

# Operational Summary

for the Nine Months Ended December 31, 2016

February 8, 2017

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

- FY2016:** April 1, 2016 - March 31, 2017  
**1st Quarter ("1Q") of FY2016:** April 1, 2016 - June 30, 2016  
**2nd Quarter ("2Q") of FY2016:** July 1, 2016 - September 30, 2016  
**3rd Quarter ("3Q") of FY2016:** October 1, 2016 - December 31, 2016  
**4th Quarter ("4Q") of FY2016:** January 1, 2017 - March 31, 2017  
**1st Half ("1H") of FY2016:** April 1, 2016 - September 30, 2016  
**2nd Half ("2H") of FY2016:** October 1, 2016 - March 31, 2017
- FY2015:** April 1, 2015 - March 31, 2016  
**3rd Quarter ("3Q") of FY2015:** October 1, 2015 - December 31, 2015
- MCHC:** Mitsubishi Chemical Holdings Corporation  
**MCC:** Mitsubishi Chemical Corporation  
**MTPC:** Mitsubishi Tanabe Pharma Corporation  
**MPI:** Mitsubishi Plastics, Inc.  
**MRC:** Mitsubishi Rayon Co., Ltd.  
**LSII:** Life Science Institute, Inc.  
**TNSC:** 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	
Pharmaceuticals	Industrial Gases
Diagnostics, Clinical Testing and API	Polyolefins and Advanced Polymers
	MMA Monomers and Polymers

# Consolidated Statements of Operations

Exchange Rate (¥/\$)	111.3	107.3	121.4	121.6	(14.3)	-12%
Naphtha Price (¥/kl)	34,000	32,300	40,900	45,600	(13,300)	-29%

(Billions of Yen)

	3Q	Nine Months Ended Dec. 31, 2016	3Q	Nine Months Ended Dec. 31, 2015	Change	%	
Continuing Operations * 2	<b>Sales Revenue</b>	864.3	<b>2,450.6</b>	903.5	2,681.4	<b>(230.8)</b>	-9%
	<b>Core Operating Income *1</b>	93.8	<b>230.1</b>	95.2	248.8	<b>(18.7)</b>	-8%
	Special Items	(3.5)	<b>(19.7)</b>	(19.4)	(19.6)	<b>(0.1)</b>	
	<b>Operating Income</b>	90.3	<b>210.4</b>	75.8	229.2	<b>(18.8)</b>	-8%
	Financial Income/Expenses	3.3	<b>(5.2)</b>	(2.6)	(8.4)	<b>3.2</b>	
	(Dividend included above)	[1.0]	[3.7]	[1.9]	[5.4]	<b>[(1.7)]</b>	
	(Foreign Exchange Gain/Loss included above)	[5.5]	[0.9]	[(0.3)]	[(1.8)]	<b>[2.7]</b>	
	<b>Earnings before Taxes</b>	93.6	<b>205.2</b>	73.2	220.8	<b>(15.6)</b>	
	Income Taxes	(25.6)	<b>*3 (28.0)</b>	(23.2)	(68.3)	<b>40.3</b>	
	<b>Net Income from Continuing Operations</b>	68.0	<b>177.2</b>	50.0	152.5	<b>24.7</b>	
Net Income from Discontinued Operations	2.7	<b>2.6</b>	(65.8)	(71.6)	<b>74.2</b>		
<b>Net Income</b>	70.7	<b>179.8</b>	(15.8)	80.9	<b>98.9</b>		
<b>Net Income Attributable to Owners of the Parent</b>	52.6	<b>131.8</b>	(33.9)	33.9	<b>97.9</b>	289%	
Net Income Attributable to Non-Controlling Interests	18.1	<b>48.0</b>	18.1	47.0	<b>1.0</b>		

\*1 Equity income included.

\*2 Discontinued operations are not included.

Sales revenue and each staged gain/loss in the discontinued operations are as shown on the right.

\*3 Deferred tax assets relating to the terephtharic acid business transfer are recognized.

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(Billions of Yen)

	Nine Months Ended Dec. 31, 2016	Nine Months Ended Dec. 31, 2015
Sales Revenue	66.8	105.0
Core Operating Income	1.7	(5.8)
Operating Income	3.7	(68.7)
Earnings Before Taxes	2.4	(71.0)
Net Income	2.6	(71.6)

# Consolidated Sales Revenue and Core Operating Income by Business Segment

(Billions of Yen)

		1Q	2Q	3Q	Nine Months Ended Dec. 31, 2016	Nine Months Ended Dec. 31, 2015	Change
<b>Total Consolidated</b>	Sales Revenue	794.6	791.7	864.3	<b>2,450.6</b>	2,681.4	(230.8)
	Core Operating Income	70.6	65.7	<b>93.8</b>	<b>230.1</b>	<b>248.8</b>	<b>(18.7)</b>
<b>Electronics Applications</b>	Sales Revenue	26.0	26.0	26.2	<b>78.2</b>	87.3	(9.1)
	Core Operating Income	(0.3)	(0.3)	(0.7)	<b>(1.3)</b>	<b>0.4</b>	<b>(1.7)</b> (a)
Functional Products	Sales Revenue	135.2	136.7	139.3	<b>411.2</b>	437.3	(26.1)
	Core Operating Income	11.5	12.0	<b>13.5</b>	<b>37.0</b>	<b>34.1</b>	<b>2.9</b> (b)
Performance Chemicals	Sales Revenue	62.1	59.9	63.1	<b>185.1</b>	182.1	3.0
	Core Operating Income	9.0	7.7	<b>10.2</b>	<b>26.9</b>	<b>24.3</b>	<b>2.6</b> (c)
<b>Designed Materials</b>	Sales Revenue	197.3	196.6	202.4	<b>596.3</b>	619.4	(23.1)
	Core Operating Income	20.5	19.7	<b>23.7</b>	<b>63.9</b>	<b>58.4</b>	<b>5.5</b>
Pharmaceuticals	Sales Revenue	105.5	98.6	120.2	<b>324.3</b>	334.5	(10.2)
	Core Operating Income	29.0	19.0	<b>32.0</b>	<b>80.0</b>	<b>95.3</b>	<b>(15.3)</b> (d)
Diagnostics, Clinical Testing and API	Sales Revenue	29.4	29.9	31.3	<b>90.6</b>	91.0	(0.4)
	Core Operating Income	0.1	0.9	<b>1.0</b>	<b>2.0</b>	<b>4.3</b>	<b>(2.3)</b> (e)
<b>Healthcare</b>	Sales Revenue	134.9	128.5	151.5	<b>414.9</b>	425.5	(10.6)
	Core Operating Income	29.1	19.9	<b>33.0</b>	<b>82.0</b>	<b>99.6</b>	<b>(17.6)</b>

\*All figures are approximation for reference purpose only.

## Major reasons for the change:

- (a) Profit decreased due to the impact of the yen's appreciation and other factors.
- (b) 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, polyester film and other products, despite the impact of the yen's appreciation and lower sales of fibers and textiles.
- (c) Profit increased due to higher sales of *OPL film* and lithium-ion battery materials, despite the impact of the yen's appreciation.
- (d) Profit decreased due to the negative impact of the NHI drug price revisions and no posting for this term of lump-sum royalty revenues from licensed-out products which were posted in FY2015 3Q, despite increased sales of priority products including *Simponi*, a rheumatoid arthritis treatment agent.
- (e) Profit decreased due to lower sales of active pharmaceutical intermediates and pharmaceutical formulation materials.

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

						(Billions of Yen)	
		1Q	2Q	3Q	Nine Months Ended Dec. 31, 2016	Nine Months Ended Dec. 31, 2015	Change
Petrochemicals *1	Sales Revenue	53.1	52.0	69.3	174.4	246.2	(71.8)
	Core Operating Income	(2.2)	(5.2)	2.6	(4.8)	10.6	(15.4) (a)
Carbon	Sales Revenue	39.7	42.6	46.3	128.6	140.5	(11.9)
	Core Operating Income	(0.1)	0.7	1.4	2.0	5.8	(3.8) (b)
Industrial Gases	Sales Revenue	131.7	133.8	145.5	411.0	426.7	(15.7)
	Core Operating Income	11.5	12.9	14.5	38.9	34.6	4.3 (c)
<b>Chemicals</b>	Sales Revenue	224.5	228.4	261.1	714.0	813.4	(99.4)
	Core Operating Income	9.2	8.4	18.5	36.1	51.0	(14.9)
Polyolefins and Advanced Polymers	Sales Revenue	101.1	99.6	105.5	306.2	347.6	(41.4)
	Core Operating Income	6.0	8.2	8.6	22.8	25.2	(2.4) (d)
MMA Monomers and Polymers	Sales Revenue	68.9	67.2	72.2	208.3	237.4	(29.1)
	Core Operating Income	7.4	9.3	11.6	28.3	14.8	13.5 (e)
<b>Polymers</b>	Sales Revenue	170.0	166.8	177.7	514.5	585.0	(70.5)
	Core Operating Income	13.4	17.5	20.2	51.1	40.0	11.1
<b>Others</b>	Sales Revenue	41.9	45.4	45.4	132.7	150.8	(18.1)
	Core Operating Income	0.8	2.4	0.7	3.9	4.5	(0.6)
<b>Corporate</b>	Sales Revenue	-	-	-	-	-	-
	Core Operating Income	(2.1)	(1.9)	(1.6)	(5.6)	(5.1)	(0.5)

\*All figures are approximation for reference purpose only.

\*1 Discontinued operations are not included.

(Billions of Yen)						
	1Q	2Q	3Q	Nine Months Ended Dec. 31, 2016	Nine Months Ended Dec. 31, 2015	Change
Inventory valuation gain/loss						
Chemicals (Petrochemicals) *1	0.1	(0.6)	1.0	0.5	(3.3)	3.8
Chemicals (Carbon)	(0.3)	(0.4)	0.7	0.0	(0.7)	0.7
Polymers	(2.7)	(1.4)	0.2	(3.9)	(9.3)	5.4
Total	(2.9)	(2.4)	1.9	(3.4)	(13.3)	9.9

## Major reasons for the change:

- (a) Profit decreased due mainly to worsening petrochemical market conditions compared to the strong market conditions in FY2015 1Q, and a larger than anticipated scale of scheduled maintenance and repairs.
- (b) Profit for coke decreased due mainly to reduced margins in export.
- (c) Profit increased due mainly to lower costs accompanying a drop in raw material and fuel costs and the impact of a newly acquired business in the U.S. and a newly consolidated subsidiary of an Australian business.
- (d) Profit decreased due to a larger than anticipated scale of scheduled maintenance and repairs.
- (e) Profit increased due mainly to firm market conditions of MMA in Asia, Europe and North America.

# Analysis of Core Operating Income

(Billions of Yen)

	Nine Months Ended Dec. 31, 2016	Nine Months Ended Dec. 31, 2015	Change				
				Price	Volume	Fixed Cost	Others *1
<b>Total Consolidated</b>	<b>230.1</b>	248.8	<b>(18.7)</b>	<b>(24.1)</b>	<b>(13.0)</b>	16.1	2.3
<b>Electronics Applications</b>	<b>(1.3)</b>	0.4	<b>(1.7)</b>	<b>(3.3)</b>	<b>(0.1)</b>	2.7	<b>(1.0)</b>
<b>Designed Materials</b>	<b>63.9</b>	58.4	<b>5.5</b>	<b>(6.7)</b>	10.1	3.4	<b>(1.3)</b>
<b>Healthcare</b>	<b>82.0</b>	99.6	<b>(17.6)</b>	<b>(10.3)</b>	<b>(7.7)</b>	5.5	<b>(5.1)</b>
<b>Chemicals</b> *2	<b>36.1</b>	51.0	<b>(14.9)</b>	<b>(9.8)</b>	<b>(12.9)</b>	1.6	6.2
<b>Polymers</b>	<b>51.1</b>	40.0	<b>11.1</b>	6.0	<b>(2.2)</b>	2.7	4.6
<b>Others</b>	<b>3.9</b>	4.5	<b>(0.6)</b>	0.0	<b>(0.2)</b>	0.2	<b>(0.6)</b>
<b>Corporate</b>	<b>(5.6)</b>	<b>(5.1)</b>	<b>(0.5)</b>	0.0	0.0	0.0	<b>(0.5)</b>

\*1 Items included are impacts from inventory valuation gain/loss and differences of equity income, etc.

\*2 Discontinued operations are not included.

Changes in exchange rates	<b>(18.4)</b>	<b>(15.0)</b>	<b>(7.5)</b>	-	<b>4.1</b>
Changes in foreign currency translation included in above		<b>(10.3)</b>			

# Consolidated Special Items

(Billions of Yen)

					Nine Months Ended Dec. 31, 2015	Change
	1Q	2Q	3Q	Nine Months Ended Dec. 31, 2016		
<b>Total Special Items</b>	(5.6)	(10.6)	(3.5)	(19.7)	(19.6)	(0.1)
Impairment loss	(0.9)	(7.0)	(1.9)	(9.8)	(7.0)	(2.8)
Losses during the break period of operation due to earthquake disaster	(1.9)	(0.4)	-	*1 (2.3)	-	(2.3)
Special retirement expenses	(1.4)	(0.6)	(0.1)	(2.1)	(15.1)	13.0
Prior service cost	(0.8)	-	-	(0.8)	-	(0.8)
Gain on sale of property, plant and equipment	0.6	-	0.1	0.7	3.2	(2.5)
Gain on step acquisitions	-	-	-	-	1.9	(1.9)
Loss on sale of intercompany securities	-	-	(0.1)	(0.1)	(1.4)	1.3
Others	(1.2)	(2.6)	(1.5)	*1 (5.3)	(1.2)	(4.1)

\*1 Including the impact of Kumamoto earthquake-related losses (4.0 billion yen).

\*2 Discontinued operations are not included.

## [Special Items by Business Segment]

Electronics Applications	(0.6)	(0.2)	(0.2)	(1.0)	(2.3)	1.3
Designed Materials	(2.9)	(4.9)	(1.1)	*1 (8.9)	(1.3)	(7.6)
Healthcare	0.1	(1.0)	(0.1)	(1.0)	(15.9)	14.9
Chemicals *2	(0.3)	(3.3)	(0.2)	(3.8)	1.1	(4.9)
Polymers	(1.9)	(0.0)	(1.7)	(3.6)	(1.6)	(2.0)
Others	-	(0.0)	(0.0)	(0.0)	-	(0.0)
Corporate	(0.0)	(1.2)	(0.2)	(1.4)	0.4	(1.8)



# Consolidated Cash Flows

	Based on statements of cash flows		Adjusted cash flows*		<reference>
	Nine Months Ended Dec. 31, 2016	Nine Months Ended Dec. 31, 2015	Nine Months Ended Dec. 31, 2016	Nine Months Ended Dec. 31, 2015	
			(Billions of Yen)		
<b>Net cash provided by operating activities</b>	<b>254.6</b>	<b>165.5</b>	<b>254.6</b>	<b>282.2</b>	<b>340.0</b>
Income before income taxes	207.6	149.7	207.6	149.7	198.0
Depreciation and amortization	129.3	137.1	129.3	137.1	180.0
Change in operating receivables/payables	(19.2)	(88.1)	(19.2)	5.3	28.0
Change in Inventories	1.6	8.2	1.6	8.2	
Others	(64.7)	(41.4)	(64.7)	(18.1)	(66.0)
<b>Net cash used in investment activities</b>	<b>(161.3)</b>	<b>(88.0)</b>	<b>(244.5)</b>	<b>(119.1)</b>	<b>(240.0)</b>
Capital expenditure	(149.0)	(145.3)	(149.0)	(145.3)	(244.0)
Sale of assets	20.4	53.3	20.4	53.3	4.0
Investment and loans receivable, etc.	(32.7)	4.0	(115.9)	(27.1)	
<b>Free cash flow</b>	<b>93.3</b>	<b>77.5</b>	<b>10.1</b>	<b>163.1</b>	<b>100.0</b>
<b>Net cash used in financing activities</b>	<b>(15.1)</b>	<b>43.4</b>			
Interest bearing debts	85.5	88.4			
Additional acquisition of consolidated subsidiaries' stocks	(48.8)	(2.7)			
Dividends, etc.	(51.8)	(42.3)			
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>78.2</b>	<b>120.9</b>			
Effect of exchange rate changes and change in scope of consolidation	*1 (17.6)	(4.3)			
<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>327.7</b>	<b>369.3</b>			

\*"Adjusted cash flows" is calculated by excluding the following items respectively for convenience.

(3Q of FY 2016)

a) Excluding cash flows from investment of surplus funds.

(3Q of FY 2015)

a) Excluding cash flows from investment of surplus funds.

b) Excluding the influence by first-time adoption of IFRS regarding securitization.

Amounts of the influence	(Billions of Yen)
Increase of account receivables	(93.4)
Others	(23.3)
<b>CF for operating activities</b>	<b>(116.7)</b>
CF for financing activities	116.7
Change in cash and cash equivalents	-

\*1 Including transfer to assets classified as held for sale (6.2 billion yen).

# Consolidated Statement of Financial Positions

(Billions of Yen)

	Dec. 31, 2016	Mar. 31, 2016	Change
Cash and cash equivalents	327.7	267.1	60.6
Trade receivables	842.2	769.1	73.1
Inventories	535.6	549.5	(13.9)
Other current assets	204.0	271.0	(67.0)
<b>Total current assets</b>	<b>1,909.5</b>	<b>1,856.7</b>	<b>52.8</b>
Tangible and Intangible fixed assets	1,666.2	1,599.0	67.2
Goodwill	319.0	267.9	51.1
Investment and other non-current assets	543.6	500.2	43.4
<b>Total non-current assets</b>	<b>2,528.8</b>	<b>2,367.1</b>	<b>161.7</b>
<b>Total assets</b>	<b>4,438.3</b>	<b>4,223.8</b>	<b>214.5</b>

	Dec. 31, 2016	Mar. 31, 2016	Change
Interest-bearing debts	1,664.0	1,579.6	84.4
Trade payables	446.0	394.1	51.9
Other liabilities	645.3	653.9	(8.6)
<b>Total liabilities</b>	<b>2,755.3</b>	<b>2,627.6</b>	<b>127.7</b>
Shareholders' equity	1,080.7	962.2	118.5
Other components of equity	1.8	10.0	(8.2)
<b>Total equity attributable to owners of the parent</b>	<b>1,082.5</b>	<b>972.2</b>	<b>110.3</b>
Non-controlling interests	600.5	624.0	(23.5)
<b>Total equity</b>	<b>1,683.0</b>	<b>1,596.2</b>	<b>86.8</b>
<b>Total liabilities and equity</b>	<b>4,438.3</b>	<b>4,223.8</b>	<b>214.5</b>

Net interest-bearing debts (*1)	1,241.4	1,134.4	107.0
Net D/E ratio	1.15	1.17	(0.02)
Ratio of equity attributable to owners of the parent to total assets	24.3%	23.0%	1.3%

\*1. Net interest-bearing debts  
 = interest bearing debts (1,664.0 billion yen)  
 - {cash and cash equivalents (327.7 billion yen) + investments of surplus funds (94.9 billion yen)}

# Consolidated Financial Results Forecasts for FY2016

# Consolidated Statements of Operations

Exchange Rate (¥/\$)	105.4	111.3	110.0	110.7	108.0	102.7	5.3	5%
Naphtha Price (¥/kl)	31,500	34,000	42,000	38,000	34,700	31,800	2,900	9%

							(Billions of Yen)		
		1H Actual	3Q Actual	4Q Forecast	2H Forecast	FY2016 Forecast	FY2016 Forecast (announced on Oct. 28)	Change	% to Forecast on Oct 28
Continuing Operations	<b>Sales Revenue</b>	1,586.3	864.3	899.4	1,763.7	<b>3,350.0</b>	3,280.0	<b>70.0</b>	2%
	<b>Core Operating Income</b>	136.3	93.8	66.9	160.7	<b>297.0</b>	259.0	<b>38.0</b>	15%
	Special Items	(16.2)	(3.5)	(11.3)	(14.8)	<b>(31.0)</b>	(30.0)	<b>(1.0)</b>	
	<b>Operating Income</b>	120.1	90.3	55.6	145.9	<b>266.0</b>	229.0	<b>37.0</b>	16%
	Financial Income/Expenses	(8.5)	3.3	(3.8)	(0.5)	<b>(9.0)</b>	(15.0)	<b>6.0</b>	
	<b>Earnings before Taxes</b>	111.6	93.6	51.8	145.4	<b>257.0</b>	214.0	<b>43.0</b>	20%
	Income Taxes	(2.4)	(25.6)	(21.0)	(46.6)	<b>(49.0)</b>	(36.0)	<b>(13.0)</b>	
	<b>Net Income from Continuing Operations</b>	109.2	68.0	30.8	98.8	<b>208.0</b>	178.0	<b>30.0</b>	
Net Income from Discontinued Operations *	(0.1)	2.7	0.4	3.1	<b>3.0</b>	1.0	<b>2.0</b>		
<b>Net Income</b>	109.1	70.7	31.2	101.9	<b>211.0</b>	179.0	<b>32.0</b>	18%	
Net Income Attributable to Owners of the Parent	79.2	52.6	19.2	71.8	<b>151.0</b>	125.0	<b>26.0</b>	21%	
Net Income Attributable to Non-Controlling Interests	29.9	18.1	12.0	30.1	<b>60.0</b>	54.0	<b>6.0</b>		

\*1 Figures relating to the terephthalic acid business in India and China are recognized as “net income from discontinued operations.”

# Consolidated Sales Revenue and Core Operating Income by Business Segment

(Billions of Yen)

		1H Actual	3Q Actual	4Q Forecast	2H Forecast	FY2016 Forecast	FY2016 Forecast (announced on Oct. 28)	Change
<b>Total Consolidated</b> *1	Sales Revenue	1,586.3	864.3	899.4	1,763.7	<b>3,350.0</b>	3,280.0	70.0
	Core Operating Income	136.3	93.8	<b>66.9</b>	<b>160.7</b>	<b>297.0</b>	<b>259.0</b>	<b>38.0</b>
<b>Electronics Applications</b>	Sales Revenue	52.0	26.2	21.8	48.0	<b>100.0</b>	100.0	0.0
	Core Operating Income	<b>(0.6)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(1.4)</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>0.0</b>
Functional Products	Sales Revenue	271.9	139.3	143.8	283.1	<b>555.0</b>	555.0	0.0
	Core Operating Income	23.5	13.5	<b>11.5</b>	<b>25.0</b>	<b>48.5</b>	<b>43.0</b>	<b>5.5</b>
Performance Chemicals	Sales Revenue	122.0	63.1	69.9	133.0	<b>255.0</b>	255.0	0.0
	Core Operating Income	16.7	10.2	<b>6.6</b>	<b>16.8</b>	<b>33.5</b>	<b>30.0</b>	<b>3.5</b>
<b>Designed Materials</b>	Sales Revenue	393.9	202.4	213.7	416.1	<b>810.0</b>	810.0	0.0
	Core Operating Income	40.2	23.7	<b>18.1</b>	<b>41.8</b>	<b>82.0</b>	<b>73.0</b>	<b>9.0</b>
Pharmaceuticals	Sales Revenue	204.1	120.2	100.7	220.9	<b>425.0</b>	414.0	11.0
	Core Operating Income	48.0	32.0	<b>17.0</b>	<b>49.0</b>	<b>97.0</b>	<b>85.0</b>	<b>12.0</b>
Diagnostics, Clinical Testing and API	Sales Revenue	59.3	31.3	34.4	65.7	<b>125.0</b>	121.0	4.0
	Core Operating Income	1.0	1.0	<b>1.0</b>	<b>2.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>
<b>Healthcare</b>	Sales Revenue	263.4	151.5	135.1	286.6	<b>550.0</b>	535.0	15.0
	Core Operating Income	49.0	33.0	<b>18.0</b>	<b>51.0</b>	<b>100.0</b>	<b>88.0</b>	<b>12.0</b>

\*All figures are approximation for reference purpose only.

\*1 Discontinued operations are not included.

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

(Billions of Yen)

		1H Actual	3Q Actual	4Q Forecast	2H Forecast	FY2016 Forecast	FY2016 Forecast (announced on Oct. 28)	Change
Petrochemicals *1	Sales Revenue	105.1	69.3	75.6	144.9	<b>250.0</b>	230.0	20.0
	Core Operating Income	<b>(7.4)</b>	2.6	<b>2.3</b>	<b>4.9</b>	<b>(2.5)</b>	<b>(8.0)</b>	<b>5.5</b>
Carbon	Sales Revenue	82.3	46.3	48.4	94.7	<b>177.0</b>	172.0	5.0
	Core Operating Income	0.6	1.4	<b>1.0</b>	<b>2.4</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>
Industrial Gases	Sales Revenue	265.5	145.5	162.0	307.5	<b>573.0</b>	563.0	10.0
	Core Operating Income	24.4	14.5	<b>12.6</b>	<b>27.1</b>	<b>51.5</b>	<b>49.5</b>	<b>2.0</b>
<b>Chemicals *1</b>	Sales Revenue	452.9	261.1	286.0	547.1	<b>1,000.0</b>	965.0	35.0
	Core Operating Income	17.6	18.5	<b>15.9</b>	<b>34.4</b>	<b>52.0</b>	<b>44.5</b>	<b>7.5</b>
Polyolefins and Advanced Polymers	Sales Revenue	200.7	105.5	108.8	214.3	<b>415.0</b>	410.0	5.0
	Core Operating Income	14.2	8.6	<b>6.2</b>	<b>14.8</b>	<b>29.0</b>	<b>30.0</b>	<b>(1.0)</b>
MMA Monomers and Polymers	Sales Revenue	136.1	72.2	76.7	148.9	<b>285.0</b>	270.0	15.0
	Core Operating Income	16.7	11.6	<b>9.2</b>	<b>20.8</b>	<b>37.5</b>	<b>27.0</b>	<b>10.5</b>
<b>Polymers</b>	Sales Revenue	336.8	177.7	185.5	363.2	<b>700.0</b>	680.0	20.0
	Core Operating Income	30.9	20.2	<b>15.4</b>	<b>35.6</b>	<b>66.5</b>	<b>57.0</b>	<b>9.5</b>
<b>Others</b>	Sales Revenue	87.3	45.4	57.3	102.7	<b>190.0</b>	190.0	0.0
	Core Operating Income	3.2	0.7	<b>2.6</b>	<b>3.3</b>	<b>6.5</b>	<b>6.5</b>	<b>0.0</b>
<b>Corporate</b>	Sales Revenue	-	-	-	-	-	-	-
	Core Operating Income	<b>(4.0)</b>	<b>(1.6)</b>	<b>(2.4)</b>	<b>(4.0)</b>	<b>(8.0)</b>	<b>(8.0)</b>	<b>0.0</b>

\*All figures are approximation for reference purpose only.

\*1 Discontinued operations are not included.

## Revised Dividend for FY2016

Our basic policy of returning profits to shareholders emphasizes enhancement of shareholder value by increasing the value of the company. Therefore, using 30% of the medium-term profit level as a guideline for the consolidated dividend payout ratio, we will make stable dividend payments, while maintaining sufficient internal reserves as resources to develop future businesses.

Based on the above stated policy and the revision of consolidated financial results forecasts for fiscal 2016 announced today, we increased the forecast for the year-end dividend by ¥2, to ¥10. Accordingly, the forecast for the annual dividend will be increased by ¥3 per share to ¥18.

		FY2016		FY2015	FY2014	FY2013	FY2012
		Revised Forecast	Previous Forecast (announced on May 13)				
Cash dividends per share (Yen)	Interim	8	8	7	6	6	6
	Year-end	*1 10	*1 8	8	7	6	6
	Total (Annual)	*1 18	*1 16	15	13	12	12

\*1 Forecast

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.