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Flash Report  
*Results of FY2023 & Outlook for FY2024*

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Teijin Limited  
May 13, 2024

# Contents

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## Disclaimer Regarding Forward-Looking Statements

Any statements in this document, other than those of historical facts, are forward-looking statements about the future performance of Teijin and its Group companies, which are based on management's assumptions and beliefs in light of information currently available and involve risks and uncertainties. Actual results may differ materially from these forecasts.

## Note

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

This material is based on the consolidated results for FY23 announced at 11:30 A.M. on May 13, 2024 (local time in Japan).

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# 1. Results of FY2023

- ✓ FY2023 actual highlights
- ✓ Analysis of operating income in segment-specific
- ✓ Non-operating items
- ✓ Extraordinary items
- ✓ Financial position and Cash flows
- ✓ Results of the Teijin Group Reforms for Profitability Improvement

## ◆ FY2023 actual highlights [Compared with FY2022, FY2023 Previous Outlook]

### ■ Operating income:

<Compared with FY22> Increased : Mainly due to the desired effects of measures in the Reforms for Profitability Improvement (including selling price revisions, the stabilization of material and fuel prices, and cost reductions) in the composites and aramid businesses, which exceeded the impacts of the payment of an extraordinary lump-sum contract fee for in-licensed pharmaceutical products and the market entry of generic alternatives to *FEBURIC*

<Compared with the previously outlook <sup>\*1</sup>> Decreased: Lower than the forecast value mainly due to a decrease in demand for products for several applications in the Materials Business Field and a delay in the payment of part of licensing income in the Healthcare Business Field

### ■ Profit attributable to owners of parent:

<Compared with FY22> Increased: Impairment loss on the composites business was recorded in the previous fiscal year

<Compared with the previous outlook <sup>\*1</sup>> Increased : Due to the recording of profit on the sale of investment securities

Dividend for FY23: No changes from the outlook <sup>\*1</sup>  
Interim 15 yen/share, Year-end 15 yen/share,  
Annual 30 yen/share  
(FY22: Interim 27.5 yen/share, Year-end 12.5yen/share,  
Annual 40 yen/share)

### ◇ Exchange rate, Oil & Gas price

		FY22	FY23
PL exchange rate	Yen/US\$	135	145
	Yen/Euro	141	157
An average Dubai crude oil price (US\$/barrel)		92	82
An average Europe natural gas price (Euro/MWh)		116	35

\*1. Announced on February 8, 2024

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

\*3. ROIC based on operating income = Operating income / Average\* invested capital  
(Invested capital = Net assets + Interest-bearing debt - Cash and deposits )

\*Average: ([Beginning balance + Ending balance] / 2)

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

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

(Billions of Yen)

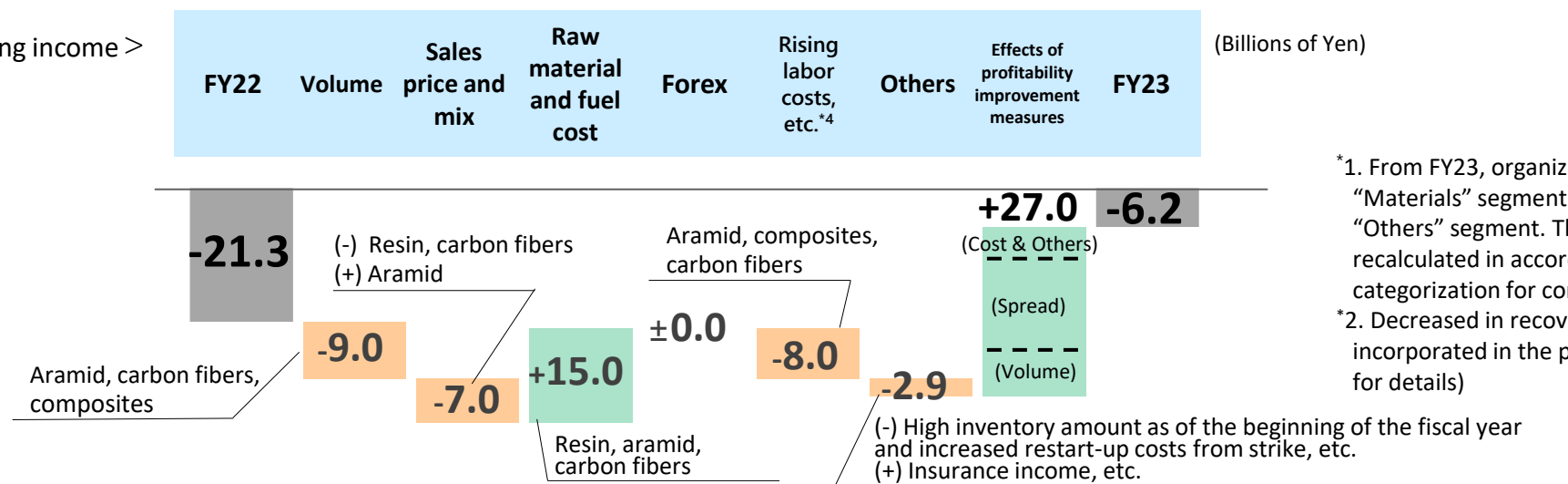
(ref.)  
FY23  
Outlook <sup>\*1</sup>

	FY22	FY23	Difference	% Change	
Net Sales	1,018.8	1,032.8	+14.0	+1.4%	1,030.0
Operating Income	12.9	13.5	+0.7	+5.3%	18.0
Ordinary Income	9.1	15.6	+6.5	+71.0%	19.0
Income Before Income Taxes	(1.5)	28.4	+29.9	-	-
Profit Attributable to Owners of Parent	(17.7)	10.6	+28.3	-	8.0
ROE <sup>*2</sup>	(4.1%)	2.4%	+6.5%	-	2%
ROIC <sup>*3</sup>	1.6%	1.6%	+0.0%	-	2%
EBITDA <sup>*4</sup>	87.8	92.4	+4.6	+5.3%	96.0
CAPEX <sup>*5</sup>	62.5	66.9	+4.4	+7.1%	65.0
Depreciation & Amortization	74.9	78.9	+4.0	+5.3%	78.0
R&D Expenses	31.9	42.6	+10.6	+33.3%	43.0

## ◆ Analysis of operating income in segment-specific for Materials [Compared with FY2022]

- ◆ Net sales: ¥439.7 billion [+¥1.0 billion compared with FY22\*<sup>1</sup>], Operating income: ¥-6.2 billion [+¥15.1 billion compared with FY22\*<sup>1</sup>]
- Profit increased due to the desired effects of profitability improvement measures in the aramid business and the composites business and the insurance income for the previous fiscal year's fire accident in the aramid business, despite decreases in sales volume in each business except resin business

< Changes in operating income >



Factors of changes in operating income				
	Aramid ➡	Resin ➡	Carbon fibers ➡	Composites ➡
(+)	<ul style="list-style-type: none"> <li>Appearance of the desired effects of profitability improvement measures Stabilization of natural gas prices, etc.</li> <li>Selling price revisions</li> <li>Insurance income</li> </ul>	-	<ul style="list-style-type: none"> <li>Increased in sales volume Sales of aircraft products slightly increased</li> </ul>	<ul style="list-style-type: none"> <li>Appearance of the desired effects of profitability improvement measures*<sup>2</sup> Selling price revisions, cost reduction, etc.</li> </ul>
(-)	<ul style="list-style-type: none"> <li>Decreased in sales volume Delay in the procurement of special repair parts, inventory adjustment in supply chains, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Deterioration in sales mix Demand for value-added products declined</li> </ul>	<ul style="list-style-type: none"> <li>Decreased in sales volume Due to inventory adjustment in supply chains for products for recreation applications, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Decreased in sales volume Affected by declining demand for some models and the UAW strike</li> </ul>

## ◆ Analysis of operating income in segment-specific for Fibers & Products , Healthcare [Compared with FY2022]

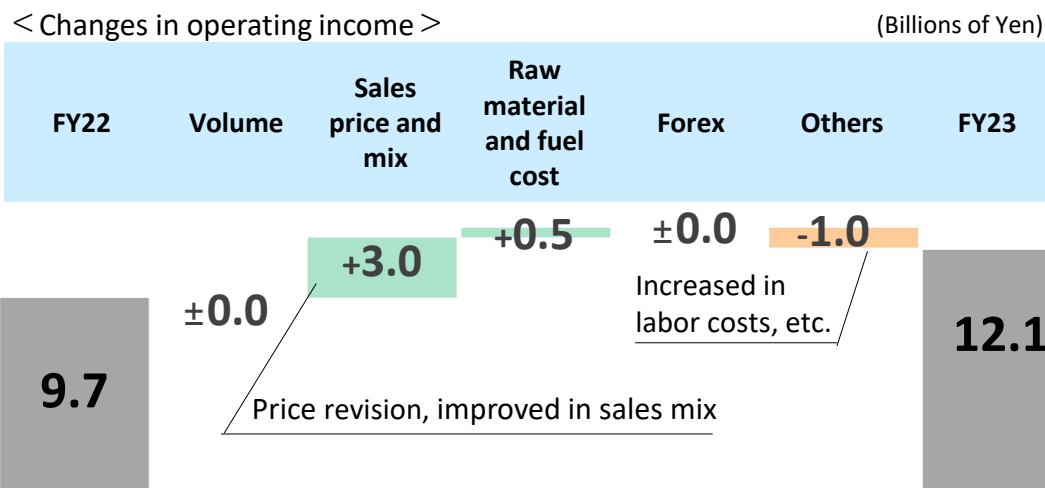
### ◆ Fibers & Products

Net sales: ¥321.5 billion [-¥0.6 billion compared with FY22]

Operating income: ¥12.1 billion [+¥2.5 billion compared with FY22]

- Both industrial materials and fiber materials and apparel remained strong in sales, except for some applications.

< Changes in operating income >



#### Factors of changes in operating income

(+)	<ul style="list-style-type: none"> <li>Selling price revisions and improvement in the sales mix</li> <li>Increased in sales volume</li> </ul> <p>(Fiber materials and apparel) Sales in both textile and apparel products for the U.S. and Chinese markets, and sales in apparel in Japan</p> <p>(Industrial materials) Sales in polyester staple fibers for water treatment filters, high-grade artificial leather, and infrastructure reinforcement materials</p>
(-)	<ul style="list-style-type: none"> <li>Increased in labor costs, etc.</li> <li>Decreased in sales volume</li> </ul> <p>(Fiber materials and apparel) Textile products for Europe</p> <p>(Industrial materials) Some applications for automotive</p>

\*1. From FY23, organizations for new businesses in the "Healthcare" segment were transferred to the Group-wide "Others" segment. Therefore, the figures for FY22 are those recalculated in accordance with the new segment categorization for comparison purposes

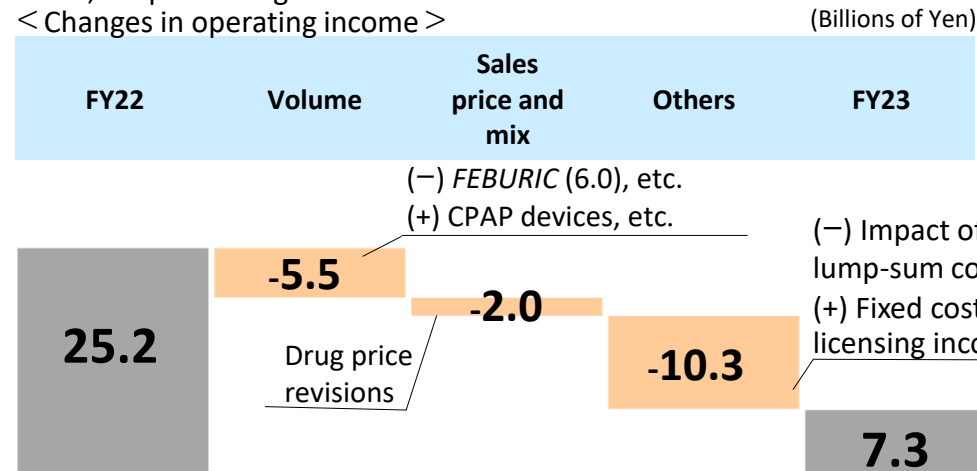
### ◆ Healthcare

Net sales: ¥144.7 billion [-¥5.9 billion compared with FY22\*1]

Operating income: ¥7.3 billion [-¥17.8 billion compared with FY22\*1]

- Operating income significantly decreased mainly due to a one-off lump-sum contract fee for in-licensed pharmaceutical products and the market entry of generic alternatives to *FEBURIC*, despite strong sales from medical device rental services

< Changes in operating income >



#### Factors of changes in operating income

(+)	<ul style="list-style-type: none"> <li>The number of rented medical devices increased</li> </ul> <p>(CPAP) The number of rented CPAP devices increased due to a recovery in the number of examinations</p> <ul style="list-style-type: none"> <li>Fixed costs were reduced (to about half of the FY2025 target of 5.0 billion yen)</li> <li>Licensing income</li> </ul>
(-)	<ul style="list-style-type: none"> <li>One-off lump-sum contract fee for in-licensed pharmaceutical products</li> </ul> <p>A one-off lump-sum contract fee of US\$ 70 million recorded for in-licensing hormone therapy drugs for rare endocrine diseases</p> <ul style="list-style-type: none"> <li>Decreased in sales volume of <i>FEBURIC</i> due to the market entry of generic alternatives</li> <li>Impact of drug price revisions</li> </ul>

## ◆ Analysis of operating income in segment-specific for IT, Others [Compared with FY2022]

◆ **IT** Sales: ¥72.1 billion [+¥14.0 billion compared with FY22], Operating income: ¥9.5 billion [+¥1.4 billion compared with FY22]

- Sales remained strong in the internet business field and remained firm in the business solution field

Factors of changes in operating income	
(+)	<ul style="list-style-type: none"> <li>• Sales remained strong (Internet business field) Strong sales of e-comics services due to continued effective investments in advertisements (Business solution field) Generally firm performance for services mainly for hospitals</li> </ul>
(-)	—

◆ **Others** Sales: ¥54.8 billion [+¥5.5 billion compared with FY22<sup>\*1</sup>], Operating income: ¥-0.8 billion [+¥0.8 billion compared with FY22<sup>\*1</sup>]

- Sales remained strong in the battery material field and the implantable medical device field

Factors of changes in operating income	
(+)	<ul style="list-style-type: none"> <li>• Sales remained strong in the battery material field and the implantable medical device field (Battery material field) Sales of separators for lithium-ion battery and high-performance membrane remained strong (Implantable medical device field) Sales remained firm (Regenerative medicine field) The performance of J-TEC<sup>*2</sup> remained firm</li> </ul>
(-)	<ul style="list-style-type: none"> <li>• The launch of a CDMO<sup>*3</sup> business required costs in the field of the regenerative medicine device business</li> </ul>

\*1. From FY23, organizations for new businesses in the “Materials” and “Healthcare” segments were transferred to the Group-wide “Others” segment. Therefore, the figures for FY22 are those recalculated in accordance with the new segment categorization for comparison purposes

\*2. Japan Tissue Engineering Co., Ltd.

\*3. Contract Development and Manufacturing Organization, which is engaged in outsourced product development and manufacture

## ◆ Non-operating items [Compared with FY2022]

- Increased year on year mainly due to an increase in equity on gain of unconsolidated subsidiaries and affiliates despite increased interest expenses resulting from rising interest rates in the United States and Europe

(Billions of Yen)

	FY22	FY23	Difference
Interest income	1.3	2.6	+1.4
Dividends income	1.3	1.1	-0.2
Equity in earnings of affiliates	-	7.3 <sup>*1</sup>	+7.3
Gain on valuation of derivatives	5.6	9.2	+3.5
Others	1.0	1.4	+0.4
Non-operating income, total	9.2	21.7	+12.5
Interest expenses	7.1	10.8	+3.7
Loss on earnings of affiliates	1.1	-	-1.1
Foreign exchange losses	3.0	6.2	+3.1
Loss on valuation of derivatives	0.1	1.0	+0.8
Others	1.6	1.7	+0.1
Non-operating expenses, total	12.9	19.7	+6.7
Non-operating items, total	(3.8)	2.0	+5.8

\*1. Including compensation paid to settle a suit against a Brazilian subsidiary



## ◆ Extraordinary items [Compared with FY2022]

- Extraordinary items (Net) increased compared with FY22, the recording of impairment loss on the goodwill of the U.S. composites business in the previous fiscal year, the gaining on sales of investment securities, and the recording of insurance income for the previous fiscal year's fire accident in the aramid business, despite the recording of a loss on the sale of shares of a Chinese subsidiary in the composites business

(Billions of Yen)

	FY22	FY23	Difference
Gain on sales of noncurrent assets	5.9	0.3	-5.5
Gain on sales of investment securities	5.5	18.6	+13.1
Reversal of impairment losses	2.3	-	-2.3
Insurance claim income	-	7.1 <sup>*2</sup>	+7.1
Others	0.2	2.1	+1.9
Extraordinary income, total	13.9	28.2	+14.2
Loss on sales and retirement of noncurrent assets	1.8	1.5	-0.3
Loss on valuation of investment securities	3.7	0.4	-3.3
Impairment loss	16.9 <sup>*1</sup>	3.1	-13.8
Loss on sale of shares of subsidiaries and affiliates	-	6.9 <sup>*3</sup>	+6.9
Loss on disaster	1.0	1.7	+0.7
Others	1.1	1.8	+0.7
Extraordinary loss, total	24.5	15.3	-9.2
Extraordinary items, total	(10.6)	12.8	+23.4

\*1. Including an impairment loss of ¥15.4 billion on the goodwill of Teijin Automotive Technologies U.S.

\*2. Insurance income for the previous fiscal year's fire accident in the aramid business  
[Insurance income was recorded as follows:  
Operating income: ¥6.0 billion  
Extraordinary income: ¥7.1 billion]

\*3. Loss due to withdrawal from the Chinese composites business

## ◆ Financial position [Compared with the end of FY2022] , Cash flows [Compared with FY2022]

### ◆ Financial position

- Total assets increased mainly due to the impact of foreign exchange rates
- Inventories increased from the end of the previous fiscal year mainly due to the impact of foreign exchange rates and inventories being replenished after recovery from the fire in the aramid business

	(Billions of Yen)			
	Mar. 31, 2023	Mar. 31, 2024	Difference	(Impact of foreign exchange rate)
Total assets	1,242.4	1,251.0	+8.6	+60.7
Liabilities	791.3	769.1	-22.3	+25.1
[Interest-bearing debt]	529.4	498.9	-30.5	+16.9
Net assets	451.1	481.9	+30.8	+35.5
D/E ratio <sup>*1</sup>	1.25	1.10	-0.15	-
D/E ratio (Capital adjustment) <sup>*2</sup>	1.10	0.97	-0.13	-

### <Changes in total assets>

	(Billions of Yen)		
	Mar. 31, 2023	Mar. 31, 2024	Difference
Total assets	1,242.4	1,251.0	+8.6
Cash and deposits	142.8	125.9	-16.9
Trade receivables <sup>*3</sup>	186.5	203.2	+16.8
Inventory assets	196.7	231.2	+34.4
Tangible and intangible assets	508.4	515.3	+6.9
Investment securities	82.1	68.2	-13.9
Others	125.9	107.2	-18.7

### ◆ Cash flows

- Cash flows from operating activities increased mainly due to an increase in income before income taxes and insurance proceeds received (resulting in an income increase)
- Cash flows from investing activities decreased mainly due to income from the sale of investment securities despite increased capital investments (resulting in an expenditure decrease)
- Cash flows from financing activities decreased mainly due to the repayment of long-term borrowings (resulting in an expenditure increase)

	(Billions of Yen)		
	FY22	FY23	Difference
Operating activities	55.1	69.5	+14.4
Investing activities	(52.4)	(46.1)	+6.4
Free cash flow	2.7	23.4	+20.7
Financing activities	7.0	(40.1)	-47.1
Net inc/dec in Cash & cash equivalents	9.6	(16.7)	-26.4

	Mar. 31, 2023	Mar. 31, 2024
< BS exchange rate>		
Yen/US\$	134	151
Yen/Euro	146	163

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

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

\*3. Including contract assets

## ◆ Results of the Teijin Group Reforms for Profitability Improvement

# Results of the Teijin Group Reforms for Profitability Improvement

### **The Teijin Group Reforms for Profitability Improvement (announced in February 2023)**

#### **[Announcement Contents]**

- We will carry out structural reforms company-wide, focusing on improving the profitability of underperforming businesses and reforming our management structure of corporate officers and HQ staff
- As a result of these efforts, we aim to improve profits by more than ¥30.0 billion by FY2023

#### **[Results]**

- Our target of improving the profitability of underperforming businesses by more than ¥30.0 billion has been almost achieved (including the amount of improvement in the composites and aramid businesses and the early realization of effects by the reduction of fixed costs in the Healthcare Business Field)
- However, the challenge of stabilizing production is still left unresolved (in the composites and aramid businesses)

# ◆ Results of the Teijin Group Reforms for Profitability Improvement Composites business

## ■ Status of Achievement: Significantly unachieved

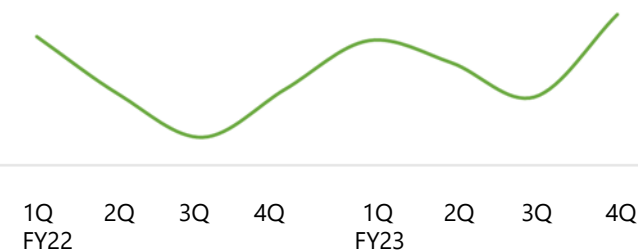
(Billions of Yen)

Profitability improvement in North America		Summary of improvement action	Planned	Actual achievement	
1.Recovery from temporary factors		<ul style="list-style-type: none"> <li>Recovery from the equipment breakdowns and stabilizing operation</li> </ul>	6.0	0.5	There are still challenges left unsolved in the stabilization of production despite gradual improvement in 4Q due to response to the breakdowns of deteriorated equipment in some plants.
2.Profitability improvement	Sales	<ul style="list-style-type: none"> <li>Exiting unprofitable programs</li> <li>Renegotiating cost pass-through other than raw material cost</li> </ul>	5.0	13.0	Achieved almost as planned
	Procurement	<ul style="list-style-type: none"> <li>Negotiating with/switching suppliers, reviewing proposal request and bidding process</li> <li>Centralization of purchasing</li> </ul>	1.5		
	Production	<ul style="list-style-type: none"> <li>Scaling out best practices, optimizing inventory and logistics</li> <li>Integrating or partially closing production facilities for efficient use of capacity</li> </ul>	6.5		
	Total amount resulting improvements in FY23 (1+2)		19.0	13.5 <sup>*1</sup>	
3.Recovery from temporary factors		<ul style="list-style-type: none"> <li>Recovery from the equipment breakdowns and stabilizing operation</li> </ul>		0.5	Earlier withdrawal from the China business, in addition to completion of transfer of a Japan subsidiary <sup>*2</sup>

\*1. An improvement of 14.0 billion yen was achieved if the impact of the early withdrawal from the China Business is taken into consideration \*2. GH Craft Co., Ltd

### ● Trend of operating income

Positive EBITDA only in each February and March 2024

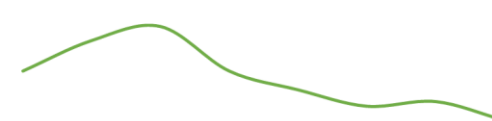


### ● Trend of monitoring items

Labor cost ratio (labor cost/sales)

1Q FY22 2Q 3Q 4Q 1Q FY23 2Q<sup>\*3</sup> 3Q<sup>\*3</sup> 4Q

Labor cost ratio (direct labor cost/sales)

1Q FY22 2Q 3Q 4Q 1Q FY23 2Q<sup>\*3</sup> 3Q<sup>\*3</sup> 4Q

Turnover ratio (number of turnover/employees)

1Q FY22 2Q 3Q 4Q 1Q FY23 2Q 3Q 4Q



Scrap cost ratio (scrap cost/sales)

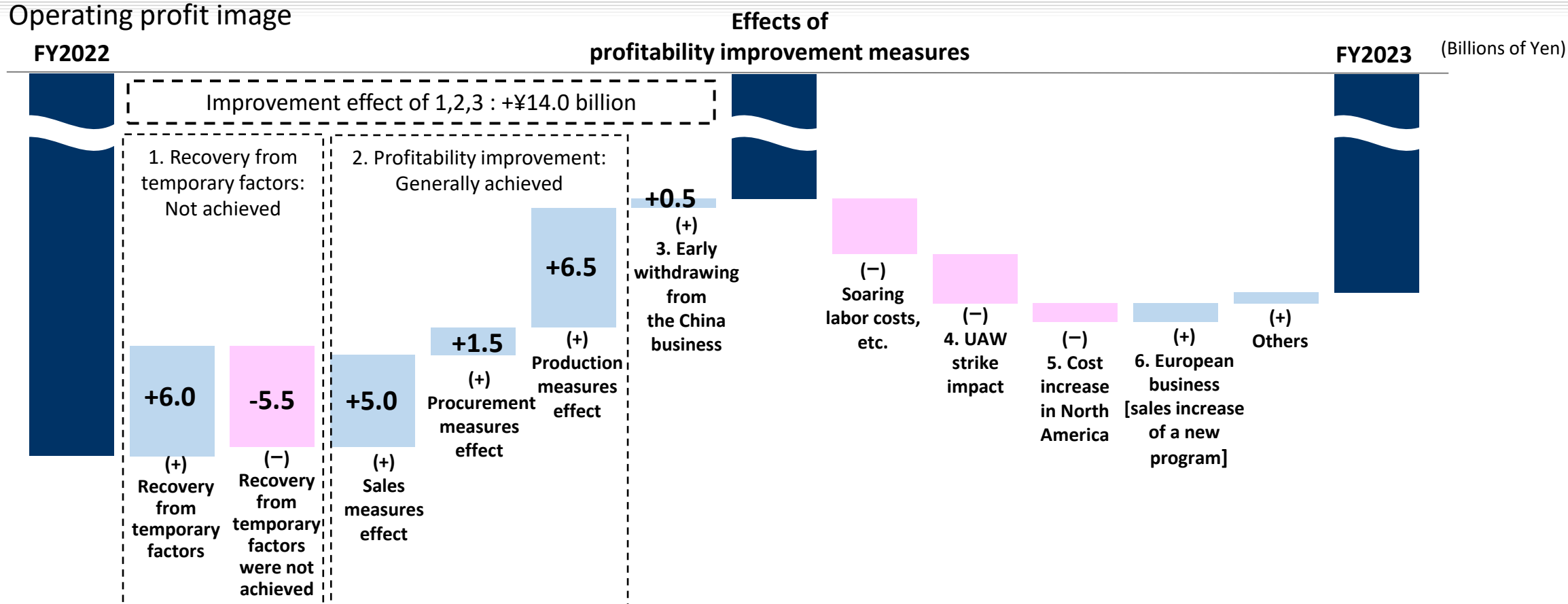
1Q FY22 2Q 3Q 4Q 1Q FY23 2Q 3Q 4Q



\*3. Deterioration due to a strike counted in the data

# ◆ Results of the Teijin Group Reforms for Profitability Improvement Composites business

## ■ Operating profit image



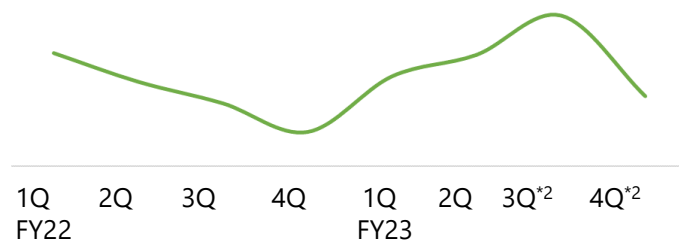
1. Recovery from temporary factors (¥6.0 billion) were not achieved
2. 130 items of profitability improvement measures (¥13.0 billion) were generally achieved
3. Deficit reduced due to withdraw from the China business in December 2023, earlier than initially scheduled (March 2024)
4. Decreased sales volume and increased cost due to UAW strike
5. Unplanned costs increased including compensation costs for quality issues occurred last fiscal year and outsourcing costs for engineering to stabilize production processes
6. Sales of a new program increased due to productivity improvement and price revision effects in a European plant

## ◆ Results of the Teijin Group Reforms for Profitability Improvement Aramid business

### ■ Status of achievement : Achieved at a level higher than planned (despite a delay in improvement of the maintenance system)

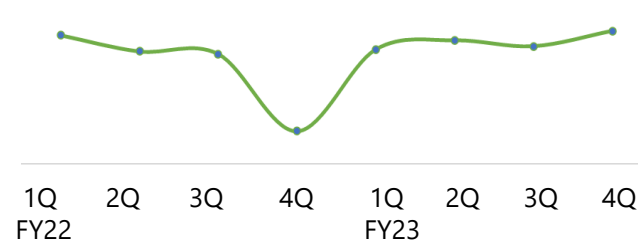
Profitability Improvement		Summery of improvement action	(Billions of Yen)		
1.Recovery from temporary factors		● Recovery from the impact of plant fire	Planned	Actual achievement	
			7.0	4.0	Recovered ahead of a schedule in FY22
2.Profitability Improvement measures	Natural Gas Price Surge	<ul style="list-style-type: none"> <li>Considering sourcing raw materials from outside Europe and dispersing production facilities</li> <li>Stabilizing purchase price (e.g. executing forward contract)</li> </ul>	7.0	9.0	<ul style="list-style-type: none"> <li>Achievement of the stabilization of natural gas prices was greater than planned due to the use of forward contracts</li> <li>A delay in the improvement of the maintenance system, including the management of special repair parts, had an impact on the stabilization of production, but the impact was removed in 4Q</li> </ul>
	Productivity Improvement	<ul style="list-style-type: none"> <li>Stabilizing production on existing and expanded lines</li> <li>Driving production innovation through enhanced automation and digitalization of processes mainly in the yarn spinning process</li> </ul>			
	Production/Sales Increase	<ul style="list-style-type: none"> <li>Realizing early the effects of expanded facility capacity</li> </ul>			
		Total amount resulting improvements in FY23 (1+2)	14.0	13.0	The target of 11.0 billion yen, excluding the amount achieved earlier than planned, was exceeded with an actual result of 13.0 billion yen
			[11.0* <sup>1</sup> ]		

● Trend of operating income

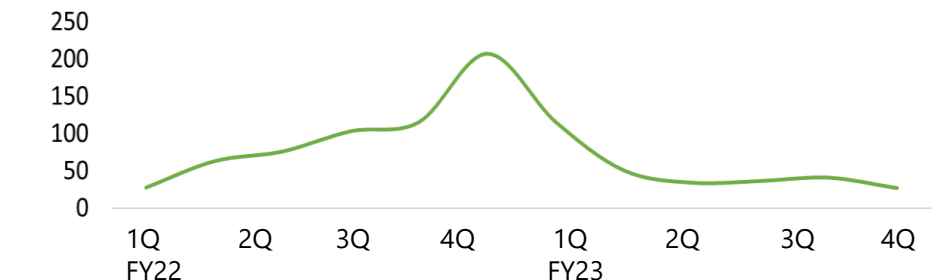


\*2. Includes insurance income from plant fire

● Trend of production volume

● Trend of natural gas price\*<sup>3</sup>

(€/MWh)

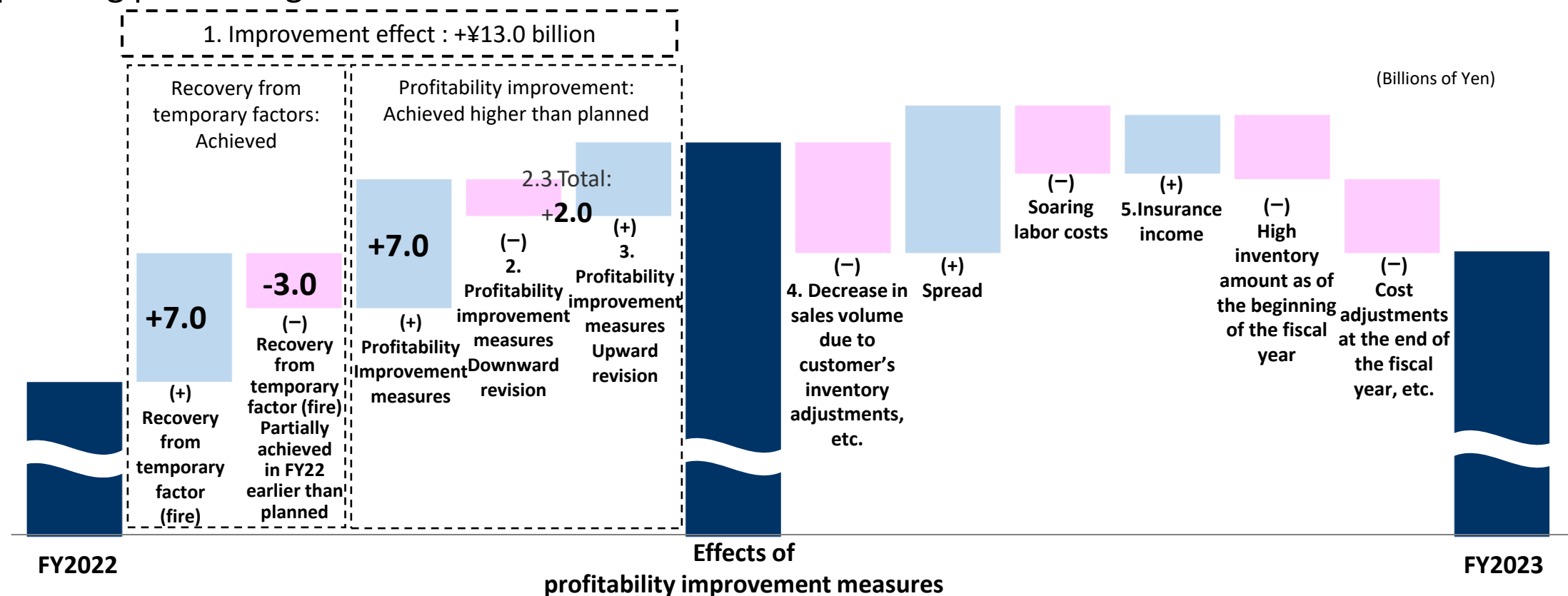


\*1.Excluding benefits for FY22

\*3. Monthly average of Dutch TTF Natural Gas price

# ◆ Results of the Teijin Group Reforms for Profitability Improvement Aramid business

## ■ Operating profit image



1. Recovery from temporary factors (part of the ¥7.0 billion effect was realized earlier than the previous fiscal year) and profitability improvement measures (effect: ¥7.0 billion) were achieved higher than planned by the revisions 2. and 3.
2. Production stabilization was partially unachieved due to delay in the procurement of special repair parts
3. Achieved greater price stabilization than initially expected through forward contracts in response to falling natural gas prices
4. Decreased in sales volume due to customer's inventory adjustments for automobiles and some industrial applications
5. Recording of insurance income from fire accidents for the previous year < Net amount offset by the insurance income in FY22 (factory power outage in FY21)>

## ◆ Results of the Teijin Group Reforms for Profitability Improvement Healthcare Business

### ■ Status of achievement : Steady progress made

#### ① Licensing activities : **Licensing three hormone therapy drugs (all for rare diseases) (November 2023)**

- Licensor: Ascendis Pharma, A/S. (Headquarters: Denmark)
- Characteristics of in-licensed products: The three drugs that have achieved long-acting effects owing to the TransCon technology<sup>\*1</sup> (all for rare diseases). They are primarily **home self-injection drugs** for patients mainly being treated endocrinology or pediatrics
- Teijin's track record: Teijin is already providing information in the same fields of treatment, such as *Somatuline*<sup>\*2</sup>. We are also implementing activities that utilize our **home healthcare business platforms**, such as *VitalLink*, an information sharing system for team-based healthcare.
- Activity policy: To develop the three hormone drugs in the future, we plan to form **an organization dedicated to rare diseases** to provide information on *Somatuline* and the three drugs, to embark on activities to provide proper information as quickly as possible.
- One-off lump-sum contract fee of US\$70 million, development milestones of up to US\$175 million, milestones depending on sales, and royalty fees for sales will be paid

#### ② Business structural reforms: **The roughly half the target fixed cost reduction by FY2025(¥5.0 billion) has been achieved ahead of schedule**

- Horizontal division of drug discovery research functions(Axcelead Tokyo West Partners, Inc., established in April 2024) , Reorganization of the marketing & sales unit(October 2023)

#### ③ Increasing sales of existing products: **Achieved as planned**

<sup>\*1</sup>. This proprietary technology of Ascendis Pharma, A/S achieves a long-acting hormone by linking a carrier with no physiological activity and an active hormone through a cross-linking agent and administering it in an inert form to gradually release an active hormone in the body from the carrier.

<sup>\*2</sup>. *Somatuline*® is the registered trademark of Ipsen Pharma, France.



## 2. Outlook for FY2024

- ✓ Summary of outlook for FY2024 highlights
- ✓ Outlook for adjusted operating income in segment-specific
- ✓ Analysis of changes in segment-specific adjusted operating income

## ◆ Summary of outlook for FY2024 highlights [Compared with FY2023]

- Revenue is expected to increase. No change will be made to the previous fiscal year of adjusted operating income

IFRS	(Billions of Yen)			
	FY23 [Estimation]	FY24 Outlook	Differ- ence	% Change
Revenue	1,033.0	1,050.0	+17.0	+1.6%
Adjusted operating income <sup>*1</sup>	30.0	30.0	0.0	0.0%
Operating income	-	26.0	-	-
Profit attributable to owners of parent	-	10.0	-	-
ROE <sup>*2</sup>	-	2%	-	-
ROIC <sup>*3</sup>	2%	2%	0%	-
EBITDA <sup>*4</sup>	-	110.0	-	-

◇Reference	
(ref.) FY23 [Japanese GAAP]	
Net Sales	1,032.8
Operating Income	13.5
Ordinary Income	15.6
Profit Attributable to owners of parent	10.6
ROE <sup>*5</sup>	2.4%
ROIC <sup>*6</sup>	1.6%
EBITDA <sup>*7</sup>	92.4

### ◇Assumptions

		FY23	FY24 Outlook
Full-term average exchange rate	Yen/US\$	145	145
	Yen/Euro	157	155
An average Dubai crude oil price (US\$/barrel)		82	80
An average Europe natural gas price (Euro/MWh)		35	35

\*1 Adjusted operating income is calculated by adding equity on gain and losses of unconsolidated subsidiaries and affiliates to operating income, excluding gain and losses due to extraordinary factors

\*2 ROE = Profit attributable to owners of parent / Average\* of equity attributable to owners of parent

\*3 ROIC = Adjusted operating income after tax / Average\* of invested capital (Invested capital = Equity + Interest-bearing dept )

\*Average: ([Beginning balance + Ending balance] / 2)

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

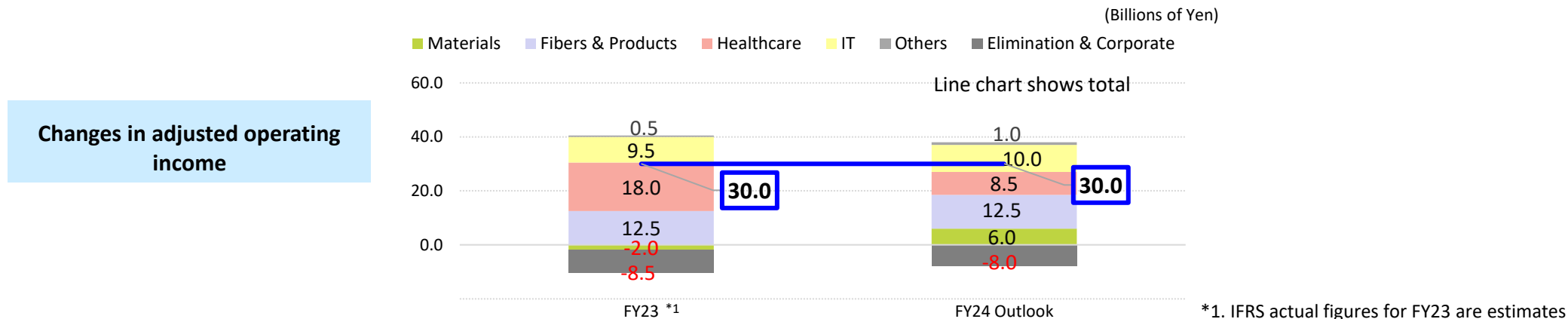
\*5 ROE = Profit attributable to owners of parent / Average\* total shareholders' equity

\*6 ROIC based on operating income = Operating income / Average\* invested capital (Invested capital = Net assets + Interest-bearing debt – Cash and deposits)

\*7 EBITDA = Operating income + Depreciation & amortization

## ◆ Outlook for adjusted operating income in segment-specific [Compared with FY2023]

<Compared with FY23> Overall adjusted operating income is forecast to be at the same level as in the previous fiscal year as a result of an income increase in the Materials Business Field mainly due to the full-year contribution from improved profitability in the previous year, the stabilization of production, and growth in sales volume, which will offset an income decrease in the Healthcare Business Field mainly due to revisions to drug prices and medical fees

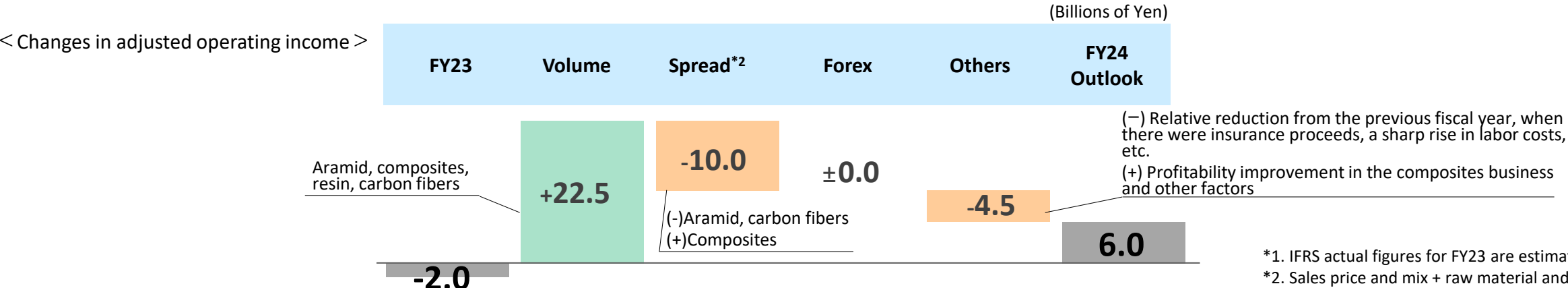


Segment	Changes in adjusted operating income (billions of yen), its factors	
	Compared with FY23*1	
	[Revenue +¥17.0 billion, Adjusted operating income ±¥0.0 billion]	
Materials	+8.0	<ul style="list-style-type: none"> <li>• (+) Full-year contribution from improved profitability and the stabilization of production (aramid and composites businesses); growth in sales volume (all businesses)</li> <li>• (–) Relative reduction from the previous fiscal year, when there were insurance proceeds (aramid business); decrease in selling price (aramid business)</li> </ul>
Fibers & Products	±0.0	<ul style="list-style-type: none"> <li>• Income from the field of industrial materials offsetting a slowdown in the field of fiber materials and apparel</li> </ul>
Healthcare	-9.5	<ul style="list-style-type: none"> <li>• Revisions to drug prices and medical fees for CPAP therapy, a decrease in licensing income, etc.</li> </ul>
IT	+0.5	<ul style="list-style-type: none"> <li>• Steady in both internet business fields and business solutions fields</li> </ul>
Others	+0.5	<ul style="list-style-type: none"> <li>• Strong sales of implantable medical devices and other favorable factors offsetting negative factors, including a cost increase due to the expansion of the regenerative medicine business</li> </ul>





◆ Analysis of adjusted operating income in segment-specific for Materials [Compared with FY2023]

◆ Revenue : ¥460.0 billion [FY23\*1 ¥440.0 billion], Adjusted operating income: ¥6.0 billion [FY23\*1 ¥-2.0 billion]

- The Materials Business Field will achieve an increase in adjusted operating income with improvements in the composites business, including the full year contribution of the effects of profitability improvement measures, the stabilization of production, and launch of new highly profitable programs, serving as a driver



\*1. IFRS actual figures for FY23 are estimates  
\*2. Sales price and mix + raw material and fuel cost

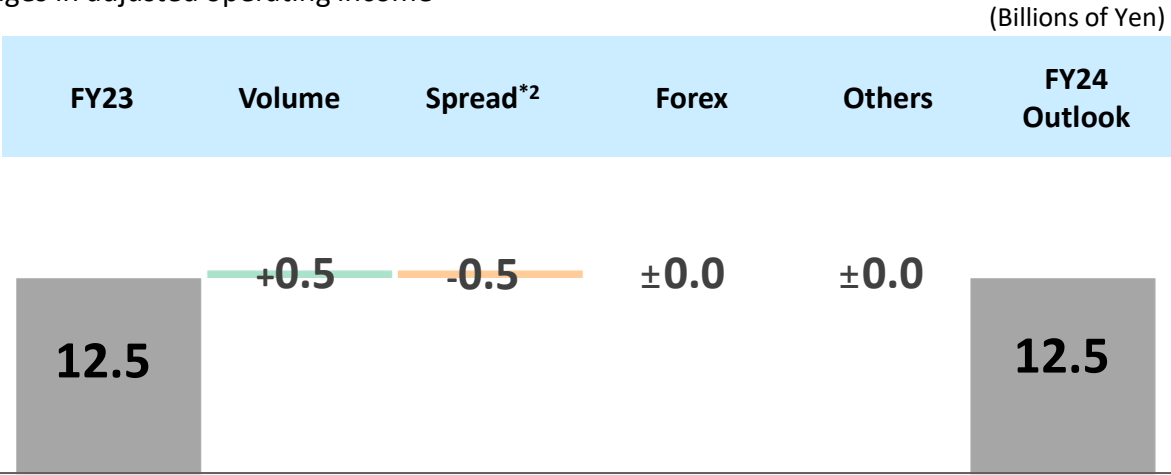
Sub-segment	Trends and factors behind the adjusted operating income forecast	
	Compared with FY23*1 [Revenue +¥20.0 billion, Adjusted operating income +¥8.0 billion]	
Aramid		<ul style="list-style-type: none"><li>(-) Relative reduction from the previous fiscal year, when there were insurance proceeds</li><li>(-) Strategic pricing measures aimed at regaining market share</li><li>(-) Impact of inflation on labor costs</li><li>(+) Increase in production and sales volume due to stabilized production</li></ul>
Resin		<ul style="list-style-type: none"><li>(+) Increase in sales volume due to a recovery of the market</li></ul>
Carbon fibers		<ul style="list-style-type: none"><li>(-) Impact of inflation on labor costs</li><li>(+) Increase in the sales volume of products for aircraft, recreation, and other applications</li></ul>
Composites		<ul style="list-style-type: none"><li>(+) Full year contribution of the effects of profitability improvements (selling prices revisions, productivity, etc.) and the stabilization of production</li><li>(+) Increase in sales volume due to the start of new highly profitable programs</li><li>(+) Relative increase from the previous fiscal year, when the UAW strike had an impact</li><li>(-) Impact of inflation on labor costs</li></ul>

◆ Analysis of adjusted operating income in segment-specific for Fibers & Products [Compared with FY2023]

◆ Revenue : ¥320.0 billion [FY23\*1 ¥321.0 billion], Adjusted operating income: ¥12.5 billion [FY23\*1 ¥12.5 billion]

- Adjusted operating income will be at the same level as in the previous fiscal year with an increase in sales of products mainly for automotive applications in the field of industrial materials offsetting a slowdown in the field of fiber materials and apparel

< Changes in adjusted operating income >



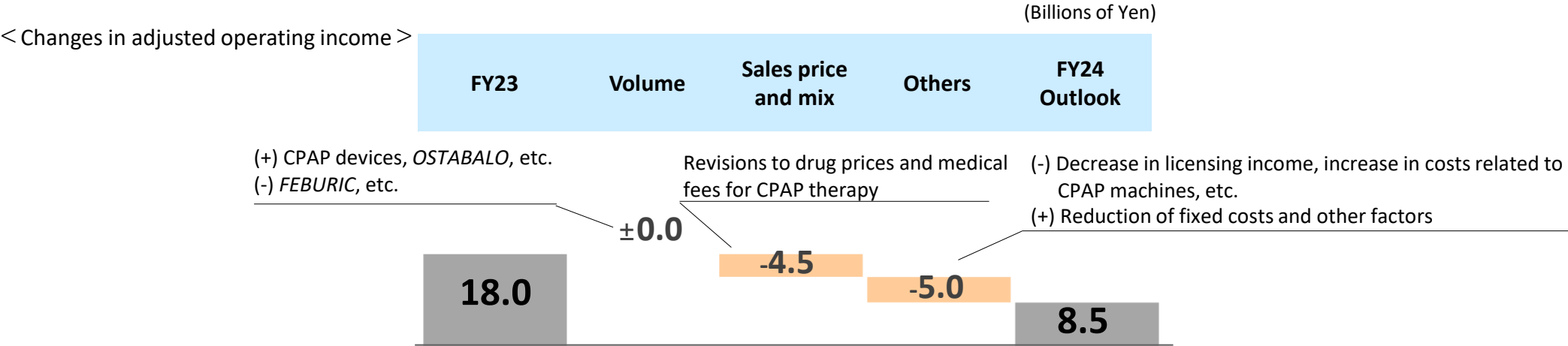
Trends and factors behind the adjusted operating income forecast	
Compared with FY23*1 [Revenue -¥1.0 billion, Adjusted operating income ±¥0.0 billion]	
➡	<div><div></div><div><ul style="list-style-type: none"><li>(+) Industrial materials: Increase in sales volume due to a recovery in demand for automotive products</li><li>(+) Fiber materials and apparel: Decrease in sales volume due to high distributors' apparel inventories caused by the warm winter</li></ul></div></div>


\*1. IFRS actual figures for FY23 are estimates  
\*2. Sales price and mix + raw material and fuel cost

◆ Analysis of adjusted operating income in segment-specific for Healthcare [Compared with FY2023]

◆ Revenue : ¥140.0 billion [FY23\*1 ¥145.0 billion] , Adjusted operating income: ¥8.5 billion [FY23\*1 ¥18.0 billion]

- Adjusted operating income will decrease year on year due to the drug price revisions, medical fees revisions, and a decrease in the licensing income despite expecting fixed cost reduction effects by promoting structural reforms



Trends and factors behind the adjusted operating income forecast	
Compared with FY23*1 [Revenue -¥5.0 billion, Adjusted operating income -¥9.5 billion]	
	<ul style="list-style-type: none"><li>• (-) Income will be affected by the revisions to drug price and medical fees for CPAP therapy</li><li>• (-) Decrease in licensing income</li><li>• (-) Cost increase due to the introduction of new CPAP machine of and an increased use of expendables</li><li>• (+) Decrease in fixed cost</li><li>• (±) Increase in sales of <i>OSTABALO</i> and the number of rented medical devices, decrease in sales of <i>FEBURIC</i></li></ul>

\*1. IFRS actual figures for FY23 are estimates

## ◆ Analysis of adjusted operating income in segment-specific for IT, Others [Compared with FY2023]

### ◆ IT

Revenue : ¥75.0 billion [FY23<sup>\*1</sup> ¥72.0 billion], Adjusted operating income: ¥10.0 billion [FY23<sup>\*1</sup> ¥9.5 billion]

- Adjusted operating income will increase due to firm sales in both internet business field and business solution field

Trends and factors behind the adjusted operating income forecast	
Compared with FY23 <sup>*1</sup> [Revenue +¥3.0 billion, Adjusted operating income +¥0.5 billion]	
➡	<ul style="list-style-type: none"> <li>• (+) Internet business field: Growth in e-comics services</li> <li>• (+) Business solution field: Steady mainly for healthcare</li> </ul>

### ◆ Others

Revenue : ¥55.0 billion [FY23<sup>\*1</sup> ¥55.0 billion], Adjusted operating income: ¥1.0 billion [FY23<sup>\*1</sup> ¥0.5 billion]

- Adjusted operating income will increase due to strong sales of implantable medical devices, despite a cost increase due to the expansion of the regenerative medicine business

Trends and factors behind the adjusted operating income forecast	
Compared with FY23 <sup>*1</sup> [Revenue ±¥0.0 billion, Adjusted operating income +¥0.5 billion]	
➡	<ul style="list-style-type: none"> <li>• (+) Strong sales of implantable medical devices and other factors</li> <li>• (-) Cost increase due to the expansion of the regenerative medicine business and other factors</li> </ul>

\*1 IFRS actual figures for FY23 are estimates

## Financial soundness and shareholder return policy

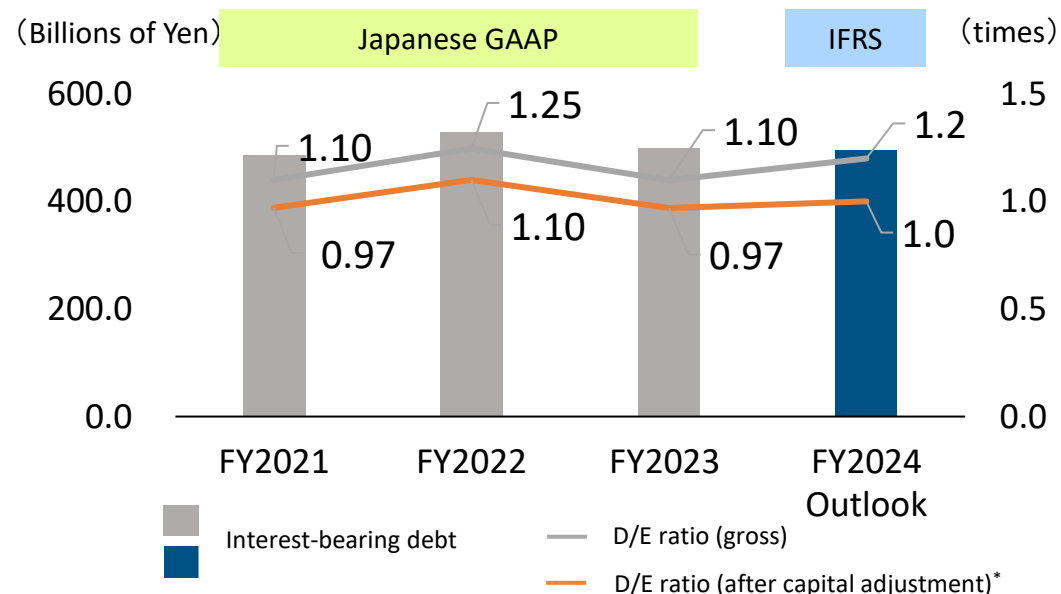
### Financial soundness

- The debt-to-equity ratio will improve by about 0.1 by FY2025 as a result of the repayment of interest-bearing liabilities

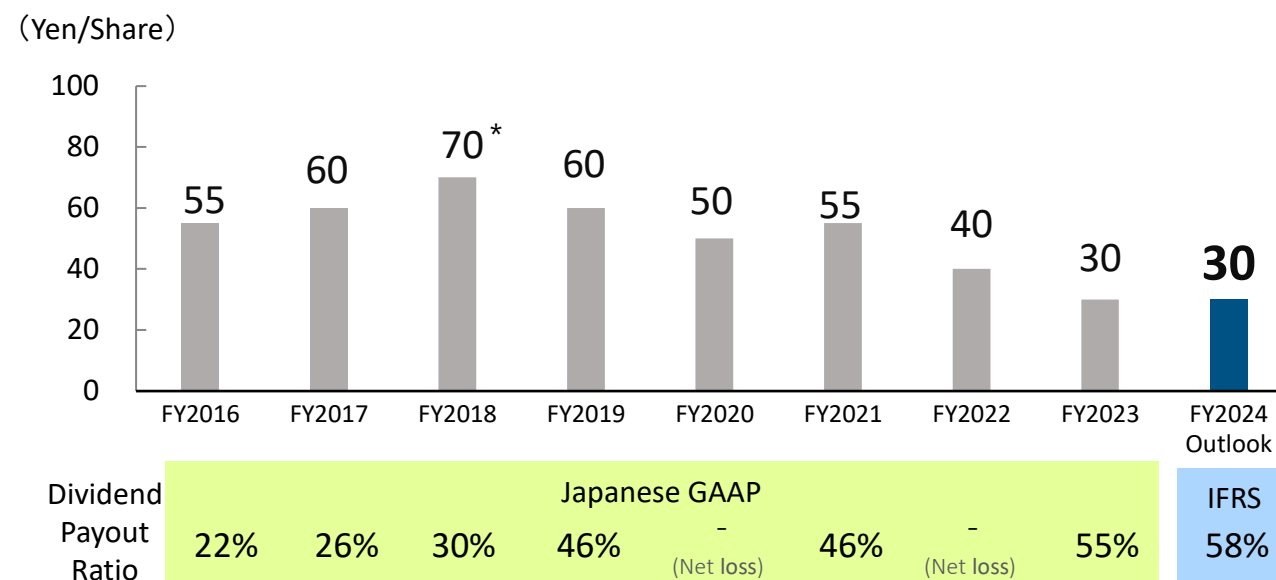
### Shareholder return policy

- Paying performance-based dividends in view of a payout ratio of about 30%
- Setting a lower limit of 30 yen for annual dividend per share in consideration of the stable and sustainable payment of dividends
- Giving priority to growth investments and additional returns to shareholders (including share repurchases) in allocation of any funds gained through asset sale or strategic options on underperforming and less focused businesses
- Planning to pay an annual dividend of 30 yen per share (an interim dividend of 15 yen and a year-end dividend of 15 yen) in FY2024 just as in FY2023

### Trend of interest-bearing debt and D/E ratio



### Trend of dividend per share



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

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



### 3. Supplementary information

## ◆ Voluntary application of IFRS

- The Company has voluntarily adopted International Financial Reporting Standards (IFRS) since FY2024
- “Adjusted operating income” has been set as a performance indicator for ordinary business profit and loss

### < Consolidated financial statements after the adoption of IFRS >

P/L statement according to the Japanese GAAP		P/L statement according to the IFRS
Net sales		Revenue
Cost of sales		Cost of sales
Gross profit		Gross profit
SG&A expenses		SG&A expenses
Operating income		Other income and expenses
Financial income and expenses		Operating income
Equity in earnings (losses) of affiliates		Financial income and expenses
Other non-operating income and expenses		Equity in earnings (losses) of affiliates
Ordinary income		Income before income taxes
Extraordinary income/loss		Income taxes
Income before income taxes		Profit
Income taxes		Profit attributable to owners of parent
Profit		Profit attributable to non-controlling interests
Profit attributable to owners of parent		
Profit attributable to non-controlling interests		

### ■ Adjusted operating income (an item voluntarily set by the Company)

Calculated by adding equity on gain and losses of unconsolidated subsidiaries and affiliates to operating income, excluding gain and losses due to extraordinary factors

#### Operating income according to the Japanese GAAP

- + Gaps appearing after the adoption of the IFRS as accounting standards
- + Non-operating income/loss excluding financial income and expenses
- + Extraordinary income/loss<sup>\*1</sup>

#### Operating income according to the IFRS

- + Equity in earnings (losses) of affiliates
- Gains and losses due to extraordinary factors

#### Adjusted operating income

<sup>\*1</sup> Excluding profit/loss on sale and valuation of investment securities

## ◆ Voluntary application of IFRS

### ■ Major impacts of the adoption of the IFRS

#### ● Major changes in the way of processing the consolidated financial statements due to the adoption of the IFRS

Item	Japanese GAAP	IFRS
Goodwill	• Amortized by fixed installment	• Not amortized
Impairment loss on fixed assets	<ul style="list-style-type: none"> <li>• When there is a sign of an impairment loss, a judgment is made on whether there is an actual impairment loss by comparing undiscounted cash flows with the book value</li> <li>• When an impairment loss is recognized, the loss is recorded by lowering its book value to its recoverable value</li> </ul>	• When there is a sign of an impairment loss, its book value is compared with its recoverable value. If its recoverable value is lower than its book value, the gap is processed as an impairment loss
R&D expenses	• Processed as temporary expenses when they are incurred	<ul style="list-style-type: none"> <li>• Research expenses: Processed as temporary expenses when they are incurred</li> <li>• Development expenses: Expenses that meet certain requirements are recorded as assets</li> </ul>
Profit/loss on sale of cross-shareholdings	• Recorded as profit/loss	• Recorded as part of “Other comprehensive income” , instead of profit/loss
Retirement benefit costs	• Actuarial gain or loss is processed as an expense	• Actuarial gain or loss is recorded as part of “Other comprehensive income”, instead of being processed as an expense
Operating lease transactions	• Rents paid are recorded as expenses as they are unrecognized as assets or liabilities	• Recorded as assets or liabilities, with depreciation and interest expenses recorded as expenses

## ◆ Assumptions [Trend of the Company's main target markets (FY2023-FY2024)]

Demand will remain firm overall

Main businesses		Markets	Main Areas	FY2023	Outlook for FY2024
Materials	Aramid	Automotive	Europe US	• Demand for the first half of this year was strong in Europe for tires for luxury cars and EVs, but sales was affected by inventory adjustment in supply chain in the second half of the year	• Demand for tires for luxury cars and Evs in Europe will be sluggish
		Industrial materials	Europe US China	• Demand remained firm overall, but slow down for products for optical fiber applications	• Demand will remain firm overall although sluggish demand for fiber optic cables applications
		Ballistic /Protective apparel	Europe US	• Demand for products for ballistics and protective apparel applications remained firm	• Demand will remain firm
	Resin	Electrical and electronic equipment	China Asia	• Demand remained low due to the delayed recovery of the Chinese economy	• Demand will remain low
		Automotive	Japan China Asia	• Demand remained firm	• Demand will remain firm
	Carbon fibers	Aircraft	Europe US	• Demand for passenger aircraft was strong (although growth in demand was temporarily low due to restrictions on procurement on the supply chain)	• Demand will remain firm (with restrictions on procurement on the supply chain expected to be eliminated)
	Composites	Automotive	US	• U.S. automotive demand remained firm (although demand for some models declined)	• U.S. automotive demand will remain firm
Fibers & Products Converting		Fiber materials and apparel	Europe US China Japan	• Demand remained steady in the U.S. but low in China and Europe • Consumption in Japan was high	• The European, U.S. and Chinese markets will be sluggish • Demand will remain firm despite the partial impact of inventory adjustments in Japan
		Industrial materials	Japan China	• Inventory adjustment was under way in automotive supply chains	• Inventory adjustment will gradually be mitigated

## ◆ Assumptions [Trend of the Company's main target markets (FY2023-FY2024)]

Main businesses	Markets	Main Areas	FY2023	Outlook for FY2024
Healthcare	Pharmaceuticals	Japan	<ul style="list-style-type: none"><li>•Market size of gout and hyperuricemia treatments are shrinking due to the market entry of generic drugs despite an ongoing increase in the number of patients suffering from these diseases</li><li>•Although DPP4 inhibitor market slightly decreased, we have maintained our share of the market. The competitive environment has remained harsh.</li><li>•Restrictions on the administration period for <i>OSTABALO</i> were lifted in December 2023. The use of the products has been increasing mainly at medical institutions, and we have continued and enhanced our promotion efforts</li></ul>	<ul style="list-style-type: none"><li>▪The market size of gout and hyperuricemia treatments will be shrinking due to the market entry of generic drugs and drug price revisions despite an ongoing increase in the number of patients suffering from these diseases in FY2024 as well</li><li>▪The trend of a gradual decline in the DPP4 inhibitor market itself will continue</li><li>▪The number of <i>OSTABALO</i>’s users will increase mainly in medical institutions and promotion of it will be enhanced as one of the most important fields</li></ul>
	Home healthcare		<ul style="list-style-type: none"><li>•The market for home oxygen therapy (HOT) stayed flat, despite newly HOT distribution due to COVID-19 decreased</li></ul>	<ul style="list-style-type: none"><li>▪The market for HOT will grow slightly</li></ul>
			<ul style="list-style-type: none"><li>•The market for continuous positive airway pressure (CPAP) continued to grow, and the number of CPAP-related examinations gradually recovered</li></ul>	<ul style="list-style-type: none"><li>▪The market for CPAP will continue to grow, and the number of CPAP-related examinations is expected to increase</li></ul>
IT	E-comic	Japan	<ul style="list-style-type: none"><li>•Demand for e-comic remained firm</li></ul>	<ul style="list-style-type: none"><li>•The market will remain firm</li></ul>

## ◆ Assumptions [Factors affecting Profit and Loss]

### ◇ Exchange rate, Oil & Gas price

		FY22	FY23
PL exchange rate	Yen/US\$	135	145
	Yen/Euro	141	157
An average Dubai crude oil price (US\$/barrel)		92	82
An average Europe natural gas price (Euro/MWh)		116	35

### ◇ Assumptions

		FY23	FY24 Outlook
Full-term average exchange rate	Yen/US\$	145	145
	Yen/Euro	157	155
An average Dubai crude oil price (US\$/barrel)		82	80
An average Europe natural gas price (Euro/MWh)		35	35

### ◇ Factors that affect income statement regularly

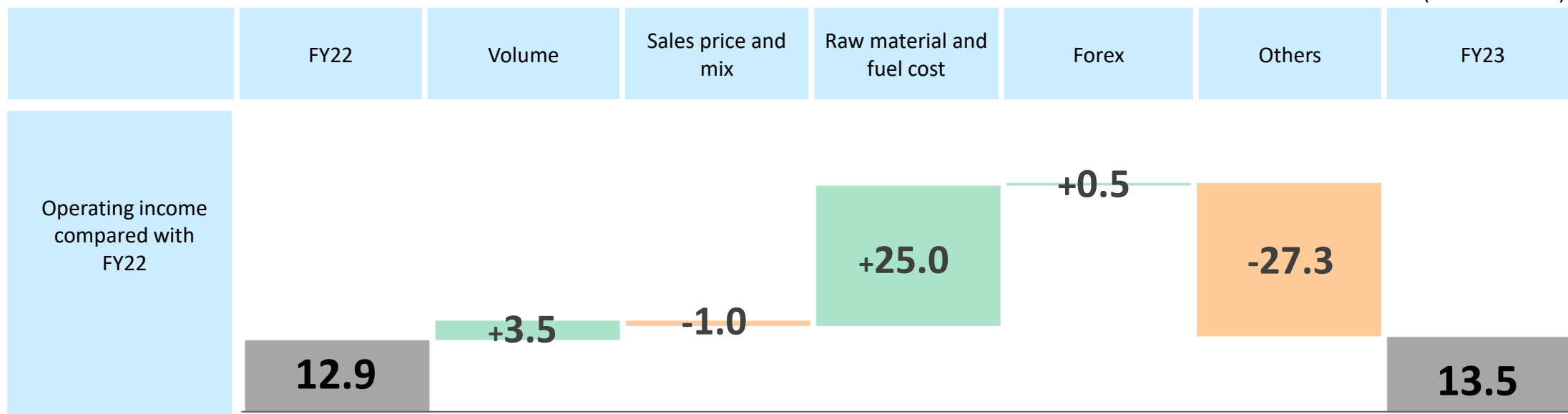
Segment	Major factor
Materials	<ul style="list-style-type: none"> <li>Aramid: large-scale periodic maintenance performed every three years (The next major periodical maintenance is scheduled for FY2025 1Q)</li> <li>Resin: periodic maintenance in 2Q &amp; 3Q every year</li> </ul>
Fibers & Products Converting	<ul style="list-style-type: none"> <li>Fiber materials and apparel: 2Q-3Q are a season for sales of autumn/winter clothing, and 4Q for spring clothing</li> </ul>
Healthcare	<ul style="list-style-type: none"> <li>Cost increase in 4Q</li> </ul>
IT	<ul style="list-style-type: none"> <li>Delivery increase in 2Q and 4Q due to system acceptance period</li> </ul>

◆ Results of FY2023 **Changes in operating income (Consolidated total) [Compared with FY2022]**

(Billions of Yen)

	FY22	FY23	Difference	% change
Net sales	1,018.8	1,032.8	+14.0	+1.4%
EBITDA	87.8	92.4	+4.6	+5.3%
Depreciation & Amortization	74.9	78.9	+4.0	+5.3%
Operating income	12.9	13.5	+0.7	+5.3%
ROIC	1.6%	1.6%	+0.0%	-

(Billions of Yen)



## ◆ Results of FY2023 Summary in segment-specific [Compared with FY2022]

(Billions of Yen)

	TOTAL				Materials				Fibers & Products Converting			
	FY22	FY23	Difference	% change	FY22*	FY23	Difference	% change	FY22	FY23	Difference	% change
Net sales	1,018.8	1,032.8	+14.0	+1.4%	438.7	439.7	+1.0	+0.2%	322.1	321.5	-0.6	-0.2%
EBITDA	87.8	92.4	+4.6	+5.3%	14.7	32.1	+17.4	+117.9%	16.6	19.7	+3.1	+18.4%
Depreciation & Amortization	74.9	78.9	+4.0	+5.3%	36.0	38.2	+2.3	+6.3%	6.9	7.5	+0.6	+8.7%
Operating income	12.9	13.5	+0.7	+5.3%	(21.3)	(6.2)	+15.1	-	9.7	12.1	+2.5	+25.4%
ROIC	1.6%	1.6%	+0.0%	-	(6%)	(2%)	+4%	-	7%	8%	+1%	-

	Healthcare				IT				Others			
	FY22*	FY23	Difference	% change	FY22	FY23	Difference	% change	FY22*	FY23	Difference	% change
Net sales	150.6	144.7	-5.9	-3.9%	58.0	72.1	+14.0	+24.2%	49.4	54.8	+5.5	+11.1%
EBITDA	51.0	33.3	-17.8	-34.8%	8.8	10.6	+1.8	+20.0%	3.0	4.6	+1.6	+51.2%
Depreciation & Amortization	25.9	26.0	+0.1	+0.3%	0.7	1.0	+0.3	+45.8%	4.6	5.3	+0.8	+16.9%
Operating income	25.2	7.3	-17.8	-70.9%	8.1	9.5	+1.4	+17.7%	(1.5)	(0.8)	+0.8	-
ROIC	14%	4%	-10%	-	53%	66%	+13%	-	-	-	-	-

\* From FY23, organizations for new businesses in the "Materials" and "Healthcare" segments were transferred to the Group-wide "Others" segment. Therefore, the figures for FY22 are those recalculated in accordance with the new segment categorization for comparison purposes



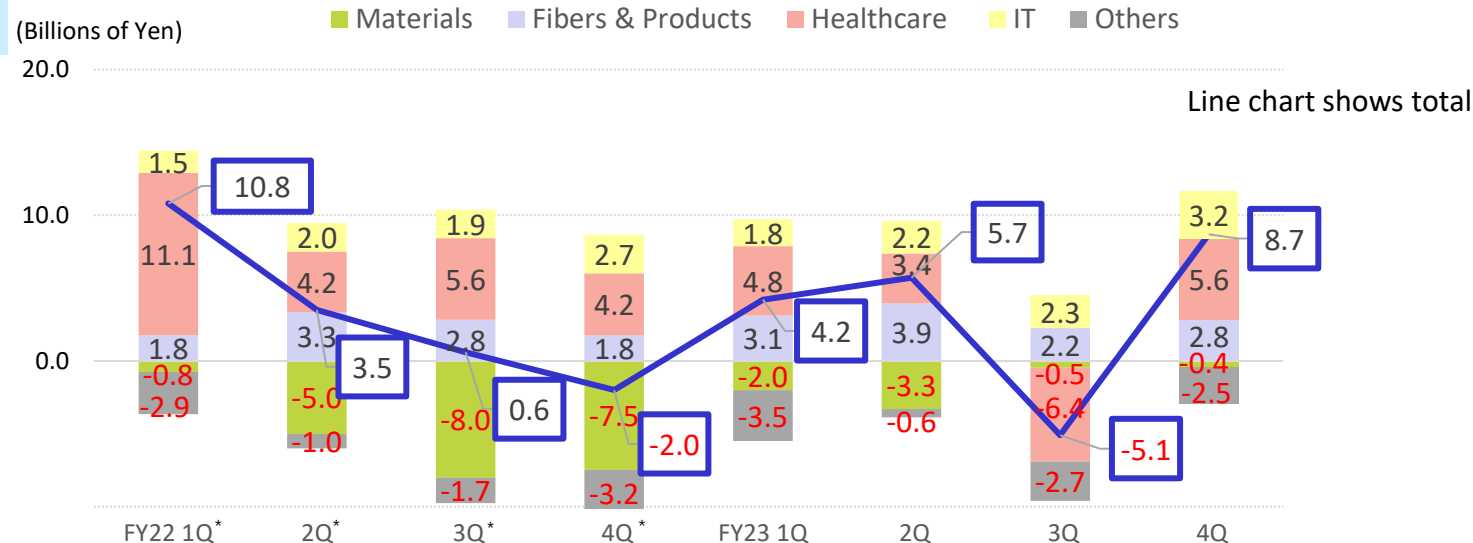
# ◆ Results of FY2023 Changes in segment-specific [Compared with FY2022, FY2022 4Q, FY2023 3Q]

											(Billions of Yen)		
FY22*						FY23					Difference	Difference	Difference
1Q	2Q	3Q	4Q	Total		1Q	2Q	3Q	4Q	Total	23 Total	23/4Q	Difference
Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.			Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.		-22 Total	-22/4Q	-23/3Q
<b>Net sales</b>													
High-performance materials	66.5	74.7	67.2	66.5	274.8	60.8	65.3	65.2	71.5	262.8	-12.0	+5.0	+6.3
Composites	37.5	44.0	41.6	40.8	163.8	45.0	44.5	40.6	46.9	176.9	+13.0	+6.1	+6.3
<b>Materials Total</b>	<b>103.9</b>	<b>118.6</b>	<b>108.8</b>	<b>107.3</b>	<b>438.7</b>	<b>105.8</b>	<b>109.7</b>	<b>105.8</b>	<b>118.4</b>	<b>439.7</b>	<b>+1.0</b>	<b>+11.1</b>	<b>+12.6</b>
Fibers & Products Converting	73.7	84.9	82.2	81.4	322.1	75.6	83.0	80.3	82.6	321.5	-0.6	+1.3	+2.3
Healthcare	43.1	34.8	36.1	36.6	150.6	35.8	34.9	36.4	37.6	144.7	-5.9	+1.0	+1.2
IT	12.9	14.4	14.3	16.4	58.0	16.2	18.1	17.4	20.4	72.1	+14.0	+4.0	+2.9
Others	10.2	13.9	13.2	12.0	49.4	11.5	16.0	13.2	14.1	54.8	+5.5	+2.1	+0.9
<b>Total</b>	<b>243.8</b>	<b>266.6</b>	<b>254.6</b>	<b>253.7</b>	<b>1,018.8</b>	<b>244.8</b>	<b>261.7</b>	<b>253.1</b>	<b>273.2</b>	<b>1,032.8</b>	<b>+14.0</b>	<b>+19.5</b>	<b>+20.1</b>
<b>Operating income (loss)</b>													
Materials	(0.8)	(5.0)	(8.0)	(7.5)	(21.3)	(2.0)	(3.3)	(0.5)	(0.4)	(6.2)	+15.1	+7.1	+0.1
Fibers & Products Converting	1.8	3.3	2.8	1.8	9.7	3.1	3.9	2.2	2.8	12.1	+2.5	+1.1	+0.6
Healthcare	11.1	4.2	5.6	4.2	25.2	4.8	3.4	(6.4)	5.6	7.3	-17.8	+1.3	+12.0
IT	1.5	2.0	1.9	2.7	8.1	1.8	2.2	2.3	3.2	9.5	+1.4	+0.5	+0.9
Others	(1.2)	0.5	0.1	(0.9)	(1.5)	(1.1)	0.5	(0.7)	0.5	(0.8)	+0.8	+1.4	+1.2
Elimination and Corporate	(1.7)	(1.5)	(1.8)	(2.2)	(7.3)	(2.4)	(1.1)	(2.0)	(3.0)	(8.5)	-1.3	-0.8	-1.0
<b>Total</b>	<b>10.8</b>	<b>3.5</b>	<b>0.6</b>	<b>(2.0)</b>	<b>12.9</b>	<b>4.2</b>	<b>5.7</b>	<b>(5.1)</b>	<b>8.7</b>	<b>13.5</b>	<b>+0.7</b>	<b>+10.7</b>	<b>+13.8</b>

\* From FY23, organizations for new businesses in the “Materials” and “Healthcare” segments were transferred to the Group-wide “Others” segment. Therefore, the figures for FY22 are those recalculated in accordance with the new segment categorization for comparison purposes

# ◆ Results of FY2023 Changes in operating results in segment-specific [Quarterly transition]

## Trend of operating income



Trends and factors behind the operating income [FY23 3Q→FY23 4Q] (billions of yen)		
Consolidated	+13.8	Relative increase from the previous quarter, when the Healthcare segment paid a one-off lump-sum pharmaceutical contract fee
-Materials	+0.1	(+)Effects of "reforms for profitability improvement" in the composites business (-)Decrease in insurance income in the aramid business
-Fibers & Products	+0.6	Strong sales in the field of fiber materials and apparel (due to seasonal factors)
-Healthcare	+12.0	Affected by the one-off lump-sum contract fee, licensing income, etc.
-IT	+0.9	E-comics services maintained strong sales

\* From FY23, organizations for new businesses in the “Materials” and “Healthcare” segments were transferred to the Group-wide “Others” segment. Therefore, the figures for FY22 are those recalculated in accordance with the new segment categorization for comparison purposes

## ◆ Results of FY2023 Consolidated statements of income [Quarterly transition]

(Billions of Yen)

	FY22				FY23			
	1Q Apr.-Jun.	2Q Jul.-Sep.	3Q Oct.-Dec.	4Q Jan.-Mar.	1Q Apr.-Jun.	2Q Jul.-Sep.	3Q Oct.-Dec.	4Q Jan.-Mar.
Net Sales	243.8	266.6	254.6	253.7	244.8	261.7	253.1	273.2
Cost of sales	174.9	204.0	196.8	194.9	179.8	195.0	185.1	197.2
Gross profit	68.9	62.6	57.8	58.8	65.1	66.7	68.0	76.0
SG&A	58.1	59.2	57.2	60.7	60.9	60.9	73.1	67.3
Operating income	10.8	3.5	0.6	(2.0)	4.2	5.7	(5.1)	8.7
Non-operating items, net	3.5	2.2	(3.1)	(6.4)	0.8	(0.7)	2.7	(0.8)
(Equity in earnings and losses of affiliates)	1.2	1.3	1.3	(5.0)	(0.5)	0.8	7.4	(0.4)
Ordinary income	14.3	5.7	(2.5)	(8.4)	5.0	5.0	(2.4)	7.9
Extraordinary items (net)	0.2	(0.4)	(8.1)	(2.3)	2.3	(3.6)	4.4	9.8
Income before income taxes	14.5	5.3	(10.6)	(10.6)	7.3	1.5	2.0	17.7
Income taxes	6.7	4.3	3.9	(0.6)	4.8	3.2	(2.5)	9.3
Profit attributable to non-controlling interests	0.5	0.7	0.0	0.6	0.6	0.7	0.5	1.3
Profit attributable to owners of parent	7.3	0.3	(14.6)	(10.6)	1.9	(2.4)	4.0	7.1

## ◆ Results of FY2023 Consolidated balance sheets [Quarterly transition]

(Billions of Yen)

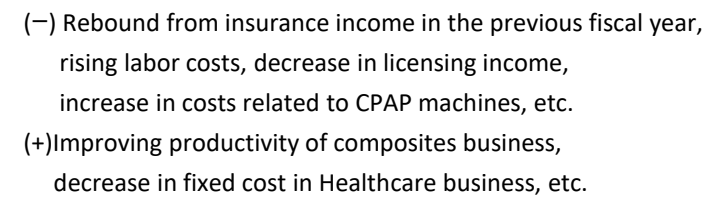
	FY22				FY23			
	Jun. 30, 2022	Sep. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	Sep. 30, 2023	Dec. 31, 2023	Mar. 31, 2024
<b>Total assets</b>								
Current assets	603.0	633.1	608.8	613.3	654.2	670.6	652.6	623.5
Fixed assets	662.3	672.0	630.2	629.1	648.6	650.0	631.7	627.5
<b>Total</b>	<b>1,265.3</b>	<b>1,305.1</b>	<b>1,239.0</b>	<b>1,242.4</b>	<b>1,302.8</b>	<b>1,320.7</b>	<b>1,284.3</b>	<b>1,251.0</b>
<b>Total liabilities and net assets</b>								
Liabilities	785.4	822.2	786.3	791.3	831.5	848.4	817.9	769.1
[Interest-bearing debt]	517.8	544.7	523.6	529.4	576.4	569.8	572.1	498.9
Net assets	479.9	482.9	452.7	451.1	471.3	472.3	466.4	481.9
<b>Total</b>	<b>1,265.3</b>	<b>1,305.1</b>	<b>1,239.0</b>	<b>1,242.4</b>	<b>1,302.8</b>	<b>1,320.7</b>	<b>1,284.3</b>	<b>1,251.0</b>

## ◆ Outlook for FY2024 Summary in segment-specific [Compared with FY2023]

(Billions of Yen)

	TOTAL			Materials			Fibers & Products Converting		
	FY23 [estimation]	FY24 Outlook	Differ -ence	FY23 [estimation]	FY24 Outlook	Differ -ence	FY23 [estimation]	FY24 Outlook	Differ -ence
Revenue	1,033.0	1,050.0	+17.0	440.0	460.0	+20.0	321.0	320.0	-1.0
EBITDA	-	110.0	-	-	41.0	-	-	19.5	-
Depreciation & Amortization	-	80.0	-	-	35.0	-	-	7.0	-
Adjusted operating income	30.0	30.0	0.0	(2.0)	6.0	+8.0	12.5	12.5	0.0
ROIC	2%	2%	0%	-0%	1%	+1%	6%	6%	0%

	Healthcare			IT			Others		
	FY23 [estimation]	FY24 Outlook	Differ -ence	FY23 [estimation]	FY24 Outlook	Differ -ence	FY23 [estimation]	FY24 Outlook	Differ -ence
Revenue	145.0	140.0	-5.0	72.0	75.0	+3.0	55.0	55.0	0.0
EBITDA	-	37.5	-	-	11.5	-	-	6.0	-
Depreciation & Amortization	-	29.0	-	-	1.5	-	-	5.0	-
Adjusted operating income	18.0	8.5	-9.5	9.5	10.0	+0.5	0.5	1.0	+0.5
ROIC	7%	3%	-4%	14%	13%	-1%	-	-	-



\*3. Sales price and mix + raw material and fuel cost

## ◆ Historical financial indicators

	Japanese GAAP					IFRS
	FY19	FY20	FY21	FY22	FY23	FY24
	Actual	Actual	Actual	Actual	Actual	Outlook
ROE <sup>*1</sup>	6.3%	(1.7%)	5.5%	(4.1%)	2.4%	2%
Operating income ROIC <sup>*2</sup>	8.7%	8.6%	5.5%	1.6%	1.6%	-
After-tax adjusted operating income ROIC <sup>*3</sup>	-	-	-	-	-	2%
EBITDA <sup>*4</sup> (Billions of Yen)	107.2	106.8	113.0	87.8	92.4	110.0
Earnings per share <sup>*5</sup> (Yen)	131.6	(34.7)	120.6	(92.0)	55.1	51.9
Dividends per share (Yen)	60	50	55	40	30	30
Free cash flow (Billions of Yen)	26.3	28.1	(108.7)	2.7	23.4	35.0
CAPEX (Billions of Yen)	68.6	60.3	200.8	62.5	66.9	70.0
Depreciation & Amortization (Billions of Yen)	51.0	51.8	68.8	74.9	78.9	80.0
R&D Expenses (Billions of Yen)	34.5	32.7	33.3	31.9	42.6	31.0
Total assets (Billions of Yen)	1,004.2	1,041.1	1,207.6	1,242.4	1,251.0	1,210.0
Interest-bearing debt (Billions of Yen)	381.9	380.0	485.2	529.4	498.9	495.0
D/E ratio <sup>*6</sup>	0.97	0.94	1.10	1.25	1.10	1.2
D/E ratio (capital adjustment) <sup>*7</sup>	-	-	0.97	1.10	0.97	1.0
Shareholders' equity ratio <sup>*8</sup>	39.3%	39.0%	36.4%	34.2%	36.3%	35%

\*1 Japanese GAAP: ROE = Profit attributable to owners of parent / Average\* total shareholders' equity

IFRS: ROE = Profit attributable to owners of parent / Average\* of equity attributable to owners of parent

\*2 ROIC based on operating income = Operating income / Average\* invested capital (Invested capital = Net assets + Interest-bearing debt – Cash and deposits)

\*3 After-tax adjusted operating income ROIC= Adjusted operating income after tax / Average\* of invested capital (Invested capital = Equity + Interest-bearing debt)  
\*Average: ([Beginning balance + Ending balance] / 2)

\*4 Japanese GAAP: EBITDA = Operating income + Depreciation & amortization

IFRS: EBITDA = Adjusted Operating income + Depreciation & amortization

\*5 IFRS: Basic earnings per share

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

IFRS: D/E ratio = Interest-bearing debt / Equity attributable to owners of parent (Gross)

\*7 D/E ratio taking into account the equity credit of the subordinated bonds (The Company issued subordinated bonds of ¥60.0 billion on July 21, 2021.)

\*8 IFRS: The ratio of equity attributable to owners of the parent

## ◆ Sales of principal pharmaceuticals in Japan

(Billions of Yen)											
Product	Target disease	FY2022					FY2023				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Total sales of four diabetes treatments		6.9	6.2	6.7	5.0	24.8	6.3	5.8	6.1	4.7	22.8
Nesina®	Type 2 Diabetes	3.4	3.1	3.3	2.5	12.2	3.1	2.8	2.9	2.3	11.1
Inisync®	Type 2 Diabetes (combination drug)	2.0	1.8	2.0	1.5	7.4	1.9	1.7	1.8	1.5	6.9
Liovel®	Type 2 Diabetes (combination drug)	1.0	0.9	0.9	0.6	3.4	0.8	0.7	0.8	0.5	2.8
Zafatek®	Type 2 Diabetes	0.5	0.5	0.4	0.3	1.7	0.5	0.6	0.6	0.3	2.0
FEBURIC®	Gout and hyperuricemia	8.7	1.7	2.3	1.8	14.5	2.0	2.1	2.0	1.2	7.4
Bonalon®*1	Osteoporosis	1.8	1.8	1.8	1.5	6.9	1.6	1.6	1.7	1.3	6.3
Somatuline®*2	Acromegaly and pituitary gigantism, thyroid stimulating hormone-secreting pituitary tumors, and gastroenteropancreatic neuroendocrine tumors	1.4	1.4	1.5	1.4	5.7	1.5	1.5	1.7	1.4	6.1
Venilon®	Severe infection	1.0	1.1	1.2	1.1	4.4	1.4	1.4	1.6	1.1	5.5
LOQQA®	osteoarthritis pain and inflammation	0.5	0.5	0.5	0.4	1.9	0.5	0.4	0.5	0.4	1.8
XEOMIN®*3	Upper and lower limb spasticity	0.4	0.4	0.5	0.5	1.8	0.5	0.5	0.6	0.5	2.0
Mucosolvan®	Expectorant	0.4	0.4	0.5	0.4	1.8	0.4	0.5	0.5	0.4	1.9

\*1. Bonalon® is the registered trademark of Merck Sharp &amp; Dohme Corp., U.S.A.

\*2. Somatuline® is the registered trademark of Ipsen Pharma, France.

\*3. Xeomin® is the registered trademark of Merz Pharma GmbH &amp; Co. KGaA, Germany



◆ Non-financial information : ESG external evaluation

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



**FTSE Blossom  
Japan Index**



**FTSE Blossom  
Japan Sector  
Relative Index**

**2024** CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

**2024** CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX



**S&P/JPX  
Carbon  
Efficient  
Index**

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**MSCI**  
ESG RATINGS

CCC	B	BB	BBB	A	AA	<b>AAA</b>
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Highly rated in the Nikkei SDGs Management Survey

**NIKKEI**  
**SDGs**  
Management Survey 2023  
★★★★★

• Rated “S” or higher in all four categories

Status of inclusion in SRI indices

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**Dow Jones  
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**FTSE4Good**



**ETHIBEL  
EXCELLENCE**

Included in these two domestic programs  
as a company with outstanding ESG initiatives

Promoting Health  
Management



2024  
健康経営優良法人  
Health and productivity

Sports Yell Company  
(Silver\*)



**SPORTS  
YELL  
COMPANY  
2024**

\*Company acquired the  
certification seven to nine times

***TEIJIN***

*Human Chemistry, Human Solutions*