May 12, 2017

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
for the Fiscal Year Ended March 31, 2017

1. Business Results for the Fiscal Year Ended March 31, 2017
(Business Period: April 1, 2016 to March 31, 2017)

	Millions of Yen	
	FY2016	FY2015
	April 1, 2016 - March 31, 2017	April 1, 2015 - March 31, 2016

(1) Results of Operations

Sales revenue	**3,376,057**	3,543,352
Core operating income*	**307,522**	300,410
Operating income	**268,621**	268,746
Earnings before taxes	**258,343**	252,791
Net Income	**216,515**	104,858
Net income attributable to owners of the parent	**156,259**	51,358
Comprehensive income	**226,493**	34,302

* Core operating income: Operating income excluding special items

(2) Financial Position

Total assets	**4,463,547**	4,223,774
Inventories	**538,131**	549,461
Property, plant and equipment	**1,431,681**	1,403,437
Current and non-current bonds and borrowings	**1,693,742**	1,579,575
Equity attributable to owners of the parent	**1,091,398**	972,197
Ratio of equity attributable to owners of the parent to total assets (%)	**24.5**	23.0

(3) Cash Flows

Net cash provided by (used in) operating activities	**396,643**	299,612
Net cash provided by (used in) investing activities	**(289,056)**	(234,078)
Net cash provided by (used in) financing activities	**1,411**	(40,945)
Cash and cash equivalents at end of the period	**363,510**	267,148

(4) General

Capital expenditures	**206,482**	213,134
Depreciation and amortization	**173,874**	178,821
R&D expenditures	**126,290**	126,782
Employees (number)	**69,291**	68,988

(5) Per Share (Yen)

Earnings per share - Basic	**106.73**	35.06
- Diluted	**105.95**	35.03
Equity attributable to owners of the parent per share	**758.30**	663.71

(Thousands of shares)

・ Earnings per share is based on the average number of common shares (excluding treasury stocks) during the respective period.	**[FY2016]** **1,464,004**	[FY2015] 1,464,812
・ Equity attributable to owners of the parent per share is based on the number of common shares outstanding (excluding treasury stocks) as of the following closing dates.	**[March 31, 2017]** **1,439,263**	[March 31, 2016] 1,464,802

	Millions of Yen	
	FY2016	FY2015
	April 1, 2016 - March 31, 2017	April 1, 2015 - March 31, 2016

(6) Financial Ratio (%)

Return on equity**	**15.1**	5.2
Return on assets***	**5.9**	5.9
Return on sales****	**9.1**	8.5

** Net income attributable to owners of the parent / the average of the beginning and ending balances of equity attributable to owners of the parent

*** Earnings before taxes / the average of the beginning and ending balances of total assets

**** Core operating income / sales revenue

(7) Segment Information

[Sales Revenue by Segment]

Electronics Applications	**104,707**	115,731
Designed Materials	**806,692**	825,631
Health Care	**547,032**	548,408
Chemicals	**1,025,229**	1,081,557
Polymers	**706,137**	766,256
Others	**186,260**	205,769
Total	**3,376,057**	3,543,352

[Core Operating Income (Loss) by Segment]

Electronics Applications	**(2,918)**	(972)
Designed Materials	**81,515**	74,965
Health Care	**98,401**	112,187
Chemicals	**58,869**	57,695
Polymers	**71,921**	56,387
Others	**7,204**	7,144
Elimination & corporate	**(7,470)**	(6,996)
Total	**307,522**	300,410

[Total Assets by Segment at the End of the Period]

Electronics Applications	**100,456**	102,853
Designed Materials	**860,650**	867,494
Health Care	**1,101,469**	1,084,694
Chemicals	**1,443,042**	1,330,030
Polymers	**803,803**	792,197
Others	**950,892**	648,015
Elimination & corporate costs	**(796,765)**	(601,509)
Total	**4,463,547**	4,223,774

[Depreciation & Amortization by Segment]

Electronics Applications	**5,168**	6,013
Designed Materials	**41,985**	41,723
Health Care	**17,930**	17,702
Chemicals	**65,821**	65,892
Polymers	**38,488**	42,808
Others	**2,918**	3,061
Corporate costs	**1,564**	1,622
Total	**173,874**	178,821

	Millions of Yen	
	FY2016	FY2015
	April 1, 2016 - March 31, 2017	April 1, 2015 - March 31, 2016
[Capital Expenditures by Segment]		
Electronics Applications	**6,341**	4,960
Designed Materials	**49,763**	50,378
Health Care	**28,507**	32,840
Chemicals	**70,216**	75,145
Polymers	**47,006**	44,755
Others	**4,266**	3,515
Corporate	**383**	1,541
Total	**206,482**	213,134

Notes:

1 The Company has decided to adopt International Financial Reporting Standard ("IFRS") from FY2016.

2 Sales revenue, core operating income, operating income, and earnings before taxes in the consolidated financial results are recorded without including the discontinued business.

2. Prospects for the Following Fiscal Year

	Millions of Yen	
	The First Half of FY2017	FY2017
	April 1, 2017 - September 30, 2017	April 1, 2017 - March 31, 2018
Sales revenue	1,800,000	3,650,000
Core operating income	157,000	310,000
Operating income	152,000	290,000
Net income attributable to owners of the parent	74,000	137,000

(Yen)

Earnings per share - Basic	51.42	95.19

3. Business Performance and Financial Position

(1) Business Performance

Consolidated Performance for the Fiscal Year Ended March 31, 2017 (Fiscal 2016): April 1, 2016 – March 31, 2017

Overview of General Performance

Looking at the business environment surrounding the Mitsubishi Chemical Holdings Group during fiscal 2016, domestic and overseas demand in the Performance Products domain remained firm, despite the impact of the rising yen compared to the previous fiscal year. Sales in the Health Care domain also remained firm, despite the negative impact of the NHI drug price revisions in Japan, which took effect in April 2016.

Against this background, sales revenue for fiscal 2016 was ¥3376.1 billion, down ¥167.3 billion, or 4.7% year on year. Core operating income was ¥307.5 billion, up ¥7.1 billion, or 2.4% year on year, and operating income was down ¥0.1 billion, or 0.0% year on year, at ¥268.6 billion. Earnings before taxes increased by ¥5.5 billion, or 2.2% year on year, to ¥258.3 billion. Net income attributable to owners of the parent grew ¥104.9 billion, or 204.3% year on year, to ¥156.3 billion, due to a decrease in impairment losses in the discontinued business (terephthalic acid business in India and China) recorded during the second quarter of fiscal 2016 and a decrease in tax expenses associated with recognition of deferred tax assets relating to the discontinued business transfer.

Furthermore, we have categorized the terephthalic acid business in India and China as the discontinued business, based on the decision to transfer that business in both countries (announced on July 27, 2016). Therefore, sales revenue, core operating income, operating income, and earnings before taxes are recorded without including the discontinued business. In addition, we made the same revisions of the financial results for the previous fiscal year.

Overview of Business Segments

The overview of financial results by segment for fiscal 2016 is shown below.
Gains or losses by segment are stated with core operating income which excludes gains or losses from special items including losses incurred by business withdrawals, streamlining, and others.

Notes:
In the following sections, all comparisons are with the previous fiscal year unless stated otherwise. In addition, company names as of March 31, 2017 were used, although three companies – Mitsubishi Chemical Corporation, Mitsubishi Plastics, Inc., and Mitsubishi Rayon Co., Ltd. – were integrated into the new Mitsubishi Chemical Corporation effective April 1, 2017.

Electronics Applications Segment, Performance Products Domain

Sales revenue in this segment was down ¥11.0 billion, at ¥104.7 billion. Core operating loss decreased by ¥1.9 billion, to ¥2.9 billion.

Sales revenue and core operating income decreased, reflecting lower sales prices in information and electronics-related materials including display materials and the impact of the yen's appreciation, in addition to lower sales volumes of OPC drums and toners, despite the effects of cost reductions in imaging supplies.

Designed Materials Segment, Performance Products Domain

Sales revenue in this segment was down ¥18.9 billion, at ¥806.7 billion. However, core operating income rose by ¥6.5 billion, to ¥81.5 billion.

In polymer processing products, sales revenue decreased due to the impact of the yen's appreciation and lower sales prices, despite higher sales volumes of films for display applications and other products. In fine chemicals, demand of coating materials and other products remained generally firm. In battery materials, sales volumes for automotive batteries increased. In composite materials, sales revenue decreased due to the impact of the yen's appreciation, despite higher sales volumes of alumina fibers. In food ingredients, sales revenue increased, reflecting the addition of Eisai Food & Chemical Co., Ltd. to the scope of consolidation since the fourth quarter of fiscal 2015. In fibers, sales volumes decreased substantially due in part to a deteriorating export environment. Core operating income grew with generally higher sales volumes and other factors, despite the impact of the yen's appreciation.

Major initiatives in the Designed Materials segment during fiscal 2016 included:

- Mitsubishi Chemical Corporation and its consolidated subsidiary Mitsubishi Chemical Europe GmbH acquired 94.35% of the shares of common stock of The Nippon Synthetic Chemical Industry, Co., Ltd., a consolidated subsidiary of Mitsubishi Chemical, through a joint tender offer conducted from August 2016, with the purpose of further strengthening the business foundation of the Performance Products domain. Mitsubishi Chemical made The Nippon Synthetic Chemical Industry into a wholly owned subsidiary through demand for sale of shares conducted by Mitsubishi Chemical in November 2016.
- Mitsubishi Chemical Corporation and its consolidated subsidiary Nippon Kasei Chemical Company Limited signed a share exchange agreement in September 2016, in which shares of common stock of Mitsubishi Chemical Holdings Corporation shall be allotted as consideration, and Mitsubishi Chemical made Nippon Kasei Chemical its wholly owned subsidiary effective January 2017. This move is aimed at further strengthening cooperation with Mitsubishi Chemical Holdings Group companies and enhancing corporate value.

- Quadrant AG, a consolidated subsidiary of Mitsubishi Plastics, Inc., acquired all the shares of Piper Plastics, Inc., a polymer processing company in May 2016, aiming to further strengthen its business foundation and expand its market presence to medical and aircraft fields with growth potential.
- Mitsubishi Rayon Co., Ltd. decided in June 2016 to expand the production facility for high-performance large-tow carbon fibers at its Otake Plant, responding to strong demand from industries relating to wind power generators, automobiles, etc.
  (Production capacity increase: 2,700 t/y → 3,900 t/y)
- Mitsubishi Rayon Carbon Fiber and Composites, Inc., a subsidiary of Mitsubishi Rayon Co., Ltd., acquired SGL Carbon Fibers LLC, the carbon fiber production base of the German SGL Group, and made it a wholly owned subsidiary in April 2017, in order to expand its carbon fiber business in the North American market and to meet the growing demand for large-tow carbon fiber. This addition increased Mitsubishi Rayon's carbon fiber production capacity by 1,000 tons. Combined with the expansion of capacity of regular-tow carbon fiber at Mitsubishi Rayon's U.S. plant in Sacramento, California, where commercial operation commenced in January, and the expansion of production capacity at Mitsubishi Rayon's Otake Plant scheduled for the second quarter of fiscal 2017, Mitsubishi Rayon's annual carbon fiber production capacity will increase from 10,100 tons to 14,300 tons within 2017.
- Carbon fiber sheet molding compound (SMC) of Mitsubishi Rayon Co., Ltd. was adopted for the rear door frame of the new Prius PHV, which was launched by Toyota Motor Corporation on February 15, 2017. This is the first time that SMC has been adopted for a mass-production car. Mitsubishi Rayon will step up its activities to promote the use of SMC in the automotive industry.
- Mitsubishi Rayon Co., Ltd. established a joint venture company with Fiberline Composites A/S, a composite pultrusion manufacturer that holds advanced molding and process technologies, in October 2016, to expand its market share in carbon fiber composite laminates for wind turbine blades.
- The Nippon Synthetic Chemical Industry Co., Ltd., a consolidated subsidiary of Mitsubishi Chemical Corporation, decided in April 2016 to expand its production facility for *OPL film*, an optical PVOH film, which is a key material for polarizing film, at its Ogaki Plant, responding to a demand increase for polarizing film used in LCD panels and smart phones.
  (Production capacity increase: 25 million m^2/y → 43 million m^2/y)
- Mitsubishi Chemical Corporation and Ube Industries, Ltd. in October 2016 agreed on a tie-up for their lithium-ion battery electrolyte businesses in China under a 50-50 joint venture, in order to supply highly competitive electrolyte to the market. The tie-up will enable the two companies to combine their production technologies and mutually use their technology resources to enhance their technologies and cost competitiveness.

Health Care Segment, Health Care Domain

Sales revenue in this segment totaled ¥547.0 billion, a decrease of ¥1.4 billion. Core operating income was down ¥13.8 billion, at ¥98.4 billion.

Pharmaceuticals recorded lower sales revenue mainly because there was no posting for this term of lump-sum royalty revenues from products licensed out overseas, which were posted in the previous fiscal year, and the negative impact of the NHI drug price revisions in Japan, which took effect in April 2016, despite higher sales volumes of domestic ethical pharmaceuticals including *Simponi,* a rheumatoid arthritis treatment agent, and an increase in royalty revenues from products licensed out overseas including *Gilenya*, a treatment for multiple sclerosis. In diagnostics and pharmaceutical formulation materials, sales revenue remained unchanged, due in part to continued steady sales of clinical testing and others. Core operating income decreased mainly because of the above-mentioned decreased revenue from sales in the pharmaceutical business and increased preparation costs of sales in the U.S.

A major initiative in the Health Care segment during fiscal 2016 included:

- Mitsubishi Tanabe Pharma Corporation concluded an agreement with Nipro Corporation in March 2017 to transfer its generic drug business and some of its long-listed products. This move stemmed from a review on optimization of the generic drugs business in response to changes in the future business environment.
- Mitsubishi Tanabe Pharma Corporation became one of the first to receive approval of *Remicade* for I.V. infusion 100, an anti-human TNFα monoclonal antibody treatment for psoriasis that allows a higher dosage and shorter dosing intervals, in May 2016.
- Mitsubishi Tanabe Pharma Corporation and Kolon Life Science, Inc. concluded a licensing agreement for *Invossa*, a cell therapy product for improvement of symptoms of knee osteoarthritis in November 2016. Through this agreement, Mitsubishi Tanabe Pharma acquired exclusive development and commercialization rights for *Invossa* in Japan. This move is aimed at reinforcing domestic commercialization initiatives in the autoimmune disease-related field.

Chemicals Segment, Industrial Materials Domain

Sales revenue in this segment decreased by ¥56.4 billion, to ¥1,025.2 billion. Core operating income was up ¥1.2 billion, at ¥58.9 billion.

In basic petrochemicals and chemical derivatives, sales revenue decreased, reflecting lower sales prices stemming from a decline in raw material costs, as well as a larger scale of scheduled maintenance and repairs at ethylene production facilities. In carbon products including coke and others, sales revenue increased due primarily to sales price increases accompanying a sharp rise

in coking coal prices. In industrial gases, sales revenue decreased as a result of the yen's appreciation, despite including results of business acquired from Air Liquide in the U.S. starting in the second quarter of fiscal 2016.
Core operating income rose due to factors including the results of business acquired from Air Liquide and a decline in raw material costs in industrial gases, despite the larger scale of scheduled maintenance and repairs in basic petrochemicals and chemical derivatives, in addition to a slump in the needle coke market.

Major initiatives in the Chemicals segment during fiscal 2016 included:

- In the purified terephthalic acid business, which represents a major issue in the structural reforms of the petrochemical business, Mitsubishi Chemical Corporation transferred equity shares held in its subsidiaries Materials Chemicals And Performance Intermediaries Private Limited (former MCC PTA India Corp. Private Limited) in November 2016 and those in Ningbo Union King Polyester Material Limited (former Ningbo Mitsubishi Chemical Co., Ltd.), engaged in the terephthalic acid business and MCC Advanced Polymers Ningbo Co., Ltd., engaged in the poly tetramethylene ether glycol business, in December 2016.
- Matheson Tri-Gas, Inc., a consolidated subsidiary of Taiyo Nippon Sanso Corporation, purchased part of Air Liquide's industrial gas business and related business assets in the U.S. in September 2016. The move is aimed at expanding Matheson Tri-Gas's business and ensuring sustainable profitability in the U.S. market.
- Taiyo Nippon Sanso Corporation acquired Supagas Holdings Pty Ltd, an Australian industrial gas and LPG company, to establish a sales network and reinforce its supply system throughout Australia.
- Taiyo Nippon Sanso Corporation's subsidiary, Matheson Tri-Gas, Inc. concluded an agreement with Lotte Chemical Louisiana LLC for piping supply of industrial gases to its world-scale monoethylene glycol plant, and in November 2016, decided to construct two large scale air separation units in Louisiana, which are slated for completion in the latter half of 2018.

Polymers Segment, Industrial Materials Domain

Sales revenue in this segment was down ¥60.1 billion, at ¥706.2 billion. Core operating income grew ¥15.5 billion, to ¥71.9 billion.

In synthetic resins including polyolefin, MMA monomer, and other products, sales revenue decreased, due primarily to lower sales prices resulting from a decline in raw material costs for polyolefin and other products, and the impact of the yen's appreciation despite continued steady demand for MMA monomer. Core operating income increased due to continued steady sales of MMA monomer, despite the impact of a larger scale of scheduled maintenance and repairs at production facilities for polyolefin and other synthetic resins.

A major initiative in the Polymers segment during fiscal 2016 included:

- Japan Polypropylene Corporation, a consolidated subsidiary of Mitsubishi Chemical Corporation, shut down the No. 3 polypropylene production line at its Goi Plant, as part of the structural reforms.

Others

Sales revenue in this segment decreased by ¥19.5 billion, to ¥186.3 billion. Core operating income decreased by ¥0.1 billion, to ¥7.2 billion.

Sales revenue decreased mainly as a result of decreased external orders for engineering and the yen’s appreciation. On the other hand, core operating income remained unchanged due in part to cost reductions.

(2) Consolidated Financial Position at the End of Fiscal 2016

Total assets were ¥4,463.5 billion, an increase of ¥239.7 billion. The increase was due primarily to the acquisition of business by Taiyo Nippon Sanso Corporation, a consolidated subsidiary and a temporary increase in cash on hand reflecting the issuance of convertible bonds.

Total liabilities were ¥2,765.3 billion, an increase of ¥137.7 billion, due primarily to an increase in interest-bearing debt.

Total equity was ¥1,698.2 billion, an increase of ¥102.0 billion. Key factors in this increase included an increase in retained earnings, reflecting the recording of ¥156.3 billion in net income attributable to owners of the parent.

Accordingly, equity attributable to owners of the parent ratio increased by 1.5%, to 24.5%, and net debt-to-equity ratio decreased by 0.11, to 1.06.

Notes:
Net debt-to-equity ratio = net interest-bearing debts ÷Total of equity attributable to owners of the parent
Net interest-bearing debts = interest-bearing debts – (cash and cash equivalents ＋investment of surplus funds)

(3) Consolidated Cash Flows for Fiscal 2016

Cash and cash equivalents stood at ¥363.5 billion, an increase of ¥96.4 billion.

(Operating activities)

Net cash provided by operating activities totaled ¥396.6 billion, an increase of ¥97.0 billion, due primarily to inflows from earnings before taxes, depreciation and amortization, and a decrease in working capital associated with higher costs for raw material and fuel, which offset the impact of corporate tax.

(Investing activities)

Net cash used in investing activities totaled ¥289.1 billion, an increase of ¥55.0 billion, due primarily to inflows from the sale of shares held, which offset outflows from capital expenditures, acquisition of businesses, and acquisition of shares of subsidiaries.

As a result of these factors, free cash flow, comprising cash flows from operating and investing activities, totaled ¥107.5 billion, an increase of ¥42.0 billion.

(Financing activities)

Net cash used in financing activities totaled ¥1.4 billion, an increase of ¥42.3 billon, due primarily to inflows from an increase of interest-bearing debt including corporate bonds, which offset outflows from dividend payment, acquisition of non-controlling interests in the equity of subsidiaries, and the purchase of treasury stock.

(4) Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2018 (Fiscal 2017)

Though Japan’s economy is expected to continue a moderate recovery as the employment and income situations show ongoing improvement, the overall world economy faces uncertainties such as rising protectionism, the impact of exchange rate fluctuations, and geopolitical risks in the Middle East and East Asia.

Under these circumstances, in the Group business, margins in the Performance Products business domain are expected to decline due to rising prices of raw materials for some products, and research and development expenses in the Health Care domain are expected to increase. On the other hand, the Industrial Materials domain is expected to remain firm as the launch of operations by the new MMA plant in the Middle East contributes to revenue, in addition to other factors.

In addition, we will continually push forward with measures to accelerate growth and reduce costs in each business domain.

In light of the above-mentioned circumstances, forecasts of the consolidated financial results for fiscal 2017, as compared to fiscal 2016, are as follows. Sales revenue, core operating income, operating income, earnings before taxes, net income, and net income attributable to owners of the parent are expected to stand at ¥3,650.0 billion, ¥310.0 billion, ¥290.0 billion, ¥277.0 billion,

¥197.0 billion, and ¥137.0 billion, respectively.

The expected numeral values of the major indices are as follows:

(Billions of yen, unless otherwise noted)

	Actual results for fiscal 2016	Forecasts for fiscal 2017
Capital expenditure	206.5	249.0
Depreciation	173.9	182.0
R&D expenses	126.3	140.0
Exchange rate (¥/$)*	109	110
Naphtha (¥/kl)*	34,700	42,000

*Fiscal 2016: Average from April 2016 through March 2017; Fiscal 2017: Average from April 2017 through March 2018

Forward-looking Statements
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 market conditions, and the effect of industry competition. The company expectations for the forward-looking statements are described in page [2], [9], and [10] hereof.

Reference

(1) Consolidated Statement of Profit or Loss

Fiscal year ended March 31, 2016 and 2017

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Continuing operations		
Sales revenue	3,543,352	3,376,057
Cost of sales	(2,528,303)	(2,366,658)
Gross profit	1,015,049	1,009,399
Selling, general and administrative expenses	(719,084)	(714,715)
Other income	18,603	10,695
Other expenses	(59,805)	(53,722)
Equity income	13,983	16,964
Operating income	268,746	268,621
Financial income	8,919	7,155
Financial expenses	(24,874)	(17,433)
Earnings before taxes	252,791	258,343
Income taxes	(74,064)	(44,414)
Net income from continuing operations	178,727	213,929
Discontinued operations		
Net income (loss) from discontinued operations	(73,869)	2,586
Net income	104,858	216,515
Net income attributable to		
Owners of the parent	51,358	156,259
Non-controlling interests	53,500	60,256
Net income	104,858	216,515
Earnings per share		
Basic (Yen)		
Continuing operations	84.15	104.97
Discontinued operations	(49.09)	1.76
Total	35.06	106.73
Diluted (Yen)		
Continuing operations	84.09	104.20
Discontinued operations	(49.06)	1.75
Total	35.03	105.95

(2) Consolidated Statement of Comprehensive Income

Fiscal year ended March 31, 2016 and 2017

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net income	104,858	216,515
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gain (loss) on revaluation of financial assets measured at fair value	(8,866)	14,391
Remeasurements of defined benefit pensions plans	(22,045)	17,324
Share of other comprehensive income (loss) of investments accounted for using the equity method	(55)	(207)
Total items that will not be reclassified to profit or loss	(30,966)	31,508
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	(35,701)	(20,405)
Net gain (loss) on derivatives designated as cash flow hedges	346	840
Share of other comprehensive income (loss) of investments accounted for using the equity method	(4,235)	(1,965)
Total items that may be subsequently reclassified to profit or loss	(39,590)	(21,530)
Total other comprehensive income (net of tax)	(70,556)	9,978
Total comprehensive income	34,302	226,493
Total comprehensive income attributable to		
Owners of the parent	253	165,709
Non-controlling interests	34,049	60,784

(3) Consolidated Statement of Financial Position

(Millions of yen)

	April 1, 2015	March 31, 2016	March 31, 2017
Assets			
Current assets			
Cash and cash equivalents	252,749	267,148	363,510
Trade receivables	754,335	769,094	776,191
Inventories	593,780	549,461	538,131
Other financial assets	171,089	214,485	215,446
Other current assets	57,427	53,191	58,184
Subtotal	1,829,380	1,853,379	1,951,462
Assets held for sales	8,752	3,338	16,916
Total current assets	1,838,132	1,856,717	1,968,378
Non-current assets			
Property, plant and equipment	1,485,225	1,403,437	1,431,681
Goodwill	245,675	267,850	312,950
Intangible assets	198,345	195,536	227,169
Investments accounted for using the equity method	129,269	129,072	136,734
Other financial assets	339,876	251,802	252,921
Other non-current assets	46,893	30,389	39,079
Deferred tax assets	85,583	88,971	94,635
Total non-current assets	2,530,866	2,367,057	2,495,169
Total assets	4,368,998	4,223,774	4,463,547

(Millions of yen)

	April 1, 2015	March 31, 2016	March 31, 2017
Liabilities			
Current liabilities			
Trade payables	452,856	394,065	437,914
Bonds and borrowings	742,712	706,705	577,737
Income tax payable	34,181	36,434	21,287
Other financial liabilities	236,783	185,940	184,909
Provisions	3,572	3,603	6,057
Other current liabilities	126,656	114,955	116,691
Subtotal	1,596,760	1,441,702	1,344,595
Liabilities directly associated with assets held for sales	—	—	5,307
Total current liabilities	1,596,760	1,441,702	1,349,902
Non-current liabilities			
Bonds and borrowings	859,216	872,870	1,116,005
Other financial liabilities	29,559	29,019	27,489
Retirement benefit liabilities	133,889	144,179	128,338
Provisions	21,372	23,616	25,018
Other non-current liabilities	34,657	41,387	38,439
Deferred tax liabilities	91,165	74,850	80,159
Total non-current liabilities	1,169,858	1,185,921	1,415,448
Total liabilities	2,766,618	2,627,623	2,765,350
Equity			
Common stock	50,000	50,000	50,000
Additional paid-in capital	318,185	317,544	321,703
Treasury stock	(16,236)	(16,240)	(43,587)
Retained earnings	582,794	610,909	761,364
Other components of equity	58,268	9,984	1,918
Equity attributable to owners of the parent	993,011	972,197	1,091,398
Non-controlling interests	609,369	623,954	606,799
Total equity	1,602,380	1,596,151	1,698,197
Total liabilities and equity	4,368,998	4,223,774	4,463,547

(4) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2016

(Millions of yen)

	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2015	50,000	318,185	(16,236)	582,794
Net income	―	―	―	51,358
Other comprehensive income	―	―	―	―
Total comprehensive income	―	―	―	51,358
Purchase of treasury stock	―	―	(48)	―
Disposal of treasury stock	―	(10)	11	―
Cash dividends	―	―	―	(20,507)
Share-based payment transactions	―	58	―	―
Changes in interests in subsidiaries	―	(689)	―	―
Business combinations or business divestitures	―	―	33	―
Changes in scope of consolidation	―	―	―	85
Transfer from other components of equity to retained earnings	―	―	―	(2,821)
Total transactions with owners	―	(641)	(4)	(23,243)
Balance at March 31, 2016	50,000	317,544	(16,240)	610,909

	Other components of equity							
	Net gain (loss) on revaluation of financial assets measured at fair value	Remeasure-ments of defined benefit pensions plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges	Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2015	60,322	―	―	(2,054)	58,268	993,011	609,369	1,602,380
Net income	―	―	―	―	―	51,358	53,500	104,858
Other comprehensive income	(7,829)	(18,260)	(25,246)	230	(51,105)	(51,105)	(19,451)	(70,556)
Total comprehensive income	(7,829)	(18,260)	(25,246)	230	(51,105)	253	34,049	34,302
Purchase of treasury stock	―	―	―	―	―	(48)	―	(48)
Disposal of treasury stock	―	―	―	―	―	1	―	1
Cash dividends	―	―	―	―	―	(20,507)	(23,323)	(43,830)
Share-based payment transactions	―	―	―	―	―	58	―	58
Changes in interests in subsidiaries	―	―	―	―	―	(689)	1,864	1,175
Business combinations or business divestitures	―	―	―	―	―	33	1,858	1,891
Changes in scope of consolidation	―	―	―	―	―	85	137	222
Transfer from other components of equity to retained earnings	(15,439)	18,260	―	―	2,821	―	―	―
Total transactions with owners	(15,439)	18,260	―	―	2,821	(21,067)	(19,464)	(40,531)
Balance at March 31, 2016	37,054	―	(25,246)	(1,824)	9,984	972,197	623,954	1,596,151

Fiscal year ended March 31, 2017

(Millions of yen)

	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2016	50,000	317,544	(16,240)	610,909
Net income	—	—	—	156,259
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	156,259
Purchase of treasury stock	—	—	(30,033)	—
Disposal of treasury stock	—	3,035	2,686	—
Cash dividends	—	—	—	(23,437)
Issuance of convertible bond-type bonds with stock acquisition rights to shares	—	3,099	—	—
Share-based payment transactions	—	71	—	—
Changes in interests in subsidiaries	—	(2,046)	—	—
Changes in scope of consolidation	—	—	—	117
Transfer from other components of equity to retained earnings	—	—	—	17,516
Total transactions with owners	—	4,159	(27,347)	(5,804)
Balance at March 31, 2017	50,000	321,703	(43,587)	761,364

	Other components of equity							
	Net gain (loss) on revaluation of financial assets measured at fair value	Remeasure-ments of defined benefit pensions plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges	Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2016	37,054	—	(25,246)	(1,824)	9,984	972,197	623,954	1,596,151
Net income	—	—	—	—	—	156,259	60,256	216,515
Other comprehensive income	12,538	14,755	(18,640)	797	9,450	9,450	528	9,978
Total comprehensive income	12,538	14,755	(18,640)	797	9,450	165,709	60,784	226,493
Purchase of treasury stock	—	—	—	—	—	(30,033)	—	(30,033)
Disposal of treasury stock	—	—	—	—	—	5,721	—	5,721
Cash dividends	—	—	—	—	—	(23,437)	(28,013)	(51,450)
Issuance of convertible bond-type bonds with stock acquisition rights to shares	—	—	—	—	—	3,099	—	3,099
Share-based payment transactions	—	—	—	—	—	71	—	71
Changes in interests in subsidiaries	—	—	—	—	—	(2,046)	(49,533)	(51,579)
Changes in scope of consolidation	—	—	—	—	—	117	(393)	(276)
Transfer from other components of equity to retained earnings	(2,761)	(14,755)	—	—	(17,516)	—	—	—
Total transactions with owners	(2,761)	(14,755)	—	—	(17,516)	(46,508)	(77,939)	(124,447)
Balance at March 31, 2017	46,831	—	(43,886)	(1,027)	1,918	1,091,398	606,799	1,698,197

(5) Consolidated Statement of Cash Flow

Fiscal year ended March 31, 2016 and 2017

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from operating activities		
Earnings before taxes	252,791	258,343
Earnings before taxes from discontinued operations	(73,047)	2,300
Depreciation and amortization	182,656	174,040
Equity income	(13,983)	(16,964)
Interest and dividend income	(8,837)	(6,593)
Interest expenses	18,448	16,060
(Increase) decrease in trade receivables	(15,950)	(11,264)
(Increase) decrease in inventories	37,602	(9,224)
Increase (decrease) in trade payables	(53,072)	43,992
Increase (decrease) in retirement benefit assets and liabilities, net	(3,275)	761
Other	57,426	24,827
Subtotal	380,759	476,278
Interest received	3,458	2,809
Dividends received	13,703	13,666
Interest paid	(18,757)	(15,741)
Income tax (paid) received, net	(79,551)	(80,369)
Net cash provided by (used in) operating activities	299,612	396,643
Cash flows from investing activities		
Purchase of property, plant and equipment	(199,218)	(197,100)
Proceeds from sales of property, plant and equipment	11,114	8,905
Purchase of intangible assets	(19,714)	(8,684)
Purchase of other financial assets	(149,245)	(314,982)
Proceeds from sales/redemption of other financial assets	250,193	207,280
Net cash outflow on acquisition of subsidiaries	(38,519)	(26,276)
Net cash inflow on sales of subsidiaries	—	10,748
Net (Increase) decrease of time deposits	(92,195)	117,294
Payments for transfer of business	(156)	(77,774)
Other	3,662	(8,467)
Net cash provided by (used in) investing activities	(234,078)	(289,056)

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,237	(129,692)
Net increase (decrease) in commercial papers	4,000	10,000
Proceeds from long-term borrowings	143,374	217,446
Repayment of long-term borrowings	(183,222)	(143,867)
Proceeds from issuance of bonds	59,707	220,408
Repayment from redemption of bonds	(20,040)	(40,010)
Net (increase) decrease in treasury stock	(47)	(30,035)
Dividends paid to owners of the parent	(20,507)	(23,437)
Dividends paid to non-controlling interests	(23,323)	(28,453)
Proceeds from stock issuance to non-controlling interests	3,695	2,812
Payments for acquisition of subsidiaries' interests from non-controlling interests	(2,764)	(48,837)
Other	(4,055)	(4,924)
Net cash provided by (used in) financing activities	(40,945)	1,411
Effect of exchange rate changes on cash and cash equivalents	(10,497)	(13,144)
Net increase (decrease) in cash and cash equivalents	14,092	95,854
Cash and cash equivalents at the beginning of the period	252,749	267,148
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sales	—	(247)
Net increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	307	728
Increase (decrease) in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	27
Cash and cash equivalents at the end of the period	267,148	363,510