

Summary of Consolidated Financial Results for First Quarter of FY2017

Aug. 2, 2017
Mitsubishi Gas Chemical, Inc (TSE 4182)

1. Summary of Income Statement (April 1 - June 30, 2017)

Millions of yen, rounded down

	Apr. 1 -June. 30, 2016	Apr. 1 -June. 30, 2017	Change (%)
Net Sales	134,988	144,463	7.0
Operating income	9,937	14,144	42.3
Ordinary income	12,302	20,752	68.7
Net income attributable to owners of the parent	8,535	18,131	112.4
Comprehensive income	(2,502)	19,276	—
Net income per share (Yen)	39.09	84.02	

*The Company conducted a consolidation of shares at a ratio of one share for every two shares effective October 1, 2016. In Accordance with it, Net income per share are calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

2. Financial Position

Millions of yen, rounded down

	As of Mar. 31, 2017	As of June. 30, 2017
Total Assets	738,188	734,896
Net Assets	473,370	487,004
Equity Ratio(%)	57.5	59.6

3. Dividends

	FY2016	FY2017(Forecast)
Interim dividend per share (Yen)	8.00	22.00
Year-end dividend per share (Yen)	22.00	22.00
Annual Dividend per share (Yen)	-	44.00

(Note) Revision of cash dividend forecast during this period: None

*As the Company conducted a consolidation of shares at a ratio of one share for every two shares effective October 1, 2016, figures for the Year-end dividends per share for FY 2016 are amounts that take into account the consolidation of shares, and total annual dividends are shown as "-."

3. Consolidated Business Forecasts for FY2017 (April 1, 2017 - March 31, 2018)

Millions of yen, rounded down

	Six-month period	Full Year
Net Sales	290,000	580,000
Operating income	24,000	44,000
Ordinary income	33,000	59,000
Net income attributable to owners of the parent	26,000	46,000
Net income per share (Yen)	120.47	213.15

(Note) Revision of consolidated business forecasts during this period: Yes

4. Number of Shares Outstanding (Common Stock)

	Mar31,2017	June30,2017
Number of shares outstanding at term end (including treasury stock)	241,739,199	241,739,199
Number of shares of treasury stock at term-end	25,923,628	25,924,474

	Apr. 1 -June. 30, 2016	Apr. 1 -June. 30, 2017
Average shares outstanding during period	218,321,168	215,815,204

*The Company conducted a consolidation of shares at a ratio of one share for every two shares effective October 1, 2016. In Accordance with it, average shares outstanding during period are calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

1. These quarterly financial results are not subject to quarterly review procedures. At this time of disclosure of these financial results, the quarterly financial statement review procedures based on the Financial Instrument and Exchange Law have not been completed.
2. Forecasts, etc., recorded in this document contain forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen, rounded down)

	As of Mar. 31, 2017	As of June. 30, 2017
ASSETS		
Current assets		
Cash and deposits	75,017	69,545
Trade notes and accounts receivable	138,410	139,051
Short-term investments securities	139	66
Merchandise and finished goods	51,671	56,247
Work in progress	10,652	9,972
Raw materials and supplies	32,306	31,256
Other	19,544	19,312
Allowance for doubtful accounts	(1,067)	(1,105)
Total current assets	326,674	324,345
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	79,594	79,563
Machinery, equipment and vehicles, net	81,147	79,730
Other, net	57,315	57,950
Total property, plant and equipment	218,057	217,245
Intangible assets		
Goodwill	4,258	4,189
Other	4,111	4,319
Total intangible assets	8,370	8,508
Investments and other assets		
Investment securities	175,461	174,836
Other	10,307	10,624
Allowance for doubtful accounts	(683)	(664)
Total investments and other assets	185,085	184,797
Total noncurrent assets	411,513	410,551
Total assets	738,188	734,896

Consolidated Balance Sheets (continued)

(Millions of yen, rounded down)

	As of Mar. 31, 2017	As of June. 30, 2017
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	68,506	66,768
Short-term loans payable	74,669	70,328
Income taxes payable	3,394	2,059
Provision	6,108	3,552
Asset retirement obligations	98	48
Other	35,649	30,207
Total current liabilities	188,426	172,966
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	33,495	32,335
Provision	1,913	1,701
Projected benefit obligations	5,936	6,635
Asset retirement obligations	3,832	3,850
Other	21,212	20,402
Total noncurrent liabilities	76,391	74,925
Total liabilities	264,817	247,892
NET ASSETS		
Shareholders' equity		
Capital stock	41,970	41,970
Capital surplus	35,602	35,602
Retained earnings	357,245	370,629
Treasury stock	(21,829)	(21,831)
Total shareholders' equity	412,989	426,371
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,101	17,740
Deferred gains or losses on hedges	(0)	(2)
Revaluation reserve for land	222	222
Foreign currency translation adjustment	(6,249)	(6,362)
Remeasurements of defined benefit plans	(351)	(178)
Total accumulated other comprehensive	11,722	11,418
Non controlling interest	48,658	49,214
Total net assets	473,370	487,004
Total liabilities and net assets	738,188	734,896

2. Consolidated Statements of Income

(Millions of yen, rounded down)

	Apr. 1 -June. 30, 2016	Apr. 1 -June. 30, 2017
Net sales	134,988	144,463
Cost of sales	103,427	108,112
Gross profit	31,560	36,351
Selling, general and administrative expenses	21,623	22,206
Operating income	9,937	14,144
Non-operating income		
Interest income	103	93
Dividend income	992	1,046
Equity in earnings of affiliates	4,060	5,774
Other	564	1,087
Total non-operating income	5,720	8,002
Non-operating expenses		
Interest expense	385	262
Foreign exchange losses	1,733	-
Personnel expenses for seconded employees	486	509
Other	751	622
Total non-operating expenses	3,356	1,394
Ordinary income	12,302	20,752
Extraordinary income		
Gain on sales of investment securities	-	787
Compensation received	201	-
Total extraordinary income	201	787
Extraordinary losses		
Loss on sales of investment securities	127	-
Loss on liquidation of subsidiaries and affiliates	113	-
Total extraordinary losses	241	-
Income before income taxes, etc.	12,261	21,540
Income taxes, etc.	2,328	1,964
Net income	9,933	19,575
Net income attributable to non-controlling interests	1,398	1,443
Net income attributable to owners of the parent	8,535	18,131

(Consolidated Statements of Comprehensive Income)

(Millions of yen, rounded down)

	Apr. 1 -June. 30, 2016	Apr. 1 -June. 30, 2017
Net income	9,933	19,575
Other comprehensive Income		
Valuation difference on available-for-sale securities	(1,275)	(345)
Deferred gains or losses on hedges	2	(3)
Foreign currency statements translation adjustment	(6,037)	(186)
Remeasurements of defined benefit plans	78	(38)
Share of other comprehensive income of associates accounted for using equity	(5,203)	275
Total other comprehensive Income	(12,436)	(298)
Comprehensive income	(2,502)	19,276
Comprehensive income attributable to owners of the parent	(2,022)	17,827
Comprehensive income attributable to non-controlling interests	(480)	1,449

(3)Segment Information

(Billions of yen, rounded down)

	FY 2016 1Q	FY 2017 1Q	Change	FY2016 Full Year Result	FY 2017 1-2Q Forecast	FY 2017 Full Year Forecast
Net sales	134.9	144.4	9.4	556.4	290.0	580.0
Natural Gas Chemicals	36.2	37.6	1.4	153.5	75.4	153.3
Aromatic Chemicals	47.2	51.2	4.0	194.4	106.0	211.6
Specialty Chemicals	41.2	47.2	5.9	172.2	91.6	180.3
Information and Advanced Materials	13.2	12.5	(0.7)	50.2	24.4	49.3
Other and Adjustment	(3.0)	(4.3)	(1.2)	(13.9)	(7.6)	(14.7)
Operating income (loss)	9.9	14.1	4.2	43.7	24.0	44.0
Natural Gas Chemicals	0.6	1.1	0.4	2.5	1.2	2.9
Aromatic Chemicals	4.1	6.4	2.2	18.3	12.2	21.1
Specialty Chemicals	4.5	6.1	1.5	21.6	10.6	19.4
Information and Advanced Materials	1.0	1.2	0.1	4.8	2.0	4.8
Other and Adjustment	(0.4)	(0.8)	(0.3)	(3.6)	(2.2)	(4.3)
Non-operating profit	2.3	6.6	4.2	18.6	9.0	15.0
Ordinary income	12.3	20.7	8.4	62.4	33.0	59.0
Natural Gas Chemicals	2.5	4.9	2.3	14.3	7.2	12.8
Aromatic Chemicals	3.8	6.3	2.5	17.5	11.6	19.8
Specialty Chemicals	5.3	7.9	2.5	26.8	12.9	23.2
Information and Advanced Materials	1.2	1.6	0.3	6.1	2.5	5.8
Other and Adjustment	(0.7)	(0.1)	0.6	(2.4)	(1.3)	(2.8)

(4)Other Information

		FY2013	FY2014	FY2015	FY2016	FY2017 Forecast
Investments (Billions of yen)	Full year	25.4	22.2	30.5	35.0	42.0
	1Q	6.2	3.9	5.9	5.6	6.1
Depreciation & amortization (Billions of yen)	Full year	23.5	23.7	26.7	25.6	27.0
	1Q	5.8	5.6	6.5	6.1	6.4
R&D expenditures (Billions of yen)	Full year	16.1	16.8	18.9	19.2	21.0
	1Q	3.9	3.9	4.5	4.8	4.5
Number of Staff	Year-end	5,445	8,254	8,176	8,034	8,224
ROA (Ordinary income)		4.8%	5.8%	5.9%	8.4%	7.8%
ROE (Net income)		5.0%	12.6%	9.0%	11.9%	10.4%
Exchange Rate (JPY/USD, Average)	1Q	99	102	121	108	111
	Full year	100	110	120	108	110
Methanol (USD/MT, Asian average spot price)	First half	375	432	301	230	285
	Second half	449	358	230	327	280