

Outlook

The global outlook for growth in 2015 is projected to slow following the downward revision of economic growth targets in China, a country that has been a major driver of economic growth in recent years.

Although improving job and consumer markets in the US are raising expectations of a gradual recovery, economic recoveries in Europe and Japan have stalled and Greek national debt and other risk factors still remain, holding back growth. Beyond these factors, global economic uncertainty is increasing as the US moves to raise interest rates and international oil prices remain volatile. For industries such as petrochemicals that are particularly sensitive to economic trends, the outlook is not bright. We face an increasingly challenging business environment where emerging markets are steadily increasing their ability to supply their own needs, further intensifying competition.

As we rise to meet these challenges in 2015, we will be focusing on laying the foundation for our next phase of growth. Just as price competition is intensifying in China and other developing countries, we will be focusing on improving our cost competitiveness and the profitability of our commodity products. We will also be expanding sales of high-value-added products and moving ahead with our energy business expansion project to lay a firm foundation for greater growth and competitiveness going forward. From a financial perspective, we will be adopting a more meticulous approach when making investment decisions to maximize the effectiveness of our investments as we work towards maintaining a solid financial structure and steadily reducing debt. Together, these strategies will lay the foundation for us and our affiliates to achieve our vision of being a global leading chemical group in the coming years.

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