
Flash Report
-1Q Results and FY16 Outlook-

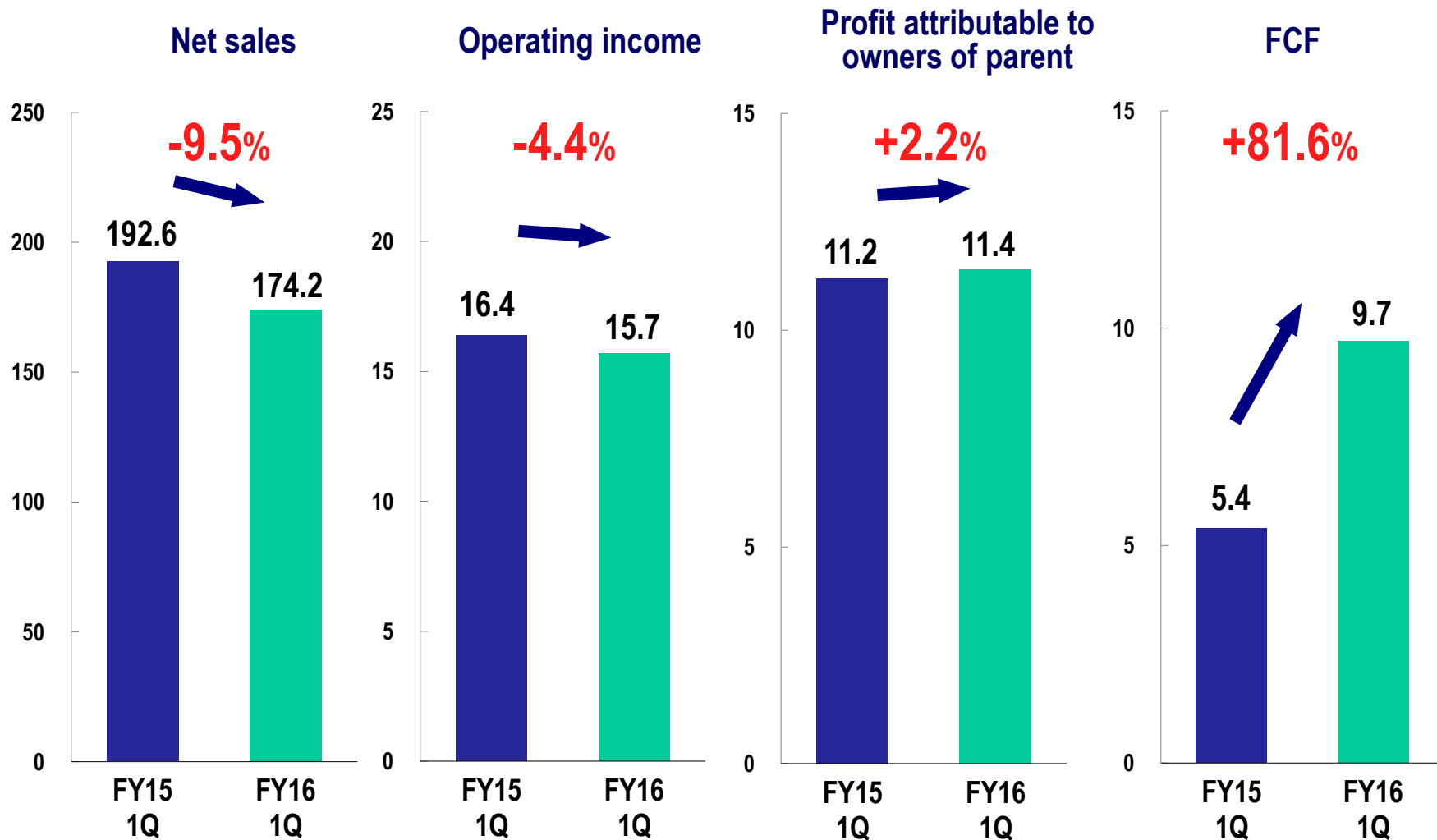
Teijin Limited
August 2, 2016

Outline of FY16 1Q Results

(1) Consolidated results highlights

(¥ billion)

Operating Movement (Compared with FY15 1Q)



◆ Operating results (¥ billion)	FY15 1Q	FY16 1Q	Difference
Net sales	192.6	174.2	-18.3
Operating income	16.4	15.7	-0.7
OP margin	8.5%	9.0%	+0.5%
Nonoperating items (net)	1.6	(1.3)	-2.9
Ordinary income	18.0	14.4	-3.6
Extraordinary items (net)	(1.3)	(0.6)	+0.6
Income before income taxes	16.7	13.8	-2.9
Income taxes	5.5	2.2	-3.2
Profit attributable to non-controlling interests	0.0	0.1	+0.1
Profit attributable to owners of parent	11.2	11.4	+0.2
EPS (¥)	11.39	11.63	+0.24

EBITDA *1	25.9	25.1	-0.8
CAPEX *2	6.7	8.9	+2.2
Depreciation & amortization	9.5	9.4	-0.1
R&D expenses	8.0	7.3	-0.6
FCF	5.4	9.7	+4.4

■ Net sales: Declined, owing to

- Impact of optimizing our production configuration associated with restructuring initiatives in the resin business, in addition to the stronger yen, although sales were generally steady across all businesses on the whole

■ Operating income and ordinary income: Declined owing to

- Impacts of foreign exchange movements and downward revisions to NHI drug reimbursement prices, despite efforts to steadily expand the operating margin by driving growth in existing businesses and executing restructuring initiatives
- Deterioration of non-operating income and losses, mainly due to foreign exchange losses

■ Profit attributable to owners of parent: Largely unchanged, due to

- Impact of tax effect accounting, etc.

◇ PL exchange rate	FY15 1Q	FY16 1Q
¥/US\$	121	108
¥/€	134	122
US\$/€	1.11	1.13

*1 EBITDA = Operating income + Depreciation & amortization

*2 CAPEX includes investments in intangible assets

◆ Nonoperating items

(¥ billion)	FY15 1Q	FY16 1Q	Difference
Interest income	0.2	0.2	-0.0
Dividends income	0.9	1.1	+0.1
Equity in earnings of affiliates	0.9	0.8	-0.1
Foreign exchange gains and Gain on valuation of derivatives	0.6	—	-0.6
Others	0.2	0.2	+0.0
Nonoperating income, total	2.8	2.3	-0.5
Interest expenses	0.6	0.5	-0.1
Foreign exchange losses and Loss on valuation of derivatives	—	2.5	+2.5
Others	0.6	0.5	-0.1
Nonoperating expenses, total	1.3	3.6	+2.3
Nonoperating items, total	1.6	(1.3)	-2.9

◆ Extraordinary items

(¥ billion)	FY15 1Q	FY16 1Q	Difference
Gain on sales of noncurrent assets	0.1	0.2	+0.1
Reversal of provision for business structure improvement	0.1	0.4	+0.3
Others	0.0	0.1	+0.1
Extraordinary income, total	0.2	0.7	+0.5
Loss on sales and retirement of noncurrent assets	0.3	0.2	-0.1
Impairment loss	0.5	0.3	-0.1
Loss on valuation of investment securities	0.0	0.1	+0.1
Business structure improvement expenses	0.4	0.6	+0.2
Others	0.3	0.1	-0.2
Extraordinary losses, total	1.5	1.4	-0.1
Extraordinary items, total	(1.3)	(0.6)	+0.6

◆ Financial position

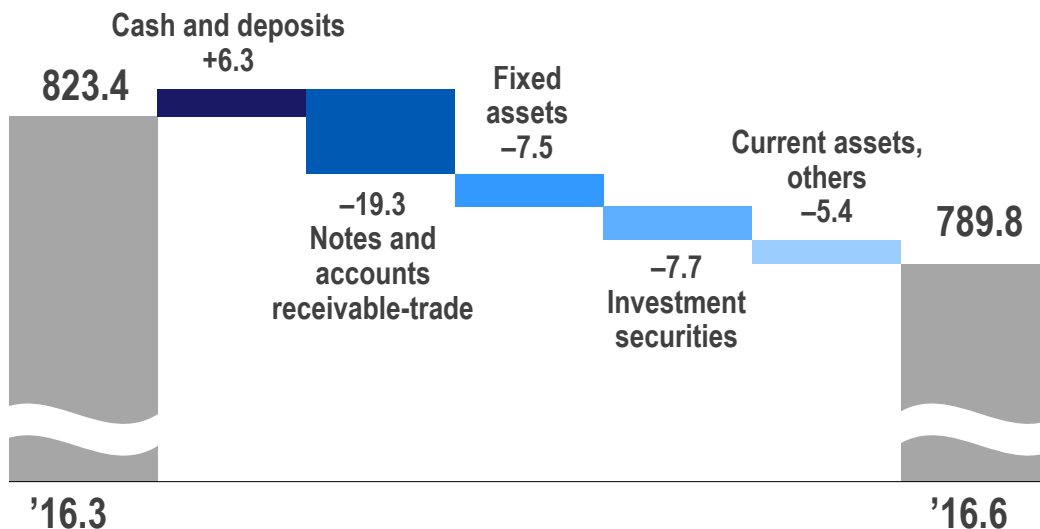
(¥ billion)	March. 31, 2016	June. 30, 2016	Difference	(Impact of foreign exchange rate)
Total assets	823.4	789.8	-33.6	-21.5
Shareholders' equity	300.1	290.3	-9.9	-10.8
Interest-bearing debt	303.3	297.8	-5.5	-5.7
D/E ratio	1.01	1.03	+0.02	
Shareholders' equity ratio	36.4%	36.8%	+0.3%	

◆ Cash flows

(¥ billion)	FY15 1Q	FY16 1Q	Difference
Operating activities	12.5	20.6	+8.2
Investing activities	(7.1)	(10.9)	-3.8
FCF	5.4	9.7	+4.4
Financing activities	(19.3)	(3.5)	+15.8
Cash & cash equivalents	(13.9)	6.2	+20.2

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

◇ Analysis of changes in total assets

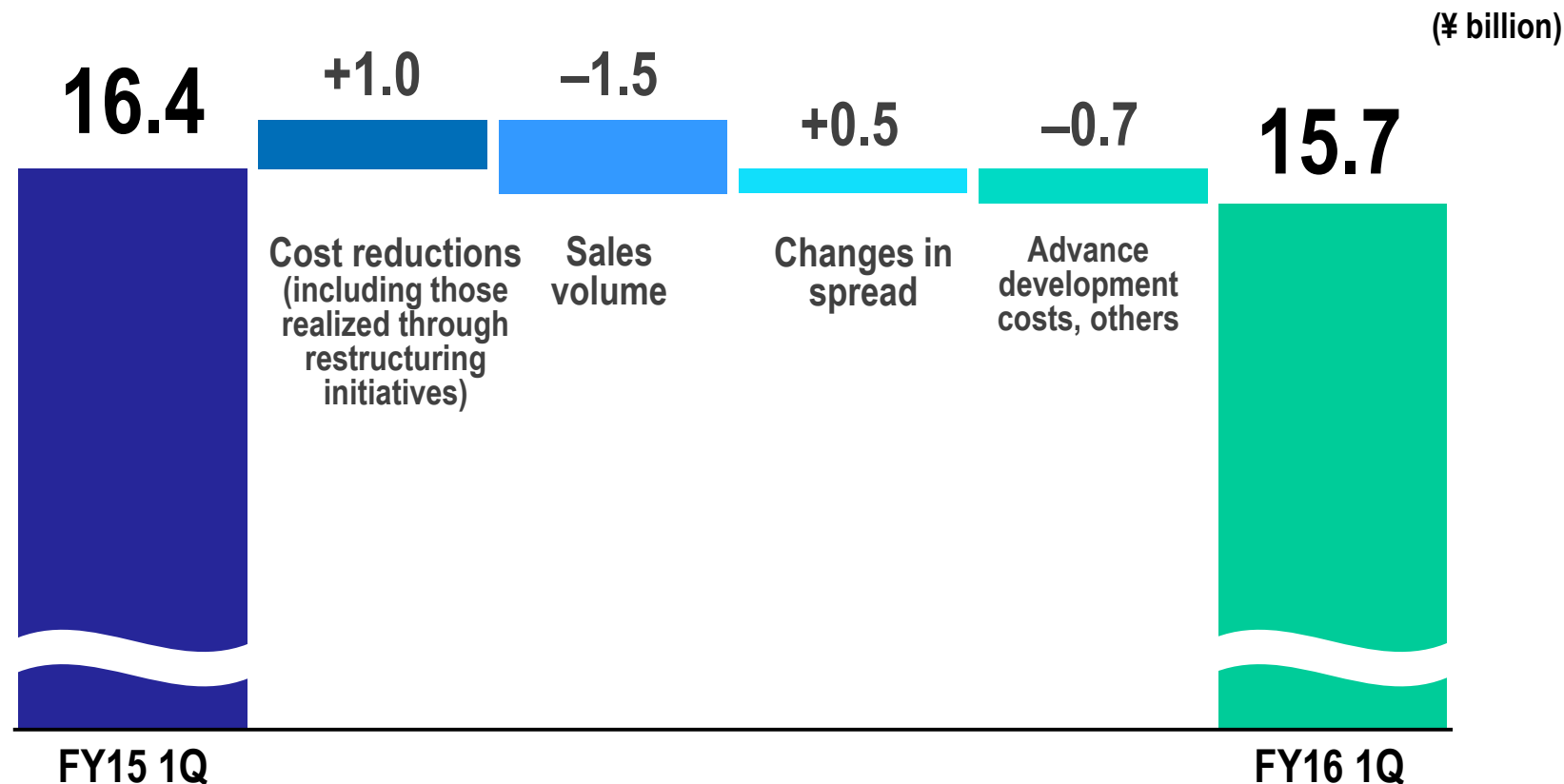


◇ BS exchange rate

	March. 31, 2016	June. 30, 2016
JPY / USD	113	103
JPY / EUR	128	114
USD / EUR	1.13	1.11

◆ Analysis of changes in operating income

Operating income declined slightly due to lower sales volume in the resin business and major regular maintenance in the aramid fiber business, despite the positive impact of cost reductions, including those realized through restructuring initiatives.

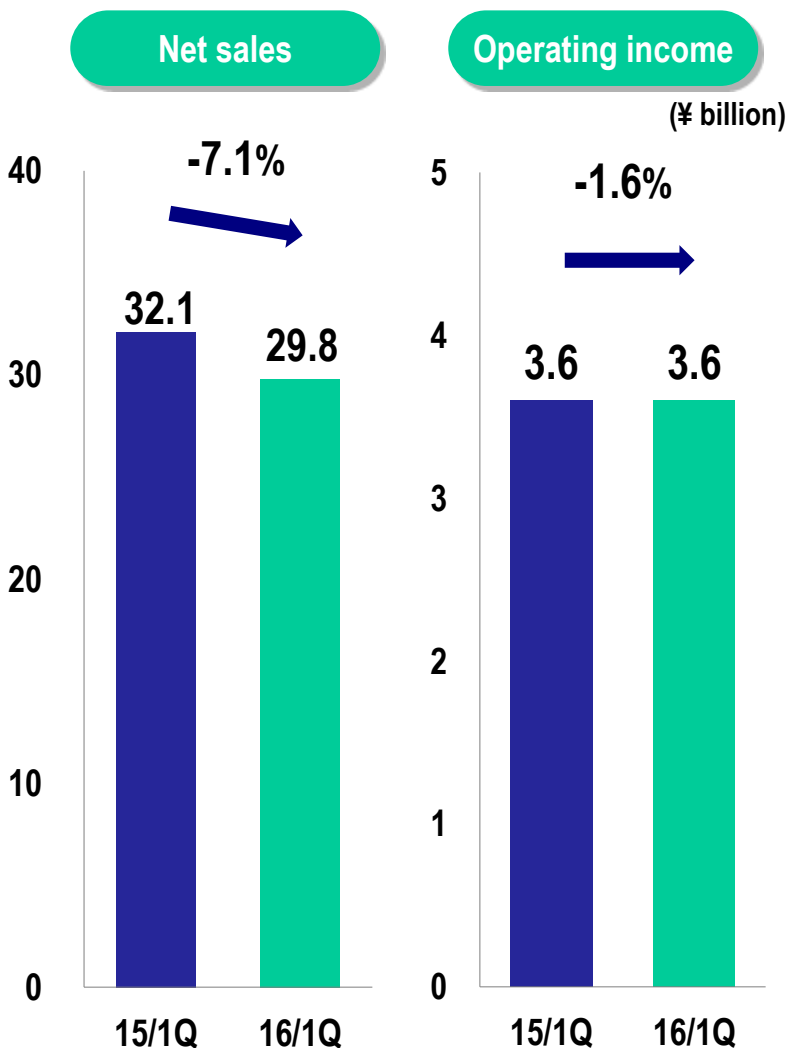


(2) Operating Results by Segment (Comparison with FY15 1Q)

Net sales Operating income (loss)	Net sales				Operating income (loss)			
	FY15 1Q	FY16 1Q	Difference	% Change	FY15 1Q	FY16 1Q	Difference	% Change
(¥ billion)								
Advanced Fibers and Composites	32.1	29.8	-2.3	-7.1%	3.6	3.6	-0.1	-1.6%
Electronics Materials and Performance Polymer Products	44.8	33.6	-11.2	-25.0%	6.2	5.6	-0.6	-9.1%
Healthcare	38.0	37.4	-0.6	-1.5%	8.9	8.6	-0.3	-3.3%
Trading and Retail	61.4	59.2	-2.1	-3.5%	1.0	1.4	+0.3	+33.3%
Total	176.3	160.1	-16.2	-9.2%	19.7	19.2	-0.6	-2.9%
Others	16.3	14.1	-2.2	-13.3%	0.5	0.3	-0.2	-43.4%
Elimination and Corporate	—	—	—	—	(3.9)	(3.8)	+0.1	—
Total	192.6	174.2	-18.3	-9.5%	16.4	15.7	-0.7	-4.4%

1. Advanced Fibers and Composites

Sales and earnings down due to the impacts of regular maintenance and foreign exchange movements, despite firm sales volume



(¥ billion)	15/1Q	16/1Q	Difference	Change
Net sales	32.1	29.8	-2.3	-7.1%
Operating income	3.6	3.6	-0.1	-1.6%

◇ High-Performance Fibers

Para-aramid fibers:

- Sales for automotive applications (tires, friction materials) expanded steadily
- Sales for oil field drilling applications were weak
- Implemented major regular maintenance of *Twaron* facilities

Meta-aramid fibers:

- Competition remained fierce in filter applications
- Sales were robust for use in automotive applications, as well as protective clothing and industrial applications

Polyester fibers:

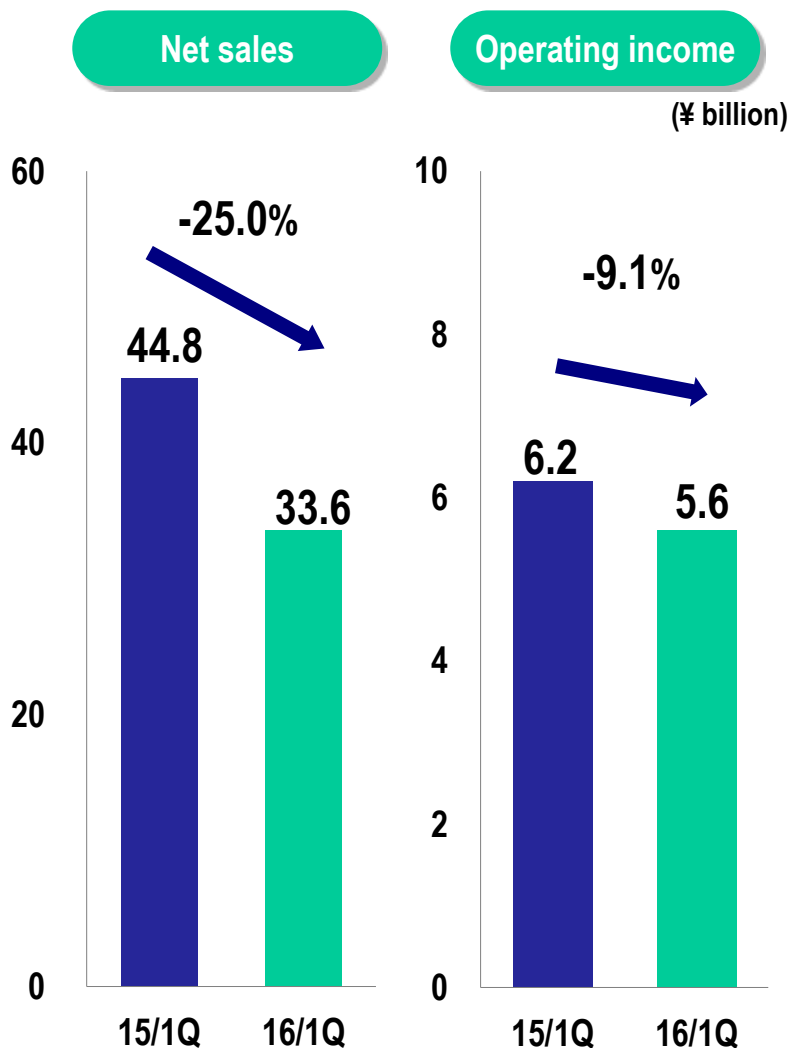
- Solid sales for Thai automotive applications and personal hygiene products, wadding
- Realigned domestic production configuration and transferring production to Thailand

◇ Carbon Fibers and Composites

- Sales for use in aircraft were favorable
- Sales for use in general industrial applications in Europe and Asia were robust
- Sales of Oxidized PAN fiber were brisk for use in aircraft brake pads

2. Electronics Materials and Performance Polymer Products

Sales and earnings down due to the downsizing of commodity businesses and the impact of foreign exchange movements



(¥ billion)	15/1Q	16/1Q	Difference	Change
Net sales	44.8	33.6	-11.2	-25.0%
Operating income	6.2	5.6	-0.6	-9.1%

◇ Resin and Plastics Processing

Polycarbonate resin:

- Despite decreased sales volume due to halted production at our Singapore plant, the operating margin improved owing to an optimized production configuration and an improved sales mix
- Focused on expanding high-performance compound products, including product development for use in housing equipment

High-performance resins:

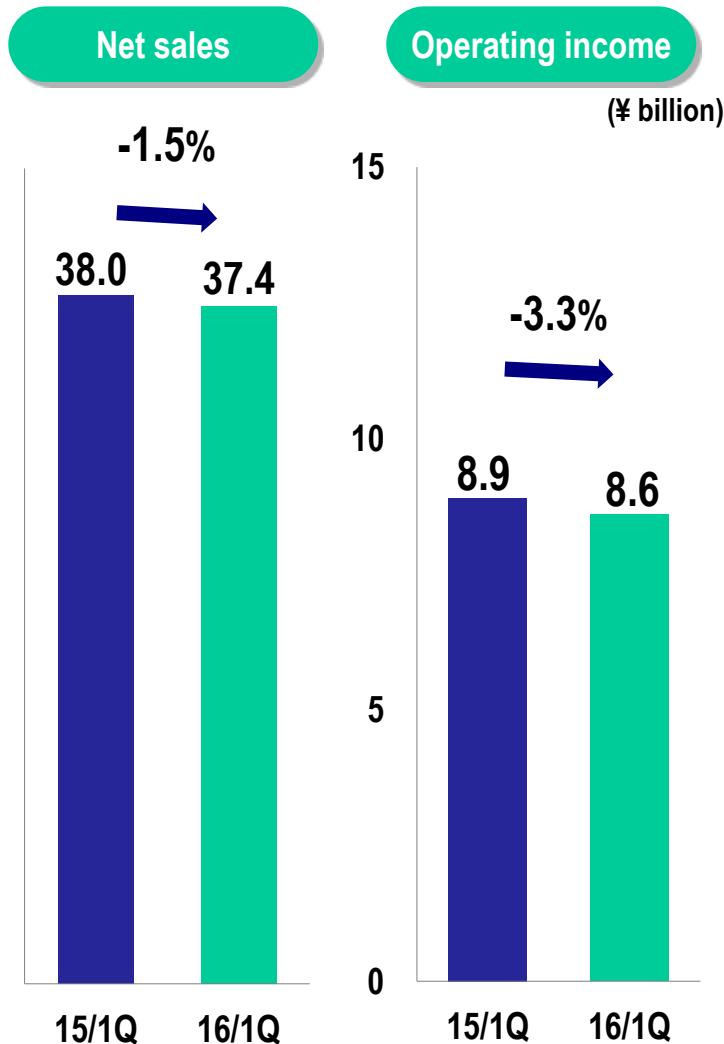
- Expanded line-up of specialty polycarbonate resin for camera lenses

◇ Films

- Firm sales of release films for manufacturing processes, as well as exports for special packaging applications
- Persistently fierce competition for reflective films for use in liquid crystal display (LCD) televisions
- Steady growth in sales of reverse-dispersion solvent-cast retardation film for organic electroluminescent displays (OLED)

3. Healthcare

Sales and earnings remained mostly flat, absorbing the impact of revised medical fees and downward revisions to NHI drug reimbursement prices



(¥ billion)	15/1Q	16/1Q	Difference	Change
Net sales	38.0	37.4	-0.6	-1.5%
Operating income	8.9	8.6	-0.3	-3.3%

◇ Pharmaceuticals

- Sales of recently developed drugs, including hyperuricemia and gout treatment febusostat and *Somatuline*^{*1}, a treatment for acromegaly, expanded steadily
- Efforts were focused on expanding new formulations for existing drugs, namely the osteoporosis treatment *Bonalon*^{*2}, and the expectorant *Mucosolvan*, despite a persistently harsh operating environment for long-listed originator drugs

◇ Home Healthcare

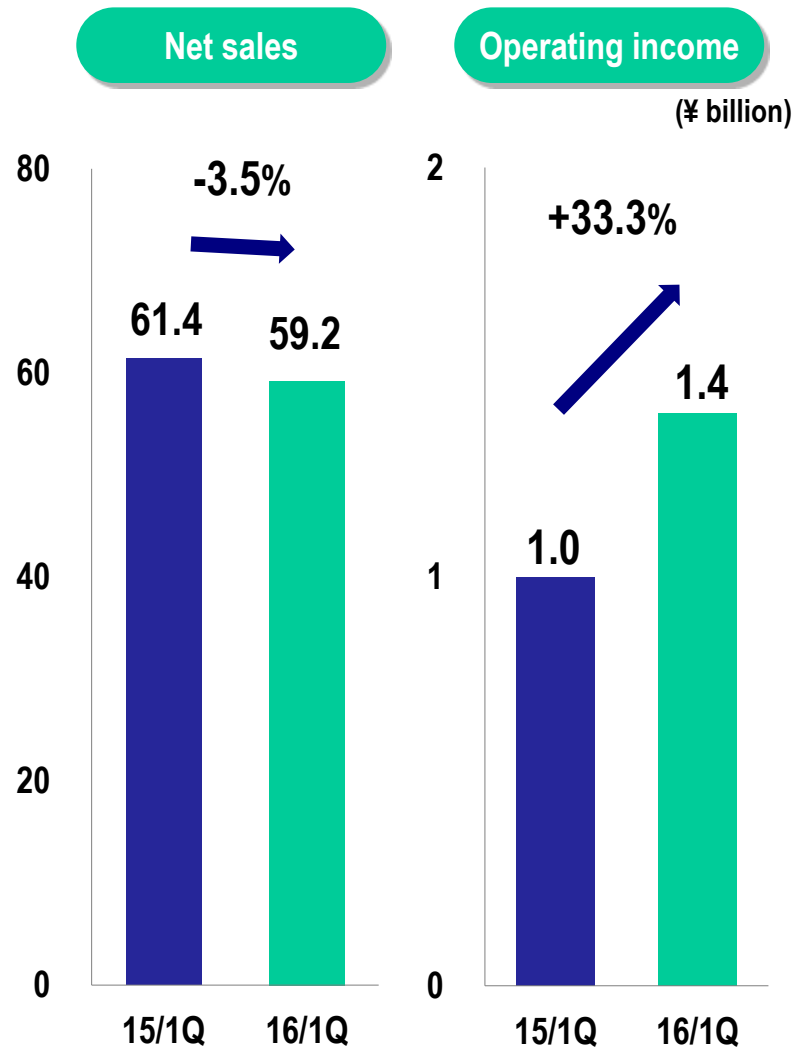
- Home oxygen therapy (HOT): rental volume remained at high levels
- CPAP: Rental volume rose steadily. Aiming for further expansion with the launch of a new model
- Operating conditions in the United States remained harsh; Promoting improvement strategies such as integrating sales bases

*1 *Somatuline*[®] is a registered trademark of Ipsen Pharma, Paris, France.

*2 *Bonalon*[®] is the registered trademark of Merck Sharp & Dohme Corp., Whitehouse Station, NJ, U.S.A.

4. Trading and Retail

Earnings up owing to an improved operating margin, despite a slight decrease in sales, reflecting expanded sales of differentiated products



(¥ billion)	15/1Q	16/1Q	Difference	Change
Net sales	61.4	59.2	-2.1	-3.5%
Operating income	1.0	1.4	+0.3	+33.3%

Apparel Textiles and Materials:

- Strong sales of high-performance materials in the European and U.S. sports and outdoor apparel markets
- Focused on expanding sales of new materials and products, through such means as embarking on the full-scale commercial development of extra-functional nylon fabrics
- Despite the slump in the domestic market, the apparel business performed steadily overall, with favorable sales to certain specialty men's apparel shops and others

Industrial Textiles and Materials:

- In automotive materials, we posted favorable sales of tire cords and car seats, and firm sales of airbags, transmission belts and hoses
- Continued firm sales of civil engineering materials and personal hygiene products
- Sales of resin and films struggled

(2) Main actions (since April 2016)

* Somatuline® is a registered trademark of Ipsen Pharma, Paris, France.

Expanded core strategic businesses and enhanced product lineup

Add and expand new indications for existing drugs

- Treatment for hyperuricemia and gout *FEBURIC*
Obtained approval for the additional indication of hyperuricemia caused by cancer chemotherapy
- Treatment for acromegaly and pituitary gigantism *Somatuline**
Applied for supplemental indication for treatment of neuroendocrine tumors



Healthcare

Expanded solutions businesses

Expanded sales of ultra-lightweight ceiling material *Kal-ten*

Ceiling material based on the polyester vertically lapped non-woven fabric “V-lap”
Adopted for multiuse commercial facility (Aeon Mall Imabarishintoshi)
Developed new earthquake-resistant construction method *Kal-ten* TB method for commercialization from summer 2016



Advanced
Fibers and
Composites

New Business Development

Started trial sales of *BARLEYmax* enhanced barley product

A non-genetically modified barley developed by the Commonwealth Scientific and Industrial Research Organization of Australia
utilizing Teijin’s polymer analysis technologies and its insight on evidence assessment in the field of healthcare

New
Business



Outlook for FY16

◆ Summary of outlook for FY16

	FY15 (¥ billion)	FY16 Outlook	Difference		FY16 Previous Outlook*2	Difference (Amount)
			Amount	%		
Net sales	790.7	740.0	-50.7	-6.4%	775.0	-35.0
Operating income	67.1	53.0	-14.1	-21.0%	58.0	-5.0
Operating margin	8.5%	7.2%	—	-1.3%	7.5%	-0.3%
Ordinary income	60.3	53.0	-7.3	-12.1%	58.0	-5.0
Profit attributable to owners of parent	31.1	35.0	+3.9	+12.6%	36.0	-1.0
CAPEX *1	38.3	53.0	+14.7		55.0	-2.0
Depreciation & amortization	38.9	38.5	-0.4		40.0	-1.5
R&D expenses	33.3	36.0	+2.7		34.0	+2.0
FCF	40.3	12.0	-28.3		10.0	+2.0

*1 CAPEX includes investments in intangible assets

*2 Announced on May 6, 2016

Assumptions for FY16 outlook

FY16 exchange rates : ¥106/US\$1.00, and ¥118/€1.00

An average Dubai crude oil price : US\$45/barrel

Dividend forecasts*

Interim: ¥5 per share (outlook) Annual: ¥10 per share (outlook)

*No changes from previous outlook
Excluding the impact of the consolidation of shares

◆ Changes in net sales and operating income for FY15–FY16

		FY15 Results			FY16 Outlook			Difference
		1H	2H	Total	1H	2H	Total	
		(¥ billion)						
Net sales	Advanced Fibers and Composites	65.4	67.6	133.0	60.0	65.0	125.0	-8.0
	Electronics Materials and Performance Polymer Products	87.3	76.4	163.7	65.0	65.0	130.0	-33.7
	Healthcare	74.8	72.7	147.5	70.0	70.0	140.0	-7.5
	Trading and Retail	130.1	140.8	270.9	125.0	150.0	275.0	+4.1
	Total	357.7	357.5	715.2	320.0	350.0	670.0	-45.2
	Others	34.4	41.2	75.6	30.0	40.0	70.0	-5.6
Total		392.1	398.7	790.7	350.0	390.0	740.0	-50.7
Operating income (loss)	Advanced Fibers and Composites	9.3	9.2	18.5	7.5	8.5	16.0	-2.5
	Electronics Materials and Performance Polymer Products	11.9	10.4	22.3	8.0	5.5	13.5	-8.8
	Healthcare	16.8	12.0	28.8	11.5	15.5	27.0	-1.8
	Trading and Retail	2.2	3.1	5.3	2.5	3.5	6.0	+0.7
	Total	40.1	34.8	74.9	29.5	33.0	62.5	-12.4
	Others	1.9	4.6	6.5	1.5	5.0	6.5	+0.0
	Elimination and Corporate	(6.7)	(7.6)	(14.3)	(8.0)	(8.0)	(16.0)	-1.7
Total		35.3	31.8	67.1	23.0	30.0	53.0	-14.1

◆ Changes in net sales and operating income (Comparison with previous outlook)

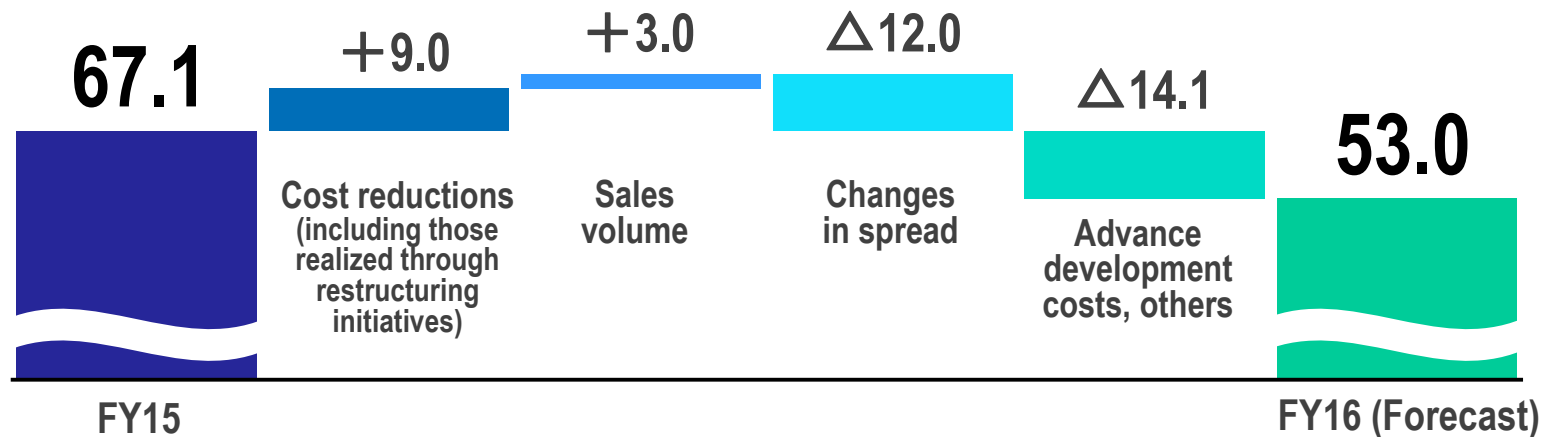
		FY16 Previous Outlook*			FY16 Outlook			Difference
		1H	2H	Total	1H	2H	Total	
		(¥ billion)						
Net sales	Advanced Fibers and Composites	65.0	70.0	135.0	60.0	65.0	125.0	-10.0
	Electronics Materials and Performance Polymer Products	70.0	70.0	140.0	65.0	65.0	130.0	-10.0
	Healthcare	70.0	75.0	145.0	70.0	70.0	140.0	-5.0
	Trading and Retail	130.0	150.0	280.0	125.0	150.0	275.0	-5.0
	Total	335.0	365.0	700.0	320.0	350.0	670.0	-30.0
	Others	35.0	40.0	75.0	30.0	40.0	70.0	-5.0
Total		370.0	405.0	775.0	350.0	390.0	740.0	-35.0
Operating income (loss)	Advanced Fibers and Composites	7.5	11.0	18.5	7.5	8.5	16.0	-2.5
	Electronics Materials and Performance Polymer Products	7.5	6.0	13.5	8.0	5.5	13.5	—
	Healthcare	14.0	16.0	30.0	11.5	15.5	27.0	-3.0
	Trading and Retail	2.5	3.5	6.0	2.5	3.5	6.0	—
	Total	31.5	36.5	68.0	29.5	33.0	62.5	-5.5
	Others	1.0	5.5	6.5	1.5	5.0	6.5	—
	Elimination and Corporate	(8.5)	(8.0)	(16.5)	(8.0)	(8.0)	(16.0)	+0.5
Total		24.0	34.0	58.0	23.0	30.0	53.0	-5.0

◆ Analysis of changes in operating income

(¥ billion)

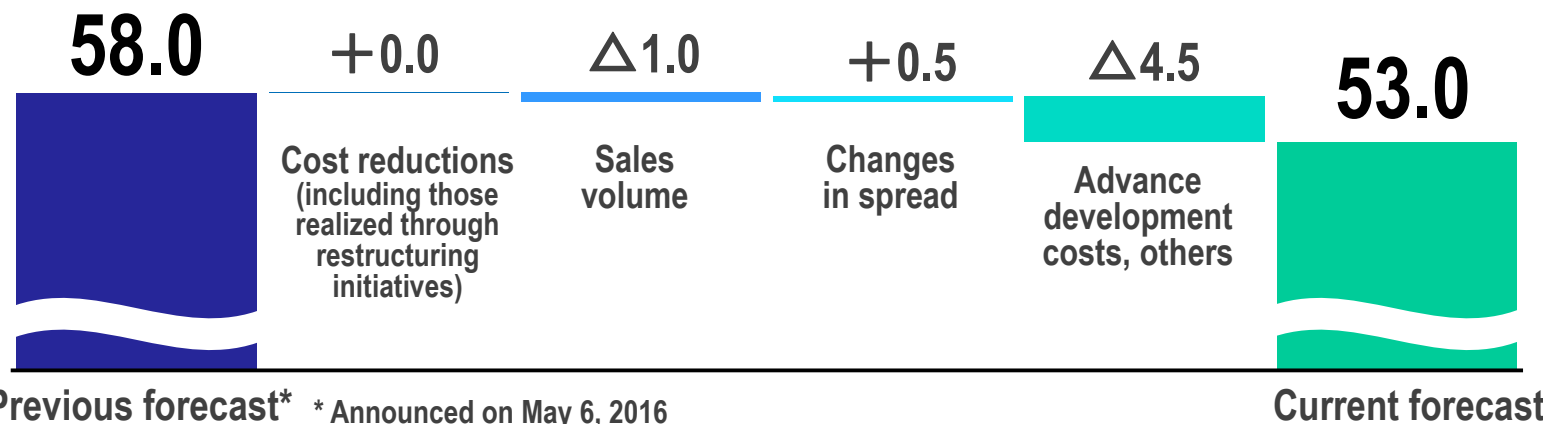
Comparison with FY15

Forecast of a positive impact from restructuring initiatives, while projecting an increase in advance development costs in addition to a deterioration in trade terms in certain businesses and the impact of revisions to NHI drug price reimbursements



Comparison with previous forecast

Reflects an increase in advance development costs and a review of our exchange rate assumptions



Previous forecast* * Announced on May 6, 2016

◆ Financial highlights

	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Outlook
ROA ^{*1}	1.6%	2.4%	4.9%	8.2%	6.4%
ROE ^{*2}	-10.3%	3.0%	-2.8%	10.6%	11.5%
Operating margin	1.7%	2.3%	5.0%	8.5%	7.2%
D/E ratio ^{*3}	1.00	1.00	1.07	1.01	1.0
Shareholders' equity ratio	35.6%	36.7%	34.9%	36.4%	36.7%
Earnings per share (¥)	(29.6)	8.5	(8.2)	31.6	^{*4} 35.6
Dividends per share (¥)	4.0	4.0	4.0	7.0	^{*4} 10.0
Total assets (¥ billion)	762.4	768.4	823.7	823.4	845.0
Interest-bearing debt (¥ billion)	270.8	281.5	308.2	303.3	300.0
EBITDA (¥ billion) ^{*5}	59.2	63.7	82.1	106.0	91.5

*1 ROA= Operating income / Total assets

*2 ROE= Profit attributable to owners of parent / Shareholders' equity

*3 D/E ratio = Interest-bearing debt / Total shareholders' equity

*4 Excluding the impact of the consolidation of shares

*5 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.

(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

The Teijin Group has established a dedicated division that is charged with product quality and reliability assurance for all Group businesses. However, product and service defects arising from quality issues have the potential to negatively affect, among others, the Group's operating results, financial position and public reputation.

(3) R&D-related risk

The Teijin Group actively allocates management resources to R&D efforts. R&D in the pharmaceuticals business, in particular, 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.

(4) Risks related to overseas operations

The Teijin Group has operations overseas. These operations are vulnerable to the impact of fluctuations in foreign exchange rates, as well as enforcement of new or unexpected changes to existing laws, regulations or tax systems that exert an adverse impact on the Group; economic fluctuations; or social unrest triggered by acts of terror or war.

(5) Risks related to accidents and disasters

In the event of a major natural disaster or unforeseen accident that results in damage to the Teijin Group's production facilities or significantly impedes the Group's supply chain, such developments may have a negative impact on the Group's operating results and/or financial position.

◆ Consolidated balance sheets

(¥ billion)	Sept. 30, 2014	Dec. 31, 2014	Mar. 31, 2015	June 30, 2015	Sept. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016
Total assets	779.8	832.7	823.7	816.4	802.7	821.9	823.4	789.8
Current assets	370.8	413.1	406.0	395.6	395.6	415.0	430.5	413.7
Fixed assets	409.0	419.6	417.7	420.8	407.1	406.9	392.9	376.1
Total liabilities and net assets	779.8	832.7	823.7	816.4	802.7	821.9	823.4	789.8
Liabilities	499.3	539.1	520.1	496.3	483.8	491.8	509.0	485.5
[Interest-bearing debt]	302.0	317.3	308.2	294.3	283.6	281.1	303.3	297.8
Net assets	280.5	293.6	303.6	320.2	319.0	330.1	314.4	304.3

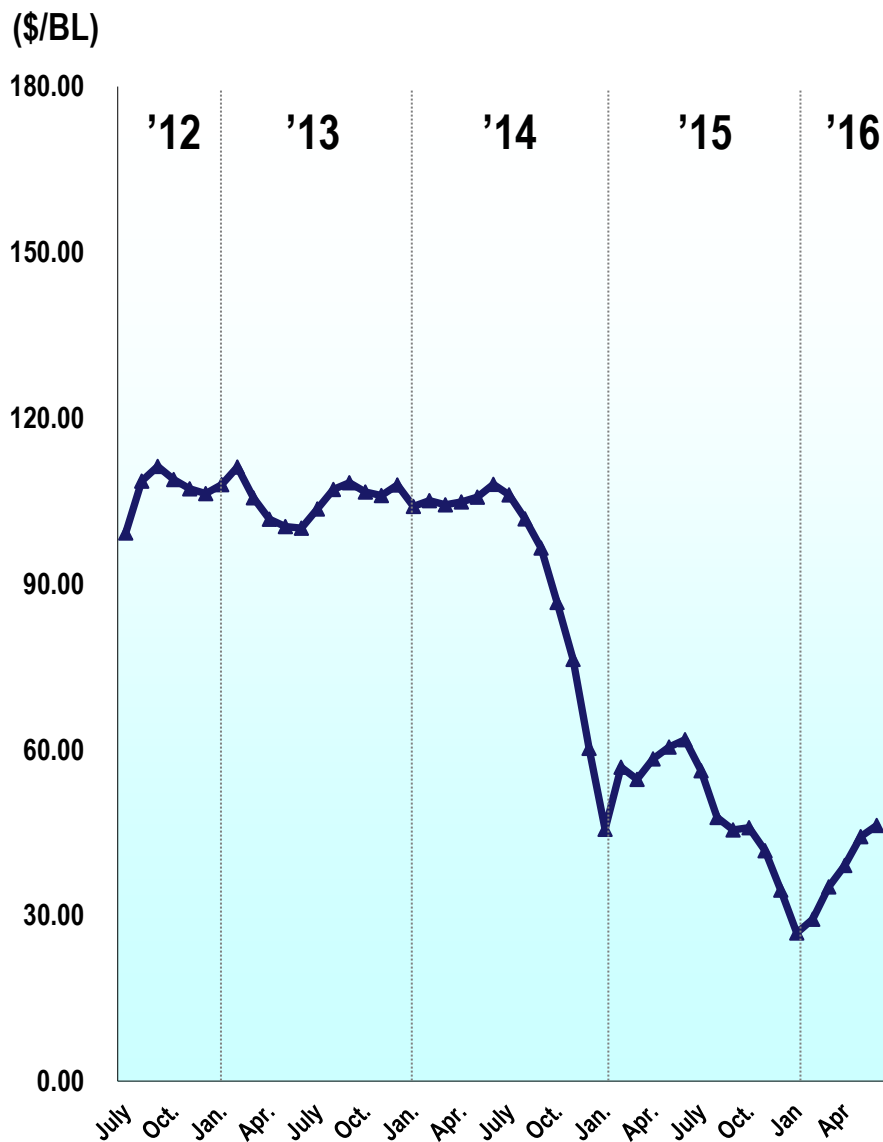
Note: For more information, see Teijin's quarterly results report (Consolidated Financial Results for the First Quarter of FY16).

◆ Consolidated Statements of Income

	FY15				FY16	FY15 1Q vs FY16 1Q	
	(¥ billion)	1Q	2Q	3Q	4Q		1Q
Net Sales		192.6	199.5	199.2	199.5	174.2	-18.3
Cost of sales		130.8	134.5	134.0	137.0	113.1	-17.8
Gross profit		61.7	65.0	65.3	62.4	61.2	-0.6
SG & A		45.3	46.1	45.1	50.8	45.5	+0.1
Operating income		16.4	18.9	20.1	11.6	15.7	-0.7
Nonoperating items, net		1.6	(1.1)	0.8	(8.1)	(1.3)	-2.9
(Balance of financial expenses)		0.5	(0.5)	0.1	(0.3)	0.7	+0.2
(Equity in earnings and losses of affiliates)		0.9	1.1	0.5	(5.5)	0.8	-0.1
Ordinary income		18.0	17.9	21.0	3.5	14.4	-3.6
Extraordinary items (net)		(1.3)	(1.6)	(7.8)	(4.1)	(0.6)	+0.6
Income (loss) before income taxes		16.7	16.3	13.2	(0.6)	13.8	-2.9
Income taxes		5.5	3.5	4.3	3.1	2.2	-3.2
Profit (loss) attributable to non-controlling interests		0.0	(0.4)	(1.6)	0.1	0.1	+0.1
Profit (loss) attributable to owners of parent		11.2	13.3	10.5	(3.8)	11.4	+0.2

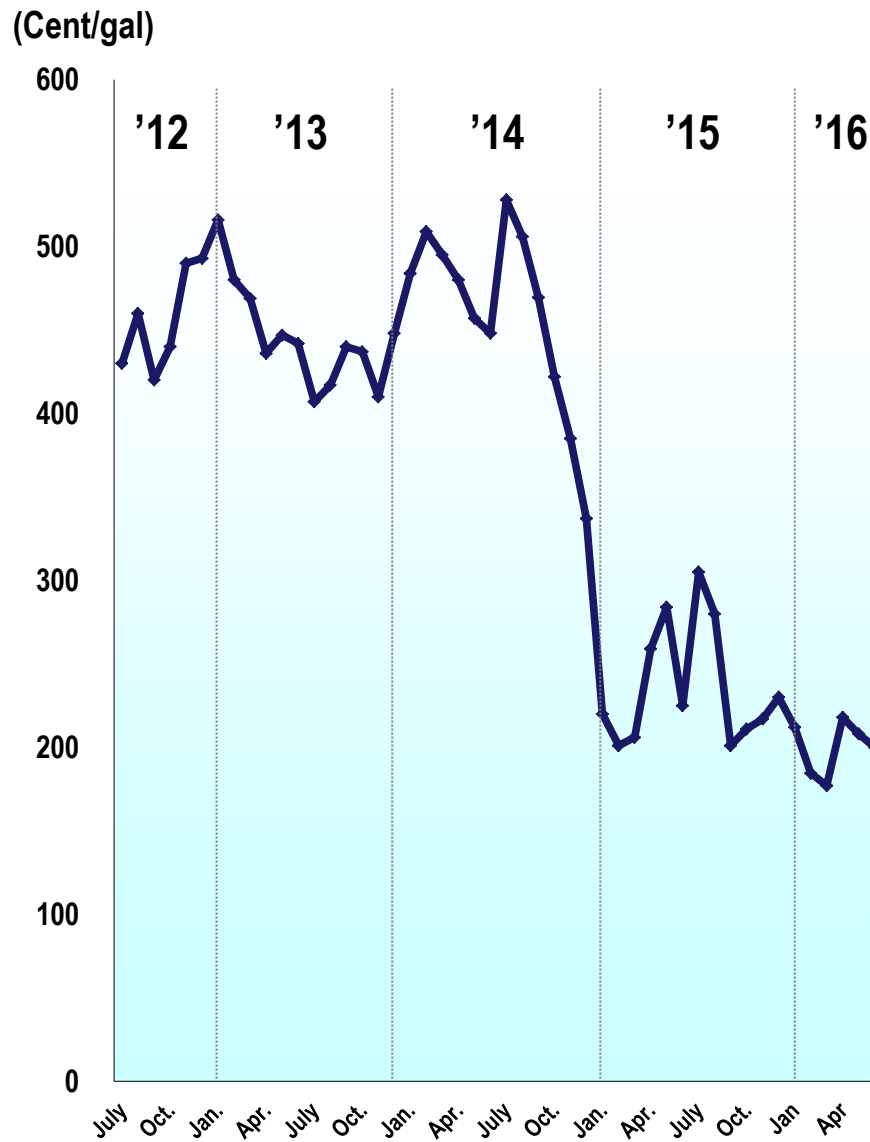
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◆ Dubai crude oil prices



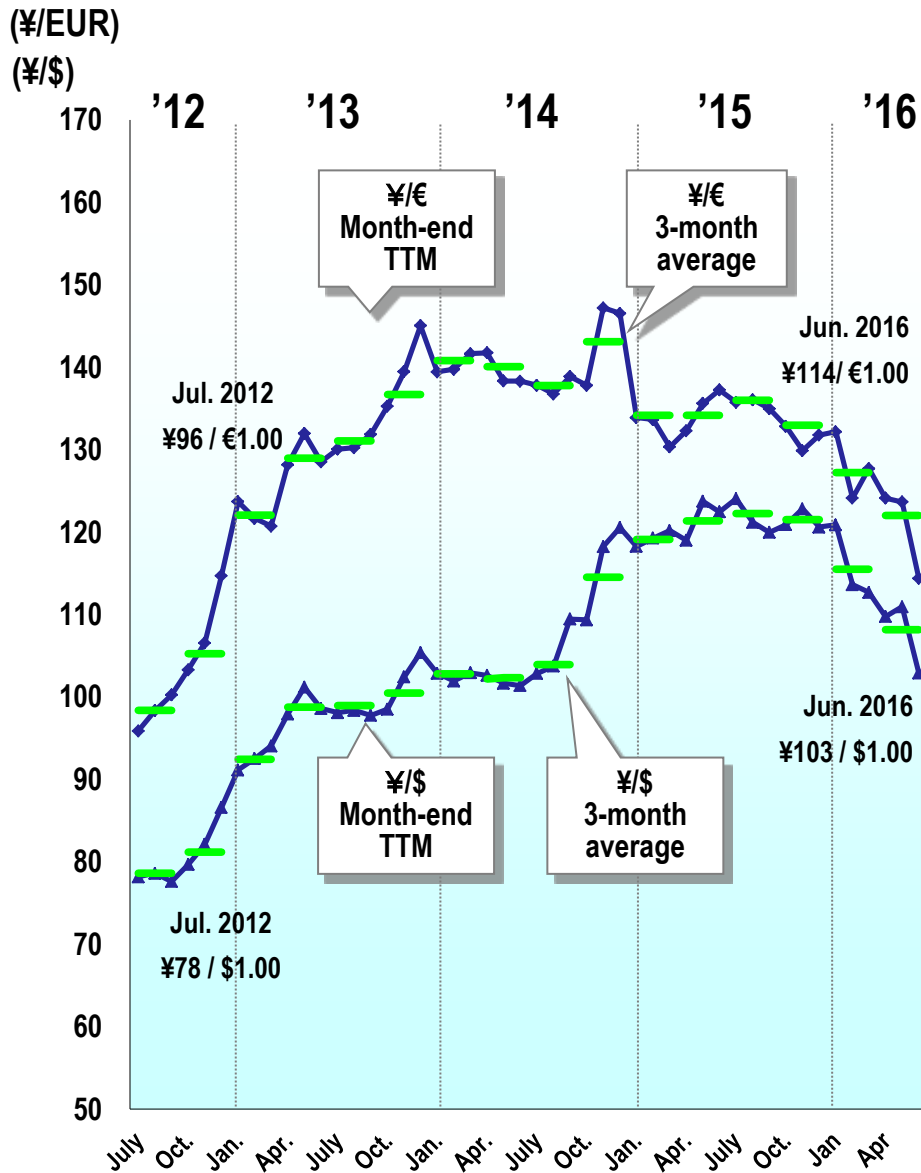
【Source: Teijin estimates based on data published by Platt's】

◆ Benzene prices

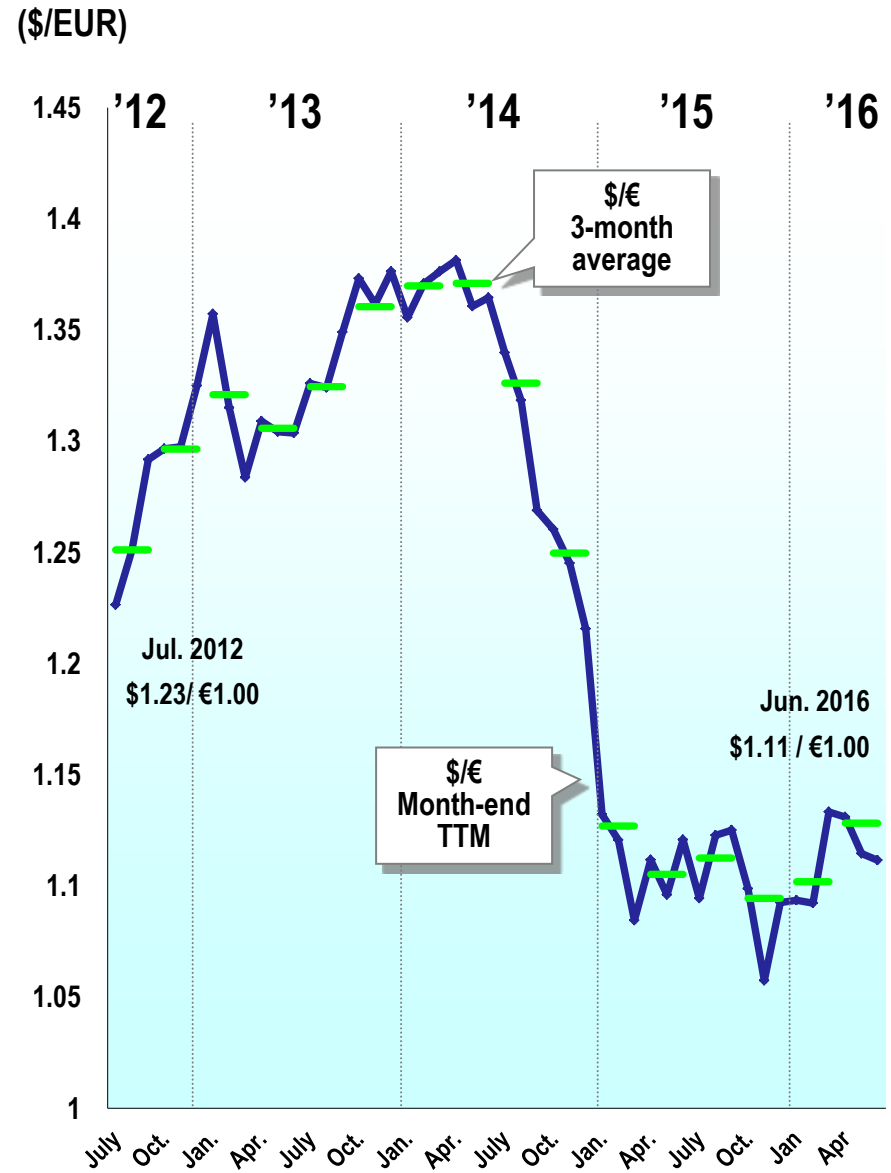


【Source: Teijin estimates based on data published by Dewitt】

◆ Yen/Dollar, Yen/Euro exchange rates

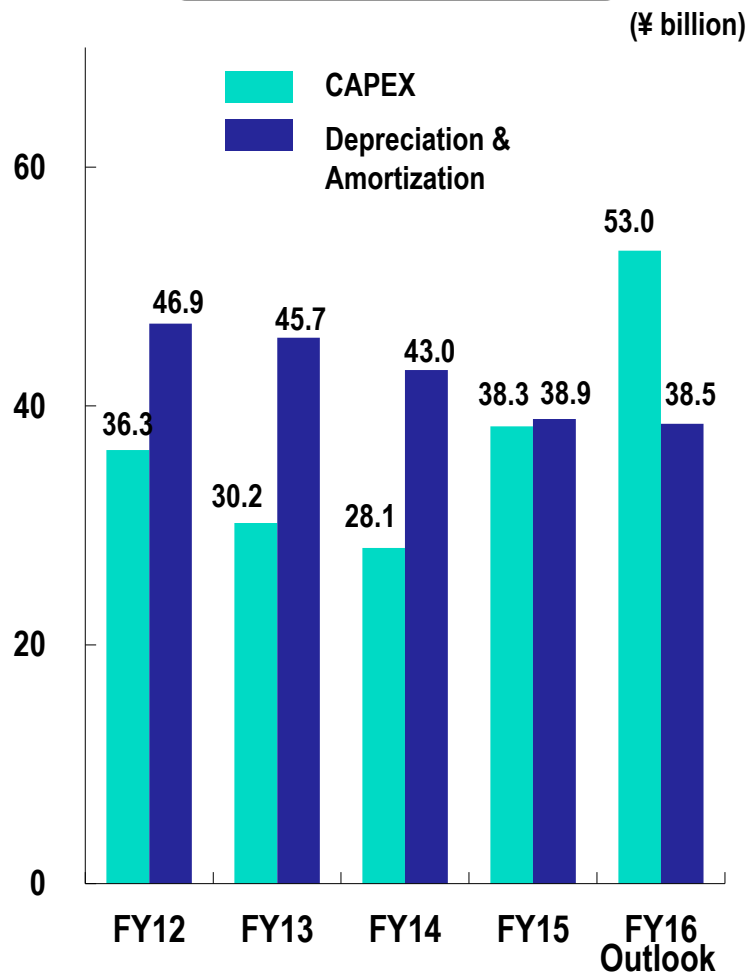


◆ Dollar/Euro exchange rates

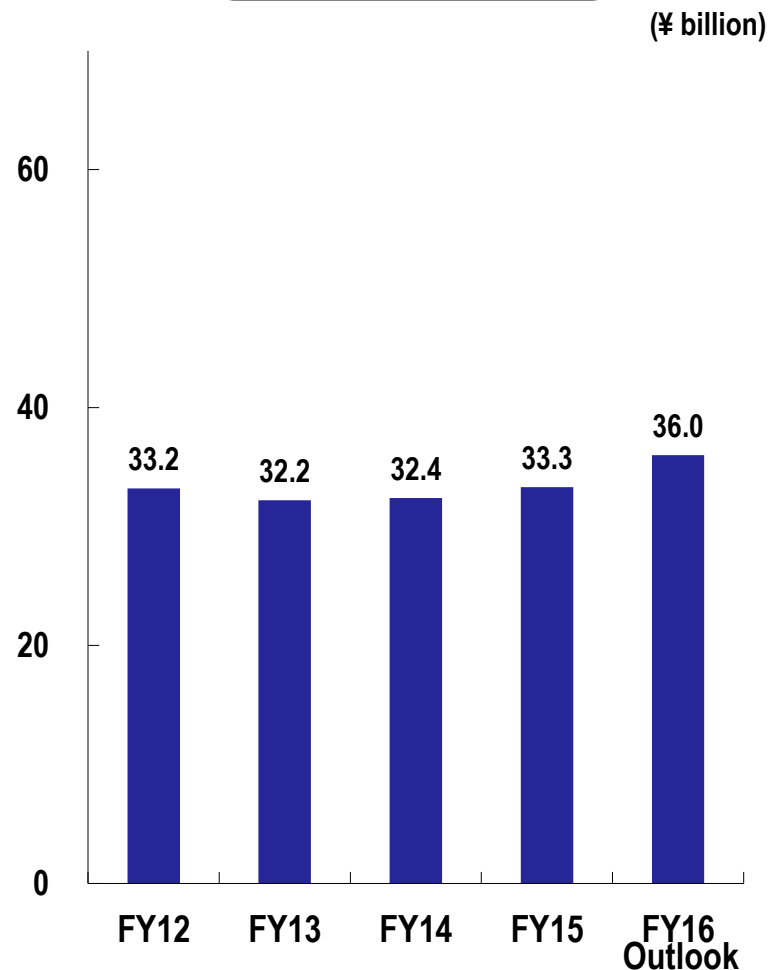


◆ CAPEX, depreciation & amortization, and R&D expenses

CAPEX/Depreciation & Amortization



R&D Expenses



◆ Sales of Principal Pharmaceuticals

(¥ billion)

Product	Target disease	FY15					FY16 1Q
		1Q	2Q	3Q	4Q	Annual Total	
<i>Bonalon</i> ^{®*}	Osteoporosis	3.3	3.3	3.5	2.8	12.9	3.1
<i>Onealfa</i> [®]	Osteoporosis	1.3	1.3	1.3	1.0	4.9	1.0
Osteoporosis total		4.6	4.6	4.9	3.8	17.8	4.1
<i>FEBURIC</i> [®]	Hyperuricemia and gout	4.8	5.2	6.0	5.3	21.3	6.4
<i>Mucosolvan</i> [®]	Expectorant	1.8	1.4	2.0	1.5	6.8	1.4
<i>Venilon</i> [®]	Severe infection	2.5	0.0	1.3	0.6	4.4	1.0
<i>Laxoberon</i> [®]	Laxative	0.7	0.7	0.7	0.5	2.6	0.5
<i>Tricor</i> [®]	Hyperlipidemia	0.4	0.4	0.4	0.4	1.6	0.4
<i>Somatuline</i> ^{®*}	Acromegaly and pituitary gigantism	0.3	0.4	0.4	0.4	1.5	0.4
<i>Alvesco</i> [®]	Asthma	0.3	0.3	0.3	0.3	1.2	0.3

* *Bonalon*[®] is the registered trademark of Merck Sharp & Dohme Corp., Whitehouse Station, NJ, U.S.A.

* *Somatuline*[®] is the registered trademark of Ipsen Pharma, Paris, France.

◆ Development status by therapeutic area

(As of June 30, 2016)

	Phase of Clinical Trials				
	Phase I	Phase II	Phase III	Filed	Approved/ New Launch
Bone and joint disease		ITM-058 KTP-001			
Respiratory disease		PTR-36			
Cardio-vascular and metabolic disease	TMG-123 TMX-049	ITM-014N [Somatuline®*1] (New indication for neuroendocrine tumor)	STM-279	TMX-67 [Febuxostat] (PRC)	TMX-67TLS*2 [FEBURIC®] (New indication for tumor lysis syndrome)
Other			GGs-ON, -MPA, -CIDP [Venilon®] (New indication for optic neuritis) (New indication for microscopic polyangiitis) (New indication for chronic inflammatory demyelinating polyneuropathy)		

*1 Somatuline® is the registered trademark of Ipsen Pharma, Paris, France.

*2 TMX-67TLS is currently in development as an expanded indication of FEBURIC for tumor lysis syndrome. In May 2016, it received approval for the additional indication of hyperuricemia associated with cancer chemotherapy.

◆ Newly developed pharmaceutical candidates

(As of June 30, 2016)

【Approved】

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
TMX-67TLS (febuxostat)	Tumor lysis syndrome	A highly potent drug that selectively inhibits xanthine oxidase. Offers promise as a once-daily treatment option that prevents hyperuricemia in patients with malignant tumors who have undergone chemotherapy.	Tablet	Developed in-house (New indication) In May 2016, approval received for the indication of hyperuricemia associated with cancer chemotherapy

【Filed】

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
TMX-67 (febuxostat)	Hyperuricemia and gout	Trials to facilitate the licensing out of febuxostat (tablet-form treatment for hyperuricemia and gout currently sold in Japan and elsewhere) for sale in the PRC. A highly potent drug that selectively inhibits xanthine oxidase and is also safe for patients with impaired renal function who may be unable to tolerate existing treatments. Offers promise as a new treatment option that will improve the quality of life of hyperuricemia and gout sufferers in the PRC.	Tablet	Under joint development with Astellas Pharma China, Inc. Filed in PRC in November 2015

◆ Newly developed pharmaceutical candidates

(As of June 30, 2016)

【 Phase III 】

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
GGs-ON (freeze-dried sulfonated human immunoglobulin)	Optic neuritis	The immunoregulatory mechanism of this drug inhibits inflammation of the optic nerve; also promising because of its ability to restore lost visual function.	Injection	Under joint development with Kaketsuken (New indication)
GGs-MPA (freeze-dried sulfonated human immunoglobulin)	Microscopic polyangiitis	This drug's anti-inflammatory and immunoregulatory actions mitigate autoimmune vasculitis; also promising as a treatment for mononeuritis multiplex, a neuropathic disorder that is not alleviated by standard therapies.	Injection	Under joint development with Kaketsuken (New indication)
GGs-CIDP (freeze-dried sulfonated human immunoglobulin)	Chronic inflammatory demyelinating polyneuropathy	The immunoregulatory action of this drug inhibits inflammation of the peripheral nerves; the drug thus offers promise as a treatment that will restore lost muscle strength.	Injection	Under joint development with Kaketsuken (New indication)
STM-279	Adenosine deaminase (ADA) deficiency	EZN-2279 (polyethylene glycol recombinant bovine adenosine deaminase) is an injectable recombinant ADA that suppresses a reduction in lymphocytes by replacing ADA. It is expected to prevent the onset of severe combined immune deficiency (SCID).	Tablet	Licensed in from Sigma Tau Rare Disease Ltd. (U.K.)

【Phase II】

(As of June 30, 2016)

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
ITM-014N (lanreotide acetate)	Neuroendocrine tumors	Promising for the treatment of neuroendocrine tumors; inhibits cell proliferation and improves associated symptoms by interacting with somatostatin receptors to induce apoptosis (direct mechanism) and by blocking the release of neurotrophic factors (indirect mechanism).	Injection	Licensed in from Ipsen Pharma, Paris, France (New indication)
ITM-058	Osteoporosis	Promising for the treatment of osteoporosis due to potency in promoting bone formation, resulting in a rapid increase in bone density and reduction in the risk of fracture. Superior to existing PTH derived drugs in its ability to increase bone density and its safety (minimal risk of hypercalcemia).	Injection	Licensed in from Ipsen Pharma, Paris, France
KTP-001	Lumbar disc herniation	For use in chemonucleolysis for herniated lumbar discs; because it is a recombinant human protease—identical in structure to matrix metalloprotease, which promotes the spontaneous regression of herniated discs—this drug minimizes the risk of allergic reaction and facilitates the selective treatment of affected discs, thus reducing damage to surrounding tissue and enhancing the viability of this procedure as a minimally invasive alternative to surgery and expanding the treatment options available to patients.	Injection	Engineered by Professor Hirotaka Haro and Dr. Hiromichi Komori Under joint development with Kaketsuken
PTR-36	Bronchial asthma	Uses a novel mechanism (CRTh2 receptor antagonism) to control symptoms of asthma, facilitating effective long-term management of the disease; offers promise for use alone, delivering therapeutic value comparable to that of steroids, for patients with mild asthma; also offers promise for use in tandem with steroid inhalants, delivering sufficient therapeutic value for patients with mild to severe asthma.	Tablet	Licensed in from Pulmagen Therapeutics (Asthma) Limited

◆ Newly developed pharmaceutical candidates

(As of June 30, 2016)

【 Phase I 】

Code No. (Generic name)	Target disease	Medical properties/characteristics	Dosage form	Remarks
TMG-123	Type 2 diabetes	Uses a novel mechanism (activation of glucokinase (GK) expressed predominantly in the liver) to control blood glucose levels; holds promise for use by patients with impaired glucose homeostasis. Also expected to offer greater convenience (administered once daily, does not require adjustment of dose for patients with renal insufficiency and minimal risk of drug interaction).	Tablet	Developed in-house
TMX-049	Hyperuricemia and gout	Non-purine xanthine oxidase inhibitor; offers promise as a new treatment for hyperuricemia and gout that is both highly effective and safe.	Tablet	Developed in-house

◆ Status of licensed-in products in preclinical stages (information for the past three years)

Agreement	Licensor	Nature of Agreement
March 2015	Taisho Pharmaceutical Co., Ltd. (Japan)	Distribution rights in Japan for TT-063, an anti-inflammatory analgesic patch containing the compound S-flurbiprofen for which the indication is osteoarthritis pain and inflammation (Sept. 2015: Taisho Pharmaceutical Co., Ltd. obtained manufacturing and marketing approval.) (January 2016: began jointly marketing the transdermal anti-inflammatory analgesic patch formulation LOQQA Tape with Taisho Toyama Pharmaceutical Co., Ltd.)

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.