
Flash Report
-2Q Results and FY09 Outlook-

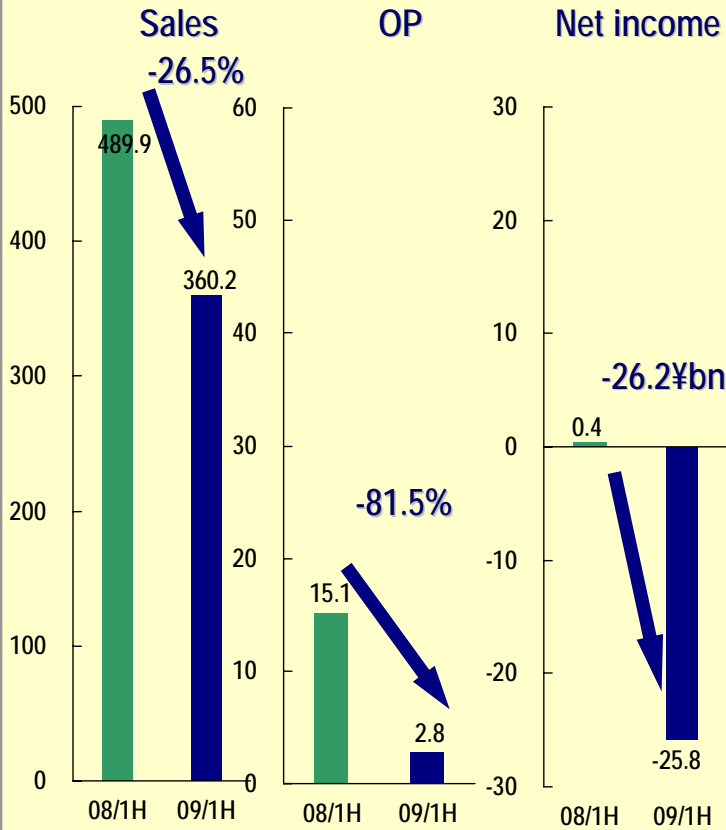
Teijin Limited
November 2, 2009

(1) Consolidated Results Highlights

(¥bn)

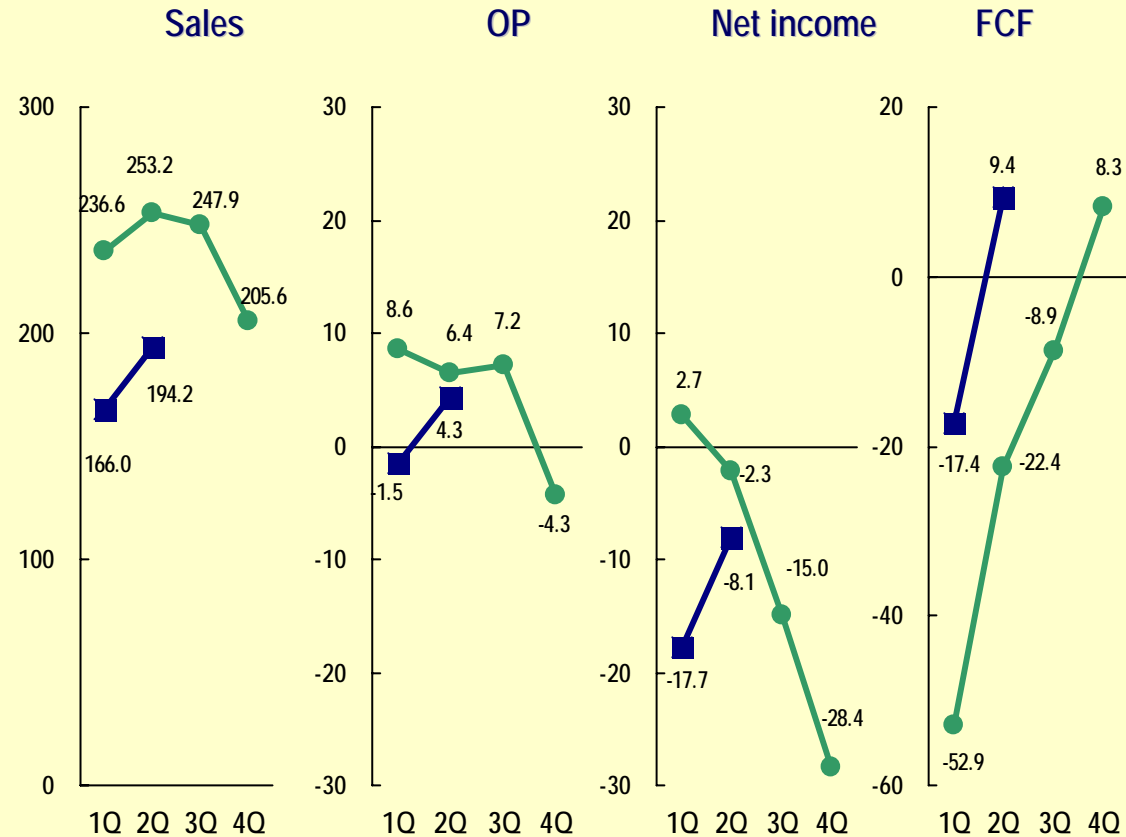
1H (1Q-2Q) Results

(Compared with FY08 1H)



Quarterly Movement (1Q '08 - 2Q '09)

● FY08 ■ FY09



(2) Operating Results for FY09 1H

◆ Operating Results

(¥bn)	FY08 1H	FY09 1H	Difference	
			Amount	%
Net sales	489.9	360.2	-129.7	-26.5%
OP	15.1	2.8	-12.3	-81.5%
OP margin	3.1%	0.8%	-2.3%	-
Nonoperating items (net)	-6.2	-6.4	-0.2	-
Ordinary income	8.9	-3.6	-12.5	-
Extraordinary items (net)	-2.9	-21.5	-18.7	-
Income taxes	5.7	0.5	-5.2	-91.4%
Minority interest of consolidated subsidiaries(net)	-0.1	0.1	+0.2	-
Net income(loss)	0.4	-25.8	-26.2	-
EPS (¥)	0.42	-26.20	-26.62	-

Note: FY09 Interim cash dividends: ¥0.0 per share

EBITDA*	47.6	33.4	-14.2
CAPEX	36.6	19.3	-17.3
Depreciation & amortization	32.5	30.6	-1.9
R&D expenses	18.6	16.7	-1.9

Note: EBITDA = Operating income + Depreciation & amortization

➤ Decline in net sales; profitability deteriorated

Principal factors included weak demand in materials businesses

➤ Positive result at the operating level

Sharp fall compared with first half of fiscal 2008. Loss in first quarter, but a significant improvement in second quarter marked a return to profitability

➤ Ordinary loss

Loss in first quarter, but back to black in the second quarter

➤ Significant net loss

A consequence of significant extraordinary expenses

◇ PL exchange rate

	FY08 1H	FY09 1H
¥/US\$	105	95
¥/€	161	127
US\$/€	1.53	1.33

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

◆ Extraordinary items

(¥bn)	FY08 1H	FY09 1H	Difference	FY09 1Q (Reference)
Gain on sales of property, plant and equipment	0.0	1.0	+1.0	1.0
Others	0.5	0.2	-0.2	0.1
Extraordinary income total	0.5	1.3	+0.8	1.1
Special factory operating loss	1.3	8.2	+6.9	5.3
Loss on impairment	0.3	2.2	+1.9	0.6
Restructuring costs	-	3.2	+3.2	3.2
Additional contribution to reserve to cover losses on disposal of securities with market value held in money trusts	-	7.2	+7.2	7.2
Others	1.8	2.0	+0.2	0.6
Extraordinary losses total	3.3	22.8	+19.4	17.0
Extraordinary items total	-2.9	-21.5	-18.7	-15.9

Income taxes	5.7	0.5	-5.2	-2.6
Minority interest in net gains & losses of consolidated subsidiaries	-0.1	0.1	+0.2	-0.0

- **Extraordinary items:** Net decline of ¥18.7 billion
 - Positive factor: Increase in gain on sales of property, plant and equipment
 - Negative factors: Special factory operating loss and impairment loss up, restructuring costs incurred, additional contribution made to reserve to cover losses on disposal of securities with market value held in money trusts
- **Income taxes:** Down ¥5.2 billion
 - Income before income taxes down

◆ Financial Position

(¥bn)	Mar. 31, '09	Sep. 30, '09	Difference	(Impact of foreign exchange rate)
Total assets	874.2	867.8	-6.4	+16.4
Shareholders' equity	305.6	288.9	-16.7	+4.9
Interest-bearing debt	361.3	369.6	+8.2	+8.5
D/E ratio	1.18	1.28	+0.10	
Shareholders' equity ratio	35.0%	33.3%	-1.7%	
BPS (¥)	310.49	293.51	-16.98	

- **Total assets: Down**
 - Increases: Reflected impact of foreign currency exchange rates, higher valuation gain on investment securities
 - Declines: A result of the reduction of inventories, restraints on capital investment
- **Shareholders' equity: Down**
Negative factor: Net loss
- **Interest-bearing debt: Up**
Increase reflected impact of foreign currency exchange rates, procurement of funds in response to deterioration of profitability

- **Net cash and cash equivalents provided by operating activities:** Principal factors included a decrease in inventories
- **Net cash and cash equivalents used in investing activities:** Principal factors included restraints on capital investment, the FY08 acquisition of a home health care services provider

◆ Cash Flows

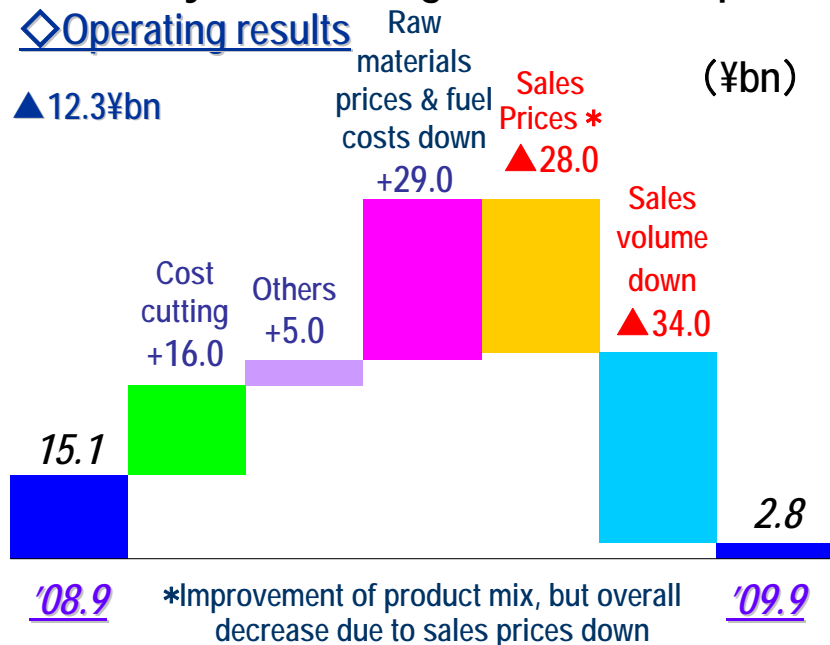
(¥bn)	Operating activities	Investing activities	FCF	Financing activities	Cash & cash equivalents
FY09 1H	18.7	-26.7	-8.0	11.6	3.6
FY08 1H	-4.7	-70.7	-75.4	78.2	2.8

◇ BS exchange rate

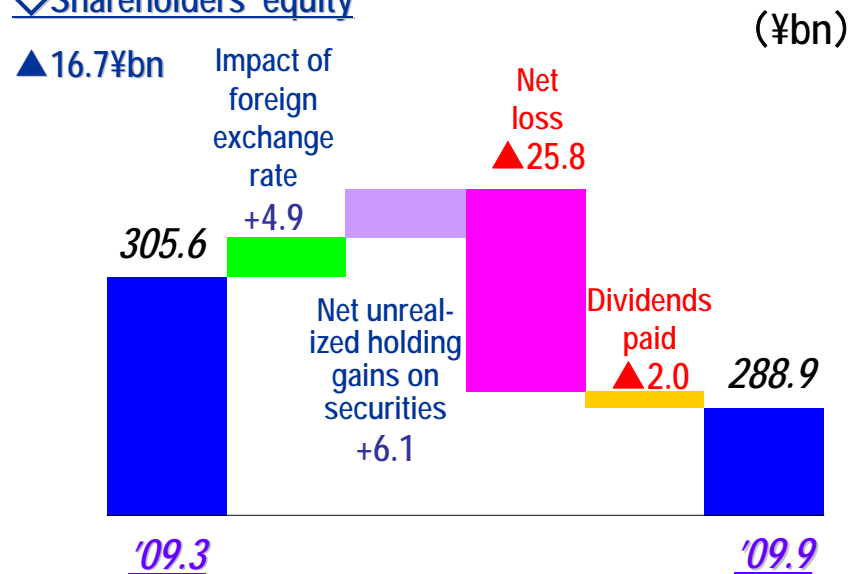
	Dec. 31, '08	Jun. 30, '09
¥/US\$	91	96
¥/€	128	136
US\$/€	1.41	1.41

◆ Analysis of Changes in Interim Operating Results and Financial Position

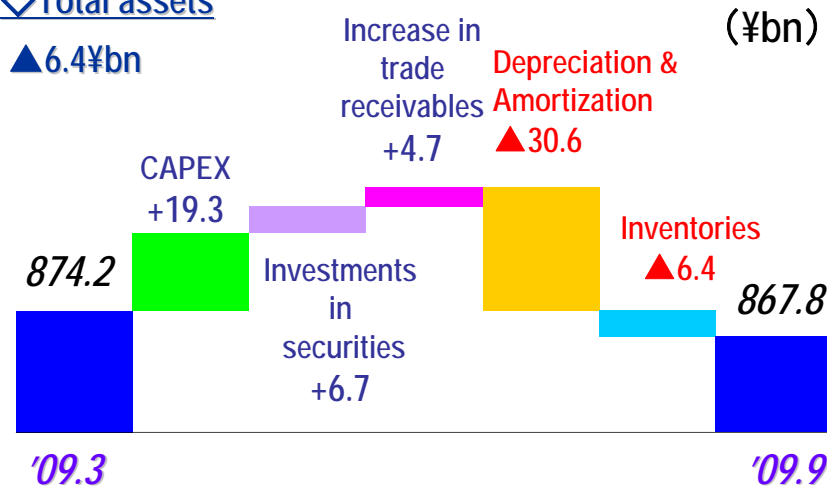
◇ Operating results



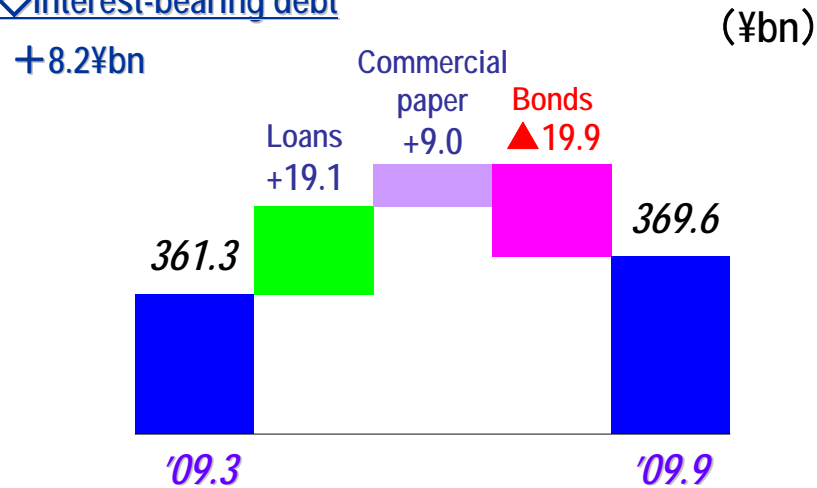
◇ Shareholders' equity



◇ Total assets



◇ Interest-bearing debt



(3) Operating Results by Segment for FY09 1H (vs. FY08 1H)

(¥bn)	Sales				OP			
	FY08 1H	FY09 1H	Difference	% Change	FY08 1H	FY09 1H	Difference	% Change
Synthetic Fibers	155.5	97.5	-58.0	-37.3%	4.1	-7.3	-11.4	-
Films & Plastics	136.2	80.2	-56.0	-41.1%	3.9	0.5	-3.4	-86.9%
Pharma. & H.H.C.	57.1	65.0	+7.9	+13.8%	10.7	12.5	+1.8	+16.6%
Trading & Retail	120.1	96.1	-24.0	-20.0%	2.0	1.0	-0.9	-47.3%
IT & New Products, etc.	20.9	21.3	+0.4	+2.0%	0.5	0.8	+0.4	+74.6%
Elimination & Corporate	-	-	-	-	-6.1	-4.8	+1.4	-
Total	489.9	360.2	-129.7	-26.5%	15.1	2.8	-12.3	-81.5%

*Pharma. & H.H.C.: Pharmaceuticals and Home Health Care

① Synthetic Fibers: Decline in sales, operating loss

◆ Summary & Actions

◇ Aramid fibers:

- Para-aramid fibers: Sales rallied as automakers eased production cutbacks
- Meta-aramid fibers: Struggled, particularly for use in filters

◇ Carbon fibers:

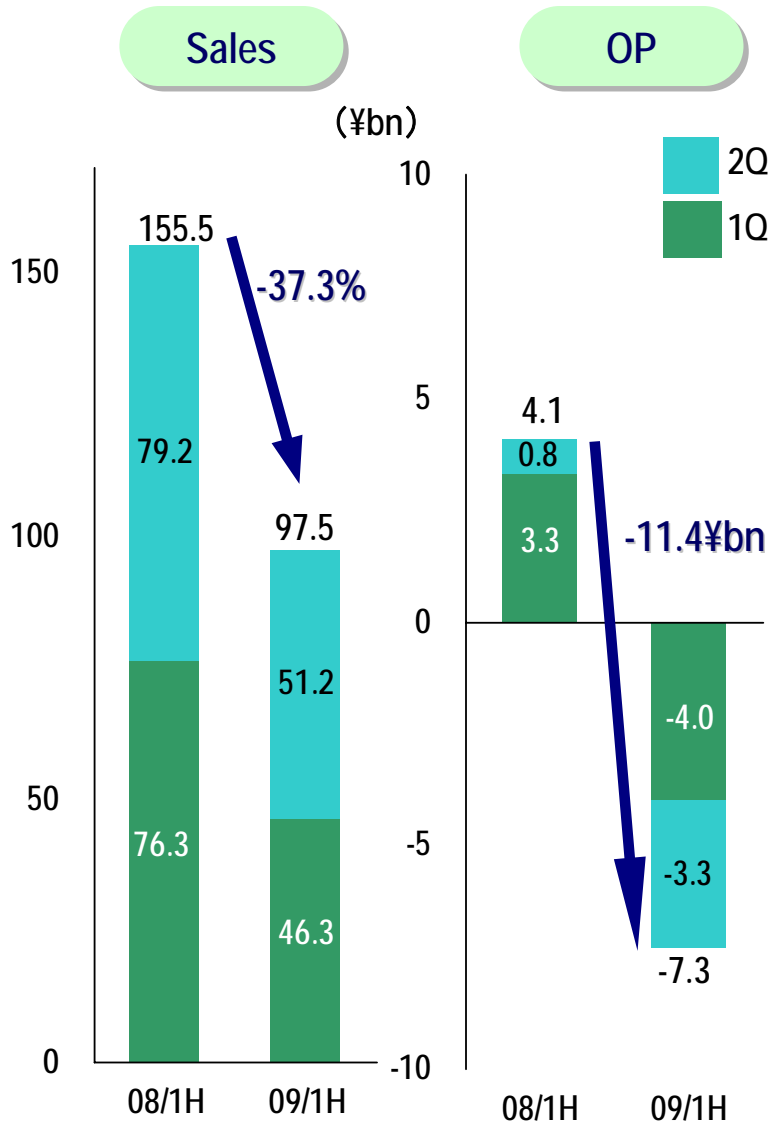
- Sluggish for general industrial applications, sports & leisure equipment
- Production adjustments by aircraft makers became an issue

◇ Polyester fibers:

- Domestic sales of textiles stagnated

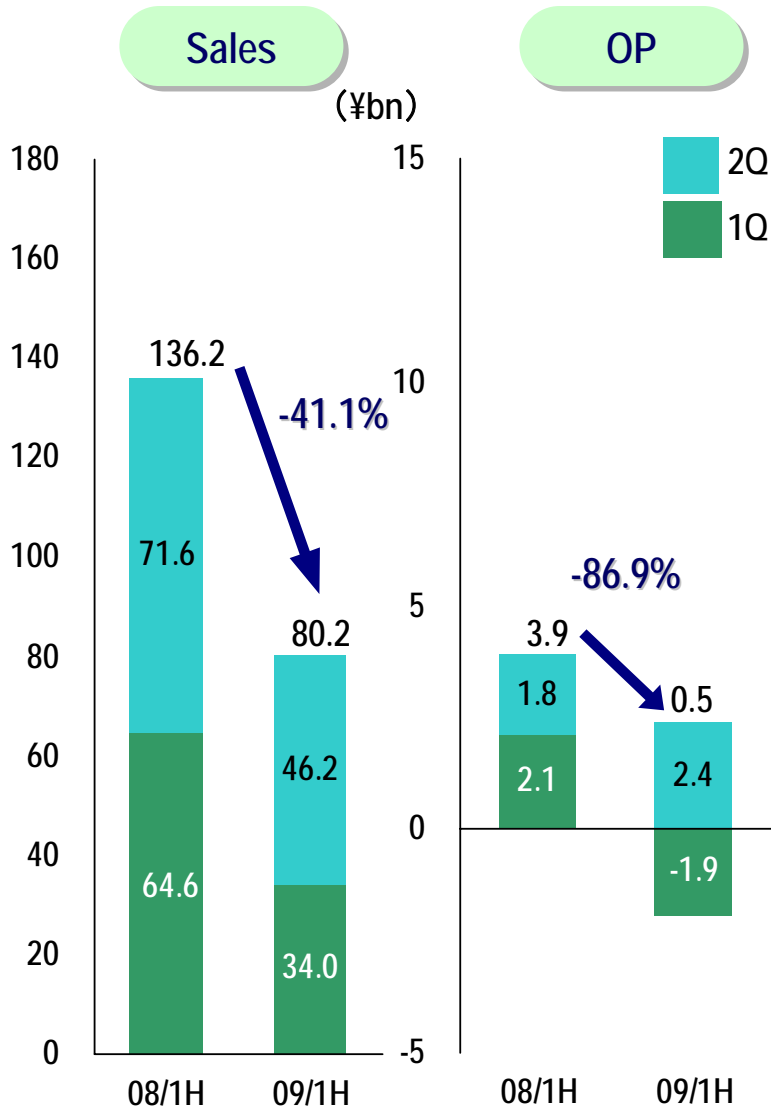
◆ Operating Results (compared with FY08 1H)

Aramid fibers	Decline in sales and OP	Shipments down sharply
Carbon fibers	Decline in sales; red ink at the operating level	Shipments down sharply
Polyester fibers	Decline in sales; improvement in operating loss	Operating loss narrowed despite falling sales prices, owing to declines in prices for fuel and raw materials



② Films and Plastics: Decline in sales, sharp drop in OP

◆ Summary & Actions



◇ Films:

- PET film (Japan): Demand recovered in Asian markets, although remained below the fiscal 2008 first-half level; shipments for use in flat panel displays (FPDs) picked up
- PET film (Europe & USA): Demand declined
- PEN film: Demand declined

◇ Plastics:

- Polycarbonate resin: Demand and production facility operating rates up, owing to recovery in domestic demand in the PRC
- Processed polycarbonate resin products: Sales of electroconductive and phase-difference films remained robust

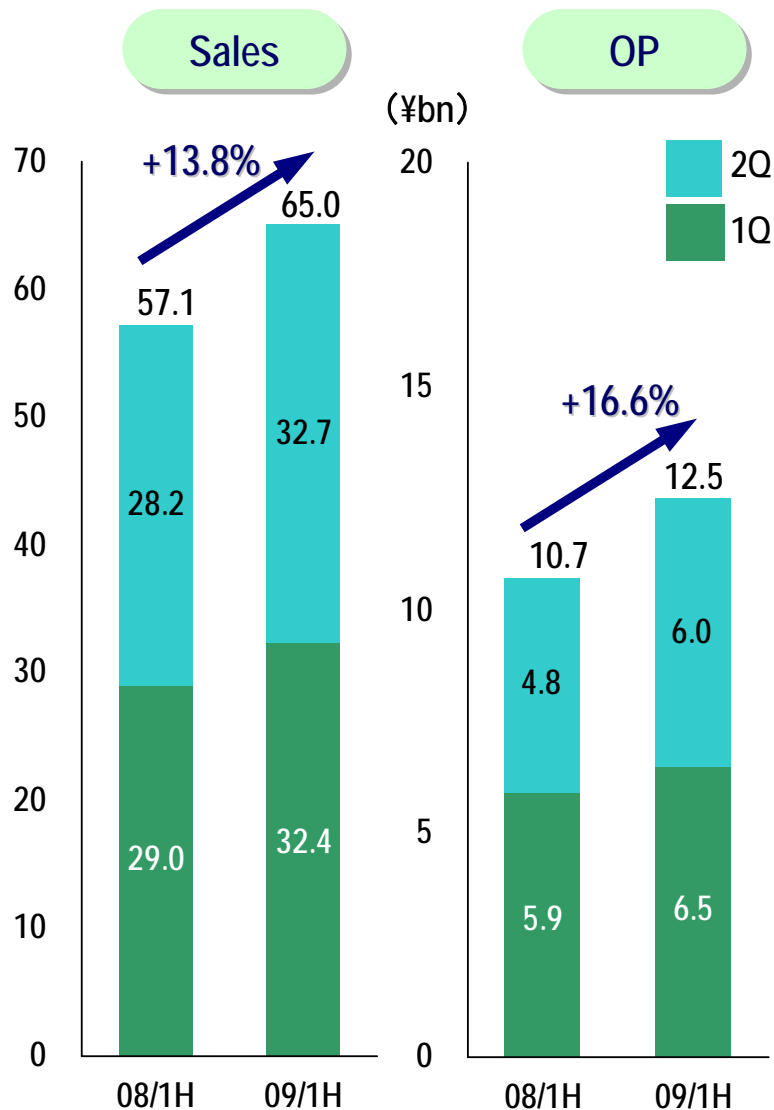
◆ Operating Results (compared with FY08 1H)

➤ Operating income down, but both films and plastics back to black in the second quarter

Films	Decline in sales and OP	Net sales fell sharply, owing to transformation of U.S. subsidiary into an equity-method affiliate, a decline in shipments, others
Plastics *	Decline in sales and OP	Operating income fell, as shipments by overseas subsidiaries declined from January through March 2009

* Fiscal year-end for overseas companies is Dec 31.

③ Pharmaceuticals & Home Health Care: Increase in sales and operating income



◆ Summary & Actions

◇ Pharmaceuticals

- Sales of *Bonalon* 35mg tablet rose steadily
- TMX-67^{*1}: Signed exclusive distribution agreement for Taiwan with Astellas Pharma Taiwan, Inc. (May 2009)

In the ROK, licensee SK Chemicals Ltd. obtained marketing authorization (June 2009)

European licensee Beaufour Ipsen S.A. signed a sublicensing agreement with the Menarini Group of Italy (October 2009)

◇ Home Health Care

- HOT: Rental volume remained high
- CPAP/SAFHS: Rental volume rose favorably
- OXIMEPLUS S.A.^{*2} began offering rentals of home respiratory therapy equipment (May 2009)

◆ Operating Results (compared with FY08 1H)

Pharmaceuticals & H.H.C.	Increase in sales and OP	Shipments increased and expenses declined
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*1 Treatment for gout and hyperuricemia

*2 Subsidiary of Esteve Teijin Healthcare S.L. (Spain)

④ Trading & Retail: Decline in sales and operating income

◆ Summary & Actions

◇ Trading & Retail

- Textiles & Apparel

Continued to struggle, reflecting stagnant demand from department stores, mass retailers and other retail industry customers

Promoted various measures to reduce costs in mainstay OEM business

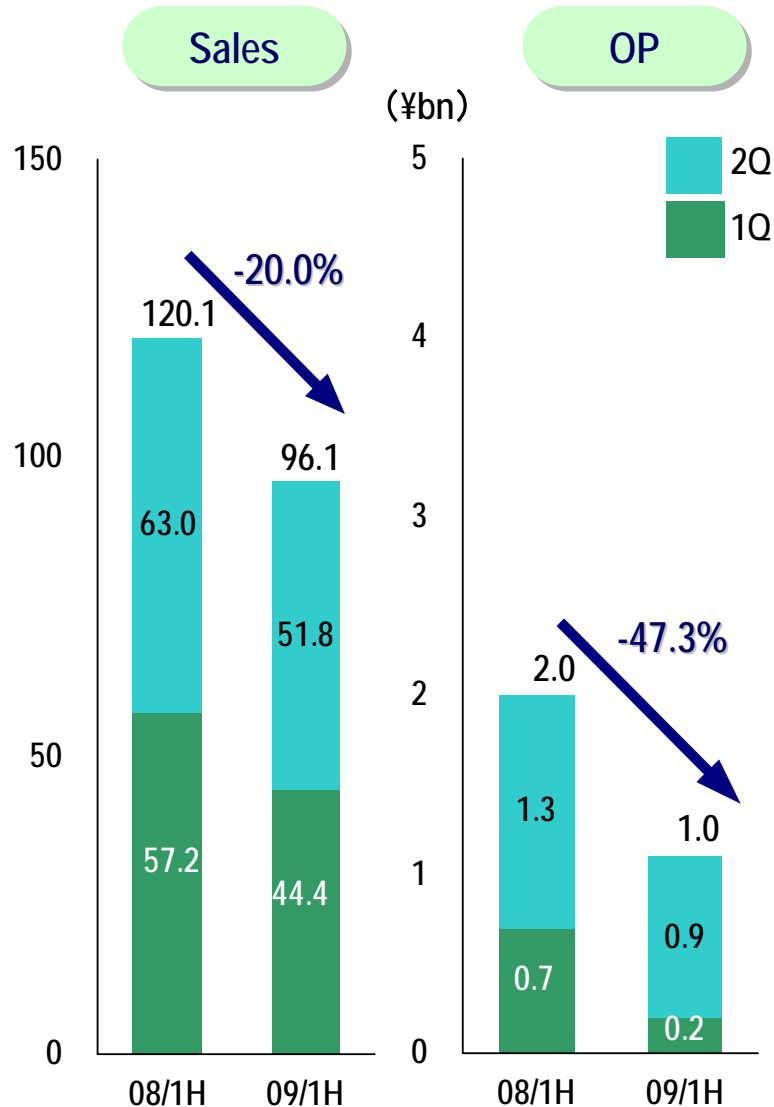
- Industrial Textiles & Materials

Demand for functional materials remained sluggish across the board

Signs pointed to a recovery in demand from the automotive and related industries

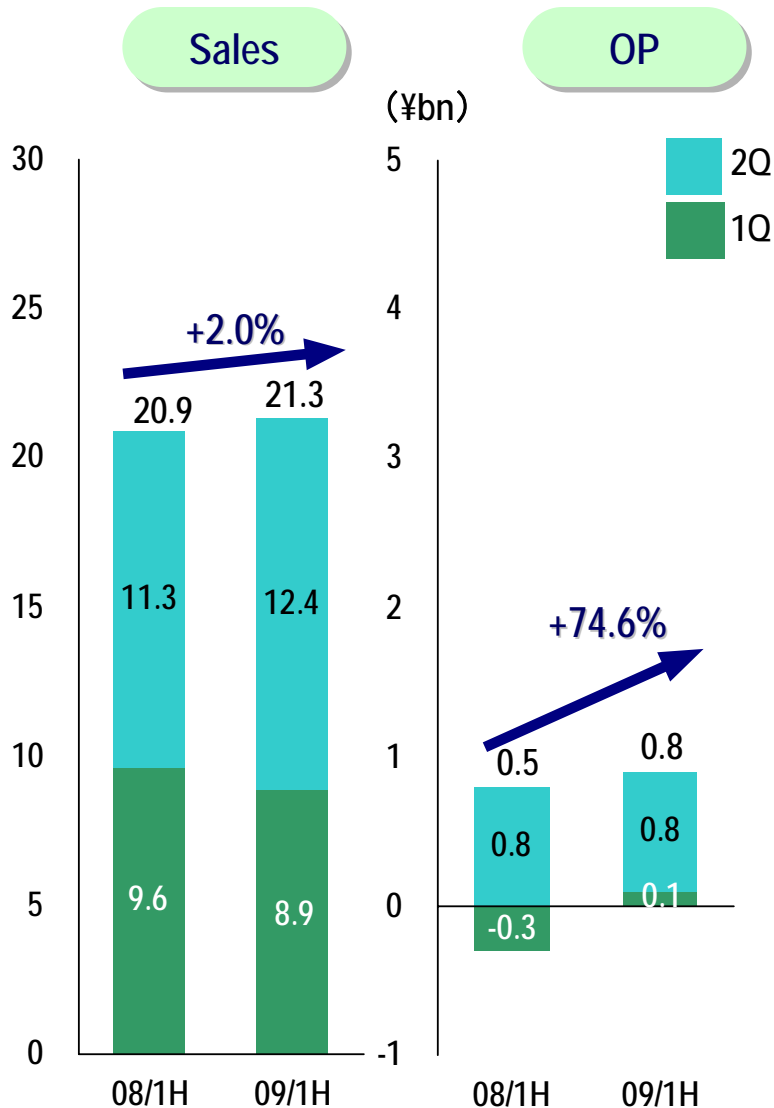
◆ Operating Results (compared with FY08 1H)

Trading & Retail	Decline in sales and OP	Shipments fell
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⑤ IT & New Products, etc.: Sales level, operating income up

◆ Summary & Actions



◇ IT:

- IT solutions and Services businesses promoted measures to enhance profitability

◇ New Businesses, etc.

▪ Bioplastics:

Developed a new antihydrolysis technology for *BIOFRONT* (June 2009)

Brought new pilot plant for *BIOFRONT* on line (September 2009)

▪ Basic R&D:

Inaugurated the Integrative Technology Research Institute* (July 2009)

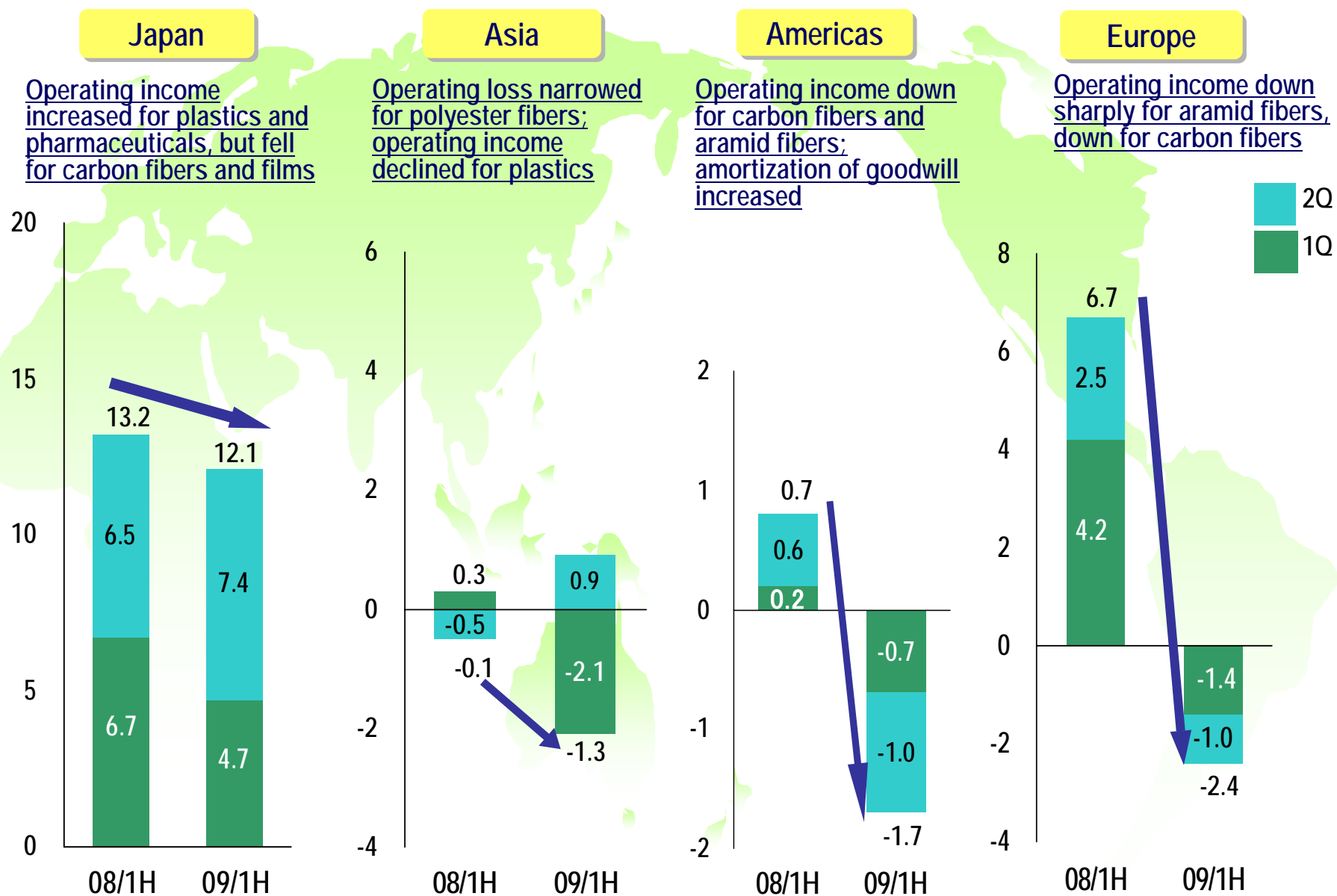
* Purpose: R&D aimed at developing new technologies for biopolymers, advanced medical materials and electronics materials, as well as in fields that integrate such technologies

◆ Operating Results (compared with FY08 1H)

IT	Increase in sales and operating income	Shipments increased and costs were reduced
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(4) Changes in Operating Income by Geographical Segment

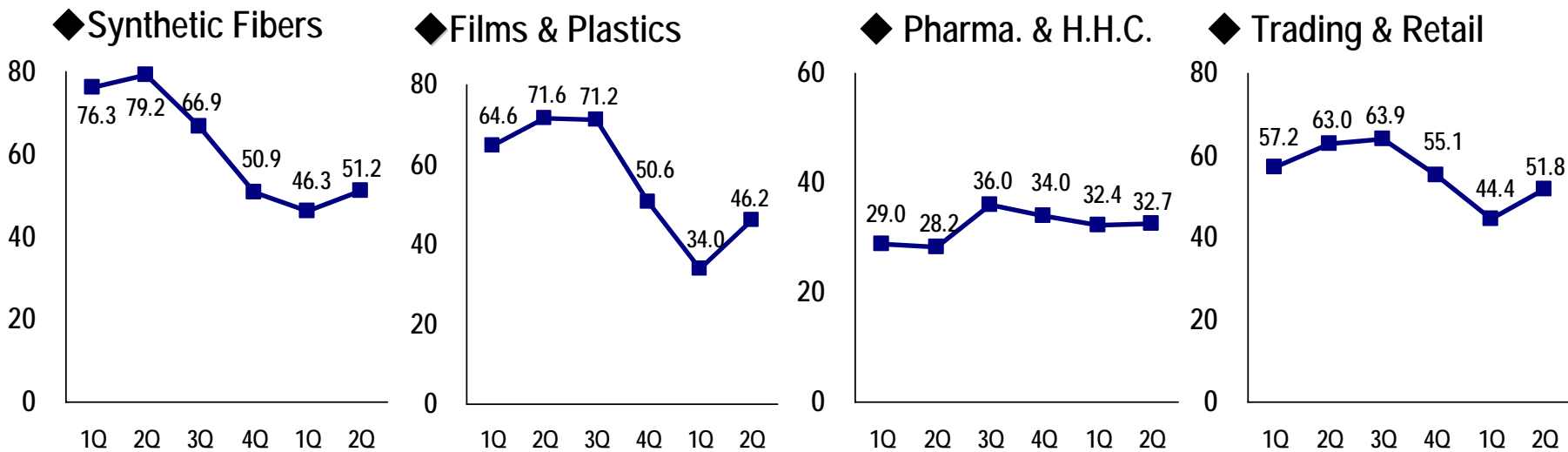
(¥bn)



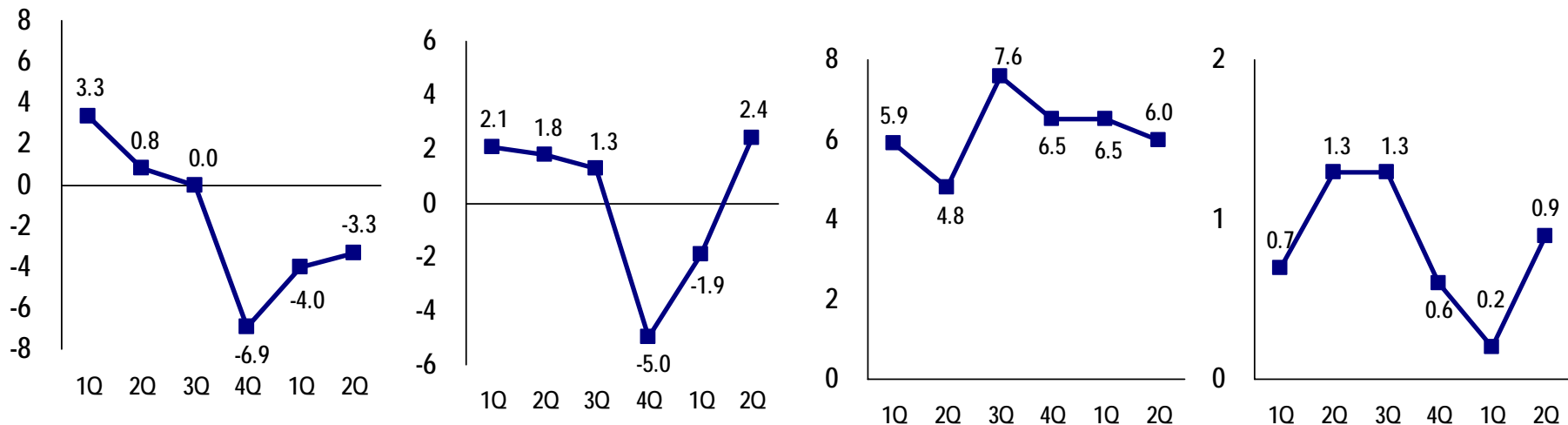
(5) Changes in Operating Income by Business Segment

Sales

(¥bn)



OP



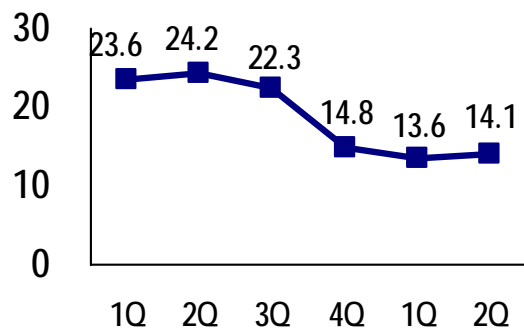
(6) Overview of Main Subsidiaries

* Figures for Teijin Fibers include the results of newly consolidated TS Aromatics Limited, a JV with Showa Shell Sekiyu K.K.

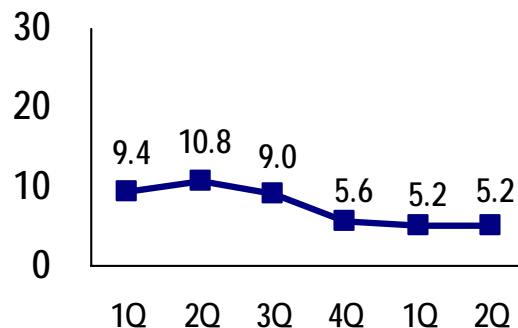
Sales

(¥bn)

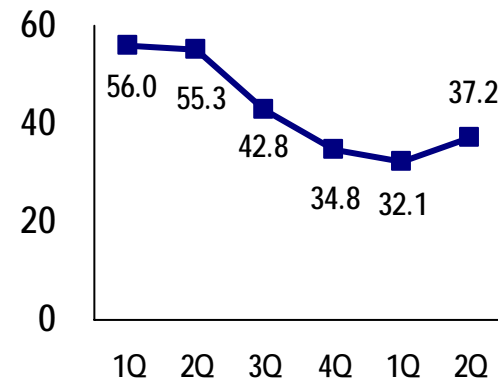
◆ Aramid fibers business



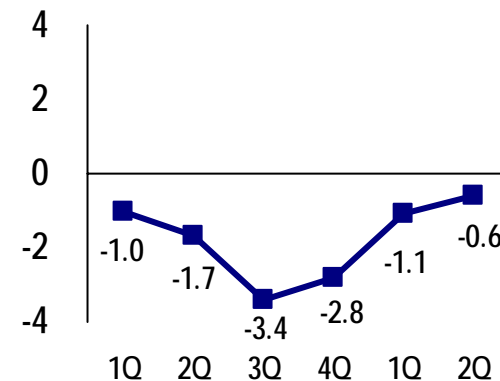
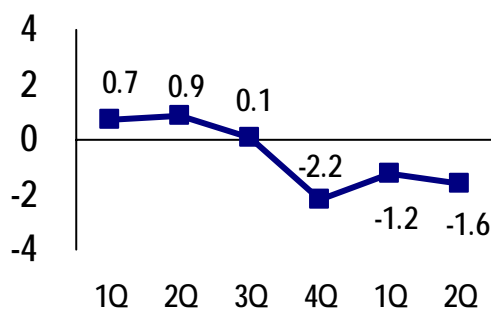
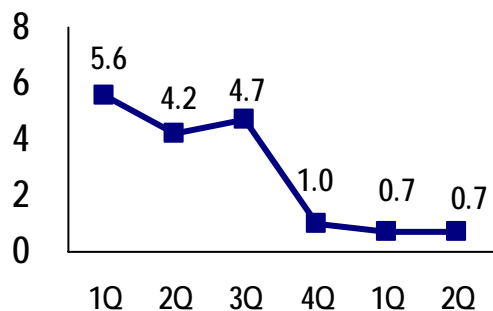
◆ Toho Tenax group Carbon fibers only



◆ Teijin Fibers & Three fibers companies in Southeast Asia

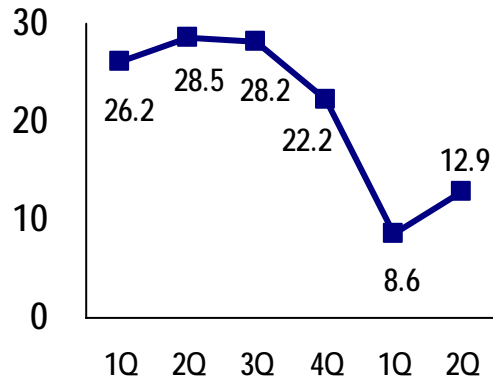


OP

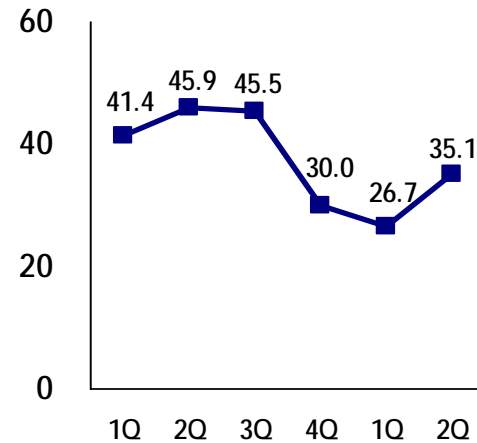


Sales

◆ Films business group

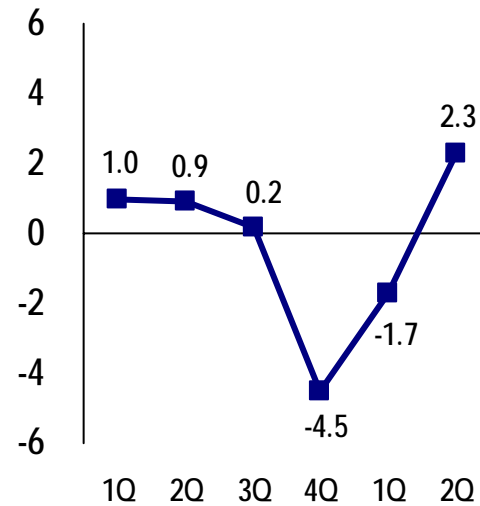
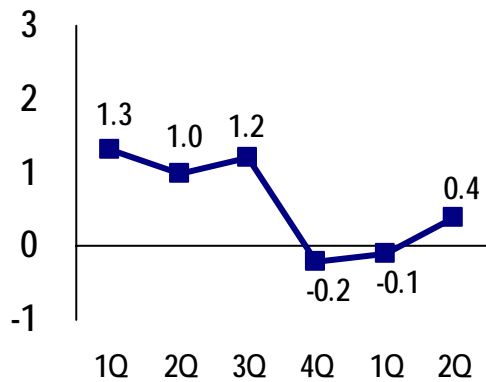


◆ Plastics business group

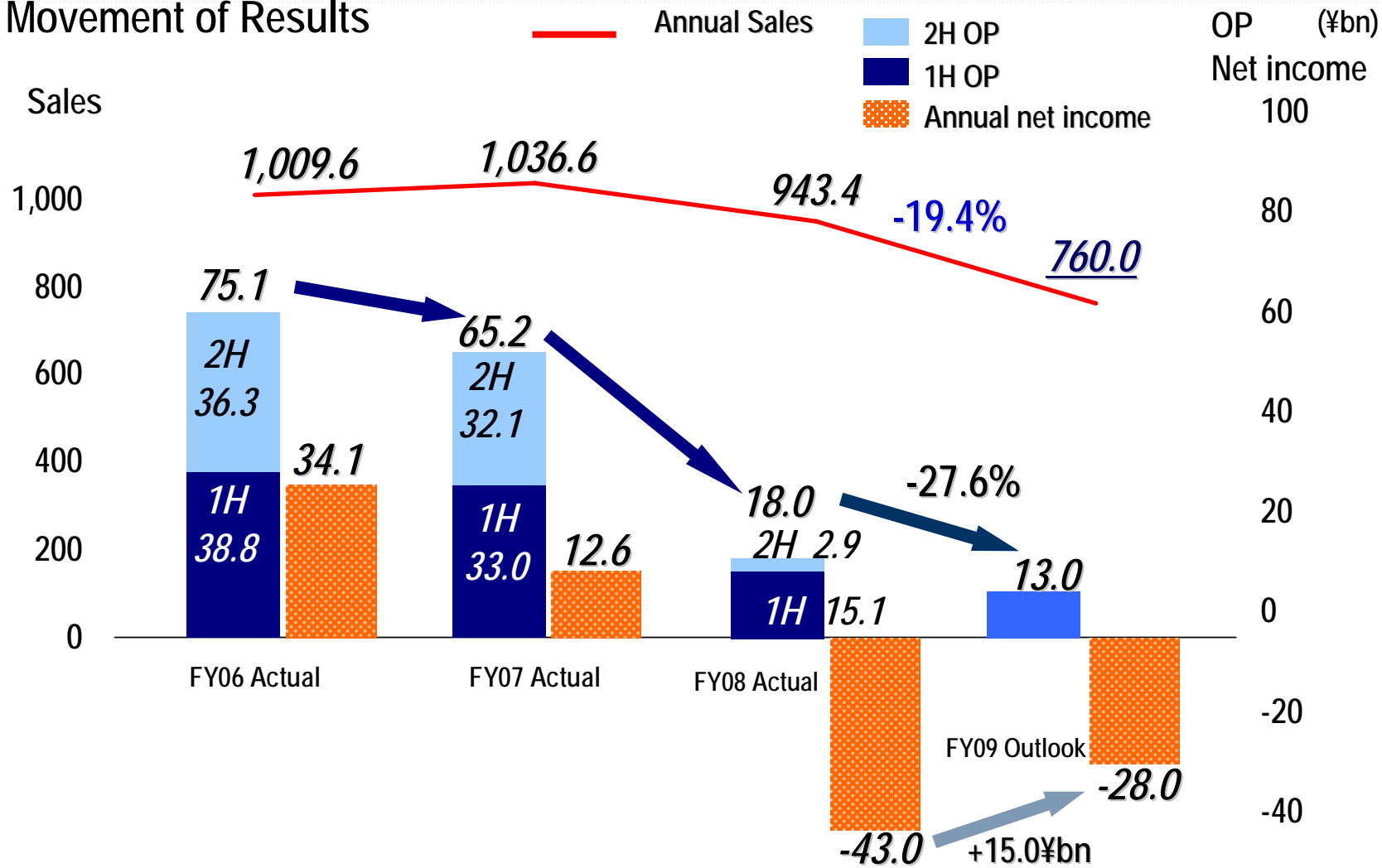


Note: Teijin's US films joint venture was transformed into an equity-method affiliate at the end of fiscal 2008.

OP



(1) Movement of Results



ROA(%)	7.7	6.5	1.9	2
ROE(%)	9.7	3.3	-12.3	-10
Operating margin (%)	7.4	6.3	1.9	1.7
D/E ratio	0.81	0.83	1.18	1.3

Note: ROA = OP / Total assets

(2) Summary of Outlook for FY09

(¥bn)	FY08	FY09 Revised Outlook	Difference		FY09 Previous Outlook *	Comparison with Previous Outlook (Amount)
			Amount	%		
Net sales	943.4	760.0	-183.4	-19.4%	760.0	-
Operating income	18.0	13.0	-5.0	-27.6%	13.0	-
Operating margin	1.9%	1.7%	-0.2%	-	1.7%	-
Ordinary income(loss)	-2.7	1.0	+3.7	-	1.0	-
Net income(loss)	-43.0	-28.0	+15.0	-	-28.0	-

EBITDA	85.3	77.0	-8.3
CAPEX	75.8	40.0	-35.8
Depreciation & amortization	67.4	64.0	-3.4
R&D expenses	37.6	34.0	-3.6

Note: EBITDA = (Operating income + Depreciation & amortization)

	Mar. 31, '09	Mar. 31 ' 10	Difference
Total assets	874.2	850.0	-24.2
Interest-bearing debt	361.3	355.0	-6.3

◆ Interim dividends and year-end cash dividends

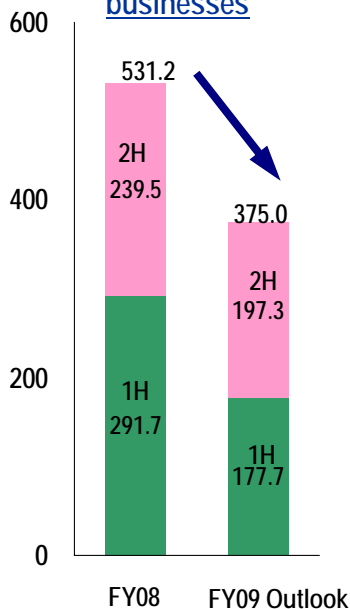
Interim	¥0.0 per share
Year-end	¥2.0 per share (outlook)

(3) Outlook by Segment

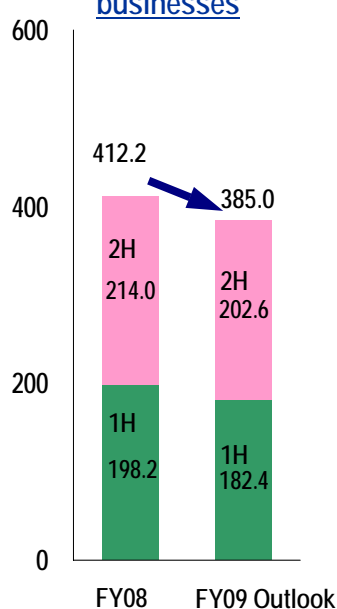
(¥bn)	Sales			OP			OP margin	
	FY08	FY09 Outlook	Difference	FY08	FY09 Outlook	Difference	FY08	FY09 Outlook
Synthetic Fibers	273.2	200.0	-73.2	-2.8	-15.0	-12.2	-	-
Films & Plastics	258.0	175.0	-83.0	0.2	7.5	+7.3	8.8%	4.3%
Pharma. & H.H.C.	127.1	135.0	+7.9	24.8	24.5	-0.3	19.5%	18.1%
Trading & Retail	239.2	205.0	-34.2	3.9	3.5	-0.4	1.6%	1.7%
IT & New Products, etc.	45.9	45.0	-0.9	3.6	3.5	-0.1	7.8%	7.8%
Elimination & Corporate	-	-	-	-11.8	-11.0	+0.9	-	-
Total	943.4	760.0	-183.4	18.0	13.0	-5.0	1.9%	1.7%

◆ Sales

◇ Materials businesses

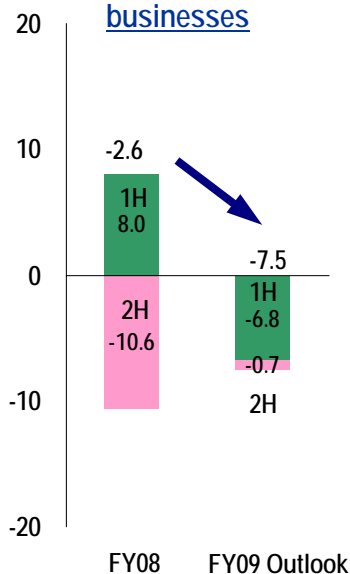


◇ Nonmaterials businesses



◆ OP

◇ Materials businesses



◇ Nonmaterials businesses



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

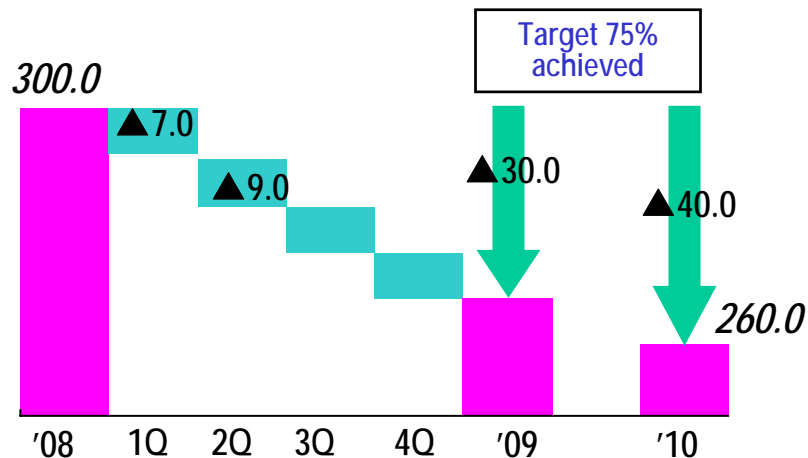
(4) Changes in Semiannual Operating Income for FY08-FY09

(¥bn)	FY08							FY09				
	1H		Annual	2H		Annual	1H		2H	Annual		
	1Q	2Q		3Q	4Q		1Q	2Q				
Synthetic Fibers	3.3	0.8	4.1	-0.0	-6.9	-6.9	-2.8	-4.0	-3.3	-7.3	-7.7	-15.0
Films & Plastics	2.1	1.8	3.9	1.3	-5.0	-3.7	0.2	-1.9	2.4	0.5	7.0	7.5
Pharma. & H.H.C.	5.9	4.8	10.7	7.6	6.5	14.1	24.8	6.5	6.0	12.5	12.0	24.5
Trading & Retail	0.7	1.3	2.0	1.3	0.6	1.9	3.9	0.2	0.9	1.0	2.5	3.5
IT & New Products, etc.	-0.3	0.8	0.5	0.3	2.8	3.1	3.6	0.1	0.8	0.8	2.7	3.5
Elimination & Corporate	-3.0	-3.1	-6.1	-3.3	-2.3	-5.6	-11.8	-2.4	-2.4	-4.8	-6.2	-11.0
Total	8.6	6.4	15.1	7.2	-4.3	2.9	18.0	-1.5	4.3	2.8	10.2	13.0

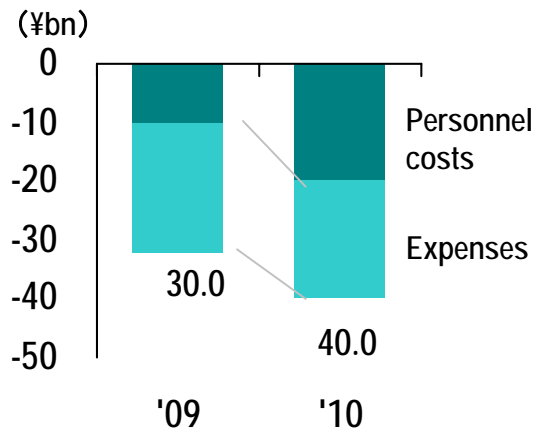
(5) Reduce fixed costs, freeze major capital investment for two years and increase the efficiency of working capital

■ Reduce Fixed Costs

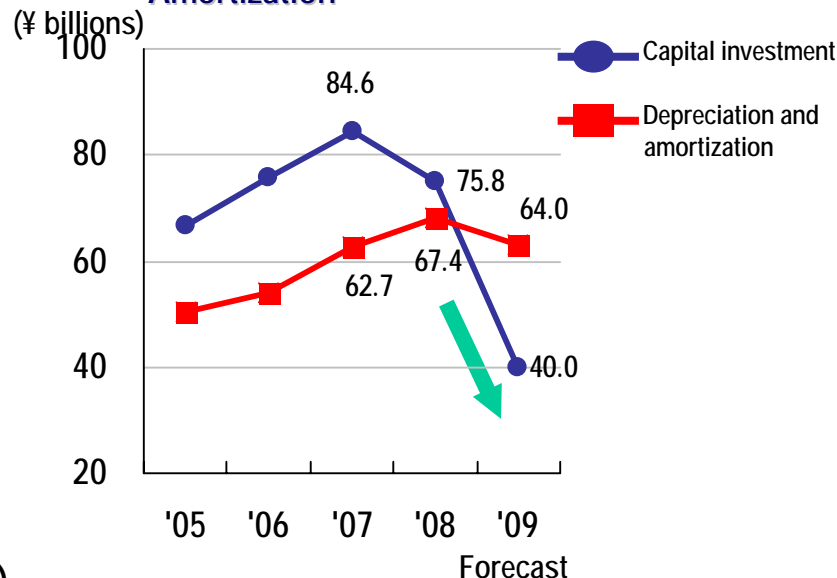
Forecast: Reduction of ¥30.0 billion in fiscal 2009



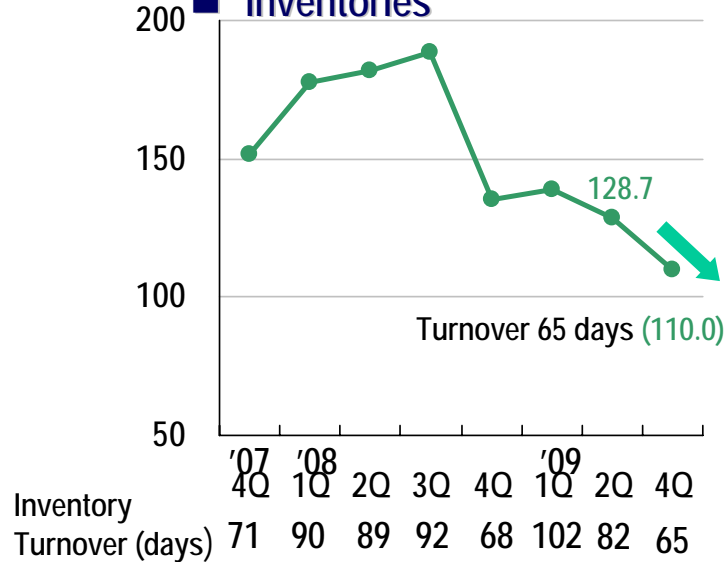
One-third of targeted total fixed cost reduction (¥40.0 billion) by fiscal 2010 will be in the polyester fibers business



■ Capital Investment/Depreciation and Amortization



■ Inventories



(6) Financial Highlights

	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Outlook
ROA *1	8.5%	7.7%	6.5%	1.9%	2%
ROE *2	7.9%	9.7%	3.3%	-12.3%	-10%
Operating margin	8.2%	7.4%	6.3%	1.9%	1.7%
D/E ratio	0.88	0.81	0.83	1.18	1.3
Shareholders' equity ratio *3	35.9%	36.7%	38.5%	35.0%	32%
Total asset turnover	1.04	1.04	1.03	1.00	0.9
Earnings per share (¥)	26.6	36.8	13.2	-43.7	-28.5
Dividends per share (¥)	7.5	10.0	8.0	5.0	2.0
Total assets (¥bn)	944.0	999.9	1,016.0	874.2	850.0
Interest-bearing debt (¥bn)	298.3	295.5	325.2	361.3	355.0
EBITDA (¥bn) *4	127.1	129.1	127.8	85.3	77.0

*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

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.

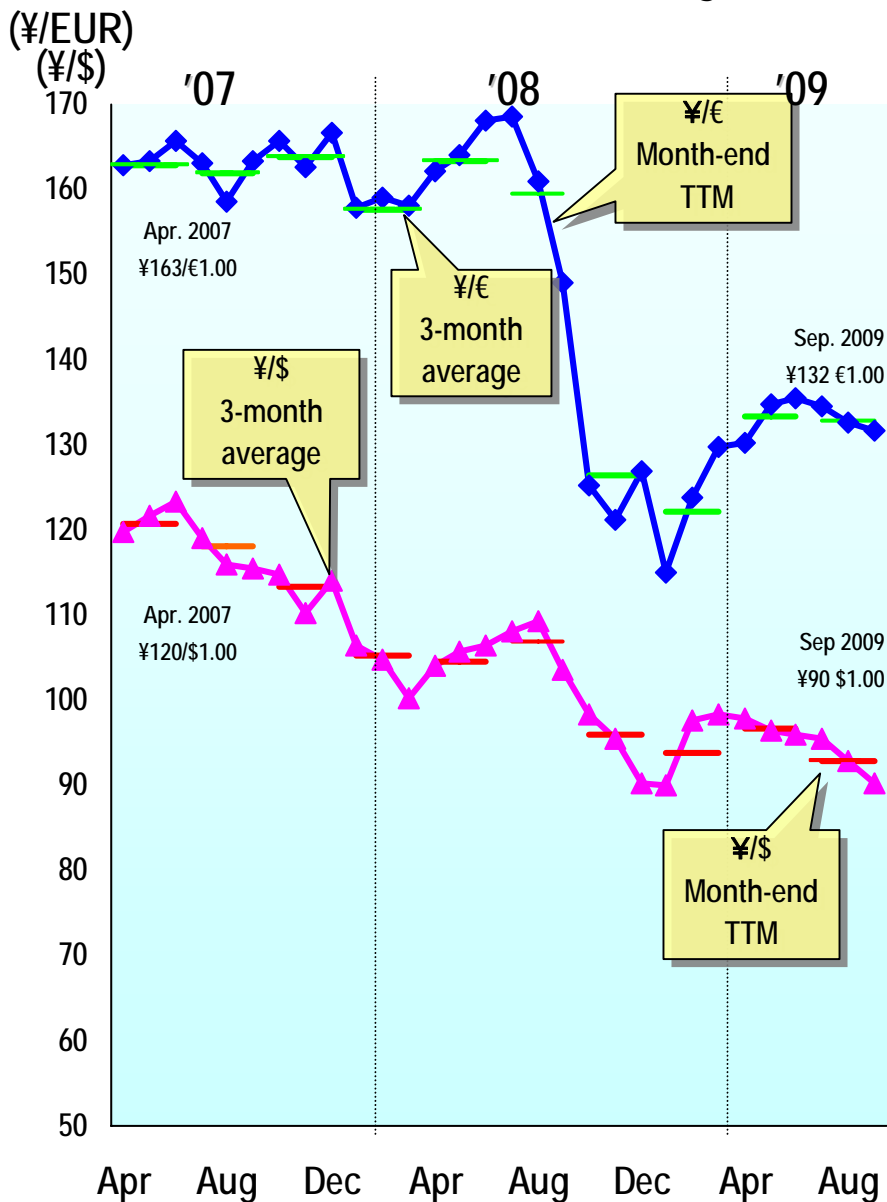
(3) R&D-related risk in the pharmaceuticals business

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.

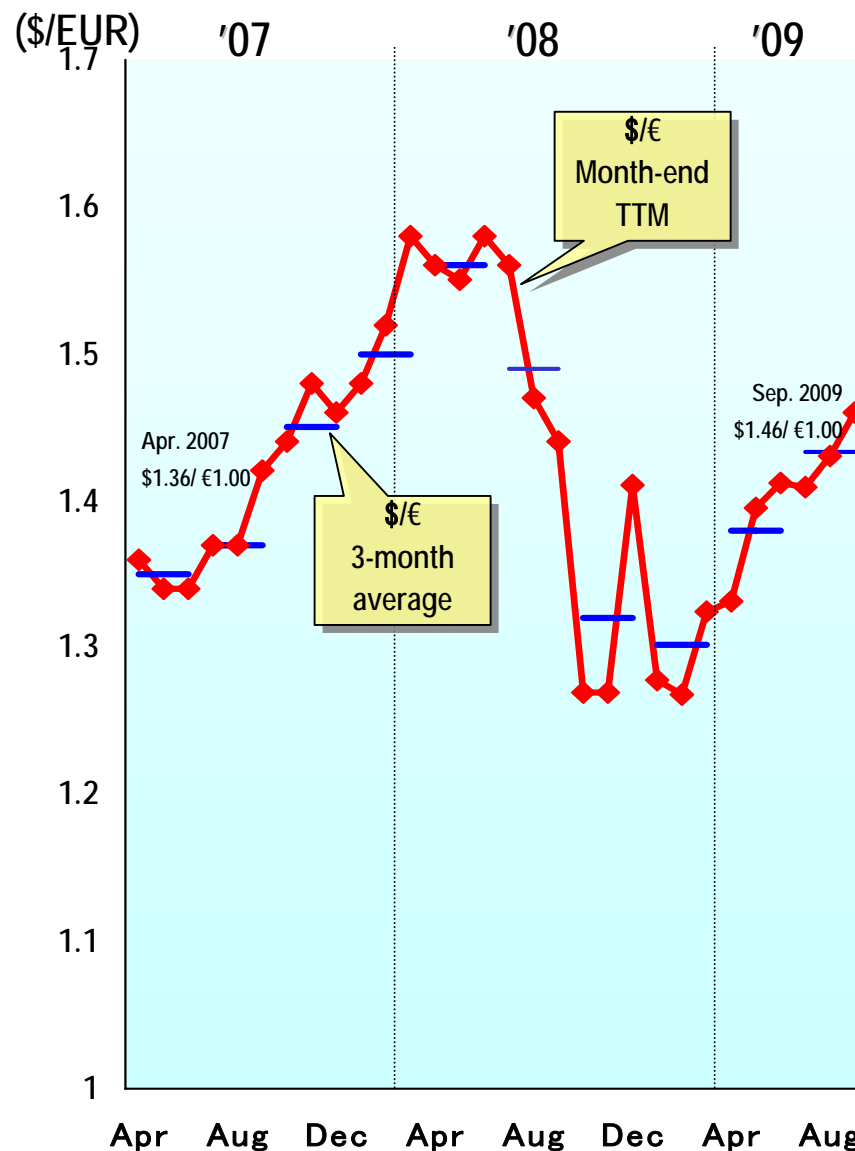
This material is based on the consolidated results for FY09 2Q announced at 11:30 A.M. on November 2, 2009 (local time in Japan).

All product names in this document are registered trademarks.

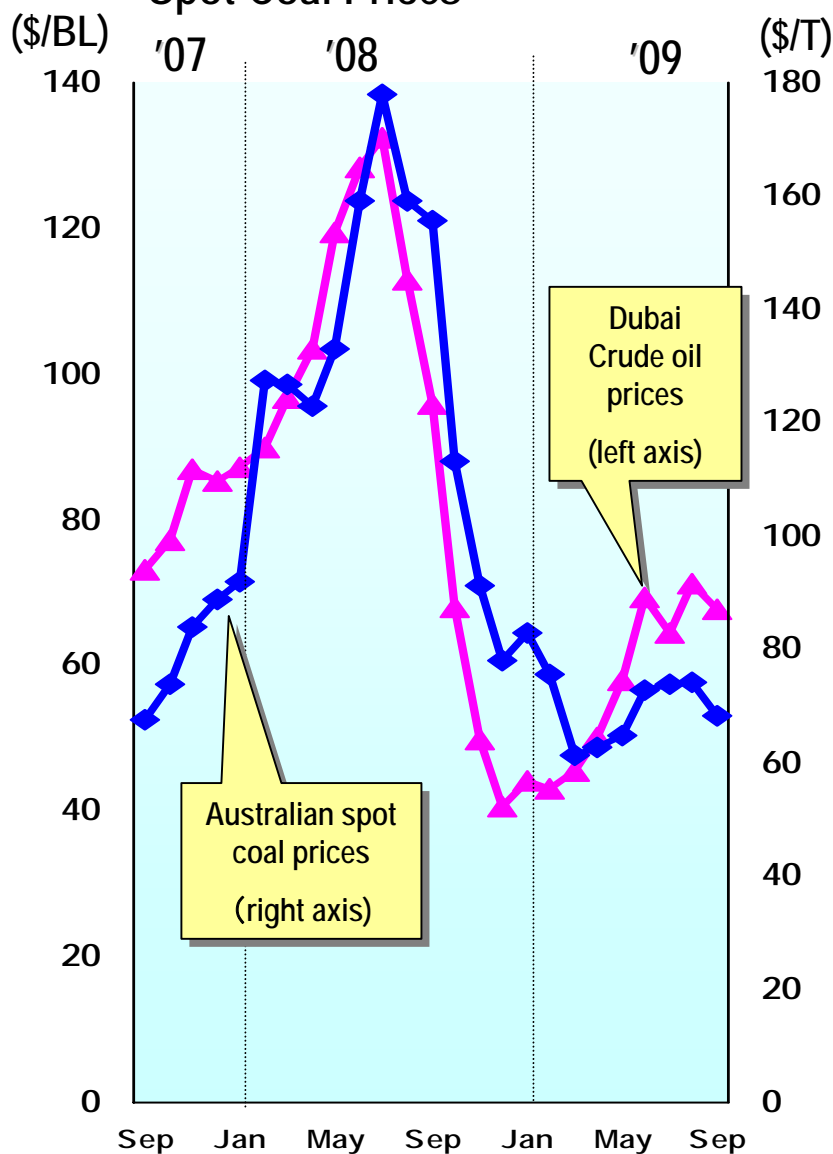
◆ Yen/Dollar, Yen/Euro Exchange Rates



◆ Dollar/Euro Exchange Rates

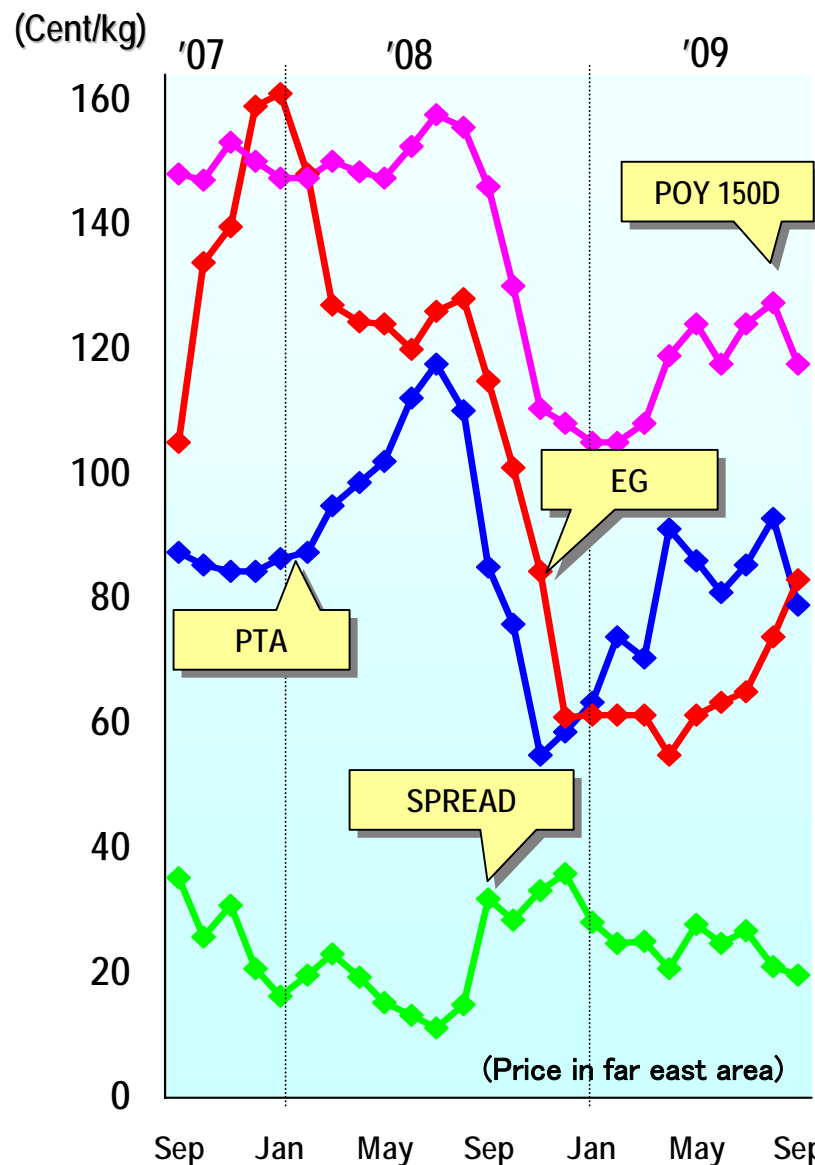


◆ Dubai Crude Oil Prices, Australian Spot Coal Prices



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

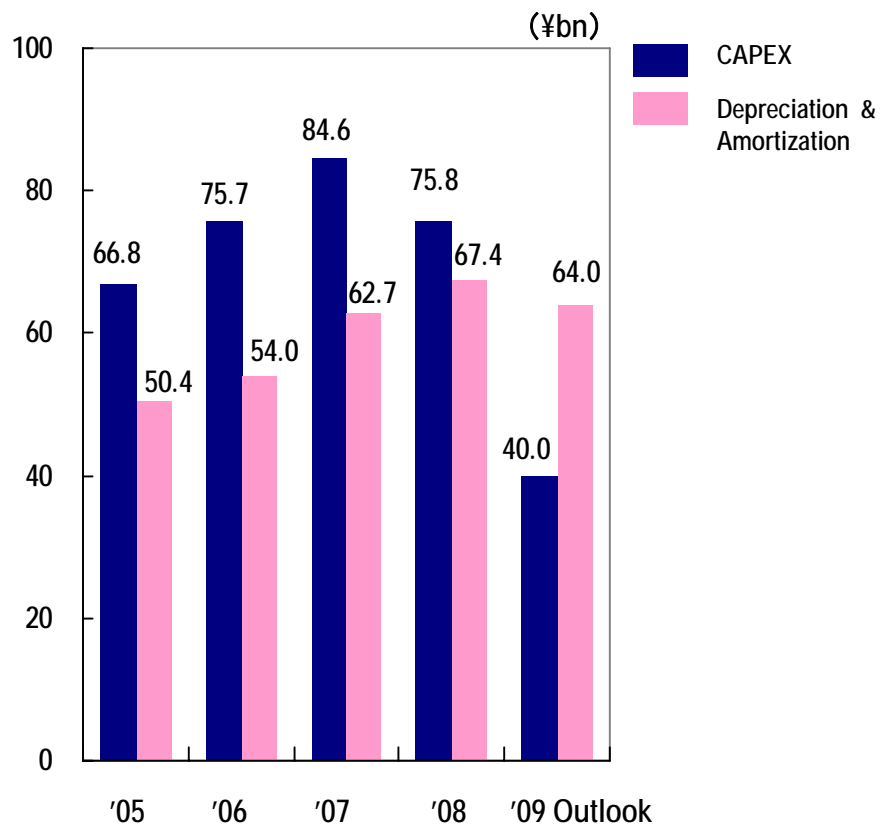
◆ Polyester Fibers Prices, Raw Materials Prices



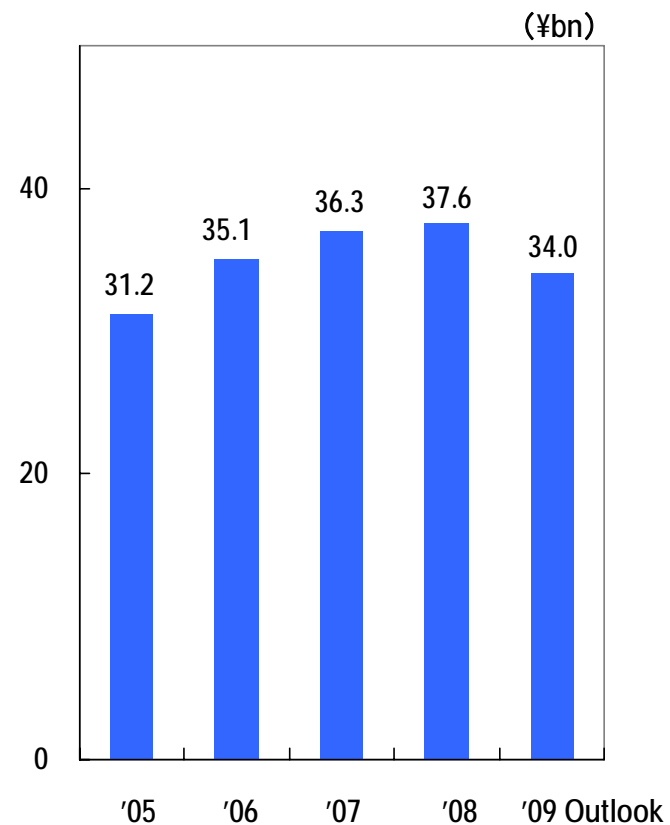
【Source: Teijin estimates based on data published by PCI】

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

CAPEX/Depreciation & Amortization



R&D Expenses



◆ Comparison with Previous Outlook for FY09

		(¥bn)	Revised Outlook	Previous Outlook	Difference
Sales	Synthetic Fibers		200.0	200.0	-
	Films & Plastics		175.0	170.0	+5.0
	Pharma. & H.H.C.		135.0	140.0	-5.0
	Trading & Retail		205.0	210.0	-5.0
	IT & New Products, etc.		45.0	40.0	+5.0
	Total		760.0	760.0	-
Operating Income	Synthetic Fibers		-15.0	-14.0	-1.0
	Films & Plastics		7.5	7.0	+0.5
	Pharma. & H.H.C.		24.5	25.0	-0.5
	Trading & Retail		3.5	3.0	+0.5
	IT & New Products, etc.		3.5	3.0	+0.5
	Elimination & Corporate		-11.0	-11.0	-
Total		13.0	13.0	-	

◆ Consolidated Statements of Income

	FY08 1H		FY09 1H		Difference	
	(¥bn) Amount	% of total	Amount	% of total	Amount	%
Net Sales	489.9	100.0%	360.2	100.0%	-129.7	-26.5%
Cost of sales	374.8	76.5%	269.1	74.7%	-105.6	-28.2%
Gross profit	115.1	23.5%	91.1	25.3%	-24.1	-20.9%
SG & A	100.0	20.4%	88.3	24.5%	-11.8	-11.8%
Operating income	15.1	3.1%	2.8	0.8%	-12.3	-81.5%
Nonoperating items (net)	-6.2	-	-6.4	-	-0.2	-
(Balance of financial expenses)	-3.9	-	-2.2	-	+1.7	-
(Equity on gains and losses of unconsolidated subsidiaries and affiliates)	-1.5	-	-2.6	-	-1.1	-
Ordinary income	8.9	1.8%	-3.6	-	-12.5	-
Extraordinary items(net)	-2.9	-	-21.5	-	-18.7	-
Income before income taxes	6.0	1.2%	-25.2	-	-31.2	-
Income taxes	5.7	1.2%	0.5	0.1%	-5.2	-91.4%
Minority interest (net)	-0.1	-	0.1	0.0%	+0.2	-
Net income	0.4	0.1%	-25.8	-	-26.2	-

Note: For more information, see the Financial Statements Summary for the six months ended September 30, 2009.

◆ Consolidated Balance Sheets <Assets>

	(¥bn)	Mar. 31, '09	Sep. 30, '09	Difference
Total assets		874.2	867.8	-6.4
Current assets		351.1	340.8	-10.3
Cash and time deposits		19.0	22.6	+3.6
Trade notes and accounts receivable		151.9	155.1	+3.2
Inventories		135.1	128.7	-6.4
Others		45.2	34.5	-10.7
Fixed assets		523.0	527.0	+3.9
Tangible assets		339.7	337.8	-1.9
Intangible assets		82.0	80.5	-1.5
Investments and other assets		101.4	108.6	+7.3

Note: For more information, see the Financial Statements Summary for the six months ended September 30, 2009.

◆ Consolidated Balance Sheets <Liabilities and net assets>

	(¥bn)	Mar. 31, '09	Sep. 30, '09	Difference
Total liabilities and net assets		874.2	867.8	-6.4
Liabilities		544.2	554.5	+10.4
Current liabilities		325.1	324.8	-0.3
Noncurrent liabilities		219.1	229.7	+10.6
(Interest-bearing debt)		361.3	369.6	+8.2
Net assets		330.0	313.2	-16.8
Shareholders' equity		322.8	295.0	-27.8
Valuation and translation adjustments and others		-17.2	-6.2	+11.0
Stock acquisition rights		0.3	0.4	+0.1
Minority interests in consolidated subsidiaries		24.1	24.0	-0.1

Note: For more information, see the Financial Statements Summary for the six months ended September 30, 2009.

◆ Nonoperating items

	(¥bn)	FY08 1H	FY09 1H	Difference
Interest income		0.3	0.4	+0.2
Dividend income		0.7	0.6	-0.2
Foreign exchange gain		0.7	-	-0.7
Other income		0.8	0.8	+0.0
Nonoperating revenues total		2.5	1.8	-0.7
Interest expense		4.9	3.2	-1.7
Equity on losses of unconsolidated subsidiaries and affiliates		1.5	2.6	+1.1
Foreign exchange loss		-	0.7	+0.7
Other expenses		2.3	1.7	-0.6
Nonoperating expenses total		8.7	8.2	-0.4
Nonoperating items total		-6.2	-6.4	-0.2

◆ Extraordinary items

(¥bn)	FY08 1H	FY09 1H	Difference
Gain on sales of property, plant and equipment	-	1.0	+1.0
Gain on prior term adjustments	0.4	0.1	-0.3
Other income	0.1	0.2	+0.1
Extraordinary income total	0.5	1.3	+0.8
Special factory operating loss	1.3	8.2	+6.9
Loss on impairment	0.3	2.2	+1.9
Restructuring costs	-	3.2	+3.2
Additional contribution to reserve for losses on securities held in money trusts	-	7.2	+7.2
Other losses	1.8	2.0	+0.2
Extraordinary losses total	3.3	22.8	+19.5
Extraordinary items total	-2.9	-21.5	-18.7

◆ Consolidated Statements of Income

	FY08 2Q		FY09 2Q		Difference	
	(¥bn) Amount	% of total	Amount	% of total	Amount	%
Net Sales	253.2	100.0%	194.2	100.0%	-59.0	-23.3%
Cost of sales	195.9	77.4%	145.1	74.7%	-50.8	-25.9%
Gross profit	57.3	22.6%	49.1	25.3%	-8.2	-14.3%
SG & A	50.9	20.1%	44.8	23.1%	-6.1	-12.0%
Operating income	6.4	2.5%	4.3	2.2%	-2.1	-33.2%
Nonoperating items (net)	-4.2	-	-3.5	-	+0.7	-
(Balance of financial expenses)	-2.3	-	-1.2	-	+1.1	-
(Equity on gains and losses of unconsolidated subsidiaries and affiliates)	-0.4	-	-1.0	-	-0.6	-
Ordinary income	2.3	0.9%	0.8	0.4%	-1.4	-63.6%
Extraordinary items(net)	-2.3	-	-5.7	-	-3.4	-
Income before income taxes	0.0	0.0%	-4.8	-	-4.9	-
Income taxes	2.4	1.0%	3.0	1.6%	+0.6	+26.1%
Minority interest (net)	-0.1	-	0.2	0.1%	+0.3	-
Net income	-2.3	-	-8.1	-	-5.7	-

Note: For more information, see the Financial Statements Summary .

◆ Consolidated Statements of Income

	(¥bn)	FY08				FY09	
		1Q	2Q	3Q	4Q	1Q	2Q
Net Sales		236.6	253.2	247.9	205.6	166.0	194.2
Cost of sales		178.9	195.9	187.5	162.5	124.1	145.1
Gross profit		57.8	57.3	60.4	43.1	41.9	49.1
SG & A		49.1	50.9	53.2	47.5	43.5	44.8
Operating income		8.6	6.4	7.2	-4.3	-1.5	4.3
Nonoperating items (net)		-2.0	-4.2	-9.4	-5.1	-2.9	-3.5
(Balance of financial expenses)		-1.6	-2.3	-2.3	-2.5	-1.0	-1.2
(Equity on gains and losses of unconsolidated subsidiaries and affiliates)		-1.1	-0.4	-5.0	-1.5	-1.6	-1.0
Ordinary income		6.6	2.3	-2.1	-9.5	-4.4	0.8
Extraordinary items(net)		-0.6	-2.3	-10.2	-18.1	-15.9	-5.7
Income before income taxes		6.0	0.0	-12.4	-27.6	-20.3	-4.8
Income taxes		3.3	2.4	3.2	1.3	-2.6	3.0
Minority interest (net)		0.0	-0.1	-0.6	-0.5	-0.0	0.2
Net income		2.7	-2.3	-15.0	-28.4	-17.7	-8.1

Note: For more information, see the Financial Statements Summary .

◆ Nonoperating items

	FY08	FY08				FY09	
		1Q	2Q	3Q	4Q	1Q	2Q
(¥bn)							
Interest income	0.1	0.1	0.2	0.1	0.3	0.2	
Dividend income	0.7	0.1	0.4	0.1	0.5	0.1	
Foreign exchange gain	1.4	-	-	-	0.1	-	
Other income	0.3	0.5	0.4	0.4	0.2	0.6	
Nonoperating revenues total	2.5	0.7	1.1	0.6	1.2	0.8	
Interest expense	2.4	2.5	2.9	2.7	1.8	1.5	
Equity in losses of unconsolidated subsidiaries and affiliates	1.1	0.4	5.0	1.5	1.6	1.0	
Foreign exchange loss	-	0.7	1.2	0.4	-	0.8	
Other expenses	1.0	1.3	1.3	1.1	0.7	1.0	
Nonoperating expenses total	4.5	4.9	10.4	5.7	4.1	4.3	
Nonoperating items total	-2.0	-4.2	-9.4	-5.1	-2.9	-3.5	

◆ Extraordinary items

(¥bn)	FY08				FY09	
	1Q	2Q	3Q	4Q	1Q	2Q
Gain on sales of property, plant and equipment	0.0	0.0	0.0	1.2	1.0	0.0
Others	0.4	0.1	0.3	0.1	0.1	0.1
Extraordinary income total	0.4	0.1	0.3	1.3	1.1	0.1
Loss on disposal and sales of fixed assets	0.2	0.6	0.6	1.0	0.1	0.3
Special factory operating loss	0.5	0.7	1.2	7.7	5.3	2.9
Loss on impairment	0.1	0.3	5.8	5.5	0.6	1.6
Restructuring costs	-	-	-	3.3	3.2	-
Additional contribution to reserve for losses on securities held in money trusts	-	-	-	-	7.2	-
Others	0.2	0.7	3.0	1.9	0.5	1.0
Extraordinary losses total	1.0	2.3	10.5	19.4	17.0	5.8
Extraordinary items total	-0.6	-2.3	-10.2	-18.1	-15.9	-5.7

Note: For more information, see the Financial Statements Summary .

◆ Operating Results by Segment (Comparison with FY08 2Q)

(¥bn)	Sales				Operating income			
	FY08 2Q	FY09 2Q	Difference	%	FY08 2Q	FY09 2Q	Difference	%
Synthetic Fibers	79.2	51.2	-28.1	-35.4%	0.8	-3.3	-4.2	-
Films & Plastics	71.6	46.2	-25.4	-35.5%	1.8	2.4	+0.6	+31.0%
Pharma. & H.H.C.	28.2	32.7	+4.5	+16.0%	4.8	6.0	+1.1	+23.4%
Trading & Retail	63.0	51.8	-11.2	-17.8%	1.3	0.9	-0.4	-31.5%
IT & New Products, etc.	11.3	12.4	+1.1	+9.7%	0.8	0.8	-0.0	-1.1%
Elimination & Corporate	-	-	-	-	-3.1	-2.4	+0.7	-
Total	253.2	194.2	-59.0	-23.3%	6.4	4.3	-2.1	-33.2%

◆ Overview of Main Subsidiaries

		Sales			OP		
		FY08 1H	FY09 1H	Difference	FY08 1H	FY09 1H	Difference
		(¥bn)					
Synthetic Fibers	Aramid fibers business	47.8	27.7	-20.0	9.8	1.4	-8.4
	<i>Toho Tenax</i> group Carbon fibers only	20.2	10.4	-9.8	1.6	-2.8	-4.4
	<i>Teijin Fibers</i>	76.0	48.8	-27.2	-0.9	-0.7	+0.2
	Three fibers companies in Southeast Asia	35.2	20.5	-14.7	-1.7	-1.0	+0.8
	Total	111.2	69.3	-41.9	-2.6	-1.7	+1.0
T&R	<i>NI Teijin Shoji</i> (Nonconsolidated results)	101.8	82.5	-19.4	2.0	1.5	-0.5
F&P	Films business group	54.8	21.5	-33.3	2.2	0.3	-1.9
	Plastics business group	87.2	61.8	-25.5	1.9	0.7	-1.3
IT	<i>Infocom</i> (Nonconsolidated results)	12.3	13.7	+1.4	-0.1	0.6	+0.7

Notes:

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

◆ Sales of Principal Pharmaceuticals

(¥bn)

Product	Indication	08年				09年	
		1Q	2Q	3Q	4Q	1Q	2Q
<i>Bonalon</i>	Osteoporosis	5.1	4.7	5.8	4.3	5.4	5.3
<i>Onealfa</i>	Osteoporosis	2.9	2.9	3.4	2.6	3.1	3.0
Osteoporosis total		8.0	7.7	9.2	6.8	8.5	8.3
<i>Mucosolvan</i>	Expectorant	2.6	2.2	3.3	2.5	2.6	2.3
<i>Venilon</i>	Severe infection	2.1	2.0	2.4	1.6	2.1	1.9
<i>Laxoberon</i>	Laxative	1.2	1.2	1.3	1.1	1.2	1.2

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

◆ Development Status by Therapeutic Area

(As of Sep. 30, 2009)

Area	Phase of Clinical Trials				
	Phase I	Phase II	Phase III	Filed	Approved/New Launch*5
Bone and joint disease	ITM-058		GTH-42V		
Respiratory disease			BTR-15K (New indication: asthma in children)		
Cardio-vascular and metabolic disease		ITM-077 *2 NTC-801 *3	ITM-014 *5	TMX-67 (Japan:Under additional clinical trials)	
Other	TMA-15 (Domestic)	TMA-15 (Overseas)	GGs <i>Venilon</i> ® (New indication for multiple sclerosis) TV-02H *4 (<i>Bonalfa</i> ® Ointment) (PRC)	GGs <i>Venilon</i> ® (New indication for Churg–Strauss Syndrome)	TV-02HS *1 [<i>Bonalfa</i> ® High Lotion] (New indication: Lifting of restrictions on use in treatment of nonintractable diseases)

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

*2 Phase II clinical trials for ITM-077 began in April 2009.

*3 Phase II clinical trials for NTC-801 began in April 2009.

*4 TV-02H (PRC): Phase III clinical trials to obtain authorization to import began in the PRC in April 2009.

*5 Phase III clinical trials for ITM-014 began in September 2009.

*(Note) Products in the "Approved/launched" column were approved or launched within one year of the table's date.

◆ 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

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.