

# Financial Summary

Results of FY2018 & Outlook for FY2019

**Mitsui Chemicals, Inc.**

May 15, 2019

<Remarks>

FY2018 indicates the period from April 1, 2018 to March 31, 2019.

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Please note that this document has been translated from the original Japanese into English for the convenience of our stakeholders. The information was originally provided in Japanese. If there is any discrepancy, the Japanese language version is the official document and is available on our Japanese language website.

# 1. Results of FY2018

(April 1, 2018 – March 31, 2019)

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# 1) Review of FY2018 (Business Overview and Topics)

## <Business Overview>

- **Mobility:** Terms of trade was unfavorable due to upward swing in raw material prices. On the other hand, healthy demand continued for automotive applications in elastomers, performance compounds and polypropylene compounds mainly in overseas market. Healthy demand continued in performance polymers especially for information and communication technology applications.
- **Health Care:** Sales for vision care materials and dental materials were stable. In nonwoven fabrics, sales were impacted by decreasing export of disposable diapers from Japan.
- **Food & Packaging:** Sales for agrochemicals were steady. On the other hand, sales for performance films & sheets decreased. Terms of trade for coating & engineering materials and performance films & sheets was unfavorable due to upward swing in raw material prices.
- **Basic Materials:** Healthy domestic demand continued. Operating rates of naphtha crackers and other production facilities were lower than the same period of the previous fiscal year due to a fire at Osaka Works, but kept at high level overall. On the other hand, inventory valuation losses occurred due to the fall in naphtha prices. In phenols, the oversea market environment was at higher level than the same period of the previous fiscal year, backed by the firm demand.

# 1) Review of FY2018 (Business Overview and Topics)

## <Topics>

- Production for  $\alpha$ -Methylstyrene in Singapore (January 2019, 20,000 tons/annum, Completion in May 2020)
- Construction starts to expand facilities for thermoplastic olefinic elastomer Milastomer in North America (January 2019, 6,000 tons/annum, commercial operations in November 2019)
- New Production Facility in China for Long Glass Fiber Reinforced Polypropylene (March 2019, 3,500 tons/annum, commercial operations in September 2020)

## 2) Consolidated Financial Highlights

(Billions of Yen)

( ) Denotes a minus

Items	FY2017	FY2018	Increase (Decrease)	%
Net sales	1,328.5	1,482.9	154.4	12%
Operating income	103.5	93.4	(10.1)	(10%)
Non-operating incomes and expenses	6.7	9.6	2.9	—
Ordinary income	110.2	103.0	(7.2)	(7%)
Extraordinary gains and losses	(16.0)	2.3	18.3	—
Net income before income taxes and minority interests	94.2	105.3	11.1	12%
Profit attributable to owners of parent	71.6	76.1	4.5	6%

Exchange rate (Yen/US\$)	111	111	0
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Domestic standard naphtha price (Yen/KL)	41,900	49,400	7,500
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Dividend (Yen/Share)	Interim	45	50	5.0
	Year-end	45	50	5.0
	Full year	* 90	100	10.0

\*The Group conducted 5-to-1 share consolidation on October 1, 2017. The dividend for FY2017 Interim is calculated assuming the share consolidation retrospectively.

## 2) Consolidated Financial Highlights

(Billions of Yen)

( ) Denotes a minus

Items	End of Mar. 2018	End of Mar. 2019	Increase (Decrease)	%
Interest-bearing liabilities	463.7	485.0	21.3	5%
Interest-bearing liabilities (net)	381.8	374.0	(7.8)	(2%)
Equity	511.6	551.9	40.3	8%
Net D/E Ratio (Times)	0.75	0.68	(0.07)	—
Equity Ratio (%)	35.7	36.8	1.1	—

(Number of companies)

Items	End of Mar. 2018	End of Mar. 2019	Increase (Decrease)
Consolidated companies			
Consolidated subsidiaries	115	116	1
Non-consolidated subsidiaries and affiliates to which the equity method is applied	39	39	0
Total	154	155	1

### 3) Net sales and Operating Income/Loss by Business Segment (compared with FY2017 results)

(Billions of Yen)

( ) Denotes a minus

Segment	Net sales			Operating Income/Loss			Breakdown		
	FY2017	FY2018	Incr. (Decr.)	FY2017	FY2018	Incr. (Decr.)	Volume	Terms of trade	Costs
Mobility	331.0	395.4	64.4	42.3	42.7	0.4	4.6	(1.4)	(2.8)
Health Care	139.1	146.6	7.5	10.8	13.6	2.8	2.5	(0.1)	0.4
Food & Packaging	195.8	199.4	3.6	19.9	17.8	(2.1)	(0.6)	(0.7)	(0.8)
Basic Materials	637.7	716.5	78.8	38.9	27.8	(11.1)	(0.5)	(2.6)	(8.0)
Others	24.9	25.0	0.1	(8.4)	(8.5)	(0.1)	-	-	(0.1)
<b>Total</b>	<b>1,328.5</b>	<b>1,482.9</b>	<b>154.4</b>	<b>103.5</b>	<b>93.4</b>	<b>(10.1)</b>	<b>6.0</b>	<b>(4.8)</b>	<b>(11.3)</b>



## 4) Non-Operating Income and Expenses, and Extraordinary Gains and Losses

(Billions of Yen)                      **Non-Operating Incomes and Expenses**                      ( ) Denotes a minus

Items	FY2017	FY2018	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	7.1	10.8	3.7
Interest expenses, interest and dividend income	(0.7)	(0.7)	0.0
Gain (loss) on foreign exchange	(1.2)	(0.4)	0.8
Others	1.5	(0.1)	(1.6)
<b>Non-operating incomes and expenses total</b>	<b>6.7</b>	<b>9.6</b>	<b>2.9</b>

## 4) Non-Operating Income and Expenses, and Extraordinary Gains and Losses

(Billions of Yen)

Extraordinary Gains and Losses

( ) Denotes a minus

Items	FY2017	FY2018	Incr. (Decr.)
Gain on sales of non-current assets & investment securities	3.6	3.7	0.1
Gain on transfer of business	0.6	0.7	0.1
Gain on revision of retirement benefit plan	0.3	0.0	(0.3)
Gain on forgiveness of debts	2.0	0.0	(2.0)
Insurance income	0.0	11.4	11.4
Extraordinary gains (a)	6.5	15.8	9.3
Loss on sales and disposal of non-current assets	(2.4)	(4.4)	(2.0)
Impairment loss	(15.0)	(1.4)	13.6
Loss on valuation of investment securities	(5.1)	(0.2)	4.9
Loss on fire	0.0	(7.5)	(7.5)
Extraordinary losses (b)	(22.5)	(13.5)	9.0
Extraordinary gains and losses total (a)+(b)	(16.0)	2.3	18.3

# 5) Consolidated Balance Sheet

(Billions of Yen)

( ) Denotes a minus

Items	End of Mar. 2018	End of Mar. 2019	Incr. (Decr.)	Items	End of Mar. 2018	End of Mar. 2019	Incr. (Decr.)
Current assets	731.3	786.7	55.4	Liabilities	844.1	869.4	25.3
Cash and deposits	80.2	111.1	30.9	Notes and accounts payables	162.2	163.9	1.7
Notes and accounts receivables	306.9	310.6	3.7	Interest-bearing liabilities	463.7	485.0	21.3
Inventories	274.3	301.9	27.6	Other liabilities	218.2	220.5	2.3
Other current assets	69.9	63.1	(6.8)	Net assets	587.2	631.7	44.5
Fixed assets	700.0	714.4	14.4	Shareholders' equity	485.6	532.9	47.3
Tangible fixed assets	432.9	443.1	10.2	Other accumulated comprehensive income	26.0	19.0	(7.0)
Intangible fixed assets	31.5	29.4	(2.1)	Non-controlling interests	75.6	79.8	4.2
Investments and other non-current assets	235.6	241.9	6.3	Total	1,431.3	1,501.1	69.8
Total	1,431.3	1,501.1	69.8				

Note: Consolidated balance sheet as of FY2017 is restated to reflect changes in presentation from including an impact of "Partial Amendments to Accounting Standard for Tax Effect Accounting".

## 6) Consolidated Statement of Cash Flow

(Billions of Yen)

( ) Denotes a minus

Items	FY2017	FY2018	Incr. (Decr.)
I . Cash flows from operating activities (a)	82.7	109.5	26.8
II . Cash flows from investing activities (b)	(75.1)	(64.3)	10.8
Free cash flows (a)+(b)	7.6	45.2	37.6
III . Cash flows from financing activities	(10.2)	(14.1)	(3.9)
IV . Others	(1.5)	(0.1)	1.4
Net incr.(decr.) in cash and cash equivalents	(4.1)	31.0	35.1

## 2. Outlook for FY2019

(April 1, 2019 – March 31, 2020)

This summary contains forward-looking statements about the future plans, strategies, belief and performance of the Mitsui Chemicals Group as a whole and its individual consolidated companies. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts and projections based on information currently available to the Mitsui Chemicals Group and are subject to a number of risks, uncertainties and assumptions, which, without limitation, include economic trends, fluctuations in foreign currency exchange rates, fluctuations in the price of raw materials, competition in markets where the Company is active, personal consumption, market demand, the tax system and other legislation. As such, actual results may differ materially from those projected and the Mitsui Chemicals Group cannot guarantee that these forward-looking statements are accurate or will be achieved.

# 1) Topics for FY2019

## <Topics>

- Commercial operations for ICROS™Tape, a tape for semiconductor manufacturing in Taiwan (September 2019, 3.8 million square meters/annum)
- Commercial operations for MOSTRON™-L GFPP in Japan (September 2019, 3,500 tons/annum)
- Commercial operations for Long Glass Fiber Reinforced Polypropylene in North America (October 2019, 3,500 tons/annum)
- Commercial operations for thermoplastic olefinic elastomer Milastomer in North America (November 2019, 6,000 tons/annum)

## 2) Consolidated Financial Highlights of Outlook

(Billions of Yen)

(-) Denotes a minus

Items	FY2018 (a)		FY2019 Outlook (b)		Incr.(Decr.) (b)-(a)	
	1st Half	Full Year	1st Half	Full Year	Full Year	%
Net sales	720.9	1,482.9	745.0	1,540.0	57.1	4%
Operating income	49.7	93.4	42.0	105.0	11.6	12%
Non-operating incomes and expenses	8.7	9.6	2.0	5.0	(4.6)	-
Ordinary income	58.4	103.0	44.0	110.0	7.0	7%
Extraordinary gains and losses	(2.7)	2.3	(3.0)	(5.0)	(7.3)	-
Net income before income taxes and minority interests	55.7	105.3	41.0	105.0	(0.3)	(0%)
Profit attributable to owners of parent	41.8	76.1	28.0	76.0	(0.1)	(0%)

Exchange rate (Yen/US\$) 110 111 110 110 (1)

Domestic standard naphtha price (Yen/KL) 51,150 49,400 46,000 46,000 (3,400)

Dividend (Yen/Share)	Interim	Year-end	Interim	Year-end	Interim	Year-end
	50	50	50	50	0	0
	Full year	100	Full year	100	Full year	0

### 3) Net sales and Operating Income/Loss by Business Segment (compared with FY2018 results)

(Billions of Yen)

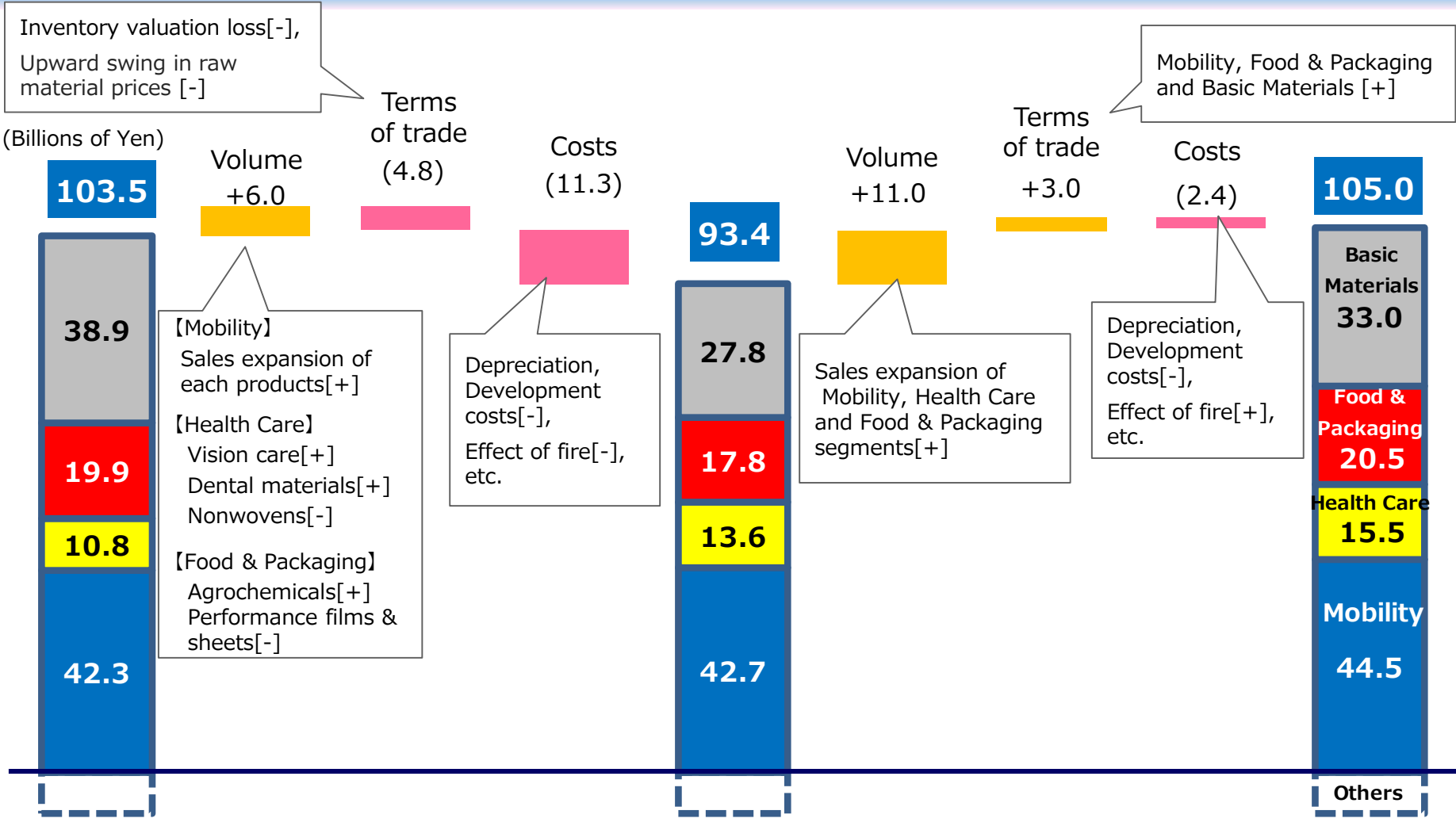
( ) Denotes a minus

Segment	Net sales					Operating Income/Loss				
	FY2018		FY2019 Outlook		Incr.(Decr.) (b) - (a)	FY2018		FY2019 Outlook		Incr.(Decr.) (d) - (c)
	1st Half	Full Year (a)	1st Half	Full Year (b)		1st Half	Full Year (c)	1st Half	Full Year (d)	
Mobility	195.2	395.4	210.0	430.0	34.6	20.1	42.7	21.0	44.5	1.8
Health Care	71.2	146.6	75.0	160.0	13.4	6.3	13.6	6.0	15.5	1.9
Food & Packaging	96.6	199.4	100.0	210.0	10.6	8.8	17.8	7.5	20.5	2.7
Basic Materials	346.3	716.5	350.0	720.0	3.5	18.4	27.8	12.0	33.0	5.2
Others	11.6	25.0	10.0	20.0	(5.0)	(3.9)	(8.5)	(4.5)	(8.5)	0.0
Total	720.9	1,482.9	745.0	1,540.0	57.1	49.7	93.4	42.0	105.0	11.6



# 4) Transition of Operating Income

(FY2017 → FY2018 → FY2019 outlook)



FY2017

FY2018

FY2019 Outlook

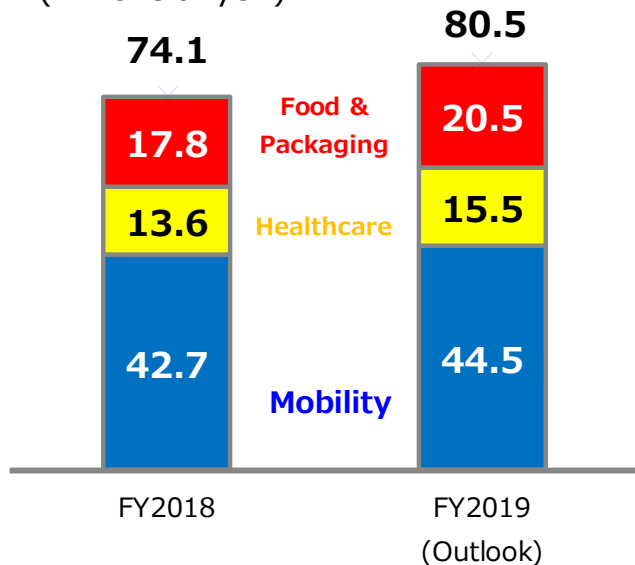
# 5) Trends of Business Segment

(Mobility, Health Care, and Food & Packaging segments)

## <Business Environment>

- ◆ **Mobility:** Global automotive production will expand gradually. Forecast continuation of demand growth for information and communication technology applications.
- ◆ **Health Care:** Forecast stable demand for vision care materials and demand recovery for nonwoven. Demand for dental materials will expand mainly in digital products.
- ◆ **Food & Packaging:** Forecast stable demand for coating & engineering materials, packaging films and agrochemicals. Demand for industrial films is expected to recover from the second half of 2019.

(Billions of yen)

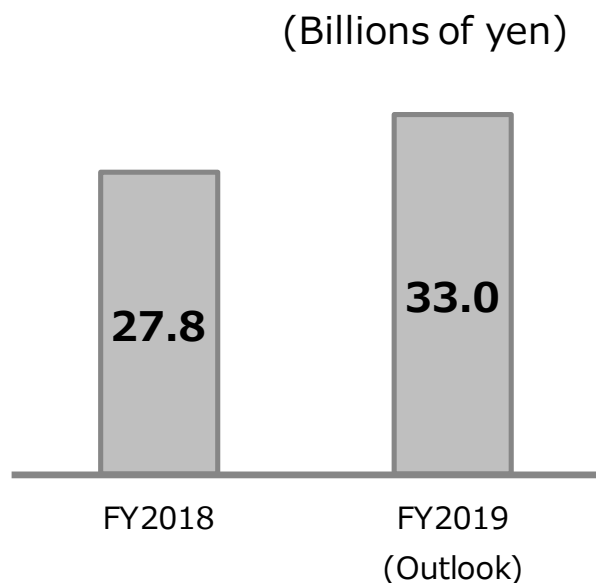


	Trends of Operating Income	
	FY2018 → FY2019 (outlook)	
Mobility	↗	Sales expansion of overseas PP compounds, elastomers, performance compounds, performance polymers[+], terms of trade[+], etc.
Healthcare	↗	Sales expansion of vision care materials, nonwoven fabrics, dental materials[+], etc.
Food & Packaging	↗	Sales expansion of coating & engineering materials, performance films & sheets, agrochemicals[+], terms of trade[+], etc.

# 5) Trends of Business Segment (Basic Materials segment)

## <Business Environment>

- ◆ Forecast stable demand for domestic petrochemicals and continued high operating rates.
- ◆ While overseas market conditions of petrochemical products will weaken, phenol market conditions will be stable.



## Breakdown of Basic Materials

	Sales Ratio (%)	Trends of Operating Income	
		FY2018 → FY2019 (outlook)	
Petrochemical feedstocks and Polyolefins	60%	➔	terms of trade[-], effect of fire[+], etc.
Phenols, PTA&PET and Industrial Chemicals	35%	➔	terms of trade[+], effect of fire[+], etc.
Polyurethane Materials	5%	➔	

Note: All figures are approximation for reference purpose only.

## 6) Non-Operating Income and Expenses, and Extraordinary Gains and Losses

(Billions of Yen)

**Non-Operating Incomes and Expenses**

( ) Denotes a minus

Items	FY2018		FY2019 Outlook		Incr.(Decr.) (b) - (a)
	1st Half	Full Year (a)	1st Half	Full Year (b)	
Equity in earnings of non-consolidated subsidiaries and affiliates	8.6	10.8	3.5	8.0	(2.8)
Interest expenses, interest and dividend income	(0.3)	(0.7)	(1.0)	(2.0)	(1.3)
Gain (loss) on foreign exchange	0.8	(0.4)	0.0	0.0	0.4
Others	(0.4)	(0.1)	(0.5)	(1.0)	(0.9)
<b>Non-operating incomes and expenses total</b>	<b>8.7</b>	<b>9.6</b>	<b>2.0</b>	<b>5.0</b>	<b>(4.6)</b>

## 6) Non-Operating Income and Expenses, and Extraordinary Gains and Losses

(Billions of Yen) Extraordinary Gains and Losses ( ) Denotes a minus

Items	FY2018		FY2019 Outlook		Incr.(Decr.) (b) - (a)
	1st Half	Full Year (a)	1st Half	Full Year (b)	
Gain on sales of non-current assets & investment securities	0.2	3.7	0.0	0.0	(3.7)
Gain on transfer of business	0.7	0.7	0.0	0.0	(0.7)
Insurance income	0.0	11.4	0.0	0.0	(11.4)
Extraordinary gains (a)	0.9	15.8	0.0	0.0	(15.8)
Loss on sales and disposal of non-current assets	(1.2)	(4.4)	(3.0)	(5.0)	(0.6)
Impairment loss	(0.7)	(1.4)	0.0	0.0	1.4
Loss on valuation of investment securities	(0.2)	(0.2)	0.0	0.0	0.2
Loss on fire	(1.5)	(7.5)	0.0	0.0	7.5
Extraordinary losses (b)	(3.6)	(13.5)	(3.0)	(5.0)	8.5
Extraordinary gains and losses Total (a)+(b)	(2.7)	2.3	(3.0)	(5.0)	(7.3)

# 7) Consolidated Statement of Cash Flow

(Billions of Yen)

( ) Denotes a minus

Items	FY2018		FY2019 Outlook		Incr.(Decr.) (b) - (a)
	1st Half	Full Year (a)	1st Half	Full Year (b)	
I . Cash flows from operating activities (a)	53.5	109.5	58.0	125.0	15.5
II . Cash flows from investing activities (b)	(26.8)	(64.3)	(53.0)	(120.0)	(55.7)
Free cash flows (a)+(b)	26.7	45.2	5.0	5.0	(40.2)
III . Cash flows from financing activities	(12.0)	(14.1)	(4.0)	(15.0)	(0.9)
IV . Others	0.6	(0.1)	0.0	0.0	0.1
Net incr.(decr.) in cash and cash equivalents	15.3	31.0	1.0	(10.0)	(41.0)

## 8) Consolidated Accounting Fundamentals

( ) Denotes a minus

Items		FY2018		FY2019 Outlook	
		1st Half	Full Year	1st Half	Full Year
Exchange Rate	Yen/US\$	110	111	110	110
Domestic Standard Naphtha Price	Yen/KL	51,150	49,400	46,000	46,000
Capital Expenditures	¥ Billions	24.5	61.9	40.0	105.0
Research and Development Expenses	¥ Billions	17.7	35.8	19.0	38.0
Depreciation and Amortization	¥ Billions	24.3	49.5	27.0	53.0
Financing Incomes and Expenses	¥ Billions	(0.3)	(0.7)	(1.0)	(2.0)
Interest-bearing Liabilities	¥ Billions	467.0	485.0	496.0	495.0
Net D/E Ratio	times	0.67	0.68	0.68	0.65
Number of Employees	persons	17,640	17,743	18,200	18,200

## 3. Appendix

- 1) Trends in Product Prices
- 2) Increase/Decrease in Business Segment (Net sales and Operating Income, year on year)
- 3) Net sales and Operating Income/Loss by Business Segment (by Quarter)
- 4) Main Subsidiaries and Affiliates
- 5) Financial Summary
- 6) Net sales by Region
- 7) Topics for FY2018

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# 1) Trends in Product Prices

(Naphtha prices are Domestic Standard Naphtha Price )

(PE, PP, PH, BPA(Japan) : Change in Prices and Raw Materials Prices in Japan / BPA(China), PTA, TDI : Chinese Market Price)

(ACP) : Asian contract price

Year	2016			2017				2018				2019
Month	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
Naphtha (Yen/KL)	31,600	31,300	34,100	41,900	39,100	36,100	44,600	47,900	48,800	53,500	54,200	41,200
PE (Yen/KG)		about (10)		about +20		about (5)	about +10	about +10		about +10	about +10	
PP (Yen/KG)		about (10)		about +20		about (5)	about +10	about +10		about +10	about +10	
PH (Formula Price) (Yen/KG)												
BZ(ACP) (US\$/T)	\$640	\$640	\$670	\$950	\$790	\$770	\$830	\$920	\$850	\$860	\$770	\$580
BPA(Japan) (Yen/KG)				+20 From Mar.								
	negotiation based on BZ price and BPA market price											
BPA (China) (US\$/T)	\$1,140	\$1,130	\$1,170	\$1,360	\$1,200	\$1,220	\$1,420	\$1,670	\$1,800	\$1,810	\$1,550	\$1,450
PTA (US\$/T)	\$610	\$610	\$610	\$670	\$630	\$640	\$690	\$760	\$810	\$960	\$910	\$840
PX(ACP) (US\$/T)	\$800	\$790	\$790	\$890	\$810	\$800	\$890	\$950	\$980	\$1,140	\$1,140	\$1,060
TDI (US\$/T)	\$2,080	\$2,360	\$3,590	\$3,480	\$3,500	\$3,680	\$4,380	\$4,470	\$4,150	\$3,400	\$2,480	\$1,730

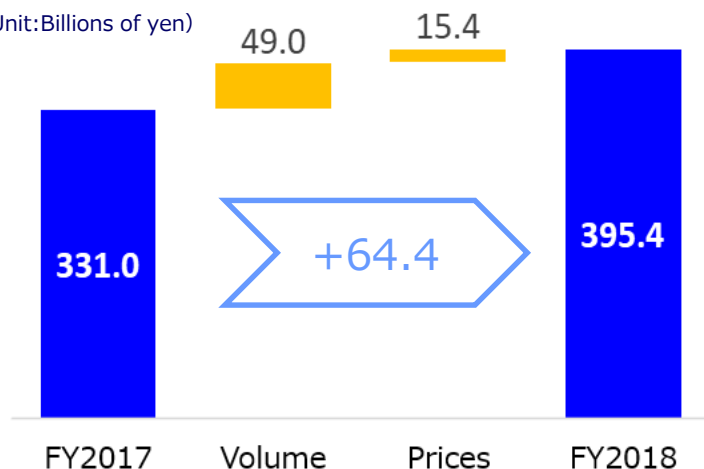
## 2-1) Increase/Decrease in Mobility

(Net sales and Operating Income, year on year)

### Increase/Decrease of Net Sales (FY2018 vs. FY2017)

( ) Denotes a minus

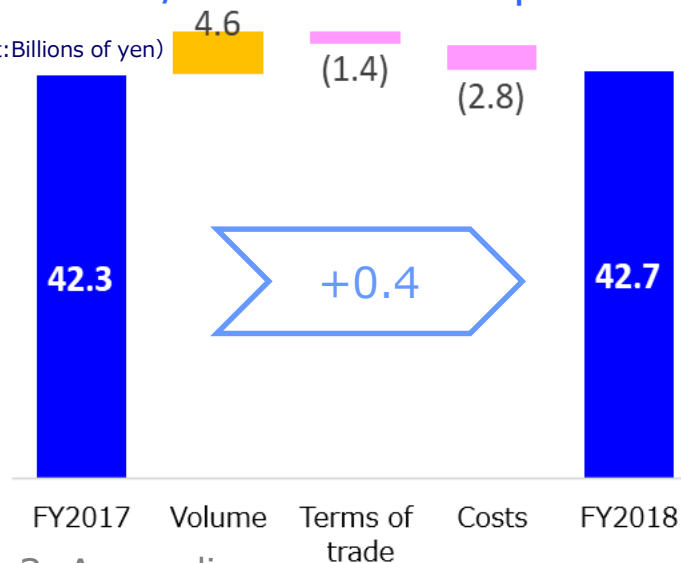
(Unit: Billions of yen)



- **Volume +49.0 billion yen**
  - Prompt response to healthy global automotive use demand.
  - Prompt response to healthy demand for information and communication technology applications.
  - Acquisition of shares of ARRK corporation in 4Q of FY2017, etc.
- **Prices +15.4 billion yen**
  - Increase from sales price revision in line with upward swing in raw material prices, etc.

### Increase/Decrease of Operating Income (FY2018 vs. FY2017)

(Unit: Billions of yen)



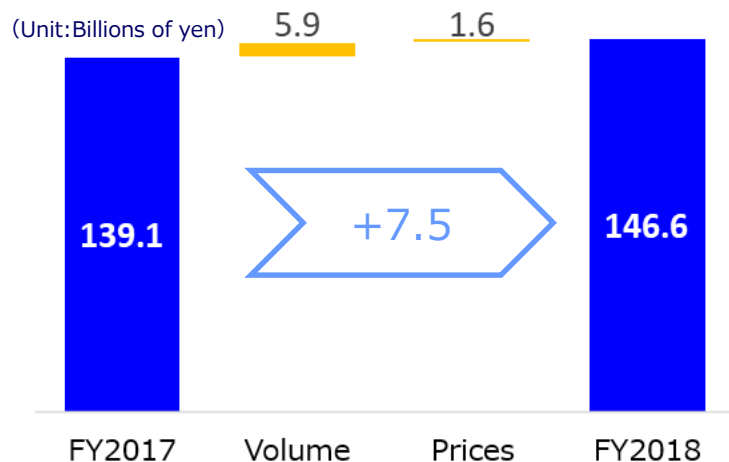
- **Volume +4.6 billion yen**
  - Prompt response to healthy global automotive use demand.
  - Prompt response to healthy demand for information and communication technology applications.
- **Terms of trade (1.4) billion yen**
  - Decrease from unfavorable terms of trade due to upward swing in raw material prices, etc.
- **Costs (2.8) billion yen**
  - Development costs.

## 2-2) Increase/Decrease in Health Care

(Net sales and Operating Income, year on year)

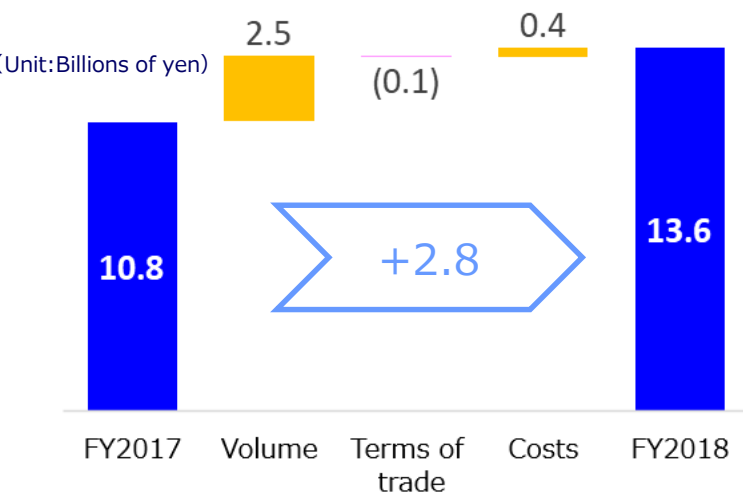
( ) Denotes a minus

### Increase/Decrease of Net Sales (FY2018 vs. FY2017)



- **Volume +5.9 billion yen**
  - Stable sales of vision care materials and dental materials.
- **Prices +1.6 billion yen**

### Increase/Decrease of Operating Income (FY2018 vs. FY2017)



- **Volume +2.5 billion yen**
  - Stable sales of vision care materials and dental materials.
- **Terms of trade (0.1) billion yen**
- **Costs +0.4 billion yen**
  - Decrease in goodwill amortization expenses of dental materials, etc.

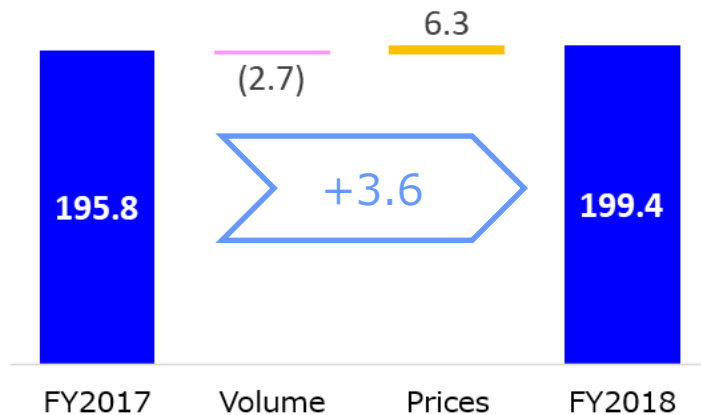
## 2-3) Increase/Decrease in Food & Packaging

(Net sales and Operating Income, year on year)

### Increase/Decrease of Net Sales (FY2018 vs. FY2017)

( ) Denotes a minus

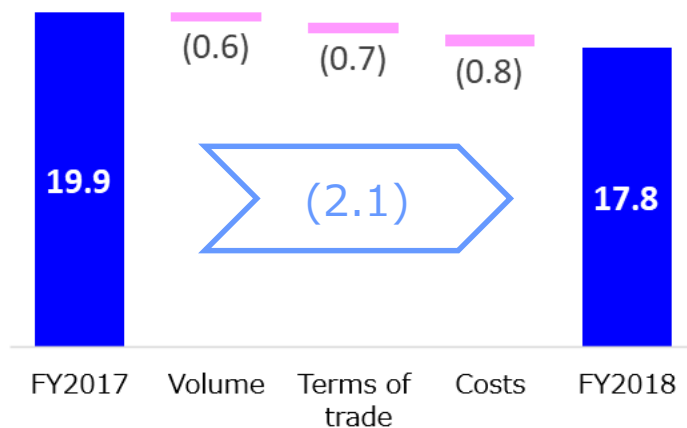
(Unit: Billions of yen)



- **Volume (2.7) billion yen**
  - Decrease in performance films & sheets, etc.
- **Prices +6.3 billion yen**
  - Increase from sales price revision in line with upward swing in raw material prices, etc.

### Increase/Decrease of Operating Income (FY2018 vs. FY2017)

(Unit: Billions of yen)



- **Volume (0.6) billion yen**
  - Decrease in performance films & sheets, etc.
- **Terms of trade (0.7) billion yen**
  - Decrease from unfavorable terms of trade due to upward swing in raw material prices, etc.
- **Costs (0.8) billion yen**
  - Development costs, etc.

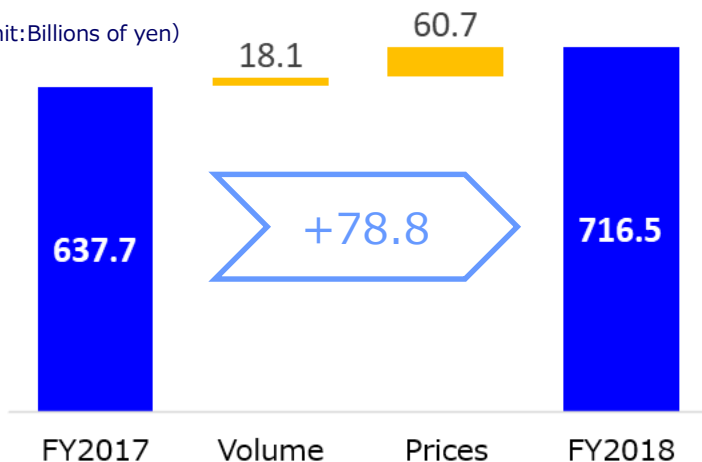
## 2-4) Increase/Decrease in Basic Materials

(Net sales and Operating Income, year on year)

### Increase/Decrease of Net Sales (FY2018 vs. FY2017)

( ) Denotes a minus

(Unit: Billions of yen)



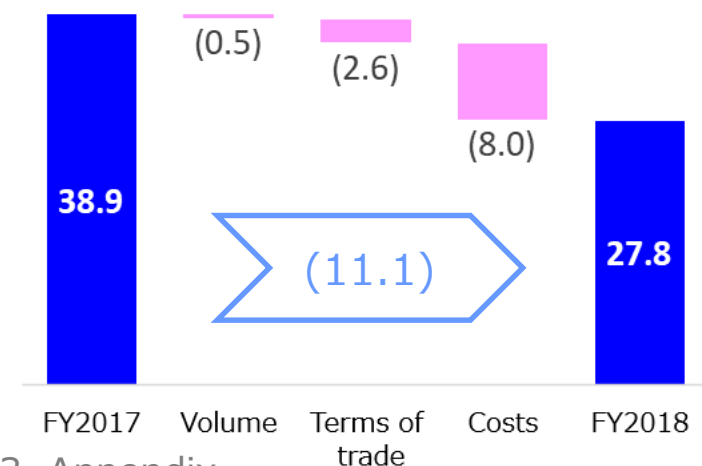
➤ **Volume +18.1 billion yen**

➤ **Prices +60.7 billion yen**

- Increase from sales price revision in line with upward swing in raw material prices, etc.

### Increase/Decrease of Operating Income (FY2018 vs. FY2017)

(Unit: Billions of yen)



➤ **Volume (0.5) billion yen**

➤ **Terms of trade (2.6) billion yen**

- Inventory valuation loss, etc.

➤ **Costs (8.0) billion yen**

- Effect of a fire at Osaka works, etc.

### 3) Net sales and Operating Income/Loss by Business Segment (by Quarter)

#### Net sales (Billions of Yen)

Segment	FY2017				FY2018			
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Mobility	77.7	75.7	81.4	96.2	97.3	97.9	99.3	100.9
Health Care	34.2	33.9	35.3	35.7	36.2	35.0	38.5	36.9
Food & Packaging	45.8	49.2	49.6	51.2	47.5	49.1	49.9	52.9
Basic Materials	145.3	146.9	166.8	178.7	170.1	176.2	199.4	170.8
Others	6.0	6.2	5.8	6.9	5.2	6.4	6.8	6.6
<b>Total</b>	<b>309.0</b>	<b>311.9</b>	<b>338.9</b>	<b>368.7</b>	<b>356.3</b>	<b>364.6</b>	<b>393.9</b>	<b>368.1</b>

#### Operating Income/Loss (Billions of Yen)

( ) Denotes a minus es a minus

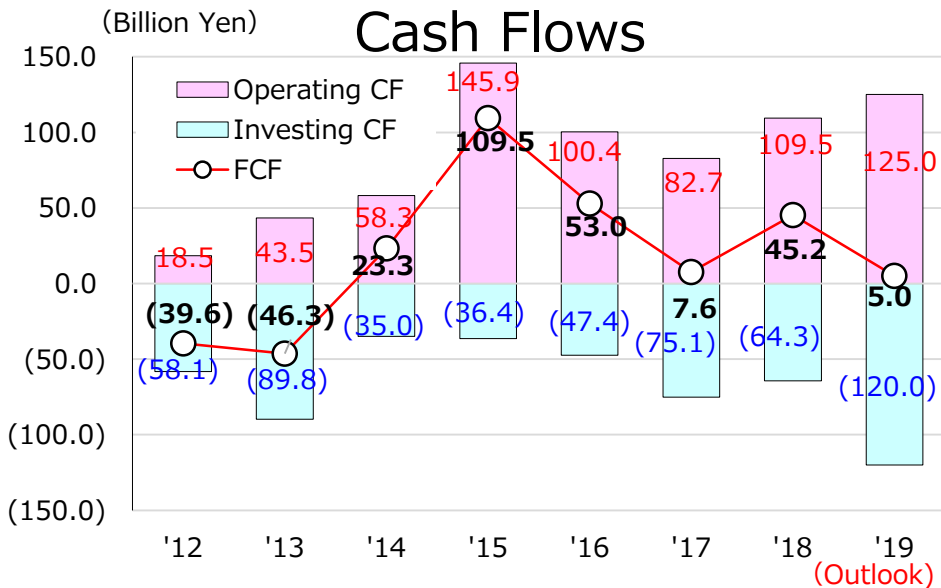
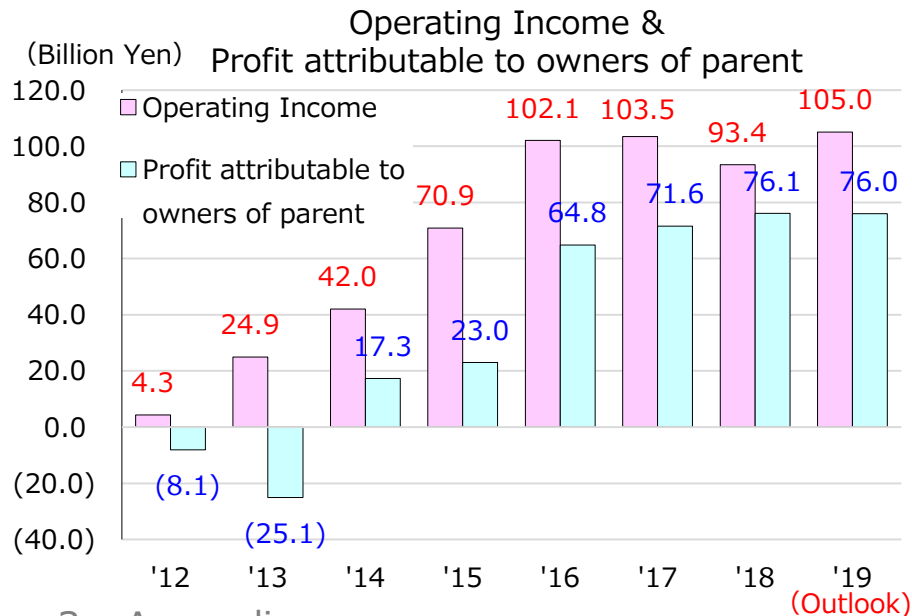
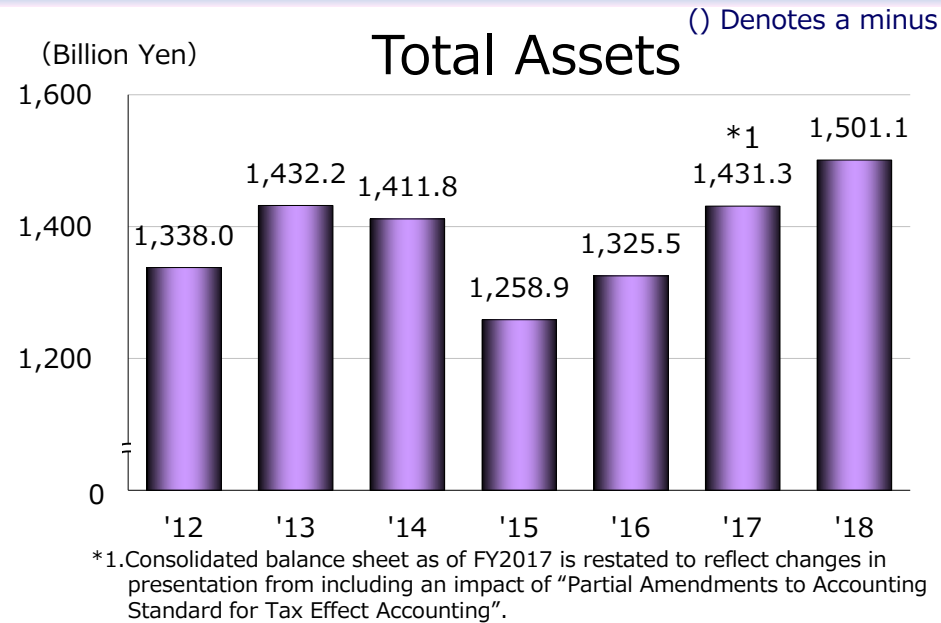
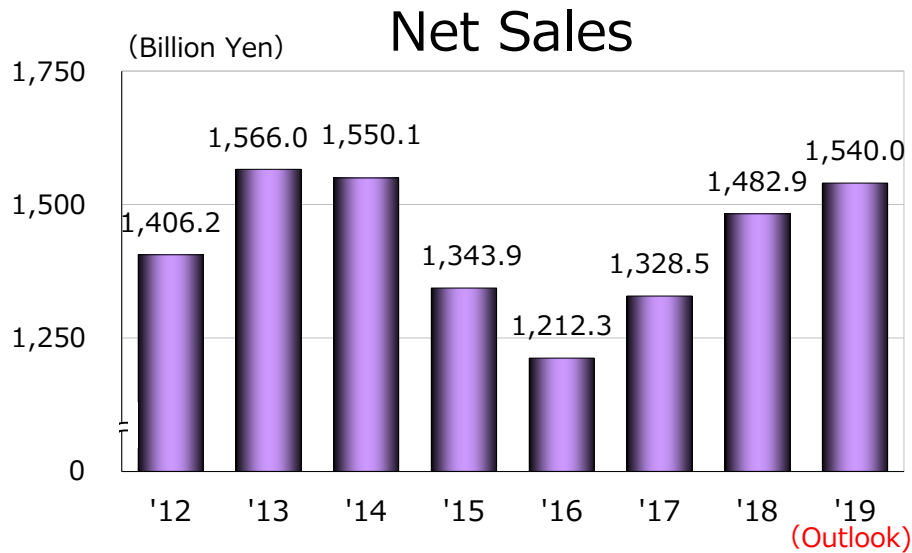
Segment	FY2017				FY2018			
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Mobility	11.5	10.5	10.9	9.4	10.8	9.3	11.4	11.2
Health Care	2.9	1.9	3.1	2.9	3.6	2.7	3.4	3.9
Food & Packaging	4.6	5.5	4.4	5.4	3.3	5.5	3.0	6.0
Basic Materials	10.8	4.6	11.1	12.4	11.0	7.4	9.1	0.3
Others	(2.5)	(1.6)	(2.0)	(2.3)	(2.4)	(1.5)	(2.0)	(2.6)
<b>Total</b>	<b>27.3</b>	<b>20.9</b>	<b>27.5</b>	<b>27.8</b>	<b>26.3</b>	<b>23.4</b>	<b>24.9</b>	<b>18.8</b>

## 4) Main Subsidiaries and Affiliates

Items	Our share	Net sales		Operating Income/Loss	
		FY2018	FY2018	FY2019 Outlook	
<b>Subsidiaries</b>	%	Billions of Yen			
Prime Polymer	65.0	260	gain	↘	Inventory valuation loss[-], etc.
Advanced Composites	61.8	90	gain	↘	Terms of trade[-]
Mitsui Phenoles Singapore	95.0	60	gain	→	
Mitsui Elastomers Singapore	100.0	50	gain	→	
Mitsui Chemicals Tohcello, Inc.	100.0	80	gain	↗	
Mitsui Chemicals Agro, Inc.	100.0	40	gain	→	
<b>Affiliates</b>					
Dow-Mitsui Polychemicals	50.0	40	gain	↗	
Chemours-Mitsui Fluoroproducts	50.0	30	gain	→	
Shanghai Sinopec Mitsui Chemicals	50.0	50	gain	↘	Scale difference of regular maintenance[-]

Operating Incom/Loss : FY2019 outlook "→" represents "no change", or change less than 0.5 billion yen compared with FY2018.

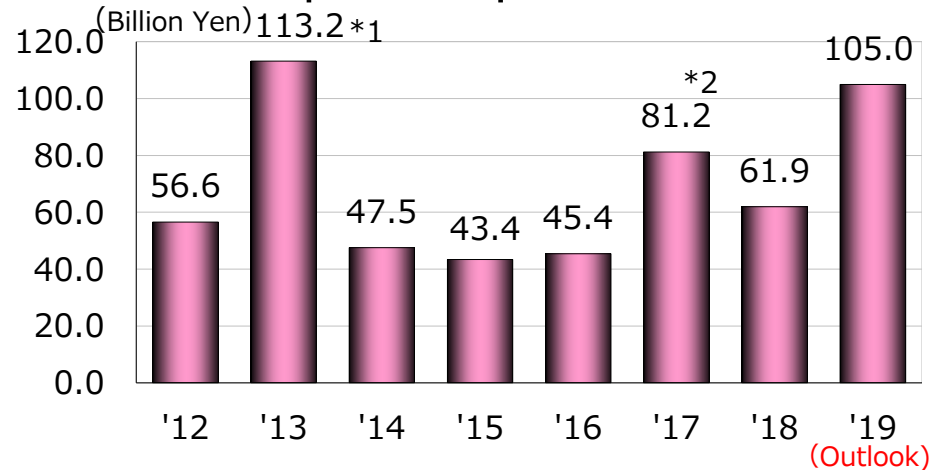
# 5-1) Financial Summary



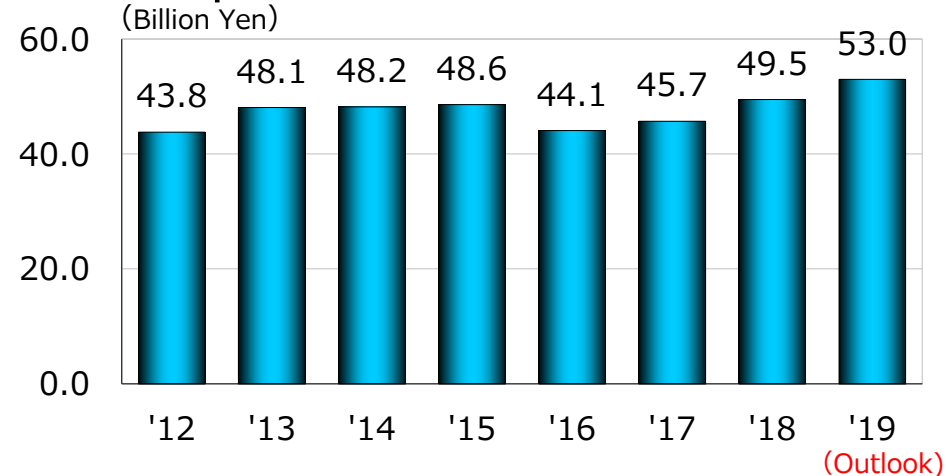


# 5-2) Financial Summary

## Capital Expenditure



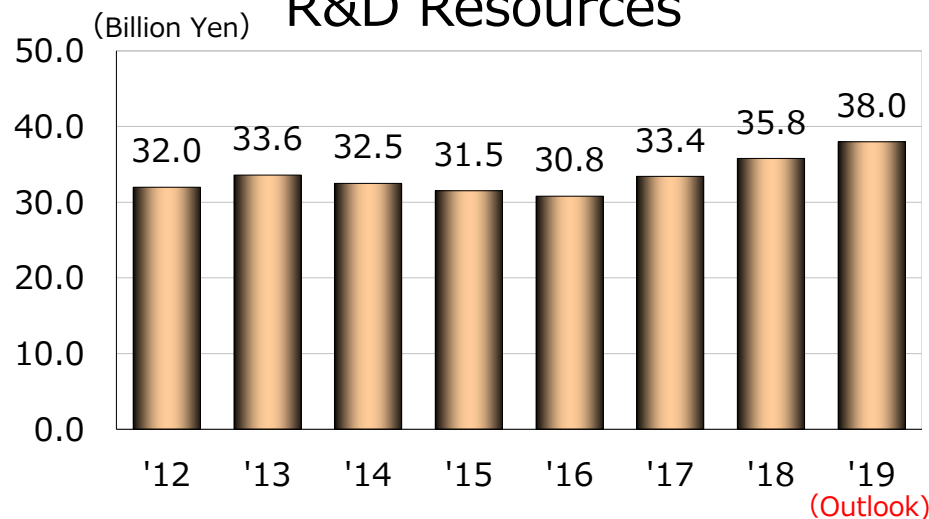
## Depreciation & Amortization



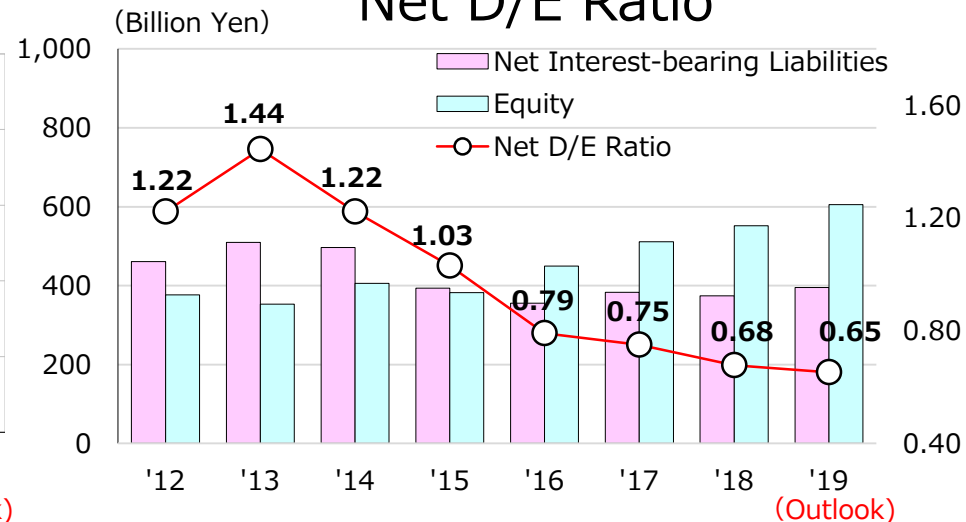
\*1. Include Heraeus dental business acquisition 56.0 billion yen

\*2. Include acquisition of shares of ARRK corporation 23.9 billion yen

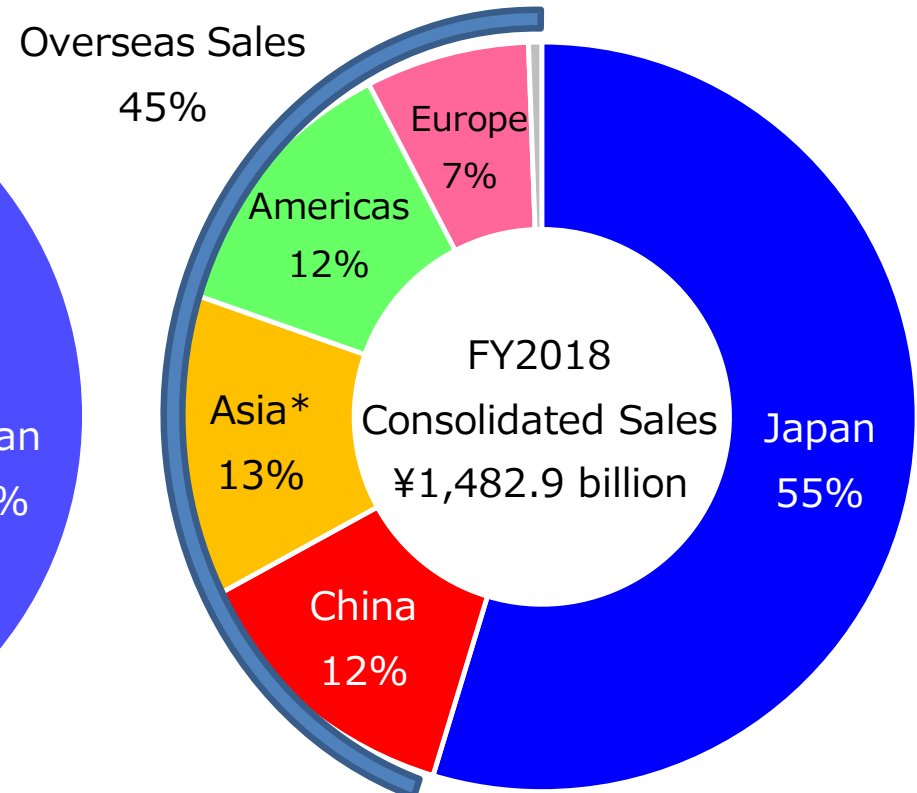
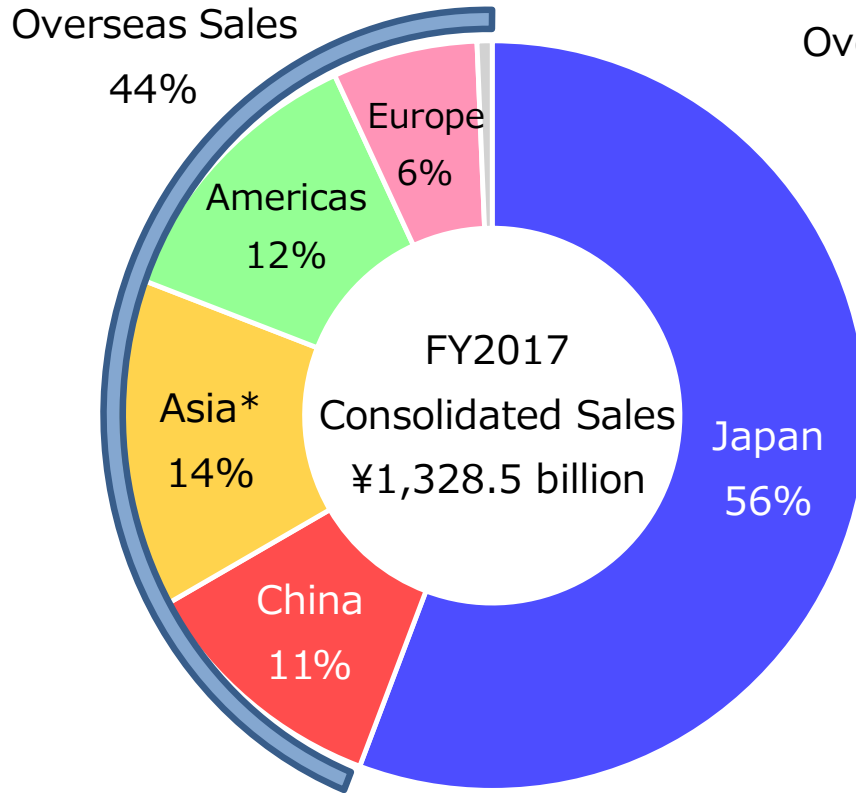
## R&D Resources



## Net D/E Ratio



## 6) Net sales by Region



\* Asia excluding Japan and China

## 7) Topics for FY2018

- Acquisition of shares of US 3D Printer Manufacturer B9Creations (April 2018)
- Kulzer Sets out to Develop New Dental CAD Software with Artificial Intelligence (AI) (May 2018)
- Establishment of New Production Facilities for MOSTRON™-L GFPP (May 2018, 3,500 tons/annum, commercial operations in September 2019)
- Establishment of New PP Compounds Company in Netherlands (June 2018, 30,000 tons /annum, commercial operations in June 2020)
- Mitsui Chemicals Agro: License agreement for parasiticides for companion animals with Bayer Animal Health (July 2018)
- Mitsui Chemicals & SKC Polyurethanes: Commercial operations for new polyurethane system house in India (July 2018, 15,000 tons/annum)
- Capacity expansion of LUCANT™ Hydrocarbon-Based Synthetic Fluid (August 2018, 20,000 tons/annum, Commercial operations in February 2021)
- Capacity expansion of TAFMER™ High-Performance Elastomers (August 2018, +25,000 tons/annum, Completion in July 2020)
- Commercial operations for capacity expansion of HI-ZEX MILLION™ Ultra-High Molecular Weight Polyethylene (August 2018, +1,000 tons/annum)
- Establishment of new production facility in North America for Long Glass Fiber Reinforced Polypropylene (September 2018, 3,500 tons/annum, Commercial operations in October 2019)

## 7) Topics for FY2018

- Commercial operations for high performance nonwovens at Nagoya Works in Japan (October 2018, 15,000 tons/annum)
- Commercial operations for capacity expansion of premium high performance nonwovens in Japan (October 2018, +6,000 tons/annum)
- Repurchase of Own Shares (November 2018)
- Mitsui Chemicals Agro: Joint development of CYRA as herbicide for the paddy rice field with National Federation of Agricultural Cooperative Associations (November 2018)
- Transferring a Portion of Shares in Siam Mitsui PTA and Thai PET Resin (December 2018)
- Production for  $\alpha$ -Methylstyrene in Singapore (January 2019, 20,000 tons/annum, Completion in May 2020)
- Construction starts to expand facilities for thermoplastic olefinic elastomer Milastomer in North America (January 2019, 6,000 tons/annum, commercial operations in November 2019)
- New Production Facility in China for Long Glass Fiber Reinforced Polypropylene (March 2019, 3,500 tons/annum, commercial operations in September 2020)



# Mitsui Chemicals

Creating New Customer Value and  
Solving Social Challenges through Business Activities