

Operational Summary

for the Fiscal Year Ended March 31, 2017

May 12, 2017

Mitsubishi Chemical Holdings Corporation

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**Mitsubishi Chemical Holdings Corporation has adopted IFRS starting with FY2016 1Q.
The numerical values in FY2015 based on J-GAAP have been translated to the values based on IFRS.**

List of Abbreviations

FY2017:	April 1, 2017 - March 31, 2018 1st Half ("1H") of FY2017: April 1, 2017 - September 30, 2017 2nd Half ("2H") of FY2017: October 1, 2017 - March 31, 2018
FY2016:	April 1, 2016 - March 31, 2017 4th Quarter ("4Q") of FY2016: January 1, 2017 - March 31, 2017 1st Half ("1H") of FY2016: April 1, 2016 - September 30, 2016 2nd Half ("2H") of FY2016: October 1, 2016 - March 31, 2017
FY2015:	April 1, 2015 - March 31, 2016
MCHC:	Mitsubishi Chemical Holdings Corporation
MCC:	Mitsubishi Chemical Corporation
MTPC:	Mitsubishi Tanabe Pharma Corporation
MPI:	Mitsubishi Plastics, Inc.
MRC:	Mitsubishi Rayon Co., Ltd.
LSII:	Life Science Institute, Inc.
TNSC:	Taiyo Nippon Sanso Corporation

(Note)

Divisional numbers into following "business sub-segments" under the business segments of Designed Materials, Health Care, Chemicals, or Polymers are approximation for reference purpose only;

- Functional Products
- Performance Chemicals
- Pharmaceuticals
- Diagnostics, Clinical Testing and API
- Petrochemicals
- Carbon
- Industrial Gases
- Polyolefins and Advanced Polymers
- MMA Monomers and Polymers

Consolidated Statements of Operations

Exchange Rate (¥/\$)	105.4	112.1	108.7	120.2	(11.5)	-10%
Naphtha Price (¥/kl)	31,500	37,900	34,700	42,800	(8,100)	-19%

							(Billions of Yen)
		1H	2H	FY2016	FY2015	Change	%
Continuing Operations * 2	Sales Revenue	1,586.3	1,789.8	3,376.1	3,543.4	(167.3)	-5%
	Core Operating Income *1	136.3	171.2	307.5	300.4	7.1	2%
	Special Items	(16.2)	(22.7)	(38.9)	(31.7)	(7.2)	
	Operating Income	120.1	148.5	268.6	268.7	(0.1)	-0%
	Financial Income/Expenses	(8.5)	(1.8)	(10.3)	(15.9)	5.6	
	(Dividend included above)	[2.7]	[1.2]	[3.9]	[5.5]	[(1.6)]	
	(Foreign Exchange Gain/Loss included above)	[(4.6)]	[4.1]	[(0.5)]	[(5.5)]	[5.0]	
	Earnings before Taxes	111.6	146.7	258.3	252.8	5.5	
	Income Taxes	*3 (2.4)	(42.0)	(44.4)	(74.1)	29.7	
	Net Income from Continuing Operations	109.2	104.7	213.9	178.7	35.2	
Net Income from Discontinued Operations	(0.1)	2.7	2.6	(73.8)	76.4		
Net Income	109.1	107.4	216.5	104.9	111.6		
Net Income Attributable to Owners of the Parent	79.2	77.1	156.3	51.4	104.9	204%	
Net Income Attributable to Non-Controlling Interests	29.9	30.3	60.2	53.5	6.7		
		7.4	11.5	18.9	14.0	4.9	

*1 Equity income included.

*2 Discontinued operations are not included.

Sales revenue and each staged gain/loss in the discontinued operations are as shown on the right.

*3 Deferred tax assets relating to the terephtharic acid business transfer are recognized.

	FY2016	FY2015
Sales Revenue	66.8	128.9
Core Operating Income	1.7	(6.2)
Operating Income	3.6	(69.8)
Earnings Before Taxes	2.3	(73.0)
Net Income	2.6	(73.8)

Consolidated Sales Revenue and Core Operating Income by Business Segment

(Billions of Yen)

		1H	2H	FY2016	FY2015	Change
Total Consolidated *2	Sales Revenue	1,586.3	1,789.8	3,376.1	3,543.4	(167.3)
	Core Operating Income	136.3	171.2	307.5	300.4	7.1
Electronics Applications	Sales Revenue	52.0	52.7	104.7	115.7	(11.0)
	Core Operating Income	(0.6)	(2.3)	(2.9)	(1.0)	(1.9) (a)
Functional Products	Sales Revenue	271.9	285.6	557.5	580.8	(23.3)
	Core Operating Income	23.5	25.0	48.5	43.3	5.2 (b)
Performance Chemicals	Sales Revenue	122.0	127.2	249.2	244.8	4.4
	Core Operating Income	16.7	16.3	33.0	31.7	1.3 (c)
Designed Materials	Sales Revenue	393.9	412.8	806.7	825.6	(18.9)
	Core Operating Income	40.2	41.3	81.5	75.0	6.5
Pharmaceuticals	Sales Revenue	204.1	219.8	423.9	425.7	(1.8)
	Core Operating Income	48.0	46.5	94.5	107.0	(12.5) (d)
Diagnostics, Clinical Testing and API	Sales Revenue	59.3	63.8	123.1	122.7	0.4
	Core Operating Income	1.0	2.9	3.9	5.2	(1.3) (e)
Health Care	Sales Revenue	263.4	283.6	547.0	548.4	(1.4)
	Core Operating Income	49.0	49.4	98.4	112.2	(13.8)

*1 All figures are approximation for reference purpose only.

*2 Discontinued operations are not included.

Major reasons for the change:

- (a) Deficit increased due mainly to the impact of the yen's appreciation and lower sales prices in display materials.
- (b) Profit increased due to stronger sales of films for displays including *CLEARFIT*, higher sales and a drop in raw material prices of polyester film and a drop in raw material prices of films for food packing materials, despite the impact of the yen's appreciation and lower sales of fibers and textiles.
- (c) Profit increased due mainly to higher sales volumes of lithium-ion battery materials and *OPL film* and the effect of a newly consolidated subsidiary engages in food ingredients business, despite the impact of the yen's appreciation.
- (d) Profit decreased due to the negative impact of the NHI drug price revisions and no posting for this term of lump-sum royalty revenues from licensed-out products which were posted in FY2015 3Q, despite increased sales of priority products including *Simponi*, a rheumatoid arthritis treatment agent.
- (e) Profit decreased due mainly to the impact of the yen's appreciation and an increase in R&D expenses.

Consolidated Sales Revenue and Core Operating Income by Business Segment (Continued)

(Billions of Yen)

		1H	2H	FY2016	FY2015	Change
Petrochemicals *2	Sales Revenue	105.1	147.6	252.7	311.3	(58.6)
	Core Operating Income	(7.4)	10.4	3.0	8.0	(5.0) (a)
Carbon	Sales Revenue	82.3	115.6	197.9	183.2	14.7
	Core Operating Income	0.6	3.2	3.8	4.9	(1.1) (b)
Industrial Gases	Sales Revenue	265.5	309.1	574.6	587.1	(12.5)
	Core Operating Income	24.4	27.7	52.1	44.8	7.3 (c)
Chemicals *2	Sales Revenue	452.9	572.3	1,025.2	1,081.6	(56.4)
	Core Operating Income	17.6	41.3	58.9	57.7	1.2
Polyolefins and Advanced Polymers	Sales Revenue	200.7	219.6	420.3	460.5	(40.2)
	Core Operating Income	14.2	18.4	32.6	36.4	(3.8) (d)
MMA Monomers and Polymers	Sales Revenue	136.1	149.8	285.9	305.8	(19.9)
	Core Operating Income	16.7	22.6	39.3	20.0	19.3 (e)
Polymers	Sales Revenue	336.8	369.4	706.2	766.3	(60.1)
	Core Operating Income	30.9	41.0	71.9	56.4	15.5
Others	Sales Revenue	87.3	99.0	186.3	205.8	(19.5)
	Core Operating Income	3.2	4.0	7.2	7.1	0.1
Corporate	Sales Revenue	-	-	-	-	-
	Core Operating Income	(4.0)	(3.5)	(7.5)	(7.0)	(0.5)

*1 All figures are approximation for reference purpose only.

*2 Discontinued operations are not included.

Major reasons for the change:

- (a) Profit decreased due mainly to worsening petrochemical market conditions compared to the strong market conditions in FY2015 1Q, and a larger scale of scheduled maintenance and repairs.
- (b) Profit decreased due mainly to worsening market conditions for needle coke.
- (c) Profit increased due mainly to lower costs accompanying a drop in raw material and fuel costs and the impact of a newly acquired business in the U.S. and a newly consolidated subsidiary of an Australian business.
- (d) Profit decreased due to a larger scale of scheduled maintenance and repairs.
- (e) Profit increased due mainly to firm market conditions of MMA in Asia, Europe and North America.

(Billions of Yen)

Inventory valuation gain/loss	1H	2H	FY2016	FY2015	Change
Chemicals (Petrochemicals) *2	(0.5)	3.6	3.1	(6.5)	9.6
Chemicals (Carbon)	(0.7)	1.5	0.8	(0.9)	1.7
Polymers	(4.1)	5.2	1.1	(13.4)	14.5
Total	(5.3)	10.3	5.0	(20.8)	25.8

Analysis of Core Operating Income

(Billions of Yen)

	FY2016	FY2015	Change				
				Price	Volume	Fixed Cost	Others *1
Total Consolidated	307.5	300.4	7.1	(35.4)	3.2	21.0	18.3
Electronics Applications	(2.9)	(1.0)	(1.9)	(5.5)	0.8	3.5	(0.7)
Designed Materials	81.5	75.0	6.5	(9.0)	11.2	5.9	(1.6)
Healthcare	98.4	112.2	(13.8)	(14.9)	3.4	6.6	(8.9)
Chemicals *2	58.9	57.7	1.2	(4.7)	(11.6)	1.8	15.7
Polymers	71.9	56.4	15.5	(1.3)	(0.8)	3.1	14.5
Others	7.2	7.1	0.1	0.0	0.2	0.1	(0.2)
Corporate	(7.5)	(7.0)	(0.5)	0.0	0.0	0.0	(0.5)

*1 Items included are impacts from inventory valuation gain/loss and differences of equity income, etc.

*2 Discontinued operations are not included.

Changes in exchange rates	(17.9)	(15.1)	(7.7)	-	4.9
Changes in foreign currency translation included in above		(11.1)			

Consolidated Special Items

(Billions of Yen)

	4Q	FY2016	FY2015	Change
Total Special Items	(19.2)	(38.9)	(31.7)	(7.2)
Impairment loss	(5.2)	(15.0)	(13.6)	(1.4)
Environmental expenses	(6.8)	(6.8)	-	(6.8)
Loss on sale and disposal of fixed assets	(1.4)	(2.9)	(1.5)	(1.4)
Special retirement expenses	(0.4)	(2.5)	(15.5)	13.0
Losses during the break period of operation due to earthquake disaster	-	*1 (2.3)	-	(2.3)
Equity in loss of affiliates	(1.9)	(1.9)	-	(1.9)
Loss on sale of intercompany securities	(0.9)	(1.0)	(1.4)	0.4
Gain on sale of property, plant and equipment	0.2	0.9	3.5	(2.6)
Gain on step acquisitions	-	-	1.9	(1.9)
Others	(2.8)	*1 (7.4)	(5.1)	(2.3)

*1 Including the impact of Kumamoto earthquake-related losses (4.0 billion yen).

*2 Discontinued operations are not included.

[Special Items by Business Segment]

Electronics Applications	(1.4)	(2.4)	(3.2)	0.8
Designed Materials	(2.7)	*1 (11.6)	(1.3)	(10.3)
Healthcare	(2.0)	(3.0)	(25.2)	22.2
Chemicals *2	(2.2)	(6.0)	1.0	(7.0)
Polymers	(3.2)	(6.8)	(3.4)	(3.4)
Others	(0.0)	(0.0)	0.0	(0.0)
Corporate	(7.7)	(9.1)	0.4	(9.5)

Consolidated Cash Flows

	Based on statements of cash flows		Adjusted cash flows*		<reference> Target for FY2016 Forecast (announced on May 13)
	FY2016	FY2015	FY2016	FY2015	
Net cash provided by operating activities	396.6	299.6	396.6	402.2	340.0
Income before income taxes	260.6	179.7	260.6	179.7	198.0
Depreciation and amortization	174.0	182.7	174.0	182.7	180.0
Change in operating receivables/payables	32.7	(69.0)	32.7	11.4	28.0
Change in Inventories	(9.2)	37.6	(9.2)	37.6	(66.0)
Others	(61.5)	(31.4)	(61.5)	(9.2)	(240.0)
Net cash used in investment activities	(289.1)	(234.1)	(292.9)	(187.3)	(240.0)
Capital expenditure	(205.8)	(218.9)	(205.8)	(218.9)	(244.0)
Sale of assets	37.0	78.3	37.0	78.3	4.0
Investment and loans receivable, etc.	(120.3)	(93.5)	(124.1)	(46.7)	
Free cash flow	107.5	65.5	103.7	214.9	100.0
Net cash used in financing activities	1.4	(40.9)			
Interest bearing debts	134.3	6.1			
Additional acquisition of consolidated subsidiaries' stocks	(48.8)	(2.8)			
Dividends, etc.	(84.1)	(44.2)			
Increase (Decrease) in cash and cash equivalents	108.9	24.6			
Effect of exchange rate changes and change in scope of consolidation	(12.5)	(10.2)			
Cash and cash equivalents at the beginning of the period	267.1	252.7			
Cash and cash equivalents at the end of the period	363.5	267.1			

*"Adjusted cash flows" is calculated by excluding the following items respectively for convenience.

(4Q of FY2016)

a) Excluding cash flows from investment of surplus funds.

(4Q of FY2015)

a) Excluding cash flows from investment of surplus funds.

b) Excluding the influence by first-time adoption of IFRS regarding securitization.

Amounts of the influence (Billions of Yen)

Increase of account receivables	(80.4)
Others	(22.2)
CF for operating activities	(102.6)
CF for financing activities	102.6
Change in cash and cash equivalents	-

Consolidated Statements of Financial Positions

(Billions of Yen)

	Mar. 31, 2017	Mar. 31, 2016	Change
Cash and cash equivalents	363.5	267.1	96.4
Trade receivables	776.2	769.1	7.1
Inventories	538.1	549.5	(11.4)
Other current assets	290.6	271.0	19.6
Total current assets	1,968.4	1,856.7	111.7
Tangible and Intangible fixed assets	1,658.9	1,599.0	59.9
Goodwill	313.0	267.9	45.1
Investment and other non-current assets	523.2	500.2	23.0
Total non-current assets	2,495.1	2,367.1	128.0
Total assets	4,463.5	4,223.8	239.7

	Mar. 31, 2017	Mar. 31, 2016	Change
Interest-bearing debts	1,693.7	1,579.6	114.1
Trade payables	437.9	394.1	43.8
Other liabilities	633.7	653.9	(20.2)
Total liabilities	2,765.3	2,627.6	137.7
Shareholders' equity	1,089.5	962.2	127.3
Other components of equity	1.9	10.0	(8.1)
Total equity attributable to owners of the parent	1,091.4	972.2	119.2
Non-controlling interests	606.8	624.0	(17.2)
Total equity	1,698.2	1,596.2	102.0
Total liabilities and equity	4,463.5	4,223.8	239.7

Net interest-bearing debts (*1)	1,155.9	1,134.4	21.5
Net D/E ratio	1.06	1.17	(0.11)
Ratio of equity attributable to owners of the parent to total assets	24.5%	23.0%	1.5%

*1. Net interest-bearing debts
 = interest bearing debts (1,664.0 billion yen)
 - {cash and cash equivalents (327.7 billion yen) + investments of surplus funds (94.9 billion yen)}

Consolidated Financial Results Forecasts for FY2017

Business Segments: Changes from Fiscal 2017

MCHC integrated three consolidated subsidiaries — MCC, MPI, and MRC — into one company, and **established the new MCC** on April 1, 2017. This was executed in consideration of the need to establish an organizational structure that can take full advantage of each company's resources and strengths to address a rapidly changing business climate and drive the expansion of their business toward accomplishing the goals of the five-year medium-term management plan, *APTSIS 20*, which began in fiscal 2016.

Taking this opportunity, MCHC, the holding company of the four operating companies — the new MCC, MTPC, LSII, and TNSC — **stepped up its efforts to plan medium-term strategies for each of four business segments (performance products, chemicals, industrial gases, and health care) in which four operating companies are mainly engaged, enhance monitoring of *APTSIS 20*, and shift to a management system that accelerate growth strategies for these four business segments.**

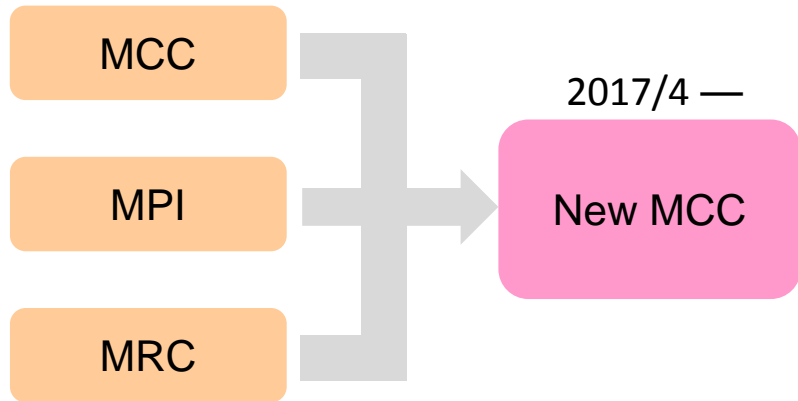
Based on the above factors, the current business segments were reviewed and reclassified into “Performance Products,” “Chemicals,” “Industrial gases,” and “Health Care.”

Business Segments: Changes from Fiscal 2017

Organizational structure that most effectively uses market information and technological capabilities from viewpoints of market access, etc.

<Business Unit>

**New Management Structure
(Four business segments)**



- Information, Electronics and Display
- High Performance Films
- Environment and Living Solutions
- Advanced Moldings and Composites
- Advanced Polymers
- High Performance Chemicals
- New Energy

Performance Products

- Functional Products
- Performance Chemicals

<Intent of integrating 3 chemical companies>
To swiftly meet changes in the business environment and grow businesses, it is necessary to build an organizational structure that maximizes the three companies' management resources.

- MMA
- Petrochemicals
- Carbon

Chemicals

- MMA
- Petrochemicals
- Carbon

- TNSC
- MTPC
- LSII

Industrial Gases

Health Care

Business Segments: Business Unit

Business Domain	Business Segment	Sub Business Segment		
		(Business Unit)		
Performance Products	Performance Products	Functional Products	Electronics and Displays	Optical films, Electronics and displays, Acetyl
			High Performance Films	Packaging films, Industrial films, Hostaphan
			Environment and Living Solutions	Aqua and separator solutions, Infrastructure solutions and agricultural materials
			Advanced Moldings and Composites	High performance engineering plastics, Fibers and textile, Carbon fiber and composite materials, Functional moldings and composites, Almina fiber and Light metal products
		Performance Chemicals	Advanced Polymers	Performance polymers, Engineering polymers, Sustainable resources
			High Performance Chemicals	Performance chemicals, Performance materials, Food ingredients
			New Energy	Lithium ion battery materials, Energy transduction device materials
Industrial Materials	Chemicals	MMA	MMA	MMA
		Petrochemicals	Petrochemicals	Basic petrochemicals, Polyolefins, Basic chemical derivatives
		Carbon	Carbon	Carbon
	Industrial Gases		Industrial gases	
Health Care	Health Care		Pharmaceuticals	
			Life science	

Business Segments: Comparison Chart (FY2016 Basis)

(Billions of Yen)

Current Business Segments	Sales Revenue	Core Operating Income
Electronics Applications	104.7	(2.9)
Designed Materials	806.7	81.5
Functional Products	557.5	48.5
Performance Chemicals	249.2	33.0
Health Care	547.0	98.4
Pharmaceuticals	423.9	94.5
Diagnostics, Clinical Testing and API	123.1	3.9
Chemicals	1,025.2	58.9
Petrochemicals	252.7	3.0
Carbon	197.9	3.8
Industrial Gases	574.6	52.1
Polymers	706.2	71.9
Polyolefins and Advanced Polymers	420.3	32.6
MMA Monomers and Polymers	285.9	39.3
Others	186.3	7.2
Corporate	-	(7.5)
Total	3,376.1	307.5

(Billions of Yen)

New Business Segments	Sales Revenue	Core Operating Income
Performance Products	1,071.9	94.2
(a)		
(b) Functional Products	744.6	62.2
(c)		
(d)		
(e) Performance Chemicals	327.3	32.0
(f)		
(g)		
Chemicals	984.1	62.6
(h) MMA	285.9	37.9
(i) Petrochemicals	500.3	20.9
Carbon	197.9	3.8
Industrial Gases	574.6	52.1
Health Care	547.0	98.4
(i) Others	198.5	0.2
Total	3,376.1	307.5

- (a) Display materials, OPC drums and toner, recording media, etc.
- (b) Functional products business other than (i)
- (c) PVOH, OPL film, etc.
- (d) LED materials, gallium nitride, etc.
- (e) Coating materials, battery materials, inorganic chemicals, food ingredients, etc.
- (f) Phenol, polycarbonate, performance polymers, etc.
- (g) ABS resins
- (h) MMA/ PMMA
- (h) Polyolefins
- (i) Some of overseas sales companies

*All figures are approximation for reference purpose only.

Consolidated Statements of Operations

Exchange Rate (¥/\$)	110.0	110.0	110.0	108.7	1.3	1%
Naphtha Price (¥/kl)	42,000	42,000	42,000	34,700	7,300	21%

		(Billions of Yen)					
		1H	2H	FY2017 Forecast	FY2016 Actual	Change	%
Continuing Operations	Sales Revenue	1,800.0	1,850.0	3,650.0	3,376.1	273.9	8%
	Core Operating Income	157.0	153.0	310.0	307.5	2.5	1%
	Special Items	(5.0)	(15.0)	(20.0)	(38.9)	18.9	
	Operating Income	152.0	138.0	290.0	268.6	21.4	8%
	Financial Income/Expenses	(6.5)	(6.5)	(13.0)	(10.3)	(2.7)	
	Earnings before Taxes	145.5	131.5	277.0	258.3	18.7	7%
	Income Taxes	(41.5)	(38.5)	(80.0)	(44.4)	(35.6)	
	Net Income from Continuing Operations	104.0	93.0	197.0	213.9	(16.9)	
Net Income from Discontinued Operations *		-	-	-	2.6	(2.6)	
Net Income		104.0	93.0	197.0	216.5	(19.5)	Δ9%
Net Income Attributable to Owners of the Parent		74.0	63.0	137.0	156.3	(19.3)	Δ12%
Net Income Attributable to Non-Controlling Interests		30.0	30.0	60.0	60.2	(0.2)	

* Figures relating to the terephthalic acid business in India and China are recognized as “net income from discontinued operations.”

Consolidated Sales Revenue and Core Operating Income by Business Segment

(Billions of Yen)

		1H	2H	FY2017 Forecast	FY2016 Actual (reclassification)	Change
Total Consolidated	Sales Revenue	1,800.0	1,850.0	3,650.0	3,376.1	273.9
	Core Operating Income	157.0	153.0	310.0	*2 307.5	2.5
Functional Products	Sales Revenue	375.0	395.0	770.0	744.6	25.4
	Core Operating Income	28.0	30.0	58.0	62.2	(4.2)
Performance Chemicals	Sales Revenue	180.0	180.0	360.0	327.3	32.7
	Core Operating Income	14.0	14.0	28.0	32.0	(4.0)
Performance Products	Sales Revenue	555.0	575.0	1,130.0	1,071.9	58.1
	Core Operating Income	42.0	44.0	86.0	94.2	(8.2)
MMA	Sales Revenue	170.0	150.0	320.0	285.9	34.1
	Core Operating Income	34.0	12.0	46.0	37.9	8.1
Petrochemicals	Sales Revenue	270.0	290.0	560.0	*2 500.3	59.7
	Core Operating Income	12.0	16.0	28.0	*2 20.9	7.1
Carbon	Sales Revenue	120.0	110.0	230.0	197.9	32.1
	Core Operating Income	2.5	1.5	4.0	3.8	0.2
Chemicals	Sales Revenue	560.0	550.0	1,110.0	*2 984.1	125.9
	Core Operating Income	48.5	29.5	78.0	*2 62.6	15.4
Industrial Gases	Sales Revenue	295.0	315.0	610.0	574.6	35.4
	Core Operating Income	25.5	28.5	54.0	52.1	1.9
Health Care	Sales Revenue	275.0	295.0	570.0	547.0	23.0
	Core Operating Income	43.0	51.0	94.0	98.4	(4.4)
Others	Sales Revenue	115.0	115.0	230.0	198.5	31.5
	Core Operating Income	(2.0)	0.0	(2.0)	0.2	(2.2)

*1 All figures are approximation for explanation purpose only.

*2 Discontinued operations are not included.

Consolidated Cash Flows Targets

Adjusted by excluding cash flows
from investment of
surplus funds

(Billions of Yen)

	FY2017 Target	FY2016 Actual
Net cash provided by operating activities	350.0	396.6
Income before income taxes	277.0	260.6
Depreciation and amortization	182.0	174.0
Change in working capital	(44.0)	23.5
Others	(65.0)	(61.5)
Net cash used in investment activities	(250.0)	(292.9)
Capital expenditure	(249.0)	(205.8)
Investment and loans receivables, etc.	(1.0)	(87.1)
Free cash flow	100.0	103.7

Dividend Forecast

MCHC's basic policy of returning profits to shareholders emphasizes enhancement of shareholder value by increasing the value of the company. Therefore, using 30% of the medium-term level as a guideline for the consolidated dividend payout ratio, MCHC will make stable dividend payments, while maintaining sufficient internal reserves as resources to develop future businesses.

Under this policy, and after a comprehensive review of issues such as the need to fortify its financial position and an emphasis on returning profits to shareholders based on recent trends in performance, MCHC will increase its year-end dividend forecast for the fiscal year ended March 2017 by ¥2, and make the revision to ¥12. As a result, the annual dividend forecast will be increased by ¥5 per share from the previous fiscal year, to ¥20.

		IFRS		J-GAAP		
		FY2017 Forecast	FY2016 Forecast	FY2015 Actual	FY2014 Actual	FY2013 Actual
Cash dividends per share (Yen)	Interim	12	8	7	6	6
	Year-end	12	* 12	8	7	6
	Total (Annual)	24	20	15	13	12
Net income per share (Yen)	Year-end	¥95.19	¥106.73	¥31.70	¥41.40	¥21.89
Consolidated dividend pay out ratio	Total (Annual)	25.2%	18.7%	47.3%	31.4%	54.8%

*Year-end dividend for fiscal 2016 will be set at the meeting of the Board of Directors to be held on May 17.

References

Number of Subsidiaries and Affiliates, Overseas Sales Revenue and Core Operating Income

The number of Subsidiaries and affiliates of MCHC	IFRS		(Number of companies) J-GAAP			
	FY2016	FY2015	FY2015	FY2014	FY2013	FY2012
	MCHC and affiliated companies	731	753	749	762	450
Companies in consolidation scope	592	600	598	601	414	392
MCHC and consolidated subsidiaries	510	522	522	523	361	340
Japan	193	200	200	210	135	130
Overseas	317	322	322	313	226	210
Joint Operation	4	2				
Affiliates accounted for by the equity method	78	76	76	78	53	52

Net sales and operating income by geographic area

based on location of MCHC and consolidated subsidiaries

			(Billions of Yen)			
Japan	2,408.6	2,499.0	2,553.1	2,534.7	2,415.1	2,320.5
Overseas *1	967.5	1,044.4	*2 1,270.0	1,121.6	1,083.7	768.1
Sales revenue	3,376.1	3,543.4	3,823.1	3,656.3	3,498.8	3,088.6
Japan	211.5	232.4	225.8	140.6	103.7	78.8
Overseas *1	96.0	68.0	*2 54.2	25.1	6.8	11.4
Core Operating Income (J-GAAP: Operating Income)	307.5	300.4	280.0	165.7	110.5	90.2

Overseas sales based on location of customers

Overseas sales revenue *1	1,333.6 39.5%	1,430.0 40.4%	*2 1,659.2 *3 43.4%	1,519.1 41.5%	1,457.1 *4 41.6%	1,107.6 35.9%
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*1 Discontinued operations are not included.

*3 Overseas sales ratio, excluding impacts of 78.5 billion yen associated with a change in accounting periods in some of overseas subsidiaries is 41.3%.

*4 Overseas sales ratio, excluding impacts of 145.6 billion yen associated with a change in accounting periods in some of overseas subsidiaries is 39.5%.

*2 Discontinued operations are included as shown below.

(Billions of Yen)		
By geographic area		
Sales revenue	Overseas	131.4
Core Operating Income	Overseas	(9.1)
By location of customers		
Sales revenue		131.4

Statements of Operations [Quarterly Data]

Exchange Rate (¥/\$)
Naphtha Price (¥/kl)

121.7	121.7	121.4	115.7
48,800	47,200	40,900	34,300

107.9	102.9	111.3	112.9
31,600	31,300	34,000	41,800

(Billions of Yen)

		FY2015				FY2016			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Continuing Operations	Sales Revenue	890.8	887.1	903.5	862.0	794.6	791.7	864.3	925.5
	Core Operating Income *1	78.0	75.6	95.2	51.6	70.6	65.7	93.8	77.4
	Special Items	0.5	(0.7)	(19.4)	(12.1)	(5.6)	(10.6)	(3.5)	(19.2)
	Operating Income	78.5	74.9	75.8	39.5	65.0	55.1	90.3	58.2
	Financial Income/Expenses	0.1	(5.9)	(2.6)	(7.5)	(5.0)	(3.5)	3.3	(5.1)
	(Dividend included above)	3.3	0.2	1.9	0.1	2.5	0.2	1.0	0.2
	(Foreign Exchange Gain/Loss included above)	0.8	(2.3)	(0.3)	(3.7)	(3.9)	(0.7)	5.5	(1.4)
	Earnings before Taxes	78.6	69.0	73.2	32.0	60.0	51.6	93.6	53.1
Income Taxes	(27.5)	(17.6)	(23.2)	(5.8)	(19.9)	17.5	(25.6)	(16.4)	
Net Income from Continuing Operations	51.1	51.4	50.0	26.2	40.1	69.1	68.0	36.7	
Net Income from Discontinued Operations *2	(0.1)	(5.7)	(65.8)	(2.2)	1.1	(1.2)	2.7	(0.0)	
Net Income	51.0	45.7	(15.8)	24.0	41.2	67.9	70.7	36.7	
Net Income Attributable to Owners of the Parent	35.8	32.0	(33.9)	17.5	26.1	53.1	52.6	24.5	
Net Income Attributable to Non-Controlling Interests	15.2	13.7	18.1	6.5	15.1	14.8	18.1	12.2	

*1 Equity income included

4.3 3.7 2.8 3.2 4.0 3.4 5.4 6.1

*2 Figures relating to the terephthalic acid business in India and China are recognized as "net income from discontinued operations."

Sales Revenue and Core Operating Income by Business Segment

[Quarterly Data]

Exchange Rate (¥/\$)	121.7	121.7	121.4	115.7	107.9	102.9	111.3	112.9
Naphtha Price (¥/kl)	48,800	47,200	40,900	34,300	31,600	31,300	34,000	41,800

(Billions of Yen)

		FY2015				FY2016			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total Consolidated *2	Sales Revenue	890.8	887.1	903.5	862.0	794.6	791.7	864.3	925.5
	Core Operating Income	78.0	75.6	95.2	51.6	70.6	65.7	93.8	77.4
Electronics Applications	Sales Revenue	29.4	29.0	28.9	28.4	26.0	26.0	26.2	26.5
	Core Operating Income	(0.3)	0.9	(0.2)	(1.4)	(0.3)	(0.3)	(0.7)	(1.6)
Functional Products	Sales Revenue	142.0	146.1	149.2	143.5	135.2	136.7	139.3	146.3
	Core Operating Income	9.0	12.0	13.1	9.2	11.5	12.0	13.5	11.5
Performance Chemicals	Sales Revenue	59.8	60.6	61.7	62.7	62.1	59.9	63.1	64.1
	Core Operating Income	7.5	8.1	8.7	7.4	9.0	7.7	10.2	6.1
Designed Materials	Sales Revenue	201.8	206.7	210.9	206.2	197.3	196.6	202.4	210.4
	Core Operating Income	16.5	20.1	21.8	16.6	20.5	19.7	23.7	17.6
Pharmaceuticals	Sales Revenue	98.7	103.3	132.5	91.2	105.5	98.6	120.2	99.6
	Core Operating Income	25.2	24.5	45.6	11.7	29.0	19.0	32.0	14.5
Diagnostics, Clinical Testing and API	Sales Revenue	30.4	29.8	30.8	31.7	29.4	29.9	31.3	32.5
	Core Operating Income	1.9	0.4	2.0	0.9	0.1	0.9	1.0	1.9
Health Care	Sales Revenue	129.1	133.1	163.3	122.9	134.9	128.5	151.5	132.1
	Core Operating Income	27.1	24.9	47.6	12.6	29.1	19.9	33.0	16.4

*1 All figures are approximation for reference purpose only.

*2 Discontinued operations are not included.

Sales Revenue and Core Operating Income by Business Segment

[Quarterly Data] (Continued)

Exchange Rate (¥/\$)	121.7	121.7	121.4	115.7	107.9	102.9	111.3	112.9
Naphtha Price (¥/kl)	48,800	47,200	40,900	34,300	31,600	31,300	34,000	41,800

(Billions of Yen)

		FY2015				FY2016			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Petrochemicals *2	Sales Revenue	88.0	82.8	75.4	65.1	53.1	52.0	69.3	78.3
	Core Operating Income	8.6	1.6	0.4	(2.6)	(2.2)	(5.2)	2.6	7.8
Carbon	Sales Revenue	49.6	45.7	45.2	42.7	39.7	42.6	46.3	69.3
	Core Operating Income	2.7	1.4	1.7	(0.9)	(0.1)	0.7	1.4	1.8
Industrial Gases	Sales Revenue	138.9	141.8	146.0	160.4	131.7	133.8	145.5	163.6
	Core Operating Income	10.4	10.6	13.6	10.2	11.5	12.9	14.5	13.2
Chemicals *2	Sales Revenue	276.5	270.3	266.6	268.2	224.5	228.4	261.1	311.2
	Core Operating Income	21.7	13.6	15.7	6.7	9.2	8.4	18.5	22.8
Polyolefins and Advanced Polymers	Sales Revenue	121.4	113.8	112.4	112.9	101.1	99.6	105.5	114.1
	Core Operating Income	7.4	8.8	9.0	11.2	6.0	8.2	8.6	9.8
MMA Monomers and Polymers	Sales Revenue	85.3	81.5	70.6	68.4	68.9	67.2	72.2	77.6
	Core Operating Income	6.7	7.1	1.0	5.2	7.4	9.3	11.6	11.0
Polymers	Sales Revenue	206.7	195.3	183.0	181.3	170.0	166.8	177.7	191.7
	Core Operating Income	14.1	15.9	10.0	16.4	13.4	17.5	20.2	20.8
Others	Sales Revenue	47.3	52.7	50.8	55.0	41.9	45.4	45.4	53.6
	Core Operating Income	0.6	2.4	1.5	2.6	0.8	2.4	0.7	3.3
Corporate	Sales Revenue	-	-	-	-	-	-	-	-
	Core Operating Income	(1.7)	(2.2)	(1.2)	(1.9)	(2.1)	(1.9)	(1.6)	(1.9)

*1 All figures are approximation for reference purpose only.

*2 Discontinued operations are not included.

Special Items [Quarterly Data]

(Billions of Yen)

	FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total Special Items	0.5	(0.7)	(19.4)	(12.1)	(5.6)	(10.6)	(3.5)	(19.2)
Impairment loss	(0.0)	(2.6)	(4.4)	(6.6)	(0.9)	(7.0)	(1.9)	(5.2)
Environmental expenses	-	-	-	-	-	-	-	(6.8)
Loss on sale and disposal of fixed assets	(0.1)	(0.1)	(0.5)	(0.8)	(0.2)	(0.8)	(0.5)	(1.4)
Special retirement expenses	(0.0)	-	(15.1)	(0.4)	(1.4)	(0.6)	(0.1)	(0.4)
Losses during the break period of operation due to earthquake disaster	-	-	-	-	*1 (1.9)	*1 (0.4)	-	-
Equity in loss of affiliates	-	-	-	-	-	-	-	(1.9)
Loss on sale of intercompany securities	(1.4)	-	-	-	-	-	(0.1)	(0.9)
Gain on sale of property, plant and equipment	0.4	0.6	2.2	0.3	0.6	-	0.1	0.2
Gain on step acquisitions	1.9	-	-	-	-	-	-	-
Others	(0.3)	1.4	(1.6)	(4.6)	*1 (1.8)	*1 (1.8)	(1.0)	(2.8)

*1 Including the impact of Kumamoto earthquake-related losses (4.0 billion yen).

*2 Discontinued operations are not included.

[Special Items by Business Segment]

Electronics Applications	(0.0)	(2.0)	(0.3)	(0.9)	(0.6)	(0.2)	(0.2)	(1.4)
Designed Materials	(0.1)	1.5	(2.7)	(0.0)	(2.9)	(4.9)	(1.1)	(2.7)
Healthcare	0.1	(0.5)	(15.5)	(9.3)	0.1	(1.0)	(0.1)	(2.0)
Chemicals *2	0.4	-	0.7	(0.1)	(0.3)	(3.3)	(0.2)	(2.2)
Polymers	(0.3)	0.3	(1.6)	(1.8)	(1.9)	(0.0)	(1.7)	(3.2)
Others	-	-	-	0.0	-	(0.0)	(0.0)	(0.0)
Corporate	0.4	-	-	-	(0.0)	(1.2)	(0.2)	(7.7)

Sales Revenue and Core Operating Income by New Business Segment [FY2016 Quarterly Data]

(Billions of Yen)

		1Q	2Q	1H	3Q	4Q	2H	FY2016 Actual
Total Consolidated	Sales Revenue	794.6	791.7	1,586.3	864.3	925.5	1,789.8	3,376.1
	Core Operating Income	70.6	65.7	136.3	93.8	77.4	171.2	307.5
Functional Products	Sales Revenue	182.0	183.4	365.4	187.4	191.8	379.2	744.6
	Core Operating Income	16.1	16.0	32.1	17.6	12.5	30.1	62.2
Performance Chemicals	Sales Revenue	80.0	78.5	158.5	79.8	89.0	168.8	327.3
	Core Operating Income	8.2	6.6	14.8	9.0	8.2	17.2	32.0
Performance Products	Sales Revenue	262.0	261.9	523.9	267.2	280.8	548.0	1,071.9
	Core Operating Income	24.3	22.6	46.9	26.6	20.7	47.3	94.2
MMA	Sales Revenue	68.9	67.2	136.1	72.2	77.6	149.8	285.9
	Core Operating Income	6.7	9.1	15.8	11.1	11.0	22.1	37.9
Petrochemicals	Sales Revenue	113.1	110.4	223.5	133.2	143.6	276.8	500.3
	Core Operating Income	0.4	(0.2)	0.2	8.2	12.5	20.7	20.9
Carbon	Sales Revenue	39.7	42.6	82.3	46.3	69.3	115.6	197.9
	Core Operating Income	(0.1)	0.7	0.6	1.4	1.8	3.2	3.8
Chemicals	Sales Revenue	221.7	220.2	441.9	251.7	290.5	542.2	984.1
	Core Operating Income	7.0	9.6	16.6	20.7	25.3	46.0	62.6
Industrial Gases	Sales Revenue	131.7	133.8	265.5	145.5	163.6	309.1	574.6
	Core Operating Income	11.5	12.9	24.4	14.5	13.2	27.7	52.1
Health Care	Sales Revenue	134.9	128.5	263.4	151.5	132.1	283.6	547.0
	Core Operating Income	29.1	19.9	49.0	33.0	16.4	49.4	98.4
Others	Sales Revenue	44.3	47.3	91.6	48.4	58.5	106.9	198.5
	Core Operating Income	(1.3)	0.7	(0.6)	(1.0)	1.8	0.8	0.2

*All figures are approximation for reference purpose only..

Capital Expenditure, Depreciation & Amortization, R&D Expenses, and Number of Employees by Business Segment

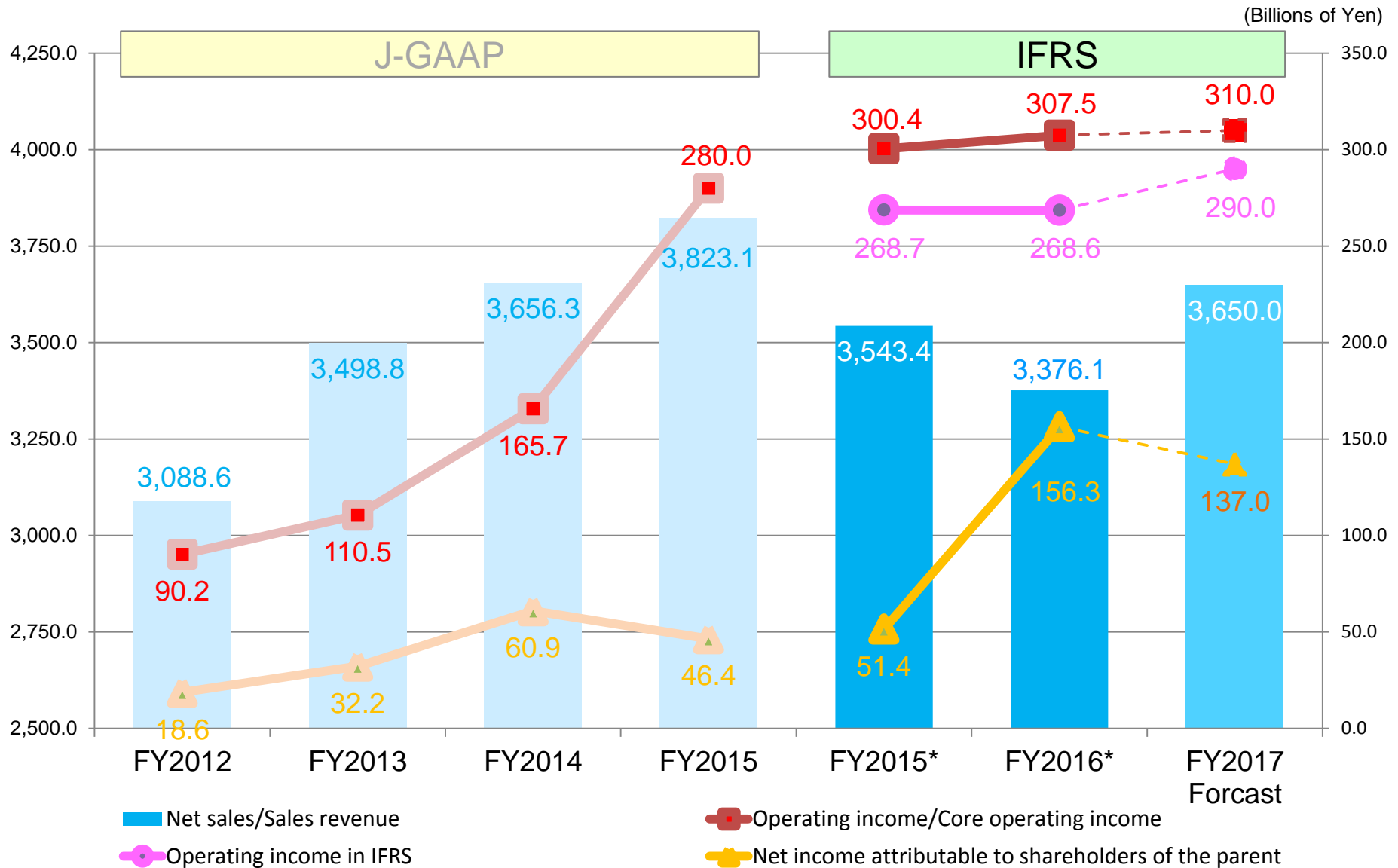
(Billions of Yen, untill otherwise noted)

	Capital Expenditure	Depreciation & Amortization	R&D Expenses	Number of Employees
	FY2016 Actual	FY2016 Actual	FY2016 Actual	FY2016 Actual
Electronics Applications	6.3	5.2	6.1	2,471
Designed Materials	49.8	42.0	22.1	18,405
Health Care	28.5	17.9	77.0	12,116
Chemicals	70.2	65.8	4.7	19,340
Polymers	47.0	38.5	12.1	8,285
Others	4.3	2.9	0.3	8,016
Corporate	0.4	1.6	4.0	658
Total	206.5	173.9	126.3	69,291
FY2017 Forecast	249.0	182.0	140.0	

Capital expenditure, depreciation & amortization, R&D Expenses:

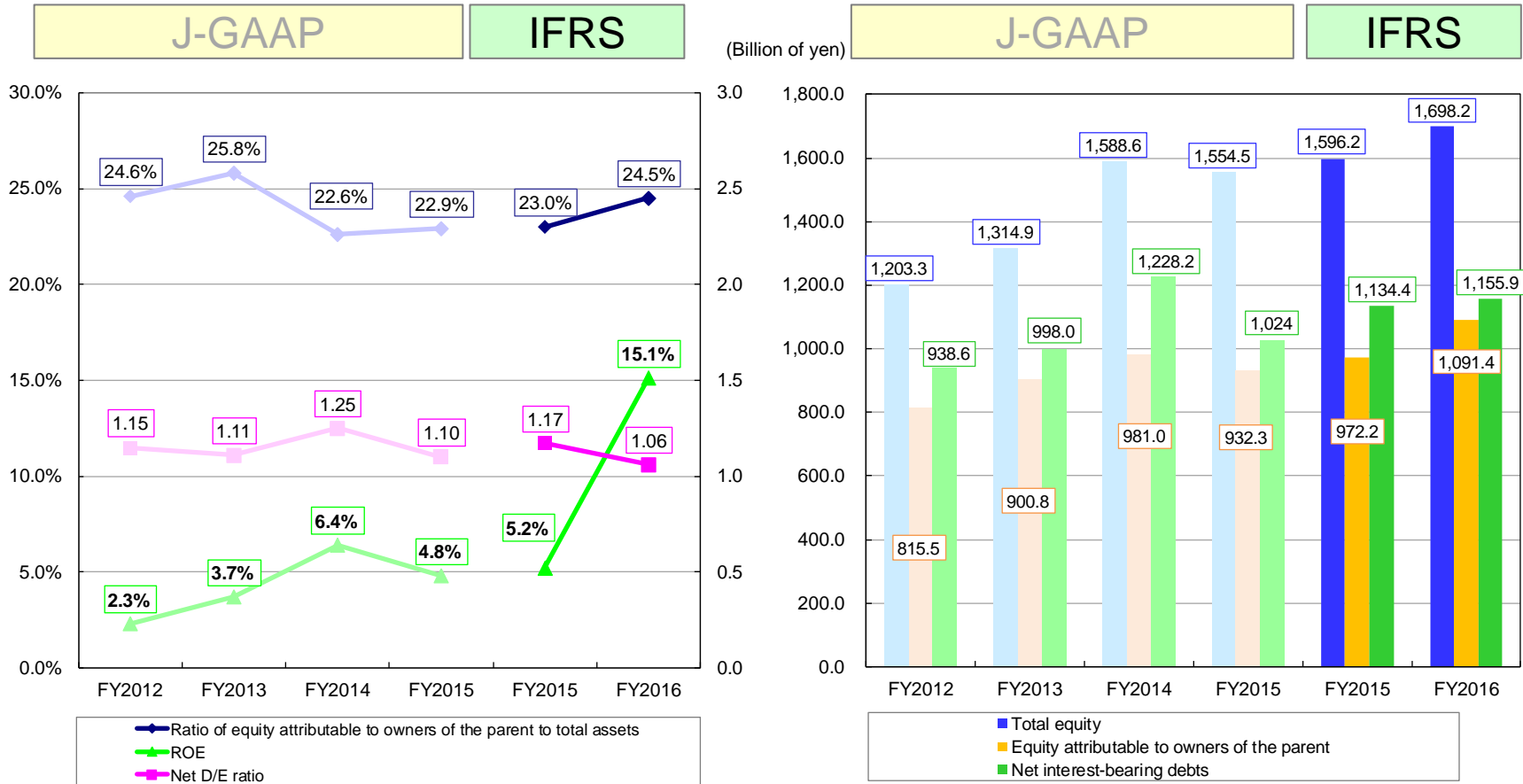
Amounts by segment for next fiscal year (FY2017 forecast and FY2016 results) will be disclosed when FY2017 Q1 results are announced.

Trend of Performance



*Discontinued operations are not included.

Trend of Financial Position



J-GAAP	IFRS
Net assets	Total equity
Shareholder's equity	Equity attributable to owners of the parent
Net interest-bearing debts	Net interest-bearing debts
Shareholder's equity ratio	Ratio of equity attributable to owners of the parent to total assets
Net D/E ratio	Net D/E ratio

The forward-looking statements are based largely on company expectations and information available as of the date hereof, and are subject to risks and uncertainties, which may be beyond company control.

Actual results could differ materially due to numerous factors, including without limitation, marketing conditions and the effects of industry competition.