

## 2017 Outlook

UNFOLDING POLITICAL AND ECONOMIC DEVELOPMENTS IN THE UNITED STATES AND EUROPE WILL PLAY A MAJOR ROLE IN THE DIRECTION OF THE GLOBAL ECONOMY IN 2017. OUR FOCUS WILL BE ON FINDING THE OPPORTUNITIES THAT THE CHALLENGES AHEAD WILL INEVITABLY BRING.

Political issues are likely to contribute to continued global economic uncertainty in 2017. Presidential elections are scheduled to be held in France and other countries in the Eurozone, and there are growing concerns about a hard landing as the United Kingdom exits the European Union. Policy uncertainty also remains regarding trade protectionism in the wake of last year's US presidential election, raising concerns about possible exchange rate volatility and a US interest rate hike, visibly weakening the global economic outlook. In China, the current main driver of global economic growth, the market is undergoing restructuring for long-term growth, necessarily limiting it to medium-speed growth for the foreseeable future.

We are committed to upgrading our competitiveness across the board in 2017. In every business field, we will eliminate unproductive practices and focus on turning challenges into opportunities. In our core chemicals fields, we are aiming for all-around stable growth for our existing products. Here, ensuring a stable supply of key feedstocks and strategically strengthening ties with our customers are essential. At the same time, we will be looking for new businesses with the potential to drive future growth, focusing on areas closely related to existing businesses. In these ways, we will take the next step toward our vision of becoming a global leading chemical group.

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