

# Financial Summary

Results of the 1<sup>st</sup> Quarter of FY2019 & Outlook for FY2019

**Mitsui Chemicals, Inc.**

Aug 1, 2019

<Remarks>

FY2019 indicates the period from April 1, 2019 to March 31, 2020.

|  |        |
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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 the 1<sup>st</sup> Quarter of FY2019

(April 1, 2019 – June 30, 2019)

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# 1) Review on 1<sup>st</sup> Quarter of FY2019 (Business Overview and Topics)

## <Business Overview>

- **Mobility:** Amid the global slowdown in automobile production, sales for elastomers and performance compounds declined. On the other hand, sales for polypropylene compounds remained firm mainly due to steady sales to Japanese customers. Stable demand continued in performance polymers despite weaker overall demand in the information and communication technology market.
- **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 coating & engineering materials were stable. On the other hand, performance films & sheets saw decreased sales in packaging films. In agrochemicals, while healthy demand continued, sales were down partly due to the effect of time lag of sales.
- **Basic Materials:** Healthy domestic demand continued. Operating rates of naphtha crackers and other production facilities maintained a high level overall, despite facility trouble at Ichihara Works. In phenols, the overseas market environment was at a lower level year-on-year.

# 1) Review on 1<sup>st</sup> Quarter of FY2019 (Business Overview and Topics)

## <Topics>

- Capacity expansion of PP Compounds in Thailand  
(May 2019, +13,000 tons/annum, Completion in June 2020)
- License agreement for EUV pellicle business with ASML (May 2019)

## 2) Consolidated Financial Highlights

(Billions of Yen)

( ) Denotes a minus

| Items   | FY2018<br>1st Q | FY2019<br>1st Q | Increase<br>(Decrease) | %     |
|---|-----------------|-----------------|------------------------|-------|
| Net sales   | 356.3           | 342.8           | (13.5)                 | (4%)  |
| Operating income                                      | 26.3            | 20.7            | (5.6)                  | (21%) |
| Non-operating incomes and expenses                    | 5.1             | (0.9)           | (6.0)                  | —     |
| Ordinary income                                       | 31.4            | 19.8            | (11.6)                 | (37%) |
| Extraordinary gains and losses                        | (0.5)           | (1.4)           | (0.9)                  | —     |
| Net income before income taxes and minority interests | 30.9            | 18.4            | (12.5)                 | (40%) |
| Profit attributable to owners of parent               | 23.5            | 12.5            | (11.0)                 | (47%) |
| Exchange rate (Yen/US\$)                              | 109             | 110             | 1                      |       |
| Domestic standard naphtha price (Yen/KL)              | 48,800          | 45,400          | (3,400)                |       |

## 2) Consolidated Financial Highlights

(Billions of Yen)

( ) Denotes a minus

| Items                              | End of<br>Mar. 2018 | End of<br>Mar. 2019 | Increase<br>(Decrease) | %    |
|------------------------------------|---------------------|---------------------|------------------------|------|
| Interest-bearing liabilities       | 485.0               | 508.4               | 23.4                   | 5%   |
| Interest-bearing liabilities (net) | 374.0               | 417.5               | 43.5                   | 12%  |
| Equity                             | 551.9               | 549.2               | (2.7)                  | (0%) |
| Net D/E Ratio (Times)              | 0.68                | 0.76                | 0.08                   | —    |
| Equity Ratio (%)                   | 36.8                | 36.8                | 0.0                    | —    |

(Number of companies)

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

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

(Billions of Yen)

( ) Denotes a minus

| Segment          | Net sales       |                 |                  | Operating Income/Loss |                 |                  | Breakdown |                   |       |
|------------------|-----------------|-----------------|------------------|-----------------------|-----------------|------------------|-----------|-------------------|-------|
|                  | FY2018<br>1st Q | FY2019<br>1st Q | Incr.<br>(Decr.) | FY2018<br>1st Q       | FY2019<br>1st Q | Incr.<br>(Decr.) | Volume    | Terms of<br>trade | Costs |
| Mobility         | 97.3            | 94.1            | (3.2)            | 10.8                  | 10.1            | (0.7)            | (0.1)     | (0.2)             | (0.4) |
| Health Care      | 36.2            | 35.2            | (1.0)            | 3.6                   | 3.8             | 0.2              | (0.2)     | 0.3               | 0.1   |
| Food & Packaging | 47.5            | 45.6            | (1.9)            | 3.3                   | 3.3             | 0.0              | (0.8)     | 0.3               | 0.5   |
| Basic Materials  | 170.1           | 163.5           | (6.6)            | 11.0                  | 6.1             | (4.9)            | (0.8)     | (4.4)             | 0.3   |
| Others           | 5.2             | 4.4             | (0.8)            | (2.4)                 | (2.6)           | (0.2)            | -         | -                 | (0.2) |
| Total            | 356.3           | 342.8           | (13.5)           | 26.3                  | 20.7            | (5.6)            | (1.9)     | (4.0)             | 0.3   |



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

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

| Items  | FY2018<br>1st Q | FY2019<br>1st Q | Incr.<br>(Decr.) |
|--|-----------------|-----------------|------------------|
| Equity in earnings of non-consolidated subsidiaries and affiliates | 4.5             | 1.8             | (2.7)            |
| Interest expenses, interest and dividend income                    | 0.2             | 0.1             | (0.1)            |
| Gain (loss) on foreign exchange                                    | 0.6             | (0.6)           | (1.2)            |
| Others   | (0.2)           | (2.2)           | (2.0)            |
| <b>Non-operating incomes and expenses total</b>                    | <b>5.1</b>      | <b>(0.9)</b>    | <b>(6.0)</b>     |

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

| Items   | FY2018<br>1st Q | FY2019<br>1st Q | Incr.<br>(Decr.) |
|---|-----------------|-----------------|------------------|
| Gain on sales of non-current assets & investment securities | 0.1             | 0.1             | 0.0              |
| <b>Extraordinary gains (a)</b>                              | <b>0.1</b>      | <b>0.1</b>      | <b>0.0</b>       |
| Loss on sales and disposal of non-current assets            | (0.4)           | (0.3)           | 0.1              |
| Impairment loss   | 0.0             | (0.6)           | (0.6)            |
| Loss on valuation of investment securities                  | (0.2)           | 0.0             | 0.2              |
| Loss on business of subsidiaries and affiliates             | 0.0             | (0.6)           | (0.6)            |
| <b>Extraordinary losses (b)</b>                             | <b>(0.6)</b>    | <b>(1.5)</b>    | <b>(0.9)</b>     |
| <b>Extraordinary gains and losses total (a)+(b)</b>         | <b>(0.5)</b>    | <b>(1.4)</b>    | <b>(0.9)</b>     |

# 5) Consolidated Balance Sheet

(Billions of Yen)

( ) Denotes a minus

| Items                                       | End of<br>Mar. 2018 | End of<br>Mar. 2019 | Incr.<br>(Decr.) | Items  | End of<br>Mar. 2018 | End of<br>Mar. 2019 | Incr.<br>(Decr.) |
|---|---------------------|---------------------|------------------|--|---------------------|---------------------|------------------|
| Current assets                              | 786.7               | 753.5               | (33.2)           | Liabilities                                  | 869.4               | 863.5               | (5.9)            |
| Cash and deposits                           | 111.1               | 90.9                | (20.2)           | Notes and<br>accounts payables               | 163.9               | 144.2               | (19.7)           |
| Notes and<br>accounts receivables           | 310.6               | 292.8               | (17.8)           | Interest-bearing<br>liabilities              | 485.0               | 508.4               | 23.4             |
| Inventories                                 | 301.9               | 302.4               | 0.5              | Other liabilities                            | 220.5               | 210.9               | (9.6)            |
| Other current assets                        | 63.1                | 67.4                | 4.3              |  |                     |                     |                  |
| Fixed assets                                | 714.4               | 737.1               | 22.7             | Net assets                                   | 631.7               | 627.1               | (4.6)            |
| Tangible fixed assets                       | 443.1               | 465.1               | 22.0             | Shareholders' equity                         | 532.9               | 535.4               | 2.5              |
| Intangible fixed assets                     | 29.4                | 29.9                | 0.5              | Other accumulated<br>comprehensive<br>income | 19.0                | 13.8                | (5.2)            |
| Investments and<br>other non-current assets | 241.9               | 242.1               | 0.2              | Non-controlling<br>interests                 | 79.8                | 77.9                | (1.9)            |
| <b>Total</b>                                | <b>1,501.1</b>      | <b>1,490.6</b>      | <b>(10.5)</b>    | <b>Total</b>                                 | <b>1,501.1</b>      | <b>1,490.6</b>      | <b>(10.5)</b>    |

## 6) Consolidated Statement of Cash Flow

(Billions of Yen)

( ) Denotes a minus

| Items   | FY2018<br>1st Q | FY2019<br>1st Q | Incr.<br>(Decr.) |
|---|-----------------|-----------------|------------------|
| I . Cash flows from operating activities (a)  | 25.5            | 11.6            | (13.9)           |
| II . Cash flows from investing activities (b) | (15.1)          | (19.6)          | (4.5)            |
| Free cash flows (a)+(b)                       | 10.4            | (8.0)           | (18.4)           |
| III . Cash flows from financing activities    | 4.4             | (11.6)          | (16.0)           |
| IV . Others                                   | 0.3             | (0.8)           | (1.1)            |
| Net incr.(decr.) in cash and cash equivalents | 15.1            | (20.4)          | (35.5)           |

## 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 and after 2<sup>nd</sup> Quarter of 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) |      | FY2019 Previous Outlook (on May 15, 2019) |           |
|---|------------|-----------|--------------------|-----------|----------------------|------|---|-----------|
|   | 1st Half   | Full Year | 1st Half           | Full Year | Full Year            | %    | 1st Half                                  | Full Year |
| Net sales   | 720.9      | 1,482.9   | 685.0              | 1,540.0   | 57.1                 | 4%   | 745.0                                     | 1,540.0   |
| Operating income                                      | 49.7       | 93.4      | 38.0               | 105.0     | 11.6                 | 12%  | 42.0                                      | 105.0     |
| Non-operating incomes and expenses                    | 8.7        | 9.6       | (2.0)              | 5.0       | (4.6)                | -    | 2.0                                       | 5.0       |
| Ordinary income                                       | 58.4       | 103.0     | 36.0               | 110.0     | 7.0                  | 7%   | 44.0                                      | 110.0     |
| Extraordinary gains and losses                        | (2.7)      | 2.3       | (3.0)              | (5.0)     | (7.3)                | -    | (3.0)                                     | (5.0)     |
| Net income before income taxes and minority interests | 55.7       | 105.3     | 33.0               | 105.0     | (0.3)                | (0%) | 41.0                                      | 105.0     |
| Profit attributable to owners of parent               | 41.8       | 76.1      | 20.0               | 76.0      | (0.1)                | (0%) | 28.0                                      | 76.0      |
| Exchange rate (Yen/US\$)                              | 110        | 111       | 110                | 110       | (1)                  |      | 110                                       | 110       |
| Domestic standard naphtha price (Yen/KL)              | 51,150     | 49,400    | 42,700             | 46,000    | (3,400)              |      | 46,000                                    | 46,000    |

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

### 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.)<br>(b) - (a) | FY2018                |               | FY2019 Outlook |               | Incr.(Decr.)<br>(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          | 195.0          | 430.0          | 34.6                      | 20.1                  | 42.7          | 21.0           | 44.5          | 1.8                       |
| Health Care      | 71.2         | 146.6          | 70.0           | 160.0          | 13.4                      | 6.3                   | 13.6          | 6.0            | 15.5          | 1.9                       |
| Food & Packaging | 96.6         | 199.4          | 90.0           | 210.0          | 10.6                      | 8.8                   | 17.8          | 7.5            | 20.5          | 2.7                       |
| Basic Materials  | 346.3        | 716.5          | 320.0          | 720.0          | 3.5                       | 18.4                  | 27.8          | 9.0            | 33.0          | 5.2                       |
| Others           | 11.6         | 25.0           | 10.0           | 20.0           | (5.0)                     | (3.9)                 | (8.5)         | (5.5)          | (8.5)         | 0.0                       |
| <b>Total</b>     | <b>720.9</b> | <b>1,482.9</b> | <b>685.0</b>   | <b>1,540.0</b> | <b>57.1</b>               | <b>49.7</b>           | <b>93.4</b>   | <b>38.0</b>    | <b>105.0</b>  | <b>11.6</b>               |

## 4) Operating Income/Loss by Business Segment (compared with previous outlook of 1<sup>st</sup> Half of FY2019 )

(Billions of Yen)

( ) Denotes a minus

| Segment             | Operating Income/Loss for 1st Half of FY2019 |                 |                  | [+] denotes profit trigger<br>[-] denotes loss trigger |
|---------------------|--|-----------------|------------------|--|
|                     | Previous Outlook<br>(on May 15, 2019)        | Current Outlook | Incr.<br>(Decr.) |  |
| Mobility            | 21.0   | 21.0            | 0.0              | [-] Volume, [+]Costs, etc.                             |
| Health Care         | 6.0  | 6.0             | 0.0              |  |
| Food & Packaging    | 7.5  | 7.5             | 0.0              | [-] Volume, [+]Costs, etc.                             |
| Basic Materials     | 12.0   | 9.0             | (3.0)            | [-] Terms of trade, etc.                               |
| Others              | (4.5)  | (5.5)           | (1.0)            |  |
| Total               | 42.0   | 38.0            | (4.0)            |  |
| 3 Targeted Domains* | 34.5   | 34.5            | 0.0              |  |

\* Mobility, Health Care and Food & Packaging



## 5) 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.)<br>(b) - (a) |
|--|----------|------------------|----------------|------------------|---------------------------|
|  | 1st Half | Full Year<br>(a) | 1st Half       | Full Year<br>(b) |                           |
| Equity in earnings of non-consolidated subsidiaries and affiliates | 8.6      | 10.8             | 2.5            | 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)            | (0.6)          | (0.6)            | (0.2)                     |
| Others   | (0.4)    | (0.1)            | (2.9)          | (0.4)            | (0.3)                     |
| Non-operating incomes and expenses total                           | 8.7      | 9.6              | (2.0)          | 5.0              | (4.6)                     |

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

### Extraordinary Gains and Losses

(Billions of Yen)

( ) Denotes a minus

| Items   | FY2018   |                  | FY2019 Outlook |                  | Incr.(Decr.)<br>(b) - (a) |
|---|----------|------------------|----------------|------------------|---------------------------|
|   | 1st Half | Full Year<br>(a) | 1st Half       | Full Year<br>(b) |                           |
| Gain on sales of non-current assets & investment securities | 0.2      | 3.7              | 0.1            | 0.1              | (3.6)                     |
| 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             | 0.1            | 0.1              | (15.7)                    |
| Loss on sales and disposal of non-current assets            | (1.2)    | (4.4)            | (1.9)          | (3.9)            | 0.5                       |
| Impairment loss   | (0.7)    | (1.4)            | (0.6)          | (0.6)            | 0.8                       |
| Loss on valuation of investment securities                  | (0.2)    | (0.2)            | 0.0            | 0.0              | 0.2                       |
| Loss on business of subsidiaries and affiliates             | 0.0      | 0.0              | (0.6)          | (0.6)            | (0.6)                     |
| Loss on fire  | (1.5)    | (7.5)            | 0.0            | 0.0              | 7.5                       |
| Extraordinary losses (b)                                    | (3.6)    | (13.5)           | (3.1)          | (5.1)            | 8.4                       |
| Extraordinary gains and losses Total (a)+(b)                | (2.7)    | 2.3              | (3.0)          | (5.0)            | (7.3)                     |

## 6) Consolidated Statement of Cash Flow

(Billions of Yen)

( ) Denotes a minus

| Items   | FY2018   |                  | FY2019 Outlook |                  | Incr.(Decr.)<br>(b) - (a) | FY2019 Previous Outlook<br>(on May 15, 2019) |           |
|---|----------|------------------|----------------|------------------|---------------------------|--|-----------|
|   | 1st Half | Full Year<br>(a) | 1st Half       | Full Year<br>(b) |                           | 1st Half                                     | Full Year |
| I. Cash flows from operating activities (a)   | 53.5     | 109.5            | 53.0           | 125.0            | 15.5                      | 58.0   | 125.0     |
| II. Cash flows from investing activities (b)  | (26.8)   | (64.3)           | (53.0)         | (120.0)          | (55.7)                    | (53.0)                                       | (120.0)   |
| Free cash flows (a)+(b)                       | 26.7     | 45.2             | 0.0            | 5.0              | (40.2)                    | 5.0  | 5.0       |
| III. Cash flows from financing activities     | (12.0)   | (14.1)           | (20.0)         | (15.0)           | (0.9)                     | (4.0)  | (15.0)    |
| IV. Others                                    | 0.6      | (0.1)            | 0.0            | 0.0              | 0.1                       | —  | —         |
| Net incr.(decr.) in cash and cash equivalents | 15.3     | 31.0             | (20.0)         | (10.0)           | (41.0)                    | 1.0  | (10.0)    |

## 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) Financial Summary
- 5) Net sales by Region

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) 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

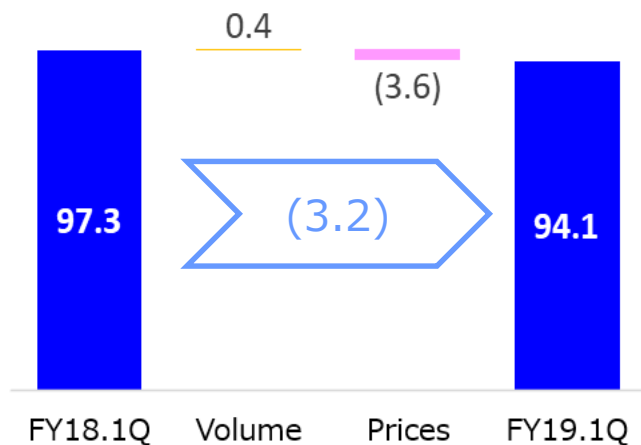
| Year                              | 2016   |           | 2017                |           |              |              | 2018         |           |              |              | 2019          |                      |
|-----------------------------------|--|-----------|---------------------|-----------|--------------|--------------|--------------|-----------|--------------|--------------|---------------|----------------------|
| Month                             | Jul.-Sep.  | Oct.-Dec. | Jan.-Mar.           | Apr.-Jun. | Jul.-Sep.    | Oct.-Dec.    | Jan.-Mar.    | Apr.-Jun. | Jul.-Sep.    | Oct.-Dec.    | Jan.-Mar.     | Apr.-Jun.            |
| Naphtha<br>(Yen/KL)               | 31,300   | 34,100    | 41,900              | 39,100    | 36,100       | 44,600       | 47,900       | 48,800    | 53,500       | 54,200       | 41,200        | 45,400               |
| PE<br>(Yen/KG)                    | about<br>(10)                                      |           | about<br>+20        |           | about<br>(5) | about<br>+10 | about<br>+10 |           | about<br>+10 | about<br>+10 | about<br>(15) | about<br>+10         |
| PP<br>(Yen/KG)                    | about<br>(10)                                      |           | about<br>+20        |           | about<br>(5) | about<br>+10 | about<br>+10 |           | about<br>+10 | about<br>+10 | about<br>(15) | about<br>+10         |
| PH<br>(Formula Price)<br>(Yen/KG) |  |           |                     |           |              |              |              |           |              |              |               |                      |
| BZ(ACP)<br>(US\$/T)               | \$640  | \$670     | \$950               | \$790     | \$770        | \$830        | \$920        | \$850     | \$860        | \$770        | \$580         | \$620                |
| BPA(Japan)<br>(Yen/KG)            |  |           | +20<br>From<br>Mar. |           |              |              |              |           |              |              |               | (15)<br>From<br>Apr. |
|                                   | negotiation based on BZ price and BPA market price |           |                     |           |              |              |              |           |              |              |               |                      |
| BPA(China)<br>(US\$/T)            | \$1,130  | \$1,170   | \$1,360             | \$1,200   | \$1,220      | \$1,420      | \$1,670      | \$1,800   | \$1,810      | \$1,550      | \$1,450       | \$1,410              |
| PTA<br>(US\$/T)                   | \$610  | \$610     | \$670               | \$630     | \$640        | \$690        | \$760        | \$810     | \$960        | \$910        | \$840         | \$790                |
| PX(ACP)<br>(US\$/T)               | \$790  | \$790     | \$890               | \$810     | \$800        | \$890        | \$950        | \$980     | \$1,140      | \$1,140      | \$1,060       | \$910                |
| TDI<br>(US\$/T)                   | \$2,360  | \$3,590   | \$3,480             | \$3,500   | \$3,680      | \$4,380      | \$4,470      | \$4,150   | \$3,400      | \$2,480      | \$1,730       | \$1,790              |

## 2-1) Increase/Decrease in Mobility

(Net sales and Operating Income, year on year)

### Increase/Decrease of Net Sales (1<sup>st</sup> Quarter of FY2019 vs. 1<sup>st</sup> Quarter of FY2018) ( ) Denotes a minus

(Unit: Billions of yen)



➤ **Volume +0.4 billion yen**

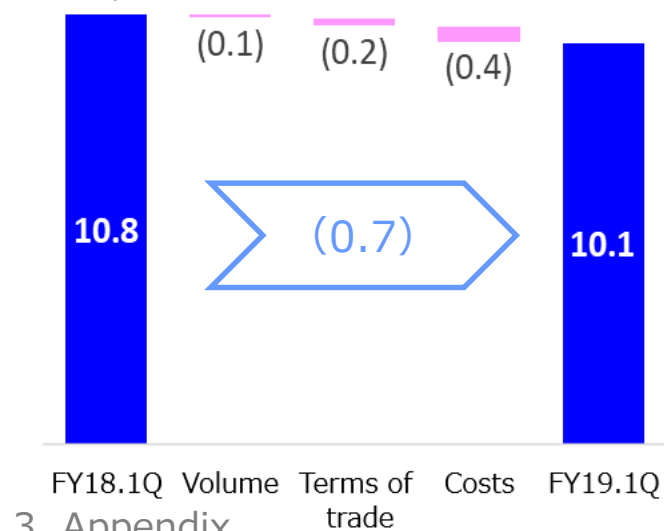
- Elastomers, performance compounds impacted by global slowdown in automobile production.
- Firm sales for polypropylene compounds maintained, mainly due to steady sales to Japanese customers.
- Captured solid market needs for targeted information and communication technology.

➤ **Prices (3.6) billion yen**

- Decrease from sales price revision in line with decline in raw material prices, etc.

### Increase/Decrease of Operating Income (1<sup>st</sup> Quarter of FY2019 vs. 1<sup>st</sup> Quarter of FY2018)

(Unit: Billions of yen)



➤ **Volume (0.1) billion yen**

- Elastomers, performance compounds impacted by global slowdown in automobile production.
- Firm sales for polypropylene compounds maintained, mainly due to steady sales to Japanese customers.
- Captured solid market needs for targeted information and communication technology.

➤ **Terms of trade (0.2) billion yen**

➤ **Costs (0.4) billion yen**

- Development costs, etc.

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

(Net sales and Operating Income, year on year)

( ) Denotes a minus

### Increase/Decrease of Net Sales (1<sup>st</sup> Quarter of FY2019 vs. 1<sup>st</sup> Quarter of FY2018)

(Unit: Billions of yen)



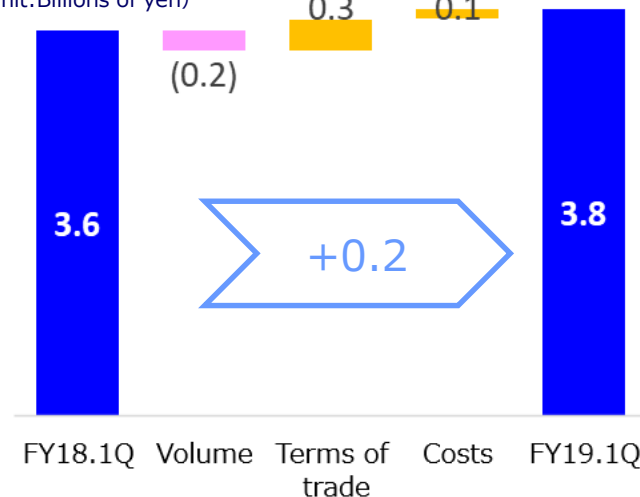
➤ **Volume (0.7) billion yen**

- Decrease in nonwoven fabrics.
- Stable sales of vision care materials and dental materials.

➤ **Prices (0.3) billion yen**

### Increase/Decrease of Operating Income (1<sup>st</sup> Quarter of FY2019 vs. 1<sup>st</sup> Quarter of FY2018)

(Unit: Billions of yen)



➤ **Volume (0.2) billion yen**

- Decrease in nonwoven fabrics.
- Stable sales of vision care materials and dental materials.

➤ **Terms of trade +0.3 billion yen**

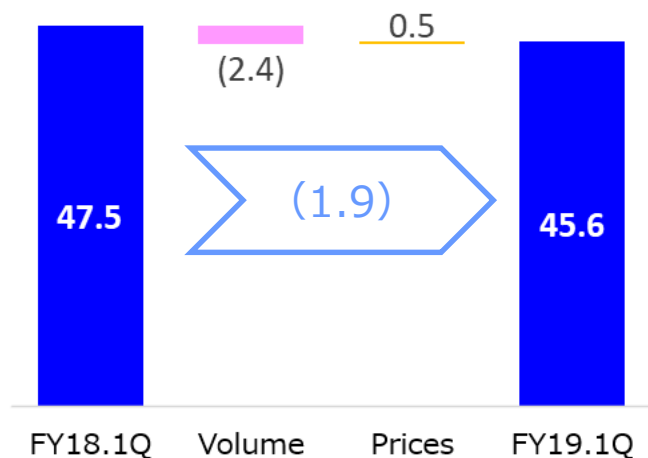
➤ **Costs +0.1 billion yen**

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

(Net sales and Operating Income, year on year)

### Increase/Decrease of Net Sales (1<sup>st</sup> Quarter of FY2019 vs. 1<sup>st</sup> Quarter of FY2018) ( ) Denotes a minus

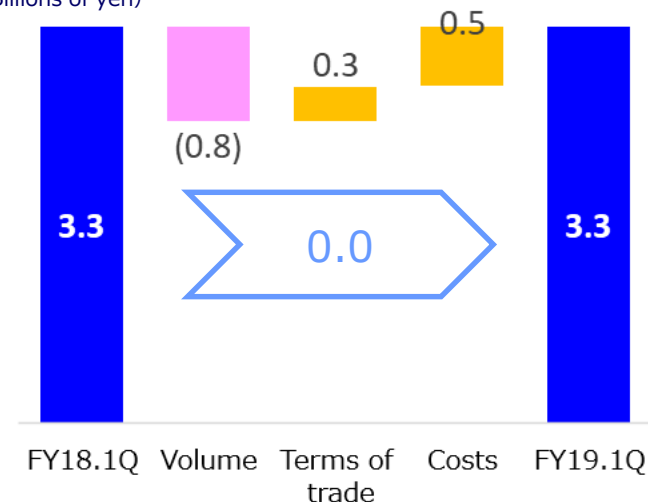
(Unit: Billions of yen)



- **Volume (2.4) billion yen**
  - Decrease in packaging films.
  - Decrease in agrochemicals due to effect of time lag of sales.
- **Prices +0.5 billion yen**

### Increase/Decrease of Operating Income (1<sup>st</sup> Quarter of FY2019 vs. 1<sup>st</sup> Quarter of FY2018)

(Unit: Billions of yen)



- **Volume (0.8) billion yen**
  - Decrease in packaging films.
  - Decrease in agrochemicals due to effect of time lag of sales.
- **Terms of trade +0.3 billion yen**
  - Increase from favorable terms of trade due to decline in raw material prices, etc.
- **Costs +0.5 billion yen**
  - Cost reduction, etc.

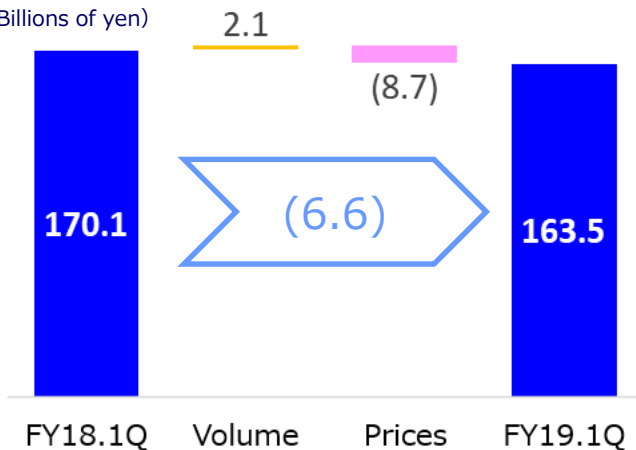


## 2-4) Increase/Decrease in Basic Materials

(Net sales and Operating Income, year on year)

### Increase/Decrease of Net Sales (1<sup>st</sup> Quarter of FY2019 vs. 1<sup>st</sup> Quarter of FY2018) ( ) Denotes a minus

(Unit: Billions of yen)



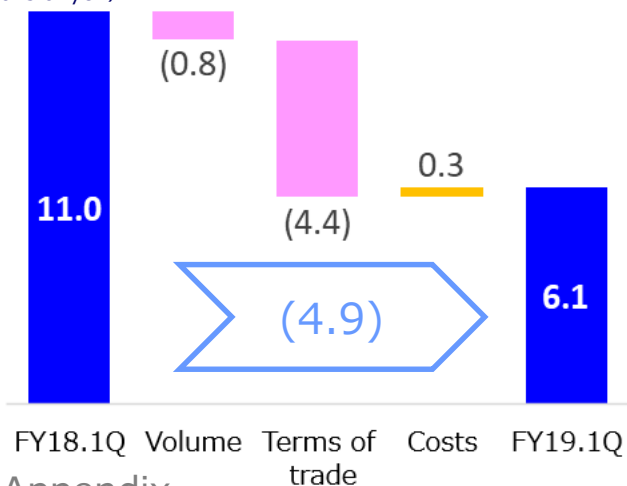
➤ **Volume +2.1 billion yen**

➤ **Prices (8.7) billion yen**

- Decrease from sales price revision in line with decline in raw material prices, etc.
- Weaker overseas market, etc.

### Increase/Decrease of Operating Income (1<sup>st</sup> Quarter of FY2019 vs. 1<sup>st</sup> Quarter of FY2018)

(Unit: Billions of yen)



➤ **Volume (0.8) billion yen**

➤ **Terms of trade (4.4) billion yen**

- Weaker overseas market, etc.

➤ **Costs +0.3 billion yen**

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

#### Net sales

(Billions of Yen)

| Segment          | FY2018  |         |         |         | FY2019  |
|------------------|---------|---------|---------|---------|---------|
|                  | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun |
| Mobility         | 97.3    | 97.9    | 99.3    | 100.9   | 94.1    |
| Health Care      | 36.2    | 35.0    | 38.5    | 36.9    | 35.2    |
| Food & Packaging | 47.5    | 49.1    | 49.9    | 52.9    | 45.6    |
| Basic Materials  | 170.1   | 176.2   | 199.4   | 170.8   | 163.5   |
| Others           | 5.2     | 6.4     | 6.8     | 6.6     | 4.4     |
| Total            | 356.3   | 364.6   | 393.9   | 368.1   | 342.8   |

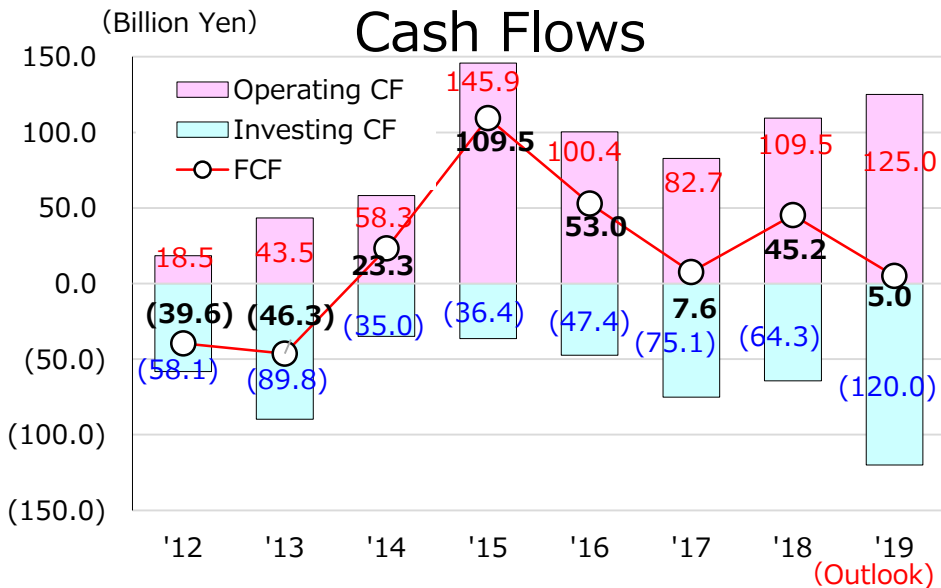
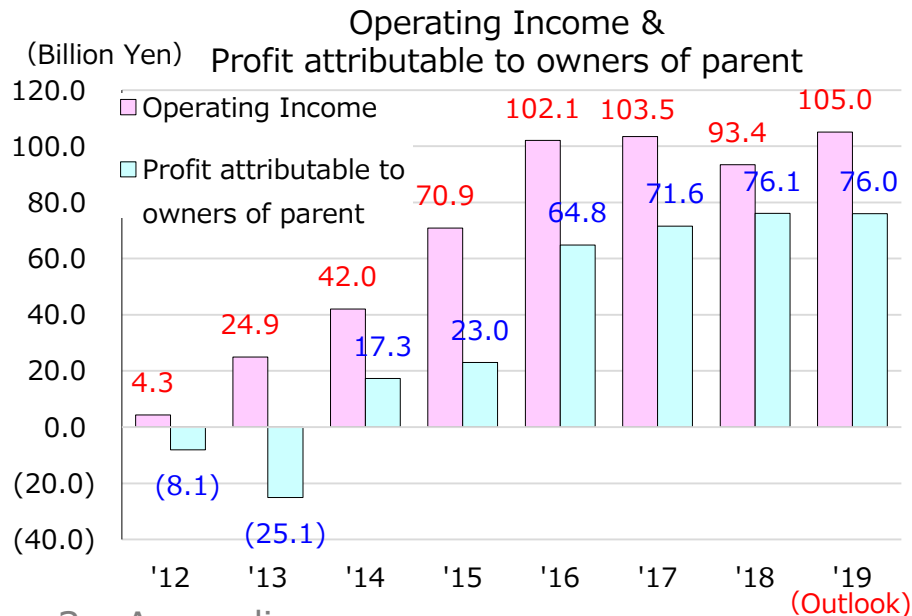
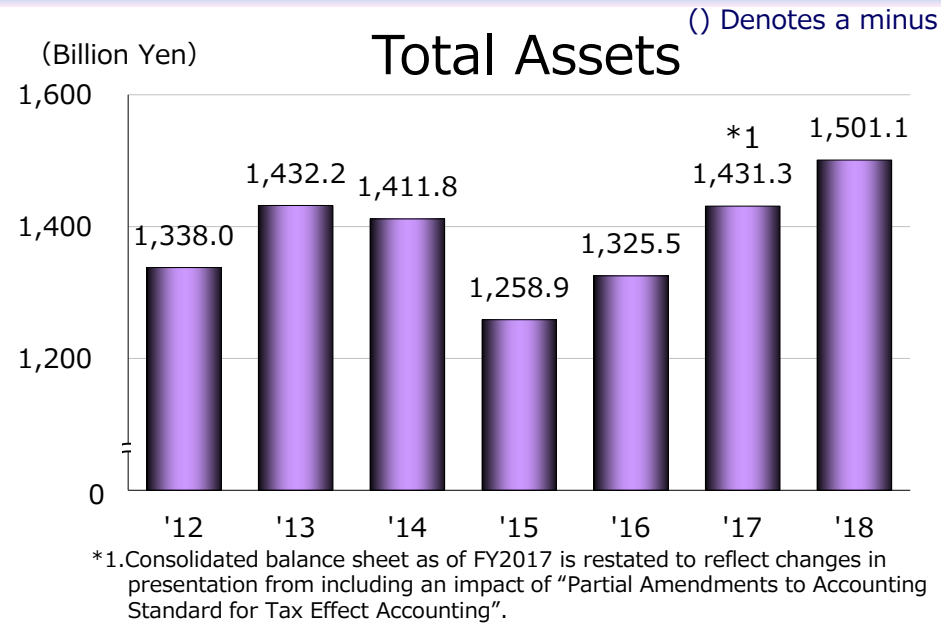
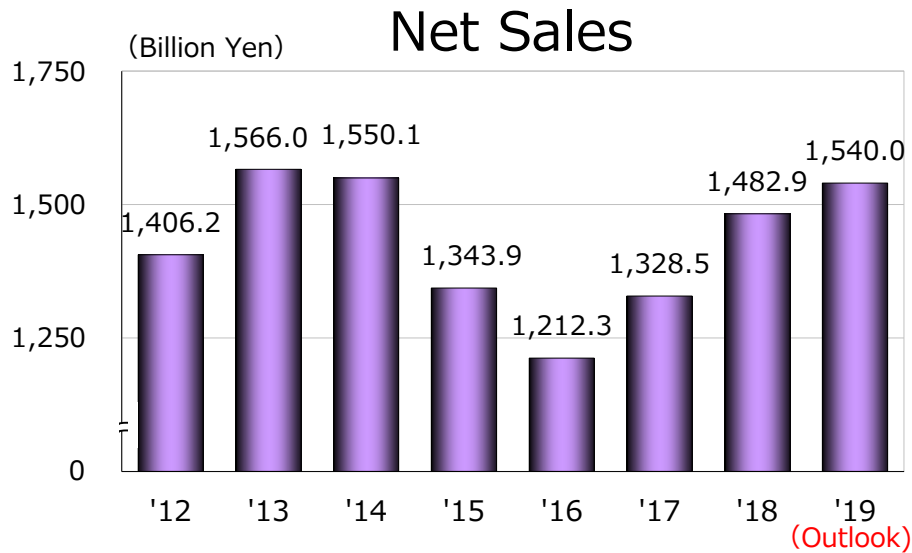
#### Operating Income/Loss

(Billions of Yen)

( ) Denotes a minus

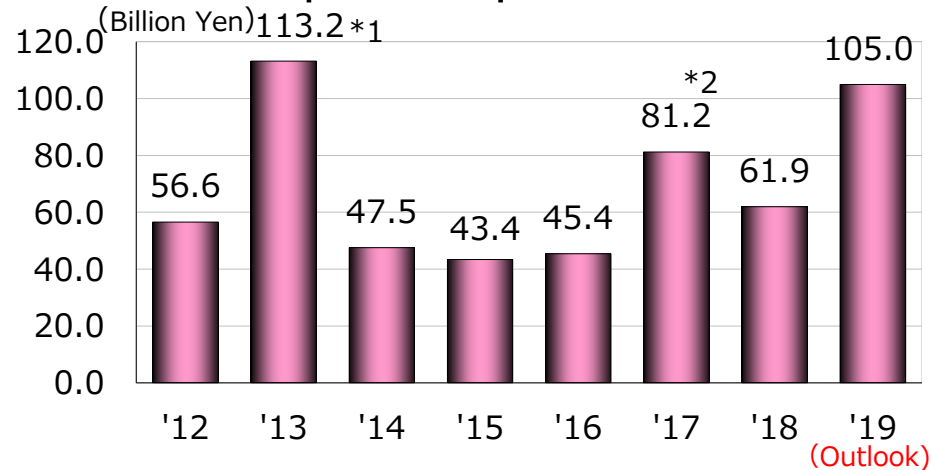
| Segment          | FY2018  |         |         |         | FY2019  |
|------------------|---------|---------|---------|---------|---------|
|                  | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun |
| Mobility         | 10.8    | 9.3     | 11.4    | 11.2    | 10.1    |
| Health Care      | 3.6     | 2.7     | 3.4     | 3.9     | 3.8     |
| Food & Packaging | 3.3     | 5.5     | 3.0     | 6.0     | 3.3     |
| Basic Materials  | 11.0    | 7.4     | 9.1     | 0.3     | 6.1     |
| Others           | (2.4)   | (1.5)   | (2.0)   | (2.6)   | (2.6)   |
| Total            | 26.3    | 23.4    | 24.9    | 18.8    | 20.7    |

# 4-1) Financial Summary

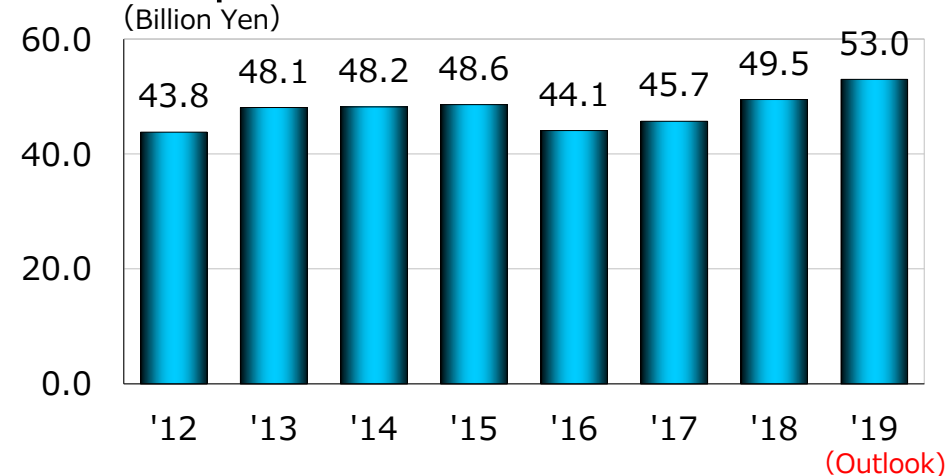


# 4-2) Financial Summary

## Capital Expenditure



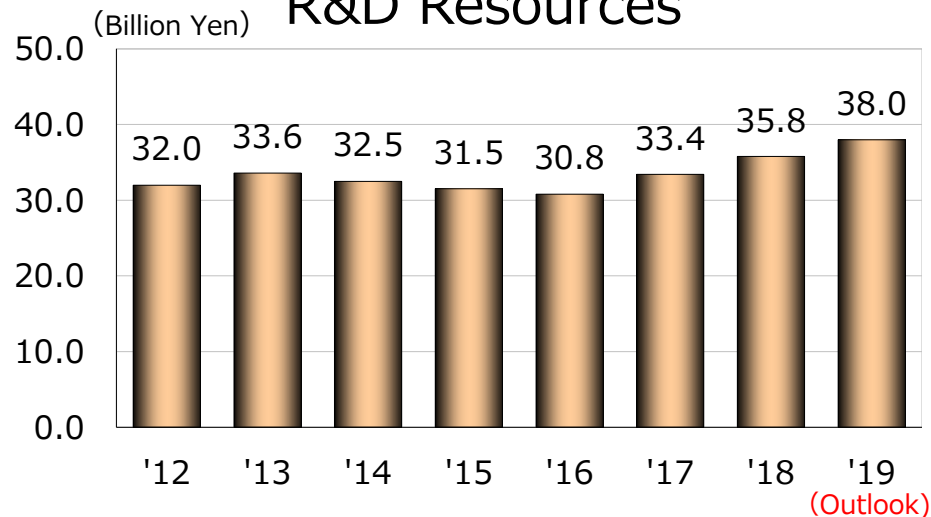
## Depreciation & Amortization



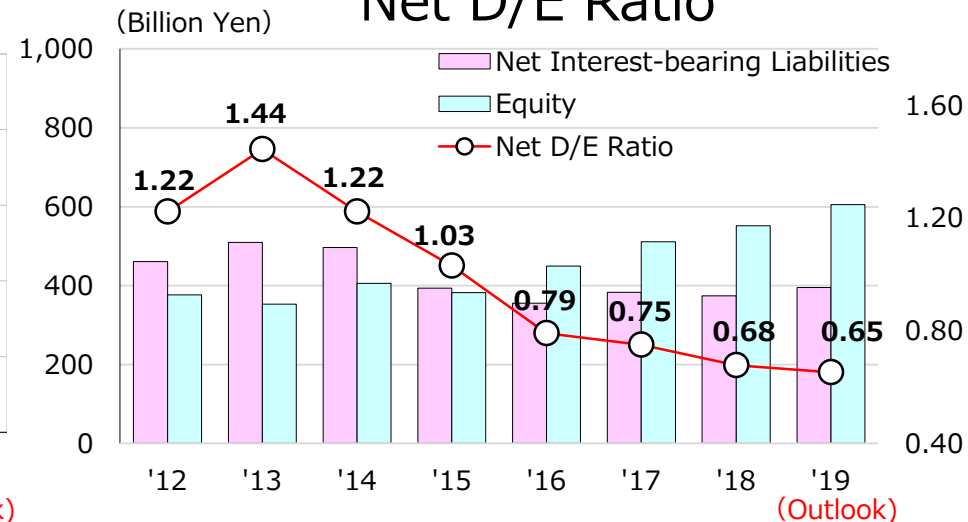
\*1. Include Heraeus dental business acquisition 56.0 billion yen

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

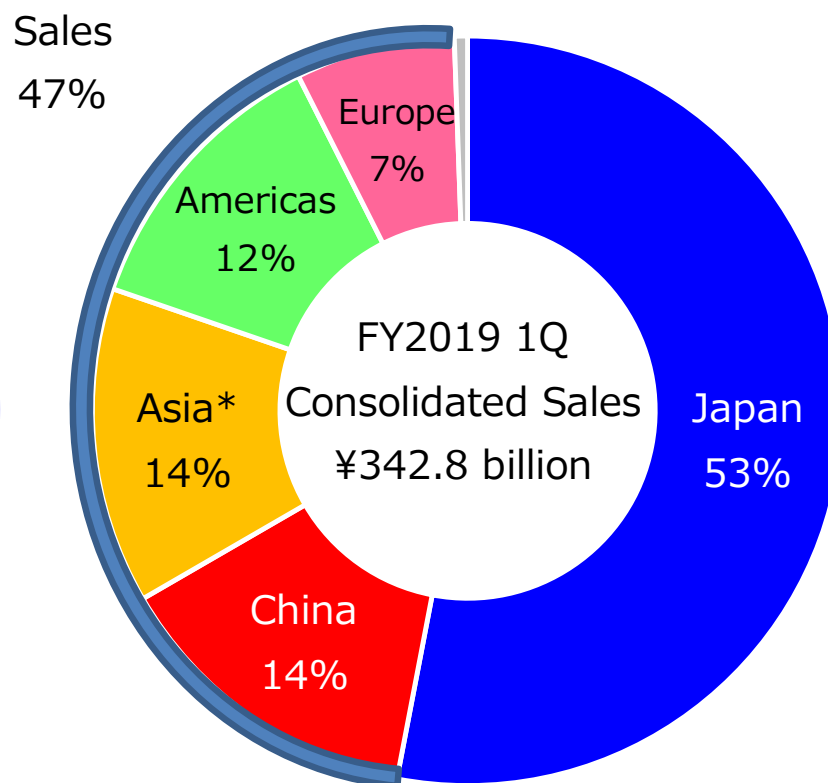
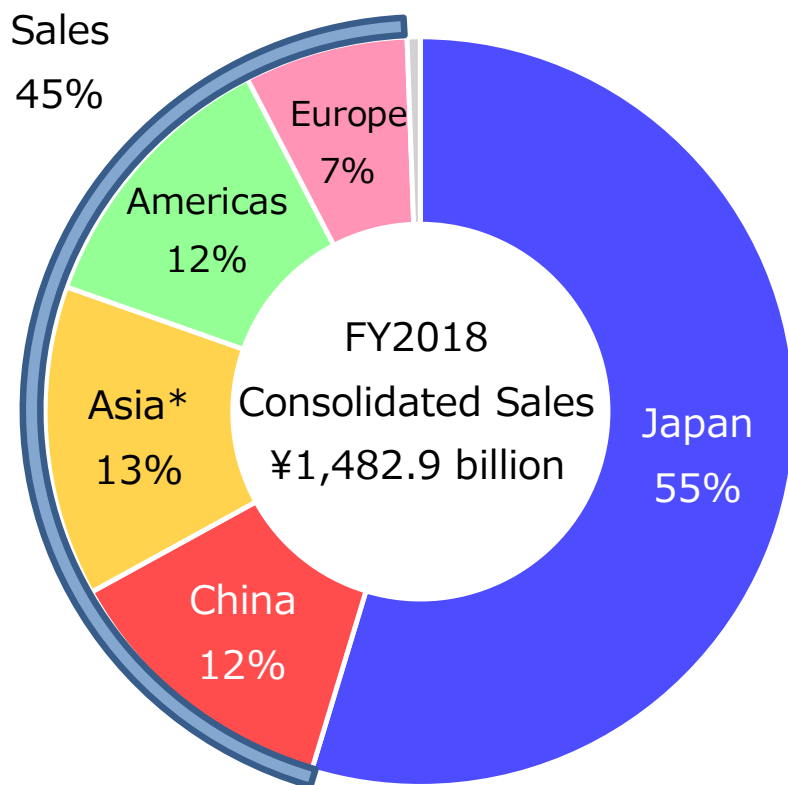
## R&D Resources



## Net D/E Ratio



# 5) Net sales by Region



\* Asia excluding Japan and China



# Mitsui Chemicals

Creating New Customer Value and  
Solving Social Challenges through Business Activities