

# Financial Information

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# Consolidated Financial Summary

Mitsubishi Gas Chemical Company, Inc. and Consolidated Subsidiaries  
For the years ended March 31

	2010	2011	2012	2013	2014
<b>Operating results (Millions of yen)</b>					
Net sales	¥384,528	451,033	452,217	467,979	534,443
Operating income	4,090	23,363	9,083	11,421	11,488
Ordinary income	7,365	36,394	26,116	27,651	30,804
Net income attributable to owners of the parent	5,827	18,950	12,327	(7,793)	14,921
Equity in earnings of affiliates	8,794	17,873	20,532	19,045	20,466

	2010	2011	2012	2013	2014
<b>Financial position (Millions of yen)</b>					
Current assets	¥218,082	244,522	254,037	261,397	287,642
Total assets	539,431	577,045	595,250	613,908	657,838
Current liabilities	160,297	182,527	193,464	195,438	178,897
Net assets	278,094	288,257	292,111	294,895	323,858
Interest-bearing debt	165,848	182,679	185,185	182,644	204,489

	2010	2011	2012	2013	2014
<b>Cash flows (Millions of yen)</b>					
Operating activity cash flow	¥ 31,326	39,773	37,348	31,169	27,182
Investing activity cash flow	(33,662)	(24,626)	(37,274)	(30,818)	(29,883)
Financing activity cash flow	(15,354)	(1,849)	(9,876)	(14,356)	7,124
Total cash and cash equivalents at end of year	36,048	46,768	35,701	26,907	37,310

	2010	2011	2012	2013	2014
<b>Per share data (Yen)</b>					
Earnings per share (EPS)* <sup>1</sup>	¥ 25.78	83.85	54.56	(34.50)	66.07
Net assets per share * <sup>1</sup>	1,191.13	1,230.50	1,246.92	1,256.81	1,382.52

	2010	2011	2012	2013	2014
<b>Ratios (%)</b>					
Operating income margin	1.1	5.2	2.0	2.4	2.1
Return on equity (ROE)	2.2	6.9	4.4	(2.8)	5.0
Return on assets (ROA)	1.4	6.5	4.5	4.6	4.8
Equity ratio	49.9	48.2	47.3	46.2	47.5

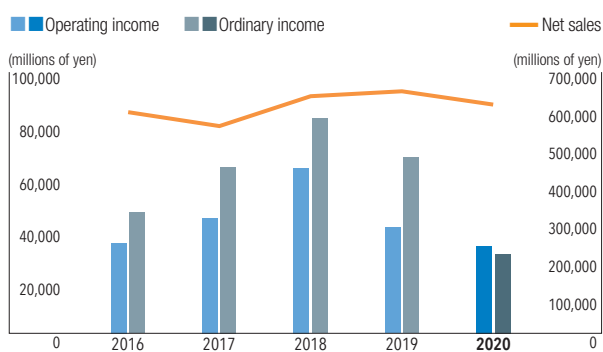
	2010	2011	2012	2013	2014
<b>Others (Millions of yen)</b>					
Capital expenditure	¥ 27,567	35,400	42,423	30,982	25,409
Depreciation and amortization	29,535	28,950	27,763	23,096	23,528
Research and Development cost	16,198	16,380	17,449	15,332	16,122
Number of employees	4,920	4,979	5,216	5,323	5,445

\*1 With an effective date of October 1, 2016, MGC conducted a reverse stock split for MGC's ordinary shares on a 2:1 basis.

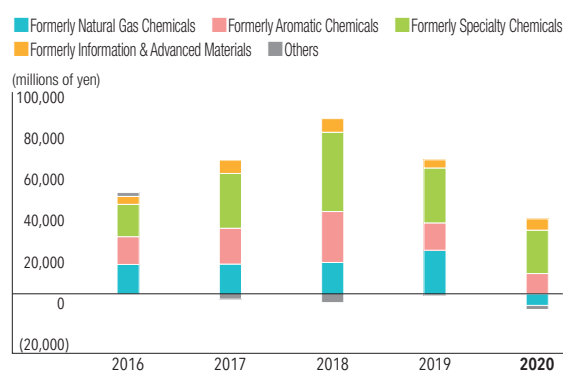
As a result, each amounts per share in the above table are calculated assuming that the reverse stock split had been conducted at the beginning of FY2009.

\*2 U.S. dollar amounts are translated from yen, for convenience only, at the approximate rate of ¥108.83= US\$1 prevailing on March 31, 2020.

## Net sales / Operating income / Ordinary income



## Ordinary income by business segment



This graph shows 2019 business segments (before organizational reform).

2015      2016      2017      2018      2019      2020      2020

(Thousands of U.S. dollars)\*2

529,570	593,502	556,480	635,909	648,986	<b>613,344</b>	<b>\$ 5,635,799</b>
14,996	34,018	43,762	62,741	41,386	<b>34,260</b>	<b>314,803</b>
42,000	45,432	62,430	80,711	69,199	<b>31,116</b>	<b>285,914</b>
43,346	34,134	48,013	60,531	55,000	<b>21,158</b>	<b>194,413</b>
27,895	16,683	21,125	18,277	28,408	<b>(1,282)</b>	<b>(11,780)</b>

(Thousands of U.S. dollars)\*2

372,166	341,237	326,674	384,249	378,845	<b>358,669</b>	<b>\$ 3,295,681</b>
790,784	739,582	738,188	785,687	804,038	<b>771,733</b>	<b>7,091,179</b>
225,068	214,676	188,426	206,835	188,420	<b>163,574</b>	<b>1,503,023</b>
422,851	423,135	473,370	519,144	553,282	<b>548,141</b>	<b>5,036,672</b>
215,614	181,427	118,713	106,964	95,751	<b>74,713</b>	<b>686,511</b>

(Thousands of U.S. dollars)\*2

76,982	84,671	82,711	90,720	64,042	<b>74,234</b>	<b>\$ 682,110</b>
(23,531)	(31,922)	(31,119)	(33,614)	(42,761)	<b>(33,922)</b>	<b>(311,697)</b>
(25,005)	(47,335)	(60,217)	(33,038)	(31,396)	<b>(49,563)</b>	<b>(455,417)</b>
72,678	75,828	67,177	90,304	80,379	<b>70,043</b>	<b>643,600</b>

(U.S. dollars)\*2

191.94	153.85	221.83	281.39	257.46	<b>100.50</b>	<b>\$ 0.92</b>
1,672.25	1,707.01	1,967.94	2,187.99	2,354.25	<b>2,368.11</b>	<b>21.76</b>

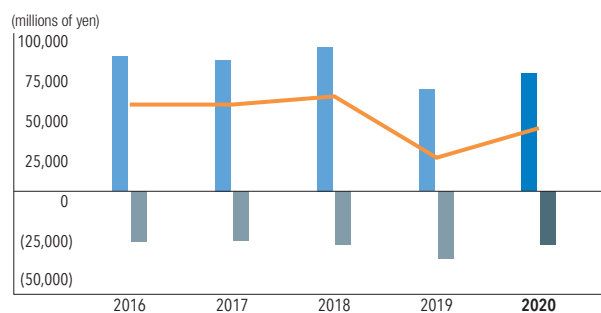
2.8	5.7	7.9	9.9	6.4	<b>5.6</b>	<b>5.6</b>
12.6	9.0	12.0	13.6	11.3	<b>4.3</b>	<b>4.3</b>
5.8	5.9	8.4	10.6	8.7	<b>3.9</b>	<b>3.9</b>
47.8	51.0	57.5	59.5	62.6	<b>63.8</b>	<b>63.8</b>

(Thousands of U.S. dollars)\*2

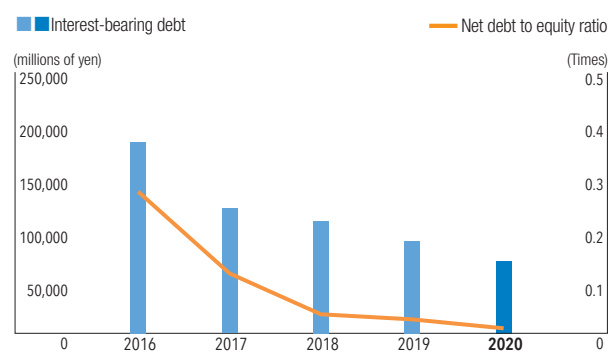
22,226	30,512	35,010	30,959	39,279	<b>42,389</b>	<b>\$ 389,497</b>
23,770	26,705	25,631	27,027	27,451	<b>29,591</b>	<b>271,901</b>
16,873	18,936	19,267	18,987	18,607	<b>19,696</b>	<b>180,980</b>
8,254	8,176	8,034	8,009	8,276	<b>8,954</b>	<b>8,954</b>

### Cash flows

■ Operating activity cash flow  
■ Investing activity cash flow  
— Free cash flow



### Interest-bearing debt / Net debt to equity ratio



# Consolidated Balance Sheet

Mitsubishi Gas Chemical Company, Inc. and Consolidated Subsidiaries  
March 31, 2020

## Assets

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
<b>Current assets:</b>			
Cash	¥ 78,227	¥ 91,130	\$ 718,800
Trade notes and accounts receivable	141,279	155,507	1,298,162
Short-term investments	3,514	23	32,289
Inventories	114,797	119,252	1,054,829
Other current assets	21,975	13,965	201,920
Less allowance for doubtful receivables	1,124	1,033	10,328
Total current assets	358,669	378,845	3,295,681
<b>Property, plant and equipment:</b>			
Buildings and structures	220,252	207,981	2,023,817
Machinery, equipment and vehicles	484,798	457,159	4,454,636
Land	41,109	39,826	377,736
Leased assets	2,611	750	23,992
Construction in progress	23,113	20,522	212,377
Other	51,266	48,151	471,065
	823,151	774,392	7,563,641
Less accumulated depreciation	583,313	545,899	5,359,855
Net property, plant and equipment	239,838	228,492	2,203,786
<b>Intangible assets, net:</b>			
Goodwill	5,293	3,841	48,635
Leased assets	0	5	0
Software	2,251	2,187	20,684
Other	3,052	2,579	28,044
Net intangible assets	10,597	8,614	97,372
<b>Investments and other assets:</b>			
Investments in securities	149,158	177,011	1,370,560
Long-term loans receivable	3,153	2,831	28,972
Deferred income taxes	3,482	2,510	31,995
Net defined benefit asset	974	1,174	8,950
Other investments and other assets	6,500	5,101	59,726
Less allowance for doubtful receivables	640	543	5,881
Total investments and other assets	162,628	188,086	1,494,331
Total assets	¥ 771,733	¥ 804,038	\$ 7,091,179

**Liabilities and Net Assets**

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
<b>Current liabilities:</b>			
Trade notes and accounts payable	¥ 70,776	¥ 80,089	\$ 650,335
Short-term debt and current installments of long-term debt	44,409	58,846	408,058
Accrued expenses	18,008	20,493	165,469
Accrued income taxes	5,539	3,439	50,896
Accrued bonuses	5,616	5,539	51,603
Other current liabilities	19,225	20,011	176,652
Total current liabilities	163,574	188,420	1,503,023
<b>Non-current liabilities:</b>			
Long-term debt	30,304	36,905	278,453
Net defined benefit liability	9,333	5,247	85,758
Provision for directors' retirement benefits	433	337	3,979
Deferred income taxes	9,200	9,521	84,536
Other non-current liabilities	10,745	10,323	98,732
Total non-current liabilities	60,016	62,336	551,466
Total liabilities	223,591	250,756	2,054,498
<b>Stockholders' equity:</b>			
Common stock :			
Authorized 492,428,000 shares; issued 225,739,199 and 231,739,199 shares in 2020 and 2019	41,970	41,970	385,647
Additional paid-in capital	34,234	34,298	314,564
Retained earnings	439,701	439,080	4,040,255
Treasury stock, at cost; 17,758,765 and 18,099,472 shares in 2020 and 2019	(21,600)	(19,930)	(198,475)
Total stockholders' equity	494,306	495,418	4,542,001
<b>Accumulated other comprehensive income:</b>			
Net unrealized gain on other securities	7,789	13,023	71,570
Deferred gains on hedges	4	1	37
Surplus on revaluation of land	—	222	—
Foreign currency translation adjustments	(6,701)	(6,327)	(61,573)
Remeasurements of defined benefit plans	(2,877)	623	(26,436)
Total accumulated other comprehensive income	(1,785)	7,542	(16,402)
<b>Non-controlling interests</b>	<b>55,619</b>	<b>50,321</b>	<b>511,063</b>
Total net assets	548,141	553,282	5,036,672
<b>Commitments and contingencies</b>			
Total liabilities and net assets	¥ 771,733	¥ 804,038	\$ 7,091,179

# Consolidated Statement of Income

Mitsubishi Gas Chemical Company, Inc. and Consolidated Subsidiaries  
For the year ended March 31, 2020

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
<b>Net sales</b>	<b>¥ 613,344</b>	¥ 648,986	<b>\$ 5,635,799</b>
<b>Cost of sales</b>	<b>481,950</b>	512,857	<b>4,428,466</b>
Gross profit	<b>131,394</b>	136,129	<b>1,207,333</b>
<b>Selling, general and administrative expenses</b>	<b>97,133</b>	94,742	<b>892,520</b>
Operating income	<b>34,260</b>	41,386	<b>314,803</b>
<b>Other income (expenses):</b>			
Interest income	<b>565</b>	642	<b>5,192</b>
Dividend income	<b>2,226</b>	2,200	<b>20,454</b>
Interest expenses	<b>(968)</b>	(1,018)	<b>(8,895)</b>
Share of profit (loss) of entities accounted for using equity method	<b>(1,282)</b>	28,408	<b>(11,780)</b>
Gain on sale of investments in securities	<b>2,676</b>	989	<b>24,589</b>
Rent expenses	<b>(1,628)</b>	(1,634)	<b>(14,959)</b>
Loss on valuation of investments in securities	<b>(939)</b>	(690)	<b>(8,628)</b>
Provision for loss on guarantees	<b>—</b>	(1,267)	<b>—</b>
Provision for loss on liquidation of subsidiaries and associates	<b>(1,098)</b>	—	<b>(10,089)</b>
Personnel expenses for seconded employees	<b>(1,512)</b>	(1,430)	<b>(13,893)</b>
Loss on tax purpose reduction entry of non-current assets	<b>(5,652)</b>	—	<b>(51,934)</b>
Loss on sale/disposal of property, plant and equipment	<b>(943)</b>	(920)	<b>(8,665)</b>
Impairment loss	<b>(381)</b>	—	<b>(3,501)</b>
Other, net	<b>9,022</b>	2,400	<b>82,900</b>
	<b>82</b>	27,679	<b>753</b>
Profit before income taxes	<b>34,343</b>	69,066	<b>315,566</b>
<b>Income taxes :</b>			
Current	<b>8,373</b>	8,333	<b>76,937</b>
Deferred	<b>1,482</b>	753	<b>13,618</b>
	<b>9,855</b>	9,087	<b>90,554</b>
Profit	<b>¥ 24,487</b>	¥ 59,979	<b>\$ 225,002</b>
<b>Profit attributable to non-controlling interests</b>	<b>3,329</b>	4,979	<b>30,589</b>
Profit attributable to owners of parent	<b>¥ 21,158</b>	¥ 55,000	<b>\$ 194,413</b>

# Consolidated Statement of Comprehensive Income

Mitsubishi Gas Chemical Company, Inc. and Consolidated Subsidiaries

For the year ended March 31, 2020

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
<b>Profit</b>	<b>¥ 24,487</b>	<b>¥ 59,979</b>	<b>\$ 225,002</b>
<b>Other comprehensive income arising during the year :</b>			
Net unrealized loss on other securities	(5,172)	(4,212)	(47,524)
Deferred gains on hedges	3	1	28
Foreign currency translation adjustments	(3,431)	(2,232)	(31,526)
Remeasurements of defined benefit plans	(3,386)	(1,812)	(31,113)
Shares of other comprehensive income of affiliates accounted for by the equity method	1,488	2,594	13,673
Total other comprehensive income arising during the year	(10,498)	(5,661)	(96,462)
<b>Comprehensive income</b>	<b>¥ 13,988</b>	<b>¥ 54,318</b>	<b>\$ 128,531</b>
<b>Comprehensive income attributable to:</b>			
Owners of the parent	¥ 11,884	¥ 50,795	\$ 109,198
Non-controlling interests	2,104	3,522	19,333

# Consolidated Statement of Changes in Net Assets

Mitsubishi Gas Chemical Company, Inc. and Consolidated Subsidiaries  
For the year ended March 31, 2020

	Millions of yen												
	Stockholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets	
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total	Net unrealized gain on other securities	Deferred gains on hedges	Surplus on revaluation of land	Foreign currency translation adjustments	Remeasurements of defined benefit plans			Total
<b>Balance as of April 1, 2018</b>	¥ 41,970	¥ 34,578	¥ 399,033	¥ (19,966)	¥ 455,616	¥ 17,261	¥ (0)	¥ 222	¥ (7,614)	¥ 1,878	¥ 11,747	¥ 51,780	¥ 519,144
Changes arising during year:													
Cash dividends			(14,953)		(14,953)								(14,953)
Profit attributable to owners of parent			55,000		55,000								55,000
Purchase of treasury stock				(6)	(6)								(6)
Disposition of treasury stock		53		42	95								95
Change in treasury stock of parent arising from transactions with non-controlling interests		(333)			(333)								(333)
Net changes other than stockholders' equity						(4,238)	1	—	1,287	(1,254)	(4,204)	(1,459)	(5,664)
Total changes during the year	—	(280)	40,046	35	39,802	(4,238)	1	—	1,287	(1,254)	(4,204)	(1,459)	34,138
<b>Balance as of March 31, 2019</b>	¥ 41,970	¥ 34,298	¥ 439,080	¥ (19,930)	¥ 495,418	¥ 13,023	¥ 1	¥ 222	¥ (6,327)	¥ 623	¥ 7,542	¥ 50,321	¥ 553,282
Changes arising during year:													
Cash dividends			(14,861)		(14,861)								(14,861)
Profit attributable to owners of parent			21,158		21,158								21,158
Purchase of treasury stock				(8,733)	(8,733)								(8,733)
Disposition of treasury stock		11		40	51								51
Retirement of treasury stock		(7,023)		7,023	—								—
Transfer to additional paid-in capital from retained earnings		6,959	(6,959)		—								—
Change in scope of consolidation			1,246		1,246								1,246
Change in treasury stock of parent arising from transactions with non-controlling interests		(10)			(10)								(10)
Reversal of revaluation reserve for land			37		37								37
Net changes other than stockholders' equity						(5,233)	3	(222)	(374)	(3,500)	(9,327)	5,298	(4,029)
Total changes during the year	—	(63)	621	(1,669)	(1,111)	(5,233)	3	(222)	(374)	(3,500)	(9,327)	5,298	(5,141)
<b>Balance as of March 31, 2020</b>	¥ 41,970	¥ 34,234	¥ 439,701	¥ (21,600)	¥ 494,306	¥ 7,789	¥ 4	¥ —	¥ (6,701)	¥ (2,877)	¥ (1,785)	¥ 55,619	¥ 548,141



Thousands of U.S. dollars

	Stockholders' equity					Accumulated other comprehensive income							Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total	Net unrealized gain on other securities	Deferred gains on hedges	Surplus on revaluation of land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Non-controlling interests	
<b>Balance as of April 1, 2018</b>	\$ 385,647	\$ 317,725	\$ 3,666,572	\$ (183,460)	\$ 4,186,493	\$ 158,605	\$ (0)	\$ 2,040	\$ (69,962)	\$ 17,256	\$ 107,939	\$ 475,788	\$ 4,770,229
Changes arising during year:													
Cash dividends			(137,398)		(137,398)								(137,398)
Profit attributable to owners of parent			505,375		505,375								505,375
Purchase of treasury stock				(55)	(55)								(55)
Disposition of treasury stock		487		386	873								873
Change in treasury stock of parent arising from transactions with non-controlling shareholders		(3,060)			(3,060)								(3,060)
Net changes other than stockholders' equity						(38,941)	9	—	11,826	(11,523)	(38,629)	(13,406)	(52,044)
Total changes during the year	—	(2,573)	367,968	322	365,726	(38,941)	9	—	11,826	(11,523)	(38,629)	(13,406)	313,682
<b>Balance as of March 31, 2019</b>	\$ 385,647	\$ 315,152	\$ 4,034,549	\$ (183,130)	\$ 4,552,219	\$ 119,664	\$ 9	\$ 2,040	\$ (58,137)	\$ 5,725	\$ 69,301	\$ 462,382	\$ 5,083,911
Changes arising during year:													
Cash dividends			(136,552)		(136,552)								(136,552)
Profit attributable to owners of parent			194,413		194,413								194,413
Purchase of treasury stock				(80,244)	(80,244)								(80,244)
Disposition of treasury stock		101		368	469								469
Retirement of treasury stock		(64,532)		64,532	—								—
Transfer to additional paid-in capital from retained earnings		63,944	(63,944)		—								—
Change in scope of consolidation			11,449		11,449								11,449
Change in treasury stock of parent arising from transactions with non-controlling interests		(92)			(92)								(92)
Reversal of revaluation reserve for land			340		340								340
Net changes other than stockholders' equity						(48,084)	28	(2,040)	(3,437)	(32,160)	(85,702)	48,681	(37,021)
Total changes during the year	—	(579)	5,706	(15,336)	(10,209)	(48,084)	28	(2,040)	(3,437)	(32,160)	(85,702)	48,681	(47,239)
<b>Balance as of March 31, 2020</b>	\$ 385,647	\$ 314,564	\$ 4,040,255	\$ (198,475)	\$ 4,542,001	\$ 71,570	\$ 37	\$ —	\$ (61,573)	\$ (26,436)	\$ (16,402)	\$ 511,063	\$ 5,036,672

# Consolidated Statement of Cash Flows

Mitsubishi Gas Chemical Company, Inc. and Consolidated Subsidiaries

For the year ended March 31, 2020

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
<b>Cash flows from operating activities:</b>			
Profit before income taxes	¥ 34,343	¥ 69,066	\$ 315,566
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:			
Depreciation and amortization	29,591	27,451	271,901
Loss on sale/disposal of property, plant and equipment	778	870	7,149
Impairment loss	381	—	3,501
Loss on tax purpose reduction entry of non-current assets	5,652	—	51,934
Equity in losses (earnings) of affiliates	1,282	(28,408)	11,780
Increase (decrease) in allowance for doubtful receivables	187	(137)	1,718
Decrease in net defined benefit liability	(48)	(682)	(441)
(Decrease) increase in provision for directors' retirement benefits	(245)	68	(2,251)
Decrease in provision for loss on business withdrawal	(11)	(107)	(101)
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	592	(144)	5,440
(Decrease) increase in provision for loss on guarantees	(2,358)	1,270	(21,667)
Interest and dividend income	(2,791)	(2,842)	(25,646)
Interest expenses	968	1,018	8,895
Gain on sale of short-term investments and investments in securities	(2,682)	(1,041)	(24,644)
Loss on devaluation of short-term investments and investments in securities	762	837	7,002
Decrease in trade notes and accounts receivable	19,048	8,059	175,025
Decrease (increase) in inventories	5,694	(15,750)	52,320
Decrease in trade notes and accounts payable	(13,799)	(7,290)	(126,794)
Other, net	(8,929)	4,074	(82,045)
Sub total	68,416	56,313	628,650
Interest and dividend received	2,755	2,804	25,315
Dividend received from affiliates accounted for by the equity method	10,693	12,323	98,254
Interest paid	(1,030)	(1,020)	(9,464)
Income taxes paid	(7,173)	(6,552)	(65,910)
Other, net	572	173	5,256
Net cash provided by operating activities	74,234	64,042	682,110
<b>Cash flows from investing activities:</b>			
Capital expenditures	(43,453)	(37,409)	(399,274)
Proceeds from sale of property, plant and equipment	1,144	891	10,512
Purchase of investments in securities and subsidiaries	(1,544)	(5,039)	(14,187)
Increase in long-term loans receivable	(333)	(48)	(3,060)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	5,810	—	53,386
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	939	—
Other, net	4,454	(2,094)	40,926
Net cash used in investing activities	(33,922)	(42,761)	(311,697)
<b>Cash flows from financing activities:</b>			
Decrease in short-term debt	(14,927)	(10,599)	(137,159)
Proceeds from long-term debt	8,697	16,773	79,914
Payments on long-term debt	(15,768)	(17,893)	(144,887)
Purchase of treasury stock	(8,733)	(6)	(80,244)
Dividends paid to stockholders	(14,861)	(14,953)	(136,552)
Dividends paid to non-controlling interests	(1,890)	(1,751)	(17,367)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,208)	(2,859)	(11,100)
Other, net	(870)	(105)	(7,994)
Net cash used in financing activities	(49,563)	(31,396)	(455,417)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(1,342)</b>	<b>190</b>	<b>(12,331)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(10,594)</b>	<b>(9,925)</b>	<b>(97,344)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>80,379</b>	<b>90,304</b>	<b>738,574</b>
<b>Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation</b>	<b>258</b>	<b>—</b>	<b>2,371</b>
<b>Cash and cash equivalents at end of year</b>	<b>¥ 70,043</b>	<b>¥ 80,379</b>	<b>\$ 643,600</b>