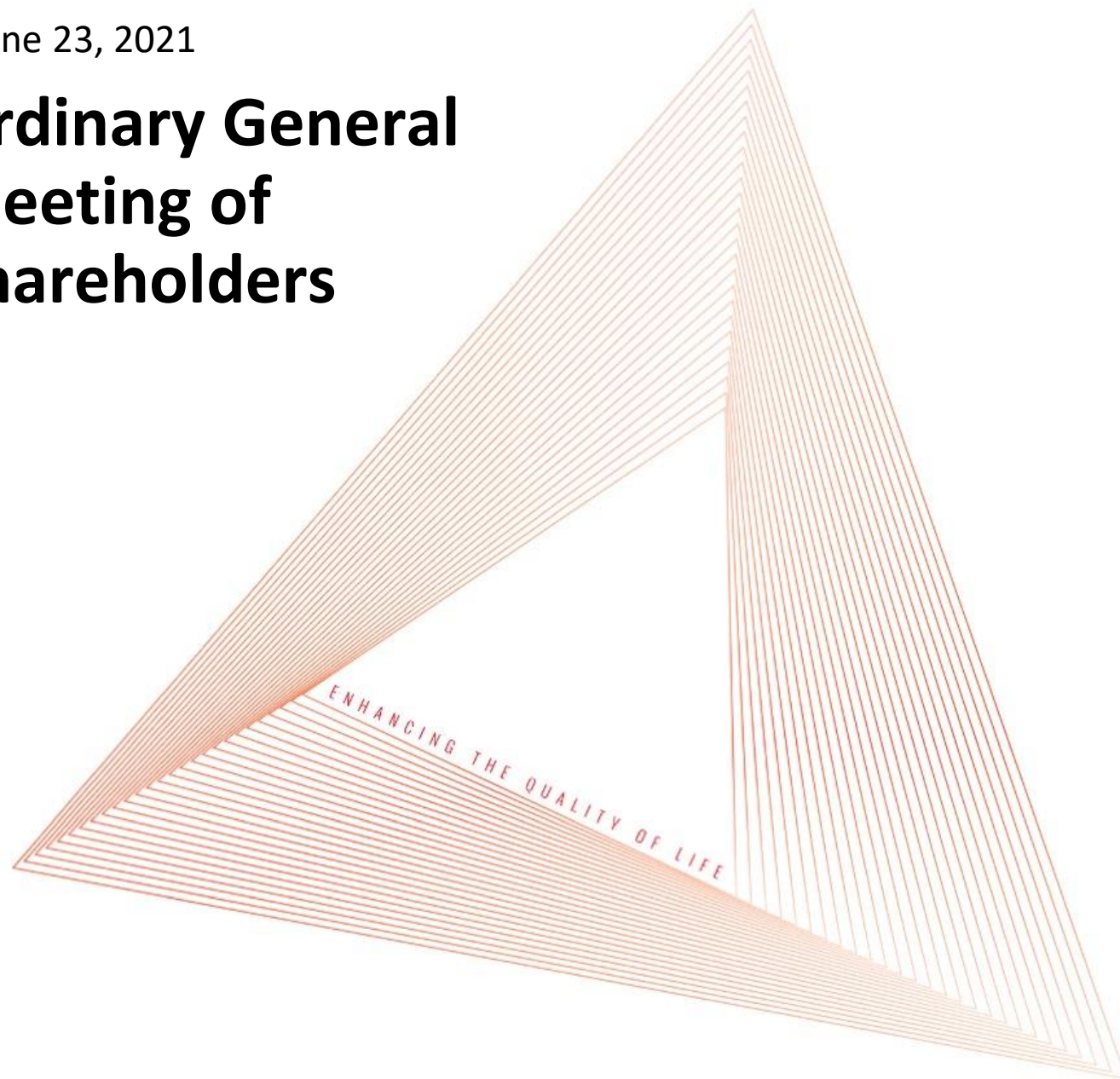


June 23, 2021

# Ordinary General Meeting of Shareholders

Human Chemistry, Human Solutions **TEIJIN**



## The Teijin Group's Initiatives Contributing to a Sustainable World

Teijin Limited

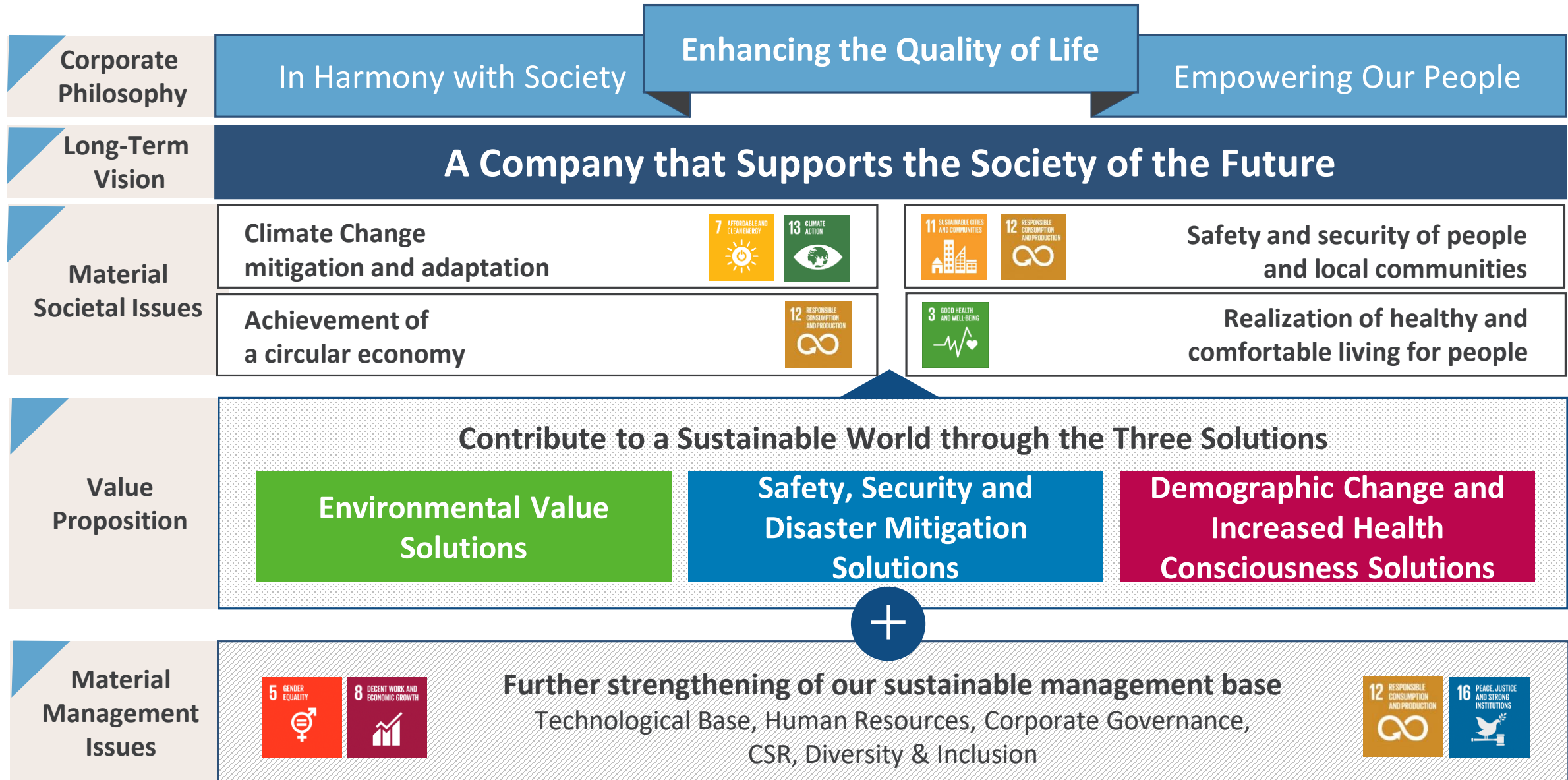
Jun Suzuki

President and CEO, Representative Director of the Board

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.

# Long-Term Corporate Vision:

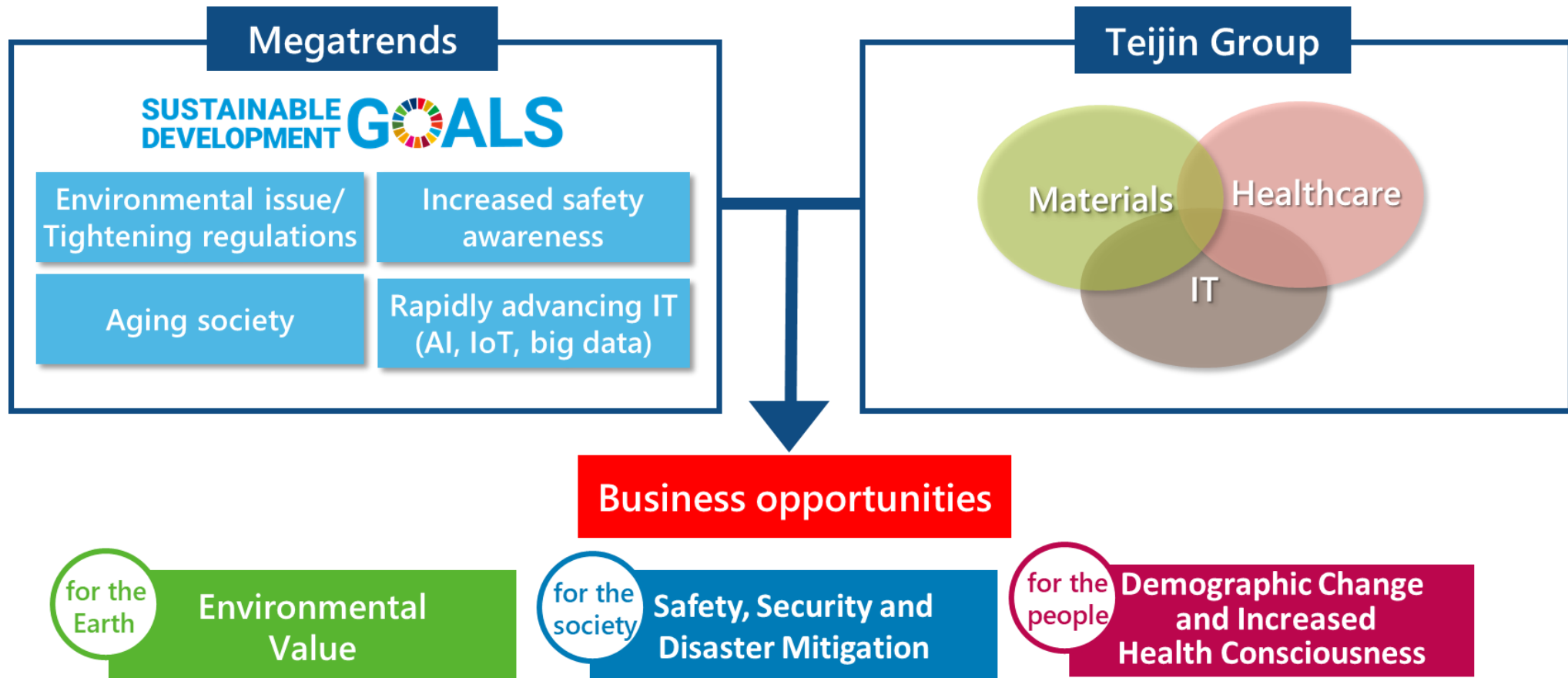
Be a company that supports the society of the future through three solutions



Positioning the current Medium-Term Management Plan as the “Creating growth platform period” for sustainable growth toward 2030 in line with the direction set in the previous medium term



We have seized business opportunities at the intersection of megatrends of social issues and our business areas





■ Supply of medical gowns for healthcare professionals, disclosure of medical gown patterns

■ Joined the “OPEN COVID-19 DECLARATION” as a founding member

■ Contribution in the Healthcare-related business

- Ensuring the safety of patients, healthcare professionals and employees
- Stable supply of pharmaceuticals and medical equipment, continuous provision of medical services
- Contribution to the prevention and treatment of COVID-19 infection

< Example: Oxygen concentrators, etc. for respiratory management >

- ✓ Domestic: Cooperation with the Setagaya Ward project to strengthen support for people receiving treatment at home (Yomiuri Shimbun dated May 5, 2021)
- ✓ Overseas: Supply oxygen cylinders and other medical supplies to India by group company Esteve Teijin (Spanish newspaper dated May 6, 2021)

Disaster response in home medical care (July 2020 torrential rain in Kyushu, February 13, 2021 M7.1 earthquake off the coast of Fukushima Prefecture)

Our unique disaster response support system, *D-MAP*, enabled us to locate patients in the affected areas who were receiving home oxygen therapy. Supplied oxygen cylinders

Medical gowns



Disposable type

Washable type

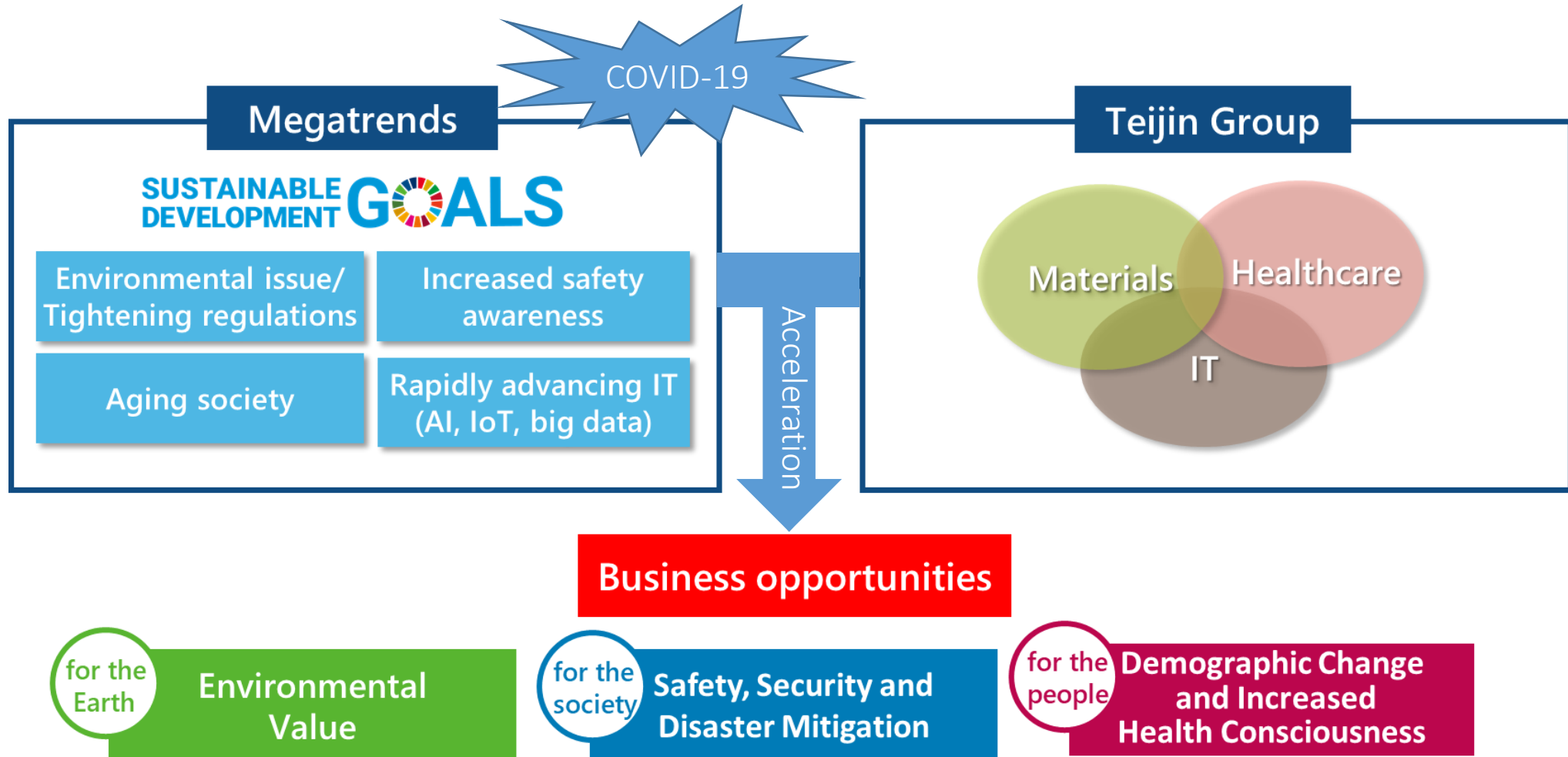


Oxygen concentrator



Also played an active role in the Great East Japan Earthquake that occurred on March 11, 2011

We have seized business opportunities at the intersection of megatrends of social issues and our business areas  
Changes in social structure due to COVID-19 accelerate the changes in the direction Teijin is aiming for



## FY2020 (first year of MTP)

- Profit targets in the Materials Business, mainly in the carbon fibers business, were revised under the severe impact of the COVID-19 pandemic especially in the first half of the term
- Maintaining the direction of the Medium-Term Management Plan, the Group made investments suitable in the period for creating growth platforms toward sustainable growth

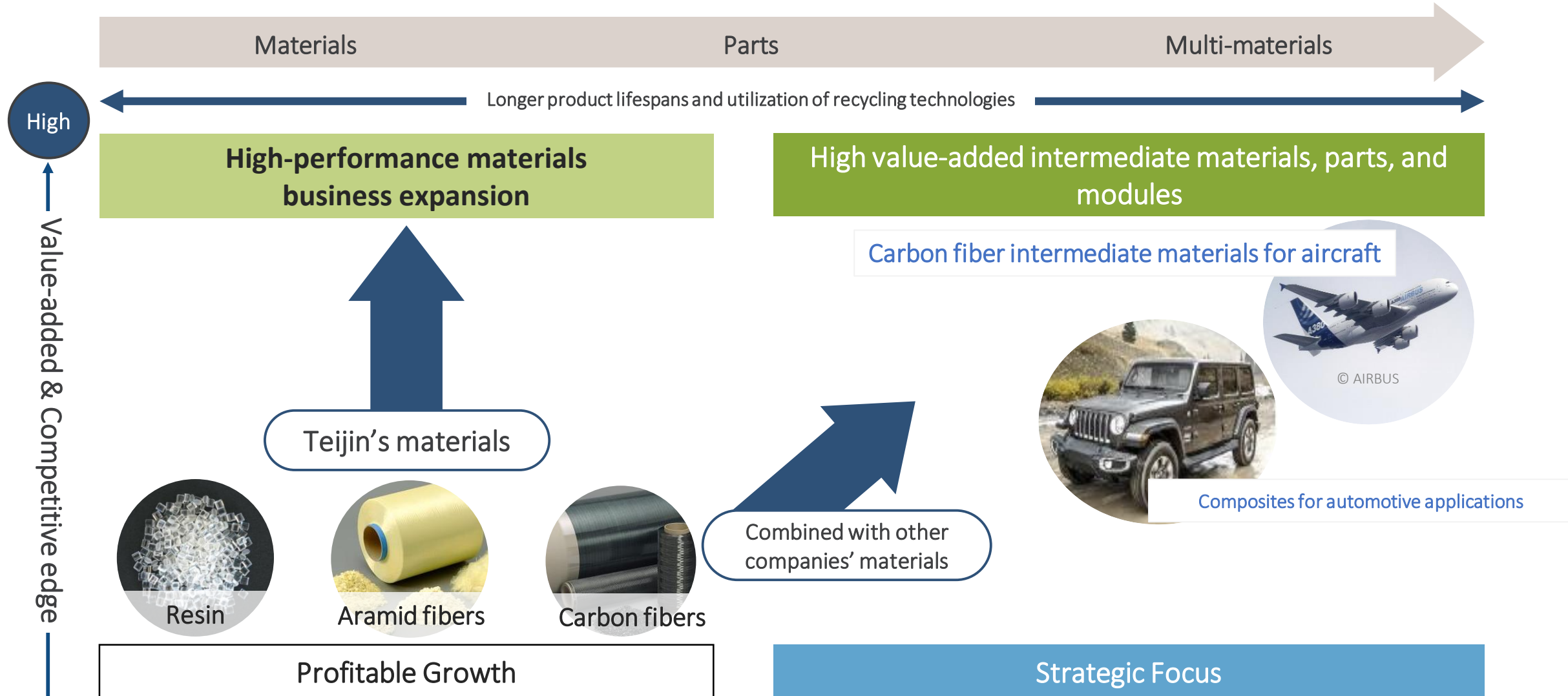
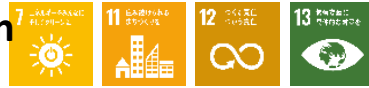
## FY2021 (second year of MTP)

- The Materials Business and the Fibers & Products Converting Business will continue to recover from the impact of the COVID-19 pandemic.
- The Healthcare Business and the IT Business will remain firm
- The Group will continue to make growth investment, aiming to achieve the medium -/long term goals



# Strategy for the Materials Business Field

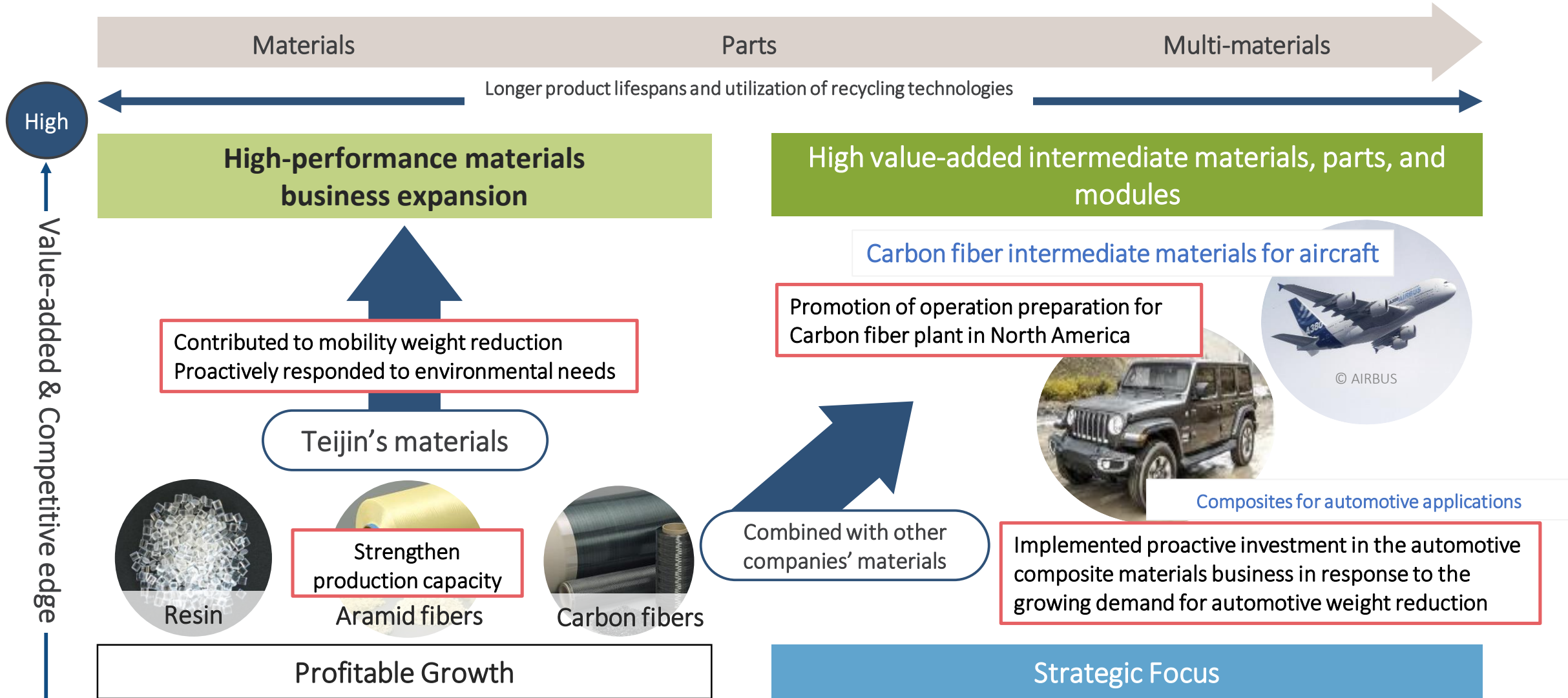
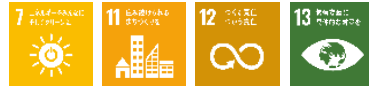
Accelerating the development of high value-added applications with high-performance materials and multi-materialization  
Reducing the environmental impact in terms of lightweight mobility, product demand longevity and recyclability





# Initiatives in the Materials Business Field

The need to reduce environmental impact, including lightweight mobility, is accelerating



# Providing Lightweight Mobility Materials Required by Society

## - Composites for Automotive Applications

- CSP\*1 is the largest Tier 1 supplier in North America
- Glass fiber composites, our main product, realize both excellent appearance and automotive weight reduction
- Provide total solutions from design to assembly. Aim to expand our business by promoting the multi-materialization



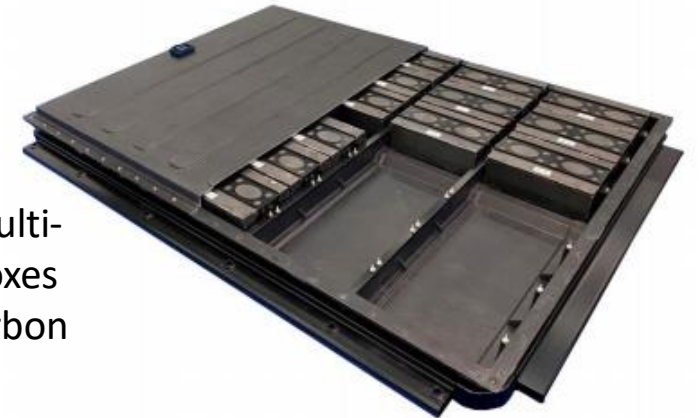
Jeep Wrangler  
Roof Freedom Panels  
(Glass fiber composites)



GM Chevrolet Corvette  
Body panels for doors,  
fenders, etc.  
(Glass fiber composites)



Large panels and flooring material  
(CFRTP\*2, *Sereebo*) inside the  
"CarbonPro" bed of the GMC Sierra  
Won the 2019 SPE Innovation Award



Development of multi-  
material battery boxes  
(Glass fiber and carbon  
fiber composites)

\*1 Continental Structural Plastics, Inc. , \*2 carbon fiber reinforced thermoplastic

# Providing Lightweight Mobility Materials Required by Society

## - Composites for Automotive Applications

- Promote global expansion from North America to China and Europe
- Strengthen joint development among global R&D bases

• Prototyping and evaluation of automotive composites and parts  
• Market development and technology research for the development of next-generation vehicles

Technology development for automotive composites and parts

### CSP-Victall (China)

February 2019 - Reached the decision to build a second plant  
December 2020 - Converted to a wholly owned subsidiary

Teijin Composites Innovation Center (Japan)

R&D in materials, molding, processing, design, and joining related to advanced composite materials

Advanced Technologies Center (U.S.) Autumn 2020

Teijin Automotive Center Europe (Germany) Feb. 2020

Benet (Czech Republic)

Acquired in August 2019

CSP Europe (France)

### CSP (North America)

U.S.: Head office, 10 plants  
Mexico: 2 plants

Inapal (Portugal)

Acquired in August 2018



CSP Head office (Michigan, U.S.)

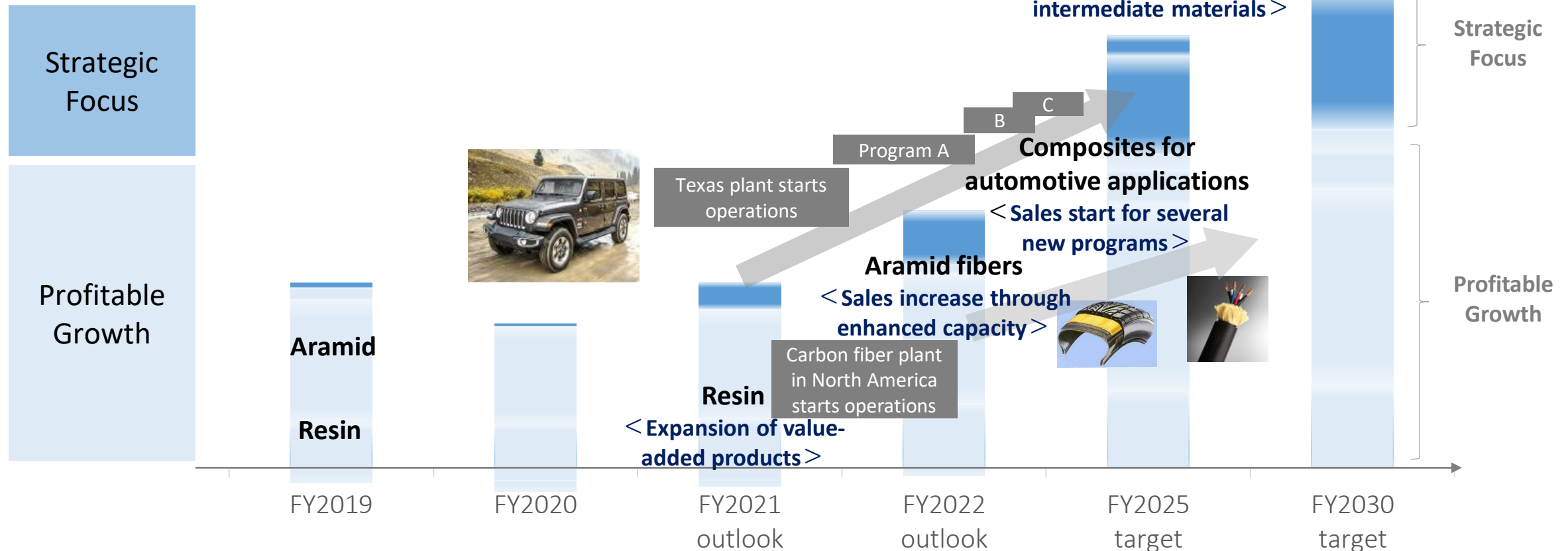
\*A new plant under construction in Texas, U.S.

# Materials Business Field's Projected Contributions to Earnings (EBITDA)

- Resin & aramid: Contribute to earnings solidly with continued competitive advantages
- Composites for automotive applications: Contribute to medium- to long-term earnings through productivity improvement and sales start for several new programs
- Carbon fiber intermediate materials for aircraft: Contribute to earnings from a long-term perspective through superior thermoplastic technology, etc.



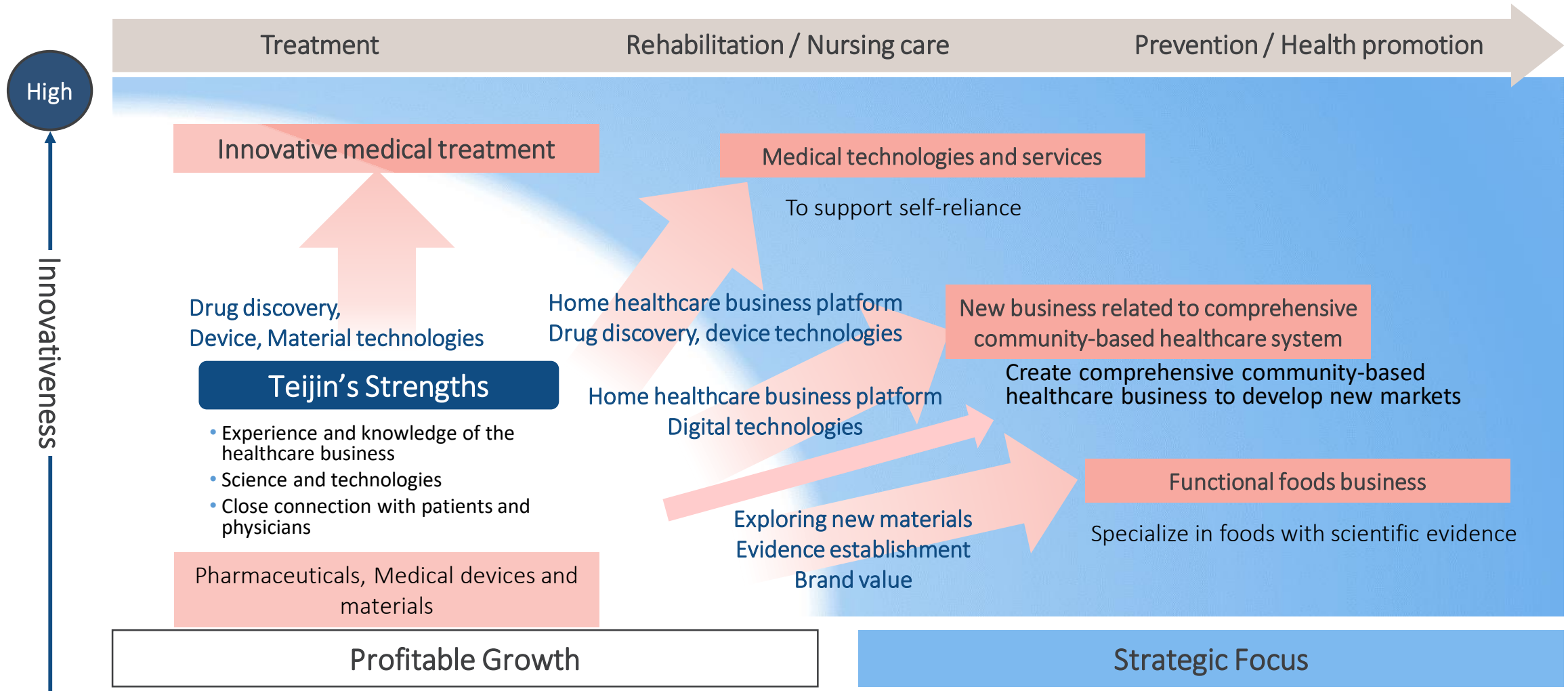
(EBITDA projections)





# Strategy for the Healthcare Business Field

Develop comprehensive community-based healthcare business that goes beyond treatment to include rehabilitation, nursing care, prevention and health promotion, utilizing our strengths developed in the existing businesses



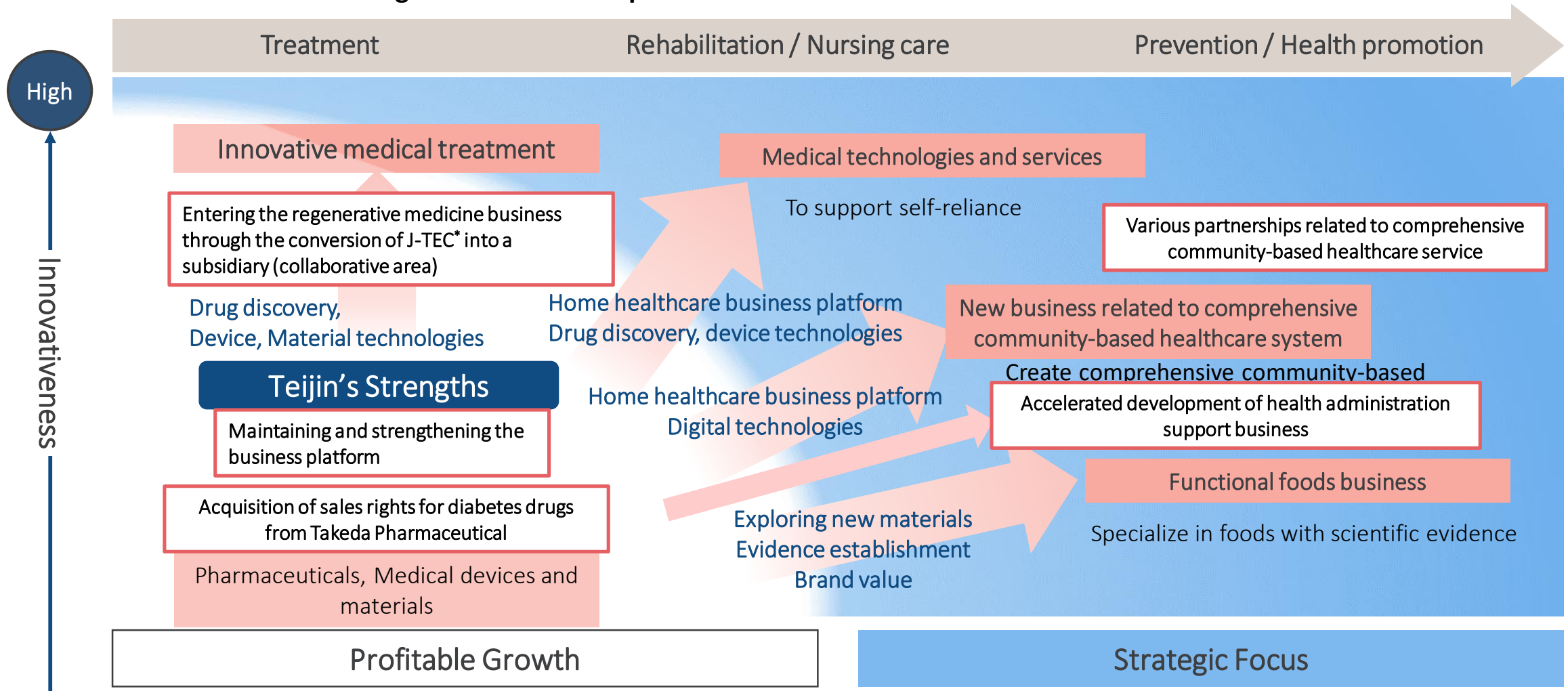


# Initiatives in the Healthcare Business Field



Strengthened business platform by acquiring the sales rights for diabetes drugs, and accelerated efforts to provide services to prevent severe disease progression

Entered into the business field of regenerative medical products

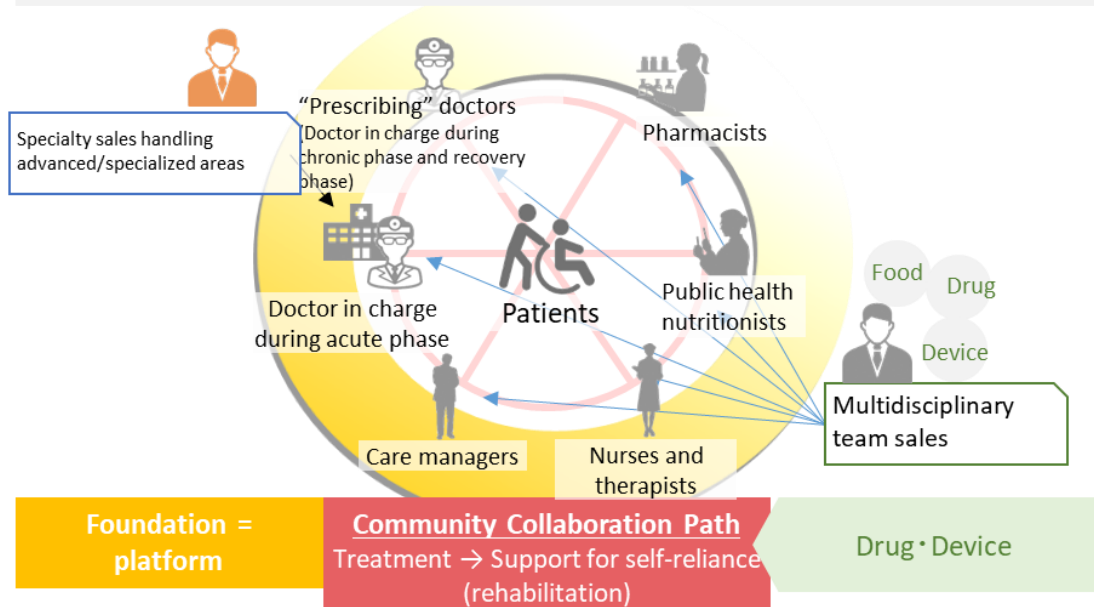


\* Japan Tissue Engineering Co., Ltd.

# Healthcare: Changing the Profit-Making Model

- Establish sales system with multidisciplinary team for local community

## Community-Based Integrated Care System



Support team healthcare, deployed at comprehensive community-based healthcare system offices via multidisciplinary team sales  
 (Pharmaceutical: provision of specialized information, Home healthcare: ability to maintain relationships with patients and healthcare professionals)



## Business Platform

<b>"VitalLink"</b> 	<b>Visiting nursing station</b> 	<b>Contact center</b> 	<b>Home oxygen monitoring system</b> 	<b>Rehabilitation Devices</b> 
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- Promote deployment of core products and services

Treatment for hyperuricemia and gout **FEBURIC®**



Oxygen Concentrator **Hi-Sanso®i**



4 products for diabetes treatment

**Nesina®**



**Liovel®**



**Inisync®**



**Zafatek®**



Automatic pressure control CPAP\* device **SLEEPMATE® 10**



\* CPAP therapy: Continuous Positive Airway Pressure (CPAP) therapy

# Establishment of a new business base (food, community-based integrated care, creation of innovative medical treatment)

## New business related to community-based integrated care system

Health management support, prevention of serious diseases, etc. using data platforms

Business alliance with PREVENT for the serious lifestyle disease prevention business

**Data analysis business**  
 Medical checkup by health insurance association/receipt data analysis  
 → Predict the risk of developing lifestyle diseases

**Support services for preventing serious diseases**  
 Individual guidance by medical professionals using monitoring equipment  
 → Prevent serious lifestyle diseases

## Functional foods business

**Prebiotics material \*1**  
 (Dietary fiber)



- Expand lineup and applications, and market globally

**Probiotics material \*2**  
 (Bifidobacterium, Lactic acid bacteria)



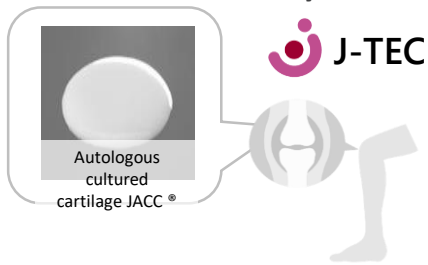
- Sales as natural ingredients for health food and infant formulas

\*1 Prebiotics can improve the intestinal environment to support healthy life.

\*2 Probiotics are live microorganisms that can offer useful benefits when consumed in appropriate amounts

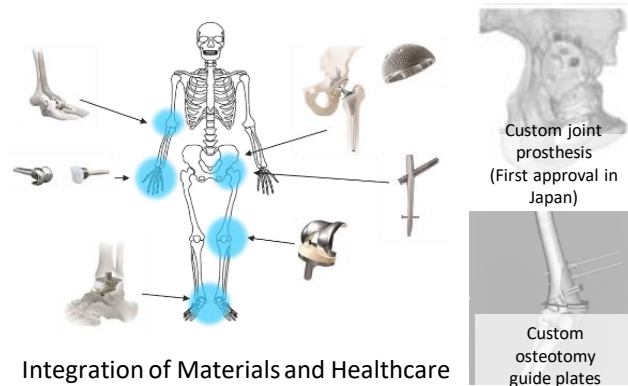
## Creation of innovative medical treatment

Regenerative medical products business through the conversion of J-TEC into a subsidiary



Expansion of the Regenerative medical products business  
 Synergy with other businesses

**Implantable medical materials (Orthopedics)**



Integration of Materials and Healthcare



Custom joint prosthesis (First approval in Japan)

Custom osteotomy guide plates

## Medical technologies and services to support self-reliance

**Functional electrical stimulation device *WalkAide***



- Provide comprehensive solutions from stroke onset to prognosis in combination with botulinum toxin type A “NT-201” (under development)

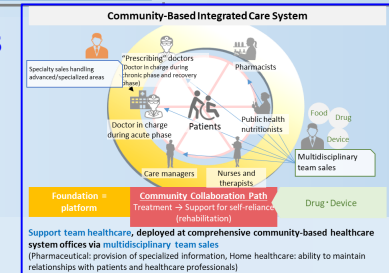
**Rehabilitation robot for upper limb paralysis *ReoGo-J***



# Healthcare: Products and Services Strategies

- Develop a diverse pipeline of medical devices, food materials, etc., not limited to pharmaceuticals, with a community-based integrated care business platform and multidisciplinary sales team (FY)

	Field	2020	2021	2022	2023 ~ 2025	2026 and beyond
<b>Strategic Focus</b>	Functional foods	Supplements WASAbis*1	Probiotics UREX*2	New products such as prebiotics*3 and probiotics*4		
	Implantable medical materials		New/improved joint prosthesis and osteosynthesis products	Cardiovascular and vascular repair patch	New/improved joint prosthesis and osteosynthesis products	Cardiovascular and vascular repair patch application products
	Regenerative medical products	Cultivated autologous corneal epithelium	Cultivated autologous oral mucosal epithelium	Promotion of collaborative projects with J-TEC (CDMO, etc.) Cultivated autologous epidermis containing melanocytes		
	Community-based integrated care		Develop new services by leveraging M&As and alliances Services for the prevention of serious lifestyle diseases Home nursing web service			Hospitalization and discharge coordination support service
<b>Profitable Growth</b>	Pharmaceuticals	Functional integration of pharmaceuticals and home medical care				Establish a community-based integrated care business platform
	Home medical care devices (Business platforms)	Launch of new drugs/Development of new medical devices and services Maximize the value of existing products				



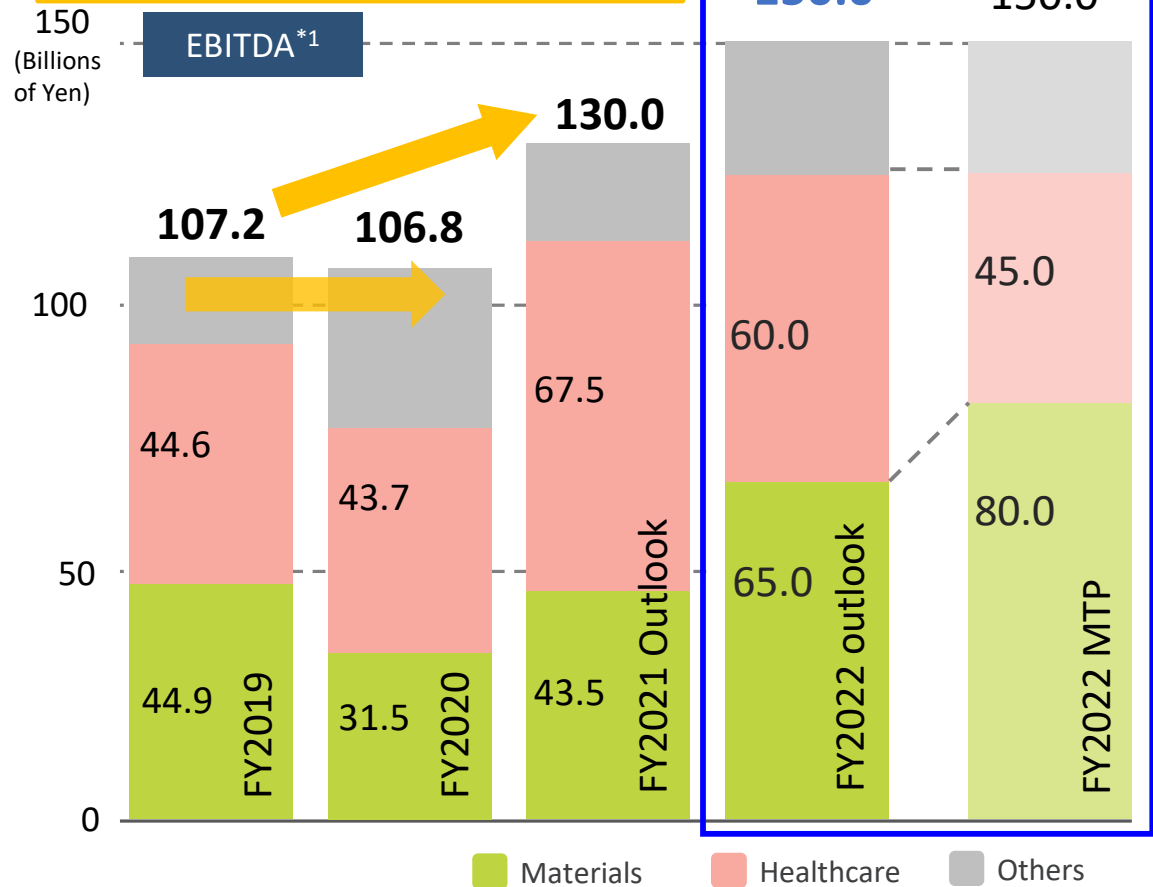
\*1 WASAbis®: A supplement containing 6-methylsulfinylhexyl isothiocyanate (6-MSITC) derived from Japanese horseradish. It has been reported that 6-MSITC has the ability to improve judgment (the ability to process information accurately) and attentiveness, which are part of the cognitive functions of middle-aged and elderly people without exercise habits; \*2: UREX: Lactic acid bacteria, which improves the vaginal environment and regulates vaginal health; \*3: Prebiotics: Indigestible food ingredient that selectively alters the growth and activity of specific bacteria in the colon, thereby favorably affecting the host and improving host health \*4 Probiotics: Live bacteria that exhibit useful effects on the host when taken in appropriate amounts



# Medium-Term Management Plan and Forecast

- EBITDA for FY2020 remained at the pre-COVID-19 FY2019 level
- EBITDA for FY2021 will dramatically increase from the FY2019 level due to major investments

- We will continue to aim for our FY2022 targets: EBITDA of 150.0 billion yen, ROE of 10% or more, and ROIC based on operating income, of 8% or more



	FY2019	FY2020	FY2021 outlook	FY2022 MTP target
ROE <sup>*2</sup>	6.3%	-1.7%	8%	10%+ No change
ROIC (based on operating income) <sup>*3</sup>	8.7%	8.6%	7% <sup>*4</sup>	8%+ No change

Due to changes in our business environment, we have revised our forecast of each business's contribution to EBITDA for FY2022

**Healthcare Outlook for FY2022 60.0 billion yen (MTP 45.0 billion yen)**

The revision reflects the expected significant contribution of the sales rights for diabetes products we took over from Takeda

**Materials Outlook for FY2022 65.0 billion yen (MTP 80.0 billion yen)**

The revision reflects delays in the plans of certain businesses, including the carbon fibers business, due to the COVID-19 pandemic

\*1 EBITDA = Operating income + Depreciation & amortization

\*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)

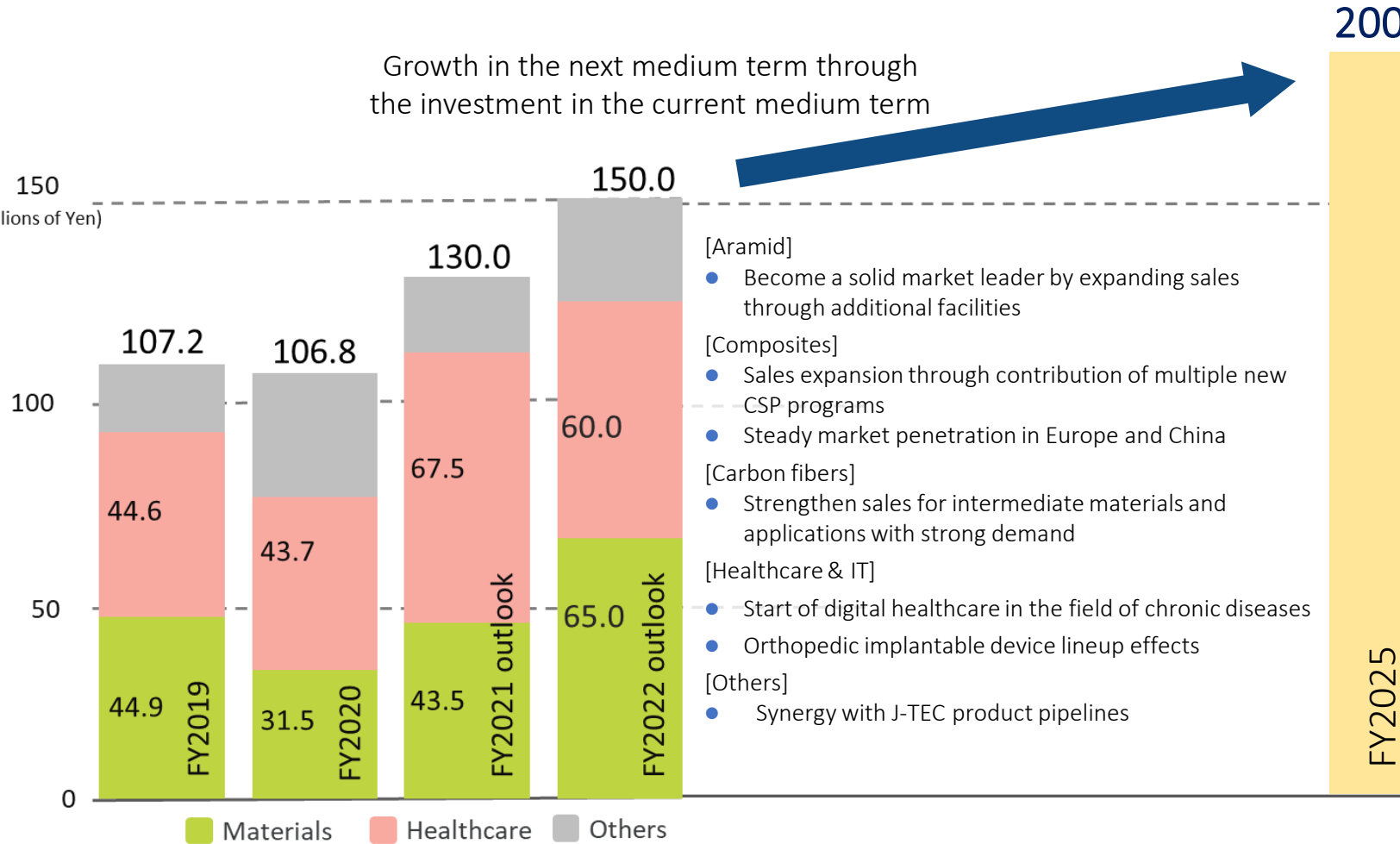
\*4 The invested capital at the beginning of the outlook for FY2021 includes an increase due to the succession of sales of diabetes products



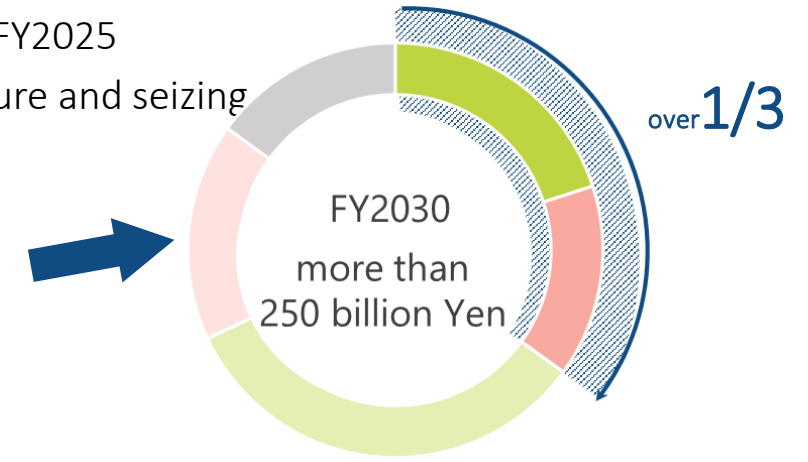
# EBITDA Long-Term Projections

- Steady achievement of EBITDA target for FY2022 to set the path for reaching the target for FY2025
- Continue to invest resources toward business portfolio transformation by looking to the future and seizing opportunities in a rapidly changing environment

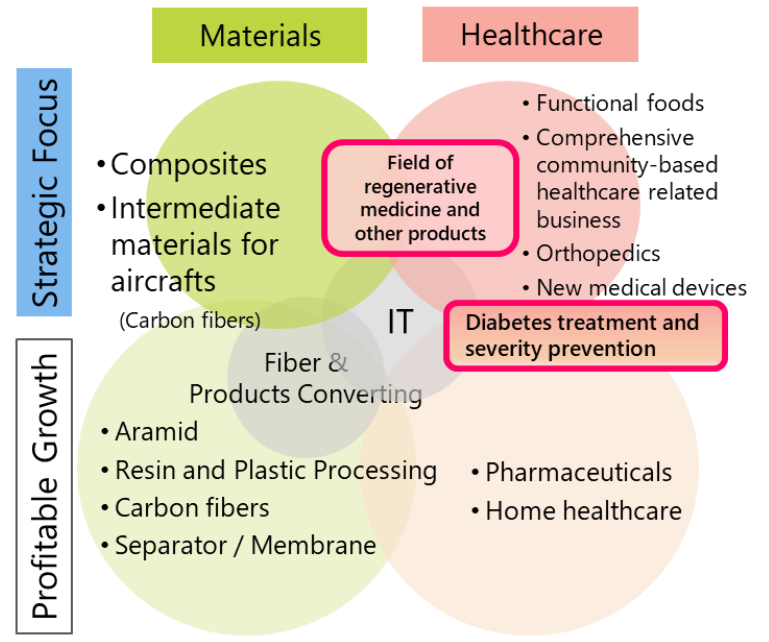
Growth in the next medium term through the investment in the current medium term



- [Aramid]**
  - Become a solid market leader by expanding sales through additional facilities
- [Composites]**
  - Sales expansion through contribution of multiple new CSP programs
  - Steady market penetration in Europe and China
- [Carbon fibers]**
  - Strengthen sales for intermediate materials and applications with strong demand
- [Healthcare & IT]**
  - Start of digital healthcare in the field of chronic diseases
  - Orthopedic implantable device lineup effects
- [Others]**
  - Synergy with J-TEC product pipelines



(Total: EBITDA Image)



## Long-term environmental targets (vs. FY2018)

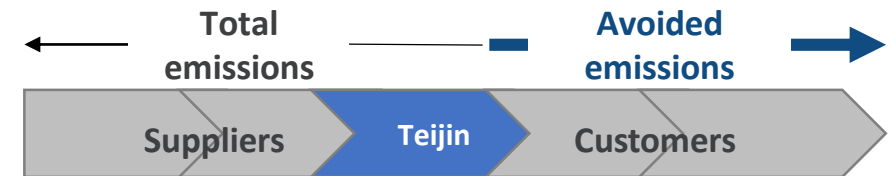
Climate Change (CO <sub>2</sub> Emission)	FY2030	<b>20%</b> reduction (total amount)
	FY2050	<b>Net Zero Emissions</b>
Water (freshwater intake)	FY2030	<b>30%</b> improvement (per sales unit)
Hazardous Materials	FY2030	<b>20%</b> improvement (per sales unit)
Resource Circulation (Landfill Waste)	FY2030	<b>10%</b> improvement (per sales unit)

Set additionally after MTP disclosure

**CO<sub>2</sub>** Promote the reduction of CO<sub>2</sub> emission, taking the entire supply chain into scope

## FY2020 Major Actions

- Formulation of a long-term roadmap to realize “net zero” and to reduce environmental burden
- Introduction of Internal Carbon Pricing (ICP)
- Committed to Science Based Targets initiative
- TCFD disclosure (Integrated Report)
- Promote research in relation to environmental issue, including LCA (Life-cycle Assessment) studies in business units



by FY2030

「Total emissions」 < 「AVOIDED emissions」

FY2019 Results

4.4Mt-CO<sub>2</sub>

>

3.3Mt-CO<sub>2</sub>

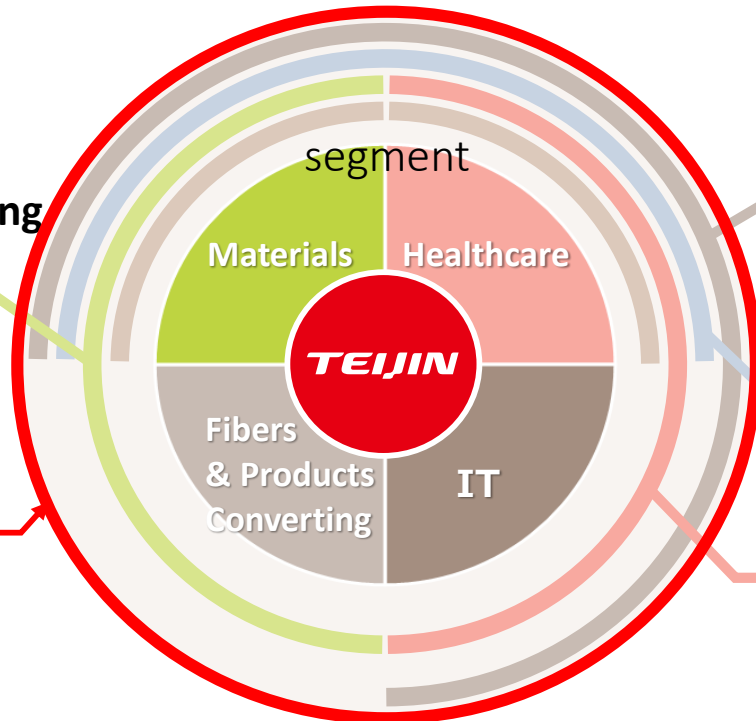


Creating innovation is indispensable for growth. We strengthen external collaboration, while pursuing synergy between in-house businesses and promoting diversity and inclusion as a foundation for creating innovation

**Expand collaborative businesses**

Materials × Fibers & Products Converting

Collaborative Companies,  
Public R&D institutions  
Academia etc.



Healthcare × IT × Materials

Healthcare × Materials

Healthcare × IT

**Promote diversity and inclusion**

Human resources



**Utilize digital and information technologies**

Technology

**Strengthen innovation framework**

Organization

# Initiatives for Diversity & Inclusion

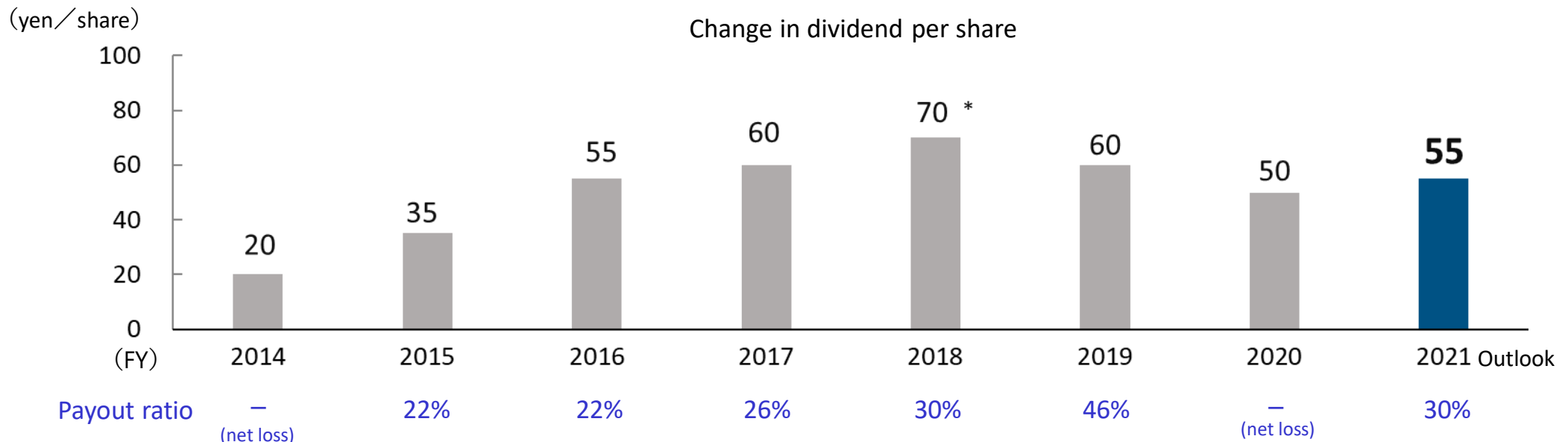
			FY2019	Milestone FY2022	Goal FY2030
<div style="border: 1px solid #0070C0; border-radius: 5px; padding: 5px; display: inline-block; color: white; font-weight: bold;">Diversity</div>   <b>Women's Advancement</b>	Global	Female Executives <sup>*1</sup>	3	6+ (FY20: 4)	10+
		Non-Japanese executives	3	6+ (FY20: 5)	12+
	Japan	Female managers	117	174 (7%)	300+ (13%)
	US	Number of Females in Senior Manager position <sup>*2</sup>	2	4	10
	EU	Number of Promotable Females top and senior management position <sup>*3</sup>	0	3	10
	China	Number of Females in Senior Manager or above position	* KPI had set in FY2020	9 (13%)	12 (18%)
	ASEAN	Number of Females in Senior Manager or above position		5+ (10%+)	8+ (16%+)
<div style="border: 1px solid #0070C0; border-radius: 5px; padding: 5px; display: inline-block; color: white; font-weight: bold;">Inclusion</div>   <b>Inclusive culture</b>	Global	Employee engagement ratio in all regions	To be announced in FY2021		
	Japan	Flexible work style * Actual utilization rate of remote work (excluding employees in plant site) <sup>*4</sup>	15%	50%	100%
	US	Number of ethnic minorities in Senior Manager position	1	3+	10
	EU	Number of non-local people in the management team <sup>*5</sup>	6	9	12
	China	Number of Chinese Executives	* KPI had set in FY2020	1+ (8%+)	5 (38%)
	ASEAN	Number of Local people in Senior Manager or above position <sup>*6</sup>		22+ (44%+)	25+ (50%+)

<sup>\*1</sup> Total number of board members, auditors, group corporate officers, <sup>\*2</sup> President or its direct report in a group company, <sup>\*3</sup> Human resources of female senior managers selected and certified as executive candidates, <sup>\*4</sup> Actual telework utilization rate (excluding employees working in the factory area), <sup>\*5</sup> Number of group company officers of nationalities other than the country where the group company is located, <sup>\*6</sup> Number of senior managers of nationality of the country where the group company is located



- Despite our proactive investments, we will make no change to our dividend policy
- Reflecting the predicted profit growth, the FY2021 annual dividend is forecast to be 55 yen per share, an increase of 5 yen year on year

- Created cash flows will be given prioritized allocation to “Strategic Investment for Future Growth”, while maintaining a healthy financial structure (aiming for a debt-to-equity ratio of 0.9 times)
- Stable and sustainable dividends will be considered, and own share repurchasing will be flexibly conducted as well
- Dividends are in line with consolidated operating results, aiming to raise the dividend along with profits growth, and targeting a consolidated payout ratio of 30% of profit attributable to owners of parent for the medium term



\* Including a commemorative dividend of 10 yen/share for our founding centennial

Note) The Company consolidated its common shares at a ratio of five shares to one share effective on October 1, 2016. Dividend amounts per share are converted based on this reverse stock split



To Be a Company That Supports  
the Society of the Future

***TEIJIN***

*Human Chemistry, Human Solutions*