

QA during the Presentation of Financial Results for the Three Months of FY2017

【Overall company】

Q1 How will be the impact of raw material and fuel price hike?

A1 With respect to crude oil sensitivity, our previous position was originally that the total was 400 million yen per year (1\$ per barrel) by summing up heavy oil and electricity and gas in the country. That situation is now being alleviated owing to decreases in consumption and currency-exchange impacts, meaning that the total figure is around 300 million yen per year at present. Also, crude oil (Dubai) price is not significantly off the track given that we are seeing a presumption of \$55 per barrel. This means that there is no significant impact that strays from our initial forecast.

Q2 You reported M&A-related costs of 1.3 billion yen occurred. Were they incorporated into the budget at initial forecast? Was the impact recorded under Chemicals segment?

A2 Such costs were incorporated within the initial forecast. However, they were not all recorded under chemical business; they are partially recorded under joint division costs and allocated to each segment.

【Glass】

Q1 How far have price levels risen in terms of architectural glass in Europe in comparison to the same period of the previous year? You have reported that operating profits leveled-off year-on-year in Europe. Are the leveling-off of profits to be understood as having come about owing to the impact of energy prices?

A1 Prices for clear float have risen by about 20% in comparison with the same period of the previous year. Europe business consumes primarily natural gas, so gas prices did have an impact.

【Electronics】

Q1 What factors of 4.3-billion-yen OP decrease of Electronics segment compared to the previous quarter?

A1 Seasonal fluctuations caused quantities for both LCD glass substrates and electronic materials to fall compared to the previous quarter. These are the primary contributing factors to the decrease in profits.

【Chemicals】

Q1 Regarding 1Q results, what does the picture look like when considering contributions to increases, in comparison with the same period of the previous year, if one looks at the areas of chlor-alkali business and fluorochemicals & specialty business?

A1 The primary contributing factor to increases in income and profits is chlor-alkali business.

Q2 Price increase for domestic caustic soda has gone through. Have the price increase has been incorporated into your initial forecast?

A2 No. Such price increase were not incorporated within the initial forecast.

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