

## Summary of Consolidated Financial Results for Third Quarter of FY2017

Feb. 6, 2018  
Mitsubishi Gas Chemical, Inc (TSE 4182)

### 1. Summary of Income Statement (April 1 - Dec 31, 2017)

Millions of yen, rounded down

	Apr. 1 -Dec. 31, 2016	Apr. 1 -Dec. 31, 2017	Change (%)
Net Sales	409,608	471,110	15.0
Operating income	32,358	48,952	51.3
Ordinary income	45,219	64,261	42.1
Net income attributable to owners of the parent	35,167	43,919	24.9
Comprehensive income	41,664	56,528	35.7
Net income per share (Yen)	162.32	203.71	

\*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 Dec. 31, 2017
Total Assets	738,188	785,935
Net Assets	473,370	510,081
Equity Ratio(%)	57.5	58.5

### 3. Dividends

	FY2016	FY2017
Interim dividend per share (Yen)	8.00	24.00
Year-end dividend per share (Yen)	22.00	30.00(Forecast)
Annual Dividend per share (Yen)	-	54.00(Forecast)

(Note) Revision of cash dividend forecast during this period: Yes

\*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 "-."

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

Millions of yen, rounded down

	Full Year
Net Sales	630,000
Operating income	59,000
Ordinary income	80,000
Net income attributable to owners of the parent	56,000
Net income per share (Yen)	260.34

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

### 5. Number of Shares Outstanding (Common Stock)

	Mar31,2017	Dec31,2017
Number of shares outstanding at term end (including treasury stock)	241,739,199	231,739,199
Number of shares of treasury stock at term-end	25,923,628	17,715,543

	Apr. 1 -Dec. 31, 2016	Apr. 1 -Dec. 31, 2017
Average shares outstanding during period	216,653,423	215,597,970

\*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, number of shares outstanding at term end, number of shares of treasury stock at the term-end, and 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.

- 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.
- 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 Dec. 31, 2017
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	75,017	77,395
Trade notes and accounts receivable	138,410	169,123
Short-term investments securities	139	261
Merchandise and finished goods	51,671	58,826
Work in progress	10,652	10,663
Raw materials and supplies	32,306	33,332
Other	19,544	19,798
Allowance for doubtful accounts	(1,067)	(1,261)
<b>Total current assets</b>	<b>326,674</b>	<b>368,140</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	79,594	80,787
Machinery, equipment and vehicles, net	81,147	81,691
Other, net	57,315	60,031
<b>Total property, plant and equipment</b>	<b>218,057</b>	<b>222,511</b>
<b>Intangible assets</b>		
Goodwill	4,258	3,971
Other	4,111	4,489
<b>Total intangible assets</b>	<b>8,370</b>	<b>8,461</b>
<b>Investments and other assets</b>		
Investment securities	175,461	176,739
Other	10,307	10,700
Allowance for doubtful accounts	(683)	(618)
<b>Total investments and other assets</b>	<b>185,085</b>	<b>186,821</b>
<b>Total noncurrent assets</b>	<b>411,513</b>	<b>417,794</b>
<b>Total assets</b>	<b>738,188</b>	<b>785,935</b>

**Consolidated Balance Sheets (continued)**

(Millions of yen, rounded down)

	As of Mar. 31, 2017	As of Dec. 31, 2017
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	68,506	89,787
Short-term loans payable	74,669	75,578
Income taxes payable	3,394	3,071
Provision	6,108	3,062
Asset retirement obligations	98	47
Other	35,649	36,599
<b>Total current liabilities</b>	<b>188,426</b>	<b>208,146</b>
<b>Noncurrent liabilities</b>		
Bonds payable	10,000	10,000
Long-term loans payable	33,495	21,718
Provision	1,913	3,342
Projected benefit obligations	5,936	6,773
Asset retirement obligations	3,832	3,894
Other	21,212	21,979
<b>Total noncurrent liabilities</b>	<b>76,391</b>	<b>67,707</b>
<b>Total liabilities</b>	<b>264,817</b>	<b>275,853</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	41,970	41,970
Capital surplus	35,602	34,847
Retained earnings	357,245	382,421
Treasury stock	(21,829)	(18,557)
<b>Total shareholders' equity</b>	<b>412,989</b>	<b>440,682</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	18,101	22,234
Deferred gains or losses on hedges	(0)	(3)
Revaluation reserve for land	222	222
Foreign currency translation adjustment	(6,249)	(2,883)
Remeasurements of defined benefit plans	(351)	(560)
<b>Total accumulated other comprehensive</b>	<b>11,722</b>	<b>19,009</b>
<b>Non controlling interest</b>	<b>48,658</b>	<b>50,389</b>
<b>Total net assets</b>	<b>473,370</b>	<b>510,081</b>
<b>Total liabilities and net assets</b>	<b>738,188</b>	<b>785,935</b>

## 2. Consolidated Statements of Income

(Millions of yen, rounded down)

	Apr. 1 -Dec. 31, 2016	Apr. 1 -Dec. 31, 2017
Net sales	409,608	471,110
Cost of sales	312,668	353,474
Gross profit	96,939	117,635
Selling, general and administrative expenses	64,581	68,682
Operating income	32,358	48,952
<b>Non-operating income</b>		
Interest income	302	323
Dividend income	1,667	2,007
Equity in earnings of affiliates	14,476	14,000
Other	1,785	3,304
Total non-operating income	18,231	19,636
<b>Non-operating expenses</b>		
Interest expense	1,052	784
Foreign exchange losses	1,078	-
Personnel expenses for seconded employees	1,262	1,151
Other	1,977	2,391
Total non-operating expenses	5,370	4,328
Ordinary income	45,219	64,261
<b>Extraordinary income</b>		
Gain on sales of investment securities	761	1,105
Compensation received	201	-
Subsidy income	135	-
Total extraordinary income	1,097	1,105
<b>Extraordinary losses</b>		
Loss on valuation of investment securities	-	8,320
Provision for loss on guarantees	-	1,007
Loss on liquidation of subsidiaries and affiliates	141	162
Loss on disposal of non-current assets	-	154
Amortization of goodwill	-	102
Loss on withdrawal from business	-	100
Loss on sales of investment securities	127	-
Loss on reduction of noncurrent assets	107	-
Impairment loss	72	-
Total extraordinary losses	448	9,847
Income before income taxes, etc.	45,868	55,520
Income taxes, etc.	6,365	7,230
Net income	39,503	48,289
Net income attributable to non-controlling interests	4,336	4,369
Net income attributable to owners of the parent	35,167	43,919

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen, rounded down)

	Apr. 1 -Dec. 31, 2016	Apr. 1 -Dec. 31, 2017
Net income	39,503	48,289
<b>Other comprehensive Income</b>		
Valuation difference on available-for-sale securities	7,078	4,171
Deferred gains or losses on hedges	(35)	(3)
Foreign currency statements translation adjustment	(6,653)	2,878
Remeasurements of defined benefit plans	183	(217)
Share of other comprehensive income of associates accounted for using equity	1,587	1,410
Total other comprehensive Income	2,161	8,238
Comprehensive income	41,664	56,528
Comprehensive income attributable to owners of the parent	40,765	51,206
Comprehensive income attributable to non-controlling interests	899	5,321

### (3)Segment Information

(Billions of yen, rounded down)

	FY 2016 1-3Q	FY 2017 1-3Q	Change	FY2016 Full Year Result	FY 2017 Full Year Forecast
Net sales	409.6	471.1	61.5	556.4	630.0
Natural Gas Chemicals	107.8	127.9	20.0	153.5	177.7
Aromatic Chemicals	145.3	163.3	18.0	194.4	216.9
Specialty Chemicals	128.4	152.3	23.9	172.2	200.2
Information and Advanced Materials	37.9	39.9	2.0	50.2	51.1
Other and Adjustment	(10.0)	(12.5)	(2.4)	(13.9)	(16.0)
Operating income (loss)	32.3	48.9	16.5	43.7	59.0
Natural Gas Chemicals	0.8	3.7	2.8	2.5	5.4
Aromatic Chemicals	14.8	22.0	7.1	18.3	25.8
Specialty Chemicals	15.6	22.3	6.7	21.6	27.4
Information and Advanced Materials	3.4	4.0	0.5	4.8	5.0
Other and Adjustment	(2.5)	(3.2)	(0.7)	(3.6)	(4.7)
Non-operating profit	12.8	15.3	2.4	18.6	21.0
Ordinary income	45.2	64.2	19.0	62.4	80.0
Natural Gas Chemicals	9.1	11.3	2.2	14.3	17.8
Aromatic Chemicals	14.1	21.3	7.1	17.5	24.6
Specialty Chemicals	18.3	28.0	9.7	26.8	34.2
Information and Advanced Materials	4.2	5.2	0.9	6.1	6.3
Other and Adjustment	(0.7)	(1.7)	(1.0)	(2.4)	(3.1)

### (4)Other Information

		FY2013	FY2014	FY2015	FY2016	FY2017 Forecast
Investments (Billions of yen)	1-3Q	18.9	14.7	22.6	24.1	23.2
	Full year	25.4	22.2	30.5	35.0	40.0
Depreciation & amortization (Billions of yen)	1-3Q	17.5	17.8	19.8	18.8	20.0
	Full year	23.5	23.7	26.7	25.6	27.0
R&D expenditures (Billions of yen)	1-3Q	12.1	12.3	13.7	14.2	14.2
	Full year	16.1	16.8	18.9	19.2	20.0
Number of Staff	Year-end	5,445	8,254	8,176	8,034	8,098
ROA (Ordinary income)		4.8%	5.8%	5.9%	8.4%	10.6%
ROE (Net income)		5.0%	12.6%	9.0%	11.9%	12.6%
Exchange Rate (JPY/USD, Average)	1-3Q	99	107	122	107	112
	Full year	100	110	120	108	111
Methanol (USD/MT, Asian average spot price)	1-3Q	383	410	283	250	319
	4Q	498	349	213	360	385