

Results Presentation FY2019

May 14, 2020

mitsubishi MITSUBISHI GAS CHEMICAL COMPANY, INC.

TSE : 4182

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Impact of Novel Coronavirus

● Initiatives Undertaken by the MGC Group

- Acted quickly to establish the Crisis Countermeasures Headquarters and encourage telecommuting while striving to maintain employee motivation, with the utmost priority placed on ensuring the safety of employees, their families and all other stakeholders.
- Worked to maintain manufacturing and logistics operations to fulfill our responsibilities as a supplier, thereby securing operational continuity in a manner that gives due consideration to safety
- Donated PC sheets for use in face shields to medical institutions

● Impact on FY2019 Results

- Although some production facilities suspended their operations temporarily, the impact of such suspension was limited and did not result in a major supply chain disruption or affect the Group's operating results in a significant way.

● Impact on FY2020 Forecasts (details discussed later)

- Despite high levels of uncertainty regarding the magnitude of pandemic-related economic stagnation at home and abroad, we anticipate that the sluggishness will continue throughout the first half of the year, before the global economy gets on a recovery track in the second half.
- After assessing the varied impacts by segment, we currently expect that effects on the performance of electronic and optical materials will be limited.
- Due to an expected demand decline in a broad range of fields, such as automobiles, housing and infrastructure as well as electric and electronic devices, we expect negative impacts on our operating results in these fields, with the resulting decrease in FY2020 operating income estimated at approximately ¥10.0 billion.

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FY2019 Summary

- ◆ Decreases in net sales and earnings, and a significant decline in profit from overseas methanol producing companies will result in even steeper drops than a year earlier in ordinary income and net income attributable to owners of the parent
- ◆ Operating income :
 - (+) • Increase sales volume of Optical Polymers and BT materials, etc.
 - (—) • lower market prices of Polycarbonate, purified isophthalic acid(PIA) and methanol
- ◆ Equity in earnings of affiliates: A significant decrease in earnings due to the recording of one-off costs (¥7.8 billion) in connection with a joint venture in Saudi Arabia and changes in business arrangements of this joint venture
- ◆ Comparisons with previous forecasts: Better-than-expected results for specialty chemicals and BT materials, etc.
- ◆ Dividend: 70 yen (Interim 35yen, Year-end 35 yen) (same with the previous forecast and previous year)

FY2019 Results

【 JPY in billions 】

	FY2019	FY2018	Changes		FY2019 (Previous Forecast*)
			Amount	%	
Net Sales	613.3	648.9	▲35.6	▲5.5%	610.0
Operating income	34.2	41.3	▲7.1	▲17.2%	31.0
(Equity in earnings of affiliates)	(▲1.2)	(28.4)	(▲29.6)	-	(▲1.5)
Ordinary income	31.1	69.1	▲38.0	▲55.0%	27.0
Net income before taxes	34.3	69.0	▲34.7	▲50.3%	30.0
Net income attributable to owners of the parent	21.1	55.0	▲33.8	▲61.5%	18.0
E P S (J P Y)	100.50	257.46			
R O E (%)	4.3	11.3			
F X (J P Y / U S D)	109	111			

* Announced on Feb 5,2020

Figures shown on this and the following pages are rounded down to the closest 0.1 billion. Percentages are rounded off to the closest whole number.

FY2019 Non-Operating & Extraordinary Items

【 JPY in billions 】

	FY2019	FY2018	Change
Non-Operating items	▲ 3.1	27.8	▲ 30.9
Equity in earnings of affiliates	▲ 1.2	28.4	▲ 29.6
Financial income or losses	1.8	1.8	▲ 0
Foreign exchange gains or losses	▲ 1.3	▲ 0.5	▲ 0.7
Others	▲ 2.3	▲ 1.8	▲ 0.5
Extraordinary income	13.4	2.4	10.9
Subsidy income	6.7	-	6.7
Gains on sales of investment securities	2.6	0.9	1.6
Reversal of provision for loss on guarantees	1.0	-	1.0
Gain on step acquisitions	1.0	-	1.0
Others	1.9	1.4	0.4
Extraordinary losses	▲ 10.2	▲ 2.6	▲ 7.5
Loss on tax purpose reduction entry of non-current assets	▲ 5.6	-	▲ 5.6
Provision for loss on liquidation of subsidiaries and associates	▲ 1.0	-	▲ 1.0
Provision for loss on guarantees	-	▲ 1.2	1.2
Others	▲ 3.4	▲ 1.3	▲ 2.1
Extraordinary income and Losses	3.2	▲ 0.1	3.3

- **Equity in earnings of affiliates**

Natural Gas Chemicals
▲24.3
Specialty Chemicals
▲4.5 etc.

- **Gains on sales of investment securities**

Sales of Cross-Shareholdings etc.

FY2019 Balance Sheets

【 JPY in billions 】

科目	Mar31, 2020	Mar31, 2019	Change
Current assets	358.6	378.8	▲20.1
Cash and deposits	78.2	91.1	▲12.9
Trade notes and Accounts receivable	141.2	155.5	▲14.2
Inventories	114.7	119.2	▲4.4
Others	24.3	12.9	11.4
Non-current assets	413.0	425.1	▲12.1
Tangible assets	239.8	228.4	11.3
Intangible assets	10.5	8.6	1.9
Investments and other assets	162.6	188.0	▲25.4
Total assets	771.7	804.0	▲32.3

科目	Mar31, 2020	Mar31, 2019	Change
Liabilities	223.5	250.7	▲27.1
Trade note and accounts payable	70.7	80.0	▲9.3
Interest-bearing debt	74.7	95.7	▲21.0
Others	78.1	74.9	3.1
Net assets	548.1	553.2	▲5.1
Shareholders' equity	494.3	495.4	▲1.1
Accumulated other comprehensive income	▲1.7	7.5	▲9.3
Non controlling interest	55.6	50.3	5.2
Total liabilities and net assets	771.7	804.0	▲32.3
Equity Ratio	63.8%	62.6%	

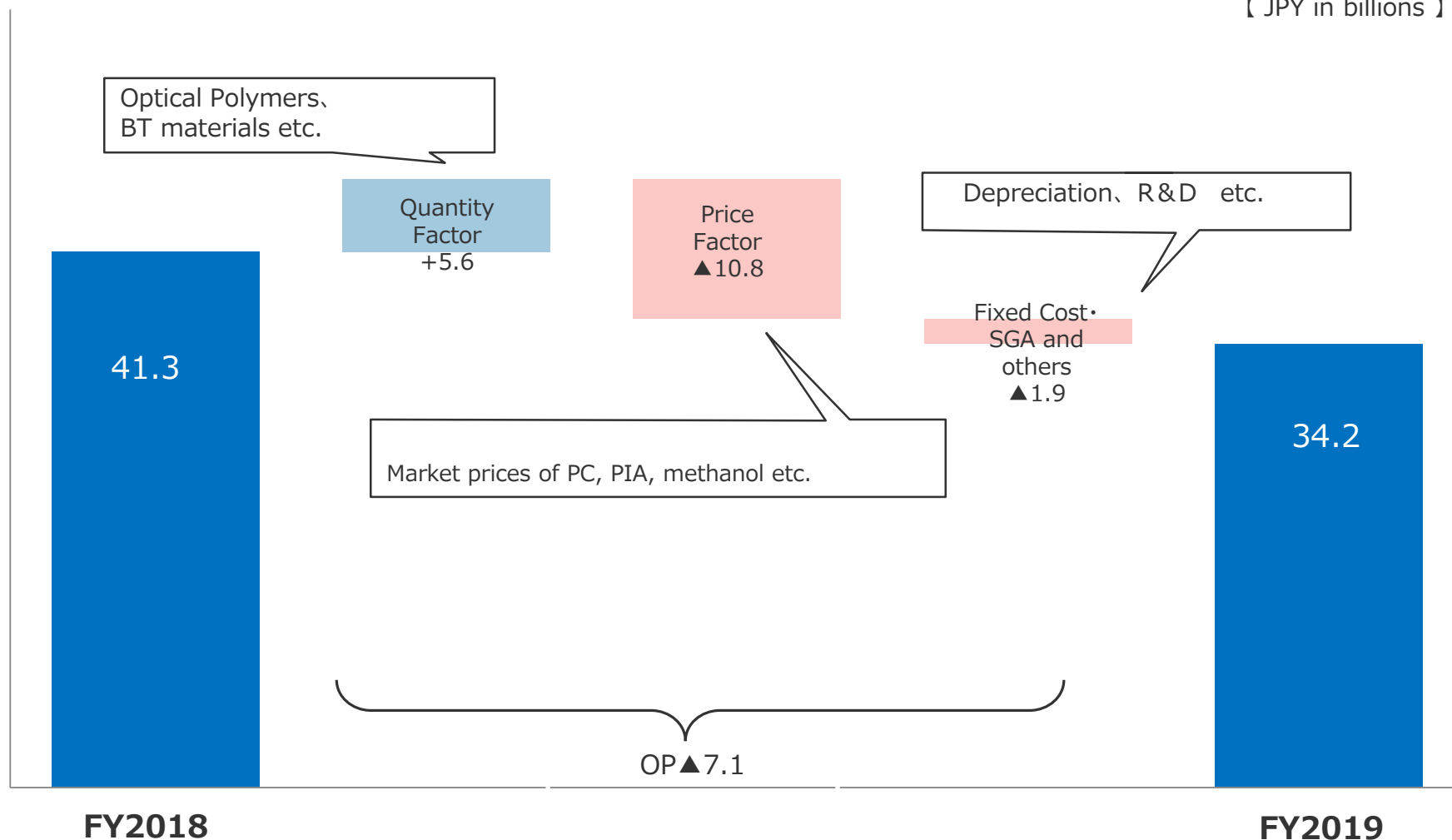
FY2019 Cash Flows

【 JPY in billions 】

	FY2019	FY2018	Change
Operating activity cash flow	74.2	64.0	10.1
Income before income taxes, etc.	34.3	69.0	▲ 34.7
Depreciation and amortization	29.5	27.4	2.1
Equity in earnings of affiliates	1.2	▲ 28.4	29.6
Dividends received from equity method affiliates	10.6	12.3	▲ 1.6
Working capital etc.	5.4	▲ 9.8	15.3
Income taxes paid	▲ 7.1	▲ 6.5	▲ 0.6
Investing activity cash flows	▲ 33.9	▲ 42.7	8.8
Capital expenditure	▲ 42.3	▲ 36.5	▲ 5.7
Investment and financing, etc.	8.3	▲ 6.2	14.6
Free cash flows	40.3	21.2	19.0
Financing activity cash flows	▲ 49.5	▲ 31.3	▲ 18.1
Change in borrowings and bonds	▲ 25.9	▲ 16.4	▲ 9.5
Purchase of treasury stock	▲ 8.7	▲ 0.0	▲ 8.7
Dividends paid	▲ 14.8	▲ 14.9	0.0
Effect of exchange rate change on cash and cash equivalents	▲ 1.0	0.1	▲ 1.2
Net increase (decrease) in cash and cash equivalents	▲ 10.5	▲ 9.9	▲ 0.6
Cash and cash equivalents at end of period	70.0	80.3	▲ 10.3

FY2019 Increase and Decrease Factors of Ordinary Income

【 JPY in billions 】



FY2018

FY2019

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Impact of Novel Coronavirus on Our FY2020 Results and Forecasts

● Assumption for Business forecasts

- Although it is difficult to formulate an outlook regarding the timing of the pandemic's containment, our forecasts are calculated on the assumption that the global economy will remain sluggish during the first half of the year, before moving to a recovery track in the second half.
- MGC's actual operating results may significantly differ from the abovementioned forecasts due to such factors as conditions associated with the containment of the novel coronavirus pandemic. Upon the emergence of factors necessitating revision, MGC will notify its stakeholders of any updated forecasts in a timely manner.

● Impact of the novel coronavirus pandemic on MGC's main businesses (forecasts)

- MGC anticipates an overall demand decline in a broad range of fields, including automobiles, housing and infrastructure as well as electric and electronic devices. Accordingly, it is believed that foamed plastics, engineering plastics, specialty aromatic chemicals and other MGC Group products designed to serve as raw materials for the aforementioned fields could be negatively affected. The resulting decrease in FY2020 operating income estimated at approximately ¥10.0 billion.
- MGC believes that electronic materials and optical polymer will not be significantly affected.

Points for FY2020 Forecasts

- ◆ Expect both net sales and earnings to decrease due to a decline in demand in the face of the novel coronavirus pandemic
- ◆ Operating Income :
 - (+) Lower raw material and fuel prices (a positive effect of approximately ¥4.0 billion based on FY2020 crude oil price forecast of \$38 per barrel, down significantly from \$60 per barrel in FY2019)
 - (+) Higher sales volume of optical polymer and semiconductor-related products
 - (-) A decline in demand due to the novel coronavirus pandemic (a negative effect of approximately ¥10.0 billion)
 - (-) Higher fixed costs due to growth in repair expenses associated with Niigata and Mizushima plants in addition to an increase in R&D expenses
- ◆ An improvement due to the absence of the one-off costs (¥7.8 billion) recorded in connection with a joint venture in Saudi Arabia, despite negative factors attributable to plunges in methanol market prices and deterioration in results for the engineering plastics business
- ◆ Continue with growth investment and R&D efforts (capital expenditure and R&D expenses estimated at ¥50.0 billion and ¥21.5 billion, respectively)
- ◆ Dividends: Expect to pay full-year dividends of ¥70 per share, unchanged from the previous year, maintaining a steady stream of dividends

FY2020 Forecast

【 JPY in billions 】

	FY2020 Forecast	FY2019 Results	Change	
			Amount	%
Net Sales	580.0	613.3	▲33.3	▲5.4%
Operating income	27.0	34.2	▲7.2	▲21.2%
(Equity in earnings of affiliates)	(1.5)	(▲1.2)	(2.7)	-
Ordinary income	26.0	31.1	▲5.1	▲16.4%
Net income before taxes	27.0	34.3	▲7.3	▲21.4%
Net income attributable to owners of the parent	17.0	21.1	▲4.1	▲19.7%
E P S (J P Y)	81.74	100.50		
R O E (%)	3.5	4.3		
F X (J P Y / U S D)	105	109		

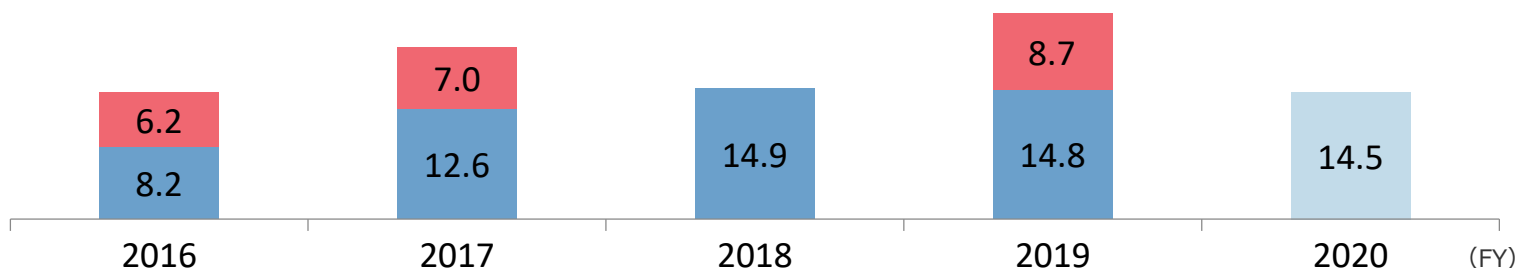
Shareholder return policy / Shareholder return

- The MGC Group places topmost management priority on enhancing corporate value.
- The Company will continuously provide stable dividends, while taking operating performance and other factors into account when determining the distribution amount.
- The Company's basic policy is to improve capital efficiency and enhance shareholder returns by flexibly purchasing treasury stock while considering the levels of internal reserves and returns to shareholders.
- Treasury stock acquired (at a total cost of ¥8.7 billion for 5,690,000 shares) and cancelled (a total of 6,000,000 shares) via two rounds of share buybacks and cancellations
- Full-year dividends for FY2020 expected to total ¥70 per share in line with the aforementioned policy of maintaining a steady stream of dividends

【JPY in billions】

■ Total dividends ■ Share buybacks

【Forecasts】



Net income
JPY in billions

48.0

60.5

55.0

21.1

17.0

Annual dividend
(Yen/share) ※

38

59

70

70

70

*The company conducted a two-for-one reverse stock split on October 1, 2016. Dividend figures predating the share consolidation have been adjusted to show what they would have been had the effects of the share consolidation also applied to them.

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Progress of Medium-term Management Plan

- ① Strengthening the earning power of existing businesses with a focus on core businesses and ③ Implementing investment strategies to form an optimal business portfolio
 ～ Executed strategic growth investment in such fields as specialty chemicals～



North America
Two New Plants
for Super-pure
Hydrogen
Peroxide



Japan
Expansion of
Optical polymer



Trinidad and Tobago
Methanol
Project



Thailand
Increase
Production Capacity
of BT material
(Apr,2022)

- ② Creating and developing new businesses

Active development efforts are now under way to deliver new products in medical/foods, information/communications, mobility and other key fields



Plastic viral
and syringe



Completed
Production
Plant of
factory-
produced
vegetables



Developing
“Transparent screen”

- ④ Promoting unified MGC Group management

- Absorption merger of the three trading subsidiaries into MGC Trading, Inc.
- Inclusion of Japan U-pica Co, Ltd. into the scope of consolidation via TOB

- ⑤ Improving total enterprise quality to support sustainable growth

- Promotion of an agile management approach via reorganization to optimize Group operations as a whole
- Establishment of a dedicated promotion department spearheading CSR management and the identification of materialities

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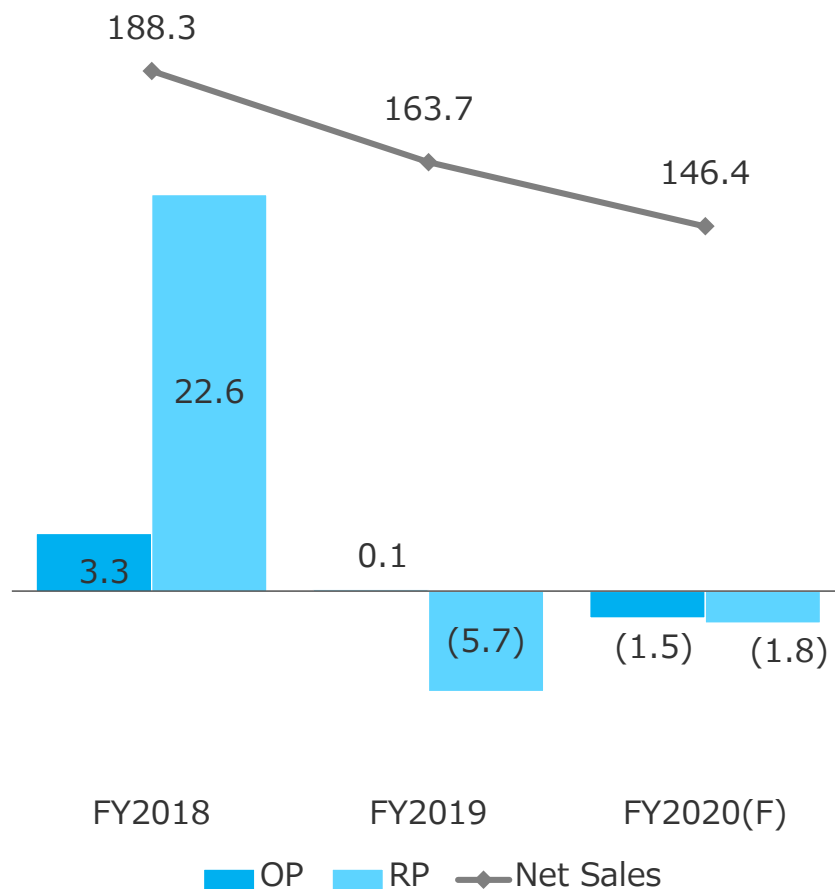
Results and Forecast by Segment

【 JPY in billions 】

	FY2018 Result			FY2019 Result			FY2020 forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	328.3	320.6	648.9	303.3	309.9	613.3	270.0	310.0	580.0
Natural Gas	92.5	95.7	188.3	79.1	84.6	163.7	68.4	78.0	146.4
Aromatic	107.3	104.3	211.7	103.1	97.9	201.1	79.7	94.3	174.0
Specialty	106.1	99.5	205.7	99.4	102.5	202.0	98.1	110.0	208.1
Information & Advanced Materials	27.1	24.8	51.9	26.2	28.6	54.8	26.2	26.7	53.0
Corporate/Adjustment	▲ 4.8	▲ 3.9	▲ 8.7	▲4.6	▲3.8	▲ 8.4	▲2.5	0.9	▲1.6
Operating income	28.9	12.4	41.3	16.0	18.3	34.2	8.0	19.0	27.0
Natural Gas	3.2	0.1	3.3	▲0.5	0.7	0.1	▲2.2	0.7	▲1.5
Aromatic	10.1	4.5	14.6	7.7	3.4	11.1	1.1	5.2	6.4
Specialty	14.1	7.0	21.2	8.0	11.8	19.9	8.5	11.7	20.3
Information & Advanced Materials	2.5	1.4	3.9	2.0	3.6	5.6	2.3	2.2	4.6
Corporate/Adjustment	▲ 1.1	▲ 0.6	▲ 1.8	▲1.2	▲1.3	▲ 2.5	▲1.8	▲1.0	▲2.8
Ordinary income	46.5	22.6	69.1	11.6	19.7	31.1	6.0	20.0	26.0
Natural Gas	15.7	6.9	22.6	▲6.4	0.7	▲5.7	▲3.8	1.9	▲1.8
Aromatic	9.7	4.2	13.9	7.3	3.1	10.4	0.7	4.8	5.6
Specialty	17.8	10.3	28.2	9.4	12.9	22.3	7.7	11.6	19.4
Information & Advanced Materials	3.0	1.4	4.4	2.3	3.5	5.8	2.5	2.4	4.9
Corporate/Adjustment	0.1	▲ 0.2	▲ 0.1	▲1.0	▲0.7	▲ 1.8	▲1.2	▲0.8	▲2.0

Basic Chemicals~Natural Gas Chemicals~

[JPY in billions]



● FY2019 Results

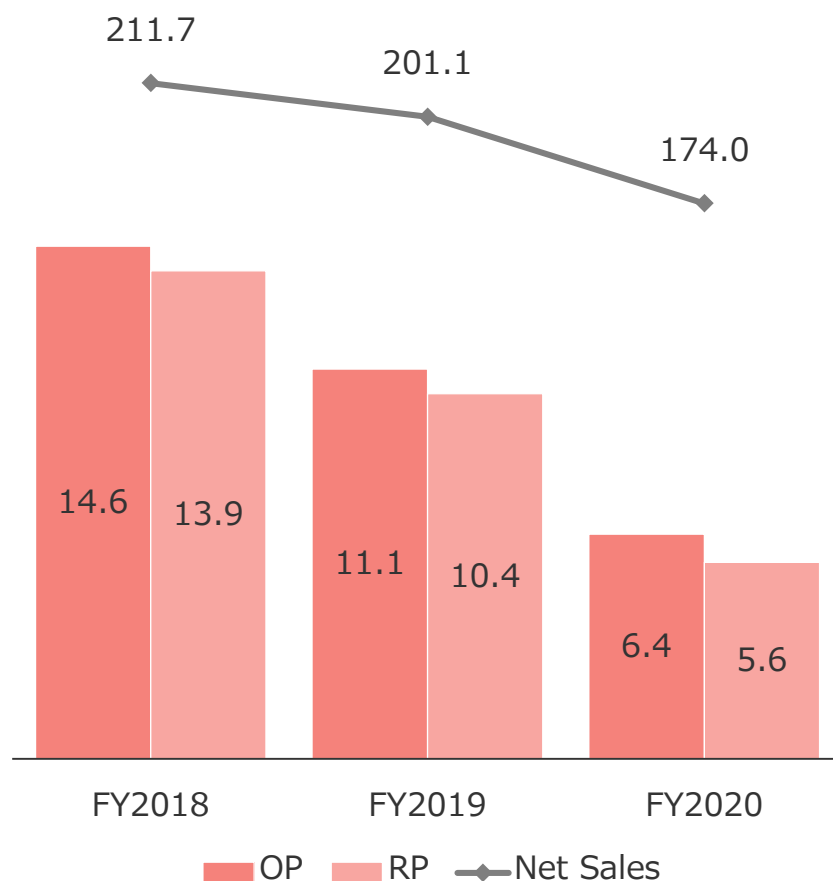
- ◆ Methanol Market price : FY2018 : 371 \$ /MT→FY2019 : 261\$/MT)
- ◆ Operating Income: Decreased primarily due to lower market prices of methanol, MMA-based products and neopentyl glycol
- ◆ Equity in earnings of affiliates: Profit decreased significantly due mainly to one-off costs recorded at the joint venture in Saudi Arabia, a change in the arrangement of the joint venture, and plunges in market prices

● FY2020 Forecasts

- ◆ Methanol Market price : FY2019 : 261 \$ /MT→FY2020 : 240\$/MT)
- ◆ Operating Income : Anticipate a decrease in segment income due to higher repair expenses associated with the Niigata Plant and plunges in market prices for MMA-based products
- ◆ Equity in earnings of affiliates : Despite positive effect of the absence of one-off costs recorded in the year prior, earnings are expected to remain low due to declines in market prices, with trial operation of the Trinidad Tobago facility suspended due to the novel coronavirus pandemic.

Basic Chemicals~Aromatic Chemicals~

[JPY in billions]



FY2019 Results

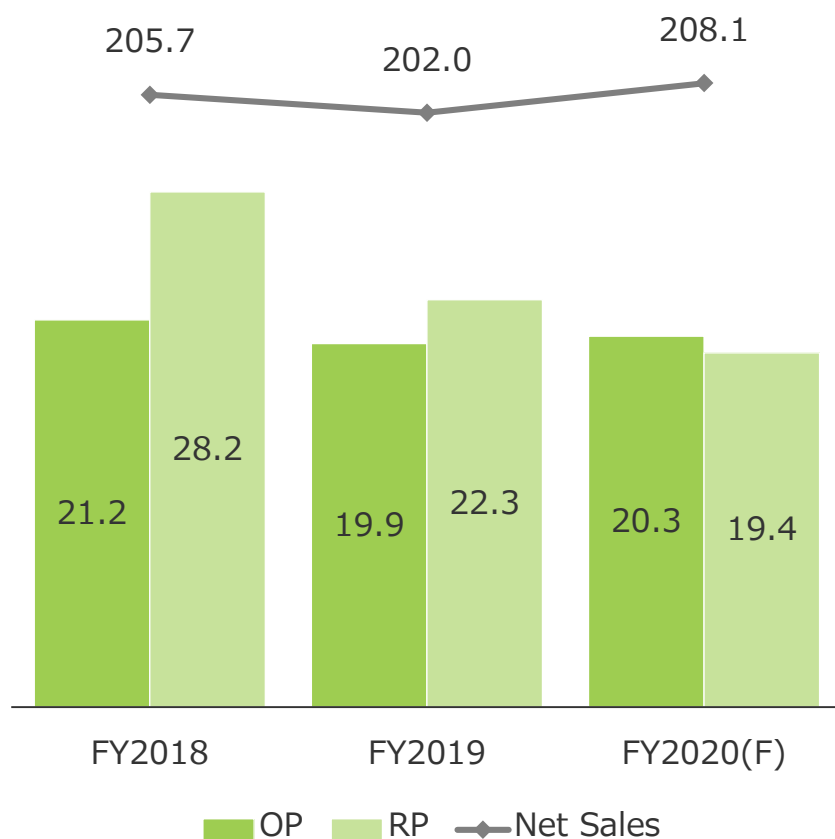
- ◆ Specialty aromatics * : demand for meta-xylenediamine became weaker in the fourth quarter, despite growing sales volume of aromatic aldehydes
* MXDA, 1,3-BAC, MX nylon and Aromatic aldehydes
- ◆ Purified isophthalic acid (PIA) : Lower earnings due to the ongoing stagnation of overall market prices
- ◆ Foamed Plastics(JSP) : Lower earnings primarily due to weak demand and a rise in fixed costs associated with the construction of production systems to meet new demand

FY2020 Forecasts

- ◆ Specialty aromatics : While raw material and fuel expenses are expected to decline, sales volume is expected to decrease due to the novel coronavirus pandemic; however, demand for aromatic aldehydes will remain solid
- ◆ PIA : Price spreads are expected to remain low
- ◆ The Mizushima Plant will incur higher fixed costs due to major periodic shutdown maintenance
- ◆ JSP : Earnings are expected to decrease due mainly to the lower sales volume of automobile-related materials

Specialty Chemicals~Specialty Chemicals~

[JPY in billions]



FY2019 Results

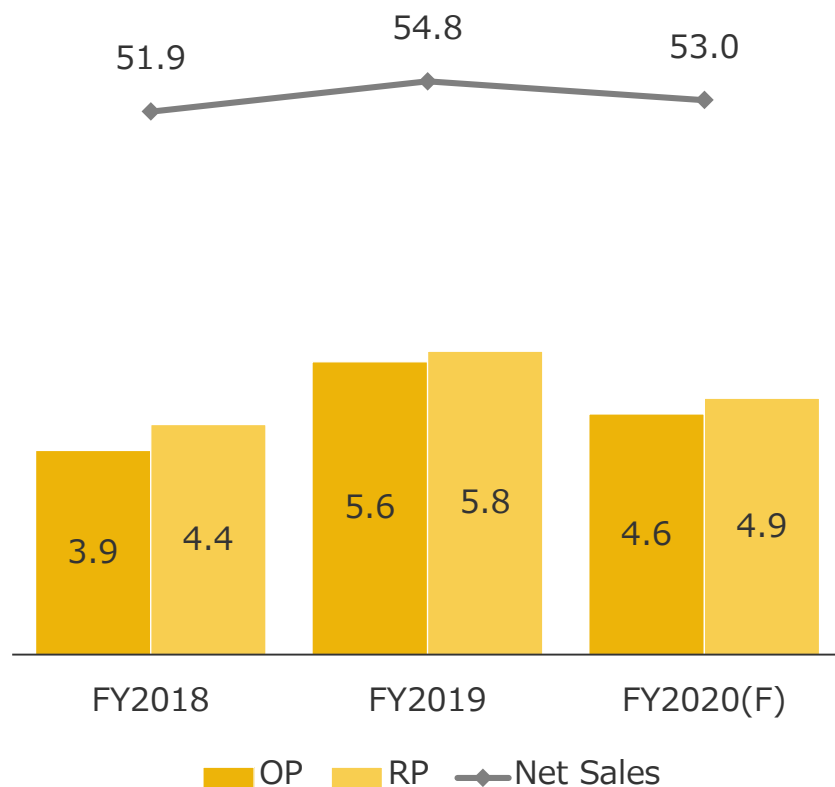
- ◆ Inorganic chemicals : Despite the higher sales volume of chemicals for use in semiconductor manufacturing, earnings decreased primarily due to higher fixed costs in connection with the launch of a new production facility in North America, deterioration in the profitability of hydrogen peroxide and a decline in the sales volume of chemicals for use in liquid crystal display production
- ◆ Polycarbonate(PC) : Earnings decreased due to the shrinking spread on PC-bisphenol A (BPA).
- ◆ Optical Polymers : Sales volumes increased due to the growing use of multiple camera lenses in smartphones and the execution of measures to enhance production capacity

FY2020 Forecasts

- ◆ Inorganic chemicals : Although the sales volume of chemicals for use in semiconductor manufacturing is expected to remain robust, earnings will decrease due mainly to higher fixed costs and the lower sales volume of chemicals for use in liquid crystal display production
- ◆ P C : Market spread between raw material prices and product prices for PC-BPA will remain tight, while demand is expected to decline in automotive and other fields
- ◆ Optical Polymers : Sales volume is expected to grow thanks to the ongoing trend toward widespread adoption of highly functional smartphone lenses

Specialty Chemicals~Information & Advanced Materials~

[JPY in billions]



● FY2019 Results

- ◆ Electronic materials : Increases in net sales and earnings. This was mainly attributable to overall recovery of demand in contrast with stagnation in the latter half of the previous fiscal year, the performance of products used in smartphones and memory devices that have been supported by growth in demand from the third quarter onward.
- ◆ Oxygen absorbers : downturn in showings of those sold in Japan for use in confectionary packages, reflecting the impact of natural disasters and the novel coronavirus pandemic.

● FY2020 Forecasts

- ◆ Electronic materials : Despite a possible deceleration of growth in demand for smartphone-related materials, the full-fledge introduction of 5G communications infrastructure will result in burgeoning demand along with growing needs associated with data center facility development; however, earnings are expected to decline due mainly to higher R&D expenses
- ◆ Oxygen absorbers : Anticipate a decline in demand due to the novel coronavirus pandemic

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Progress on Reorganization

Realign our strategies and investments to optimize Group operations as a whole

Our recent reorganization is positioned as the first step.

Engage in ongoing discussion throughout the fiscal year with regard to further measures to reorganize and optimize our business portfolio.

(1) Functionally realign our corporate divisions

- ◆ Consolidate research units that were placed under each in-house company and thus structurally separate from each other, with the aim of creating an organization capable of directing management resources to promising research themes regardless of divisional boundaries and accelerating the creation of new businesses
- ◆ Restructure meticulously divided corporate units into four divisions, based on function, to enhance operational efficiency and functionality

(2) Integrate business divisions

- ◆ Integrate the four conventional in-house operating companies into two divisions, basic chemicals and specialty chemicals, with the aim of facilitating an agile investment approach and creating synergies between businesses
- ◆ Aim to establish a business structure that is more efficient and resilient against economic fluctuations by employing optimal management approaches for both basic chemicals and specialty chemicals with an eye to their differing characteristics in terms of investment size and cycle
- ◆ Focus as well on pursuing synergies between a broad range of business units via the sharing of manufacturing techniques and the realignment of factory staffing to facilitate in-house collaboration and the creation of new businesses

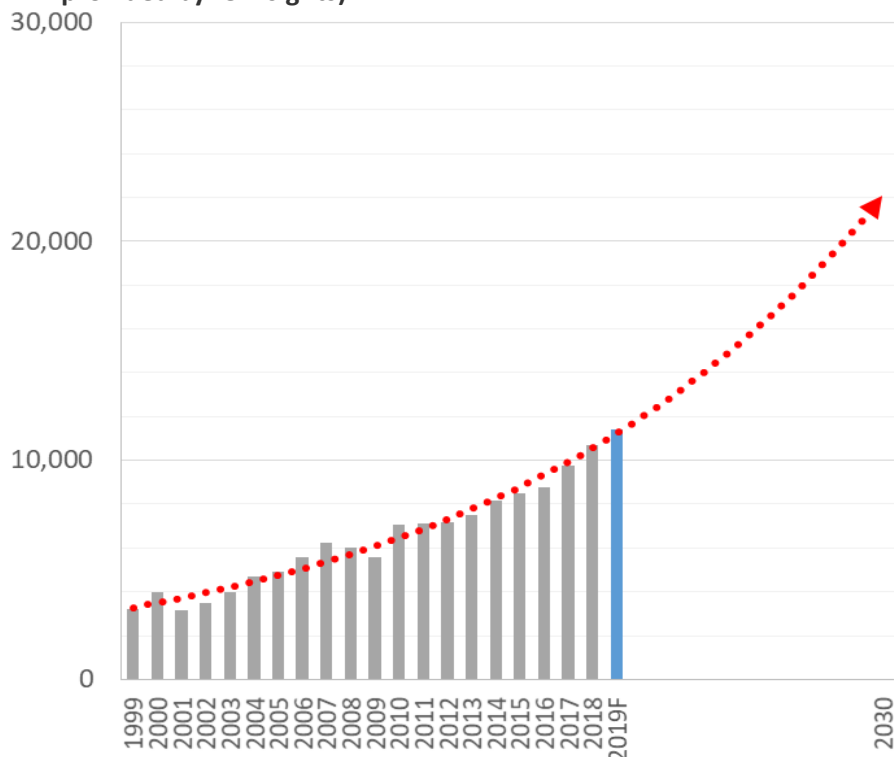
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—Future Outlook on 5G- and IoT-Related Products —

～ ①The current market environment surrounding super-pure hydrogen peroxide and BT materials～

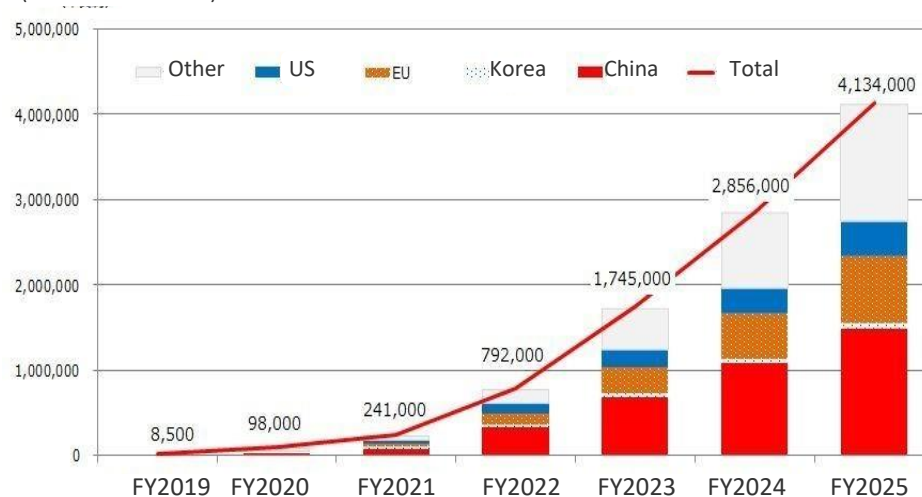
Semiconductor demand is expected to grow over the medium to long term due to the full-fledged introduction of 5G communications infrastructure, the growing trend toward telecommuting, the widespread use of AI and IoT to improve productivity, and other factors.

Trends in global semiconductor shipment volume (number of chips) and forecasts (unit: billion; MGC estimation based on data provided by IC Insights)



Projected growth in the number of 5G service users worldwide

(Thousand contract)



Source: Yano Research Institute Ltd.

—Future Outlook on 5G- and IoT-Related Products —

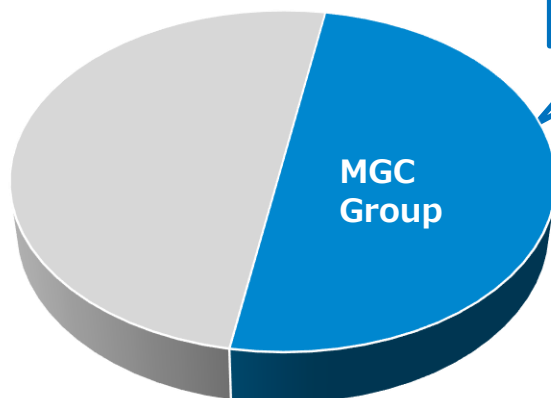
～ ②super-pure hydrogen peroxide : The MGC Group's strengths and market share～

Command half of global super-pure hydrogen peroxide market share thanks to our capability to stably deliver high-quality products via a robust supply network encompassing regions around the world

MGC Group's strength

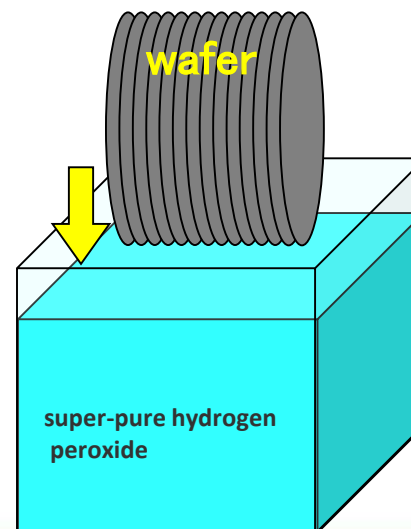
- Stably supply products of world-leading quality
- Maintain a global network supported by bases located in every region in which major semiconductor producers operate
- Also produce hydrogen peroxide, an essential chemical used in the manufacturing process

World Share (MGC estimate)



around 50%,
Top share

An illustrative example of the usage of super-pure hydrogen peroxide:
Cleansing of semiconductor silicon wafers



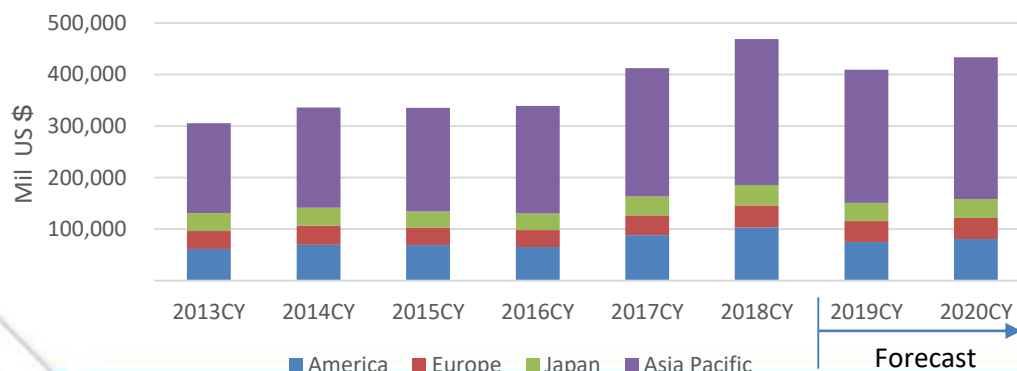
—Future Outlook on 5G- and IoT-Related Products—

～ ②super-pure hydrogen peroxide : Future business initiatives～

- Enhance our production capacity in response to growing customer demand by establishing bases in every region where major semiconductor producers operate to further strengthen our global network
- Consider further expansion into the Chinese market as part of efforts to establish an integrated structure that spans raw material production to the manufacture of super-pure hydrogen peroxide

Area	Status of initiatives to enhance production capacity	Increase (annual output)
US (MPCA)	Completed the expansion of facilities at Texas and Oregon bases in 2019	+70K tons、 Doubling
Korea (SYPC)	Completed the installation of three additional lines in Cheonan Korea in 2019	+90K tons、 +47% increase
Taiwan (MPCT)	Decided to construct a raw material hydrogen peroxide production facility, with operation slated to begin in January 2023	30K tons
China	Discussion under way with regard to the expansion of local operations, with Taixing MGC Suhua Specialty Materials Co., Ltd., whose facilities are under construction, expected to serve as the first foothold	—

Regional breakdown of the actual and forecast total value of semiconductors produced (Source : WSTS Dec,2019)



—Future Outlook on 5G- and IoT-Related Products —

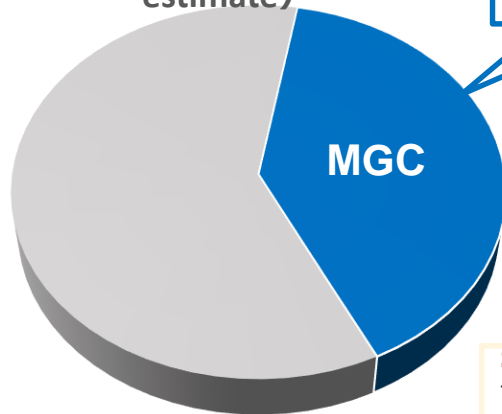
～ ③BT materials : The MGC Group's strengths and market share～

Maintain the top market share thanks to our “BT brand” recognized as the industry’s de facto standard due to high performance and reliability

MGC Group's strength

- De facto standard with a strong track record in penetrating the market under the “BT” brand
- High performance, high quality and high reliability
- Also recognized as the de facto standard material for use in packaging of 5G devices

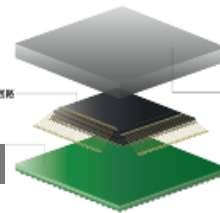
World Share (MGC estimate)



Around 40%,
Top Share

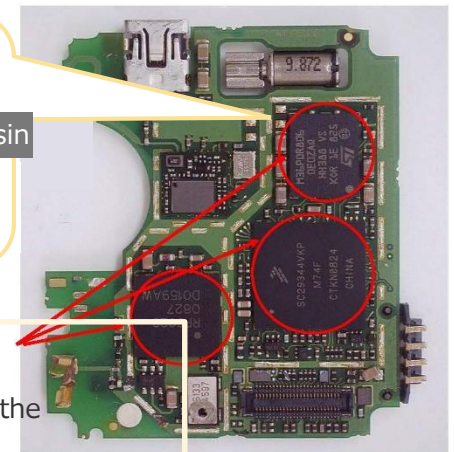
Semiconductor
Integrated Circuit

BT laminates



Molding resin

An illustrative example of the usage of
BT materials



Semiconductor packaging substrates

The semiconductor chip is packaged in these areas.

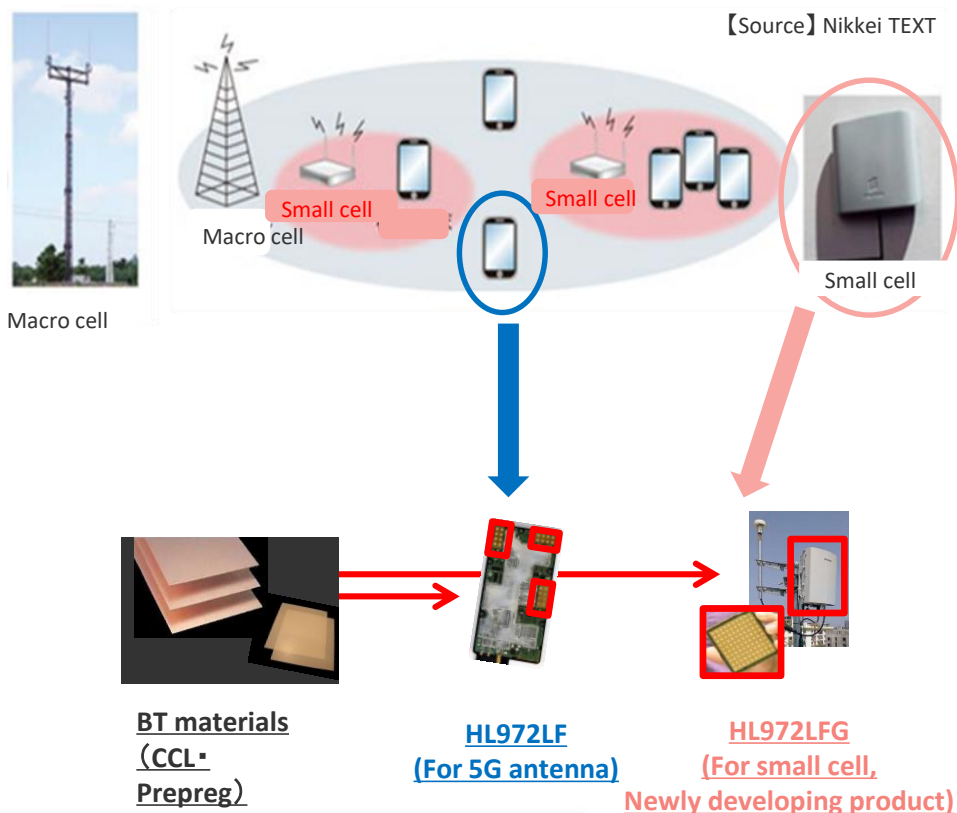
BT materials (copper clad laminates and prepreg) are used in the substrate that the semiconductor chips are mounted on.

—Future Outlook on 5G- and IoT-Related Products—

③ BT materials : Future business initiatives～

- Focus on promoting our materials for use in 5G devices, especially 5G smartphones, while advancing proposals for their use in small cell base stations
- Decided to enhance production capacity at our Thai factory with an eye on securing responsiveness to future demand growth while improving production efficiency for both domestic and Thai facilities

5G : macro cell antenna and small cell antenna



Future plans for our production structure

- Decided to enhance production capacity at our Thai factory, with the launch of expanded facilities scheduled for FY2022
- The Shirakawa Plant is expected to assume additional functions as a “mother factory,” while the Thai factory will strengthen its structure for mass-production items
- Ensure swift response to ever diversifying customer requests as well as a stable stream of product supply by taking full advantage of unique strengths of each production base
- Aim to raise our capacity to manufacture highly functional materials (e.g., increase prepreg manufacturing capacity by 1.5 to 2.0 times) and other products for use in wireless communication equipment via, for example, the strengthening of our Thai factory’s capacity and the establishment of an even more efficient production structure supported by two locations



Sirakawa Plant(JAPAN)



Thai Plant

Appendix

Appendix : Key Indicators (1)

【 JPY in billions 】

FY	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (F)
Capital expenditure (H1)	42.4 (22.4)	30.9 (17.7)	25.4 (13.8)	22.2 (10.3)	30.5 (14.9)	35.0 (13.7)	30.9 (13.9)	39.2 (18.6)	42.3 (22.4)	50.0 (23.0)
Depreciation& Amortization (H1)	27.7 (13.4)	23.0 (10.7)	23.5 (11.4)	23.7 (11.5)	26.7 (13.1)	25.6 (12.2)	27.0 (13.1)	27.4 (13.5)	29.5 (14.4)	31.0 (15.0)
R&D expenditure (H1)	17.4 (8.8)	15.1 (7.2)	16.1 (8.0)	16.8 (8.0)	18.9 (9.2)	19.2 (9.6)	18.9 (9.5)	18.6 (9.1)	19.6 (9.4)	21.5 (10.8)
Employees(as of Mar 31)	5,216	5,323	5,445	8,254	8,176	8,034	8,009	8,276	8,954	9,184
EPS(Yen)*	55	▲35	66	192	154	222	281	257	101	82
ROA(%)	4.5	4.6	4.8	5.8	5.9	8.4	10.6	8.7	3.9	3.3
ROE (%)	4.4	▲2.8	5.0	12.6	9.0	12.0	13.6	11.3	4.3	3.5
Dividend(yen)* (of which, Interim dividend)	24.0 (12.0)	24.0 (12.0)	24.0 (12.0)	28.0 (14.0)	32.0 (16.0)	38.0 (16.0)	59.0 (24.0)	70.0 (35.0)	70.0 (35.0)	70.0 (35.0)

*The Company conducted a consolidation of shares at a ratio of one share for every two shares effective October1,2016. EPS and dividends have been calculated by retroactive adjustment applying the above share consolidation to preceding periods as well.

Appendix : Key Indicator (2) Capex, depreciation and amortization by segment

【 JPY in billions 】

FY		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (F)
Capex	Natural Gas	13.9	6.3	4.5	5.7	5.3	9.0	6.0	5.7	7.2	10.0
	Aromatic	4.7	5.7	2.3	4.0	10.6	10.5	11.3	14.6	15.0	10.0
	Specialty	21.6	15.0	11.2	7.6	9.9	8.1	11.0	14.4	14.6	22.0
	Information & Advanced Materials	1.8	3.3	6.6	4.3	3.8	6.6	1.9	2.3	2.6	4.0
	Other	0.1	0.3	0.5	0.3	0.7	0.5	0.6	2.1	2.7	4.0
	Total	42.4	30.9	25.4	22.2	30.5	35.0	30.9	39.2	42.3	50.0
Depreciation	Natural Gas	7.7	6.2	6.3	6.9	6.1	5.0	5.1	5.5	6.3	7.0
	Aromatic	7.7	5.8	4.1	3.9	8.2	8.5	8.5	8.7	9.5	10.0
	Specialty	8.4	7.7	9.5	9.2	8.8	8.6	9.1	8.7	8.7	9.0
	Information & Advanced Materials	3.5	2.7	3.1	3.3	3.0	3.0	3.5	3.6	3.8	4.0
	Other	0.3	0.3	0.3	0.3	0.3	0.3	0.5	0.8	1.0	1.0
	Total	27.7	23.0	23.5	23.7	26.7	25.6	27.0	27.4	29.5	31.0

Appendix : Key Indicator (3)

	FY2016		FY2017		FY2018		FY2019		FY2020 (F)
	H1	H2	H1	H2	H1	H2	H1	H2	
FX(JPY/USD)	105	112	111	111	110	112	109	109	105
FX(JPY/EUR)	118	119	126	133	130	127	121	120	120
Crude Oil(Dubai) (US\$/BBL)	43	51	50	62	73	65	64	56	38
Methanol (US\$/MT)	230	327	296	381	408	335	277	245	240
Mixed Xylene(US\$/MT)	660	680	650	725	845	730	705	640	470
Bisphenol A (US\$/MT) *	1,000 ~1,200	1,000 ~1,400	1,100 ~1,300	1,200 ~1,700	1,600 ~1,900	1,200 ~1,800	1,000 ~1,450	1,050 ~1,350	700 ~1,300
Polycarbonate (US\$/MT) *	2,200 ~2,500	2,400 ~2,800	2,500 ~2,900	2,900 ~3,900	2,700 ~3,800	2,100 ~2,800	1,900 ~2,250	1,650 ~2,000	1,400 ~2,000

*Describe the minimum and maximum values during the period

Sensitivity (Rough estimates)

FX (USD) : with an appreciation(depreciation) of 1 yen against the USD, annual operating income falls (increase) by 0.5 billion yen, while annual ordinary income falls(increases) by 0.9 billion yen.

FX (EUR) : with an appreciation(depreciation) of 1 yen against the USD, annual operating income falls (increase) by 0.1 billion yen, while annual ordinary income falls(increases) by 0.1 billion yen.

Crude oil(Dubai) : A 1 dollar/BBL increase(drop) in crude oil reduces(raises) income by 0.2 billion yen. (exclude methanol affect)

Methanol : A 1 dollar/MT increase (drop) in market price raises (reduces) equity in earnings of affiliates by 0.1 billion yen.

Disclaimer

These materials contain performance forecasts and other statements concerning the future.

These forward-looking statements are based on information available at the time. These materials were prepared and on certain premises judged to be reasonable. None of these forward-looking statements are intended to be guarantees of future performance.

Various factors may cause actual performance to differ significantly from forecasts.



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