

# Results Presentation FY2018

(Apr 1 - Mar 31, 2019)

May 15, 2019

**MITSUBISHI GAS CHEMICAL COMPANY, INC.**

TSE : 4182

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## FY2018 Summary

- ◆ Sales increased, but profit decreased. Growth in equity in earnings of affiliates and a decrease in extraordinary losses helped reduce the year-on-year decrease in net income attributable to owners of the parent.
- ◆ Operating Income :
  - (+) Increased sales volumes of special polycarbonates(PC) etc.
  - (-) ①lower market prices of purified isophthalic acid(PIA) and PC
  - ②An increase in raw material and fuel prices
- ◆ Increased equity in earnings of affiliates associated with the Group's overseas methanol producing companies
- ◆ Compared with the previous forecast, Operating Income and Equity in earnings of affiliates were lower.
- ◆ Dividend: 70 yen (Interim 35yen, Year-end 35 yen )  
Compared with the prior-year period +11 yen

## FY2018 Results

- Despite sales growth, profit decreased due mainly to lower market prices and higher costs for raw materials and fuel

【JPY in billions】

	FY2018	FY2017	Changes		FY2018 (Previous Forecast*)
			Amount	%	
Net Sales	648.9	635.9	13.0	2.1%	650.0
Operating income	41.3	62.7	▲21.3	▲34.0%	45.0
(Equity in earnings of affiliates )	(28.4)	(18.2)	(10.1)	-	(32.0)
Ordinary income	69.1	80.7	▲11.5	▲14.3%	76.0
Net income before taxes	69.0	73.4	▲4.3	▲5.9%	76.0
Net income attributable to owners of the parent	55.0	60.5	▲5.5	▲9.1%	61.0

\* Announced on Feb 6, 2019

E P S ( J P Y )	257.46	281.39
R O E ( % )	11.3	13.6
F X ( J P Y / U S D )	111	111

Figures shown on this and the following pages are rounded down to the closest 0.1 billion. Percentages are rounded off to the closest whole number.

## FY2018 Non-Operating & Extraordinary Items

【JPY in billions】

	FY2018	FY2017	Change
<b>Non-Operating items</b>	<b>27.8</b>	<b>17.9</b>	<b>9.8</b>
Equity in earnings of affiliates	28.4	18.2	10.1
Financial income or losses	1.8	1.5	0.3
Foreign exchange gains or losses	▲ 0.5	0.1	▲ 0.7
Others	▲ 1.8	▲ 2.0	0.1
<b>Extraordinary income</b>	<b>2.4</b>	<b>2.8</b>	<b>▲0.4</b>
Gains on sales of investment securities	0.9	1.9	▲0.9
Gains on sales of non-current assets	0.7	0.5	0.1
Others	0.7	0.4	0.3
<b>Extraordinary losses</b>	<b>▲ 2.6</b>	<b>▲10.1</b>	<b>7.5</b>
Provision for loss on guarantees	▲ 1.2	▲ 1.0	▲ 0.1
Loss on valuation of investment securities	▲ 0.6	▲ 8.2	7.6
Others	▲ 0.6	▲ 0.7	0.1

- **Equity in earnings of affiliates**

Natural Gas Chemicas+6.0  
Specialty Chemicals+0.8 etc

- **Provision for loss on guarantees**

Losses in relation to the Canadian shale gas/LNG project

# FY2018 Balance Sheets

【JPY in billions】

	Mar31, 2019	Mar31, 2018	Change
<b>Current assets</b>	<b>378.8</b>	<b>384.2</b>	<b>▲5.4</b>
Cash and deposits	91.1	101.0	▲9.9
Trade notes and Accounts receivable	155.5	165.6	▲10.0
Inventories	119.2	103.7	15.4
Others	12.9	13.7	▲0.8
<b>Non-current assets</b>	<b>425.1</b>	<b>401.4</b>	<b>23.7</b>
Tangible assets	228.4	220.7	7.7
Intangible assets	8.6	8.4	0.2
Investments and other assets	188.0	172.3	15.7
<b>Total assets</b>	<b>804.0</b>	<b>785.6</b>	<b>18.3</b>

	Mar31, 2019	Mar31, 2018	Change
<b>Liabilities</b>	<b>250.7</b>	<b>266.5</b>	<b>▲15.7</b>
Trade note and accounts payable	80.0	88.7	▲8.6
Interest-bearing debt	95.7	106.9	▲11.2
Others	74.9	70.8	4.0
<b>Net assets</b>	<b>553.2</b>	<b>519.1</b>	<b>34.1</b>
Shareholders' equity	495.4	455.6	39.8
Accumulated other comprehensive income	7.5	11.7	▲4.2
Non controlling interest	50.3	51.7	▲1.4
<b>Total liabilities and net assets</b>	<b>804.0</b>	<b>785.6</b>	<b>18.3</b>
<b>Equity Ratio</b>	<b>62.6%</b>	<b>59.5%</b>	

# FY2018 Cash Flows

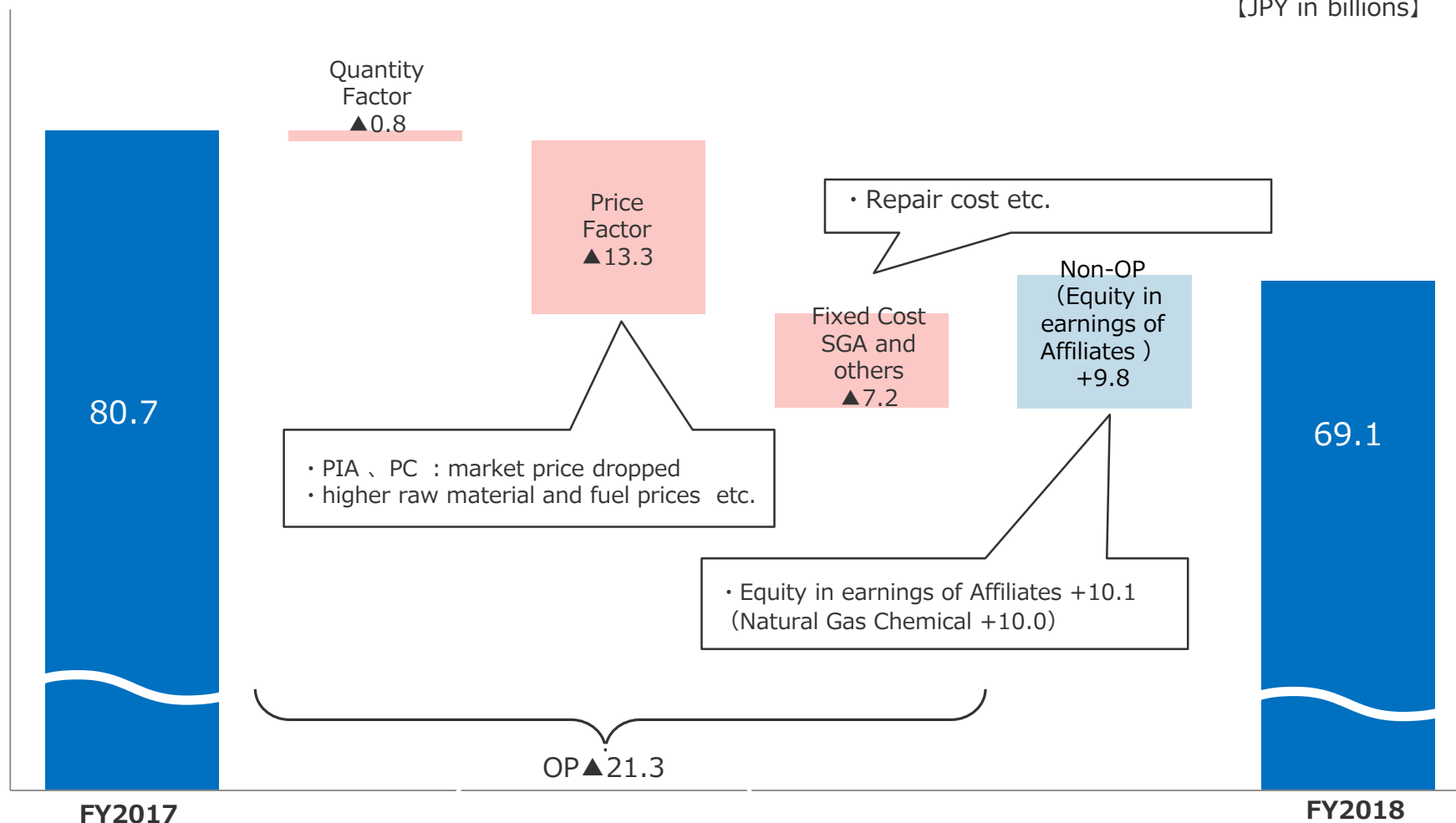
【JPY in billions】

	FY2018	FY2017	Change
<b>Operating activity cash flow</b>	<b>64.0</b>	<b>90.7</b>	<b>▲ 26.6</b>
Income before income taxes, etc.	69.0	73.4	▲ 4.3
Depreciation and amortization	27.4	27.0	0.4
Equity in earnings of affiliates	▲ 28.4	▲ 18.2	▲ 10.1
Dividends received from equity method affiliates	12.3	20.0	▲ 7.6
Working capital etc.	▲ 9.8	▲ 5.6	▲ 4.2
Income taxes paid	▲ 6.5	▲ 5.8	▲ 0.7
<b>Investing activity cash flows</b>	<b>▲ 42.7</b>	<b>▲ 33.6</b>	<b>▲ 9.1</b>
Capital expenditure	▲ 36.5	▲ 34.4	▲ 2.1
Investment and financing, etc.	▲ 6.2	0.7	▲ 7.0
<b>Free cash flows</b>	<b>21.2</b>	<b>57.1</b>	<b>▲ 35.8</b>
<b>Financing activity cash flows</b>	<b>▲ 31.3</b>	<b>▲ 33.0</b>	<b>1.6</b>
Change in borrowings and bonds	▲ 16.4	▲ 16.1	▲ 0.3
Purchase of treasury stock	▲ 0.0	▲ 7.0	7.0
Dividends paid	▲ 14.9	▲ 9.9	▲ 5.0
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>0.1</b>	<b>▲ 0.9</b>	<b>1.1</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>▲ 9.9</b>	<b>23.1</b>	<b>▲ 33.0</b>
<b>Cash and cash equivalents at end of period</b>	<b>80.3</b>	<b>90.3</b>	<b>▲ 9.9</b>



# FY2018 Increase and Decrease Factors of Ordinary Income

[JPY in billions]



**1** | FY2018 Results

**2** | FY2019 Forecasts

**3** | Results and Forecasts by Segment

**4** | Regarding Targets under “MGC Advance2020”  
/ Methanol Business

## Points for FY2019 Forecasts

- ◆ Higher revenues but lower income.
- ◆ With equity in earnings of affiliates expected to drop significantly, we forecast considerable decreases in ordinary income and other profit indices.
- ◆ Annual dividend: will be 70 yen per share, the same amount as the year-earlier figure

## FY2019 Forecast

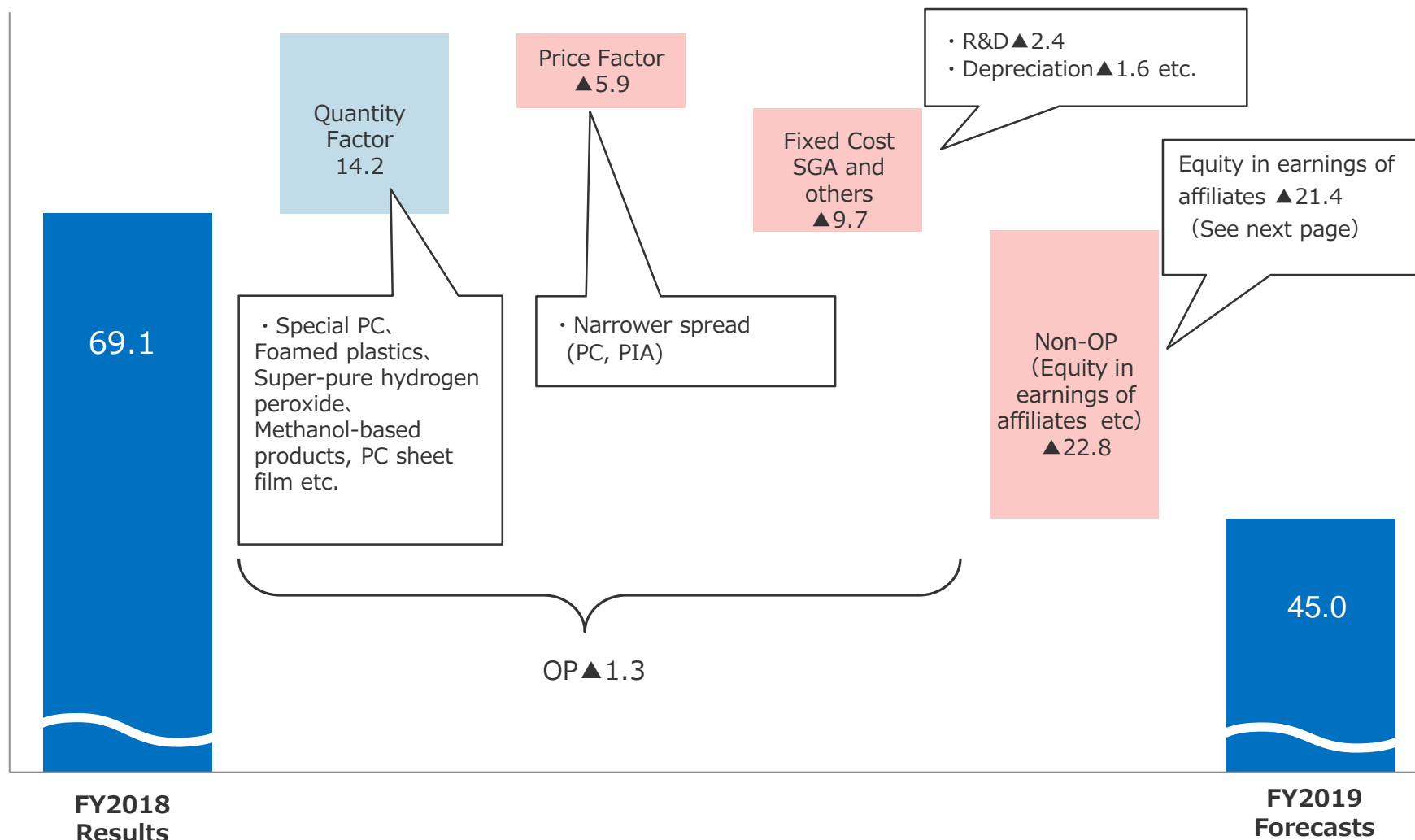
【JPY in billions】

Equity in earnings of affiliates expected to be lower significantly

	FY2019 Forecast	FY2018 Results	Change	
			Amount	%
Net Sales	650.0	648.9	1.0	0.2%
Operating income	40.0	41.3	▲1.3	▲3.4%
(Equity in earnings of affiliates )	(7.0)	(28.4)	(▲21.4)	-
Ordinary income	45.0	69.1	▲24.1	▲35.0%
Net income before taxes	48.0	69.0	▲21.0	▲30.5%
Net income attributable to owners of the parent	34.0	55.0	▲21.0	▲38.2%
E P S ( J P Y )	160.67	257.46		
R O E ( % )	6.7	11.3		
F X ( J P Y / U S D )	110	111		

# FY2019(F) Increase and Decrease Factors of Ordinary Income

【JPY in billions】



# FY2019(F) Increase and Decrease Factors of Equity in earnings of affiliates

【JPY in billions】

(Temporary factors)

- Losses associated with the sales of AR-RAZI※1 Shares
- A decrease in equity resulting from a change in the business arrangement with AR-RAZI and amortization costs in connection with cash payments to continue the joint venture status (from December 2018 to March 2019)※2

※1 Saudi Methanol Company

※2 The decrease in equity ratio from December 2018 onward and the amortization of cash paid in the same period, will be collectively reflected in MGC's financial statements at the completion of procedures for share transfer (mandatory approval on the share transfer is expected to be obtained by the end of FY2019 from authorities charged with ensuring fair competition)

**Methanol ▲18.8**

Temporary factors  
▲6.7

Market price /  
Changes of AR-  
RAZI scheme  
factors etc.  
▲12.1

- The decrease in equity ratio of AR-RAZI / amortization costs in connection with cash payments to continue the joint venture status (FY2019)
- Market price etc.

**Specialty  
Chemicals etc.  
▲2.6**

28.4

**FY2018  
Results**

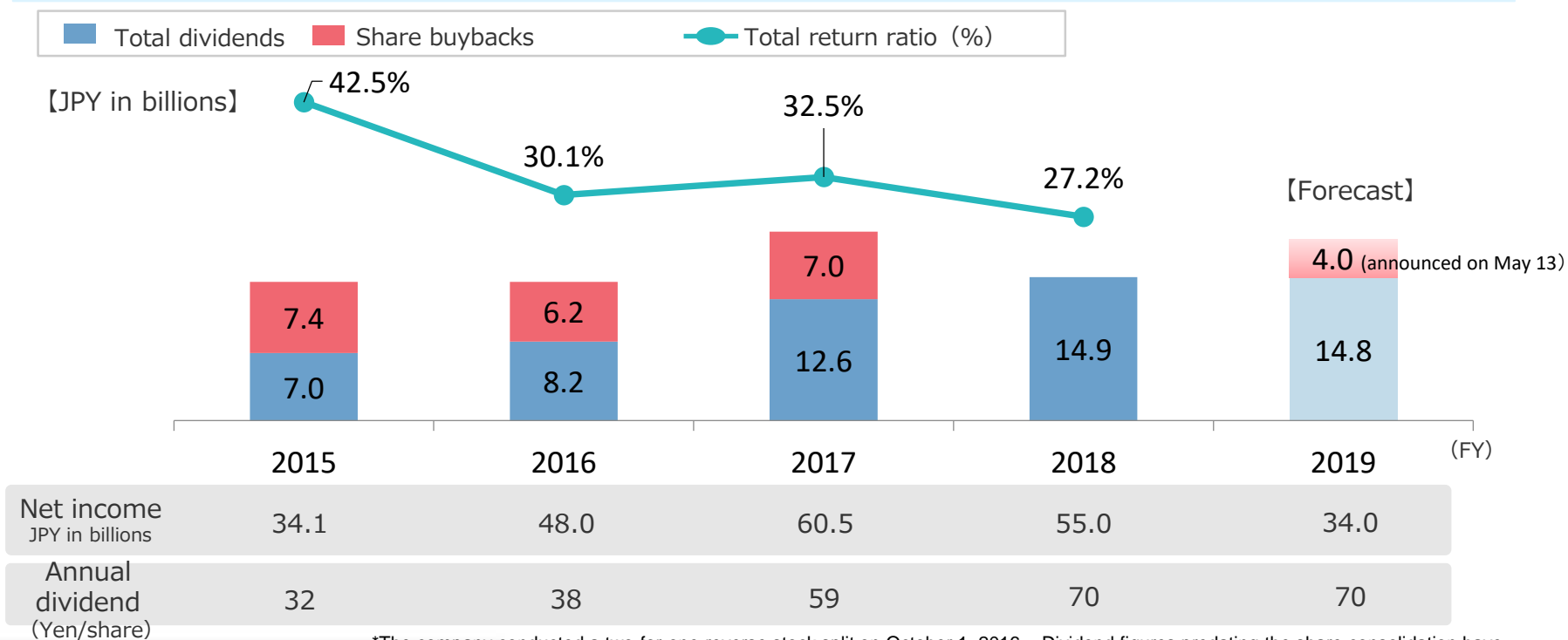
7.0

**FY2019  
Forecasts**

# Shareholder return policy / Shareholder return

- The MGC Group places topmost management priority on enhancing corporate value.
- The Company will continuously provide stable dividends, while taking operating performance and other factors into account when determining the distribution amount.
- The Company's basic policy is to improve capital efficiency and enhance shareholder returns by flexibly purchasing treasury stock while considering the levels of internal reserves and returns to shareholders.

Mar13,2019 : Announced Share buybacks(4.0 bil Yen, 2.7mil shares), Cancellation 2.7 mil shares



\*The company conducted a two-for-one reverse stock split on October 1, 2016. Dividend figures predating the share consolidation have been adjusted to show what they would have been had the effects of the share consolidation also applied to them.

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**3** | **Results and Forecasts by Segment**

**4** | Regarding Targets under “MGC Advance2020”  
/ Methanol Business



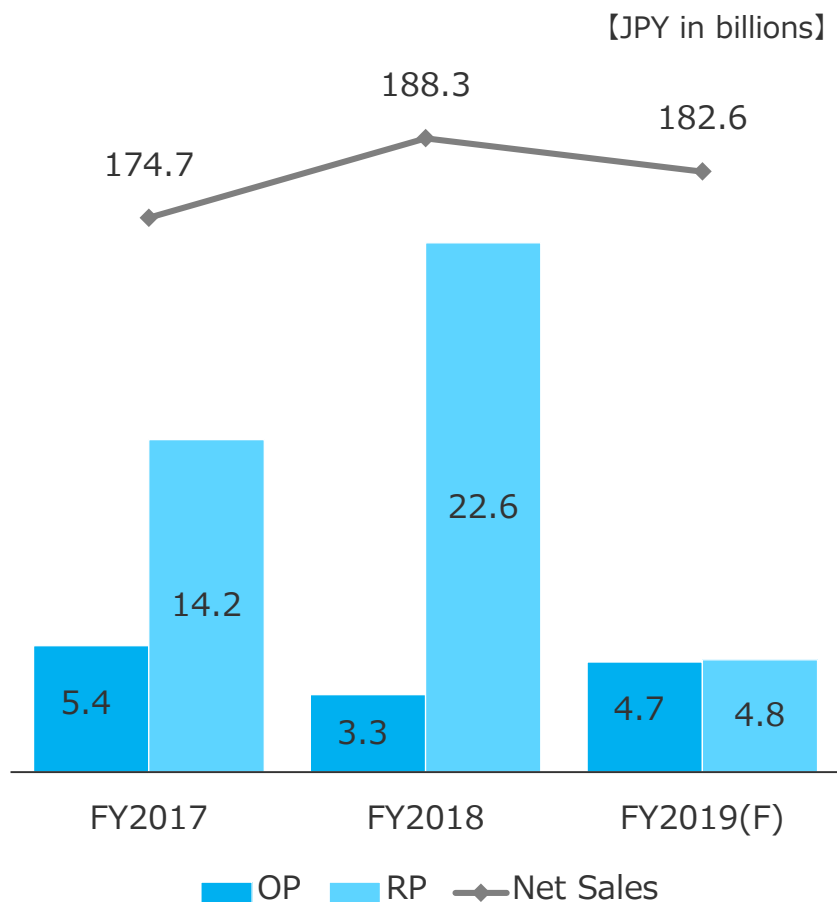
# Results and Forecast by Segment

[JPY in billions]

	FY2017 Result *			FY2018 Result			FY2019 forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
<b>Net sales</b>	<b>302.9</b>	<b>332.9</b>	<b>635.9</b>	<b>328.3</b>	<b>320.6</b>	<b>648.9</b>	<b>320.0</b>	<b>330.0</b>	<b>650.0</b>
Natural Gas	78.9	95.7	174.7	92.5	95.7	188.3	88.1	94.5	182.6
Aromatic	105.0	108.0	213.1	107.3	104.3	211.7	104.7	103.9	208.6
Specialty	97.9	107.1	205.0	106.1	99.5	205.7	105.7	109.2	214.9
Information & Advanced Materials	25.2	27.5	52.7	27.1	24.8	51.9	25.5	26.6	52.1
Corporate/Adjustment	▲ 4.3	▲ 5.5	▲ 9.8	▲ 4.8	▲ 3.9	▲ 8.7	▲ 4.2	▲ 4.1	▲ 8.4
<b>Operating income</b>	<b>30.2</b>	<b>32.4</b>	<b>62.7</b>	<b>28.9</b>	<b>12.4</b>	<b>41.3</b>	<b>18.0</b>	<b>22.0</b>	<b>40.0</b>
Natural Gas	1.8	3.6	5.4	3.2	0.1	3.3	1.6	3.1	4.7
Aromatic	13.9	11.7	25.6	10.1	4.5	14.6	7.9	7.7	15.6
Specialty	13.4	16.2	29.6	14.1	7.0	21.2	8.1	10.9	19.0
Information & Advanced Materials	2.0	2.2	4.2	2.5	1.4	3.9	1.7	2.0	3.6
Corporate/Adjustment	▲ 0.9	▲ 1.2	▲ 2.2	▲ 1.1	▲ 0.6	▲ 1.8	▲ 1.4	▲ 1.6	▲ 3.0
<b>Ordinary income</b>	<b>42.0</b>	<b>38.7</b>	<b>80.7</b>	<b>46.5</b>	<b>22.6</b>	<b>69.1</b>	<b>18.0</b>	<b>27.0</b>	<b>45.0</b>
Natural Gas	8.2	6.0	14.2	15.7	6.9	22.6	▲ 0.9	5.7	4.8
Aromatic	13.5	11.0	24.5	9.7	4.2	13.9	7.5	7.0	14.5
Specialty	17.2	20.7	37.9	17.8	10.3	28.2	10.3	13.4	23.7
Information & Advanced Materials	2.9	2.6	5.5	3.0	1.4	4.4	2.1	2.0	4.1
Corporate/Adjustment	0.0	▲ 1.7	▲ 1.6	0.1	▲ 0.2	▲ 0.1	▲ 1.0	▲ 1.2	▲ 2.2

\*Beginning in fiscal 2018, changes have been made in the methods for reconciling inter-segmental transactions and allocating the company's common expenses. Segment information for fiscal 2017 shown in this document has also been calculated using the new method as will the information on the following pages.

# Natural Gas Chemicals



## ● FY2018 Result

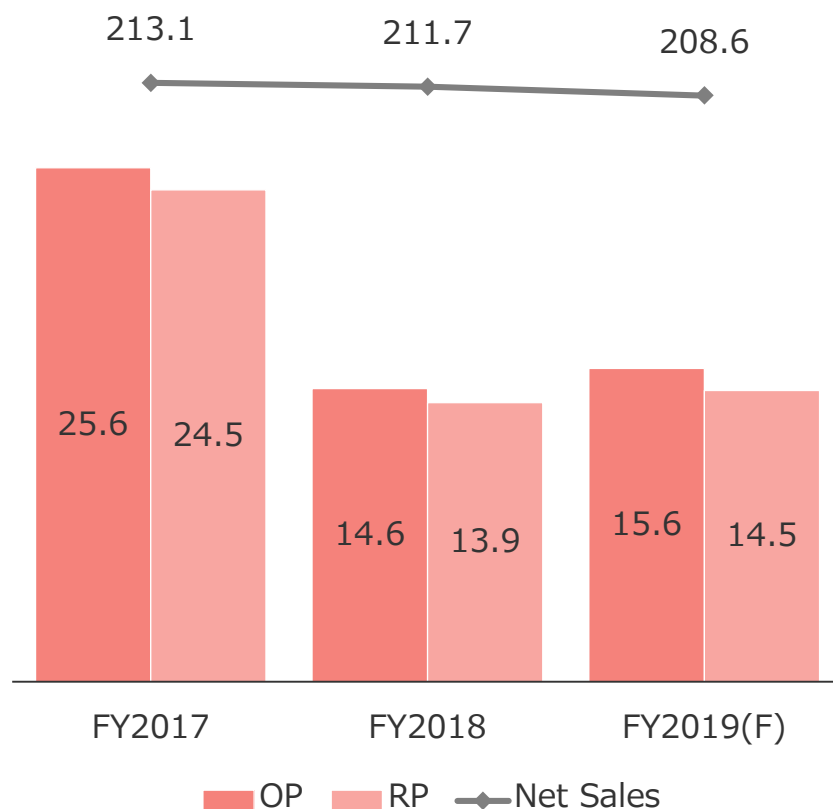
- ◆ Methanol : market price increased (FY2017 : 340 \$ /MT→FY2018 : 371 \$/MT)
- ◆ OP : decreased due to higher raw material prices and a drop in neopentyl glycol market price as well as rises in repair expenses and other fixed costs
- ◆ Equity in earnings of AR-RAZI was recorded based on the equity ratio of 50% for operating results for Dec 2018 to Mar 2019 even after the expiration of the former joint venture agreement; posting an increase due in part to the absence of temporary negative factors in FY2017.

## ● FY2019 Forecast

- ◆ Methanol : market price will decrease (FY2018 : 371 \$/MT →FY2019(F) : 350 \$/MT)
- ◆ OP : Increase expected due mainly to the higher volume of methanol derivative sales, improvement in profitability and decreases in repair expenses and other fixed costs
- ◆ Expecting a significant decrease as stated in page 14. With the operational kickoff of a new plant in the Republic of Trinidad and Tobago scheduled for the second half of FY2019, the contribution of this plant to profit will be limited. In Venezuela, a massive blackout hit our facilities in March 2019. Operations were reinstated, but aftereffects may disrupt operations or dampen profitability.

# Aromatic Chemicals

【JPY in billions】



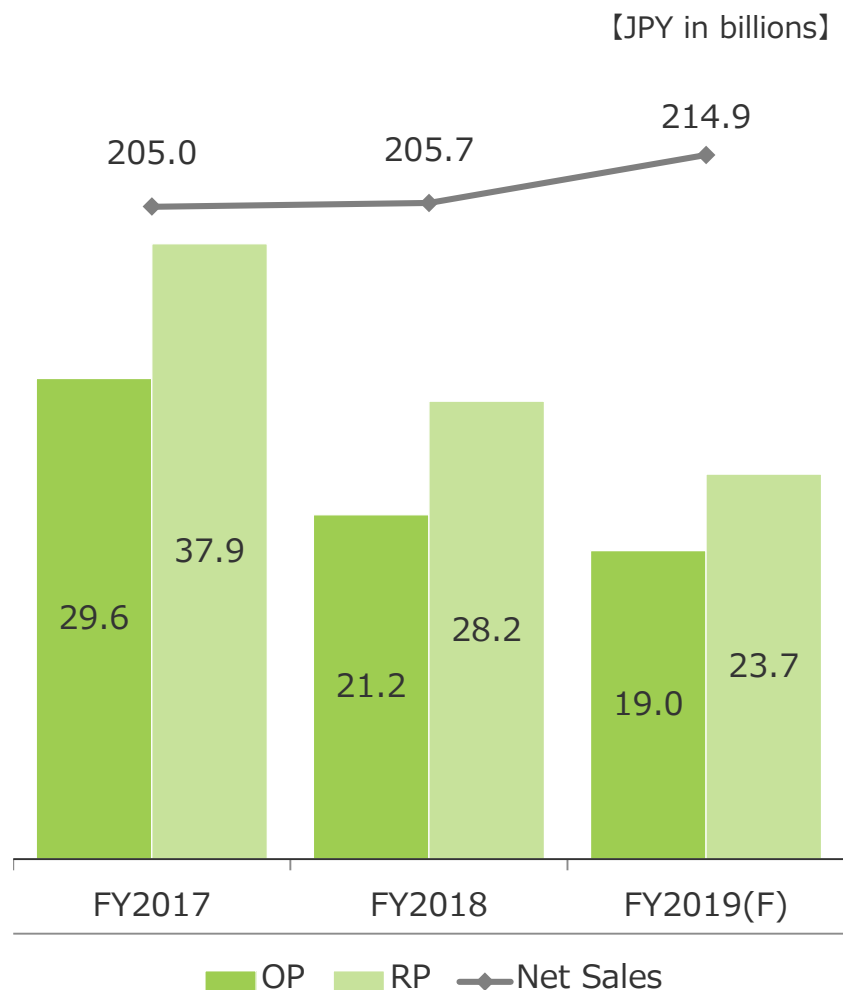
## FY2018 Result

- ◆ Specialty aromatics\*: posted growth in both revenue and earnings despite higher raw material and fuel prices \*MXDA, MX nylon and Aromatic aldehydes
- ◆ Purified isophthalic acid(PIA) : earnings decreased dramatically due to narrower spread
- ◆ Fixed cost increased due to the turnaround of the Mizushima Plant
- ◆ Foamed plastics(JSP) : lower earnings primarily due to higher raw material and fuel prices

## FY2019 Forecast

- ◆ Specialty aromatic : Continue MXDA production at maximum capacity and strive to sell all output. Sales of MX nylon and aldehyde will remain firm.
- ◆ Spreads for PIA are expected to be narrower than in FY 2018.
- ◆ Fixed cost of Mizushima plant will decrease
- ◆ JSP : expected to improve primarily due to higher sales volume for automotive parts (EPP etc.).

# Specialty Chemicals



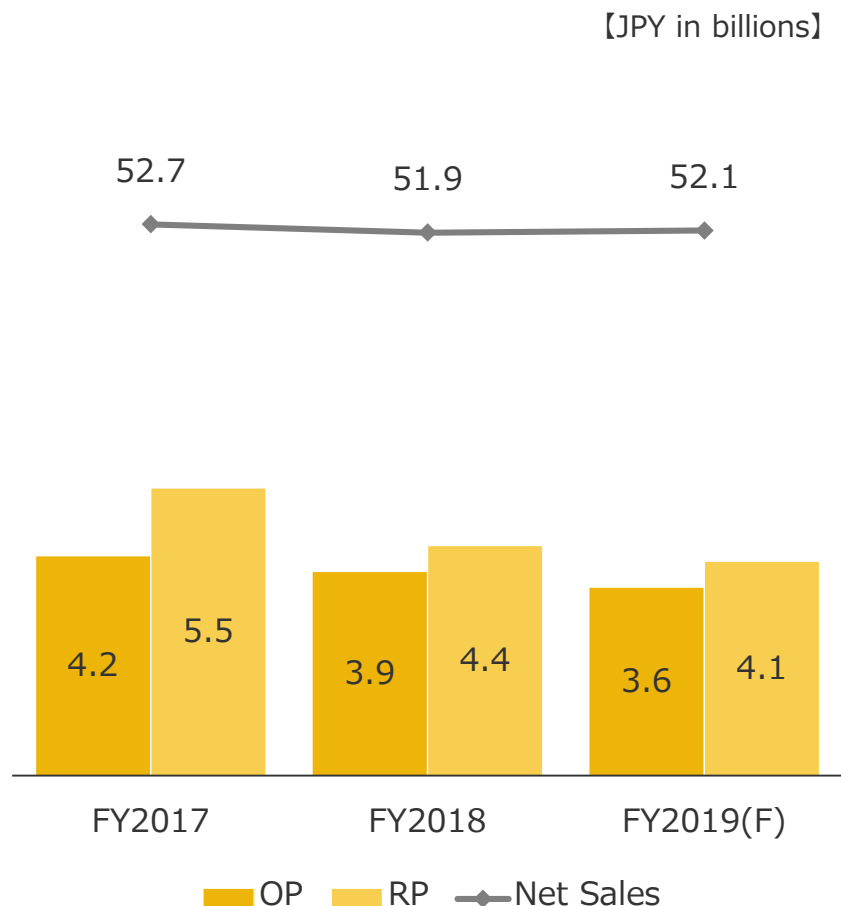
## ● FY2018 Result

- ◆ Inorganic chemicals : Sales volumes increased, however, lower earnings were posted due to increasing competition in liquid chemicals used for semiconductor and LCD displays, as well as higher fixed costs in connection with the launch of a new production facility in North America.
- ◆ Polycarbonate(PC) : lower earnings due to narrower spread of PC-bisphenol A(BPA)
- ◆ Special PCs for smartphone lenses grew.
- ◆ PC/sheet film : lower sales volume for films used in flat panel displays

## ● FY2019 Forecast

- ◆ Inorganic chemicals : Profit is expected to decrease, with new U.S. plant scheduled to initiate operations in the second half. Notable profit contribution will only begin from FY2020, but fixed costs will rise earlier due to launch-related expenses.
- ◆ PC : Focus on increasing the ratio of high-value-added products as price spread between PC and BPA is expected to decrease
- ◆ Special PCs : Plans call for launching a new plant in October 2019.
- ◆ PC/sheet film : Both sales and profit look set to rise on growth in the volume of sales of products for vehicle-mount applications

# Information and Advanced Materials



## ● FY2018 Result

- ◆ Electronics materials : Despite firm sales volume in the first half, this result was mainly attributable to the lower sales volume of mainstay BT materials for semiconductor packaging due to declining demand for materials for smartphones and those used in memory devices in the second half.
- ◆ Oxygen absorbers such as AGELESS™ saw a drop in earnings, primarily due to increasing competition in Japan and overseas as well as rising raw material prices.

## ● FY2019 Forecast

- ◆ Electronic materials : Demand for materials for memory devices is expected to initially remain flat, but an improving demand-supply balance in the second half should bring growth, especially in demand for materials for 5G-related products.
- ◆ Oxygen absorbers : Strive to increase domestic and overseas sales while cultivating product markets for medical and automotive part applications.

**1** | FY2018 Results

**2** | FY2019 Forecasts

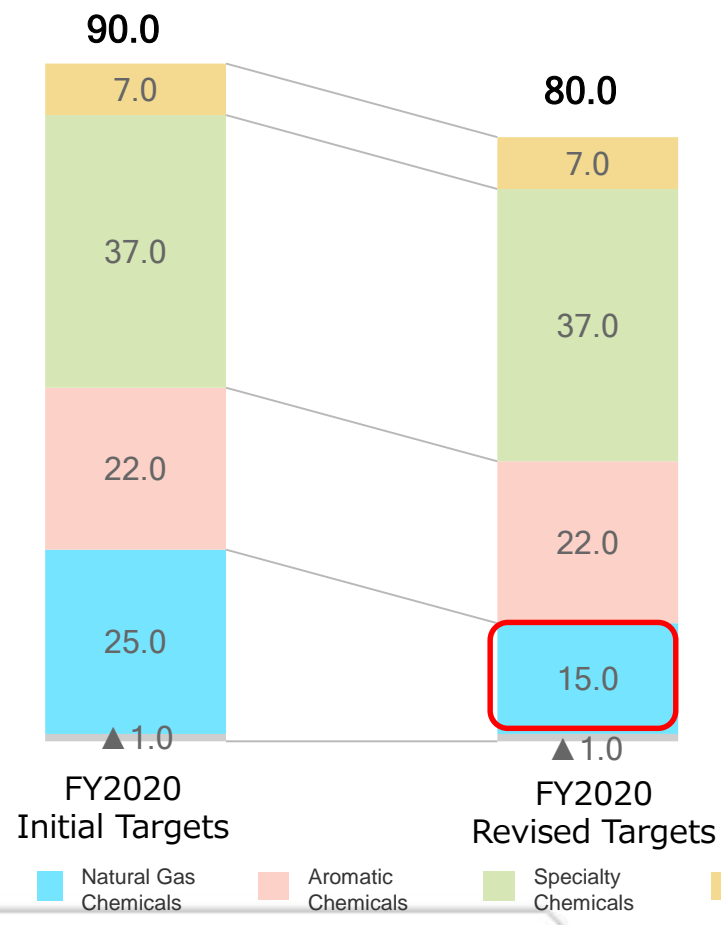
**3** | Results and Forecasts by Segment

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/ Methanol Business

## Regarding Targets under “MGC Advance2020”

### Ordinary Income by Segment

【JPY in billions】



### FY2020 Targets

【JPY in billions】

	Initial target(A)※	Revised target(B)	Change (B-A)
Net Sales	750	750	—
Operating income	65	65	—
Ordinary income	90	80	(10)
ROE	12% or higher	12% or higher	—

※Announced on May 9, 2018

## Medium-term Management Plan: Reasons for Revising a Numerical Target

### Ordinary income : Revised downward▲10.0 billion

- Reflecting changes in the business scheme associated with a joint methanol business in Saudi Arabia, the content of which had not been determined at the time of the announcement of the plan.  
⇒Downwardly revised projected contribution of equity in earnings of affiliates in light of the decreased ratio of equity in said business and the expected recording of amortization costs associated with cash to be paid as consideration for the continuation of the joint venture status.

Note: The basic policies, strategies being deployed and assumptions used in the formulation of the plan remain unchanged.



## Committed to the Five Key Strategies to Raise Earnings Power via Strategic Investment and New Business Creation

- Investment under 「Advance2020」 : ¥ 200 billion
- R & D under 「Advance2020」 : ¥ 66 billion

### 1. Strengthening the earning power of existing businesses with a focus on the core businesses

- strengthen the earnings power of existing businesses, especially core businesses, by, for example, boosting its MXDA production capacity

### 2. Creating and developing new businesses

- Enhance our R&D structure while pursuing synergies between business divisions and Group companies
- Open innovation/Alliance/M&A

### 3. Implementing investment strategies to form an optimal business portfolio

- Push ahead with “Strengthening the earnings power of existing businesses” and “Creating and developing new business” to build an optimal business portfolio that is resilient against changes in the external environment

4. Promoting unified MGC Group management

5. Improving total enterprise quality to support sustainable growth

## Effects from Continuation of the AR-RAZI Business

### 0. Maintain JSMC\* as a methanol procurement framework serving Japan

※Japan Saudi Arabia Methanol Co., Inc.

### 1. Utilize AR-RAZI as a foothold for our global methanol strategies

Utilize AR-RAZI as a global production base supported by plants operating in the Middle East

Secure our methanol entitlement

### 2. Pursue the future expansion of methanol and related businesses

Consider the renewal of methanol production facilities by applying new technologies

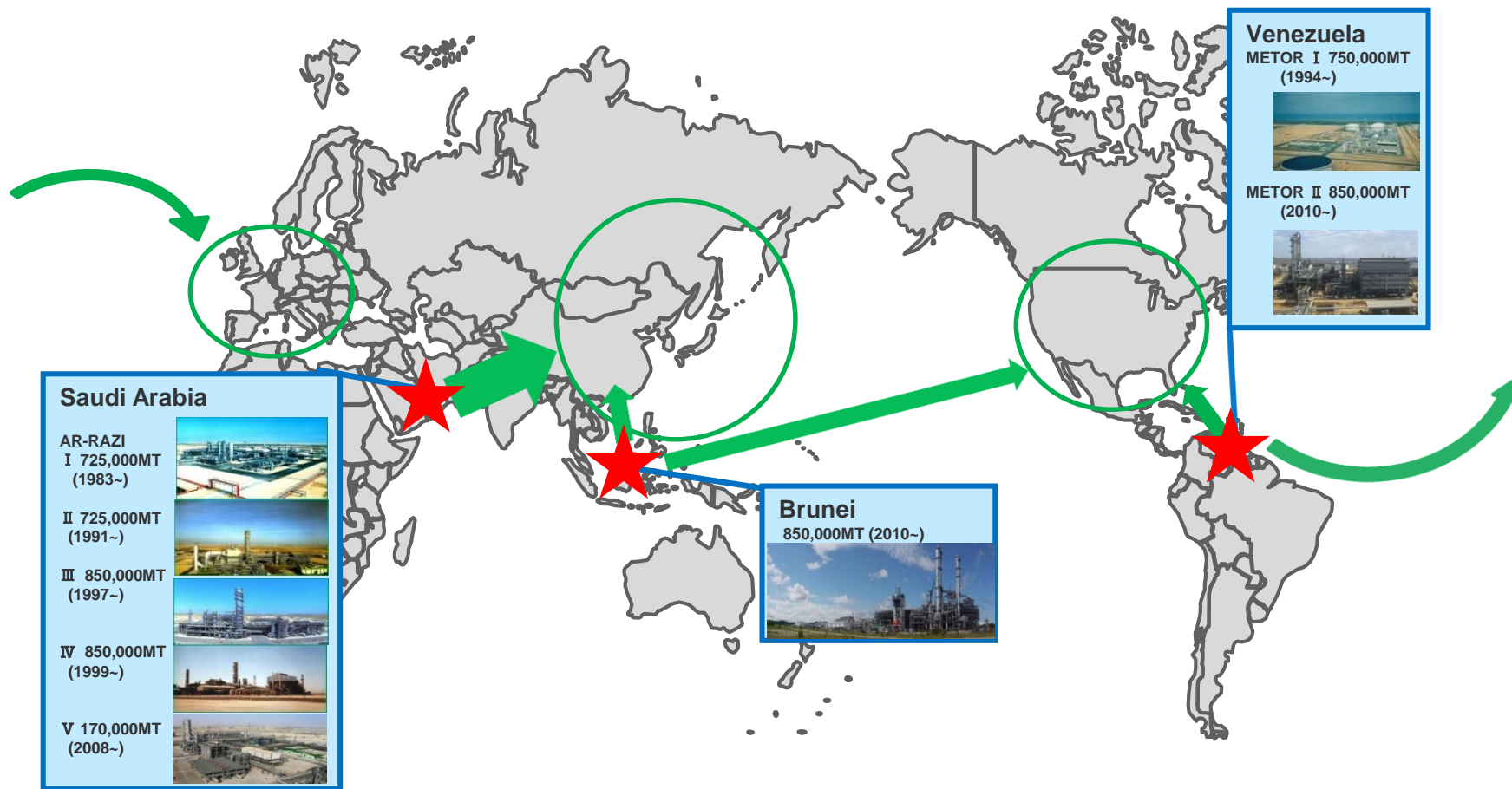
Maintain a 40 year-partnership with SABIC

### 3. Secure earnings from the methanol business

Draw on our stable operational track record in producing natural gas-based methanol with superior competitiveness

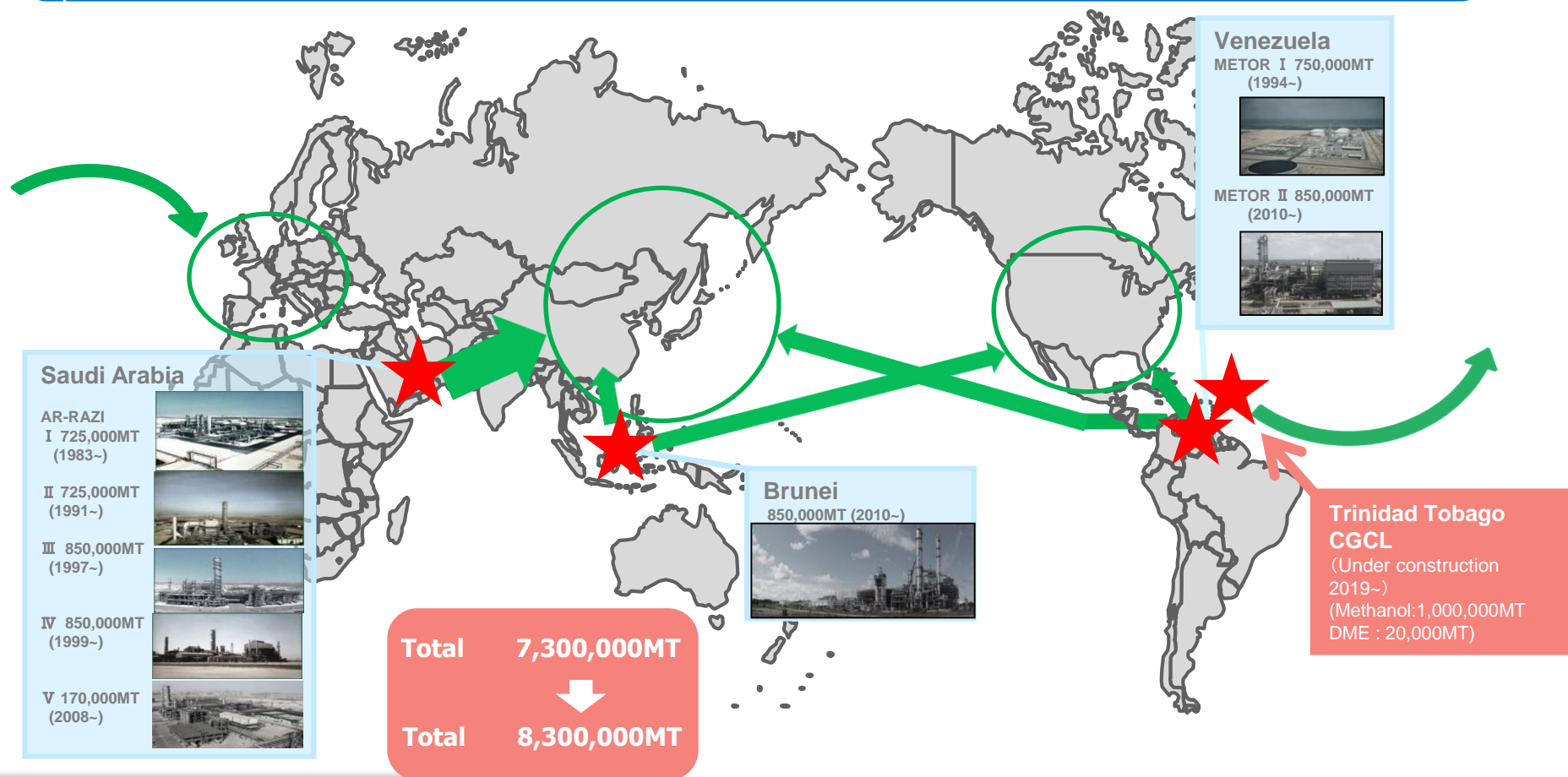
Enjoy more advantageous conditions than new construction or M&A

## Appendix: MGC's Methanol Production Bases(~FY2018)



## Appendix: MGC's Methanol Production Bases(FY2019~)

A new plant in the Republic of Trinidad and Tobago will initiate operations in FY2019. MGC will keep its bases in Saudi Arabia, which boast competitiveness, while expanding its global portfolio.



## Appendix

## Appendix : Key Indicators (1)

【JPY in billions】

FY	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 (F)
Capital expenditure (H1)	35.4 (14.6)	42.4 (22.4)	30.9 (17.7)	25.4 (13.8)	22.2 (10.3)	30.5 (14.9)	35.0 (13.7)	30.9 (13.9)	39.2 (18.6)	50.0 (25.0)
Depreciation& Amortization (H1)	29.0 (13.8)	27.7 (13.4)	23.0 (10.7)	23.5 (11.4)	23.7 (11.5)	26.7 (13.1)	25.6 (12.2)	27.0 (13.1)	27.4 (13.5)	29.0 (14.0)
R&D expenditure (H1)	16.4 (7.4)	17.4 (8.8)	15.1 (7.2)	16.1 (8.0)	16.8 (8.0)	18.9 (9.2)	19.2 (9.6)	18.9 (9.5)	18.6 (9.1)	21.0 (10.5)
Employees(as of Mar 31)	4,979	5,216	5,323	5,445	8,254	8,176	8,034	8,009	8,276	8,508
EPS(Yen)*	84	55	▲35	66	192	154	222	281	257	161
ROA(%)	6.5	4.5	4.6	4.8	5.8	5.9	8.4	10.6	8.7	5.5
ROE (%)	6.9	4.4	▲2.8	5.0	12.6	9.0	12.0	13.6	11.3	6.7
Dividend(yen)* (of which, Interim dividend)	16.0 (8.0)	24.0 (12.0)	24.0 (12.0)	24.0 (12.0)	28.0 (14.0)	32.0 (16.0)	38.0 (16.0)	59.0 (24.0)	70.0 (35.0)	70.0 (35.0)

\*The Company conducted a consolidation of shares at a ratio of one share for every two shares effective October1,2016. EPS and dividends have been calculated by retroactive adjustment applying the above share consolidation to preceding periods as well.

## Appendix : Key Indicator (2) Capex, depreciation and amortization by segment

【JPY in billions】

FY		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 (F)
Capex	Natural Gas	14.0	13.9	6.3	4.5	5.7	5.3	9.0	6.0	5.7	9.0
	Aromatic	4.5	4.7	5.7	2.3	4.0	10.6	10.5	11.3	14.6	15.0
	Specialty	14.8	21.6	15.0	11.2	7.6	9.9	8.1	11.0	14.4	18.0
	Information & Advanced Materials	1.8	1.8	3.3	6.6	4.3	3.8	6.6	1.9	2.3	4.0
	Other	0.3	0.1	0.3	0.5	0.3	0.7	0.5	0.6	2.1	4.0
	<b>Total</b>	<b>35.4</b>	<b>42.4</b>	<b>30.9</b>	<b>25.4</b>	<b>22.2</b>	<b>30.5</b>	<b>35.0</b>	<b>30.9</b>	<b>39.2</b>	<b>50.0</b>
Depreciation	Natural Gas	8.6	7.7	6.2	6.3	6.9	6.1	5.0	5.1	5.5	6.0
	Aromatic	7.8	7.7	5.8	4.1	3.9	8.2	8.5	8.5	8.7	9.0
	Specialty	8.0	8.4	7.7	9.5	9.2	8.8	8.6	9.1	8.7	9.0
	Information & Advanced Materials	4.2	3.5	2.7	3.1	3.3	3.0	3.0	3.5	3.6	4.0
	Other	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.5	0.8	1.0
	<b>Total</b>	<b>29.0</b>	<b>27.7</b>	<b>23.0</b>	<b>23.5</b>	<b>23.7</b>	<b>26.7</b>	<b>25.6</b>	<b>27.0</b>	<b>27.4</b>	<b>29.0</b>

## Appendix : Key Indicator (3)

	FY2015		FY2016		FY2017		FY2018		FY2019
	H1	H2	H1	H2	H1	H2	H1	H2	(F)
FX(JPY/USD)	122	118	105	112	111	111	110	112	110
FX(JPY/EUR)	135	130	118	119	126	133	130	127	125
Crude Oil(Dubai) (US \$ /BBL)	56	36	43	51	50	62	73	65	70
Methanol (US\$/MT)	301	230	230	327	296	381	408	335	350
Mixed Xylene(US\$/MT)	740	630	660	680	650	725	845	730	800
Bisphenol A (US\$/MT) *	950 ~1,500	850 ~1,100	1,000 ~1,200	1,000 ~1,400	1,100 ~1,300	1,200 ~1,700	1,600 ~1,900	1,200 ~1,800	1,200 ~1,700
Polycarbonate (US\$/MT) *	2,100 ~2,650	2,000 ~2,400	2,200 ~2,500	2,400 ~2,800	2,500 ~2,900	2,900 ~3,900	2,700 ~3,800	2,100 ~2,800	2,000 ~2,500

\*Describe the minimum and maximum values during the period

### Sensitivity (Rough estimates)

FX (USD) : with an appreciation(depreciation) of 1 yen against the USD, annual operating income falls (increase) by 0.7 billion yen, while annual ordinary income falls(increases) by 0.9 billion yen.

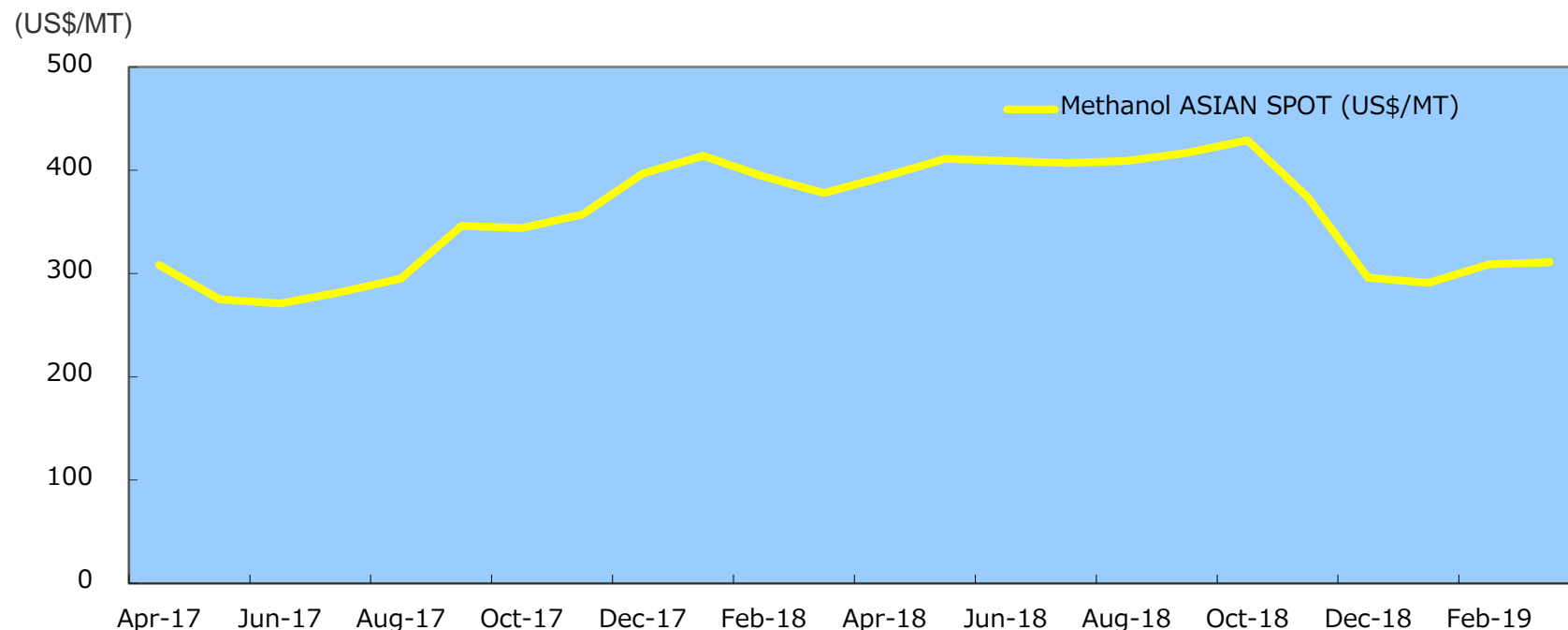
FX (EUR) : with an appreciation(depreciation) of 1 yen against the USD, annual operating income falls (increase) by 0.06 billion yen, while annual ordinary income falls(increases) by 0.06 billion yen.

Crude oil(Dubai) : A 1 dollar/BBL increase(drop) in crude oil reduces(raises) income by 0.2 billion yen. (exclude methanol affect)

Methanol : A 1 dollar/MT increase (drop) in market price raises (reduces) equity in earnings of affiliates by 0.1 billion yen.



## Appendix : Trend in Methanol Prices



### FY2018 Results : 371 US\$ /MT

Demand : Robust in the first half. The utilization ratio of our MTO\* facility in China declined from November 2018 onward due to lower olefin market prices, but began modestly recovering in January 2019. ※Methanol To Olefin

Supply : A new plant (1.70 million MT/y) started operation in the USA in late June

A new plant (1.65 million MT/y) started operation in Iran in late September

### FY2019 Forecasts : 350 US\$ /MT

Demand : will continue to grow due to new MTO applications

Supply : A new plant in Trinidad and Tobago (1 million MT/y) will start operation in the second half of FY2019

# Disclaimer

These materials contain performance forecasts and other statements concerning the future.

These forward-looking statements are based on information available at the time.

These materials were prepared and on certain premises judged to be reasonable.

None of these forward-looking statements are intended to be guarantees of future performance.

Various factors may cause actual performance to differ significantly from forecasts.

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