.1	0.4	+0.3
Gain on sales of property, plant and equipment	1.6	1.3	-0.3
Gain on sales of investment securities	5.3	0.2	-5.1
Gain on compensation for transfer of property	1.0	0.1	-0.9
Others	0.8	0.2	-0.6
<b>Extraordinary income total</b>	<b>8.8</b>	<b>2.1</b>	<b>-6.8</b>
Loss on disposal and sales of fixed assets	2.0	2.4	+0.4
Write-down of investment securities	0.3	2.7	+2.4
Special factory operating loss	3.2	10.2	+7.0
Loss on impairment	32.2	11.6	-20.6
Restructuring costs	-	3.3	+3.3
Others	5.1	3.1	-2.0
<b>Extraordinary losses total</b>	<b>42.9</b>	<b>33.3</b>	<b>-9.5</b>
<b>Extraordinary items total</b>	<b>-34.0</b>	<b>-31.2</b>	<b>+2.8</b>

Note: For more information, see the Financial Statements-Summary for the year ended March 31, 2009.

## ◆ Consolidated Statements of Cash Flows

(¥bn)	FY07	FY08	Diff.
Income before income taxes	12.3	-33.9	-46.2
Depreciation and amortization	62.7	67.4	+4.7
Loss on impairment	32.2	11.6	-20.6
Increase in inventories	-9.5	-4.4	+5.1
Income taxes paid	-27.0	-11.3	+15.7
Decrease in receivables & payables	-12.3	-1.1	+11.1
Others	-4.7	12.1	+16.8
Net cash and cash equivalents provided by operating activities	53.7	40.4	-13.3
Purchase of property, plant and equipment	-78.8	-75.8	+3.0
Purchase of investment securities	-2.0	-3.8	-1.8
Purchase of shares of newly consolidated subsidiaries	-	-24.5	-24.5
Others	1.6	-12.1	-13.7
Net cash and cash equivalents used in investing activities	-79.2	-116.3	-37.1
Free Cash Flow	-25.5	-75.9	-50.4
Net cash and cash equivalents provided by financing activities, etc	16.2	77.2	+61.0
Net increase in cash and cash equivalents	-9.3	1.3	+10.5

Note: For more information, see the Financial Statements-Summary for the year ended March 31, 2009.

## ◆ Consolidated Statements of Income

	FY07 Q4		FY08 Q4		Diff.	
	Amount	% of total	Amount	% of total	Amount	%
(¥bn)						
Net Sales	262.0	100.0%	205.6	100%	-56.4	-21.5%
Cost of sales	199.7	76.2%	162.5	79.0%	-37.2	-18.6%
Gross profit	62.4	23.8%	43.1	21.0%	-19.3	-30.9%
SG & A	49.2	18.8%	47.5	23.1%	-1.8	-3.6%
Operating income	13.2	5.0%	-4.3	-	-17.5	-
Nonoperating items (net)	-10.8	-	-5.1	-	+5.7	-
( Balance of financial expenses)	-2.4	-	-2.5	-	-0.1	-
(Equity on gains and losses of unconsolidated subsidiaries and affiliates)	-4.7	-	-1.5	-	+3.2	-
Ordinary income	2.3	0.9%	-9.5	-	-11.8	-
Extraordinary items(net)	-30.2	-	-18.1	-	+12.1	-
Income before income taxes	-27.9	-	-27.6	-	+0.3	-
Income taxes	-5.5	-	1.3	0.6%	+6.9	-
Minority interest (net)	-11.7	-	-0.5	-	+11.2	-
Net income	-10.6	-	-28.4	-	-17.8	-

Note: For more information, see the Financial Statements-Summary for the year ended March 31, 2009.

◆ Operating Results by Segment (Comparison with FY07 Q4)

(¥bn)	Sales				Operating income			
	FY07 Q4	FY08 Q4	Diff.	%	FY07 Q4	FY08 Q4	Diff.	%
Synthetic Fibers	80.5	50.9	-29.6	-36.8%	6.9	-6.9	-13.8	-
Films & Plastics	72.2	50.6	-21.6	-29.9%	1.6	-5.0	-6.6	-
Pharma. & H.H.C.	27.4	34.0	+6.6	+23.9%	4.4	6.5	+2.1	+49.1%
Trading & Retail	66.8	55.1	-11.7	-17.5%	1.2	0.6	-0.6	-48.9%
IT & New Products, etc.	15.1	15.0	-0.1	-0.6%	2.8	2.8	-0.0	-0.2%
Elimination & Corporate	-	-	-	-	-3.7	-2.3	+1.4	-
Total	262.0	205.6	-56.4	-21.5%	13.2	-4.3	-17.5	-

## ◆ Overview of Main Subsidiaries

				FY 2007				FY 2008			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	Synthetic Fibers		<i>Teijin Fibers</i>	38.7	37.7	34.5	38.2	38.1	37.9	26.5	23.9
			Three fibers companies in Southeast Asia	18.3	19.0	20.4	19.4	17.8	17.4	16.3	10.9
			Total	57.0	56.6	54.9	57.6	56.0	55.1	42.8	34.8
			Aramid fibers business	22.5	23.1	25.0	22.6	23.6	24.2	22.3	14.8
			<i>Toho Tenax</i> group Carbon fibers only	9.4	9.7	8.9	9.8	9.4	10.8	9.0	5.6
	F&P		Films business group	27.9	28.8	28.5	27.5	26.2	28.5	28.2	22.2
			Plastics business group	48.9	50.7	49.0	48.2	41.4	45.9	45.5	30.0
Operating Income	Synthetic Fibers		<i>Teijin Fibers</i>	0.4	-0.3	-0.6	0.2	-0.2	-0.7	-2.8	-2.1
			Three fibers companies in Southeast Asia	-0.4	-0.6	0.2	0.4	-0.8	-1.0	-0.6	-0.7
			Total	-0.0	-0.9	-0.4	0.6	-1.0	-1.7	-3.4	-2.8
			Aramid fibers business	6.3	5.7	7.3	6.6	5.6	4.2	4.7	1.0
			<i>Toho Tenax</i> group Carbon fibers only	1.6	1.7	1.1	1.8	0.7	0.9	0.1	-2.2
	F&P		Films business group	1.7	2.2	1.9	0.2	1.3	1.0	1.2	-0.2
			Plastics business group	3.9	5.2	4.2	1.5	1.0	0.9	0.2	-4.5

## Notes:

1. FY08: Figures for Teijin Fibers include the results of newly consolidated TS Aromatics Limited, a JV with Showa Shell Sekiyu K.K.
2. Figures for the three fiber companies in SE Asia are aggregate totals for the three companies
3. The "aramid fibers business" includes the Teijin Aramid group and the aramid fibers business of Teijin Techno Products Limited

## ◆ Comparison with Previous Outlook for FY08

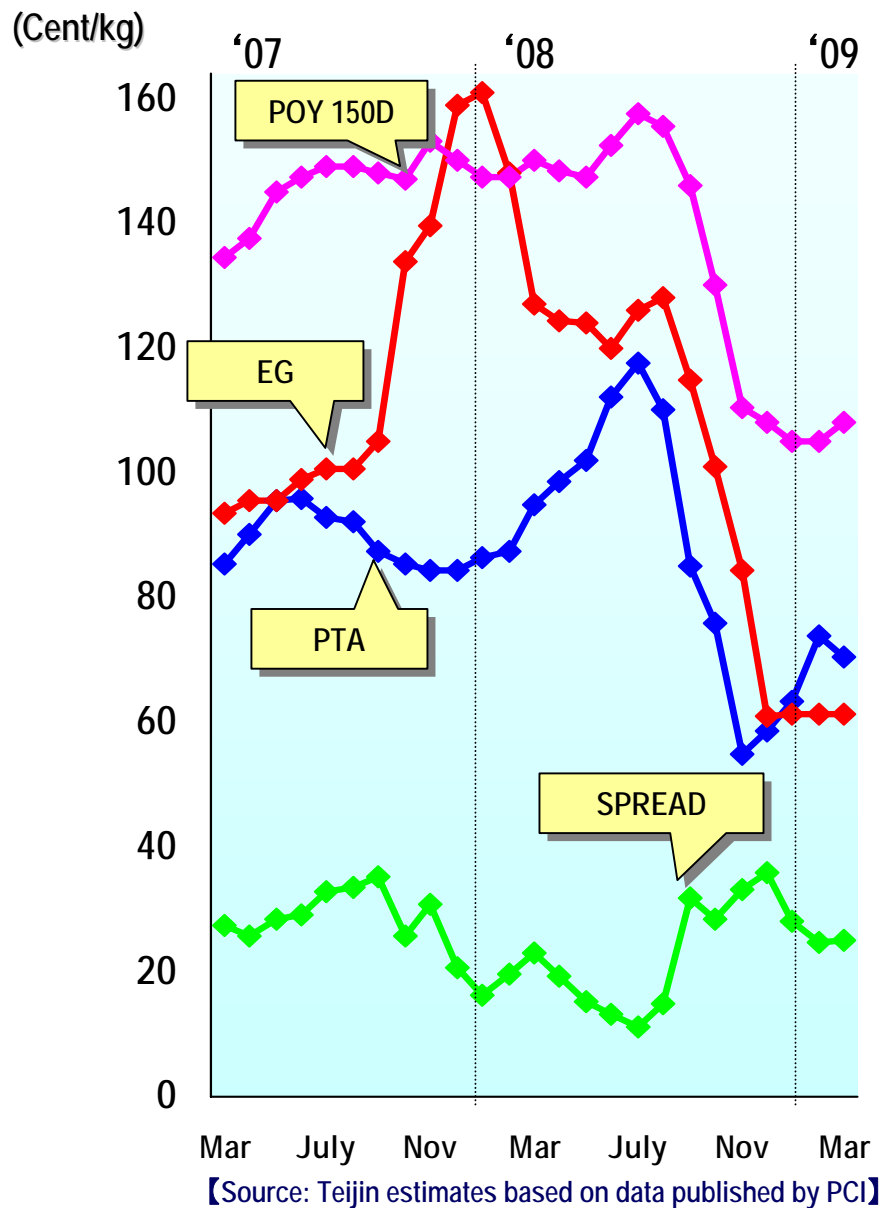
(¥bn)	FY08 Previous Outlook	FY08 Actual	Diff.
Sales	950.0	943.4	-6.6
OP	16.0	18.0	+2.0
Ordinary income	-5.0	-2.7	+2.3
Net income	-30.0	-43.0	-13.0

- Net sales: Decline in demand pushed down sales in materials businesses
- Operating income: Benefited from urgent measures implemented to cut costs
- Net loss: Reflected impact of impairment loss, increase in special factory operating loss and reversal of deferred income tax assets

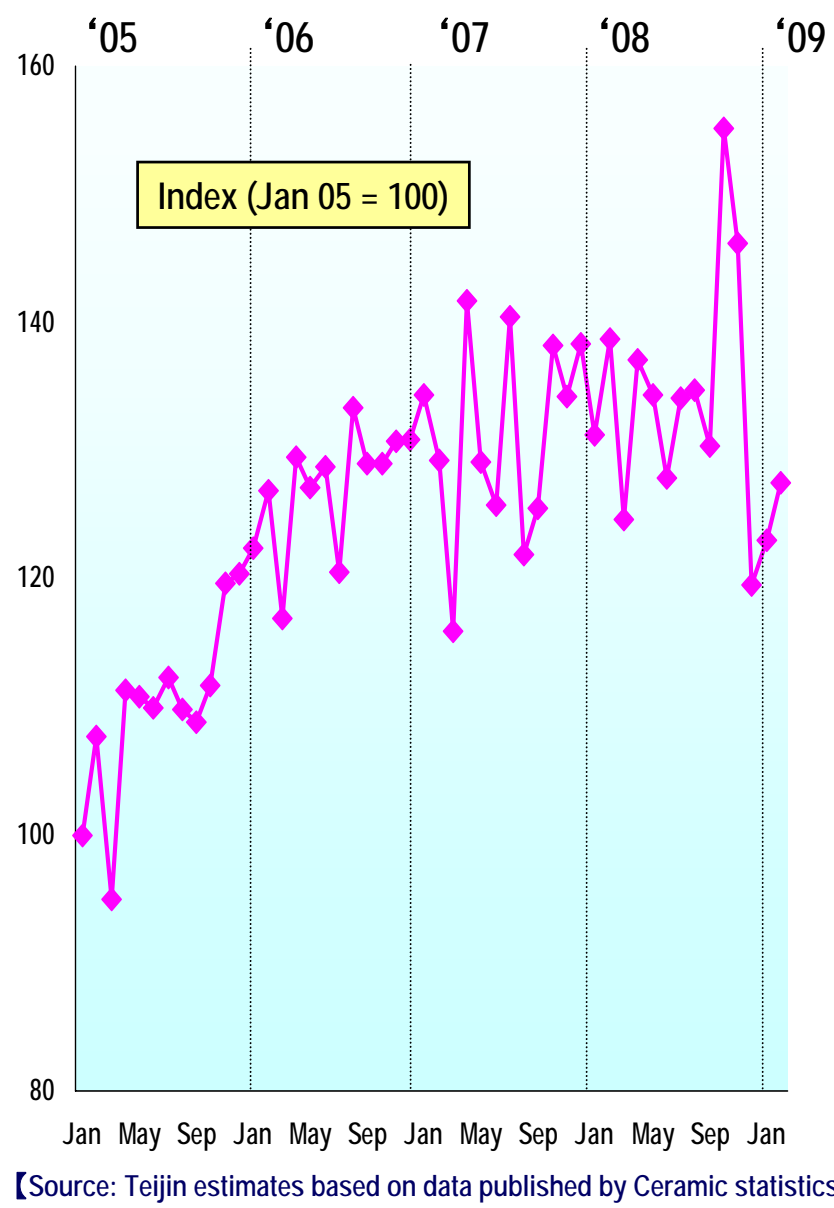
(¥bn)	FY08 Previous Outlook	FY08 Actual	Diff.
Synthetic Fibers	280.0	273.2	-6.8
Films & Plastics	260.0	258.0	-2.0
Pharma. & H.H.C.	125.0	127.1	2.1
Trading & Retail	240.0	239.2	-0.8
IT & New Products, etc.	45.0	45.9	+0.9
Sales	950.0	943.4	-6.6
Synthetic Fibers	-2.0	-2.8	-0.8
Films & Plastics	0.0	0.2	+0.2
Pharma. & H.H.C.	24.0	24.8	+0.8
Trading & Retail	3.0	3.9	+0.9
IT & New Products, etc.	3.0	3.6	+0.6
Elimination & Corporate	-12.0	-11.8	+0.2
OP	16.0	18.0	+2.0

Previous outlook released on Jan 30, 2009.

### ◆ Polyester Fibers Prices, Raw Materials Prices



### ◆ Carbon Fibers Shipment Price



◆ Sales of Principal Pharmaceuticals

(¥bn)

Product	Indication	FY07					FY08				
		Q1	Q2	Q3	Q4	total	Q1	Q2	Q3	Q4	total
<i>Bonalon</i>	Osteoporosis	4.1	4.2	5.7	4.2	18.2	5.1	4.7	5.8	4.3	19.9
<i>Onealfa</i>	Osteoporosis	3.1	3.0	3.5	2.9	12.5	2.9	2.9	3.4	2.6	11.8
Osteoporosis total		7.2	7.2	9.2	7.2	30.7	8.0	7.7	9.2	6.8	31.7
<i>Mucosolvan</i>	Expectorant	2.8	2.3	3.5	2.5	11.1	2.6	2.2	3.3	2.5	10.5
<i>Venilon</i>	Severe infection	2.5	2.1	2.4	1.8	8.9	2.1	2.0	2.4	1.6	8.2
<i>Laxoberon</i>	Laxative	1.2	1.2	1.4	1.0	4.8	1.2	1.2	1.3	1.1	4.7

*Bonalon*® is the registered trademark of Merck & Co., Inc., Whitehouse Station, NJ, USA.

◆ Principal Pharmaceuticals in Current Portfolio

(As of March 31, 2009)

Therapeutic Area	Product	Indication	Medicinal Properties/ Characteristics	Dosage Form	Remarks
Bone and joint disease	<i>Bonalon</i> <sup>®</sup>	Osteoporosis	<ul style="list-style-type: none"> <li>• Alendronate chosen by many osteoporosis guidelines as the preferred treatment; acts as a specific inhibitor of osteoclast-mediated bone resorption, thereby increasing bone density</li> <li>• Proven effective in minimizing the risk of fracture regardless of patient age, gender or degree of bone density loss</li> <li>• Complementing its 5mg tablet for once-daily dosing, in September 2006 Teijin launched <i>Bonalon</i><sup>®</sup> 35mg tablet, the first once-weekly drug for osteoporosis to gain approval in Japan. This new version achieves the same therapeutic effects while reducing the burden on patients.</li> </ul>	Oral (tablet)	Licensed-in from Merck (USA)
	<i>Onealfa</i> <sup>®</sup>	Osteoporosis	<ul style="list-style-type: none"> <li>• Active vitamin D<sub>3</sub> preparation proven to improve bone metabolism and minimize the risk of fracture</li> <li>• Easy-to-take small tablet also developed</li> </ul>	Oral (tablet, solution)	Developed in-house

Therapeutic Area	Product	Indication	Medicinal Properties/ Characteristics	Dosage Form	Remarks
Respiratory disease	<i>Mucosolvan</i> <sup>®</sup>	Expectorant	<ul style="list-style-type: none"> <li>Acts by stimulating the secretion of surfactants and other secretions in the respiratory tract, effectively facilitating expectoration of phlegm regardless of its properties</li> <li>Six dosage forms available, including <i>Mucosolvan</i><sup>®</sup> Tablet and <i>Mucosolvan</i><sup>®</sup> L Capsule (once-daily dosing)</li> </ul>	Oral (tablet, L capsule, syrup, dry syrup [two versions])	Licensed-in from Boehringer Ingelheim (Germany)
	<i>Alvesco</i> <sup>®</sup>	Asthma	<ul style="list-style-type: none"> <li>Japan's first once-daily steroid preparation for adults. Increased compliance is anticipated. An inhaled steroid that directly targets areas in the lung to be stimulated, this drug reduces side-effects affecting the oropharynx.</li> </ul>	Aerosol spray	Licensed-in from Nycomed (Switzerland)
Cardiovascular and metabolic disease	<i>Tricor</i> <sup>®</sup>	Hyper lipidemia	<ul style="list-style-type: none"> <li>Reduces triglyceride levels while elevating high-density lipoprotein (HDL) cholesterol; in large-scale clinical trials has been shown effective in lowering blood lipids in individuals with type 2 diabetes, thereby helping to prevent cardiovascular events</li> <li>Once-daily dosing for easy use by middle-aged and elderly people suffering from lifestyle-related illnesses</li> </ul>	Oral (capsule)	Licensed-in from Aska Pharmaceutical

Therapeutic Area	Product	Indication	Medicinal Properties/ Characteristics	Dosage Form	Remarks
Others	<i>Kenketsu Venilon</i> <sup>®</sup> -I	Severe infection, Kawasaki disease	<ul style="list-style-type: none"> <li>The first plasma fractionation-derived intravenous-use human immunoglobulin therapy developed in Japan using domestic technology</li> <li>Manufactured using plasma from blood donated in Japan; the only human immunoglobulin treatment storable at room temperature</li> </ul>	Injection	Joint development with Kaketsuken (The Chemo-Sero-Therapeutic Research Institute)
	<i>Bonalfa</i> <sup>®</sup> *1	Psoriasis	<ul style="list-style-type: none"> <li>Treatment for hyperkeratosis that acts by preventing the hyperproliferation of skin cells and inducing cell differentiation</li> <li>An active vitamin D<sub>3</sub> preparation, available in three forms, with ointment offered in two concentrations (2μg/g, 20μg/g), that responds to a wide variety of treatment needs</li> </ul>	Ointment, cream, lotion	Developed in-house
	<i>Laxoberon</i> <sup>®</sup>	Laxative, colonic evacuation	<ul style="list-style-type: none"> <li>Relieves constipation by stimulating bowel movement and softening stool</li> <li>Solution enables adjustment of dose to suit patient; also appropriate for colonic evacuation prior to investigational procedures</li> </ul>	Oral (solution, tablet)	Licensed-in from Boehringer Ingelheim (Germany)
	<i>Anact</i> <sup>®</sup> C *2	Treatment for thrombosis caused by congenital protein C deficiency	<ul style="list-style-type: none"> <li>The world's first human activated protein C concentrate. An orphan drug, Anact<sup>®</sup>C is approved by the Ministry of Health, Labour and Welfare for the treatment of deep vein thrombosis, acute pulmonary embolism and fulminant purpura caused by congenital protein C deficiency.</li> </ul>	Injection	Joint development: Kaketsuken

\*1 In August 2008, a new indication for *Bonalfa*<sup>®</sup> (lifting of restrictions on use in the treatment of nonintractable disease) was approved.

\*2 *Anact*<sup>®</sup>C was approved in September 2000 for the treatment of deep vein thrombosis and acute pulmonary embolism caused by congenital protein C deficiency. On October 20, 2006, *Anact*<sup>®</sup>C was also approved as an orphan drug for the treatment of fulminant purpura.

◆ Development Status of New Pharmaceuticals

(As of March 31, 2009)

## 【Filed】

Code No. (Generic Name)	Target Disease	Medicinal Properties/ Characteristics	Dosage Form	Remarks
TMX-67 (Febuxostat)	Gout and hyperuricemia	XOD inhibitor	Oral	Developed in-house, preparing for reapplication in Japan
GGs (Freeze-Dried Sulfonated Human Normal Immunoglobulin)	Churg–Strauss Syndrome	Human immunoglobulin	Injection	Joint development with Kaketsuken (new indication)

## 【Phase III】

Code No. (Generic Name)	Target Disease	Medicinal Properties/ Characteristics	Dosage Form	Remarks
GGs (Freeze-Dried Sulfonated Human Normal Immunoglobulin)	Multiple Sclerosis	Human immunoglobulin	Injection	Joint development with Kaketsuken (new indication)
BTR-15K (Ciclesonide)	Asthma	Inhaled steroid	Inhaled	Licensed-in from Nycomed (Switzerland) (New indication: asthma in children)
GTH-42V	Osteoporosis	Alendronate	Injection	Licensed-in from Merck (US)

## 【Phase II】

Code No. (Generic Name)	Target Disease	Medicinal Properties/ Characteristics	Dosage Form	Remarks
TMA-15 (Urtoxazumab) <sup>*1</sup>	STEC (O-157) infection	Humanized monoclonal antibody	Injection	Developed in-house
ITM-014 (Lanreotide acetate)	Acromegaly	Sustained-release formulation of somatostatin analogue	Injection	Licensed-in from Beaufour Ipsen (France)
TPC-806	Cardiac disease	Chymase inhibitor	Oral	Developed in-house

\*1 Phase II clinical trials are underway overseas for TMA-15.

## 【Phase I】

Code No. (Generic Name)	Target Disease	Medicinal Properties/ Characteristics	Dosage Form	Remarks
LTC-203 (Drotrecogin Alfa [activated])	Severe sepsis	Recombinant-activated protein C	Injection	Joint development with Eli Lilly (Japan), licensed-in from Eli Lilly (US)
ITM-077	Type II Diabetes	Human glucagon-like peptide 1 analog	Injection	Licensed-in from Beaufour Ipsen (France) Joint development with Chugai Pharmaceutical Co., Ltd
TMA-15 (Urttoxazumab)* <sup>2</sup>	STEC (O-157) infection	Human monoclonal antibody	Injection	Developed in-house
NTC-801	Atrial fibrillation and flutter	Selective anti-arrhythmia agent	Oral	Joint development with Nissan Chemical Industries, Ltd
ITM-058	Osteoporosis	Human PTHrP analog	Injection	Licensed in from Beaufour Ipsen (France)

\*2 Phase I clinical trials have begun in Japan for TMA-15.

◆ Development Status by Therapeutic Area

(As of March 31, 2009)

Area	Phase of Clinical Trials				
	Phase I	Phase II	Phase III	Filed	Approved/New Launch
Bone and joint disease	ITM-058		GTH-42V <sup>*3</sup>		
Respiratory disease			BTR-15K <sup>*1</sup> (New indication: asthma in children)		
Cardio-vascular and metabolic disease	LTC-203 ITM-077 NTC-801	ITM-014 TPC-806		TMX-67 (Japan:Under additional clinical trials )	
Other	TMA-15 (Domestic)	TMA-15 (Overseas)	GGs <i>Venilon</i> ® (New indication for multiple sclerosis)	GGs <sup>*4</sup> <i>Venilon</i> ® (New indication for Churg–Strauss Syndrome)	TV-02HS <sup>*2</sup> [ <i>Bonalfa</i> ® High Lotion] (New indication: Lifting of restrictions on use in treatment of nonintractable diseases)

\*1 BTR-15K entered Phase III clinical trials in June 2008.

\*2 In August 2008, the lifting of restrictions on TV-02 HS's use in the treatment of nonintractable diseases was approved.

\*3 Phase III clinical trials for GTH-42V began in December 2008.

\*4 In December 2008, Teijin filed for a new indication for GGS (treatment of Churg-Strauss syndrome)

◆ Status of Licensed-in Products in Preclinical Stage (Information for the past three years)

Contract	Company	Description
March 2008	Dong Wha Pharmaceutical Industrial Co., Ltd. (ROK)	Licensing agreement for osteoporosis drug

## Update of Hostile Takeover Defense Measures

The period of validity of Teijin's existing Hostile Takeover Defense Measures, introduced in June 2006, will expire shortly. Accordingly, at its Annual Meeting of Shareholders on June 24, 2009, Teijin will propose the updating of these measures.

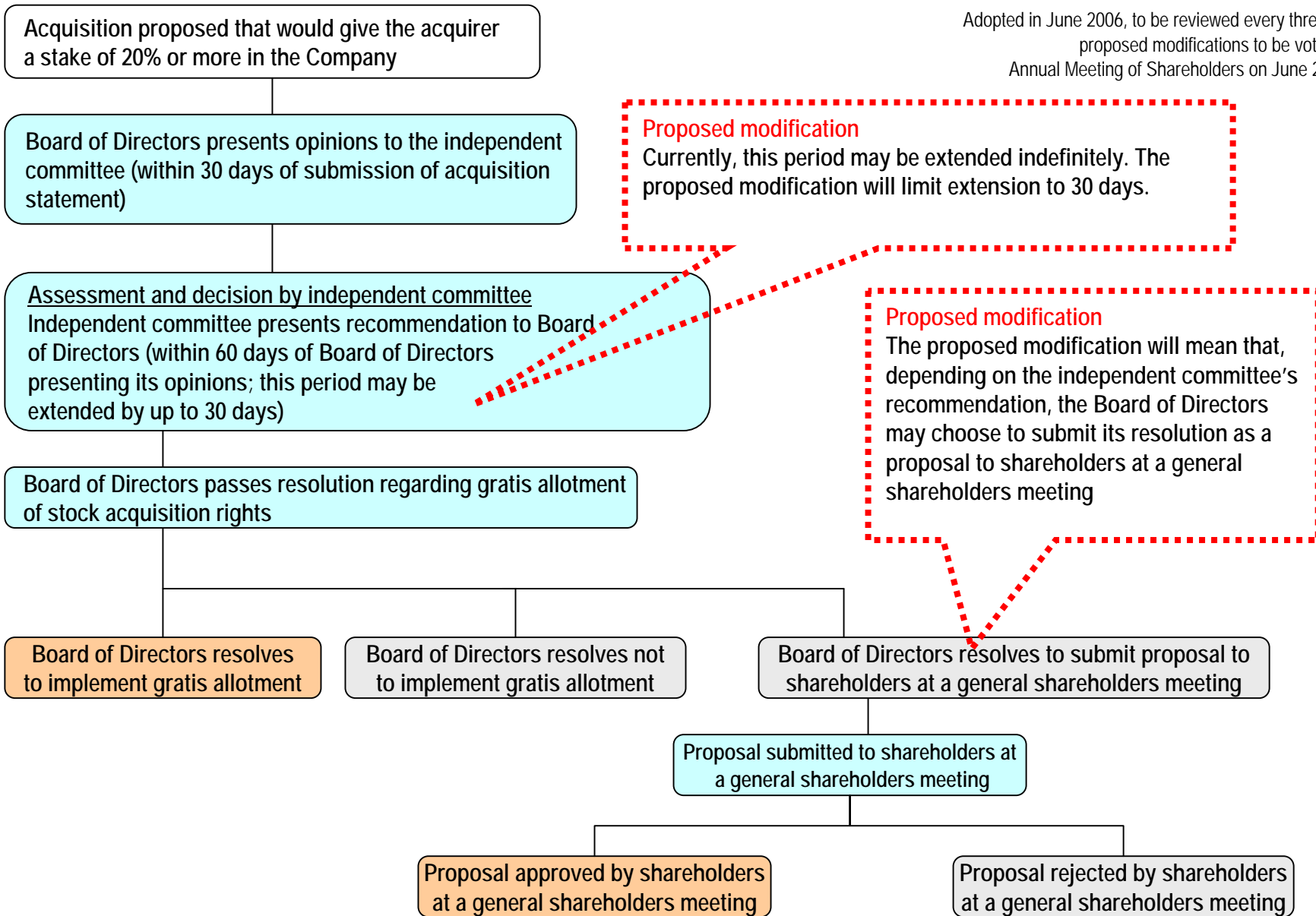
### ◆ Hostile Takeover Defense Measures: Overview and Proposed Modifications

#### Advance-warning shareholder rights plan

Item	Current	Proposed Modification
Body responsible for decision regarding triggering of measures	Board of Directors, which passes a resolution based on the recommendation of the independent committee	Add provision that in cases where corporate value may be affected, the Board of Directors may choose to submit its resolution as a proposal for shareholders to vote on at a general shareholders meeting.
Installment of the independent committee	By resolution of the Board of Directors, in accordance with the independent committee's recommendation	(No change)
Effective period of the plan	Three years	(No change)
Request to the acquirer for the provision of information	The acquirer is requested to submit a wide variety of information	(No change)
Assessment period	The independent committee is granted an assessment period of 60 days, which may be extended without limit.	The assessment period will remain 60 days, but extension of the period will be limited to 30 days.
Trigger for hostile takeover defense measures	Acquisitions that are inappropriate or insufficient with a view to the Company's intrinsic value	Delete "may damage the Company's relations with its stakeholders, including customers and employees, and infringe upon its corporate value" and replace these two entries with: "Acquisitions that are inappropriate with a view to the Company's intrinsic value."
	Acquisitions that may damage the Company's relations with its stakeholders, including customers and employees, and infringe upon its corporate value	

# Process for Triggering Countermeasures to Large-Scale Acquisitions of Teijin Shares and Planned Modifications

Adopted in June 2006, to be reviewed every three years;  
proposed modifications to be voted on at  
Annual Meeting of Shareholders on June 24, 2009



**TEIJIN***Human Chemistry, Human Solutions*

## *Human Chemistry, Human Solutions*

The promise of the Teijin brand is summed up in the resonant statement: "Human Chemistry, Human Solutions".

Our promise is to continue to develop chemical technologies that are friendly to both people and the global environment. It is to keep providing solutions that deliver the real value that society and our customers expect.

We will certainly keep this promise. Constantly working to enhance the Quality of Life –our very reason for being as a company– the Teijin Group will continue to win the trust of society and our customers.