



Ideas & Chemistry

Presentation to Investors



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(Analysts' Meeting)

Highlights

H1 FY 3/18 Results

- Operating profit was ¥10.5 billion (down 1.5%), and profit was ¥6.0 billion (up 65.3%)
- For “COSMOSHINE SRF,” focus was placed on the increase in production capacity. Sales of packaging film were struggling, led by a rise in raw material prices.
- Although sales of PPS materials for filter bags were recovering, profit from contract manufacturing of pharmaceuticals and textiles decreased.

FY 3/18 Forecasts

Operating profit remains unchanged at ¥25.0 billion, in anticipation of the business expansion of “COSMOSHINE SRF” and the recovery in sales of packaging film. Profit was revised to ¥19.0 billion in light of the sale of non-current assets.

	FY 3/17			FY 3/18			Previous forecasts (Aug. 2017)
	H1	H2		H1	H2 (Forecasts)	¥ bn.	
Net sales	164.7	164.8	329.5	161.4	178.6	340.0	340.0
Operating profit	10.7	12.7	23.3	10.5	14.5	25.0	25.0
Ordinary profit	8.7	11.9	20.7	9.1	12.9	22.0	23.0
Profit attributable to owners of parent	3.7	5.8	9.4	6.0	13.0	19.0	13.5

I. Results for H1 of FY 3/18

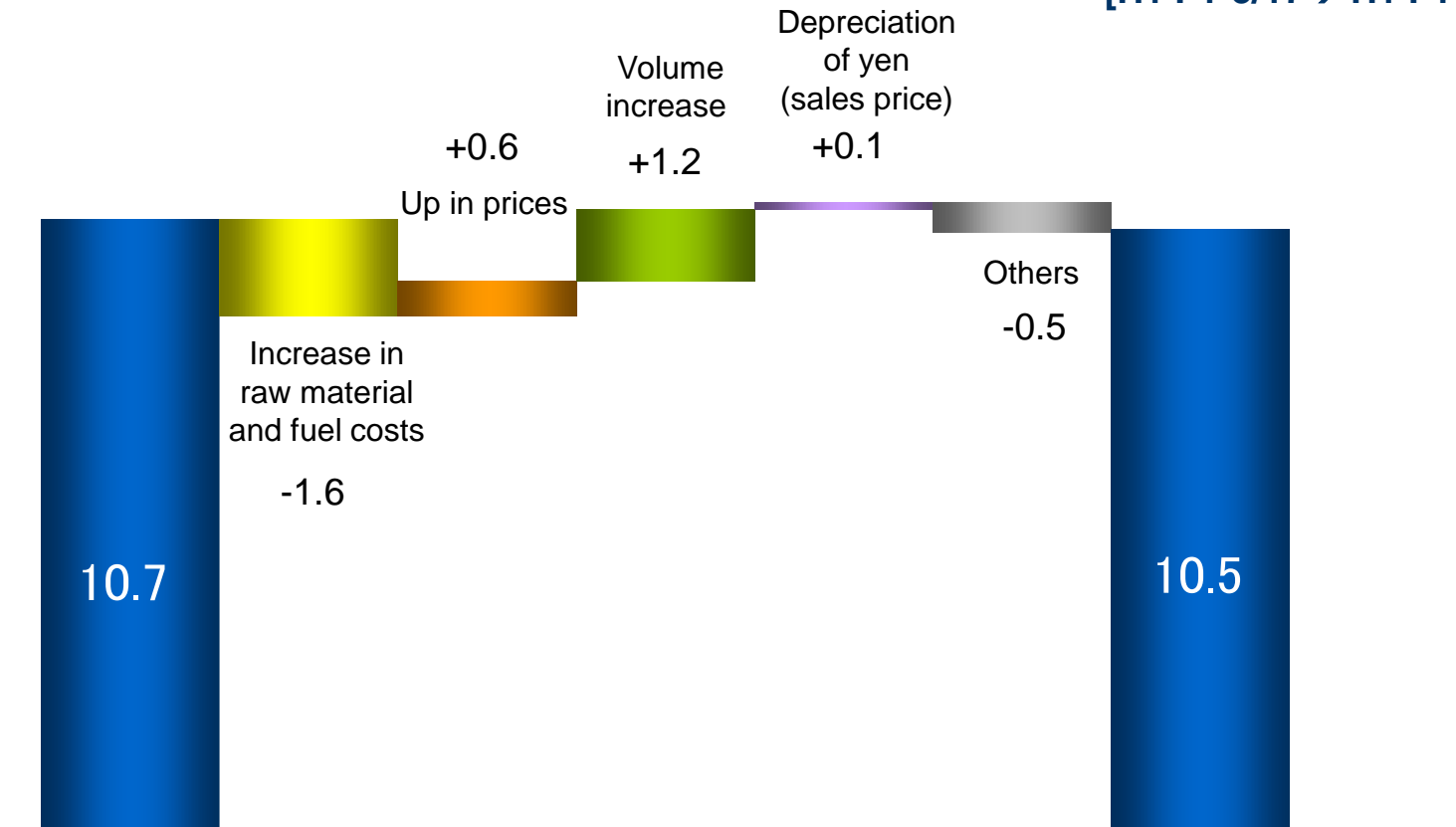
(1) Results for H1 FY 3/18 1)PL.CF

	¥ bn.					
	H1 FY 3/17	H2 FY 3/17	H1 FY 3/18	YoY		Previous forecasts (Aug, 2017)
				Amount	%	
Net Sales	164.7	164.8	161.4	-3.3	-2.0%	165.0
Operating profit	10.7	12.7	10.5	-0.2	-1.5%	11.0
Ratio to sales	6.5%	7.7%	6.5%	-	-	6.7%
Ordinary profit	8.7	11.9	9.1	+0.3	+3.8%	10.0
Profit attributable to owners of parent	3.7	5.8	6.0	+2.4	+65.3%	6.0
※ EPS (¥)	41.2	65.2	68.1	-	-	
Depreciation	7.3	7.6	7.8	+0.5	+6.7%	
CAPEX	7.8	10.5	9.8	+2.0	+25.5%	
Operating CF	10.6	16.2	12.8	+2.2	+20.3%	
Exchange rate (¥/US\$)	105	112	111			
Naphtha price in Japan (thosand ¥/kl)	32	38	38			

※ Figures after consolidation of shares.

Analysis of Changes in Operating Profit

[H1 FY 3/17 → H1 FY 3/18]



H1 FY 3/17

H1 FY 3/17

H1 FY 3/18

H1 FY 3/18 (¥ bn.)

Exchange rate (¥/US\$)	105	111
Naphtha price in Japan (thousand ¥/kl)	32	38

2) BS

		(A)	(B)	¥ bn.
	Mar.31, 2016	Mar. 31, 2017	Sep. 30, 2017	Change (A)→(B)
Total assets	444.6	450.8	447.4	-3.4
Cash and deposits	20.3	32.3	25.6	-6.8
Inventory	75.3	72.8	71.8	-1.0
Net assets	160.1	170.9	177.2	+6.3
Shareholders' equity	156.9	167.8	173.6	+5.8
Capital surplus	39.5	45.9	49.1	+3.2
Non-controlling interests	3.2	3.1	3.6	+0.5
Interest-bearing debt	165.4	169.2	163.3	-5.9
D/E ratio	1.05	1.01	0.94	

(2) Results by Segment

¥ bn.

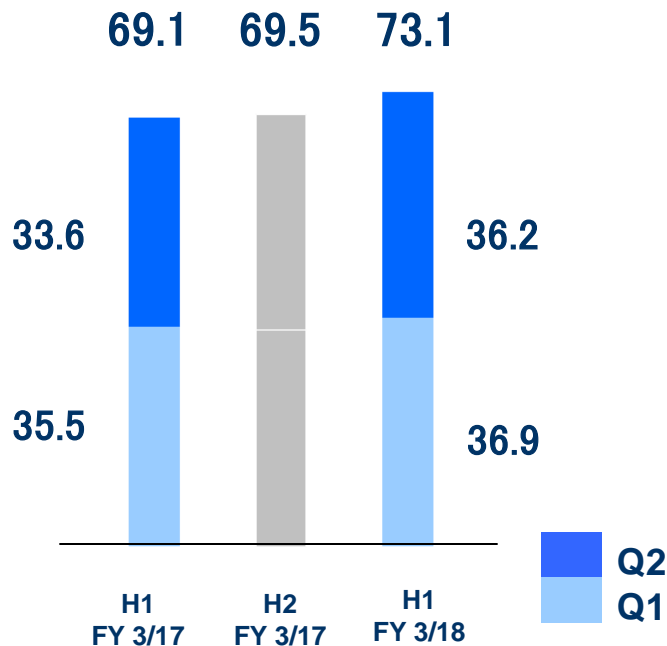
	Net Sales			Operating Profit (loss)			YoY
	H1 FY 3/17	H2 FY 3/17	H1 FY 3/18	H1 FY 3/17	H2 FY 3/17	H1 3/18	
Films & Functional Polymers	69.1	69.5	73.1	6.0	6.7	6.4	+0.4
Industrial Materials	28.9	31.0	30.5	1.7	2.1	2.2	+0.5
Healthcare	18.0	18.5	16.3	2.2	3.0	1.7	-0.5
Textiles and Trading	39.8	37.7	33.8	0.4	0.6	-0.2	-0.6
Real Estate and Others	8.9	8.1	7.7	1.7	1.6	1.5	-0.2
Elimination & Corporate	-	-	-	-1.5	-1.5	-1.2	+0.3
Total	164.7	164.8	161.4	10.7	12.7	10.5	-0.2

1) Films & Functional Polymers

- Sales of packaging film were struggling, led by a rise in raw material prices. For “COSMOSHINE SRF,” focus was placed on the increase in production capacity. Sales of mold release film also increased.

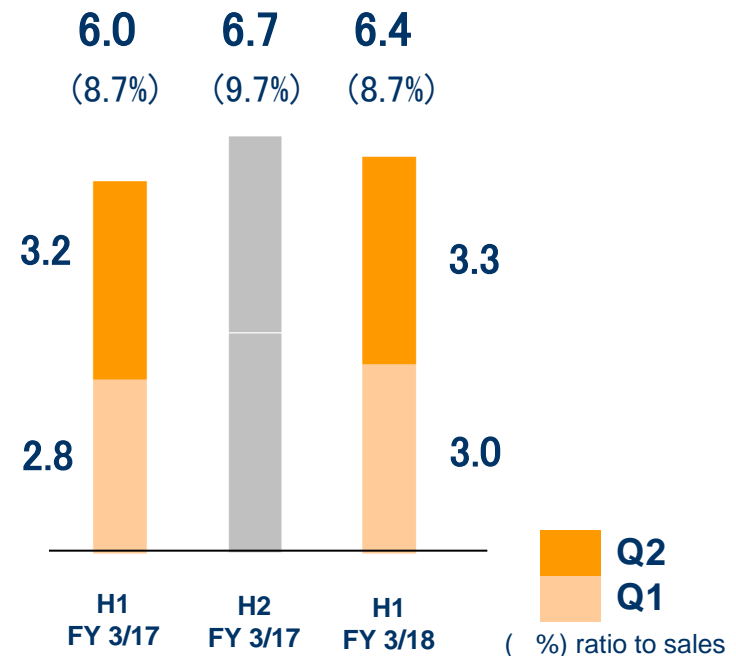
Net sales

(¥ bn.)



Operating profit

(¥ bn.)

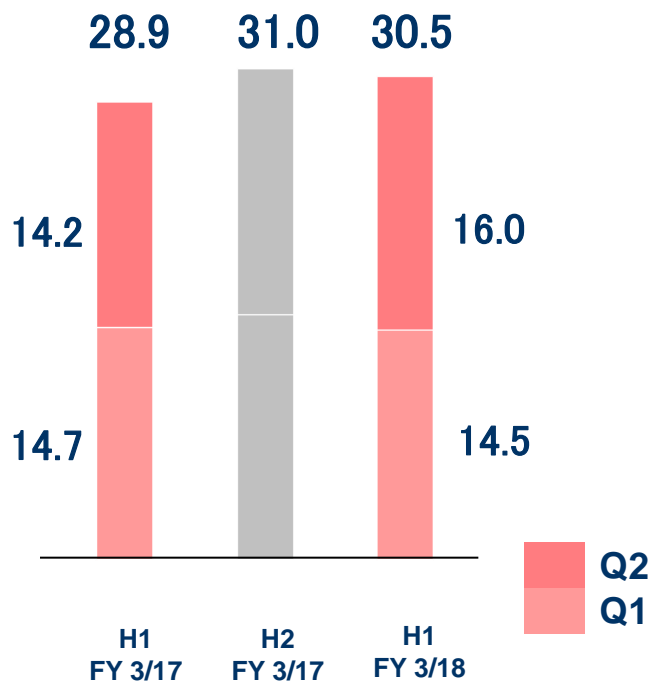


2) Industrial Materials

- For airbag fabrics, the preparation for the sales expansion starting from the second half of the fiscal year under review was advanced. Sales of PPS materials for filter bags were recovering.

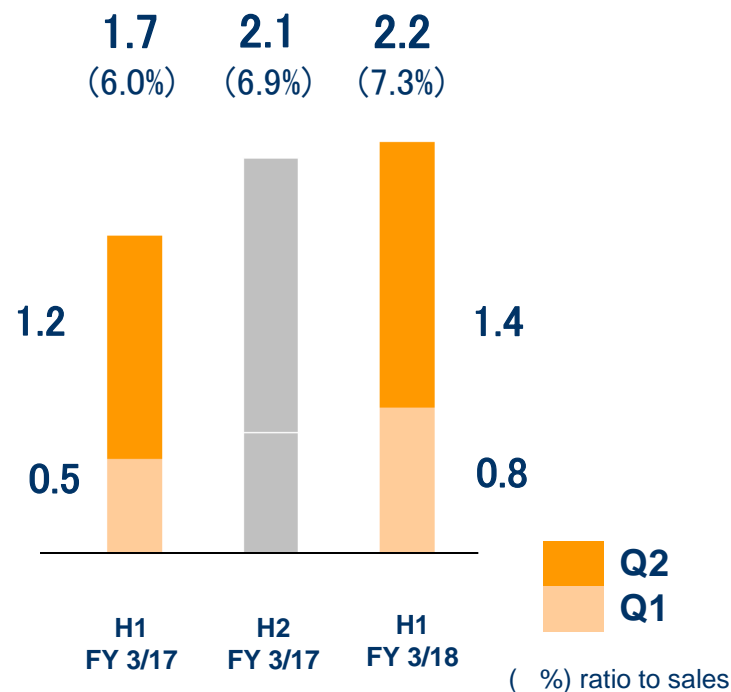
Net sales

(¥ bn.)



Operating profit

(¥ bn.)

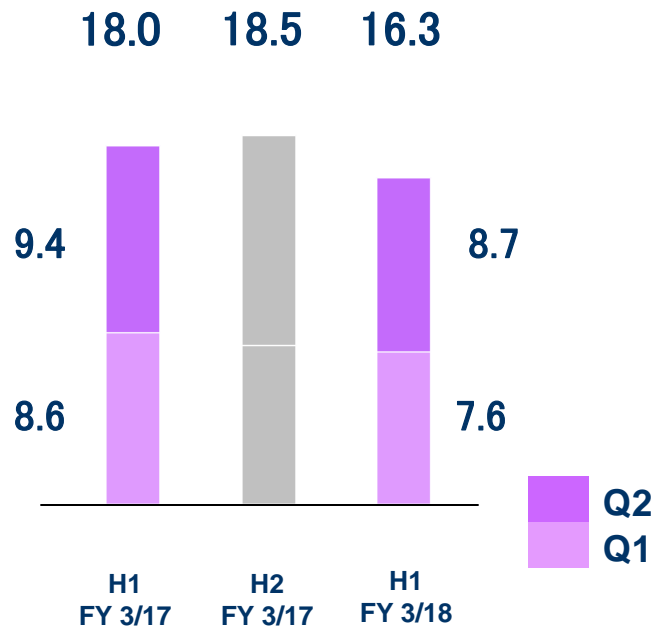


3) Healthcare

- In the bio-science & medical business, profit from the contract manufacturing of pharmaceuticals decreased.
- In the membranes & environment business, sales of VOC emissions treatment equipment were increasing.

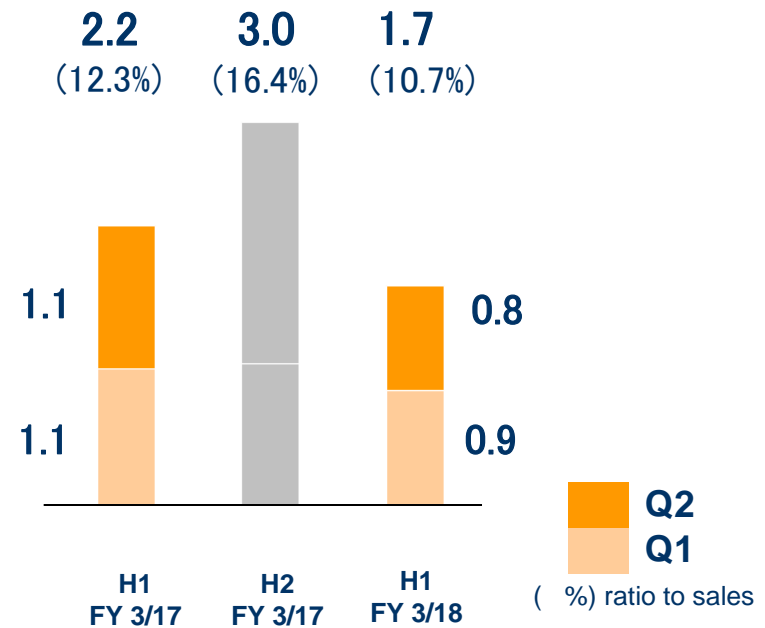
Net sales

(¥ bn.)



Operating profit

(¥ bn.)

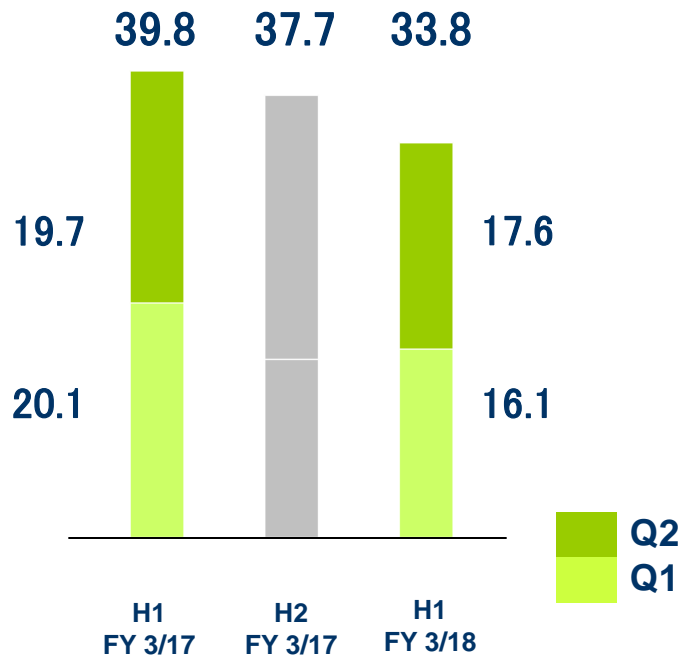


4) Textiles and Trading

- Sales of thoub cloth in the Middle East were weak because of the situation in the Middle East and other factors.
Sales of some materials for sports apparel were sluggish.

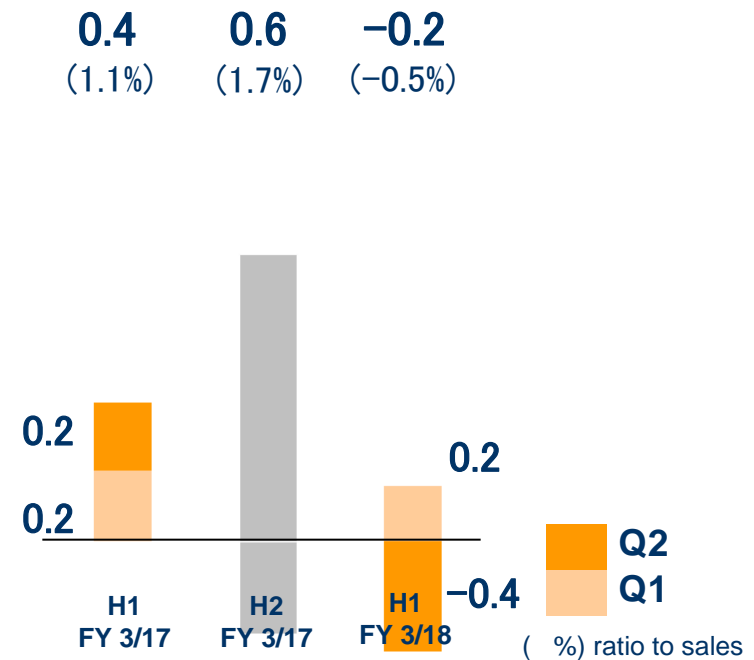
Net sales

(¥ bn.)



Operating profit (loss)

(¥ bn.)



II. Forecasts for FY 3/18

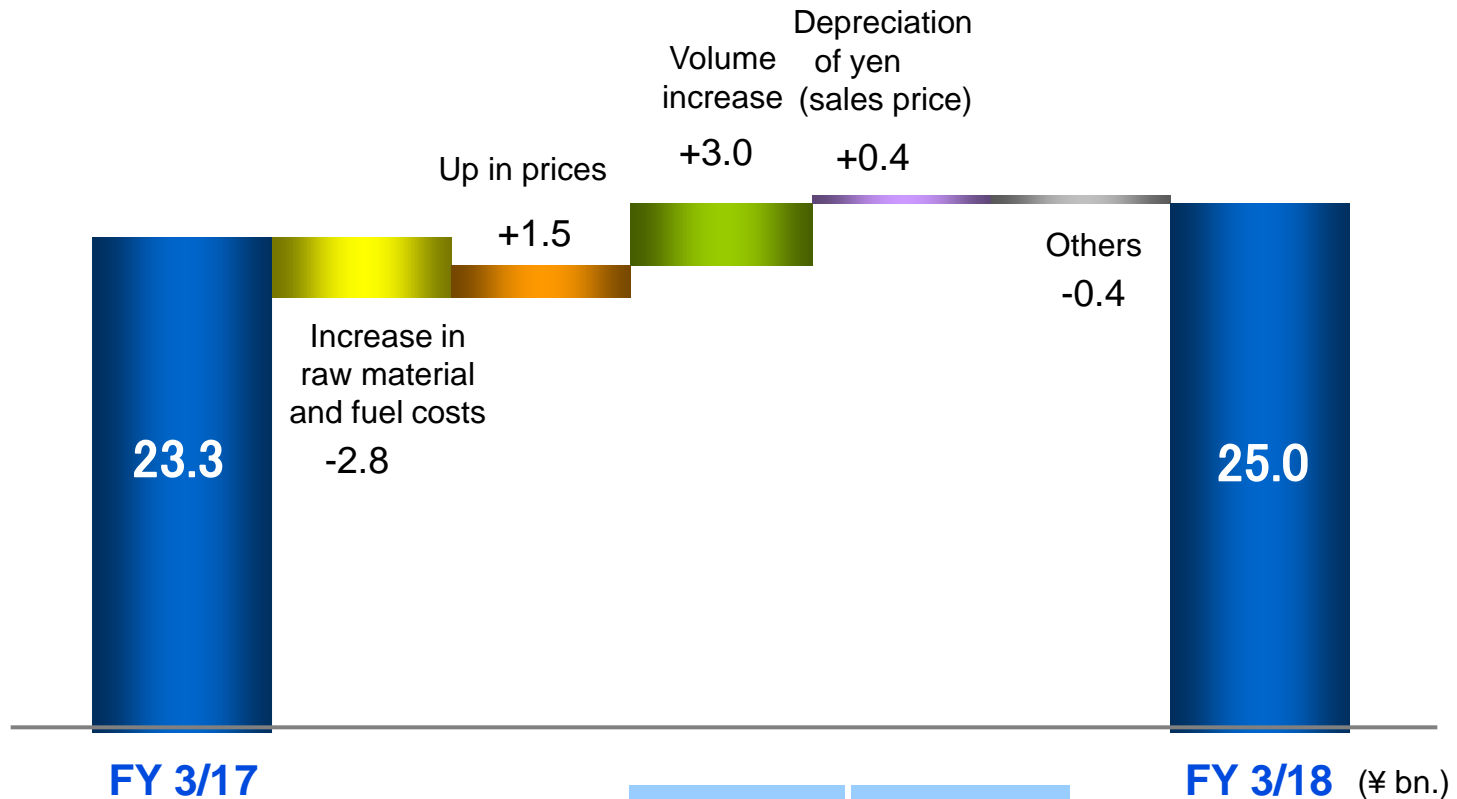
(1) Forecasts for FY 3/18

	¥ bn.						Previous forecasts (Aug, 2017)
	FY 3/17	FY 3/18 (Forecasts)			Change		
		H1	H2		Amount	%	
Net sales	329.5	161.4	178.6	340.0	+10.5	+3.2%	340.0
Operating profit	23.3	10.5	14.5	25.0	+1.7	+7.1%	25.0
Ratio to sales	7.1%	6.5%	8.1%	7.4%	–	–	7.4%
Ordinary profit	20.7	9.1	12.9	22.0	+1.3	+6.5%	23.0
Profit attributable to owners of parent	9.4	6.0	13.0	19.0	+9.6	+101.2%	13.5
※ EPS (¥)	106.4	68.1	145.9	214.0	–	–	15.2
Depreciation	14.9	7.8	8.0	15.8	+0.9	+5.8%	15.5
CAPEX	18.4	9.8	9.2	19.0	+0.6	+3.5%	19.0
Exchange rate (¥/US\$)	109	111	112	112			110
Naptha price in Japan (thousand ¥/kl)	35	38	43	40			42

※ Figures after consolidation of shares.

Analysis of Changes in Operating Profit

[Forecasts: FY 3/17 → FY 3/18]



	H1 FY3/17	H1 FY 3/18
Exchange rate (¥/US\$)	109	112
Naptha price in Japan (thousand ¥/kl)	35	40

(2) Forecasts by Segment

	Net Sales				Operating Profit				¥ bn. Previous forecasts (Aug, 2017)
	FY 3/17	FY 3/18 (Forecasts)			FY 3/17	FY 3/18 (Forecasts)			
		H1	H2			H1	H2		
Films & Functional Polymers	138.6	73.1	74.9	148.0	12.7	6.4	8.3	14.7	13.7
Industrial Materials	59.9	30.5	31.4	61.9	3.9	2.2	2.1	4.3	3.9
Healthcare	36.4	16.3	24.6	40.9	5.2	1.7	3.5	5.2	5.9
Textiles and Trading	77.6	33.8	40.5	74.3	1.1	-0.2	0.9	0.7	1.1
Real Estate and Others	17.0	7.7	7.2	14.9	3.3	1.5	1.2	2.7	3.3
Elimination & Corporate	-	-	-	-	-2.9	-1.2	-1.4	-2.6	-2.9
Total	329.5	161.4	178.6	340.0	23.3	10.5	14.5	25.0	25

Please Note

The business performance forecasts and targets included in the business plans contained in this presentation are based on information known to the Company's management as of the day of presentation. Please be aware that the content of the future forecasts may differ significantly from actual results, due to a number of unforeseeable factors.