

2015 Consolidated Financial Results (Summary)

I. Results for 2015

1. Summary

(Unit: billions of yen, except for stockholders' equity/share, net income/share and cash dividends/share)

Items	2014 Jan.1 - Dec.31	2015 Jan.1 - Dec.31	Increase
Net Sales	876.6	781.0	-95.6
Operating Income	20.9	33.7	12.8
Net Income	3.5	1.0	-2.5
Net income per share	¥2.38	¥0.68	¥-1.70
Stockholders' equity per share	¥210.16	¥208.04	¥-2.12
Cash dividends per share	¥3.00	¥3.00(planned)	-

2. Net sales and Operating Income by Segment (Year to year comparison)

(Unit: billions of yen)

Segment		2014 Jan.1 - Dec.31	2015 Jan.1 - Dec.31	Increase
Net Sales	Petrochemicals	281.4	231.3	-50.1
	Chemicals	139.1	142.3	3.2
	Electronics	138.5	131.5	-7.0
	Inorganics	67.6	63.5	-4.1
	Aluminum	98.0	100.8	2.8
	Others	195.0	152.5	-42.6
	Adjustments	-43.0	-40.8	2.2
	Total	876.6	781.0	-95.6

Operating Income	Petrochemicals	-4.9	10.5	15.5
	Chemicals	5.5	10.7	5.2
	Electronics	25.8	17.5	-8.3
	Inorganics	-0.3	-1.2	-0.9
	Aluminum	3.0	2.6	-0.4
	Others	-0.7	1.5	2.2
	Adjustments	-7.4	-7.9	-0.5
	Total	20.9	33.7	12.8

3. Net sales and Operating Income by Segment (Quarterly transition)

(Unit: billions of yen)

Segment		2015 CQ1 Jan.1 - Mar.31	2015 CQ2 Apr.1 - Jun.30	2015 CQ3 Jul.1 - Sept.30	2015 CQ4 Oct.1 - Dec.31
Net Sales	Petrochemicals	57.1	64.1	57.4	52.7
	Chemicals	34.8	35.5	36.4	35.6
	Electronics	33.0	32.0	33.5	33.0
	Inorganics	15.7	17.4	16.2	14.2
	Aluminum	23.1	26.9	25.9	24.8
	Others	40.6	38.8	36.3	36.7
	Adjustments	-11.1	-11.0	-8.6	-10.2
	Total	193.2	203.8	197.1	186.9

Operating Income	Petrochemicals	-1.7	7.7	2.7	1.9
	Chemicals	2.1	2.1	3.3	3.1
	Electronics	5.4	2.6	4.0	5.4
	Inorganics	-0.3	0.3	0.7	-1.9
	Aluminum	0.2	1.2	1.1	0.1
	Others	0.1	0.1	-0.2	1.5
	Adjustments	-1.9	-1.8	-2.1	-2.0
	Total	3.9	12.3	9.4	8.2

II. Forecast for 2016

1. Summary

(Unit: billions of yen, except for net income/share and cash dividends/share)

Items	2015	2016 Forecast	Increase
Net Sales	781.0	765.0	-16.0
Operating Income	33.7	36.0	2.3
Profit attributable to owners of parent	1.0	20.0	19.0
Profit attributable to owners of parent per share	¥0.68	¥14.00	¥13.32
Cash dividends per share	¥3.00(planned)	¥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.

2. Net sales and Operating Income by Segment

(Unit: billions of yen)

Segment		2015	2016 Forecast	Increase
Net Sales	Petrochemicals	231.3	211.0	-20.3
	Chemicals	142.3	144.0	1.7
	Electronics	131.5	121.0	-10.5
	Inorganics	63.5	67.0	3.5
	Aluminum	100.8	102.0	1.2
	Others	152.5	162.0	9.5
	Adjustments	-40.8	-42.0	-1.2
	Total	781.0	765.0	-16.0

Operating Income	Petrochemicals	10.5	12.0	1.5
	Chemicals	10.7	13.0	2.3
	Electronics	17.5	15.5	-2.0
	Inorganics	-1.2	-2.0	-0.8
	Aluminum	2.6	3.5	0.9
	Others	1.5	2.0	0.5
	Adjustments	-7.9	-8.0	-0.1
	Total	33.7	36.0	2.3

(Note) Amount of "Adjustment" includes company-wide costs which are not allocated to each segment.

III. Cash Flow

(Unit: billions of yen)

Cash flows from:	2014	2015	Increase	2016 Forecast	Increase
Operating Activities	66.0	62.4	-3.6	69.0	6.6
Investing Activities	-47.2	-43.9	3.3	-53.0	-9.1
Free Cash Flow	18.8	18.5	-0.3	16.0	-2.5
Financing Activities	-25.0	-23.2	1.8	-7.8	15.4
Newly Consolidated	3.6	-1.3	-4.9	0.0	1.3
Net increase in Cash	-2.7	-6.0	-3.4	8.2	14.2

IV. Reference

(Unit: billions of yen, except for total number of employees, exchange rate and domestic naphtha price)

Items	2014	2015	Increase	2016 Forecast	Increase
Capital expenditures	47.3	44.1	-3.3	50.3	6.3
Depreciation and amortization	40.7	42.1	1.5	40.4	-1.7
R & D expenditures	20.4	20.3	-0.1	20.4	0.2
Gap between interest expense and	-0.8	-2.2	-1.3	-2.4	-0.2
Total number of employees	10,577	10,561	-16	10,665	104
Exchange rate (yen/US\$)	105.9	121.1	15.2	119.0	-2.1
Domestic naphtha price (yen/kl)	69,700	46,000	-23,700	42,200	-3,800
Interest-bearing debt	383.1	368.8	-14.3	370.0	1.2
Total assets	1,011.1	941.3	-69.8		

Notes : 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. Underlined parts are corrected from the previous version.