

# Operational Summary

for the First Quarter of the Fiscal Year Ending March 31, 2017

August 5, 2016

Mitsubishi Chemical Holdings Corporation

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Mitsubishi Chemical Holdings Corporation has adopted IFRS starting with FY2016 1Q.  
The numerical values in FY2015 based on J-GAAP have been translated to the values based on IFRS.

## List of Abbreviations

<b>FY2016:</b>	April 1, 2016 - March 31, 2017 <b>1st Quarter ("1Q") of FY2016:</b> April 1, 2016 - June 30, 2016 <b>1st Half ("1H") of FY2016:</b> April 1, 2016 - September 30, 2016
<b>FY2015:</b>	April 1, 2015 - March 31, 2016 <b>1st Quarter ("1Q") of FY2015:</b> April 1, 2015 - June 30, 2015 <b>2nd Quarter ("2Q") of FY2015:</b> July 1, 2015 - September 30, 2015 <b>1st Half ("1H") of FY2015:</b> April 1, 2015 - September 30, 2015 <b>3rd Quarter ("3Q") of FY2015:</b> October 1, 2015 - December 31, 2015 <b>4th Quarter ("4Q") of FY2015:</b> January 1, 2016 - March 31, 2016 <b>2nd Half ("2H") of FY2015:</b> October 1, 2015 - March 31, 2016
<b>MCHC:</b>	Mitsubishi Chemical Holdings Corporation
<b>MCC:</b>	Mitsubishi Chemical Corporation
<b>MTPC:</b>	Mitsubishi Tanabe Pharma Corporation
<b>MPI:</b>	Mitsubishi Plastics, Inc.
<b>MRC:</b>	Mitsubishi Rayon Co., Ltd.
<b>LSII:</b>	Life Science Institute, Inc.
<b>TNSC:</b>	Taiyo Nippon Sanso Corporation

(Note)

Divisional numbers into following "business sub-segments" under the business segments of Designed Materials, Health Care, Chemicals, or Polymers are approximation for reference purpose only;

Functional Products	Petrochemicals
Performance	Carbon
Chemicals	Industrial Gases
Pharmaceuticals	Polyolefins and Advanced Polymers
Diagnostics, Clinical Testing and API	MMA Monomers and Polymers

## Consolidated Statements of Operations

	107.9	121.7	(13.8)		110.0	
Exchange Rate (¥/\$)						
Naphtha Price (¥/kl)	31,600	48,800	(17,200)		37,000	
	(Billions of Yen)			<Reference>		
	FY2016 1Q	FY2015 1Q	Change	%	FY2016 1Q Forecast (Announced on May 13)	% to 1H Forecast
<b>Sales Revenue</b>	<b>829.4</b>	928.0	<b>(98.6)</b>	-11%	1,750.0	47%
<b>Core Operating Income*</b>	<b>72.5</b>	78.0	<b>(5.5)</b>	-7%	105.0	69%
Special Items	<b>(5.6)</b>	0.5	<b>(6.1)</b>		<b>(8.0)</b>	
<b>Operating Income</b>	<b>66.9</b>	78.5	<b>(11.6)</b>	-15%	97.0	69%
Financial Income/Expenses (Dividend included above)	<b>(5.6)</b> [2.5]	0.0 [3.3]	<b>(5.6)</b> [(0.8)]		<b>(6.5)</b> [2.2]	
(Foreign Exchange Gain/Loss included above)	<b>[(4.3)]</b>	[0.9]	<b>[(5.2)]</b>		<b>[(0.1)]</b>	
<b>Earnings Before Taxes</b>	<b>61.3</b>	78.5	<b>(17.2)</b>		90.5	
Income Taxes	<b>(20.1)</b>	<b>(27.7)</b>	<b>7.6</b>		<b>(30.5)</b>	
<b>Net Income</b>	<b>41.2</b>	50.8	<b>(9.6)</b>		60.0	
<b>Net Income Attributable to Owners of the Parent</b>	<b>26.1</b>	35.7	<b>(9.6)</b>	-27%	36.0	73%
Net Income Attributable to Non-Controlling Interests	<b>15.1</b>	15.1	<b>0.0</b>		24.0	
*Equity Income included	<b>4.0</b>	4.3	<b>(0.3)</b>			

# Consolidated Sales Revenue and Core Operating Income by Business Sub-Segment

		(Billions of Yen)			<Reference>
		FY2016 1Q	FY2015 1Q	Change	FY2016 1H Forecast (Announced on May 13)
<b>Total Consolidated</b>	Sales Revenue	829.4	928.0	(98.6)	1,750.0
	Core Operating Income	72.5	78.0	(5.5)	105.0
<b>Electronics Applications</b>	Sales Revenue	26.0	29.4	(3.4)	50.0
	Core Operating Income	(0.3)	(0.3)	0.0	(2.0)
Functional Products	Sales Revenue	135.2	142.0	(6.8)	282.0
	Core Operating Income	11.5	9.0	2.5 (a)	18.0
Performance Chemicals	Sales Revenue	62.1	59.8	2.3	125.0
	Core Operating Income	9.0	7.5	1.5 (b)	14.0
<b>Designed Materials</b>	Sales Revenue	197.3	201.8	(4.5)	407.0
	Core Operating Income	20.5	16.5	4.0	32.0
Pharmaceuticals	Sales Revenue	105.5	98.7	6.8	193.0
	Core Operating Income	29.0	25.2	3.8 (c)	38.0
Diagnostics, Clinical Testing and API	Sales Revenue	29.4	30.4	(1.0)	62.0
	Core Operating Income	0.1	1.9	(1.8) (d)	0.5
<b>Healthcare</b>	Sales Revenue	134.9	129.1	5.8	255.0
	Core Operating Income	29.1	27.1	2.0	38.5

\*1 All figures are approximation for reference purpose only.

**Major reasons for the change:**

- (a) Profit increased due to stronger sales of films for displays including *CLEARFIT* and a drop in raw material prices of films for food packing materials.
- (b) Profit increased due to higher sales of an optical PVOH film, *OPL film* and a drop in raw material prices.
- (c) Profit increased due to higher royalty revenues from out-licensing drugs and increased sales of priority products and vaccine business, although NHI drug price revisions had a negative impact on profitability.
- (d) Profit decreased due to lower sales of capsules, pharmaceutical equipment for capsules and tablets, and diagnostics reagents.

# Consolidated Sales Revenue and Core Operating Income by Business Sub-Segment (Continued)

		(Billions of Yen)			<Reference>
		FY2016 1Q	FY2015 1Q	Change	FY2016 1H Forecast (Announced on May 13)
Petrochemicals	Sales Revenue	87.9	125.2	(37.3)	207.0
	Core Operating Income	(0.3)	8.6	(8.9) (a)	(1.0)
Carbon	Sales Revenue	39.7	49.6	(9.9)	82.5
	Core Operating Income	(0.1)	2.7	(2.8) (b)	1.5
Industrial Gases	Sales Revenue	131.7	138.9	(7.2)	289.5
	Core Operating Income	11.5	10.4	1.1 (c)	23.0
<b>Chemicals</b>	Sales Revenue	259.3	313.7	(54.4)	579.0
	Core Operating Income	11.1	21.7	(10.6)	23.5
Polyolefins and Advanced Polymers	Sales Revenue	101.1	121.4	(20.3)	210.0
	Core Operating Income	6.0	7.4	(1.4) (d)	11.5
MMA Monomers and Polymers	Sales Revenue	68.9	85.3	(16.4)	150.0
	Core Operating Income	7.4	6.7	0.7 (e)	5.0
<b>Polymers</b>	Sales Revenue	170.0	206.7	(36.7)	360.0
	Core Operating Income	13.4	14.1	(0.7)	16.5
<b>Others</b>	Sales Revenue	41.9	47.3	(5.4)	99.0
	Core Operating Income	0.8	0.6	0.2	0.5
<b>Corporate</b>	Sales Revenue	0.0	0.0	0.0	0.0
	Core Operating Income	(2.1)	(1.7)	(0.4)	(4.0)

\*1 All figures are approximation for reference purpose only.

## Major reasons for the change:

- (a) Profit decreased due to worsening petrochemical market conditions compared to the strong market conditions in FY2015 1Q, a larger scale of scheduled maintenance and repairs, and an increase of inventory valuation loss.
- (b) Profit for coke decreased due to reduced margins in export
- (c) Profit increased due to lower costs accompanying a drop in crude oil prices and the impact of newly consolidated subsidiary for Australian business.
- (d) Profit decreased due to a larger scale of scheduled maintenance and repairs and deteriorating market conditions for the phenol and polycarbonate chain.
- (e) Profit increased due to a drop in raw material prices, etc.

		(Billions of Yen)		
		FY2016 1Q	FY2015 1Q	Change
Inventory valuation gain/loss				
Chemicals (Petrochemicals)		0.4	2.1	(1.7)
Chemicals (Carbon)		(0.3)	(0.2)	(0.1)
Polymers		(2.7)	(2.6)	(0.1)
Total		(2.6)	(0.7)	(1.9)

## Analysis of Core Operating Income

(Billions of Yen)

	FY2016 1Q	FY2015 1Q	Change				
				Price	Volume	Fixed Cost	Others *1
<b>Total Consolidated</b>	<b>72.5</b>	78.0	<b>(5.5)</b>	<b>(7.8)</b>	1.1	3.8	<b>(2.6)</b>
Electronics Applications	<b>(0.3)</b>	<b>(0.3)</b>	<b>0.0</b>	<b>(0.7)</b>	<b>(0.2)</b>	0.9	<b>0.0</b>
Designed Materials	<b>20.5</b>	16.5	<b>4.0</b>	0.2	3.2	0.9	<b>(0.3)</b>
Healthcare	<b>29.1</b>	27.1	<b>2.0</b>	<b>(3.7)</b>	4.4	1.1	<b>0.2</b>
Chemicals	<b>11.1</b>	21.7	<b>(10.6)</b>	<b>(4.4)</b>	<b>(5.6)</b>	0.5	<b>(1.1)</b>
Polymers	<b>13.4</b>	14.1	<b>(0.7)</b>	0.8	<b>(1.1)</b>	0.4	<b>(0.8)</b>
Others	<b>0.8</b>	0.6	<b>0.2</b>	0.0	0.4	0.0	<b>(0.2)</b>
Corporate	<b>(2.1)</b>	<b>(1.7)</b>	<b>(0.4)</b>	0.0	0.0	0.0	<b>(0.4)</b>

\*1 Including the impact of inventory valuation gain/loss and equity income, etc.

## Consolidated Special Items

(Billions of Yen)

	FY2016 1Q	FY2015 1Q	Change
<b>Total Special Items</b>	<b>(5.6)</b>	0.5	<b>(6.1)</b>
Losses during the break period of operation due to earthquake disaster	*1 <b>(1.9)</b>	-	<b>(1.9)</b>
Special retirement expenses	<b>(1.4)</b>	(0.0)	<b>(1.4)</b>
Impairment loss	<b>(0.9)</b>	(0.0)	<b>(0.9)</b>
Prior service cost	<b>(0.8)</b>	-	<b>(0.8)</b>
Gain on sale of property, plant and equipment	<b>0.6</b>	0.4	<b>0.2</b>
Gain on step acquisitions	<b>-</b>	1.9	<b>(1.9)</b>
Loss on sale of intercompany securities	<b>-</b>	(1.4)	<b>1.4</b>
Others	*1 <b>(1.2)</b>	(0.4)	<b>(0.8)</b>

\*1 Including the impact of Kumamoto earthquake-related losses (2.3 billion yen)

### [Special Items by Business Segment]

Electronics Applications	<b>(0.6)</b>	<b>(0.0)</b>	<b>(0.6)</b>
Designed Materials	*1 <b>(2.9)</b>	<b>(0.1)</b>	<b>(2.8)</b>
Healthcare	0.1	0.1	0.0
Chemicals	<b>(0.3)</b>	0.4	<b>(0.7)</b>
Polymers	<b>(1.9)</b>	<b>(0.3)</b>	<b>(1.6)</b>
Others	<b>-</b>	<b>-</b>	<b>-</b>
Corporate	<b>(0.0)</b>	0.4	<b>(0.4)</b>



# Consolidated Cash Flows

	Based on statements of cash flows		Adjusted cash flows*		<reference> Target for FY2016 Forecast (announced on May 13)
	FY2016 1Q	FY2015 1Q	FY2016 1Q	FY2015 1Q	
<b>Net cash provided by operating activities</b>	<b>99.3</b>	<b>(11.1)</b>	<b>99.3</b>	<b>86.1</b>	<b>340.0</b>
Income before income taxes	61.3	78.5	61.3	78.5	198.0
Depreciation and amortization	42.0	45.2	42.0	45.2	180.0
Change in operating receivables/payables	16.8	(50.3)	16.8	22.9	28.0
Change in Inventories	14.0	(1.0)	14.0	(1.0)	
Others	(34.8)	(83.5)	(34.8)	(59.5)	(66.0)
<b>Net cash used in investment activities</b>	<b>(23.3)</b>	<b>(12.5)</b>	<b>(50.0)</b>	<b>(42.0)</b>	<b>(240.0)</b>
Capital expenditure	(48.3)	(48.4)	(48.3)	(48.4)	(244.0)
Sale of assets	4.2	13.2	4.2	13.2	4.0
Investment and loans receivable, etc.	20.8	22.7	(5.9)	(6.8)	
<b>Free cash flow</b>	<b>76.0</b>	<b>(23.6)</b>	<b>49.3</b>	<b>44.1</b>	<b>100.0</b>
<b>Net cash used in financing activities</b>	<b>(43.2)</b>	<b>35.3</b>			
Interest bearing debts	(14.0)	58.2			
Dividends, etc.	(29.2)	(22.9)			
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>32.8</b>	<b>11.7</b>			
Effect of exchange rate changes and change in scope of consolidation	(11.8)	3.7			
<b>Cash and cash equivalents at the beginning of the period</b>	<b>267.1</b>	<b>252.7</b>			
<b>Cash and cash equivalents at the end of the period</b>	<b>288.1</b>	<b>268.1</b>			

(Billions of Yen)

<reference>

\*"Adjusted cash flows" are calculated by excluding the following items, for convenience.

[1Q of FY2016]

a) Cash flows from investment of surplus funds

[1Q of FY2015]

a) Cash flows from investment of surplus funds.

b) The impact of first-time adoption of IFRS regarding securitization.

Amounts of the influence	(Billions of Yen)
Increase of account receivables	(73.2)
Others	(24.0)
<b>CF for operating activities</b>	<b>(97.2)</b>
<b>CF for financing activities</b>	<b>97.2</b>
<b>Change in cash and cash equivalents</b>	<b>-</b>

# Consolidated Statement of Financial Positions

(Billions of Yen)

	Jun. 30, 2016	Mar. 31, 2016	Change
Cash and cash equivalents	288.1	267.1	21.0
Trade receivables	719.8	769.1	(49.3)
Inventories	521.5	549.5	(28.0)
Other current assets	252.1	271.0	(18.9)
<b>Total current assets</b>	<b>1,781.5</b>	<b>1,856.7</b>	<b>(75.2)</b>
Tangible and Intangible fixed assets	1,549.1	1,599.0	(49.9)
Goodwill	268.0	267.9	0.1
Investment and other non-current assets	480.9	500.2	(19.3)
<b>Total non-current assets</b>	<b>2,298.0</b>	<b>2,367.1</b>	<b>(69.1)</b>
<b>Total assets</b>	<b>4,079.5</b>	<b>4,223.8</b>	<b>(144.3)</b>

	Jun. 30, 2016	Mar. 31, 2016	Change
Interest-bearing debts	1,522.9	1,579.6	(56.7)
Trade payables	369.0	394.1	(25.1)
Other liabilities	635.1	653.9	(18.8)
<b>Total liabilities</b>	<b>2,527.0</b>	<b>2,627.6</b>	<b>(100.6)</b>
Shareholders' equity	974.6	962.2	12.4
Other components of equity	(29.5)	10.0	(39.5)
<b>Total equity attributable to owners of the parent</b>	<b>945.1</b>	<b>972.2</b>	<b>(27.1)</b>
Non-controlling interests	607.4	624.0	(16.6)
<b>Total equity</b>	<b>1,552.5</b>	<b>1,596.2</b>	<b>(43.7)</b>
<b>Total liabilities and equity</b>	<b>4,079.5</b>	<b>4,223.8</b>	<b>(144.3)</b>
Net interest-bearing debts (*1)	1,090.2	1,134.4	(44.2)
Net D/E ratio	1.15	1.17	(0.02)
Ratio of equity attributable to owners of the parent to total assets	23.1%	23.0%	0.1%

\*1. Net interest-bearing debts  
 = interest bearing debts (1,522.9 billion yen)  
 - {cash and cash equivalents (288.1 billion yen) + investments of surplus funds (144.6 billion yen)}

# References

# [FY2015 1Q (IFRS)]

## Consolidated Statements of Operations

(Billions of Yen)

	FY2015 1Q (J-GAAP)	FY2015 1Q (IFRS)		Difference
<b>Net Sales</b>	941.0	<b>928.0</b>	<b>Sales Revenue</b>	<b>(13.0)</b> *1
<b>Operating Income</b>	71.0	<b>78.0</b>	<b>Core Operating Income</b>	7.0 *2
	-	<b>78.5</b>	<b>Operating Income</b>	-
<b>Income Before Income Taxes</b>	75.2	<b>78.5</b>	<b>Earnings Before Taxes</b>	3.3 *3

\*1 Revenue decreased due to recognizing revenue at net for the amount of transaction acting as an agent.

\*2 Profit increased mainly due to non-amortization of goodwill.

\*3 Profit increased mainly due to non-amortization of goodwill.

# [FY2015 (IFRS)]

## Consolidated Statements of Operations

(Billions of Yen)

	FY2015 (J-GAAP)	FY2015 (IFRS)		Difference	
<b>Net Sales</b>	3,823.1	<b>3,672.3</b>	<b>Sales Revenue</b>	<b>(150.8)</b>	*1
<b>Operating Income</b>	280.0	<b>294.2</b>	<b>Core Operating Income</b>	14.2	*2
	-	<b>198.9</b>	<b>Operating Income</b>	-	
<b>Income Before Income Taxes</b>	198.2	<b>179.7</b>	<b>Earnings Before Taxes</b>	<b>(18.5)</b>	*3
<b>Net Income</b>	105.6	<b>104.9</b>	<b>Net Income</b>	<b>(0.7)</b>	
<b>Net Income Attributable to Shareholders of the Parent</b>	46.4	<b>51.4</b>	<b>Net Income Attributable to Onwers of the Parent</b>	5.0	

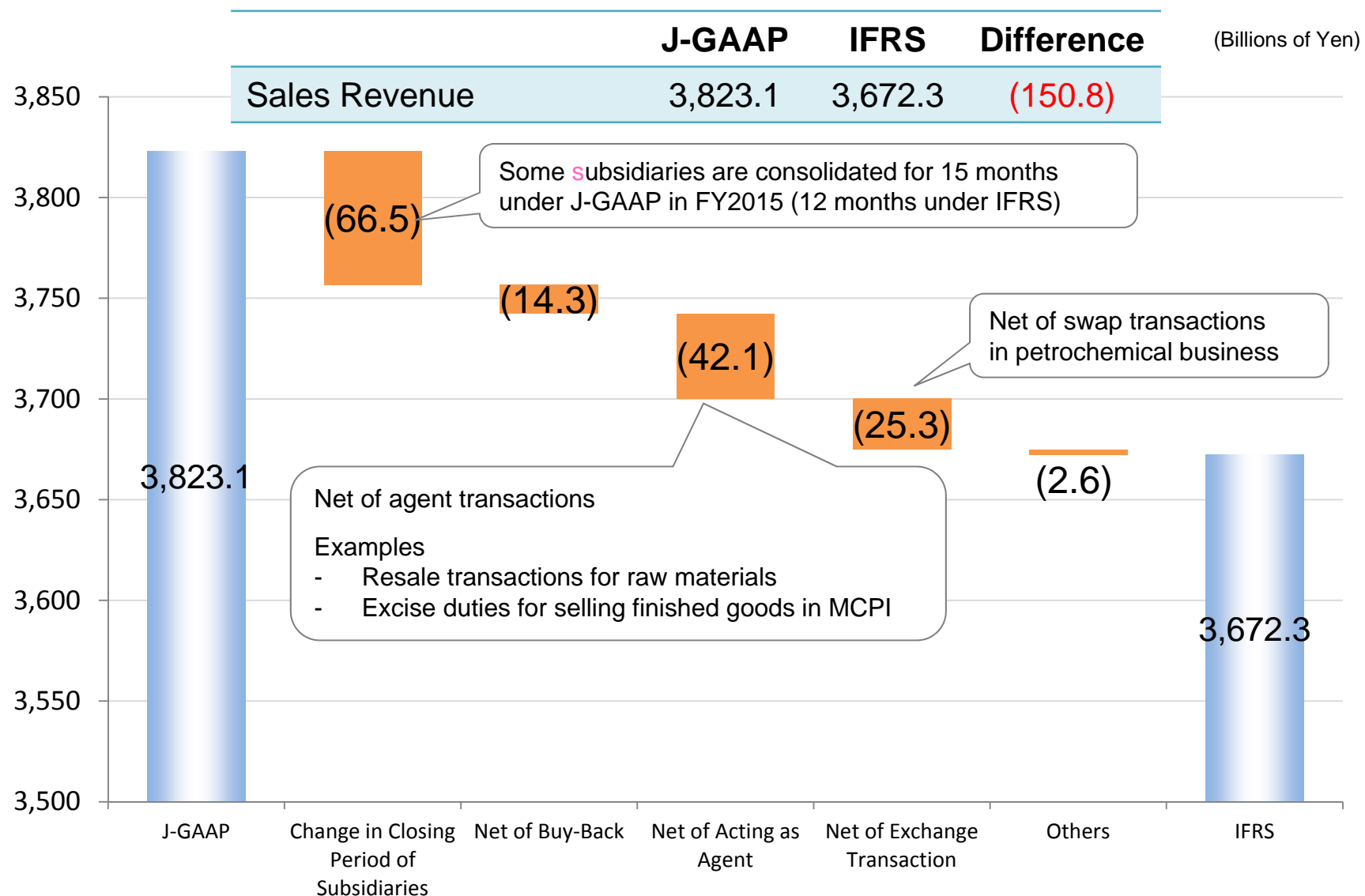
\*1 Revenue decreased due to the difference in some overseas subsidiaries' accounting periods.

\*2 Profit increased mainly due to non-amortization of goodwill.

\*3 Profit decreased mainly due to recognizing "gain on sales of investment securities" in other comprehensive income.

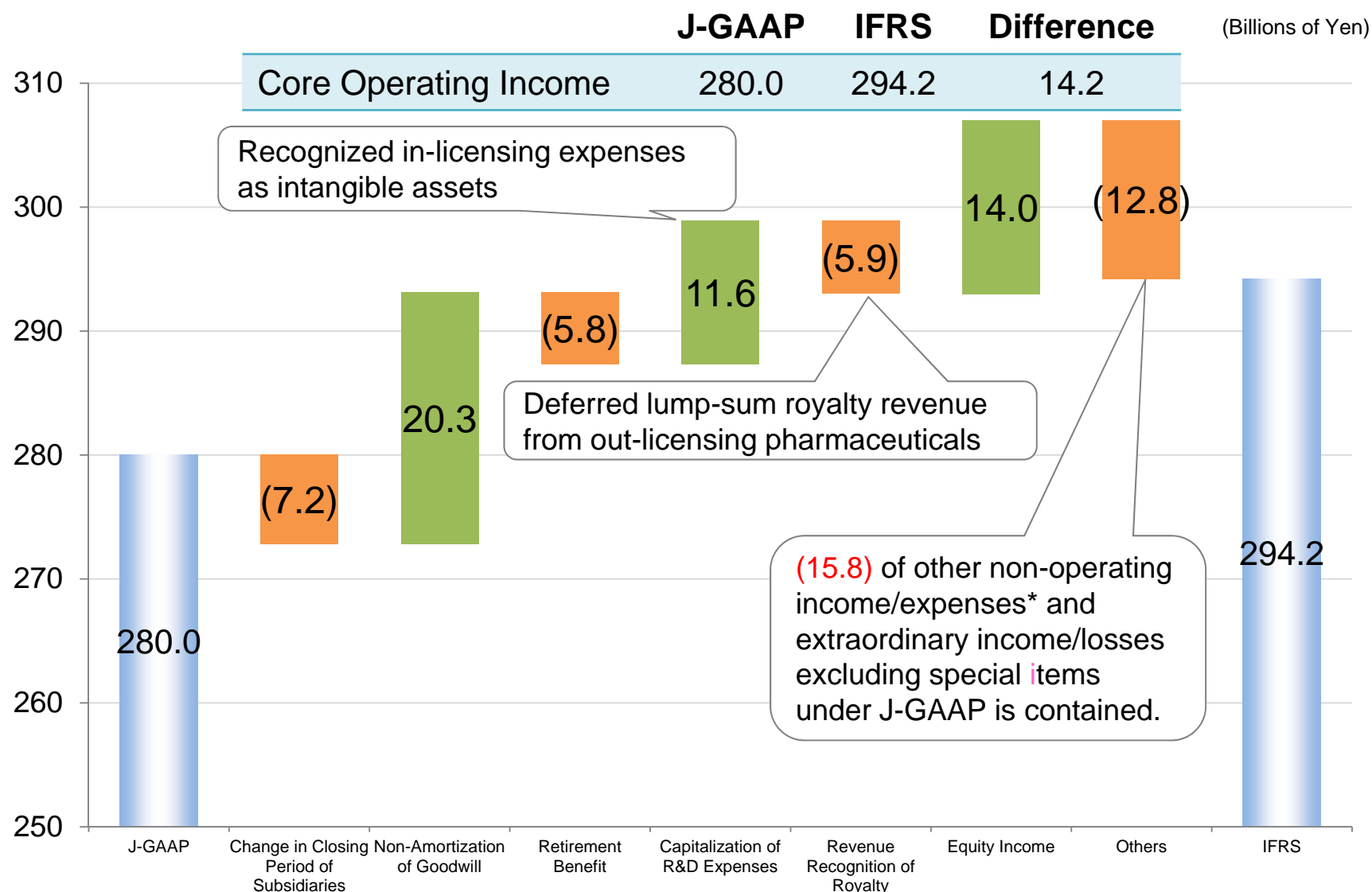
# [FY2015 (IFRS)]

## Difference in Sales Revenue (J-GAAP vs. IFRS)



[FY2015 (IFRS)]

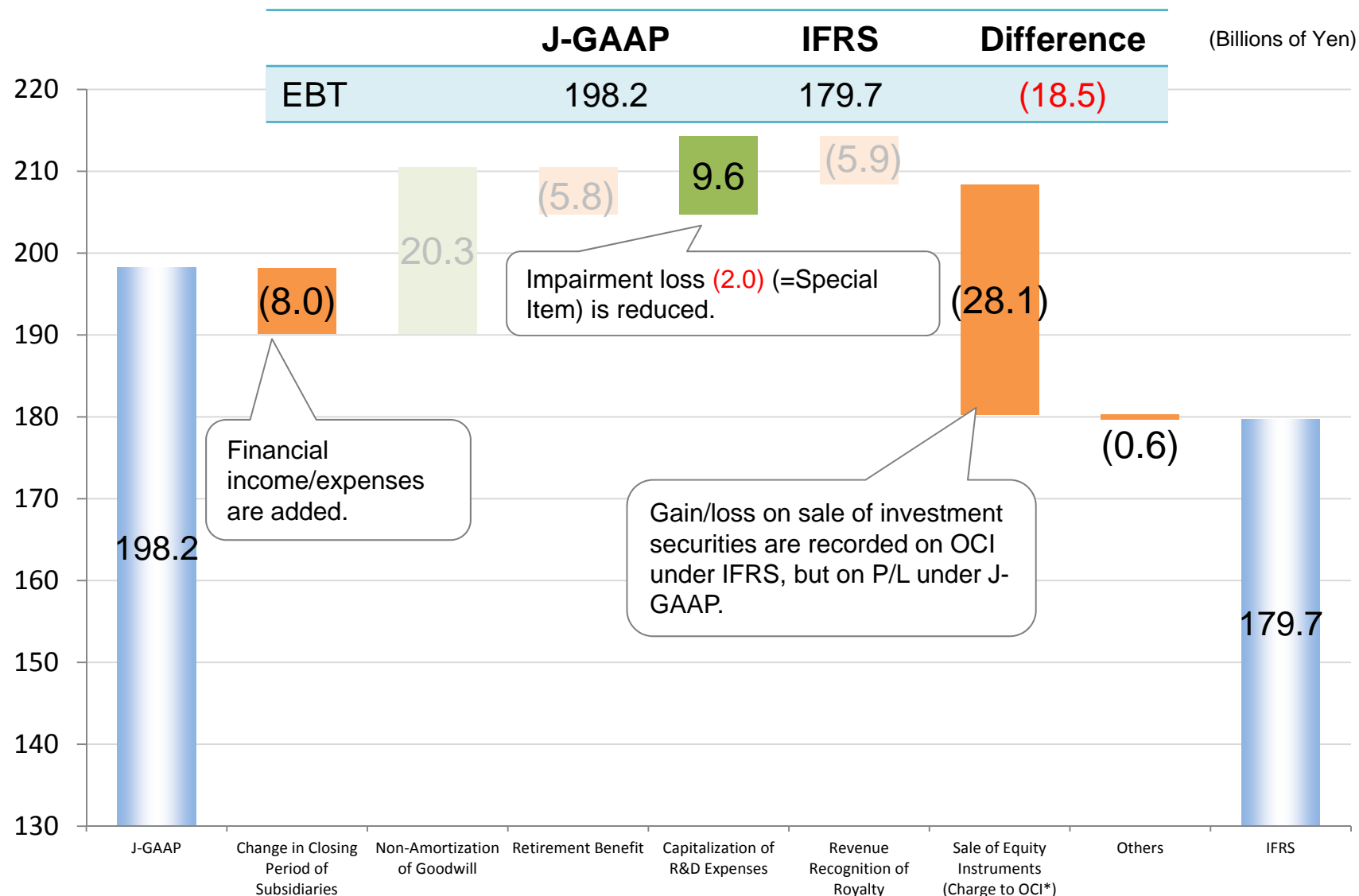
Difference in Core Operating Income (J-GAAP vs. IFRS)



\*Other non-operating income/expenses : Non-operating income/expenses excluding financial income/expenses and equity income.

# [FY2015 (IFRS)]

## Difference in Earnings Before Taxes (J-GAAP vs. IFRS)



\*OCI: Other comprehensive income (Including income counted as other components of equity)



# [FY2015 (IFRS)]

## Consolidated Sales Revenue and Core Operating Income by Business Sub-Segment

		(Billions of Yen)			Factors of Difference		
		FY2015 (J-GAAP)	FY2015 (IFRS)	Difference	Non- Amortization of Goodwill	Equity Income	Others
Total Consolidated	Sales Revenue	3,823.1	3,672.3	(150.8)			
	Segment Profit	280.0	294.2	14.2	20.3	14.0	(20.1)
Electronics Applications	Sales Revenue	115.6	115.7	0.1			
	Segment Profit	(1.0)	(1.0)	-	-	(0.1)	0.1
Functional Products	Sales Revenue	602.7	580.8	(21.9)			
	Segment Profit	44.4	43.3	(1.1)	3.6	0.2	(4.9)
Performance Chemicals	Sales Revenue	249.9	244.8	(5.1)			
	Segment Profit	31.3	31.7	0.4	1.3	0.6	(1.5)
Designed Materials	Sales Revenue	852.6	825.6	(27.0)			
	Segment Profit	75.7	75.0	(0.7)	4.9	0.8	(6.4)
Pharmaceuticals	Sales Revenue	431.6	425.7	(5.9)			
	Segment Profit	99.3	107.0	7.7	6.1	-	1.6
Diagnostics, Clinical Testing and API	Sales Revenue	122.5	122.7	0.2			
	Segment Profit	4.1	5.2	1.1	1.6	-	(0.5)
Healthcare	Sales Revenue	554.1	548.4	(5.7)			
	Segment Profit	103.4	112.2	8.8	7.8	-	1.0

# [FY2015 (IFRS)]

## Consolidated Sales Revenue Core Operating Income by Business Sub-Segment (Continued)

		(Billions of Yen)			Factors of Difference		
		FY2015 (J-GAAP)	FY2015 (IFRS)	Difference	Non- Amortization of Goodwill	Equity Income	Others
Petrochemicals	Sales Revenue	503.8	440.2	(63.6)			
	Segment Profit	6.6	1.8	(4.8)	-	1.4	(6.2)
Carbon	Sales Revenue	183.1	183.2	0.1			
	Segment Profit	6.5	4.9	(1.6)	-	-	(1.6)
Industrial Gases	Sales Revenue	634.2	587.1	(47.1)			
	Segment Profit	44.2	44.8	0.6	4.9	2.5	(6.8)
Chemicals	Sales Revenue	1,321.1	1,210.5	(110.6)			
	Segment Profit	57.3	51.5	(5.8)	4.9	3.9	(14.6)
Polyolefins and Advanced Polymers	Sales Revenue	460.7	460.5	(0.2)			
	Segment Profit	30.0	36.4	6.4	0.3	5.6	0.5
MMA Monomers and Polymers	Sales Revenue	313.0	305.8	(7.2)			
	Segment Profit	13.3	20.0	6.7	2.4	3.8	0.5
Polymers	Sales Revenue	773.7	766.3	(7.4)			
	Segment Profit	43.3	56.4	13.1	2.7	9.4	1.0
Others	Sales Revenue	206.0	205.8	(0.2)			
	Segment Profit	7.3	7.1	(0.2)	-	-	(0.2)
Corporate	Sales Revenue	-	-	-			
	Segment Profit	(6.0)	(7.0)	(1.0)	-	-	(1.0)

# [FY2016 Forecast (IFRS)]

## Consolidated Statements of Operations

Exchange Rate (¥/\$)	110.0	110.0	110.0	120.2	(10.2)
Naphtha Price (¥/kl)	37,000	37,000	37,000	42,800	(5800.0)

(Billions of Yen)

	1H	2H	FY2016 Forecast (IFRS)	FY2015 Actual (IFRS)	Change
<b>Sales Revenue</b>	1,750.0	1,850.0	<b>3,600.0</b>	3,672.3	<b>(72.3)</b>
<b>Core Operating Income</b>	105.0	130.0	<b>235.0</b>	294.2	<b>(59.2)</b>
Special Items	(8.0)	(16.0)	<b>(24.0)</b>	(95.3)	<b>71.3</b>
<b>Operating Income</b>	97.0	114.0	<b>211.0</b>	198.9	<b>12.1</b>
Financial Income/Expenses	(6.5)	(6.5)	<b>(13.0)</b>	(19.2)	<b>6.2</b>
<b>Earnings Before Taxes</b>	90.5	107.5	<b>198.0</b>	179.7	<b>18.3</b>
Income Taxes	(30.5)	(36.0)	<b>(66.5)</b>	(74.8)	<b>8.3</b>
<b>Net Income</b>	60.0	71.5	<b>131.5</b>	104.9	<b>26.6</b>
<b>Net Income Attributable to Owners of the Parent</b>	36.0	44.0	<b>80.0</b>	51.4	<b>28.6</b>
Net Income Attributable to Non-Controlling Interests	24.0	27.5	<b>51.5</b>	53.5	<b>(2.0)</b>

# [FY2016 Forecast (IFRS)]

## Consolidated Sales Revenue and Core Operating Income by Business Sub-Segment

(Billions of Yen)

		1H	2H	FY2016 Forecast (IFRS)	FY2015 Actual (IFRS)	Change
<b>Total Consolidated</b>	Sales Revenue	1,750.0	1,850.0	<b>3,600.0</b>	3,672.3	(72.3)
	Core Operating Income	<b>105.0</b>	<b>130.0</b>	<b>235.0</b>	<b>294.2</b>	<b>(59.2)</b>
<b>Electronics Applications</b>	Sales Revenue	50.0	55.0	<b>105.0</b>	115.7	(10.7)
	Core Operating Income	<b>(2.0)</b>	<b>0.0</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>
Functional Products	Sales Revenue	282.0	298.0	<b>580.0</b>	580.8	(0.8)
	Core Operating Income	<b>18.0</b>	<b>22.0</b>	<b>40.0</b>	<b>43.3</b>	<b>(3.3)</b>
Performance Chemicals	Sales Revenue	125.0	130.0	<b>255.0</b>	244.8	10.2
	Core Operating Income	<b>14.0</b>	<b>13.0</b>	<b>27.0</b>	<b>31.7</b>	<b>(4.7)</b>
<b>Designed Materials</b>	Sales Revenue	407.0	428.0	<b>835.0</b>	825.6	9.4
	Core Operating Income	<b>32.0</b>	<b>35.0</b>	<b>67.0</b>	<b>75.0</b>	<b>(8.0)</b>
Pharmaceuticals	Sales Revenue	193.0	213.5	<b>406.5</b>	425.7	(19.2)
	Core Operating Income	<b>38.0</b>	<b>39.0</b>	<b>77.0</b>	<b>107.0</b>	<b>(30.0)</b>
Diagnostics, Clinical Testing and API	Sales Revenue	62.0	66.5	<b>128.5</b>	122.7	5.8
	Core Operating Income	<b>0.5</b>	<b>4.5</b>	<b>5.0</b>	<b>5.2</b>	<b>(0.2)</b>
<b>Healthcare</b>	Sales Revenue	255.0	280.0	<b>535.0</b>	548.4	(13.4)
	Core Operating Income	<b>38.5</b>	<b>43.5</b>	<b>82.0</b>	<b>112.2</b>	<b>(30.2)</b>

# [FY2016 Forecast (IFRS)]

## Consolidated Sales Revenue and Core Operating Income by Business Sub-Segment (Continued)

(Billions of Yen)

		1H	2H	FY2016 Forecast (IFRS)	FY2015 Actual (IFRS)	Change
Petrochemicals	Sales Revenue	207.0	213.0	<b>420.0</b>	440.2	(20.2)
	Core Operating Income	<b>(1.0)</b>	<b>2.0</b>	<b>1.0</b>	<b>1.8</b>	<b>(0.8)</b>
Carbon	Sales Revenue	82.5	79.5	<b>162.0</b>	183.2	(21.2)
	Core Operating Income	<b>1.5</b>	<b>1.5</b>	<b>3.0</b>	<b>4.9</b>	<b>(1.9)</b>
Industrial Gases	Sales Revenue	289.5	313.5	<b>603.0</b>	587.1	15.9
	Core Operating Income	<b>23.0</b>	<b>26.5</b>	<b>49.5</b>	<b>44.8</b>	<b>4.7</b>
<b>Chemicals</b>	Sales Revenue	579.0	606.0	<b>1,185.0</b>	1,210.5	(25.5)
	Core Operating Income	<b>23.5</b>	<b>30.0</b>	<b>53.5</b>	<b>51.5</b>	<b>2.0</b>
Polyolefins and Advanced Polymers	Sales Revenue	210.0	220.0	<b>430.0</b>	460.5	(30.5)
	Core Operating Income	<b>11.5</b>	<b>15.5</b>	<b>27.0</b>	<b>36.4</b>	<b>(9.4)</b>
MMA Monomers and Polymers	Sales Revenue	150.0	150.0	<b>300.0</b>	305.8	(5.8)
	Core Operating Income	<b>5.0</b>	<b>6.0</b>	<b>11.0</b>	<b>20.0</b>	<b>(9.0)</b>
<b>Polymers</b>	Sales Revenue	360.0	370.0	<b>730.0</b>	766.3	(36.3)
	Core Operating Income	<b>16.5</b>	<b>21.5</b>	<b>38.0</b>	<b>56.4</b>	<b>(18.4)</b>
<b>Others</b>	Sales Revenue	99.0	111.0	<b>210.0</b>	205.8	4.2
	Core Operating Income	<b>0.5</b>	<b>4.0</b>	<b>4.5</b>	<b>7.1</b>	<b>(2.6)</b>
<b>Corporate</b>	Sales Revenue	0.0	0.0	<b>0.0</b>	0.0	0.0
	Core Operating Income	<b>(4.0)</b>	<b>(4.0)</b>	<b>(8.0)</b>	<b>(7.0)</b>	<b>(1.0)</b>

# [FY2015 (IFRS)]

## Consolidated Statement of Financial Positions (Mar. 31, 2016)

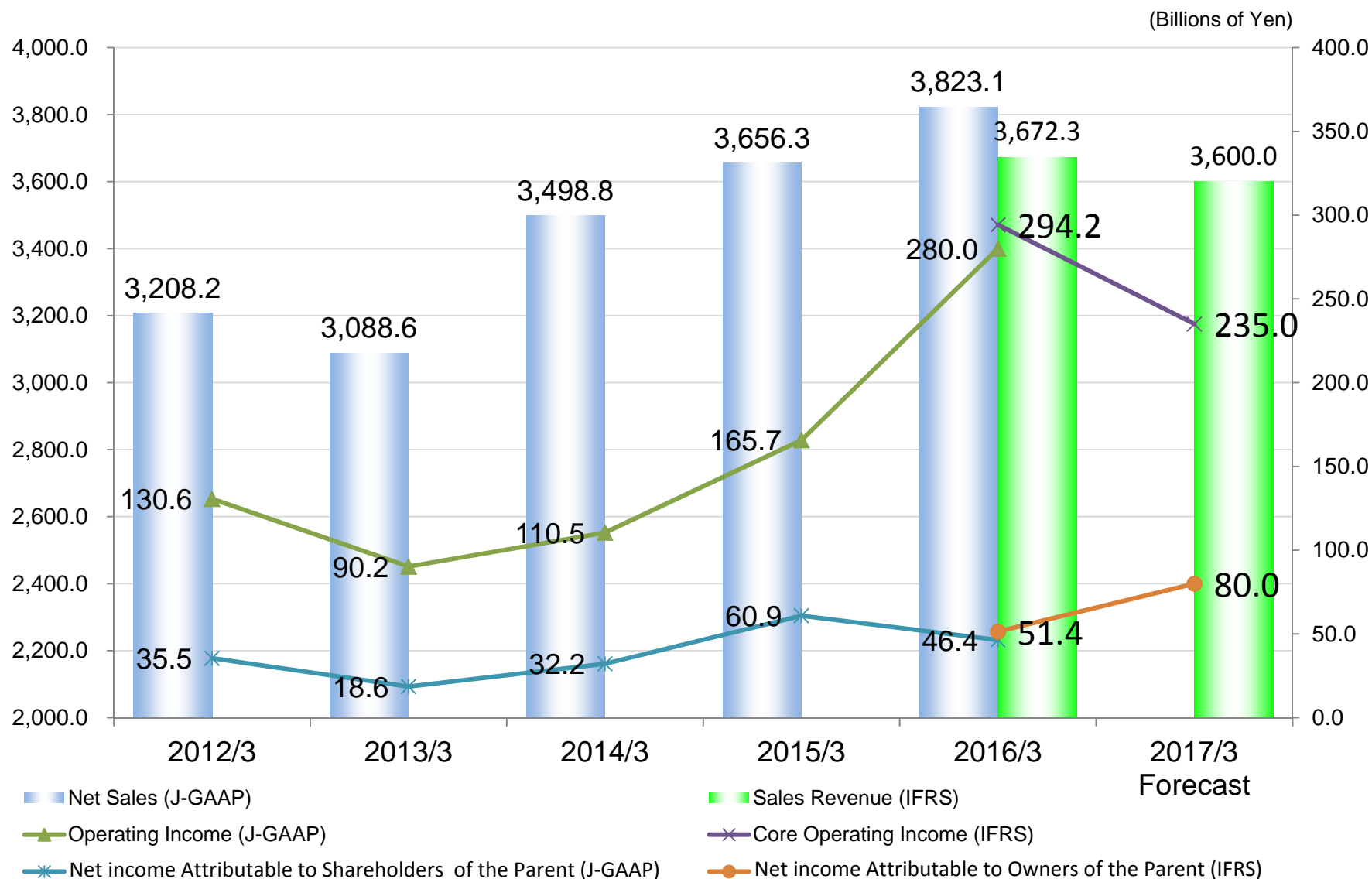
(Billions of Yen)

	Mar. 31, 2016 (J-GAAP)	Mar. 31, 2016 (IFRS)	Difference		Mar. 31, 2016 (J-GAAP)	Mar. 31, 2016 (IFRS)	Difference
Cash and cash equivalents	314.8	267.1	(47.7)	Interest-bearing debts	1,465.8	1,579.6	113.8
Trade receivables	704.0	769.1	65.1	Trade payable	408.3	394.1	(14.2)
Inventories	547.8	549.5	1.7	Other liabilities	633.0	653.9	20.9
Other current assets	250.9	271.0	20.1	Total liabilities	2,507.1	2,627.6	120.5
Total current assets	1,817.5	1,856.7	39.2	Shareholders equity	900.2	961.7	61.5
Fixed assets	1,561.6	1,599.0	37.4	Other components of equity	32.0	10.5	(21.5)
Goodwill	248.2	267.9	19.7	Total equity attributable to owners of the parent	932.2	972.2	40.0
Investment and other non-current assets	434.3	500.2	65.9	Non-controlling interests	622.3	624.0	1.7
Total non-current assets	2,244.1	2,367.1	123.0	Total equity	1,554.5	1,596.2	*2 41.7
Total assets	4,061.6	4,223.8	*1 162.2	Total liabilities and equity	4,061.6	4,223.8	162.2
				Ratio of equity attributable to owners of the parent to total assets	22.9%	23.0%	0.1%
				Net D/E ratio	1.10	1.17	0.07

1) Increased mainly due to on-balance of receivables securitized, fair value of shares in unlisted companies and newly applied equity method for SPDC.

2) Increased mainly due to fair value of shares in unlisted companies and newly applied equity method for SPDC.

# Trend of Performance



# [FY2015 Quarterly Data (IFRS)]

## Consolidated Statements of Operations

(Billions of Yen)

	1Q	2Q	1H	3Q	4Q	2H	FY2015 (IFRS)
<b>Sales Revenue</b>	928.0	917.5	<b>1,845.5</b>	941.0	885.8	<b>1,826.8</b>	<b>3,672.3</b>
<b>Core Operating Income*</b>	78.0	71.7	<b>149.7</b>	93.3	51.2	<b>144.5</b>	<b>294.2</b>
Special Items	0.5	(0.7)	(0.2)	(82.3)	(12.8)	(95.1)	(95.3)
<b>Operating Income</b>	78.5	71.0	<b>149.5</b>	11.0	38.4	<b>49.4</b>	<b>198.9</b>
Financial Income/Expenses	0.0	(7.4)	(7.4)	(3.4)	(8.4)	(11.8)	(19.2)
(Dividend included above)	[3.3]	[0.2]	[3.5]	[1.9]	[0.1]	[2.0]	[5.5]
(Foreign Exchange Gain/Loss included above)	[0.9]	[(3.5)]	[(2.6)]	[(1.0)]	[(4.4)]	[(5.4)]	[(8.0)]
<b>Earnings Before Taxes</b>	78.5	63.6	<b>142.1</b>	7.6	30.0	<b>37.6</b>	<b>179.7</b>
Income Taxes	(27.7)	(17.7)	(45.4)	(23.5)	(5.9)	(29.5)	(74.8)
<b>Net Income</b>	50.8	45.9	<b>96.7</b>	(15.9)	24.1	<b>8.2</b>	<b>104.9</b>
<b>Net Income Attributable to Owners of the Parent</b>	35.7	32.1	<b>67.8</b>	(34.0)	17.6	(16.4)	<b>51.4</b>
Net Income Attributable to Non-Controlling Interests	15.1	13.8	<b>28.9</b>	18.1	6.5	<b>24.6</b>	<b>53.5</b>
*Equity income included	4.3	3.7	<b>8.0</b>	2.8	3.2	<b>6.0</b>	<b>14.0</b>



# [FY2015 Quarterly Data (IFRS)]

## Consolidated Sales Revenue and Core Operating Income by Business Sub-Segment

(Billions of Yen)

		1Q	2Q	1H	3Q	4Q	2H	FY2015 (IFRS)
Total Consolidated	Sales Revenue	928.0	917.5	1,845.5	941.0	885.8	1,826.8	3,672.3
	Segment Profit	78.0	71.7	149.7	93.3	51.2	144.5	294.2
Electronics Applications	Sales Revenue	29.4	29.0	58.4	28.9	28.4	57.3	115.7
	Segment Profit	(0.3)	0.9	0.6	(0.2)	(1.4)	(1.6)	(1.0)
Functional Products	Sales Revenue	142.0	146.1	288.1	149.2	143.5	292.7	580.8
	Segment Profit	9.0	12.0	21.0	13.1	9.2	22.3	43.3
Performance Chemicals	Sales Revenue	59.8	60.6	120.4	61.7	62.7	124.4	244.8
	Segment Profit	7.5	8.1	15.6	8.7	7.4	16.1	31.7
Designed Materials	Sales Revenue	201.8	206.7	408.5	210.9	206.2	417.1	825.6
	Segment Profit	16.5	20.1	36.6	21.8	16.6	38.4	75.0
Pharmaceuticals	Sales Revenue	98.7	103.3	202.0	132.5	91.2	223.7	425.7
	Segment Profit	25.2	24.5	49.7	45.6	11.7	57.3	107.0
Diagnostics, Clinical Testing and API	Sales Revenue	30.4	29.8	60.2	30.8	31.7	62.5	122.7
	Segment Profit	1.9	0.4	2.3	2.0	0.9	2.9	5.2
Healthcare	Sales Revenue	129.1	133.1	262.2	163.3	122.9	286.2	548.4
	Segment Profit	27.1	24.9	52.0	47.6	12.6	60.2	112.2

# [FY2015 Quarterly Data (IFRS)]

## Consolidated Sales Revenue and Core Operating Income by Business Sub-Segment (Continued)

(Billions of Yen)

		1Q	2Q	1H	3Q	4Q	2H	FY2015 (IFRS)
Petrochemicals	Sales Revenue	125.2	113.2	238.4	112.8	89.0	201.8	440.2
	Segment Profit	8.6	(2.3)	6.3	(1.5)	(3.0)	(4.5)	1.8
Carbon	Sales Revenue	49.6	45.7	95.3	45.2	42.7	87.9	183.2
	Segment Profit	2.7	1.4	4.1	1.7	(0.9)	0.8	4.9
Industrial Gases	Sales Revenue	138.9	141.8	280.7	146.0	160.4	306.4	587.1
	Segment Profit	10.4	10.6	21.0	13.6	10.2	23.8	44.8
Chemicals	Sales Revenue	313.7	300.7	614.4	304.0	292.1	596.1	1,210.5
	Segment Profit	21.7	9.7	31.4	13.8	6.3	20.1	51.5
Polyolefins and Advanced Polymers	Sales Revenue	121.4	113.8	235.2	112.5	112.8	225.3	460.5
	Segment Profit	7.4	8.8	16.2	9.0	11.2	20.2	36.4
MMA Monomers and Polymers	Sales Revenue	85.3	81.5	166.8	70.6	68.4	139.0	305.8
	Segment Profit	6.7	7.1	13.8	1.0	5.2	6.2	20.0
Polymers	Sales Revenue	206.7	195.3	402.0	183.1	181.2	364.3	766.3
	Segment Profit	14.1	15.9	30.0	10.0	16.4	26.4	56.4
Others	Sales Revenue	47.3	52.7	100.0	50.8	55.0	105.8	205.8
	Segment Profit	0.6	2.4	3.0	1.5	2.6	4.1	7.1
Corporate	Sales Revenue	-	-	-	-	-	-	-
	Segment Profit	(1.7)	(2.2)	(3.9)	(1.2)	(1.9)	(3.1)	(7.0)

## [FY2015 Quarterly Data (IFRS)] Consolidated Special Items

(Billions of Yen)

					FY2015
	1Q	2Q	3Q	4Q	(IFRS)
<b>Total Special Items</b>	<b>0.5</b>	<b>(0.7)</b>	<b>(82.3)</b>	<b>(12.8)</b>	<b>(95.3)</b>
Gain on sale of property, plant and equipment	0.4	0.6	2.2	0.3	3.5
Gain on step acquisitions	1.9				1.9
Impairment loss	(0.0)	(2.6)	(67.2)	(7.5)	(77.3)
Special retirement expences	(0.0)		(15.1)	(0.4)	(15.5)
Loss on sale of intercompany securities	(1.4)				(1.4)
Others	(0.4)	1.3	(2.2)	(5.2)	(6.5)

### 【Special Items by Business Segment】

Electronics Applications		(2.0)	(0.3)	(0.9)	(3.2)
Designed Materials	(0.1)	1.5	(2.7)		(1.3)
Healthcare	0.1	(0.5)	(15.5)	(9.3)	(25.2)
Chemicals	0.4		(62.2)	(0.8)	(62.6)
Polymers	(0.3)	0.3	(1.6)	(1.8)	(3.4)
Others					
Corporate	0.4				0.4

The forward-looking statements are based largely on company expectations and information available as of the date hereof, and are subject to risks and uncertainties, which may be beyond company control.

Actual results could differ materially due to numerous factors, including without limitation, marketing conditions and the effects of industry competition.