SHOWA DENKO K. K.

Consolidated Financial Statements

For the first quarter ended March 31, 2016

May 10th, 2016

Ⅰ. Consolidated Financial Results

(1) Results of operations:

(¥ in millions, US$ in thousands, except for profit attributable to owners of parent per share)

	Results for the first quarter (Jan.1–Mar.31)			
	2015	**2016**	Increase (Decrease)	**2016**
	¥	¥	%	$
Net sales	193,171	**157,425**	(18.5)	**1,397,096**
Operating income	3,853	**2,862**	(25.7)	**25,404**
Ordinary income	2,754	**1,427**	(48.2)	**12,669**
Profit attributable to owners of parent	(7,526)	**660**	—	**5,860**
Profit attributable to owners of parent per share: Basic	(5.27)	**0.46**	—	**0.00**
Profit attributable to owners of parent per share: Diluted	—	**—**	—	**—**

Notes
Important changes in accounting policies : applicable
Comprehensive income :
Results for the year ended March 31,2016 ¥-9,383million
Results for the year ended March 31,2015 ¥-5,169million

(2) Financial position:

(¥ in millions, US$ in thousands, except for stockholders' equity ratio)

	Dec.31, 2015	**Mar.31, 2016**	**Mar.31, 2016**
	¥	¥	$
Total assets	941,314	**910,835**	**8,083,378**
Total equity	309,774	**295,904**	**2,626,056**
	%	**%**	**%**
Stockholders' equity ratio	31.6	**31.1**	**31.1**

(3) Dividends:

	2015	**2016 Forecast**
Q1 dividends per share (¥)	—	**—**
Q2 dividends per share (¥)	0.00	**0.00**
Q3 dividends per share (¥)	—	**—**
End of Term dividends per share (¥)	3.00	**3.00**
Annual dividends per share (¥)	3.00	**3.00**

SDK will consolidate every ten shares of its common stock into one share on July 1, 2016. However, the above numbers are calculated on the basis of the number of outstanding shares before this consolidation.

Ⅱ. Forecast of performance for the year ending December 31, 2016

(¥ in millions, US$ in thousands, except for profit attributable to owners of parent per share)

	1st half		fiscal year	
	¥	$	¥	$
Net sales	360,000	3,194,888	765,000	6,789,137
Operating income	10,000	88,747	36,000	319,489
Ordinary income	7,500	66,560	31,000	275,115
Profit attributable to owners of parent	2,000	17,749	20,000	177,494
Profit attributable to owners of parent per share: Basic	1.40	0.01	14.00	0.12

*The above forecast was announced on February 10, 2016.
The above forecast is based on the information available at this point of time. Actual results may differ materially due to a variety of reasons, including such economic factors as fluctuations in foreign currency exchange rates as well as market supply and demand conditions.
SDK will consolidate every ten shares of its common stock into one share on July 1, 2016. However, the profit attributable to owners of parent per share is calculated on the basis of the number of outstanding shares before this consolidation.

Note
The U.S. dollar is valued at ¥112.68 throughout this statement for convenience only.

[Business Results and Financial Conditions]
1. Analysis of business results

(1) Summary

During the first quarter of 2016 (January 1 – March 31), the Japanese economy continued to be at a standstill, due partly to bearish tendencies in export and production, and sluggish consumer spending, though there was an improvement in the employment situation. Corporate earnings remained strong. However, increasing number of companies, centering on manufacturing industry, expressed cautious business confidence due partly to a rise in the value of the yen. As for overseas economies, the US economy maintained gradual recovery, though there was partial sluggishness. As for the European economy, despite some risk factors including terrorist incidents and refugee issues, there was gradual economic recovery in Germany and the United Kingdom. China continued showing gradual business slowdown. Though the economies of ASEAN countries showed signs of recovery, there was business slowdown in resource-producing countries and emerging countries including Russia and Brazil.

In the petrochemical industry, though prices of products including olefins continued to be influenced by low crude-oil prices, operating rates at domestic petrochemical plants maintained high levels due to strong demand for petrochemical products in Asia. On the other hand, in the electronic parts/materials industry, domestic and overseas production of semiconductors slightly decreased due to a falling tendency in the production of PCs and smartphones.

Under these circumstances, the Showa Denko Group formulated its new medium-term consolidated business plan “Project 2020+” and started it this quarter. Under this new business plan, in order to achieve continuous growth of the Showa Denko Group, we will expand and strengthen our “individualized businesses,” reform our business structure, and strengthen our revenue base, thereby enhancing our corporate value.

The Group recorded consolidated net sales of ¥157,425 million in the first quarter of 2016, down 18.5% from the same period of the previous year. Sales decreased in all segments including the Petrochemicals segment where sales significantly decreased due to a fall in prices of products resulting from a decline in raw naphtha price. Operating income of the Group decreased 25.7%, to ¥2,862 million. The Petrochemicals segment recorded higher income due to an improvement in its profit margin. The Chemicals, Aluminum and Others segments also recorded higher income. However, the Electronics segment recorded lower income due to lower shipment volumes of HD media. The Inorganics segment also recorded lower income. The Group recorded ordinary income of ¥1,427 million, down 48.2%. The Group posted profit attributable to owners of the parent of ¥660 million in the first quarter of 2016, an improvement of ¥8,186 million from the same period of the previous year, due to a significant decrease in extraordinary loss.

(Unit: millions of yen)

	1Q 2015	1Q 2016	Increase/decrease
Sales	193,171	157,425	-35,746
Operating income	3,853	2,862	-991
Ordinary income	2,754	1,427	-1,327
Profit attributable to owners of the parent	-7,526	660	8,186

(2) A breakdown of net sales and operating income by segment (January 1 – March 31, 2016)

[Petrochemicals segment]
In the petrochemicals segment, sales decreased 24.8%, to ¥42,943 million. Production of ethylene and propylene slightly decreased from the same period of the previous year due to coinciding periodic shutdown maintenance of plants to produce derivatives in Oita Complex. As a result, shipment volumes of olefins slightly decreased. In addition, prices of olefin products plummeted due to a sharp drop in raw naphtha price. Thus, sales of olefins decreased. Sales of organic chemicals also decreased due partly to periodic shutdown maintenance of our ethyl acetate plant. The segment recorded operating income of ¥1,512 million, up ¥3,257 million, due mainly to an improvement in its profit margin.

(Unit: millions of yen)

	1Q 2015	1Q 2016	Increase/decrease
Sales	57,119	42,943	-14,176
Operating income	-1,745	1,512	3,257

[Chemicals segment]
In the Chemicals segment, sales decreased 7.5%, to ¥32,142 million. Production of liquefied ammonia and high-purity gases for electronics increased from the same period of the previous year. In the basic chemicals business, sales of chloroprene rubber decreased due to lower shipment volumes to Asia, despite steady increase in shipment volumes to the United States. Sales of acrylonitrile decreased following a fall in market price. Sales of liquefied ammonia were at the same level as the previous year. Sales of functional chemicals decreased due to the transfer of our phenolic resin business to another company. Sales of industrial gases slightly decreased. Sales of electronic chemicals increased due to higher shipment volumes of high purity gases for electronics. Operating income of the segment rose 18.7%, to ¥2,543 million due partly to a switch in raw materials to produce ammonia.

(Unit: millions of yen)

	1Q 2015	1Q 2016	Increase/decrease
Sales	34,753	32,142	-2,611
Operating income	2,142	2,543	401

[Electronics segment]
In the Electronics segment, sales decreased 32.5%, to ¥22,263 million. Production of HD media in the first quarter decreased from the same period of the previous year due to lower shipment volumes for use in PCs. Thus, sales of HD media decreased. Sales of rare earth magnetic alloys and compound semiconductors also decreased. Operating income of the segment decreased 68.7%, to ¥1,696 million.

(Unit: millions of yen)

	1Q 2015	1Q 2016	Increase/decrease
Sales	32,966	22,263	-10,704
Operating income	5,427	1,696	-3,730

[Inorganics segment]
In the Inorganics segment, sales decreased 21.3%, to ¥12,358 million. Production of graphite electrodes decreased from the same period of the previous year. Sales of graphite electrodes decreased due to a decline in market prices resulting from the

adjustment of production in the steel industry of Asia and the United States under the influence of overproduction in China, in addition to the decrease in production volumes. Sales of ceramics decreased due to a decline in shipment volumes. The segment recorded an operating loss of ¥1,961 million, a deterioration of ¥1,675 million.

(Unit: millions of yen)

	1Q 2015	1Q 2016	Increase/decrease
Sales	15,693	12,358	-3,335
Operating income	-287	-1,961	-1,675

[Aluminum segment]
In the Aluminum segment, sales decreased 4.8%, to ¥21,976 million. Production of high-purity foil for aluminum electrolytic capacitors increased from the same period of the previous year. Therefore, shipment volumes and sales of rolled products increased. Sales of aluminum specialty components decreased due to lower shipment volumes for automotive applications. Sales of aluminum cans increased due to higher shipment volumes recorded by Hanacans Joint Stock Company of Vietnam. Operating income of the segment increased 41.3%, to ¥233 million.

(Unit: millions of yen)

	1Q 2015	1Q 2016	Increase/decrease
Sales	23,077	21,976	-1,101
Operating income	165	233	68

[Others segment]
In the Others segment, sales fell 10.9%, to ¥36,196 million. Sales of lithium ion battery (LIB) materials increased due to a significant increase in shipment volumes for automotive applications, in addition to higher shipment volumes for use in smartphones. Shoko Co. Ltd.'s sales decreased. Operating income of the segment increased 683.8%, to ¥501 million due mainly to higher shipment volumes of LIB materials.

(Unit: millions of yen)

	1Q 2015	1Q 2016	Increase/decrease
Sales	40,624	36,196	-4,428
Operating income	64	501	437

(3) Major steps taken or decided in the first quarter of 2016
[General]

- Consolidation of shares and change in the number of shares per share unit
  SDK resolved at its 107th ordinary general meeting of shareholders held on March 30, 2016 that it will consolidate its shares and change number of shares per trading unit (share unit). On July 1, 2016, SDK will change number of shares per share unit from 1,000 shares to 100 shares. Along with the change in the share unit, SDK will also consolidate its shares (ten shares into one share) in order to maintain the level of investment unit considered desirable for SDK's shares by Japan's stock exchanges (50,000 yen or more and less than 500,000 yen). Number of authorized shares will be decreased from 3.3 billion shares to 330 million shares according to the ratio of the consolidation of shares.

- Introduction of performance-linked stock compensation scheme
  SDK resolved at its 107th ordinary general meeting of shareholders held on March 30,

2016 that it will revise its compensation scheme for Directors and Corporate Officers, and introduce a performance-linked stock compensation scheme utilizing a trust service ("the Scheme"). The purpose of the introduction of the Scheme is to further clarify the linkage between compensation for non-Outside Directors and Corporate Officers and the share value of SDK, thereby enhancing their awareness of the need to contribute to the efforts to achieve improved business performance and greater enterprise value in the medium to long term. SDK has in place a Compensation Advisory Committee, a majority of which comprises Outside Directors and Outside Audit and Supervisory Board Members, which serves as an advisory body to the Board of Directors. Prior to the board meeting resolution to introduce the Scheme that decides compensation for Directors and Corporate Officers, this committee deliberated on the proposal.

- Acquisition of highest-level environmental rating from Development Bank of Japan

In March 2016, SDK received a loan from Development Bank of Japan (DBJ) under the scheme of DBJ Environmentally Rated Loan Program, after acquiring the highest-level rating from DBJ for its environmental management. This Program is a loan program utilizing a rating system developed by DBJ that evaluates enterprises on the level of their environmental management and then sets preferential loan conditions when an enterprise is rated high. This time, SDK has acquired the highest-level environmental rating from DBJ because of its identification of important issues related to its own medium to long term management themes, continuous activities to improve its CSR-conscious procurement, its introduction of an integrated comprehensive chemicals management system, and promotion of Diversity Management, which is a management policy to enhance the value of diversity among its employees.

[Chemicals segment]

- Increasing capacity to produce high-purity boron trichloride

In March 2016, SDK increased its capacity to produce high-purity boron trichloride (BCl_3), which is a kind of high-purity gas for electronics, to 1.5 times of the previous level and started operation of the expanded facilities. High-purity BCl_3 is a specialty gas mainly used for fine-etching of aluminum circuits in the manufacturing process of LCD panels and silicon semiconductors. In recent years, electronic material manufacturers have been making capital investment in the fields of organic light emitting diode (OLED) display panels and low temperature poly-silicon (LTPS) LCD panels, both of which are equipped with aluminum circuits. Therefore, the demand for high-purity BCl_3 gas is expected to be stable in the future. Under its ongoing medium-term consolidated business plan "Project 2020+," SDK classifies its business in high-purity gases for electronics into the category of "Growth-accelerating" business. SDK will continue aiming to further strengthen and expand its business in high-purity gases for electronics, responding rapidly to the expansion of the global electronic materials market.

- Ammonia production process utilizing used plastic containers received Silver Prize in the Eco-Mark Awards 2015

In January 2016, SDK's ammonia production process that recycles plastic containers received a "Silver Prize in the Eco-Mark Awards 2015" hosted by Japan Environment Association (JEA). The award-winning ammonia production process utilizes hydrogen gas extracted from gasified used plastics through chemical recycling method as a part of raw materials, and synthesizes ammonia. In July 2015, this process was accredited by JEA to be eligible for Eco-Mark as the first case of production process in the world. This time, JEA awarded a Silver Prize to the production process as commendation for its innovative technologies and contribution to promotion of resource recycling. SDK will continue developing environment friendly products and production processes, thereby

contributing to the sustainability of society.

- Developing carbon-coated foil-tape heat spreader for electronics

SDK developed new types of carbon-coated foil-tape heat spreader to be used to enhance heat radiation efficiency of electronic materials and parts. SDK added these new products to its lineup of carbon-coated foil-tape heat spreader, “HS Series,” and started shipment of their samples in January 2016. In recent years, miniaturization and integration of electronic parts have been progressing, and the amount of heat generated per unit area of electronic device has been increasing. Therefore, the quality of applied heat radiation technology has a great influence on the life and reliability of electronic devices. “HS Series” is a lineup of foil-tape heat spreader for electronic materials and parts, consisting of carbon and metal foil. Its carbon layer enhances heat dissipation efficiency of the surface of metal, and suppresses rises in temperature of electronic devices. In addition, HS Series is easy to be punched or bended. The new products SDK developed this time were “HS-2500” which has more flexible aluminum layer, and “HS-3000” which consists of carbon and copper-foil with less thickness. Both new products have more adaptability to three-dimensional curved surfaces than conventional ones because HS-2500 and HS-3000 have metal layer with more flexibility or less thickness. Thus, HS-2500 and HS-3000 have enhanced adhesive strength, and can be attached to complex surfaces of electronic parts with unevenness and many curves.

2. Financial conditions for the January 1 – March 31, 2016 period (as compared with the conditions at December 31, 2015)

Total assets at the end of the quarter amounted to ¥910,835 million, a decrease of ¥30,479 million from the level at December 31, 2015. Total assets were down due mainly to the decrease in accounts receivable. Total liabilities decreased ¥16,608 million, to ¥614,931 million, due partly to the decrease in accounts payable. Net assets at the end of the quarter decreased ¥13,871 million, to ¥295,904 million, owing to the payment of dividends for 2015, and the decrease in foreign currency translation adjustments.

3. Performance forecast

The consolidated performance forecast for full-year 2016 we announced on February 10, 2016 remains unchanged. As to the assumptions about the consolidated performance forecast, please refer to the Consolidated Financial Statements for the year ended December 31, 2015 which were announced on February 10, 2016.

Consolidated Balance Sheets

(¥ in millions, US$ in thousands)

	Dec. 31, 2015	Mar. 31, 2016	Mar. 31, 2016
Assets	¥	¥	$
Current assets			
Cash and deposits	64,054	62,596	555,516
Notes and accounts receivable-trade	136,602	113,168	1,004,327
Merchandise and finished goods	48,660	49,897	442,818
Work in process	14,692	13,512	119,918
Raw materials and supplies	42,573	40,290	357,565
Other	27,374	31,527	279,788
Allowance for doubtful accounts	(880)	(737)	(6,543)
Total current assets	333,076	310,252	2,753,389
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	81,529	79,468	705,258
Machinery, equipment and vehicles, net	112,940	108,679	964,490
Land	251,851	251,804	2,234,680
Other, net	54,968	56,918	505,129
Total property, plant and equipment	501,288	496,869	4,409,557
Intangible assets			
Other	12,514	12,097	107,356
Total intangible assets	12,514	12,097	107,356
Investments and other assets			
Investment securities	76,568	72,261	641,290
Other	32,682	33,296	295,489
Allowance for doubtful accounts	(14,816)	(13,939)	(123,703)
Total investments and other assets	94,435	91,617	813,077
Total noncurrent assets	608,237	600,583	5,329,989
Total assets	941,314	910,835	8,083,378
Liabilities			
Current liabilities			
Notes and accounts payable-trade	103,927	88,974	789,619
Short-term loans payable	69,000	75,775	672,476
Current portion of long-term loans payable	49,386	50,572	448,806
Commercial papers	12,000	20,000	177,494
Current portion of bonds	10,000	10,000	88,747
Provision	2,175	5,521	48,994
Other	83,794	75,408	669,219
Total current liabilities	330,283	326,249	2,895,355
Noncurrent liabilities			
Bonds payable	35,000	35,000	310,614
Long-term loans payable	193,449	182,950	1,623,624
Provision	1,852	2,329	20,672
Net defined benefit liability	15,185	14,391	127,712
Other	55,770	54,013	479,344
Total noncurrent liabilities	301,256	288,683	2,561,968
Total liabilities	631,539	614,931	5,457,322
Net assets			
Shareholders' equity			
Capital stock	140,564	140,564	1,247,458
Capital surplus	62,221	62,221	552,192
Retained earnings	55,822	52,417	465,188
Treasury stock	(10,157)	(10,158)	(90,146)
Total shareholders' equity	248,449	245,044	2,174,692
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	3,927	597	5,300
Deferred gains or losses on hedges	(326)	(1,140)	(10,114)
Revaluation reserve for land	31,307	32,957	292,484
Foreign currency translation adjustment	18,611	10,843	96,231
Remeasurements of defined benefit plans	(4,835)	(4,761)	(42,249)
Total accumulated other comprehensive income	48,683	38,497	341,652
Non-controlling interests	12,642	12,362	109,711
Total net assets	309,774	295,904	2,626,056
Total liabilities and net assets	941,314	910,835	8,083,378

Consolidated Statements of Income

(¥ in millions, US$ in thousands)

	Results for the first quarter (Jan.1-Mar.31)		
	2015	2016	2016
	¥	¥	$
Net sales	193,171	157,425	1,397,096
Cost of sales	167,405	134,484	1,193,502
Gross profit	25,766	22,941	203,594
Selling, general and administrative expenses	21,913	20,078	178,190
Operating income	3,853	2,862	25,404
Non-operating income			
Interest income	74	89	787
Dividends income	270	213	1,892
Equity in earnings of affiliates	546	1,316	11,675
Miscellaneous income	1,163	1,064	9,446
Total non-operating income	2,054	2,682	23,800
Non-operating expenses			
Interest expenses	1,064	836	7,416
Foreign exchange losses	890	1,771	15,714
Miscellaneous expenses	1,199	1,511	13,406
Total non-operating expenses	3,153	4,117	36,535
Ordinary income	2,754	1,427	12,669
Extraordinary income			
Gain on sales of noncurrent assets	15	6	52
Gain on sales of investment securities	13	—	—
Other	5	1	9
Total extraordinary income	33	7	61
Extraordinary loss			
Loss on sales and retirement of noncurrent assets	891	727	6,453
Provision for business structure improvement	753	391	3,470
Provision of allowance for doubtful accounts	12,795	—	—
Other	733	459	4,075
Total extraordinary losses	15,172	1,577	13,998
Loss before income taxes	(12,385)	(143)	(1,268)
Income taxes	2,382	(1,135)	(10,077)
Profit (loss)	(14,767)	993	8,809
Profit (loss) attributable to non-controlling interests	(7,241)	332	2,950
Profit (loss) attributable to owners of parent	(7,526)	660	5,860

Consolidated Statements of Comprehensive Income

(¥ in millions, US$ in thousands)

	Results for the first quarter (Jan.1-Mar.31)		
	2015	2016	2016
	¥	¥	$
Profit (loss)	(14,767)	993	8,809
Other comprehensive income:			
Valuation difference on available-for-sale securities	2,806	(3,493)	(31,002)
Deferred gains or losses on hedges	(245)	(823)	(7,302)
Revaluation reserve for land	3,689	1,824	16,190
Foreign currency translation adjustments	380	(7,653)	(67,914)
Remeasurements of defined benefit plans, net of tax	2,763	77	682
Share of other comprehensive income of entities accounted for using equity method	205	(308)	(2,735)
Total other comprehensive income	9,597	(10,376)	(92,082)
Comprehensive income	(5,169)	(9,383)	(83,273)
(Comprehensive income attributable to)			
Comprehensive income attributable to owners of parent	1,688	(9,379)	(83,235)
Comprehensive income attributable to non-controlling interests	(6,857)	(4)	(38)

(Reference)

SEGMENT INFORMATION (previous 1Q ended)

The operations of the Companies for the 3 Months ended March 31, 2015 and 2016 was summarised by industry segment as follows:

3 Months ended March 31, 2015	Millions of yen							
	Petrochemicals	Chemicals	Electronics	Inorganics	Aluminium	Others	Elimination	Consolidated
Sales								
Outside customers	¥55,894	¥31,478	¥32,538	¥13,611	¥21,204	¥38,445	¥–	¥193,171
Inter-segment	1,224	3,275	428	2,082	1,873	2,179	(11,061)	–
Total	57,119	34,753	32,966	15,693	23,077	40,624	(11,061)	193,171
Operating income (loss)	(¥1,745)	¥2,142	¥5,427	(¥287)	¥165	¥64	(¥1,913)	¥3,853

3 Months ended March 31, 2016	Millions of yen							
	Petrochemicals	Chemicals	Electronics	Inorganics	Aluminium	Others	Elimination	Consolidated
Sales								
Outside customers	**¥41,896**	**¥28,162**	**¥21,928**	**¥10,580**	**¥20,257**	**¥34,601**	**¥–**	**¥157,425**
Inter-segment	**1,047**	**3,979**	**335**	**1,778**	**1,719**	**1,595**	**(10,453)**	**–**
Total	**42,943**	**32,142**	**22,263**	**12,358**	**21,976**	**36,196**	**(10,453)**	**157,425**
Operating income (loss)	**¥1,512**	**¥2,543**	**¥1,696**	**(¥1,961)**	**¥233**	**¥501**	**(¥1,661)**	**¥2,862**

3 Months ended March 31, 2016	Thousands of U.S. dollars							
	Petrochemicals	Chemicals	Electronics	Inorganics	Aluminium	Others	Elimination	Consolidated
Sales								
Outside customers	**$371,818**	**$249,932**	**$194,600**	**$93,896**	**$179,775**	**$307,076**	**$–**	**$1,397,096**
Inter-segment	**9,289**	**35,315**	**2,973**	**15,779**	**15,256**	**14,156**	**(92,767)**	**–**
Total	**381,106**	**285,247**	**197,573**	**109,675**	**195,031**	**321,231**	**(92,767)**	**1,397,096**
Operating income (loss)	**$13,418**	**$22,569**	**$15,056**	**($17,406)**	**$2,065**	**$4,442**	**($14,740)**	**$25,404**

SHOWA DENKO K.K.

May 10th, 2016

First Quarter, 2016 Consolidated Financial Results (Summary)

1. First Quarter Results

(1) Summary

〔First half, 2016 forecast〕

(Unit: billions of yen)

Items	2015 CQ1 Jan.1 - Mar.31	2016 CQ1 Jan.1 - Mar.31	Increase/ decrease	First half, 2016 forecast*
Net Sales	193.2	157.4	-35.7	360.0
Operating Income	3.9	2.9	-1.0	10.0
Profit attributable to owners of Parent	-7.5	0.7	8.2	2.0

*First half 2016 forecast was announced on Feb. 10, 2016.

(2) Net sales and Operating Income by Segment

〔First half, 2016 forecast〕

(Unit: billions of yen)

Segment		2015 CQ1 Jan.1 - Mar.31	2016 CQ1 Jan.1 - Mar.31	Increase/ decrease	First half, 2016 forecast*
Net Sales	Petrochemicals	57.1	42.9	-14.2	100.0
	Chemicals	34.8	32.1	-2.6	70.0
	Electronics	33.0	22.3	-10.7	57.0
	Inorganics	15.7	12.4	-3.3	31.0
	Aluminum	23.1	22.0	-1.1	48.0
	Others	40.6	36.2	-4.4	75.0
	Adjustments	-11.1	-10.5	0.6	-21.0
	Total	193.2	157.4	-35.7	360.0

Segment		2015 CQ1 Jan.1 - Mar.31	2016 CQ1 Jan.1 - Mar.31	Increase/ decrease	First half, 2016 forecast*
Operating Income	Petrochemicals	-1.7	1.5	3.3	4.5
	Chemicals	2.1	2.5	0.4	5.0
	Electronics	5.4	1.7	-3.7	6.0
	Inorganics	-0.3	-2.0	-1.7	-3.5
	Aluminum	0.2	0.2	0.1	1.0
	Others	0.1	0.5	0.4	1.0
	Adjustments	-1.9	-1.7	0.3	-4.0
	Total	3.9	2.9	-1.0	10.0

2. Reference

Items	2015 CQ1 Jan.1 - Mar.31	2016 CQ1 Jan.1 - Mar.31	Increase/ decrease	2016 forecast
Exchange rate (yen/US$)	119.1	115.5	Yen strengthened by 3.6	119.0
Domestic naphtha price (yen/kl)	47,000	34,300	-12,700	42,200

(Unit: billions of yen)

Items	Dec.31, 2015	Mar.31, 2016	Increase/ decrease
Total assets	941.3	910.8	-30.5
Interest-bearing debt	368.8	374.3	5.5

Note : The above forecast is based on the information available as of today and assumptions as of today regarding risk factors that could affect our future performance. Actual results may differ materially from the forecast due to a variety of risk factors, including, but not limited to, the economic conditions, costs of naphtha and other raw materials, demand for our products, market conditions, and foreign exchange rates. We undertake no obligation to update the forward-looking statements unless required by law.