

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS
Results for the Fiscal Year 2014 (from April 1, 2014 to March 31, 2015)

MITSUBISHI GAS CHEMICAL COMPANY, INC.

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Stock Code: 4182
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 President: Toshikiyo Kurai
 Scheduled date of general shareholders' meeting: June 25, 2015
 Scheduled date of filing of the financial report: June 25, 2015
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1. Consolidated Financial Results for the Fiscal Year 2014 (from April 1, 2014 to March 31, 2015)

1) Consolidated Operating Results

Percentage figures represent changes compared to the previous fiscal year Millions of yen, rounded down

	FY 2013		FY 2014	
		(% change)		(% change)
Sales.....	534,443	-	529,570	(0.9)
Operating income (loss).....	11,488	-	14,996	30.5
Ordinary income (loss).....	30,804	-	43,034	39.7
Net income (loss).....	14,971	-	44,381	197.4
Net income (loss) per share (¥).....	33.03		98.26	
Fully diluted net income (loss) per share (¥).....	-		-	
Return on equity (%).....	5.0		12.9	
Ratio of ordinary income to total assets (%).....	4.8		5.9	
Ratio of operating income to sales (%).....	2.1		2.8	

Note: Comprehensive income: FY 2014: ¥72,383million [93.1%]; FY 2013: ¥37,492 million [- %]
 Equity in earnings of affiliates: FY 2014: ¥28,929million; FY 2013: ¥20,466million

2) Consolidated Financial Position

Millions of yen, rounded down

	FY 2013	FY 2014
Total assets.....	657,838	790,381
Net assets.....	323,858	442,448
Shareholders' equity ratio (%).....	47.5	47.7
Net assets per share (¥).....	691.26	835.23

Note: Shareholders' equity: FY 2014: ¥377,240million; FY 2013: ¥312,226million

3) Consolidated Cash Flows

Millions of yen, rounded down

	FY 2013	FY 2014
Cash flow from operating activities.....	27,182	76,982
Cash flow from investing activities.....	(29,883)	(23,531)
Cash flow from financing activities.....	7,124	(25,005)
Cash and cash equivalents at end of period.....	37,310	72,678

2. Dividends

	FY 2013	FY 2014	FY 2015 (Forecast)
Interim dividend per share (¥).....	6.00	7.00	8.00
Year-end dividend per share (¥).....	6.00	7.00	8.00
Annual dividend per share (¥).....	12.00	14.00	16.00
Total dividend payment (millions of yen).....	5,420	6,323	-
Dividend payout ratio (%).....	36.3	13.2	24.9
Dividend to net assets ratio (%).....	1.8	1.8	-

3. Forecasts for the Fiscal Year 2015 (from April 1, 2015 to March 31, 2016)

Millions of yen, rounded down

Percentage figures represent changes compared to the previous interim period or fiscal year

	Six-month period		Full year	
		(% change)		(% change)
Sales.....	310,000	15.7	620,000	17.1
Operating income.....	11,000	74.4	25,000	66.7
Ordinary income.....	15,000	(37.4)	37,000	(14.0)
Net Income.....	12,000	(44.2)	29,000	(34.7)
Earnings per share (¥).....	26.57		64.21	

4. Other Information

1) **Transfer of important subsidiaries during the period: Yes**

(Transfers of certain subsidiaries resulting in changes in the scope of consolidation)

2) **Changes in accounting policies, changes in accounting estimate or restatement of corrections:**

1. Changes in accounting policies following revisions to accounting standards: Yes
2. Changes other than 1: Yes
3. Changes in accounting estimates: None
4. Restatement of corrections: None

3) **Number of shares outstanding (ordinary shares)**

	FY 2013	FY 2014
Number of shares issued at end of period (including treasury shares)	483,478,398	483,478,398
Number of treasury shares at end of period	31,800,380	31,819,177
Average shares outstanding during period.....	451,694,282	451,670,027

Reference: Outline of Non-consolidated Financial Results

1. **Non-consolidated Financial Results for the Fiscal Year 2014 (from April 1, 2014 to March 31, 2015)**

1) **Non-consolidated Operating Results**

Percentage figures represent changes compared to the previous fiscal year

Millions of yen, rounded down

	FY 2013		FY 2014	
		(% change)		(% change)
Sales.....	417,583	-	385,213	(7.8)
Operating income	7,395	-	9,327	26.1
Ordinary income	27,586	-	46,655	69.1
Net income.....	5,123	-	42,857	736.4
Earnings per share (¥)	11.34		94.89	
Fully diluted earnings per share (¥).....	-		-	

2) **Non-consolidated Financial Position**

Millions of yen, rounded down

	FY 2013		FY 2014	
Total assets	397,436		435,857	
Net assets	176,853		222,621	
Shareholders' equity ratio (%)	44.5		51.1	
Net assets per share (¥).....	391.55		492.90	

Note: Shareholders' equity: FY 2014: ¥222,621million; FY 2013: ¥176,853 million

2. **Non-consolidated Forecasts for the Fiscal Year 2015(from April 1, 2015 to March 31, 2016)**

Percentage figures represent changes compared to the previous interims period or fiscal year

Millions of yen, rounded down

	Six-month period		Full year	
		(% change)		(% change)
Sales.....	170,000	(13.7)	330,000	(14.3)
Operating income	5,000	18.6	11,000	17.9
Ordinary income	14,000	(29.1)	26,000	(44.3)
Net income.....	14,000	(5.8)	25,000	(41.7)
Earnings per share (¥)	31.00		55.35	

(NOTE)

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.

1. Consolidated Operating Results

Note: Comparisons in the following section of the report are with the previous fiscal year, unless stated otherwise.

(1) Consolidated Operating Results

Results for this period

Starting in fiscal 2014, sales of MGC and its domestic consolidated subsidiaries are no longer recorded primarily on a delivery basis, but on an inspection basis. The above change in the accounting policy is applied retroactively in making comparisons with the consolidated financial figures posted for the same period and at the end of the previous fiscal year.

In the consolidated fiscal year under review (fiscal 2014), the Japanese economy experienced slow recovery overall. Despite the backlash from the last-minute surge in demand before the rise in consumption tax, there were positive developments such as improvements in corporate earnings and employment conditions.

The MGC Group recorded a decline in revenue compared with the previous fiscal year. While engineering plastics and electronic chemicals achieved higher sales volumes, the business restructuring program resulted in lower sales volumes for general-purpose aromatic chemicals such as purified isophthalic acid.

Group operating income grew regardless of declines in the profitability of electronic materials, general-purpose aromatic chemicals, and polycarbonate sheets and films. Major positive contributions came from improvements in the profitability of export products (thanks to the weaker yen), the earnings of polycarbonates, and the sales volume of electronic chemicals.

Group ordinary income rose from the previous fiscal year. In addition to a higher operating income, equity in earnings of overseas methanol producing companies grew due to the price hike in the beginning of the fiscal year, the weaker yen, and improved operation at the production site in Brunei.

The Group achieved a significant improvement in net income in fiscal 2014. In addition to a lower impairment loss, positive contributions included a gain on sales of investment securities and a gain on step acquisition, which was generated by converting JSP into a consolidated subsidiary.

In fiscal 2014, the MGC Group achieved ¥529.5 billion in consolidated net sales, a decline of ¥4.8 billion (0.9%) from the previous year. Consolidated operating income was ¥14.9 billion, an increase of ¥3.5 billion (30.5%). Equity in earnings of affiliates was ¥28.9 billion, an increase of ¥8.4 billion (41.4%). Consolidated ordinary income grew by ¥12.2 billion (39.7%) to ¥43.0 billion. The Group achieved a consolidated net income of ¥44.3 billion, growth of ¥29.4 billion (197.4%).

Results by business segment

Natural Gas Chemicals Company

The methanol business achieved prior-year-level net sales. Despite a higher sales volume, the business suffered from lower sales prices due to reductions in market prices.

Methanol and ammonia-based chemicals recorded higher earnings. The higher fixed cost recorded primarily due to the turnaround of the ammonia producing equipment was more than compensated for by the improved profitability of exports due to the weaker yen and higher sales volumes of high-performance products.

Crude oil and other energy sources declined in earnings due to lower crude oil prices.

In fiscal 2014, the Natural Gas Chemicals Company achieved consolidated net sales of ¥184.8 billion, a drop

of ¥0.4 billion (0.2%) from the previous year and an operating income of ¥2.7 billion, an increase of ¥0.0 billion (1.2%). An equity in earnings of affiliates of ¥26.4 billion, coming primarily from overseas methanol producing companies, resulted in an ordinary income of ¥28.2 billion, up ¥9.8 billion (53.1%).

Aromatic Chemicals Company

Specialty aromatic chemical products posted higher earnings compared with the previous year. This was primarily due to higher sales volumes achieved by meta-xylenediamine and aromatic aldehydes, the higher profitability of export products resulting from the weaker yen, and withdrawal from the pyromellitic dianhydride operations.

General-purpose aromatic chemical products suffered a substantial decline in net sales from the previous year. This was because business contraction led to a reduction in sales volumes of purified isophthalic acid and other products. Earnings were reduced, one of the reasons being that the phthalic anhydride and purified terephthalic acid operations found themselves in more difficult business environments.

In fiscal 2014, the Aromatic Chemicals Company achieved consolidated net sales of ¥121.1 billion, a drop of ¥18.3 billion (13.2%) from the previous year and an operating income of ¥3.0 billion, an increase of ¥0.1 billion (4.0%). This Company suffered an ordinary income of ¥1.0 billion, a drop of ¥1.1 billion (51.9%), primarily due to a loss in equity in earnings of affiliates, which was caused by quitting the purified terephthalic acid operations.

Specialty Chemicals Company

Inorganic chemicals suffered a decline in earnings because increases in raw material and fuel prices made these products less profitable.

Electronic chemicals achieved growth in both revenue and earnings. This positive trend was due to strong demand for super-pure hydrogen peroxide and hybrid chemicals for semiconductors, leading to increases in sales volumes.

The engineering plastics business posted a year-on-year increase in net sales due to growth in the sales volumes of polycarbonates and polyacetal. A further positive contribution came from polycarbonates, whose operating results improved due to a reduction in depreciation expenses which resulted from the impairment loss recognized in the previous fiscal year, successful work to improve profitability, and higher sales volumes for highly specialized products.

Polycarbonate sheets and films suffered losses in both revenue and earnings. This is because of lower sales volumes of films for use in flat panel displays and hard-coated sheets.

In fiscal 2014, the Specialty Chemicals Company posted consolidated net sales of ¥164.6 billion, an increase of ¥11.3 billion (7.4%) from the previous year and an operating income of ¥8.2 billion, growth of ¥4.3 billion (109.2%). Due to ¥1.7 billion equity in earnings of affiliates, the Company achieved an ordinary income of ¥9.1 billion, an increase of ¥5.2 billion (137.0%).

Information & Advanced Materials Company

Electronic materials grew in revenue, but suffered a decline in earnings. BT materials for semiconductor packaging had a strong showing in terms of sales volumes, notably in smartphone-related applications. The lower profitability was due to an increase in costs resulting from the start of commercial operation of the second site in Thailand.

Oxygen absorbers such as AGELESS® posted increases in both revenue and earnings. While the impact of the consumption tax hike and other negative factors drove down domestic sales slightly, products for overseas markets achieved higher sales volumes. A further contribution came from the improved profitability of exports thanks to the weaker yen.

In the full-year period under review, the Information & Advanced Materials Company achieved consolidated net sales of ¥58.2 billion, an increase of ¥2.7 billion (5.0%), an operating income of ¥3.8 billion, a decline of ¥0.4 billion (11.4%), and an ordinary income of ¥4.0 billion, a drop of ¥0.7 billion (16.1%).

Other

In the fiscal year ending March 31, 2015, the Other business segment achieved consolidated net sales of ¥0.6 billion, a year-on-year decline of ¥0.1 billion (21.0%). Operating income fell by ¥0.0 billion (17.2%) to ¥0.2 billion, and ordinary income declined by ¥0.4 billion (25.7%) to ¥1.4 billion.

Consolidated forecasts for the fiscal year 2015

Despite the expectations for continued recovery of the Japanese economy, along with a business boost from falling crude oil prices, the world economy still has unstable factors such as developments in monetary easing, the slowdown of the Chinese economy, and fiscal uncertainties facing some oil-producing countries due to declining crude oil prices.

In this difficult environment, MGC introduced the new Medium-Term Management Plan "MGC Advance 2017" in April 2015. Upholding the new Group vision of "Creating values to share with society," the MGC Group will work as one to conduct business in accordance with our basic policies to strengthen its earning power even further.

In fiscal 2015, the Group expects to achieve higher operating income than in fiscal 2014. Despite an expected decline in the sales volume of electronic chemicals, there will be positive factors such as the conversion of JSP into a consolidated subsidiary, the improved profitability of exports thanks to the weaker yen, and increases in the margins of aromatic chemicals due to lower raw material and fuel prices. Ordinary income and net income are expected to be lower than in fiscal 2014. A negative contribution will come from a reduction in equity in earnings of affiliates due to lower methanol market prices. A further indirect impact is that the corresponding figures for fiscal 2014 include extraordinary incomes.

The Group anticipates to achieve consolidated net sales of ¥620.0 billion, an operating income of ¥25.0 billion, and an ordinary income of ¥37.0 billion. In terms of net income attributable to the parent company, the Group will post ¥29.0 billion. In non-consolidated terms, MGC forecasts net sales of ¥330.0 billion, an operating income of ¥11.0 billion, an ordinary income of ¥26.0 billion, and a net income of ¥25.0 billion.

These performance forecasts assume exchange rates of ¥115=\$1 and ¥130=€1.

(2) Consolidated financial position

Assets, liabilities and net assets

As of March 31, 2015, total consolidated assets were ¥790.3 billion, ¥132.5 billion higher than at the end of the previous fiscal year. This significant increase was primarily due to the conversion of JSP, previously an equity method affiliate, into a consolidated subsidiary.

Current assets increased by ¥84.5 billion to ¥372.1 billion, primarily due to increases in trade notes and accounts receivable as well as in cash and deposits.

Noncurrent assets rose by ¥48.0 billion to ¥418.2 billion, primarily due to increases in property, plant, and equipment as well as in goodwill.

Total liabilities increased by ¥33.9 billion to ¥367.9 billion. Current liabilities rose by ¥46.1 billion, a major reason being an increase in short-term loans payable. Noncurrent liabilities fell by ¥12.2 billion, primarily due to reductions in long-term loans payable and liability for retirement benefit.

Net assets increased by ¥98.5 billion to ¥422.4 billion. In addition to substantial growth in net income, positive contributions included increases in foreign currency translation adjustment, valuation difference on available-for-sale securities, and minority interests.

As of March 31, 2015, the shareholders' equity ratio was therefore 47.7% (March 31, 2014: 47.5%). Net assets per share at the end of the fiscal year were ¥835.23, compared with ¥691.26 one year earlier.

Consolidated cash flows

As of March 31, 2015, total cash and cash equivalents were ¥72.6 billion, ¥35.3 billion higher than at the end of the previous fiscal year.

1) Operating activity cash flow

Net cash provided by operating activities increased by ¥49.7 billion from the previous year to ¥76.9 billion. This was primarily due to an increase in income before income taxes and minority interests.

2) Investing activity cash flow

Net cash outflow from investing activities was ¥23.5 billion, ¥6.3 billion less than the outflow for the previous year. This was primarily due to a decline in expenses caused by the acquisition of noncurrent assets and an increase in gain on sales of investment securities.

3) Financing activity cash flow

Net cash outflow from financing activity was ¥25.0 billion, an increase of ¥32.1 billion from the previous year. This was primarily due to a lower inflow from long-term loans payable.

(3) Dividend policy, payments and forecasts

MGC views returns to shareholders as a key Group management issue. The Company makes a comprehensive assessment of trends in business performance, capital expenditure plans, financial position and other factors from a medium- to long-term point of view, aiming to optimally balance the returning of profits to shareholders via stable dividends with the retention of sufficient earnings to implement measures to increase future enterprise value. The Company therefore determines dividends using a specific method combining a performance-linked portion with a stable portion. From the perspective of optimizing capital efficiency, treasury share acquisitions are considered flexibly in accordance with the market environment. For the year under review, the Company plans to pay a year-end dividend of ¥7.0 per share, as previously forecast. In combination with the interim dividend of ¥7.0 per share already paid, this represents an annual dividend of ¥14.0 per share.

For the year ending March 31, 2016 the Company plans an interim dividend of ¥8.0 per share and a year-end dividend of ¥8.0 per share

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In ¥ million, rounded down)

	FY2013 (As of March 31, 2014)	FY2014 (As of March 31, 2015)
ASSETS		
Current assets		
Cash and deposits	38,772	62,327
Trade notes and accounts receivable.....	127,817	152,711
Short-term investments securities	2,130	18,137
Merchandise and finished goods	61,641	65,476
Work in progress	10,319	12,707
Raw materials and supplies	27,232	32,173
Other	20,527	32,611
Allowance for doubtful accounts	(798)	(3,978)
Total current assets	287,642	372,166
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	59,279	75,836
Machinery, equipment and vehicles, net.....	71,637	87,249
Other, net.....	60,395	72,838
Total property, plant and equipment	191,311	235,923
Intangible assets		
Goodwill	2	4,836
Other	3,166	4,376
Total intangible assets	3,169	9,214
Investments and other assets		
Investment securities	167,296	164,251
Other	8,499	8,935
Allowance for doubtful accounts.....	(81)	(110)
Total investments and other assets	175,714	173,077
Total noncurrent assets.....	370,195	418,215
Total assets.....	657,838	790,381

Consolidated Balance Sheets (contd.)

(In ¥ million, rounded down)

	FY2013 (As of March 31, 2014)	FY2014 (As of March 31, 2015)
LIABILITIES		
Current Liabilities		
Trade notes and accounts payable	71,665	79,323
Short-term loans payable	75,859	104,155
Income taxes payable.....	1,570	2,148
Provision	5,015	5,531
Other	24,785	33,905
Total current liabilities	178,896	225,068
Noncurrent liabilities		
Bonds payable	25,000	25,000
Long -term loans payable	83,481	69,932
Other provision	1,220	2,777
Defined benefit liability.....	9,232	5,586
Asset retirement obligations	3,582	3,685
Other	32,563	35,878
Total noncurrent liabilities	155,081	142,864
Total liabilities.....	333,979	367,932
NET ASSETS		
Shareholders' equity		
Capital stock	41,970	41,970
Capital surplus	35,595	35,595
Retained earnings	239,831	278,910
Treasury stock	(8,119)	(8,131)
Total shareholders' equity	309,277	348,344
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,384	20,612
Revaluation reserve for land.....	206	217
Foreign currency translation adjustment	(7,305)	4,926
Remeasurements of defined benefit plans.....	(1,337)	3,139
Total accumulated other comprehensive income.....	2,949	28,896
Minority interests	11,632	45,207
Total net assets	323,858	424,488
Total liabilities and net assets	657,838	790,381

(2) Consolidated Statements of Income

(In ¥ million, rounded down)

	FY 2013 (Apr1, 2013 – Mar31, 2014)	FY 2014 (Apr1, 2014 – Mar31, 2015)
Net sales	534,443	529,570
Cost of sales	460,293	452,360
Gross profit	74,149	77,210
Selling, general and administrative expenses.....	62,661	62,213
Operating income.....	11,488	14,996
Non-operating income		
Interest income	200	226
Dividend income	1,735	2,018
Equity in earnings of affiliates.....	20,466	28,929
Other	3,940	2,974
Total non-operating income	26,342	34,149
Non-operating expenses		
Interest expense	2,995	2,440
Personnel expenses for seconded employees.....	1,466	1,312
Loss on disposal of noncurrent assets	750	888
Other	1,812	1,468
Total non-operating expenses.....	7,025	6,110
Ordinary income.....	30,804	43,034
Extraordinary income		
Gain on sales of investment securities	266	2,851
Gain on step acquisitions.....	-	2,087
Subsidy income.....	-	1,608
Compensation income	-	1,055
Gain on rights and interests.....	-	792
Reversal of provision for business structure improvement	-	430
Gain on sales of noncurrent assets	361	355
Gain on bargain purchase	-	198
Insurance income.....	238	-
Loss (gain) on liquidation of subsidiaries and associates	183	-
Total extraordinary income.....	1,050	9,380
Extraordinary losses		
Loss on reduction of noncurrent assets	-	1,608
Impairment loss	11,648	1,123
Business structure improvement expenses.....	1,526	1,003
Amortization of goodwill.....	-	476
Loss on disposal of noncurrent assets	-	385
Loss on contract cancellation	-	374
Provision for environmental measures	-	247
Loss on abandonment of inventories	-	144
Environmental improvement expense.....	448	-
Compensation for products.....	339	-
Loss on fire accident.....	119	-

Total extraordinary losses	14,082	5,363
Income before income taxes and minority interests	17,772	47,051
Income taxes, etc.	3,070	1,611
Net income or loss before minority interests.....	14,702	45,440
Minority interests in income	(219)	1,059
Net income or loss	14,921	44,381

(Consolidated Statements of Comprehensive Income)

(In ¥ million, rounded down)

	FY 2013 (Apr1, 2013 – Mar31, 2014)	FY 2014 (Apr1, 2014 – Mar31, 2015)
Income before minority Interests	14,702	45,440
Other comprehensive Income		
Valuation difference on available-for-sale securities.....	2,720	9,302
Foreign currency statements translation adjustment	5,504	4,426
Remeasurements of defined benefit plans.....	-	4,066
Share of other comprehensive income of associates accounted for using equity method	14,565	9,147
Total other comprehensive Income.....	22,790	26,943
Comprehensive Income	37,492	72,383
Total comprehensive Income Attributable to		
Owners of the parent	36,705	70,328
Minority interests.....	786	2,055

(3) Consolidated Statements of Changes in Net Assets

(In ¥ million, rounded down)

	FY 2013 (Apr1, 2013 – Mar31, 2014)	FY 2014 (Apr1, 2014 – Mar31, 2015)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period.....	41,970	41,970
Balance at the end of current period.....	41,970	41,970
Capital surplus		
Balance at the beginning of current period.....	35,595	35,595
Balance at the end of current period.....	35,595	35,595
Retained earnings		
Balance at the beginning of current period.....	231,882	231,831
Changes of items during the period		
Cumulative effects of changes in accounting policies	(230)	(52)
Dividends from surplus.....	(5,420)	(5,871)
Net income	14,921	44,381
Increase (decrease) in cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries.....	(1,322)	160
Increase (decrease) in cash and cash equivalents resulting from change in fiscal period of affiliates	-	546
Change of scope of consolidation.....	-	(79)
Change of scope of equity method.....	-	(6)
Total changes of items during the period.....	8,178	39,131
Balance at the end of current period.....	239,831	278,910
Treasury stock		
Balance at the beginning of current period.....	(8,094)	(8,119)
Changes of items during the period		
Purchase of treasury stock.....	(24)	(12)
Disposal of treasury stock	-	-
Total changes of items during the period.....	(24)	(12)
Balance at the end of current period.....	(8,119)	(8,131)
Total shareholders' equity		
Balance at the beginning of current period.....	301,353	309,277
Changes of items during the period		
Cumulative effects of changes in accounting policies	(230)	(52)
Dividends from surplus.....	(5,420)	(5,871)
Net income	14,921	44,381
Increase (decrease) in cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries.....	(1,322)	160
Increase (decrease) in cash and cash equivalents resulting from change in fiscal period of affiliates	-	546
Change of scope of consolidation.....	-	(79)
Change of scope of equity method.....	-	(6)
Purchase of treasury stock.....	(24)	(12)
Disposal of treasury stock	-	-
Total changes of items during the period.....	8,154	39,119

Balance at the end of current period.....	309,277	348,344
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Consolidated Statements of Changes in Net Assets (contd.)

(In ¥ million, rounded down)

	FY 2013 (Apr1, 2013 – Mar31, 2014)	FY 2014 (Apr1, 2014 – Mar31, 2015)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period.....	8,607	11,384
Changes of items during the period		
Net changes of items other than shareholders' equity.....	2,777	9,227
Total changes of items during the period.....	2,777	9,227
Balance at the end of current period.....	11,384	20,612
Deferred gains or losses on hedges		
Balance at the beginning of current period.....	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity.....	-	-
Changes of items during the period.....	-	-
Balance at the end of current period.....	-	-
Revaluation reserve of land		
Balance at the beginning of current period.....	206	206
Changes of items during the period.....		
Net changes of items other than shareholders' equity.....	-	10
Total changes of items during the period.....	-	-
Balance at the end of current period.....	206	217
Foreign currency translation adjustments		
Balance at the beginning of current period.....	(26,311)	(7,305)
Changes of items during the period		
Net changes of items other than shareholders' equity.....	19,006	12,231
Total changes of items during the period.....	19,006	12,231
Balance at the end of current period.....	(7,305)	4,926
Remeasurements of defined benefit plans		
Balance at the beginning of current period.....	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity.....	(1,337)	4,477
Total changes of items during the period.....	(1,337)	4,477
Balance at the end of current period.....	(1,337)	3,139
Total accumulated other comprehensive income		
Balance at the beginning of current period.....	(17,497)	2,949
Changes of items during the period		
Net changes of items other than shareholders' equity.....	20,446	25,946
Total changes of items during the period.....	20,446	25,946
Balance at the end of current period.....	2,949	28,896
Minority interests		
Balance at the beginning of current period.....	11,039	11,632
Changes of items during the period		
Net changes of items other than shareholders' equity.....	592	33,575
Total changes of items during the period.....	592	33,575
Balance at the end of current period.....	11,632	45,207
Total net assets		
Balance at the beginning of current period.....	294,895	323,858

Changes of items during the period		
Cumulative effects of changes in accounting policies .	(230)	(52)
Dividends from surplus	(5,420)	(5,871)
Net income	14,971	44,381
Change of scope of consolidation.....	-	-
Change of scope of equity method.....	-	-
Increase (decrease) in cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries	(1,322)	160
Increase (decrease) in cash and cash equivalents resulting from change in fiscal period of affiliates	-	546
Change of scope of consolidation.....	-	(79)
Change of scope of equity method.....	-	(6)
Purchase of treasury stock	(24)	(12)
Disposal of treasury stock.....	-	-
Net changes of items other than shareholders' equity	21,039	59,522
Total changes of items during the period	29,193	98,641
Balance at the end of current period	323,858	422,448

(4) Consolidated Statements of Cash Flows

(In ¥ million, rounded down)

	FY 2013 (Apr1, 2013 – Mar31, 2014)	FY 2014 (Apr1, 2014 – Mar31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests.....	17,772	47,051
Depreciation and amortization.....	23,528	23,770
Loss (gain) on disposal of noncurrent assets	287	792
Amortization of goodwill.....	(168)	476
Gain on bargain purchase	-	(198)
Equity in (earnings) losses of affiliates.....	(20,466)	(28,929)
Impairment losses	11,648	1,123
Loss (gain) on liquidation of subsidiaries and associates.....	(185)	-
Insurance income	(281)	(7)
Gain on rights and interests	-	(792)
Loss on fire accident.....	119	-
Business structure improvement expenses	1,526	1,003
Reversal of provision for business structure improvement.....	-	(430)
Environment improvement expenses.....	448	-
Loss on contract cancellation	-	374
Loss on abandonment of inventories	-	144
Gain on step acquisitions	-	(2,087)
Subsidy income	-	(1,608)
Loss on reduction of noncurrent assets	-	1,608
Provision for environmental measures.....	-	247
Decrease (increase) in Allowance for doubtful accounts	462	24
Increase (decrease) in net defined benefit liability.....	346	258
Interest and dividends income.....	(1,936)	(2,245)
Interest expenses	2,995	2,440
Loss (gain) on sales of short-term and long-term investment securities.....	(221)	(3,009)
Loss (gain) on valuation of short-term and long-term investment securities.....	23	-
Decrease (increase) in notes and accounts receivable - trade.....	2,320	10,162
Decrease (increase) in inventories.....	(6,606)	5,365
Increase (decrease) in notes and accounts payable - trade	(11,048)	(8,326)
Increase (decrease) in accrued consumption taxes.....	95	1,166
Increase (decrease) in provision for directors' retirement benefits.....	(49)	48
Other, net.....	(8,298)	(136)
Subtotal	12,312	48,286
Interest and dividends income received.....	1,926	2,192
Proceeds from dividends income from affiliates accounted for by equity method	18,798	34,773
Interest expenses paid	(3,112)	(2,520)
Income taxes (paid) refund.....	(3,024)	(5,756)
Proceeds from insurance income.....	281	7
Net cash provided by (used in) operating activities	27,182	76,982

Consolidated Statements of Cash Flows (contd.)

(In ¥ million, rounded down)

	FY 2013 (Apr1, 2013 – Mar31, 2014)	FY 2014 (Apr1, 2014 – Mar31, 2015)
Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	-	-
Proceeds from sales of short-term investment securities.....	22	114
Purchase of noncurrent assets.....	(29,403)	(24,486)
Proceeds from sales of noncurrent assets.....	997	2,657
Purchase of investment securities.....	(396)	(10,135)
Proceeds from sales of investment securities.....	649	6,228
Payments of loans receivable	(3)	(228)
Collection of loans receivable.....	249	1,556
Other, net.....	(1,998)	(549)
Net cash provided by (used in) investing activities ..	(29,883)	(23,531)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loan payable	1,514	(4,705)
Proceeds from long-term loans payable	27,835	4,214
Payment of long-term loans payable.....	(24,537)	(14,351)
Proceeds from issuance of bonds.....	9,952	-
Purchase of treasury stock.....	(35)	(12)
Cash dividends paid	(5,420)	(5,871)
Cash dividends paid to minority shareholders	(474)	(590)
Other, net.....	(1,710)	(3,687)
Net cash provided by (used in) financing activities ..	7,124	(25,005)
Effect of exchange rate change on cash and cash equivalents.....	5,548	6,549
Net increase (decrease) in cash and cash equivalents.....	9,972	34,995
Cash and cash equivalents at beginning of period...	26,907	37,310
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation.....	-	-
Increase (decrease) in cash and cash equivalents resulting from change in fiscal period of consolidated subsidiaries.....	430	373
Cash and cash equivalents at end of period.....	37,310	72,678

(5) Segment information

1. Segment overview

Mitsubishi Gas Chemical employs an in-house company system, which was adopted to clarify the responsibilities of each business and improve efficiency. Each company conducts its business according to an independent strategy formulated for its products and services.

This structure makes it possible to obtain separate financial information for each segment. Financial information is presented for the four companies subjected to periodical examinations that are conducted by the Board of Directors in order to optimize the allocation of management resources and evaluation of performance: Natural Gas Chemicals, Aromatic Chemicals, Specialty Chemicals, and Information & Advanced Materials.

The Natural Gas Chemicals Company manufactures and sells products such as methanol, ammonia, amines, methacrylate derivatives, polyhydric alcohol, enzymes, coenzymes, and crude oil.

The Aromatic Chemicals Company manufactures and sells xylene isomers and their derivatives and foam.

The Specialty Chemicals Company manufactures and sells products such as hydrogen peroxide and other inorganic chemicals for industrial use, electronic chemicals, and engineering plastics.

The Information & Advanced Materials Company manufactures and sells products such as materials for printed circuit boards, printed circuit boards, and oxygen absorber such as AGELESS[®].

2. Business segments

FY 2014 (from April 1, 2014 to March 31, 2015)

(In ¥ million, rounded down)

	Natural gas chemicals	Aromatic chemicals	Specialty chemicals	Information and advanced materials	Other	Adjustment	Consolidated
Net sales							
Sales to outside customers	184,873	121,126	164,684	58,241	642	-	529,570
Inter-segment sales	12,745	2,214	1,377	0	110	(16,448)	-
Total.....	197,619	123,340	166,062	58,242	753	(16,448)	529,570
Operating income (loss)	28,294	1,026	9,166	4,066	1,412	(930)	43,034
Identifiable assets by business segment	203,878	211,422	212,149	65,356	43,348	54,225	790,381
Other items							
Depreciation	6,916	3,909	9,292	3,316	8	326	23,770
Amortization of goodwill.....	-	-	0	-	-	-	0
Interest income	30	23	164	52	2	(45)	226
Interest expense.....	1,145	703	1,107	233	14	(763)	2,440
Equity in earnings of affiliates	26,418	(1,009)	1,776	-	1,744	-	28,929
Gain on bargain purchase.....	137	29	0	0	30	-	198
Amortization of goodwill.....	-	-	476	-	-	-	476
Investment to equity method affiliates.	63,906	611	12,562	-	2,992	4,466	84,630
Increase of property, plant and equipment and intangible assets.....	5,766	4,067	7,639	4,397	7	348	22,226

FY 2013 (from April 1, 2013 to March 31, 2014)

(In ¥ million, rounded down)

	Natural gas chemicals	Aromatic chemicals	Specialty chemicals	Information and advanced materials	Other	Adjustment	Consolidated
Net sales							
Sales to outside customers	185,307	139,476	153,377	55,467	813	-	534,443
Inter-segment sales	9,568	2,040	1,176	0	95	(12,882)	-
Total.....	194,876	141,516	154,554	56,468	908	(12,882)	534,443
Operating income (loss)	18,444	2,133	3,867	4,845	1,901	(392)	30,804
Identifiable assets by business segment.....	218,018	101,925	194,995	64,202	55,832	22,863	657,838
Other items							
Depreciation	6,334	4,127	9,550	3,123	10	381	23,528
Amortization of goodwill.....	-	-	24	1	-	(26)	-
Amortization of negative goodwill.....	(13)	(11)	(169)	-	-	26	(168)
Interest income	79	20	156	46	22	(124)	200
Interest expense.....	1,236	811	1,496	132	4	(685)	2,995
Equity in earnings of affiliates	16,937	-	1,396	-	2,132	-	20,466
Investment to equity method affiliates	66,272	1,514	11,657	-	28,974	(239)	108,179
Increase of property, plant and equipment and intangible assets.....	4,523	2,377	11,237	6,691	2	577	25,409

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS (FY 2014)

(hundred million of yen, rounded down)

	FY 2013	FY 2014	Change		FY 2015 (Forecast)
				Change(%)	
Net sales	5,344	5,295	(48)	(0.9)%	6,200
Natural gas chemicals	1,948	1,976	27	1.4%	1,854
Aromatic chemicals	1,415	1,233	(181)	(12.8)%	2,156
Specialty chemicals	1,545	1,660	115	7.4%	1,749
Information and advanced materials	554	582	27	5.0%	601
Other and Adjustment	(119)	(156)	(37)	—	(161)
Operating income (loss)	114	149	35	30.5%	250
Natural gas chemicals	27	27	0	1.2%	41
Aromatic chemicals	28	30	1	4.0%	123
Specialty chemicals	39	82	43	109.2%	67
Information and advanced materials	42	38	(4)	(11.4)%	46
Other and Adjustment	(23)	(28)	(4)	—	(29)
Non- operating profit (loss)	193	280	87	45.2%	120
Ordinary income (loss)	308	430	122	39.7%	370
Natural gas chemicals	184	282	98	53.4%	151
Aromatic chemicals	21	10	(11)	(51.9)%	106
Specialty chemicals	38	91	52	137.0%	80
Information and advanced materials	48	40	(7)	(16.1)%	46
Other and Adjustment	15	4	(10)	(68.1)%	(15)
Extraordinary income (loss)	(130)	40	170	—	(20)
Income before income taxes and minority interests	177	470	292	164.7%	350
Net income	149	443	294	197.4%	290
Net income (loss) per share (¥)	33.03	98.26	—		64.21
Annual dividend per share (¥)	12.00	14.00	—		16.00

※Consolidated subsidiaries: 76 , Affiliates : 13 (As of end of March,2015)

Non- operating profit (loss)

Equity in earnings of affiliates	204	289	84	41.4%	150
Income (expenses) on financing activities	(10)	(1)	8	—	—
Foreign currency statements translation adjustment	(3)	5	8	—	—
Other	2	(12)	(15)	—	(30)
Total : Non - operating profit (loss)	193	280	87	45.2%	120

Extraordinary income (loss)

Gain on sales of investment securities	2	28	25	90.7%
Gain on step acquisitions		20	20	—
Subsidy income		16	16	—
Compensation income		10	10	—
Gain on rights and interests		7	7	—
Reversal of provision for business structure improvement		4	4	—
Gain on sales of noncurrent assets	3	3	(0)	(1.8)%
Gain on bargain purchase		1	1	—
Insurance income	2		(2)	—
Loss (gain) on liquidation of subsidiaries and associates	1		(1)	—
Loss on reduction of noncurrent assets		(16)	(16)	—
Impairment loss	(116)	(11)	105	—
Business structure improvement expenses	(15)	(10)	5	—
Amortization of goodwill		(4)	(4)	—
Loss on disposal of noncurrent assets		(3)	(3)	—
Loss on contract cancellation		(3)	(3)	—
Provision for environmental measures		(2)	(2)	—
Loss on abandonment of inventories		(1)	(1)	—
Environmental improvement expense	(4)		4	—
Compensation for products	(3)		3	—
Loss on fire accident	(1)		1	—
Total : Extraordinary income (loss)	(130)	40	170	—

Balance Sheets

	FY 2013	FY 2014	Change
Current assets	2,876	3,721	845
Property, plant and equipment, Intangible assets	1,944	2,451	506
Investments and other assets	1,757	1,730	(26)
Total assets	6,578	7,903	1,325
Interest-bearing liabilities	2,044	2,156	111
Other liabilities	1,294	1,523	228
Total liabilities	3,339	3,679	339
Shareholders' equity	3,092	3,483	390
Accumulated other comprehensive income	29	288	259
Minority interests	116	452	335
Total net assets	3,238	4,224	985
Total liabilities and net assets	6,578	7,903	1,325

Cash Flows

	FY 2013	FY 2014	Change
Net cash provided by (used in) operating activities	271	769	497
Net cash provided by (used in) investing activities	(298)	(235)	63
Net cash provided by (used in) financing activities	71	(250)	(321)
Cash and cash equivalents at end of period	373	726	353

Various index

	FY2011	FY2012	FY2013	FY2014	FY2015 (Forecast)
Investments (Full year)	424	309	254	222	410
(first half)	339	243	138	103	200
Depreciation and amortization (Full year)	277	230	235	237	280
(first half)	205	167	114	115	140
R&D expenditures (Full year)	174	153	161	168	190
(first half)	132	115	80	80	95
Staff	5,216	5,323	5,445	8,254	8,424
ROA	4.5%	4.6%	4.8%	5.9%	4.7%
ROE	4.4%	(2.8%)	5.0%	12.9%	7.5%
Annual dividend (Full year)	12.0	12.0	12.0	14.0	16.0
(first half)	6.0	6.0	6.0	7.0	8.0
Exchange rate (average)					
Apr-Sep	¥80/\$	¥79/\$	¥99/\$	¥103/\$	¥115/\$
Oct-Mar	¥78/\$	¥87/\$	¥102/\$	¥117/\$	¥115/\$
Methanol market(Assumed Asian average spot price)					
Jan-June	\$349/MT	\$385/MT	\$375/MT	\$432/MT	\$305/MT
July-Dec	\$385/MT	\$364/MT	\$449/MT	\$358/MT	\$305/MT