

Operational Summary

for the Fiscal Year Ended March 31, 2019

May14, 2019

Mitsubishi Chemical Holdings Corporation

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List of Abbreviations

FY2019	April 1, 2019 – March 31, 2020
	1st Half (1H): April 1, 2019 – September 30, 2019
	2nd Half (2H): October 1, 2019 – March 31, 2020
FY2018	April 1, 2018 – March 31, 2019
	1st Quarter (1Q): April 1, 2018 – June 30, 2018
	2nd Quarter (2Q): July 1, 2018 – September 30, 2018
	3rd Quarter (3Q): October 1, 2018 – December 31, 2018
	4th Quarter (4Q): January 1, 2019 – March 31, 2019
	1st Half (1H): April 1, 2018 – September 30, 2018
	2nd Half (2H): October 1, 2018 – March 31, 2019
FY2017	April 1, 2017 – March 31, 2018
MCHC	Mitsubishi Chemical Holdings Corporation
MCC	Mitsubishi Chemical Corporation
MTPC	Mitsubishi Tanabe Pharma Corporation
LSII	Life Science Institute, Inc.
TNSC	Taiyo Nippon Sanso Corporation

Consolidated Statements of Operations

Exchange Rate (¥/\$)	110.7	111.4	111.1	110.7	0.4	0%
Naphtha Price (¥/kl)	51,100	47,700	49,400	41,900	7,500	18%

(Billions of Yen)

	1H	2H	FY2018	FY2017	Difference	%
Sales Revenue	1,922.1	2,001.3	3,923.4	3,724.4	199.0	5%
Core Operating Income *	188.2	129.0	317.2	380.5	(63.3)	(17%)
Special Items	(1.6)	(17.6)	(19.2)	(24.8)	5.6	
Operating Income	186.6	111.4	298.0	355.7	(57.7)	(16%)
Financial Income/Expenses	(2.5)	(7.4)	(9.9)	(11.6)	1.7	
(Dividend included above)	[3.7]	[1.5]	[5.2]	[4.3]	[0.9]	
(Foreign Exchange Gain/Loss included above)	[0.8]	[(0.4)]	[0.4]	[(3.0)]	[3.4]	
Income before Taxes	184.1	104.0	288.1	344.1	(56.0)	
Income Taxes	(37.2)	(34.2)	(71.4)	(67.7)	(3.7)	
Net Income	146.9	69.8	216.7	276.4	(59.7)	
Net Income Attributable to Owners of the Parent	120.2	49.3	169.5	211.8	(42.3)	(20%)
Net Income Attributable to Non-Controlling Interests	26.7	20.5	47.2	64.6	(17.4)	
* Share of profit of associates and joint ventures included	16.2	10.6	26.8	27.3	(0.5)	

Core operating income is calculated as operating income (loss) excluding certain gains and expenses attributable to non-recurring factors (losses incurred by business withdrawal and contraction, etc.).

Sales Revenue and Core Operating Income by Business Segment

(Billions of Yen)

*All figures are approximation for reference purpose only.

		1H	2H	FY2018	FY2017	Difference
Total Consolidated	Sales Revenue	1,922.1	2,001.3	3,923.4	3,724.4	199.0
	Core Operating Income	188.2	129.0	317.2	380.5	(63.3)
Functional Products	Sales Revenue	388.8	397.1	785.9	782.1	3.8
	Core Operating Income	24.9	15.2	40.1	58.0	(17.9)
Performance Chemicals	Sales Revenue	193.7	190.5	384.2	363.8	20.4
	Core Operating Income	19.5	9.0	28.5	36.0	(7.5)
Performance Products	Sales Revenue	582.5	587.6	1,170.1	1,145.9	24.2
	Core Operating Income	44.4	24.2	68.6	94.0	(25.4)
MMA	Sales Revenue	218.9	169.9	388.8	385.9	2.9
	Core Operating Income	63.5	30.9	94.4	109.6	(15.2)
Petrochemicals	Sales Revenue	289.7	311.9	601.6	538.0	63.6
	Core Operating Income	8.8	3.4	12.2	25.9	(13.7)
Carbon Products	Sales Revenue	137.2	143.1	280.3	253.4	26.9
	Core Operating Income	11.2	13.3	24.5	12.4	12.1
Chemicals	Sales Revenue	645.8	624.9	1,270.7	1,177.3	93.4
	Core Operating Income	83.5	47.6	131.1	147.9	(16.8)
Industrial Gases	Sales Revenue	325.7	407.1	732.8	638.7	94.1
	Core Operating Income	26.9	36.4	63.3	57.5	5.8
Health Care	Sales Revenue	269.5	276.2	545.7	556.6	(10.9)
	Core Operating Income	35.3	21.6	56.9	81.2	(24.3)
Others	Sales Revenue	98.6	105.5	204.1	205.9	(1.8)
	Core Operating Income	(1.9)	(0.8)	(2.7)	(0.1)	(2.6)

[Inventory valuation gain/loss]

Performance Chemicals	1.3	(1.5)	(0.2)	0.8	(1.0)
Petrochemicals	7.2	(6.6)	0.6	8.4	(7.8)
Carbon products	(0.3)	0.2	(0.1)	(0.4)	0.3
Total	8.2	(7.9)	0.3	8.8	(8.5)

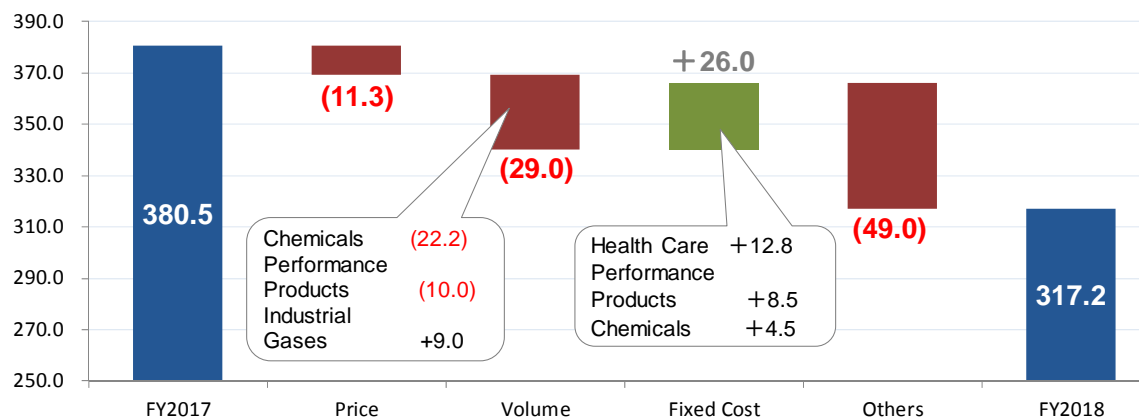
Analysis of Core Operating Income

(Billions of Yen)

	FY2018	FY2017	Difference	Price	Volume	Fixed Cost	Others *
Total Consolidated	317.2	380.5	(63.3)	(11.3)	(29.0)	26.0	(49.0)
Performance Products	68.6	94.0	(25.4)	(9.5)	(10.0)	8.5	(14.4)
Chemicals	131.1	147.9	(16.8)	13.0	(22.2)	4.5	(12.1)
Industrial Gases	63.3	57.5	5.8	0.8	9.0	0.2	(4.2)
Health Care	56.9	81.2	(24.3)	(15.6)	(5.8)	12.8	(15.7)
Others	(2.7)	(0.1)	(2.6)	0.0	0.0	0.0	(2.6)

* Items included are impacts from inventory valuation gain/loss and Equity Income, etc.

Changes in exchange rates	0.0	(0.6)	0.2	-	0.4
Changes in foreign currency translation included in above		(0.6)			

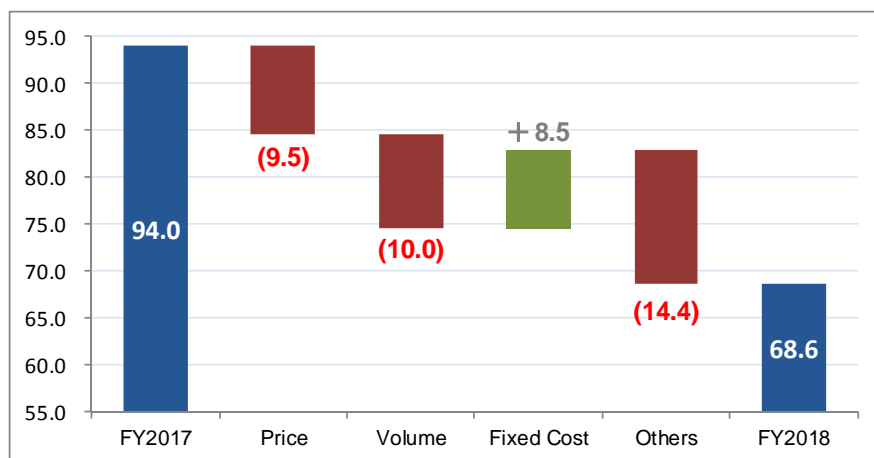


Performance Products Segment

(Billions of Yen)

		FY2018	FY2017	Difference
Functional Products	Sales Revenue	785.9	782.1	3.8
	Core Operating Income	40.1	58.0	(17.9)
Performance Chemicals	Sales Revenue	384.2	363.8	20.4
	Core Operating Income	28.5	36.0	(7.5)
Performance Products	Sales Revenue	1,170.1	1,145.9	24.2
	Core Operating Income	68.6	94.0	(25.4)

< Analysis of Core Operating Income >



- MCC decided to expand the Yokkaichi Plant (now Mie Plant)'s production capacity of electrolyte for lithium-ion batteries from 11kt/y to 16kt/y. (The facility expansion is slated for completion at the end of December 2020.)

Functional Products	
Sales revenue	Revenue remained nearly flat due to lower sales volumes for information and electronics, display related products, and other products, despite higher sales volumes in high-performance engineering plastics and other products in the midst of slowing demand as a whole during the second half of fiscal 2018.
Core operating income	Profit decreased mainly due to rising raw material costs and increased fixed costs, in addition to lower sales volumes for information and electronics, display related products, and other products.
Performance Chemicals	
Sales revenue	Revenue rose reflecting continued strong market prices for phenol-polycarbonate chain materials in advanced polymers in the first half of fiscal 2018, despite a drop in the prices in the second half of the fiscal year, and rising sales volumes for battery materials for automobiles in the new energy business.
Core operating income	Profit decreased primarily due to the impact of scheduled maintenance and repairs at production facilities producing phenol-polycarbonate chain materials and an increase in fixed costs.

<Major initiatives>

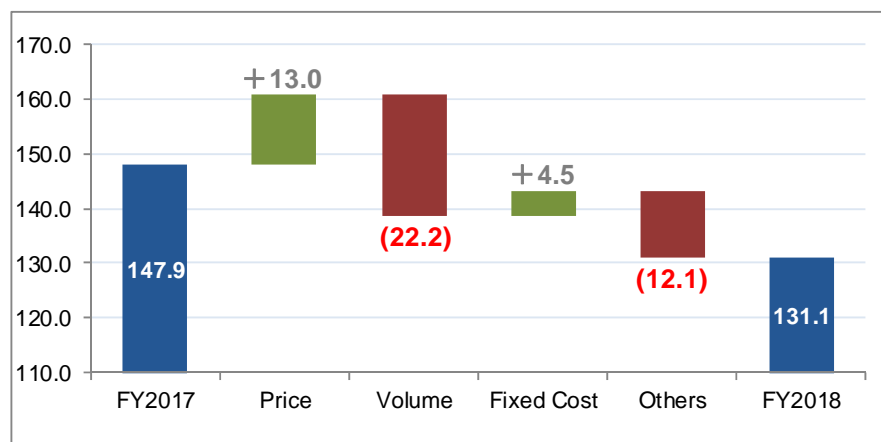
- In October 2018, MCC acquired Cleanpart Group GmbH, which provides semiconductor makers in Europe and the U.S. with precision cleaning and coating services for semiconductor manufacturing equipment, aiming at strengthening its position in the growing field of semiconductor-related services and providing global services.
- MCC has been conducting R&D and developing applications for biodegradable and bio-based plastics. In October 2018, Japan Paper and Pulp Co., Ltd. launched sales of paper cups made with MCC's *BioPBS* biodegradable plastic.

Chemicals Segment

(Billions of Yen)

		FY2018	FY2017	Difference
MMA	Sales Revenue	388.8	385.9	2.9
	Core Operating Income	94.4	109.6	(15.2)
Petrochemicals	Sales Revenue	601.6	538.0	63.6
	Core Operating Income	12.2	25.9	(13.7)
Carbon products	Sales Revenue	280.3	253.4	26.9
	Core Operating Income	24.5	12.4	12.1
Chemicals	Sales Revenue	1,270.7	1,177.3	93.4
	Core Operating Income	131.1	147.9	(16.8)

< Analysis of Core Operating Income >



MMA	
Sales revenue	Revenue remained flat primarily due to substantial deceleration of demand growth, especially in China in the second half of fiscal 2018, despite continued strong market prices for MMA monomer and other products in the first half of the fiscal year.
Core operating income	Profit decreased primarily due to lower sales volumes associated with a substantial deceleration of demand growth, especially in China in the second half of fiscal 2018, despite higher profit resulting from continued strong market prices for MMA monomer and other products in the first half of the fiscal year.
Petrochemicals	
Sales revenue	Sales prices increased in step with higher raw material prices, despite decreased sales volumes reflecting the impact of scheduled maintenance at the ethylene production facility.
Core operating income	Profit decreased primarily attributable to the impact of scheduled maintenance and repairs at the production facility, as well as inventory valuation losses along with a sharp drop in raw material prices since the end of last year.
Carbon	
Sales revenue	Revenue increased primarily due to rising market prices of needle coke in the continued firm demand for coke and other products.
Core operating income	Profit increased primarily due to a widened price spread between raw materials and products in carbon products, reflecting rising market prices of needle coke.

<Major initiative>

- As part of the business portfolio reform in the MCHC Group's medium-term management plan, MCC transferred the acrylic sheet business in Europe operated by its subsidiary in the U.K., valued at 92 million British pounds (13.5 billion yen), to Schweiter Technologies Group, in December 2018..

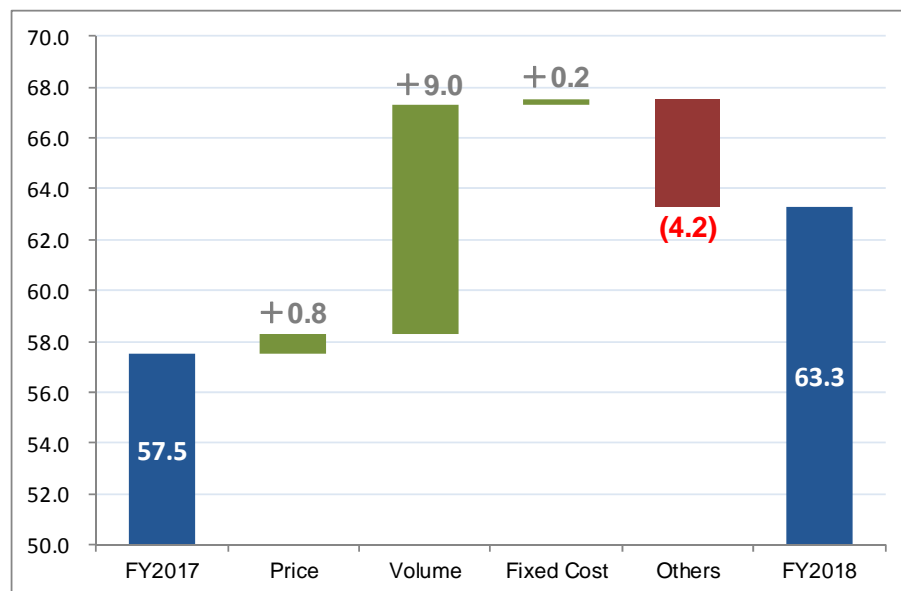
Industrial Gases Segment

(Billions of Yen)

		FY2018	FY2017	Difference
Industrial Gases	Sales Revenue	732.8	638.7	94.1
	Core Operating Income	63.3	57.5	5.8

Industrial Gases	
Sales revenue	Revenue increased primarily due to continued firmness in the overseas business and establishment of a new domestic onsite gas plant, in addition to the effect of the European industrial gas business acquisition.
Core operating income	Profit increased mainly attributable to continued firmness in the overseas business, in addition to the effect of the European industrial gas business acquisition.

< Analysis of Core Operating Income >



<Major initiatives>

- TNSC acquired the European businesses of Praxair, Inc. including the industrial gas business in Germany, Spain, and Italy; the carbon dioxide gas business in the U.K., etc.; and the helium-related business, with a total value of 635.8 billion yen. This move is aimed at accelerating TNSC's global expansion by acquiring businesses with certain shares in markets where the company has little or no market presence.
- TNSC in February 2019 acquired a portion of the HyCO business and related assets in the U.S. owned by Linde Gas North America LLC, a subsidiary of the German company Linde Aktiengesellschaft, through its wholly owned subsidiary, Matheson Tri-Gas, Inc. for 46.1 billion yen.

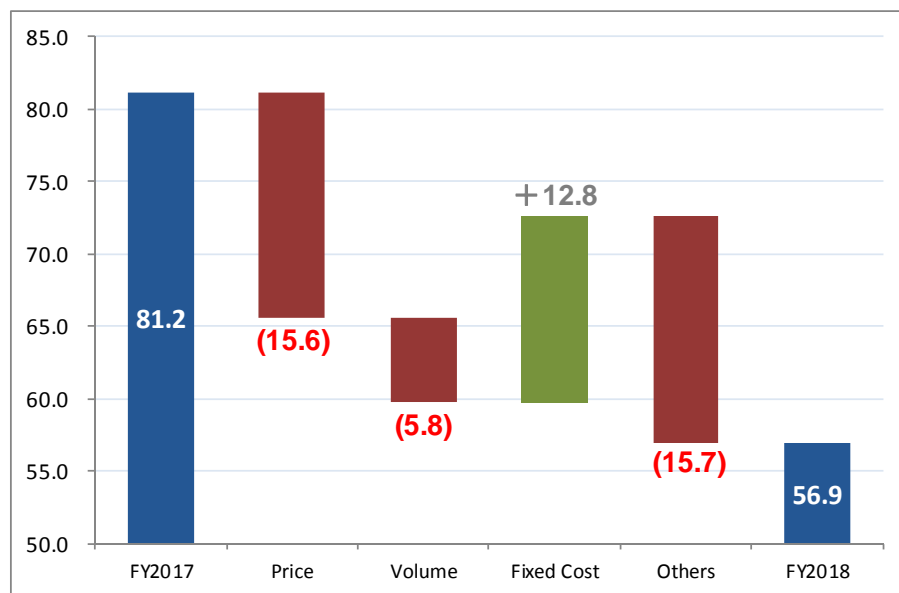
Health Care Segment

(Billions of Yen)

		FY2018	FY2017	Difference
Health Care	Sales Revenue	545.7	556.6	(10.9)
	Core Operating Income	56.9	81.2	(24.3)

Health Care	
Sales revenue	Revenue decreased reflecting an NHI price revision in domestic ethical pharmaceuticals and lower royalty revenues, despite sales growth of <i>Radicava</i> , a treatment for amyotrophic lateral sclerosis (ALS) in the U.S. and priority ethical pharmaceuticals including <i>Symponi</i> , a treatment for rheumatoid arthritis in Japan.
Core operating income	Profit decreased mainly due to NHI price revision in domestic ethical pharmaceuticals and increased R&D expenses, despite sales growth of <i>Radicava</i> , a treatment for amyotrophic lateral sclerosis (ALS) in the U.S.

< Analysis of Core Operating Income >



Note:

Royalty revenue from Novartis Pharma AG for *Gilenya*, a treatment agent for multiple sclerosis, was reduced, because a part of the royalty revenue was not recognized as sales revenue in accordance with IFRS 15 due to the start of arbitration proceedings.

<Major initiatives>

- Mitsubishi Tanabe Pharma Corporation's Edarabone (U.S. name: *Radicava*) was approved by the Health Canada and the Swissmedic for an indication of amyotrophic lateral sclerosis (ALS), in October 2018 and January 2019, respectively, following its approval in Japan, Korea, and the U.S.
- LSII launched exploratory clinical trials with the Muse cell-based product "CL2020" in patients with epidermolysis bullosa in December 2018, following earlier trials in patients with acute myocardial infarction in January 2018 and ischemic stroke in September 2018. In addition, the company established Tonomachi CPC, a cell processing center that plans to use for the manufacturing of Muse cell-based products for clinical trials and their commercial production after regulatory approval.

Consolidated Special Items

(Billions of Yen)

	4Q	FY2018	FY2017	Difference
Total Special Items	(22.5)	(19.2)	(24.8)	5.6
Impairment loss	(9.3)	(11.8)	(9.7)	(2.1)
Loss on sale and disposal of fixed assets	(5.5)	(8.5)	(5.6)	(2.9)
Provision for loss on business liquidation	(5.2)	(5.2)	-	(5.2)
Special retirement expenses	(0.7)	(0.9)	(2.4)	1.5
Prior service cost	(0.2)	(0.2)	(5.0)	4.8
Gain on sale of intercompany securities	0.2	7.5	3.7	3.8
Gain on sale of property, plant and equipment	0.2	2.6	3.6	(1.0)
Integration-related expenses of MCC	-	-	(3.8)	3.8
Others	(2.0)	(2.7)	(5.6)	2.9

[Special Items by Business Segment]

Performance Products	(10.3)	(13.4)	(6.9)	(6.5)
Chemicals	(0.8)	4.8	(3.7)	8.5
Industrial Gases	(0.1)	0.2	(0.7)	0.9
Health Care	(6.4)	(5.4)	(1.4)	(4.0)
Others	(4.9)	(5.4)	(12.1)	6.7

Consolidated Cash Flows

	Based on statements of cash flows		Adjusted cash flows *1 (Billions of Yen)		<reference> Target for FY2018 Forecast (announced on May.10)
	FY2018	FY2017	FY2018	FY2017	
Net cash provided by (used in) operating activities	415.6	397.9	415.6	397.9	394.0
Income before taxes	288.1	344.1	288.1	344.1	325.0
Depreciation and amortization	199.3	178.9	199.3	178.9	185.0
Change in operating receivables/payables	5.1	(28.9)	5.1	(28.9)	} 0.0
Change in Inventories	(13.2)	(70.9)	(13.2)	(70.9)	
Others	(63.7)	(25.3)	(63.7)	(25.3)	(116.0)
Net cash provided by (used in) investment activities	(895.1)	(335.9)	(897.5)	(326.6)	(254.0)
Capital expenditure	(230.6)	(228.3)	(230.6)	(228.3)	(264.0)
Sale of assets	41.8	51.9	41.8	51.9	} 10.0
Investment and loans receivable, etc.	(706.3)	(159.5)	*2 (708.7)	(150.2)	
Free cash flow	(479.5)	62.0	(481.9)	71.3	140.0
Net cash provided by (used in) financing activities	519.1	(150.6)			
Interest bearing debts	629.6	(68.3)			
Dividends, etc.	(110.5)	(82.3)			
Net increase (decrease) in cash and cash equivalents	39.6	(88.6)			
Effect of exchange rate changes and changes in scope of consolidation	4.3	2.7			
Cash and cash equivalents at the beginning of the period	277.6	363.5			
Cash and cash equivalents at the end of the period	321.5	277.6			

*1 Adjusted cash flows based on actual results are calculated by excluding cash flows from investment of surplus funds for explanatory purposes.

*2 TNSC's acquisition of the European and U.S. industrial gas businesses: (677.6) billion yen (The European business: (631.5) billion yen; the U.S. business: (46.1) billion yen)

Consolidated Statements of Financial Positions

	(Billions of Yen)				(Billions of Yen)		
	Mar. 31, 2019	Mar. 31, 2018	Difference		Mar. 31, 2019	Mar. 31, 2018	Difference
Cash and cash equivalents	321.5	277.6	43.9	Interest-bearing debts	2,246.8	1,606.1	640.7
Trade receivables	855.1	854.8	0.3	Trade payables	492.4	488.6	3.8
Inventories	623.0	607.7	15.3	Other liabilities	807.4	687.2	120.2
Other current assets	342.2	311.6	30.6	Total liabilities	3,546.6	2,781.9	764.7
Total current assets	2,141.8	2,051.7	90.1	Shareholders' equity	1,381.8	1,284.5	97.3
Tangible and Intangible fixed assets	2,252.1	1,788.7	463.4	Other components of equity	(3.8)	1.3	(5.1)
Goodwill	648.8	324.2	324.6	Total equity attributable to owners of the parent	1,378.0	1,285.8	92.2
Investment and other non-current assets	529.8	536.8	(7.0)	Non-controlling interests	647.9	633.7	14.2
Total non-current assets	3,430.7	2,649.7	781.0	Total equity	2,025.9	1,919.5	106.4
Total assets	5,572.5	4,701.4	* 871.1	Total liabilities and equity	5,572.5	4,701.4	871.1
				Net interest-bearing debts *1	1,736.2	1,139.5	596.7
				Net D/E ratio	1.26	0.89	0.37
				Ratio of equity attributable to owners of the parent	24.7%	27.3%	(2.6%)
				ROE *2	12.7%	17.8%	(5.1%)

*As a result of TNSC's acquisition of the European and U.S. industrial gas businesses, total assets increased by 815.1 billion yen.
(The European business: 768.5 billion yen; the U.S. business: 46.6 billion yen, etc.)

*1 Net interest-bearing debts
= interest bearing debts (2,246.8 billion yen)
- {cash and cash equivalents (321.5 billion yen) + investments of surplus funds (189.0 billion yen)}

*2 Ratio of net income attributable to owners of the parent

Consolidated Financial Results Forecasts for FY2019

Consolidated Statements of Operations

Exchange Rate (¥/\$)	110.0	110.0	110.0	111.1	(1.1)	(1%)
Naphtha Price (¥/kl)	48,000	48,000	48,000	49,400	(1,400)	(3%)

(Billions of Yen)

	1H	2H	FY2019 Forecast	FY2018 Actual	Difference	%
Sales Revenue	2,005.0	2,075.0	4,080.0	3,923.4	156.6	4%
Core Operating Income	146.0	154.0	300.0	317.2	(17.2)	(5%)
Special Items	0.0	0.0	0.0	(19.2)	19.2	
Operating Income	146.0	154.0	300.0	298.0	2.0	1%
Financial Income/Expenses	(9.0)	(13.0)	(22.0)	(9.9)	(12.1)	
Income before Taxes	137.0	141.0	278.0	288.1	(10.1)	(4%)
Income Taxes	(32.0)	(33.0)	(65.0)	(71.4)	6.4	
Net Income	105.0	108.0	213.0	216.7	(3.7)	(2%)
Net Income Attributable to Owners of the Parent	80.0	88.0	168.0	169.5	(1.5)	(1%)
Net Income Attributable to Non-Controlling Interests	25.0	20.0	45.0	47.2	(2.2)	

Consolidated Sales Revenue and Core Operating Income by Business Segment

(Billions of Yen)

*1 All figures are approximation for reference purpose only.

		1H	2H	FY2019 Forecast	FY2018 Actual *2	Difference	FY2018 Actual (Before Reclassification)
Total Consolidated	Sales Revenue	2,005.0	2,075.0	4,080.0	3,923.4	156.6	3,923.4
	Core Operating Income	146.0	154.0	300.0	317.2	(17.2)	317.2
Functional Products	Sales Revenue	375.0	388.0	763.0	726.1	36.9	785.9
	Core Operating Income	29.5	28.5	58.0	38.2	19.8	40.1
Performance Chemicals	Sales Revenue	231.0	240.0	471.0	429.4	41.6	384.2
	Core Operating Income	18.0	20.0	38.0	33.1	4.9	28.5
Performance Products	Sales Revenue	606.0	628.0	1,234.0	1,155.5	78.5	1,170.1
	Core Operating Income	47.5	48.5	96.0	71.3	24.7	68.6
MMA	Sales Revenue	181.0	172.0	353.0	388.8	(35.8)	388.8
	Core Operating Income	38.0	32.0	70.0	94.4	(24.4)	94.4
Petrochemicals	Sales Revenue	309.0	326.0	635.0	606.8	28.2	601.6
	Core Operating Income	2.0	8.0	10.0	8.7	1.3	12.2
Carbon Products	Sales Revenue	139.0	136.0	275.0	280.3	(5.3)	280.3
	Core Operating Income	14.0	14.0	28.0	24.9	3.1	24.5
Chemicals	Sales Revenue	629.0	634.0	1,263.0	1,275.9	(12.9)	1,270.7
	Core Operating Income	54.0	54.0	108.0	128.0	(20.0)	131.1
Industrial Gases	Sales Revenue	431.0	451.0	882.0	732.8	149.2	732.8
	Core Operating Income	45.0	48.0	93.0	63.3	29.7	63.3
Health Care	Sales Revenue	247.0	256.0	503.0	545.7	(42.7)	545.7
	Core Operating Income	4.0	6.0	10.0	56.9	(46.9)	56.9
Others	Sales Revenue	92.0	106.0	198.0	213.5	(15.5)	204.1
	Core Operating Income	(4.5)	(2.5)	(7.0)	(2.3)	(4.7)	(2.7)

*2 Starting from fiscal 2019, the segmentation of certain businesses and consolidated subsidiaries in MCC has been reviewed and revised the method of allocating certain common expenses. The segment information for fiscal 2018 is accordingly restated.

Consolidated Cash Flows Targets

(Billions of Yen)

	FY2019 Target	FY2018 Actual
Net cash provided by (used in) operating activities	464.0	415.6
Income before taxes	278.0	288.1
Depreciation and amortization	239.0	199.3
Change in working capital	5.0	(8.1)
Others	(58.0)	(63.7)
Net cash provided by (used in) investment activities	(274.0)	(897.5)
Capital expenditure	(298.0)	(230.6)
Investment and loans receivables, etc.	24.0	(666.9)
Free cash flow	190.0	(481.9)

*Adjusted by excluding cash flows from investment of surplus funds

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.

		IFRS				J-GAAP
		FY2019 Forecast	FY2018 Forecast	FY2017 Actual	FY2016 Actual	FY2015 Actual
Cash dividends per share (Yen)	Interim	20	20	15	8	7
	Year-end	20	20	17	12	8
	Total (Annual)	40	40	32	20	15
Net income per share (Yen)	Year-end	¥118.32	¥119.22	¥147.14	¥106.73	¥31.70
Consolidated dividend pay out ratio	Total (Annual)	33.8%	33.6%	21.7%	18.7%	47.3%

References

Number of Subsidiaries and Affiliates of MCHC /Overseas Sales Revenue and Core Operating Income

The number of Subsidiaries and affiliates of MCHC	IFRS				(Number of companies) J-GAAP	
	FY2018	FY2017	FY2016	FY2015	FY2015	FY2014
	MCHC and affiliated companies	754	708	731	753	749
Companies in consolidation scope	705	653	592	600	598	601
MCHC and consolidated subsidiaries	550	515	510	522	522	523
Japan	193	203	193	200	200	210
Overseas	357	312	317	322	322	313
Joint Operation	4	4	4	2		
Affiliates accounted for by the equity method	151	134	78	76	76	78

Sales Revenue and Core Operating Income by geographic area based on location of MCHC and consolidated subsidiaries

					(Billions of Yen)	
	FY2018	FY2017	FY2016	FY2015	FY2015	FY2014
Japan	2,678.7	2,589.6	2,408.6	2,499.0	2,553.1	2,534.7
Overseas	1,244.7	1,134.8	967.5	1,044.4	1,270.0	1,121.6
Sales Revenue	3,923.4	3,724.4	3,376.1	3,543.4	3,823.1	3,656.3
Japan	165.4	223.2	211.5	232.4	225.8	140.6
Overseas	151.8	157.3	96.0	68.0	54.2	25.1
Core Operating Income (J-GAAP : Operating Income)	317.2	380.5	307.5	300.4	280.0	165.7

Overseas Sales Revenue based on location of customers

Overseas Sales Revenue	1,664.6 42.4%	1,547.0 41.6%	1,333.6 39.5%	1,430.0 40.4%	1,659.2 43.4%	1,519.1 41.5%
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Statement of Operations [Quarterly Data]

Exchange Rate (¥/\$)	111.4	111.2	112.7	107.5	109.5	111.9	112.6	110.3
Naphtha Price (¥/kl)	39,100	36,100	44,600	47,900	48,700	53,500	54,200	41,200

(Billions of Yen)

	FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales Revenue	898.0	906.8	957.4	962.2	941.9	980.2	1,009.7	991.6
Core Operating Income *	95.5	96.8	112.7	75.5	92.8	95.4	78.8	50.2
Special Items	(4.5)	(2.5)	(3.8)	(14.0)	0.8	(2.4)	4.9	(22.5)
Operating Income	91.0	94.3	108.9	61.5	93.6	93.0	83.7	27.7
Financial Income/Expenses	(1.4)	(3.7)	(1.4)	(5.1)	0.9	(3.4)	(2.3)	(5.1)
(Dividend included above)	[2.6]	[0.3]	[1.1]	[0.3]	[3.4]	[0.3]	[1.3]	[0.2]
(Foreign Exchange Gain/Loss included above)	[(0.7)]	[0.0]	[0.2]	[(2.5)]	[0.8]	[0.0]	[0.1]	[(0.5)]
Income before Taxes	89.6	90.6	107.5	56.4	94.5	89.6	81.4	22.6
Income Taxes	(26.3)	(22.6)	(15.0)	(3.8)	(22.3)	(14.9)	(21.9)	(12.3)
Net Income	63.3	68.0	92.5	52.6	72.2	74.7	59.5	10.3
Net Income Attributable to Owners of the Parent	47.7	52.8	68.5	42.8	58.1	62.1	45.8	3.5
Net Income Attributable to Non-Controlling Interests	15.6	15.2	24.0	9.8	14.1	12.6	13.7	6.8
* Share of profit of associates and joint ventures included	5.6	6.0	6.7	9.0	8.6	7.6	5.4	5.2

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

(Billions of Yen)

* All figures are approximation for reference purpose only.

		FY2017				FY2018			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total Consolidated	Sales Revenue	898.0	906.8	957.4	962.2	941.9	980.2	1,009.7	991.6
	Core Operating Income	95.5	96.8	112.7	75.5	92.8	95.4	78.8	50.2
Functional Products	Sales Revenue	188.7	195.9	199.7	197.8	193.8	195.0	199.3	197.8
	Core Operating Income	16.7	16.2	15.4	9.7	14.3	10.6	12.3	2.9
Performance Chemicals	Sales Revenue	88.5	87.6	91.9	95.8	95.9	97.8	98.3	92.2
	Core Operating Income	9.8	8.1	9.7	8.4	9.6	9.9	4.7	4.3
Performance Products	Sales Revenue	277.2	283.5	291.6	293.6	289.7	292.8	297.6	290.0
	Core Operating Income	26.5	24.3	25.1	18.1	23.9	20.5	17.0	7.2
MMA	Sales Revenue	92.3	92.6	96.7	104.3	108.3	110.6	88.9	81.0
	Core Operating Income	24.3	27.9	29.2	28.2	31.0	32.5	16.3	14.6
Petrochemicals	Sales Revenue	127.5	130.9	141.6	138.0	132.5	157.2	165.6	146.3
	Core Operating Income	5.8	8.7	8.5	2.9	0.3	8.5	3.8	(0.4)
Carbon Products	Sales Revenue	68.1	60.2	59.5	65.6	72.5	64.7	70.5	72.6
	Core Operating Income	4.0	1.2	3.2	4.0	5.6	5.6	6.4	6.9
Chemicals	Sales Revenue	287.9	283.7	297.8	307.9	313.3	332.5	325.0	299.9
	Core Operating Income	34.1	37.8	40.9	35.1	36.9	46.6	26.5	21.1
Industrial Gases	Sales Revenue	149.1	153.1	163.7	172.8	156.8	168.9	186.7	220.4
	Core Operating Income	13.4	14.7	15.8	13.6	13.3	13.6	15.2	21.2
Health Care	Sales Revenue	138.1	135.1	155.6	127.8	135.6	133.9	152.3	123.9
	Core Operating Income	22.0	19.0	31.2	9.0	20.1	15.2	21.2	0.4
Others	Sales Revenue	45.7	51.4	48.7	60.1	46.5	52.1	48.1	57.4
	Core Operating Income	(0.5)	1.0	(0.3)	(0.3)	(1.4)	(0.5)	(1.1)	0.3

Special Items [Quarterly Data]

(Billions of Yen)

	FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total Special Items	(4.5)	(2.5)	(3.8)	(14.0)	0.8	(2.4)	4.9	(22.5)
Impairment loss	(0.0)	(1.1)	(5.0)	(3.6)	(0.8)	(0.1)	(1.6)	(9.3)
Loss on sale and disposal of fixed assets	(0.8)	(0.3)	(1.0)	(3.5)	(0.8)	(1.8)	(0.4)	(5.5)
Provision for loss on business liquidation	-	-	-	-	-	-	-	(5.2)
Special retirement expenses	(1.1)	(0.8)	(0.5)	(0.0)	(0.2)	(0.0)	(0.0)	(0.7)
Prior service cost	-	-	-	(5.0)	-	-	-	(0.2)
Gain on sale of intercompany securities	-	-	3.6	0.1	-	-	7.3	0.2
Gain on sale of property, plant and equipment	0.1	0.1	2.6	0.8	2.2	0.2	0.0	0.2
Integration-related expenses of MCC	(2.2)	(0.2)	(0.2)	(1.2)	-	-	-	-
Others	(0.5)	(0.2)	(3.3)	(1.6)	0.4	(0.7)	(0.4)	(2.0)

[Special Items by Business Segment]

Performance Products	(0.3)	(0.2)	(1.6)	(4.8)	(0.7)	(0.4)	(2.0)	(10.3)
Chemicals	(0.4)	(0.2)	(2.7)	(0.4)	(0.1)	(0.6)	6.3	(0.8)
Industrial Gases	0.1	(0.1)	0.0	(0.7)	0.3	(0.0)	-	(0.1)
Health Care	(0.9)	(2.0)	1.5	(0.0)	-	-	1.0	(6.4)
Others	(3.0)	(0.0)	(1.0)	(8.1)	1.3	(1.4)	(0.4)	(4.9)

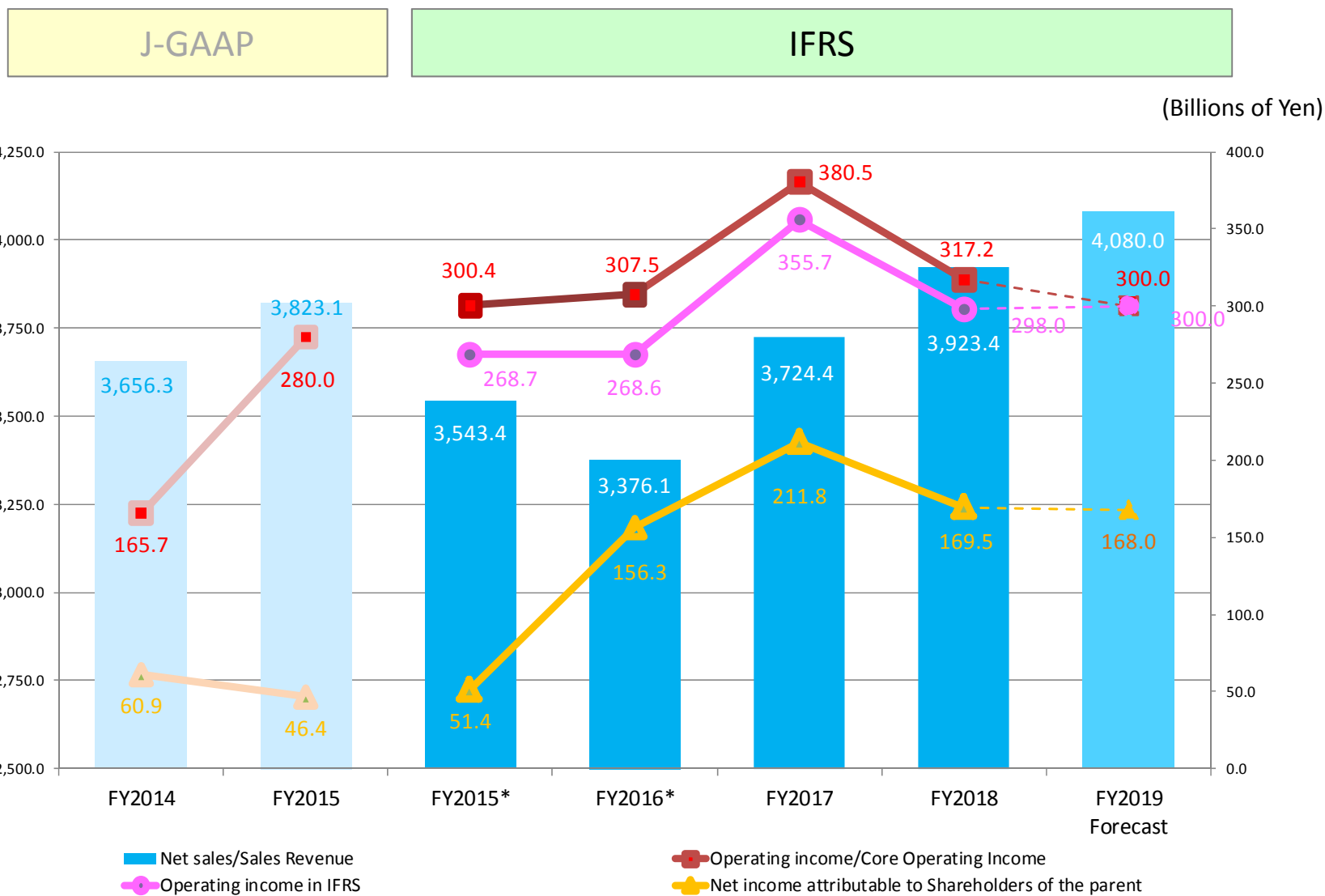
Capital Expenditure, Depreciation & Amortization, R&D Expenses, and Number of Employees by Business segment

(Billions of Yen)

	Capital Expenditure		Depreciation & Amortization		R&D Expenses		Number of Employees
	FY2019 Forecast	FY2018 Actual	FY2019 Forecast *	FY2018 Actual	FY2019 Forecast	FY2018 Actual	FY2018 Actual
Performance Products	90.0	65.2	56.0	55.7	28.0	29.7	23,950
Chemicals	62.0	70.6	66.0	59.6	12.0	10.0	8,168
Industrial Gases	104.0	72.0	87.0	58.5	3.0	3.5	19,229
Health Care	32.0	18.0	21.0	19.5	92.0	90.6	11,989
Others	10.0	5.9	9.0	6.0	16.0	10.0	8,684
Total	298.0	231.7	239.0	199.3	151.0	143.8	72,020

*Depreciation and amortization for fiscal 2019 forecast include the impact from the adoption of IFRS 16 (Leases)

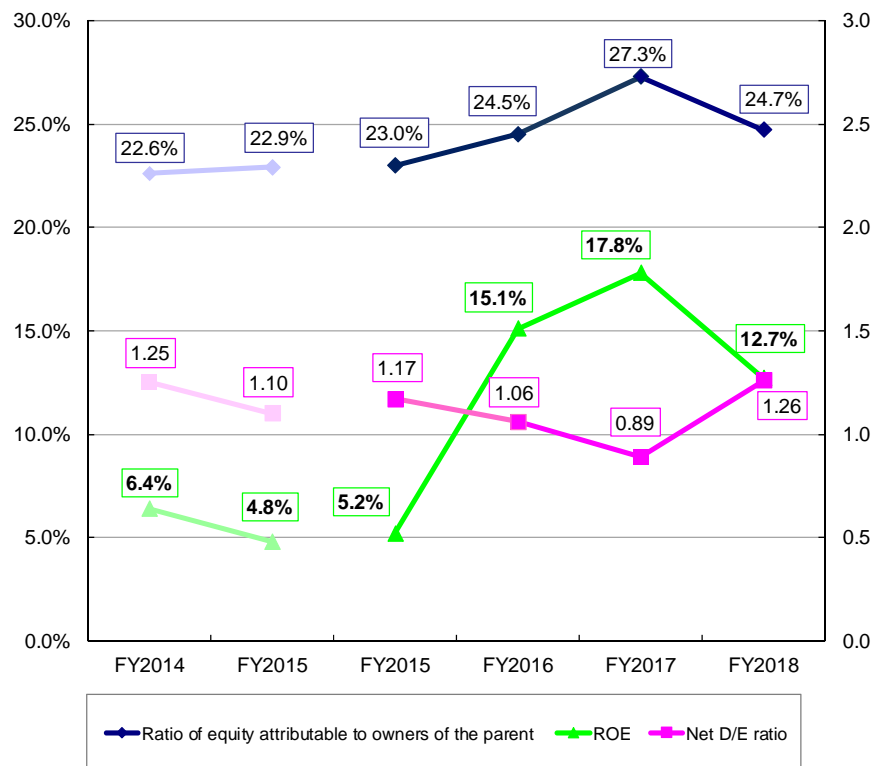
Trend of Performance



* Discontinued operations are not included.

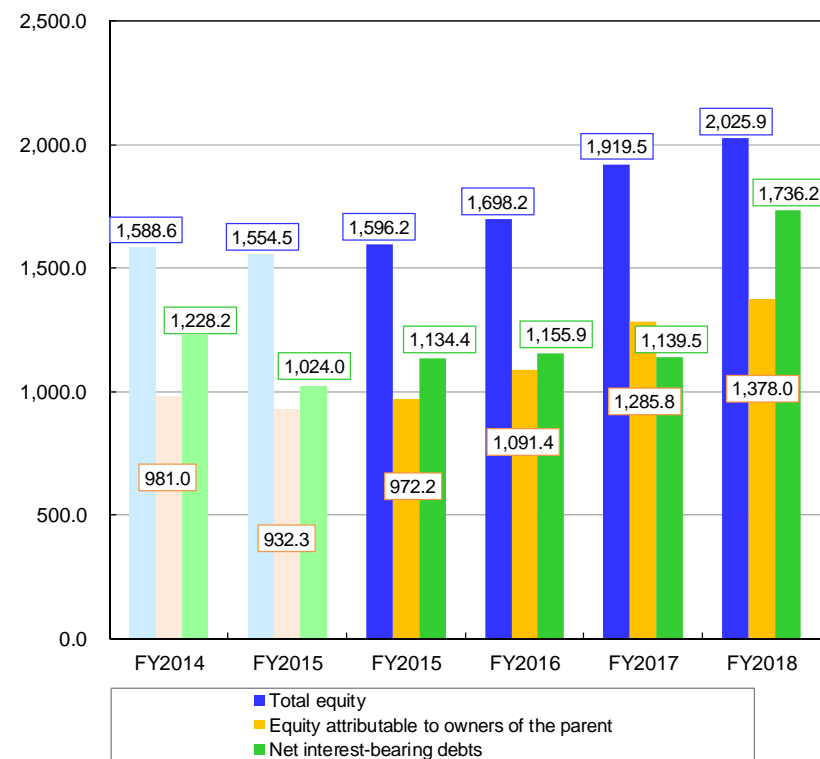
Trend of Financial Position

J-GAAP IFRS



J-GAAP IFRS

(Billions of Yen)



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
ROE (Return on Equity)	ROE (Ratio of net income attributable to owners of the parent)
Net D/E ratio	Net D/E ratio

Business Segment Information

Business Domain	Business Segment	Business Sub-Segment		
			Businesses	
Performance Products	Performance Products	Functional Products	Electronics and Displays	Optical films, Electronics and displays, Acetyl
			High Performance Films	Packaging films, Industrial films
			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 Products	Carbon	Carbon Products
	Industrial Gases		Industrial gases	
Health Care	Health Care			Pharmaceuticals
				Life science

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.