

## Summary of Consolidated Financial Results for First Quarter of FY2019

Aug. 2, 2019

Mitsubishi Gas Chemical Company, Inc (TSE 4182)

### 1. Summary of Income Statement (April 1- June 30, 2019)

Millions of yen, rounded down

	Apr. 1 -June. 30, 2018	Apr. 1 -June. 30, 2019	Change (%)
Net Sales	162,580	151,219	(7.0)
Operating income	15,602	8,796	(43.6)
Ordinary income	23,056	5,142	(77.7)
Net income attributable to owners of the parent	18,562	3,585	(80.7)
Comprehensive income	17,900	2,662	(85.1)
Net income per share (Yen)	86.90	16.85	

### 2. Financial Position

Millions of yen, rounded down

	As of Mar. 31, 2019	As of June. 30, 2019
Total Assets	804,038	798,727
Net Assets	553,282	549,588
Equity Ratio(%)	62.6	62.1

### 3. Dividends

	FY2018	FY2019(Forecast)
Interim dividend per share (Yen)	35.00	35.00
Year-end dividend per share (Yen)	35.00	35.00
Annual Dividend per share (Yen)	70.00	70.00

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

### 4. Consolidated Business Forecasts for FY2019 (April 1, 2019 - March 31, 2020)

Millions of yen, rounded down

	Six-month period	Full Year
Net Sales	310,000	630,000
Operating income	14,000	33,000
Ordinary income	12,000	35,000
Net income attributable to owners of the parent	9,000	25,000
Net income per share (Yen)	42.39	117.76

(Note) Revision of consolidated business forecasts during this period: Yes  
Please refer to "Revision of Business Performance" for details.

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

	Mar31,2019	June30,2019
Number of shares outstanding at term end (including treasury stock)	231,739,199	229,039,199
Number of shares of treasury stock at term-end	18,099,472	17,679,668

	Apr. 1 -June. 30, 2018	Apr. 1 -June. 30, 2019
Average shares outstanding during period	213,604,016	212,790,048

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, 2019	As of June. 30, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	91,130	96,497
Trade notes and accounts receivable	155,507	153,529
Short-term investments securities	23	131
Merchandise and finished goods	67,681	65,438
Work in progress	13,308	13,370
Raw materials and supplies	38,262	37,461
Other	13,965	15,491
Allowance for doubtful accounts	(1,033)	(1,059)
<b>Total current assets</b>	<b>378,845</b>	<b>380,860</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	81,630	83,074
Machinery, equipment and vehicles, net	78,700	78,973
Other, net	68,161	74,703
<b>Total property, plant and equipment</b>	<b>228,492</b>	<b>236,751</b>
<b>Intangible assets</b>		
Goodwill	3,841	5,594
Other	4,772	5,790
<b>Total intangible assets</b>	<b>8,614</b>	<b>11,385</b>
<b>Investments and other assets</b>		
Investment securities	177,011	157,741
Other	11,617	12,527
Allowance for doubtful accounts	(543)	(538)
<b>Total investments and other assets</b>	<b>188,086</b>	<b>169,730</b>
<b>Total noncurrent assets</b>	<b>425,193</b>	<b>417,867</b>
<b>Total assets</b>	<b>804,038</b>	<b>798,727</b>

Consolidated Balance Sheets (continued)

(Millions of yen, rounded down)

	As of Mar. 31, 2019	As of June. 30, 2019
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	80,089	78,739
Short-term loans payable	58,749	59,372
Income taxes payable	3,439	1,505
Provision	6,213	3,304
Asset retirement obligations	113	113
Other	39,814	42,483
<b>Total current liabilities</b>	<b>188,420</b>	<b>185,519</b>
<b>Noncurrent liabilities</b>		
Bonds payable	10,000	10,000
Long-term loans payable	26,615	25,447
Provision	4,169	4,100
Projected benefit obligations	5,247	5,890
Asset retirement obligations	2,324	3,505
Other	13,978	14,676
<b>Total noncurrent liabilities</b>	<b>62,336</b>	<b>63,620</b>
<b>Total liabilities</b>	<b>250,756</b>	<b>249,139</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	41,970	41,970
Capital surplus	34,298	34,245
Retained earnings	439,080	433,516
Treasury stock	(19,930)	(20,054)
<b>Total shareholders' equity</b>	<b>495,418</b>	<b>489,677</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	13,023	10,984
Deferred gains or losses on hedges	1	(11)
Revaluation reserve for land	222	184
Foreign currency translation adjustment	(6,327)	(5,422)
Remeasurements of defined benefit plans	623	255
<b>Total accumulated other comprehensive</b>	<b>7,542</b>	<b>5,989</b>
<b>Non controlling interest</b>	<b>50,321</b>	<b>53,921</b>
<b>Total net assets</b>	<b>553,282</b>	<b>549,588</b>
<b>Total liabilities and net assets</b>	<b>804,038</b>	<b>798,727</b>

## 2. Consolidated Statements of Income

(Millions of yen, rounded down)

	Apr. 1 -June. 30, 2018	Apr. 1 -June. 30, 2019
Net sales	162,580	151,219
Cost of sales	123,839	118,676
Gross profit	38,741	32,542
Selling, general and administrative expenses	23,139	23,746
Operating income	15,602	8,796
<b>Non-operating income</b>		
Interest income	133	149
Dividend income	1,195	1,226
Equity in earnings of affiliates	7,087	-
Other	993	757
Total non-operating income	9,409	2,132
<b>Non-operating expenses</b>		
Interest expense	281	234
Personnel expenses for seconded employees	524	521
Rent expenses	408	384
Foreign exchange losses	404	512
Share of loss of entities accounted for using equity method	-	3,685
Other	336	446
Total non-operating expenses	1,955	5,786
Ordinary income	23,056	5,142
<b>Extraordinary income</b>		
Gain on step acquisitions	-	1,016
Gain on sales of investment securities	100	967
Compensation received	-	564
Gain on sales of non-current assets	714	-
Total extraordinary income	814	2,548
<b>Extraordinary losses</b>		
Loss on valuation of investment securities	361	-
Provision for loss on guarantees	288	-
Total extraordinary losses	650	-
Income before income taxes, etc.	23,220	7,691
Income taxes, etc.	3,566	3,263
Net income	19,654	4,428
Net income attributable to non-controlling interests	1,091	842
Net income attributable to owners of the parent	18,562	3,585

(Consolidated Statements of Comprehensive Income)

(Millions of yen, rounded down)

	Apr. 1 -June. 30, 2018	Apr. 1 -June. 30, 2019
Net income	19,654	4,428
<b>Other comprehensive Income</b>		
Valuation difference on available-for-sale securities	(310)	(2,006)
Deferred gains or losses on hedges	(4)	(13)
Foreign currency statements translation adjustment	(2,376)	(1,535)
Remeasurements of defined benefit plans	(169)	(92)
Share of other comprehensive income of associates accounted for using equity method	1,107	1,882
Total other comprehensive Income	(1,754)	(1,765)
Comprehensive income	17,900	2,662
Comprehensive income attributable to owners of the parent	17,977	2,086
Comprehensive income attributable to non-controlling interests	(77)	575

### 3. Segment Information

(Billions of yen, rounded down)

	FY 2018 1Q	FY 2019 1Q	Change	FY2018 Full Year Result	FY 2019 Full Year Forecast
Net sales	162.5	151.2	(11.3)	648.9	630.0
Natural Gas Chemicals	43.8	39.1	(4.6)	188.3	168.5
Aromatic Chemicals	53.8	51.2	(2.6)	211.7	207.6
Specialty Chemicals	53.7	49.6	(4.0)	205.7	209.5
Information and Advanced Materials	13.5	13.3	(0.2)	51.9	52.0
Other and Adjustment	(2.4)	(2.1)	0.3	(8.7)	(7.7)
Operating income (loss)	15.6	8.7	(6.8)	41.3	33.0
Natural Gas Chemicals	0.9	0.1	(0.8)	3.3	3.1
Aromatic Chemicals	5.5	3.8	(1.7)	14.6	14.2
Specialty Chemicals	8.3	4.2	(4.0)	21.2	15.0
Information and Advanced Materials	1.4	1.2	(0.1)	3.9	3.6
Other and Adjustment	(0.6)	(0.7)	(0)	(1.8)	(3.0)
Non-operating profit	7.4	(3.6)	(11.1)	27.8	2.0
Ordinary income	23.0	5.1	(17.9)	69.1	35.0
Natural Gas Chemicals	5.5	(4.4)	(9.9)	22.6	0.5
Aromatic Chemicals	5.4	3.6	(1.7)	13.9	13.3
Specialty Chemicals	10.4	5.1	(5.2)	28.2	19.2
Information and Advanced Materials	1.6	1.3	(0.2)	4.4	3.7
Other and Adjustment	0.0	(0.6)	(0.6)	(0.1)	(2.0)

#### 4. Other Information 1

		FY2015	FY2016	FY2017	FY2018	FY2019 Forecast
Investments (Billions of yen)	Full year	30.5	35.0	30.9	39.2	50.0
	1Q	5.9	5.6	6.1	9.1	11.5
Depreciation & amortization (Billions of yen)	Full year	26.7	25.6	27.0	27.4	29.0
	1Q	6.5	6.1	6.4	6.7	7.1
R&D expenditures (Billions of yen)	Full year	18.9	19.2	18.9	18.6	21.0
	1Q	4.5	4.8	4.5	4.5	4.5
Number of Staff	Year-end	8,176	8,034	8,009	8,276	9,026
ROA (Ordinary income)		5.9%	8.4%	10.6%	8.7%	4.3%
ROE (Net income)		9.0%	12.0%	13.6%	11.3%	4.9%

#### 5. Other Information 2

	FY2015		FY2016		FY2017		FY2018		FY2019	
	Result		Result		Result		Result		Forecast	
	First half	Second half	First half	Second half	First half	Second half	First half	Second half	First half	Second half
Exchange Rate (JPY/USD, Average)	122	118	105	112	111	111	110	112	110	110
Exchange Rate (JPY/EUR, Average)	135	130	118	119	126	133	130	127	122	120
crude oil (Dubai) (USD/BBL)	56	36	43	51	50	62	73	65	66	65
Methanol (USD/MT, Asian average spot price)	301	230	230	327	296	381	408	335	300	300
Mixed Xylene (USD/MT)	740	630	660	680	650	725	845	730	720	760
Bisphenol A (USD/MT)*	950 ~ 1,500	850 ~ 1,100	1,000 ~ 1,200	1,000 ~ 1,400	1,100 ~ 1,300	1,200 ~ 1,700	1,600 ~ 1,900	1,200 ~ 1,800	1,100 ~ 1,450	1,100 ~ 1,500
Polycarbonate (USD/MT)*	2,100 ~ 2,650	2,000 ~ 2,400	2,200 ~ 2,500	2,400 ~ 2,800	2,500 ~ 2,900	2,900 ~ 3,900	2,700 ~ 3,800	2,100 ~ 2,800	1,850 ~ 2,250	1,900 ~ 2,400

\*Describe the minimum and maximum values during the period