May 11, 2016

Summary of Consolidated Financial Report for The Fiscal Year Ended March 31, 2016

Ube Industries, Ltd.

1. Consolidated Companies

Number of companies \ Fiscal period	Previous FY ended March 31, 2015	Current FY ended March 31, 2016	Change
Consolidated companies	71	68	-3
Companies using equity method accounting	24	25	+1
Total	95	93	-2

2. Consolidated Business Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(1) Results of Operations

(Billions of Yen – except per share data)

	Previous FY ended March 31, 2015	Current FY ended March 31, 2016	Change
Net sales	641.7	641.7	-0.0
Operating income	24.1	41.4	17.2
Net interest expenses	-1.4	-1.1	0.2
Equity in earnings of affiliates	1.5	2.9	1.4
Other non-operating income	-1.0	-3.5	-2.5
Ordinary income	23.2	39.6	16.3
Extraordinary income	5.1	3.4	-1.6
Extraordinary losses	* -9.8	** -15.4	-5.5
Net income	14.6	19.1	4.4
Net income per share	13.85 Yen	18.06 Yen	4.21 Yen
Dividend per share	5.0 Yen	5.0 Yen	0.0 Yen

* Loss related to liquidation of a subsidiary, etc.

** Impairment loss of polyimide business, and of AET (Zhangjiagang), etc.

Environmental Factors

	Previous FY ended March 31, 2015	Current FY ended March 31, 2016	Change
Exchange rate (Yen/US$)	109.9 Yen	120.1 Yen	10.2 Yen
Naphtha price (Yen/kl)	63,400 Yen	42,600 Yen	-20,800 Yen
Australian coal price (Yen/ton)	9,981 Yen	8,843 Yen	-1,138 Yen

Net Sales by Segment

(Billions of Yen)

	Previous FY ended March 31, 2015	Current FY ended March 31, 2016	Change	Comments
Chemicals	280.1	266.7	-13.4	- Decrease in sales price of caprolactam, nylon resin, and synthetic rubber, etc.
Pharmaceutical	7.8	9.2	1.4	- Increase in sales volume of drugs manufactured under contract, etc.
Cement & Construction Materials	222.4	237.3	14.9	- Due to impact of newly consolidated subsidiary, etc.
Machinery & Metal Products	78.9	73.4	-5.5	- Decrease in shipment of molding machines, etc.
Energy & Environment	66.7	69.0	2.2	- Increase in volume of selling electricity, etc.
Other	17.3	16.7	-0.5	
Adjustment	-31.7	-30.9	0.8	
Total	641.7	641.7	-0.0	

Operating Income by Segment (Billions of Yen)

	Previous FY ended March 31, 2015	Current FY ended March 31, 2016	Change	Comments
Chemicals	-0.9	12.0	13.0	- Improvement in costs of raw materials including ammonia, etc.
Pharmaceutical	0.9	1.1	0.2	
Cement & Construction Materials	17.0	19.8	2.8	- Improvement in energy costs, etc.
Machinery & Metal Products	4.3	4.6	0.2	
Energy & Environment	2.8	3.8	1.0	- Increase in volume of selling electricity, etc.
Other	1.1	1.1	-0.0	
Adjustment	-1.1	-1.2	-0.0	
Total	24.1	41.4	17.2	

Note: Adjustment of operating income is calculated by totaling the company-wide cost excluding allocation to each segment and the tradeoff of businesses among segments.

The former Chemicals & Plastics segment and Specialty Chemicals & Products segment were integrated into the Chemicals segment as of April 1, 2015. Results for the previous fiscal year have been restated.

(2) Financial Condition

(Billions of Yen)

Assets	Previous FY ended March 31, 2015	Current FY ended March 31, 2016	Change
Cash and deposits	38.1	42.4	4.3
Notes and Accounts receivable	144.9	139.5	-5.4
Inventories	78.4	76.0	-2.3
Property, plant and equipment	347.4	323.8	-23.6
Intangible fixed assets	5.3	4.9	-0.3
Investment securities	48.4	48.1	-0.2
Defferd tax assets	15.1	16.0	0.9
Other assets	33.7	28.7	-4.9
Total assets	711.5	679.7	-31.7

Liabilities	Previous FY ended March 31, 2015	Current FY ended March 31, 2016	Change
Notes and accounts payable-trade	83.8	74.2	-9.5
Interest-bearing debt	239.7	216.6	-23.0
Other liabilities	98.3	99.1	0.8
Net assets	289.6	289.6	0.0
(Shareholders' Equity)	(249.3)	(263.0)	(13.6)
(Accumulated Other Comprehensive Income)	(13.9)	(3.5)	(-10.4)
(Share subscription rights and Minority interests)	(26.2)	(23.0)	(-3.2)
Total liabilities and Net assets	711.5	679.7	-31.7

(Billions of Yen)

Cash Flows	Fiscal year ended March 31, 2016
Cash flows from operating activities	68.6 *1
Cash flows from investing activities	-33.7 *2
Cash flows from financing activities	-31.0
(Interest-bearing debt)	(-24.8)
(Dividend paid and Other)	(-6.1) *3
Cash and cash equivalents at end of period	41.1

(Billions of Yen)

(Ref.) Fiscal year ended March 31, 2015
62.1
-42.4
-13.9
(-8.1)
(-5.7)
36.9

*1 Income before income taxes and minority interests 27.6 billion Yen
Depreciation and amortization 35.5 billion Yen
Increase in working capital - 2.0 billion Yen, etc
*2 Acquisition of tangible/ intangible fixed assets -34.4 billion Yen, etc
*3 Dividend paid -5.5 billion Yen, etc

3. Consolidated Business Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(Billions of Yen – except per share data)

	Fiscal Year ended March 31, 2016	Fiscal Year ending March 31, 2017(forecast)	Change
Net sales	641.7	655.0	13.3
Operating income	41.4	35.0	-6.4
Ordinary income	39.6	33.0	-6.6
Extraordinary income (losses), net	-11.9	-4.0	7.9
Profit attributable to owners of parent	19.1	20.0	0.9

Net income per share	18.06 Yen	18.90 Yen	0.84 Yen

Dividend per share	5.0 Yen	6.0 Yen	1.0 Yen

Business Conditions

Exchange rate (yen per US$)	120.1 Yen	110.0 Yen	-10.1 yen
Naphtha price (yen/kl)	42,600 Yen	34,900 Yen	-7,700 yen
Australian coal price (yen/ton)	8,843 Yen	7,597 Yen	-1,246 yen

Net Sales by Segment

	Fiscal Year ended March 31, 2016	Fiscal Year ending March 31, 2017 (forecast)	Change	Comments
Chemicals	266.7	278.0	11.3	-Increase in sales volume of battery materials, fine chemicals, synthetic rubber, etc.
Pharmaceutical	9.2	10.0	0.8	-Increase in sales volume, etc.
Cement & Construction Materials	237.3	238.0	0.7	-Increase in sales volume of limestone related products, etc.
Machinery	73.4	74.0	0.6	-Increase in shipment of molding machines, etc.
Energy & Environment	69.0	65.0	-4.0	-Decrease in sales price of salable coal, etc.
Other	16.7	16.0	-0.7	
Adjustment	-30.9	-26.0	4.9	
Total	641.7	655.0	13.3	

Operating Income by Segment

	Fiscal Year ended March 31, 2016	Fiscal Year ending March 31, 2017 (forecast)	Change	Comments
Chemicals	12.0	9.0	-3.0	-Increase in repair cost (due to periodic repairs), etc.
Pharmacetutical	1.1	1.0	-0.1	
Cement & Construction Materials	19.8	18.0	-1.8	- Decrease in export price of cement
Machinery	4.6	4.0	-0.6	-Deterioration in profitability of steel products, etc.
Energy & Environment	3.8	3.5	-0.3	- Decrease in volume of coal storage business, etc.
Other	1.1	1.0	-0.1	
Adjustment	-1.2	-1.5	-0.3	
Total	41.4	35.0	-6.4	

Note:
Adjustment of operating income is calculated by totaling the company-wide cost, excluding allocation to each segment and the tradeoff of inter-segment trades.
Please take note that the name of the Machinery and Metal Product Segment was changed to the Machinery Segment on April 1, 2016.

4. Analysis of Operating Results and Financial Condition

(1) Analysis of Operating Results

①Operating results for the current term (April 1, 2015 to March 31, 2016)

Overview

In the fiscal year ended March 31, 2016, while the U.S. economy sustained recovery and the European economy was on a track of modest recovery, signs of slowdown of the Chinese economy gradually became more noticeable in Asia; as a whole, the world economy continued modest recovery. The overall Japanese economy also continued to be on a track of modest recovery. Although some sectors such as export were weak, consumer spending was stable as a whole and some signs of improvement were seen in the private sector.

Under such circumstances, the Company Group has conducted business activities in accordance with our basic policies of "Change & Challenge – For Further Growth," the three-year midterm plan adopted in FY 2013, and in the final year of the said three-year midterm plan, we have tackled the operational challenges in each business segment including early improvement in earnings in the Chemicals segment. Thanks to the underlying support by the price falls in raw materials and fuels including coal and crude oil, business of non-chemical segments such as the Cement & Construction Materials Segment has continued steady expansion, and our Chemicals segment also showed some signs of recovery. On the other hand, we recorded impairment losses incurred in the Business Segments that have undergone deterioration in profitability in recent years, as an extraordinary loss.

The overall conditions of the Group by segment are as follows.

Chemicals & Plastics Segment

Business of polyamide resins remained strong as a whole, because of a steady increase in sales of the products used for food wrap films. Price falls of auxiliary materials such as ammonia contributed to business of caprolactam, which is a material used for synthesize polyamide, but the market condition as a whole was still weak due to the continued supply excess in the China market. Shipment of ammonia products continued to be strong, thanks to shift in frequency of periodic inspection of the factories to every two years. Shipment of polybutadiene rubber (synthetic rubber) was steady as a whole, represented by that of the products used for eco tires.

Shipment of both electrolyte and separators for lithium-ion batteries remained strong, thanks to usage of the former in commercial-off-the-shelf products such as personal computers, as well as application of the latter on vehicles such as eco-cars, but business of the both products were affected by price falls. Shipment of fine chemicals and polyimide films were steady as a whole, but profitability of the latter was low.

Please take note that we recorded an impairment loss incurred in the polyimide business and in the electrolyte business of AET Electrolyte Technologies (Zhangjiagang), our consolidated subsidiary in China, as an extraordinary loss.

Pharmaceutical Segment

Among the drugs developed by UBE, shipment of active ingredients was weak, because distributors' inventories of hypotensive agents, antiallergic drugs and antiplatelet agents continued to be on adjustment phase. Shipment of active ingredients and intermediates for drugs manufactured under contract increased as a whole.

Cement & Construction Materials Segment

While shipment of cement and ready-mixed concrete decreased slightly in comparison with the previous fiscal year due to sluggish demand in the Japanese market, overall business of the products was steady, thanks to the improved energy cost. Shipment of calcia and magnesia products was also steady, especially in the business of refractories. Fall in fuel prices also contributed to the business performance of the products.

Machinery & Metal Products Segment

Shipment of industrial machines such as vertical mills and conveyers was steady in the domestic market, but shipment of the products exported to emerging countries including Southeast Asian countries decreased. Shipment of molding machines mainly supplied to the automobile industries was steady in the domestic and North America markets, but the shipment to China and Southeast Asian countries decreased. Business of machinery services for those products continued to expand, and shipment of steel products remained steady.

Energy & Environment Segment

In the coal business, both coal sales volume and coal dealing volume at UBE's Coal Center (a coal storage facility) were maintained at a steady level. In the power producer business, volume of selling electricity increased, thanks to recovery of the IPP electric power plant.

②Main measures implemented in the current term

－Chemicals Segment－
◆ Ube Industries, Ltd. integrated the Chemicals & Plastics segment and the Specialty Chemicals & Products segment into the "Chemicals Segment" for reorganization. (April 2015)
◆ Ube Industries, Ltd. decided and started to expand production capacity of lithium-ion battery separators (restructuring of its existing facilities at the Ube Chemical Factory and new installation of manufacturing facilities at the Sakai Factory). (September 2015)
◆ Ube Industries, Ltd. announced that it decided to switch to a new manufacturing process for cyclohexanone, intermediate material for caprolactam, at the Ube Chemical Factory. (January 2016).
◆ Ube Industries, Ltd. reached agreement with CNSG Anhui Hong Sifang Co., Ltd. of China to establish a joint venture to manufacture and sell high-purity dimethyl carbonate (DMC). (March 2016)

－Pharmaceutical Segment－
◆ "TALION® Tablets" and "TALION® OD Tablets," anti-allergic agents jointly developed by Mitsubishi Tanabe Pharma Corporation and Ube Industries, Ltd. received approval for additional pediatric indications in Japan. (May 2015)
◆ Sanwa Kagaku Kenkyusho Co., Ltd. and Ube Industries, Ltd. started joint development of a therapeutic agent for itches caused by intractable pruritus. (September 2015)

－Cement & Construction Materials Segment－
◆ Heat emission and power generation facilities became fully operational in the Kanda Cement Factory of Ube Industries, Ltd. (January 2016)
◆ Sales and logistic functions of the limestone-related business were consolidated into Ube Material Industries, Ltd. (April 2015)

－Machinery & Metal Products Segment－
◆Ube Machinery Corporation, Ltd. launched new die casting machines jointly developed with Toyo Machinery & Metal Co., Ltd.. (July 2015)

－Energy & Environment Segment－
◆ Ube Industries, Ltd. collaborated with The Chugoku Electric Power Co., Inc. for joint transportation of imported coal. (March 2016)

③ Forecast for the next Fiscal Year (April 1, 2016 to March 31, 2017)

Looking into future economic conditions, we expect that while Japanese economy would continue modest recovery, the global economy would experience greater uncertainty for the reasons of future fluctuation of foreign exchange rate and fuel prices, slowdown in economic growth in emerging countries including China and resource-rich countries, and changes in economic and financial policies in the U.S. and European countries.

Considering the present economic condition and on the assumption that the dollar-yen exchange rate would hover at a level of 110 yen /dollar, and the prices of domestic product naphtha and Australian coal would be around 34,900 yen per 1kl and 7,597 yen per ton, respectively, from April 2016 through March 2017, we forecast the earnings as follows.

We expect that consolidated net sales would increase to 655.0 billion yen thanks to a revenue growth mainly resulting from an increase in sales volumes in the Chemicals segment. It is forecasted that consolidated operating income would decrease to 35.0 billion yen, mainly due to an increase in cost for periodic inspection of our ammonia factories. Consolidated ordinary income and profit attributable to owners of parent are forecasted to come respectively to 33.0 billion yen and 20.0 billion yen.

(2)Analysis of Financial Condition

① Situation with assets, liabilities, and net assets

Total assets decreased by 31.7 billion yen to 679.7 billion yen. While cash on hand and in banks increased by 4.3 billion yen, notes and accounts receivable, and tangible fixed assets decreased respectively by 5.4 billion yen and 23.6 billion yen.

Total liabilities decreased by 31.7 billion yen to 390.1 billion yen, mainly because notes and accounts payable-trade, and interest-bearing debt decreased respectively by 9.5 billion yen and 23.0 billion yen.

Net assets increased by 0.01 billion yen to 289.6 billion yen. While foreign currency translation adjustments and noncontrolling interests decreased respectively by 7.9 billion yen and 3.2 billion yen, profit attributable to owners of parent increased by 19.1 billion yen in spite of a 5.3 billion yen decrease in retained earnings resulted from payment of dividends.

② Situation with cash flow
Net cash provided by operating activities totaled 68.6 billion yen, which was mainly comprised of income before income taxes and minority interests for the year of 27.6 billion yen, reversing entries of 35.5 billion yen and 9.0 billion yen respectively from depreciation and amortization, which is a non-fund entry, and from an impairment loss, and income taxes paid of 6.5 billion yen.

Net cash used in investment activities totaled 33.7 biilion yen, which was mainly comprised of purchase of property, plant and equipment and intangible assets of 34.4 billion yen.

Net cash used in financing activities totaled 31.0 billion yen, which was mainly comprised of repayment of long-term loans payable of 28.4 billion yen.

The balance of interest-bearing debt at the end of the term decreased by 23.0 billion yen compared to the end of the previous term to 216.6 billion yen.

The balance of cash and cash equivalents at the end of the term increased by 4.2 billion yen compared to the end of the previous term to 41.1 billion yen.

③ Forecast for the next Fiscal Year (April 1, 2016 to March 31, 2017)
The free cash flow for the next term (sum total of the net cash provided by operating activities and net cash used in investment activities) is expected to decrease compared with the current term as a result of increase in cost for purchase of property, plant and equipment and intangible assets.

The term-end balance of the interest-bearing debt is expected to decrease by 6.6 billion yen compared with the end of this term to 210.0 billion yen.

(3) Basic policy on profit-sharing and dividends for the current and the next term

Recognizing that payment of dividends is our key responsibility for shareholders, we set a basic policy to pay the dividends corresponding to the business performance to shareholders. On the other hand, we think that it is also important for us to accumulate sufficient internal reserves to strengthen our financial standings and expand our business further. Considering the above policies in a comprehensive manner, we develop the proposal for the stock dividends to be resolved at the general meeting of shareholders.

In the three-year midterm plan to be concluded in the current term, we set a policy to target the consolidated dividend payout ratio of 30% or more of current consolidated net income, and plan to pay the year-end dividends of 5 yen per share for the current term.

For the next term, we plan to the year-end dividends of 6 yen per share, setting out to achieve a dividend increase steadily in conjunction with improvement of our business performance.

5. Segment information

(1)Summary of reportable segments
The reportable segments of UBE are defined as individual units, where separate financial information is available and which are subject to regular review by the Board of Directors of the Company to evaluate their results and decide the allocation of management resources.

UBE composed segments by product group based on business divisions, and had seven reportable segments, Chemicals & Plastics, Specialty Chemicals & Products, Pharmaceutical, Cement & Construction Materials, Machinery & Metal Products, Energy & Environment, and Other.

Main products and services of each reportable segment are as follows;

Reportable segment	Main products and services
Chemicals	Caprolactam, Polyamide (Nylon) resin, Industrial chemicals, Polybutadiene (Synthetic rubber), Specialty products （Polyimide, Battery materials, Semiconductor-related materials and Electronic Materials, Gas Separation Membranes, Ceramics), Fine Chemicals, etc.
Pharmaceutical	Pharmaceuticals (Ube's products from R&D, Custom Manufacturing)
Cement & Construction Materials	Cement and Ready-mixed Concrete, Limestone, Building Materials, Calcia and Magnesia, Resource recycling
Machinery & Metal Products	Molding Machinery Molding Machines(Die-casting Machines, Injection Molding Machines, Extrusion Presses), Industrial Machinery(Crushers, Pulverizers, Conveyers), Bridges and Steel Structures, Steel Products, etc.
Energy & Environment	Import and sales of coal, operation of UBE's Coal Center (a coal storage facility), and electric power supply business including the independent power producer business (IPP)
Other	Development, purchase and sales, and leasing of real estate, and sales of the products manufactured by the Group to the overseas markets

In April 2015, we changed the management structure of the chemicals-related business and consolidated the Chemicals & Plastics and Specialty Chemicals & Products Segments into the newly-established Chemicals Segment.

(2) Information concerning Net Sales, Income or Loss, Assets, and Others by Reportable Business Segment

Previous Fiscal Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015) (Millions of Yen)

	Reported Segment							Adjustment	Amount recorded in consolidated financial statement
	Chemicals	Pharma-ceutical	Cement & Construction Materials	Machinery & Metal Products	Energy & Environment	Others	Total	(note 1)	(note 2)
Net Sales Sales to external customers	271,398	7,819	216,475	76,511	54,317	15,239	641,759	-	641,759
Inter-Segment internal sales or transfers	8,762	-	5,944	2,445	12,454	2,148	31,753	-31,753	-
Total	280,160	7,819	222,419	78,956	66,771	17,387	673,512	-31,753	641,759
Segment income or losses (−) (operating income or losses (−))	-939	902	17,033	4,305	2,840	1,146	25,287	-1,140	24,147
Assets	332,509	10,916	208,346	62,424	53,263	17,610	685,068	26,478	711,546
Other items Depreciation and amortization (Note 3)	18,797	777	8,153	1,355	2,596	616	32,294	1,292	33,586
Investment in equity-method affiliates	14,257	-	8,087	-	1,113	2,415	25,872	-	25,872
Increase in property, plant and equipment and intangible assets (Note 4)	20,282	702	10,731	1,806	7,452	405	41,378	1,126	42,504

(Note) Adjustments are applied to the followings:

(1) Adjustment for Segment income or losses (−) includes the elimination of transaction between the Segments and company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.

(2) Adjustment for Segment assets includes the emission of credits between the Segments and company-wide assets that are not attributed to each reported Segment.

(3) Adjustment for depreciation and amortization consists of depreciation and amortization of company-wide assets that is not attributed to each reported Segment.

(4) Adjustment for the increase in property, plant and equipment and intangible assets consists of a company-wide assets increase that is not attributed to each reported Segment.

(Note 2) Segment income or losses (−) are adjusted with operating income recorded in the consolidated financial statement.

(Note 3) Depreciation and amortization includes amortization of long-term prepaid expenses and deferred assets.

(Note 4) The increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses and deferred assets.

Current Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016) (Millions of Yen)

	Reported Segment							Adjustment	Amount recorded in consolidated financial statement
	Chemicals	Pharma-ceutical	Cement & Construction Materials	Machinery & Metal Products	Energy & Environment	Others	Total	(note 1)	(note 2)
Net Sales									
Sales to external customers	258,661	9,221	231,051	71,367	56,616	14,834	641,750	-	641,750
Inter-Segment internal sales or transfers	8,075	59	6,292	2,068	12,450	1,958	30,902	-30,902	-
Total	266,736	9,280	237,343	73,435	69,066	16,792	672,652	-30,902	641,750
Segment income or losses (−) (operating income or losses (−))	12,083	1,105	19,841	4,600	3,856	1,142	42,627	-1,219	41,408
Assets	301,784	12,533	216,948	62,039	49,014	16,246	658,564	21,219	679,783
Other items									
Depreciation and amortization (Note 3)	20,491	837	8,309	1,415	2,870	609	34,531	1,043	35,574
Investment in equity-method affiliates	18,407	-	8,322	-	1,199	2,270	30,198	-	30,198
Increase in property, plant and equipment and intangible assets (Note 4)	14,610	703	14,716	1,620	1,002	570	33,221	1,208	34,429

(Note) Adjustments are applied to the followings:

(1) Adjustment for Segment income or losses (-) includes the elimination of transaction between the Segments and company-wide cost that is not allocated to each reported Segment. Company-wide cost consists mainly of administration and general expense that is not attributed to each reported Segment.

(2) Adjustment for Segment assets includes the emission of credits between the Segments and company-wide assets that are not attributed to each reported Segment.

(3) Adjustment for depreciation and amortization consists of depreciation and amortization of company-wide assets that is not attributed to each reported Segment.

(4) Adjustment for the increase in property, plant and equipment and intangible assets consists of a company-wide assets increase that is not attributed to each reported Segment.

(Note 2) Segment income or losses (−) are adjusted with operating income recorded in the consolidated financial statement.

(Note 3) Depreciation and amortization includes amortization of long-term prepaid expenses.

(Note 4) The increase in property, plant and equipment and intangible assets includes increases in long-term prepaid expenses.

5. Segment Related Information

Inforemation by region

Previous Fiscal Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

①Net sales （Millions of Yen）

Japan	Asia	Europe	Others	Total
444,197	127,792	39,050	30,720	641,759

(Note) Net sales are recorded on the basis of locations of customers and are classified by country or region.

②Tangible Assets （Millions of Yen）

Japan	Thailand	Other Asia	Europe	Others	Total
266,563	60,074	5,616	14,793	392	347,438

Current Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

①Net sales (Millions of Yen)

Japan	Asia	Europe	Others	Total
458,098	117,297	36,459	29,896	641,750

(Note) Net sales are recorded on the basis of locations of customers and are classified by country or region.

②Tangible Assets (Millions of Yen)

Japan	Thailand	Other Asia	Europe	Others	Total
255,944	50,243	1,460	15,130	1,023	323,800

6. Information Concerning Impairment Loss of Fixed Assets by Reportable Segment

Previous Fiscal Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015) (Millions of Yen)

	Chemicals	Pharma-ceutical	Cement & Construction Materials	Machinery & Metal Products	Energy & Environment	Others	Company wide / elimination	Total
Impairment Loss	387	-	947	-	-	-	262	1,596

Current Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016) (Millions of Yen)

	Chemicals	Pharma-ceutical	Cement & Construction Materials	Machinery & Metal Products	Energy & Environment	Others	Company wide / elimination	Total
Impairment Loss	8,875	-	107	-	-	-	98	9,080

(Note) The amount in the “Company wide / elimination” section consists of impairment losses relating to company-wide assets that are not attributed to each reported Segment.

(Reference)

Consolidated Key Indicators (Billions of yen – except where noted)

	Fiscal Year ended March 31, 2015	Fiscal Year ended March. 31, 2016	Fiscal Year ending March 31, 2017 (forecast)
Capital investment	42.5	34.4	48.0
Depreciation and amortization	33.5	35.5	35.0
Research and development expenses	13.8	13.7	14.5
Adjusted operating income *1	26.6	45.2	38.0
Interest-bearing debt	239.7	216.6	210.0
Equity capital*3	263.3	266.5	280.0
Total assets	711.5	679.7	700.0

D/E ratio (times)	0.91	0.81	0.75
Equity ratio (%)	37.0	39.2	40.0
Return on sales (%)	3.8	6.5	5.3
Return on assets - ROA (%) *4	3.8	6.5	5.5
Return on equity – ROE (%)	5.8	7.2	7.3
Number of employees	10,702	10,764	11,000

*1 Adjusted operating income: Operating income + Interest and dividend income + Equity in earnings of unconsolidated subsidiaries and affiliated companies

*2 Net debt: Interest-bearing debt – Cash and cash equivalents

*3 Equity capital: Net assets – Share subscription rights – Minority interests

*4 ROA: Adjusted operating income / Average total assets