

# Operational Summary

for the Fiscal Year Ended March 31, 2016

May 13, 2016

Mitsubishi Chemical Holdings Corporation

# Table of Contents

## Consolidated Financial Statements for FY2015

Statements of Operations	
Net Sales and Operating Income by Business Segment	
Net Sales and Operating Income by Business Sub-Segment	
Analysis of Operating Income	
Extraordinary Gain and Loss	
Cash Flows	
Balance Sheets	
Statements of Changes in Net Assets	
Statements of Comprehensive Income	
Achievement of Target Financial Indexes in <i>ATPSIS 15</i>	

## Consolidated Financial Statements Forecasts for FY2016

4	Statements of Operations	15
5	Sales Revenue and Core Operating Income by Business Segment	16
6	Sales Revenue and Core Operating Income by Business Sub-Segment	17
8	Cash Flows Targets	19
9	Cash Dividends	20
10	References	
11	Statements of Operations after IFRS Adoption	21
12	Differences between Operating Income (J-GAAP) and Core Operating Income (IFRS) (Estimated Values)	22
13	Scope of Consolidation and Overseas Sales and Operating Income	23
14	Capital Expenditure, Depreciation & Amortization, R&D Expenses, Total Assets, and Number of Employees by Business Segment	24
	Major Capital Expenditure	25
	Trend of Performance	26
	Trend of Financial Position	27

## List of Abbreviations

<b>FY2016:</b>	April 1, 2016 - March 31, 2017 <b>1st Half ("1H") of FY2016:</b> April 1, 2016 - September 30, 2016 <b>2nd Half ("2H") of FY2016:</b> October 1, 2016 - March 31, 2017
<b>FY2015:</b>	April 1, 2015 - March 31, 2016 <b>4th Quarter ("4Q") of FY2015:</b> January 1, 2016 - March 31, 2016 <b>1st Half ("1H") of FY2015:</b> April 1, 2015 - September 30, 2015 <b>2nd Half ("2H") of FY2015:</b> October 1, 2015 - March 31, 2016
<b>FY2014:</b>	April 1, 2014 - March 31, 2015
<b>MCHC:</b>	Mitsubishi Chemical Holdings Corporation
<b>MCC:</b>	Mitsubishi Chemical Corporation
<b>MTPC:</b>	Mitsubishi Tanabe Pharma Corporation
<b>MPI:</b>	Mitsubishi Plastics, Inc.
<b>MRC:</b>	Mitsubishi Rayon Co., Ltd.
<b>LSII:</b>	Life Science Institute, Inc.
<b>TNSC:</b>	Taiyo Nippon Sanso Corporation

(Note)

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

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

# Consolidated Statements of Operations

(Billions of Yen)

			FY2015	FY2014	Change	%
	1H	2H				
<b>Net sales</b>	1,884.6	1,938.5	<b>3,823.1</b>	<b>3,656.3</b>	<b>166.8</b>	5%
<b>Operating income</b>	136.4	143.6	<b>280.0</b>	<b>165.7</b>	<b>114.3</b>	69%
Income (expenses) on financing activities	(4.5)	(2.4)	(6.9)	(5.4)	(1.5)	
[Dividend income included in above]	[3.4]	[5.7]	[9.1]	[8.9]	[0.2]	
Equity in Earnings of non-consolidated subsidiaries and affiliates	6.0	4.1	10.1	3.8	6.3	
Other non-operating income (expenses)	(2.7)	(9.9)	(12.6)	(1.0)	(11.6)	
<b>Ordinary income</b>	135.2	135.4	<b>270.6</b>	<b>163.1</b>	<b>107.5</b>	66%
Extraordinary gain	6.0	32.3	38.3	58.8	(20.5)	
Extraordinary loss	(6.7)	(104.0)	(110.7)	(56.3)	(54.4)	
<b>Income before income taxes</b>	134.5	63.7	<b>198.2</b>	<b>165.6</b>	<b>32.6</b>	
Current and deferred income taxes	(46.1)	(46.5)	(92.6)	(69.1)	(23.5)	
<b>Net income (loss)</b>	88.4	17.2	<b>105.6</b>	<b>96.5</b>	<b>9.1</b>	
Net income (loss) attributable to non-controlling interests	(29.3)	(29.9)	(59.2)	(35.6)	(23.6)	
<b>Net income (loss) attributable to Shareholders of the parent</b>	59.1	(12.7)	<b>46.4</b>	<b>60.9</b>	<b>(14.5)</b>	-24%
<b>Comprehensive income attributable to :</b>						
Shareholders of the parent	68.0	(60.3)	7.7	173.7	(166.0)	
Non-controlling interests	45.2	(72.2)	(27.0)	116.0	(143.0)	
	22.8	11.9	34.7	57.7	(23.0)	

# Consolidated Net Sales and Operating Income by Business Segment

(Billions of Yen)

		1H	2H	FY2015	FY2014	Change
<b>Total</b>	Net Sales	1,884.6	1,938.5	3,823.1	3,656.3	166.8
	Operating Income	136.4	143.6	280.0	165.7	114.3
<b>Electronics Applications</b>	Net Sales	58.3	57.3	115.6	118.8	(3.2)
	Operating Income	0.1	(1.1)	(1.0)	(2.8)	1.8
<b>Designed Materials</b>	Net Sales	412.0	440.6	852.6	*2 818.6	34.0
	Operating Income	36.1	39.6	75.7	*2 55.6	20.1
<b>Health Care</b>	Net Sales	261.2	292.9	554.1	531.9	22.2
	Operating Income	47.5	55.9	103.4	77.0	26.4
<b>Chemicals</b>	Net Sales	648.2	672.9	1,321.1	*2 1,113.9	207.2
	Operating Income	30.9	26.4	57.3	*2 8.9	*1 48.4
<b>Polymers</b>	Net Sales	404.8	368.9	773.7	*2 873.7	(100.0)
	Operating Income	22.2	21.1	43.3	*2 28.0	15.3
<b>Others</b>	Net Sales	100.1	105.9	206.0	*2 199.4	6.6
	Operating Income	2.8	4.5	7.3	*2 6.1	1.2
<b>Corporate</b>	Net Sales	-	-	-	-	-
	Operating Income	(3.2)	(2.8)	(6.0)	(7.1)	1.1

\*1 Impacts of the conversion of TNSC to a consolidated subsidiary are net sales of 282.0 billion yen and operating income of 18.8 billion yen.

\*2 Effective from FY2015, certain businesses (including businesses in consolidated subsidiaries) have been reclassified from the Chemicals segment and the Others segment to the Designed Materials segment and the Polymers segment. Accordingly, segment information for FY2014 is restated to match.

# Consolidated Net Sales and Operating Income By Business Sub-Segment

(Billions of Yen)

			1H	2H	FY2015	FY2014	Change	
<b>Electronics Applications</b>		Net Sales	58.3	57.3	115.6	118.8	(3.2)	
		Operating Income	0.1	(1.1)	(1.0)	(2.8)	1.8 (a)	
Designed Materials	<b>Functional Products</b>		Net Sales	289.2	313.5	602.7	570.4	32.3
			Operating Income	20.4	24.0	44.4	31.3	13.1 (b)
	<b>Performance Chemicals</b>		Net Sales	122.8	127.1	249.9	248.2	1.7
			Operating Income	15.7	15.6	31.3	24.3	7.0 (c)
Health Care	<b>Pharmaceuticals</b>		Net Sales	201.7	229.9	431.6	414.8	16.8
			Operating Income	45.7	53.6	99.3	71.5	27.8 (d)
	<b>Diagnostics, Clinical Testing and API</b>		Net Sales	59.5	63.0	122.5	117.1	5.4
			Operating Income	1.8	2.3	4.1	5.5	(1.4)

\*1 All figures are approximation for reference purpose only.

\*2 Effective from FY2015, certain businesses (including businesses in consolidated subsidiaries) have been reclassified from the Chemicals segment and the Others segment to the Designed Materials segment and the Polymers segment. Accordingly, segment information for FY2014 is restated to match.

**Major reasons for the change:**

- (a) Deficits decreased due to rationalization and increased sales for display materials.
- (b) Profit increased due to a drop in raw material prices for polyester film and high-performance films.
- (c) Profit increased due to a drop in raw material prices and increased sales in lithium-ion battery materials.
- (d) Profit increased due to higher royalty revenues from out-licensed drugs and increased sales of priority products and vaccine business.

# Consolidated Net Sales and Operating Income by Business Sub-Segment (Continued)

(Billions of Yen)

			1H	2H	FY2015	FY2014	Change
Chemicals	Petrochemicals	Net Sales	270.8	233.0	503.8	*2 631.4	(127.6)
		Operating Income	7.4	(0.8)	6.6	(19.5)	26.1 (a)
	Carbon	Net Sales	95.4	87.7	183.1	195.6	(12.5)
		Operating Income	4.7	1.8	6.5	10.0	(3.5) (b)
	Industrial Gases	Net Sales	282.0	352.2	634.2	286.9	347.3
		Operating Income	18.8	25.4	44.2	18.4	25.8 (c)
Polymers	Polyolefins and Advanced Polymers	Net Sales	235.4	225.3	460.7	515.9	(55.2)
		Operating Income	12.6	17.4	30.0	11.7	18.3 (d)
	MMA Monomers and Polymers	Net Sales	169.4	143.6	313.0	*2 357.8	(44.8)
		Operating Income	9.6	3.7	13.3	16.3	(3.0) (e)

\*1 All figures are approximation for reference purpose only.

\*2 Effective from FY2015, certain businesses (including businesses in consolidated subsidiaries) have been reclassified from the Chemicals segment and the Others segment to the Designed Materials segment and the Polymers segment. Accordingly, segment information for FY2014 is restated to match.

Inventory valuation gain/loss	1H	2H	FY2015	FY2014	Change
Chemicals (Petrochemicals)	(1.0)	(6.0)	(7.0)	(15.5)	8.5
Chemicals (Carbon)	(0.6)	(0.3)	(0.9)	(0.6)	(0.3)
Polymers	(5.1)	(8.3)	(13.4)	(10.1)	(3.3)
Total	(6.7)	(14.6)	(21.3)	(26.2)	4.9

### Major reasons for the change:

- (a) Profit increased due to firm petrochemical market conditions, a reduction in inventory valuation loss, and the difference in regular maintenance scale.
- (b) Profit decreased due to a drop in sales prices, etc.
- (c) Impacts of converting TNSC to a consolidated subsidiary (FY2014-3Q—), firm sales, and cost reductions reflecting lower crude oil prices.
- (d) Profit increased due to a drop in raw material prices for polyolefin business and phenol and polycarbonate chain.
- (e) Profit decreased due to sluggish demand in Asia and deteriorating market conditions.

## Analysis of Operating Income

(Billions of Yen)

	FY2015	FY2014	Change	Analysis			
				Price	Volume	Cost reduction	Others *1
<b>Total</b>	<b>280.0</b>	<b>165.7</b>	<b>114.3</b>	34.2	41.1	18.8	20.2
<b>Electronics Applications</b>	<b>(1.0)</b>	<b>(2.8)</b>	<b>1.8</b>	<b>(2.6)</b>	0.7	4.5	<b>(0.8)</b>
<b>Designed Materials</b>	<b>75.7</b>	*3 <b>55.6</b>	<b>20.1</b>	11.5	7.0	3.6	<b>(2.0)</b>
<b>Health Care</b>	<b>103.4</b>	<b>77.0</b>	<b>26.4</b>	<b>(0.7)</b>	30.1	4.1	<b>(7.1)</b>
<b>Chemicals</b>	<b>57.3</b>	*3 <b>8.9</b>	<b>48.4</b>	6.5	4.2	1.8	*2 35.9
<b>Polymers</b>	<b>43.3</b>	*3 <b>28.0</b>	<b>15.3</b>	19.5	<b>(2.3)</b>	3.1	<b>(5.0)</b>
<b>Others</b>	<b>7.3</b>	*3 <b>6.1</b>	<b>1.2</b>	-	1.4	0.5	<b>(0.7)</b>
<b>Corporate</b>	<b>(6.0)</b>	<b>(7.1)</b>	<b>1.1</b>	-	-	1.2	<b>(0.1)</b>

\*1 Items included are impact on the unifications of accounting period (6.8 billion yen) and impacts from inventory valuation gain/loss, etc.

\*2 Including impacts of the conversion of TNSC to a consolidated subsidiary (18.8 billion yen)

\*3 Effective from FY2015, certain businesses (including businesses in consolidated subsidiaries) have been reclassified from the Chemicals segment and the Others segment to the Designed Materials segment and the Polymers segment. Accordingly, segment information for FY2014 is restated to match.



## Consolidated Extraordinary Gain and Loss

(Billions of Yen)

	4Q	FY2015	FY2014	Change
	<b>Net of extraordinary gain and loss</b>	<b>(7.3)</b>	<b>(72.4)</b>	<b>2.5</b>
<b>Extraordinary gain</b>	<b>11.8</b>	<b>38.3</b>	<b>58.8</b>	<b>(20.5)</b>
Gain on sales of investment securities	10.5	32.0	6.3	25.7
Gain on sales of property, plant and equipment	0.7	3.6	13.0	(9.4)
Gain on step acquisitions	-	1.9	34.1	(32.2)
Others	0.6	0.8	5.4	(4.6)
<b>Extraordinary loss</b>	<b>(19.1)</b>	<b>(110.7)</b>	<b>(56.3)</b>	<b>(54.4)</b>
Business structure improvement expenses	(2.9)	(25.6)	(22.2)	(3.4)
Impairment loss	(8.0)	(71.9)	(20.4)	(51.5)
Loss on sales and retirement of property, plant and equipment	(2.0)	(4.2)	(6.8)	2.6
Others	(6.2)	(9.0)	(6.9)	(2.1)

# Consolidated Cash Flows

	Based on statements of cash flows		Adjusted by excluding cash flows from investment of surplus funds		<reference>
	FY2015	FY2014	FY2015 Excluded (46.8) billion yen	FY2014 Excluded (51.8) billion yen	
	(Billions of Yen)				
<b>Net cash provided by operating activities</b>	<b>388.7</b>	<b>329.8</b>	<b>388.7</b>	<b>329.8</b>	<b>327.0</b>
Income before income taxes	198.2	165.6	198.2	165.6	182.0
Depreciation and amortization	180.4	151.3	180.4	151.3	187.0
Amortization of goodwill	20.4	21.1	20.4	21.1	21.0
Change in operating receivables/payables	10.1	(33.8)	10.1	(33.8)	(7.0)
Change in Inventories	39.8	59.0	39.8	59.0	
Others	(60.2)	(33.4)	(60.2)	(33.4)	(56.0)
<b>Net cash used in investment activities</b>	<b>(202.8)</b>	<b>(277.2)</b>	<b>(156.0)</b>	<b>(225.4)</b>	<b>(212.0)</b>
Capital expenditure	(180.6)	(160.7)	(180.6)	(160.7)	(213.0)
Sale of assets	79.0	34.8	79.0	34.8	1.0
Investment and loans receivable, etc	(101.2)	(151.3)	(54.4)	(99.5)	
<b>Free cash flow</b>	<b>185.9</b>	<b>52.6</b>	<b>232.7</b>	<b>104.4</b>	<b>115.0</b>
<b>Net cash used in financing activities</b>	<b>(157.0)</b>	<b>(2.1)</b>			
Interest bearing debts	(110.0)	33.6			
Dividends, etc.	(47.0)	(35.7)			
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>28.9</b>	<b>50.5</b>			
Effect of exchange rate changes and change in scope of consolidation	(8.2)	13.0			
<b>Cash and cash equivalents at the beginning of the period</b>	<b>243.1</b>	<b>179.6</b>			
<b>Cash and cash equivalents at the end of the period</b>	<b>263.8</b>	<b>243.1</b>			

# Consolidated Balance Sheets

(Billions of Yen)

	Mar. 31, 2016	Mar. 31, 2015	Change
Cash and deposits	314.8	236.2	78.6
Inventories	547.8	595.5	(47.7)
Trade receivables	704.0	759.9	(55.9)
Others	250.9	265.6	(14.7)
<b>Current assets</b>	<b>1,817.5</b>	<b>1,857.2</b>	<b>(39.7)</b>
Tangible and Intangible fixed assets	1,561.6	1,679.7	(118.1)
Goodwill	248.2	243.8	4.4
Investment and Others	434.3	542.3	(108.0)
<b>Non-current assets</b>	<b>2,244.1</b>	<b>2,465.8</b>	<b>(221.7)</b>
<b>Total assets</b>	<b>4,061.6</b>	<b>4,323.0</b>	<b>(261.4)</b>

(Billions of Yen)

	Mar. 31, 2016	Mar. 31, 2015	Change
Interest-bearing debts	1,465.8	1,603.6	(137.8)
Trade payables	408.3	459.3	(51.0)
Others	633.0	671.5	(38.5)
<b>Liabilities</b>	<b>2,507.1</b>	<b>2,734.4</b>	<b>(227.3)</b>
Shareholders' equity	900.2	874.6	25.6
Accumulated other comprehensive income	32.0	106.4	(74.4)
Non-controlling interests, etc.	622.3	607.6	14.7
<b>Net assets</b>	<b>1,554.5</b>	<b>1,588.6</b>	<b>(34.1)</b>
<b>Total liabilities and net assets</b>	<b>4,061.6</b>	<b>4,323.0</b>	<b>(261.4)</b>

Net interest-bearing debts (*1)	1,024.0	1,228.2	(204.2)
Net D/E ratio	1.10	1.25	(0.15)
Net D/E ratio (incl. non-controlling interests in the denominator)	0.66	0.77	(0.11)

Shareholders' equity	932.3	981.0	(48.7)
Shareholders' equity ratio	22.9%	22.6%	0.3%

\*1. Net interest-bearing debts (1,024.0 billion yen)  
= interest bearing debts (1,465.8 billion yen)  
- {cash and cash equivalents (263.8 billion yen) + investments of surplus funds (178.0 billion yen)}

# Consolidated Statements of Changes in Net Assets

(Billions of Yen)

	Shareholders' Equity					Comprehensive Income					Warrants	Non-controlling interests in consolidated subsidiaries	Total net assets	
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock at cost	Total shareholders' equity	Net unrealized holding gain (loss) on other securities	Gain (loss) on deferred hedges	Land revaluation surplus	Foreign currency translation adjustments	Remeasurements of accrued retirement benefits				Accumulated other comprehensive income (loss)
<b>Beginning of period</b>	<b>50.0</b>	<b>317.7</b>	<b>523.1</b>	<b>(16.2)</b>	<b>874.6</b>	<b>40.3</b>	<b>0.0</b>	<b>1.7</b>	<b>59.9</b>	<b>4.5</b>	<b>106.4</b>	<b>0.5</b>	<b>607.1</b>	<b>1,588.6</b>
Cash dividends			(20.5)		(20.5)						-			(20.5)
Net income(loss) attributable to Shareholders of the parent			46.4		46.4						-			46.4
Purchase of treasury stock				(0.0)	(0.0)						-			(0.0)
Disposal of treasury stock		0.0		0.0	0.0						-			0.0
Changes in equity of the parent company related to transactions with non-controlling interests		(0.7)			(0.7)						-			(0.7)
Change in scope of consolidation			0.1		0.1						-			0.1
Change of the scope of application of the equity method			(0.5)	0.0	(0.5)						-			(0.5)
Reversal of land revaluation surplus			0.8		0.8						-			0.8
Net change in items other than those in shareholders' equity						(24.3)	0.1	(0.9)	(27.7)	(21.6)	(74.4)	0.0	14.7	(59.7)
<b>Net changes during the period</b>	<b>-</b>	<b>(0.7)</b>	<b>26.3</b>	<b>(0.0)</b>	<b>25.6</b>	<b>(24.3)</b>	<b>0.1</b>	<b>(0.9)</b>	<b>(27.7)</b>	<b>(21.6)</b>	<b>(74.4)</b>	<b>0.0</b>	<b>14.7</b>	<b>(34.1)</b>
<b>End of period</b>	<b>50.0</b>	<b>317.0</b>	<b>549.4</b>	<b>(16.2)</b>	<b>900.2</b>	<b>16.0</b>	<b>0.1</b>	<b>0.8</b>	<b>32.2</b>	<b>(17.1)</b>	<b>32.0</b>	<b>0.5</b>	<b>621.8</b>	<b>1,554.5</b>

# Consolidated Statements of Comprehensive Income

Exchange rate used to convert balance sheets for foreign subsidiaries

	Mar. 2016	Mar. 2015
For subsidiaries with April-March accounting period (¥/US\$)	112.7	120.2
For subsidiaries with April-March accounting period (¥/€)	127.7	130.3

(Billions of Yen)

	FY2015	FY2014	Change
<b>Net income(loss) attributable to Shareholders of the parent</b>	<b>46.4</b>	<b>60.9</b>	<b>(14.5)</b>
<b>Net income(loss) attributable to non-controlling interests</b>	<b>59.2</b>	<b>35.6</b>	<b>23.6</b>
<b>Net income (loss)</b>	<b>105.6</b>	<b>96.5</b>	<b>9.1</b>
<b>Other comprehensive income (loss):</b>			
Net unrealized holding gain (loss) on other securities	(29.7)	24.3	(54.0)
Gain (loss) on deferred hedges	0.3	(0.5)	0.8
Foreign currency translation adjustments	(36.8)	40.7	(77.5)
Remeasurements of defined benefit plans	(26.3)	4.3	(30.6)
Other comprehensive income (loss) for affiliates accounted for using equity method	(5.4)	8.4	(13.8)
<b>Other comprehensive income (loss), net</b>	<b>(97.9)</b>	<b>77.2</b>	<b>(175.1)</b>
<b>Total comprehensive income (loss)</b>	<b>7.7</b>	<b>173.7</b>	<b>(166.0)</b>
<b>Total comprehensive income (loss) attributable to :</b>			
Shareholders of the parent	(27.0)	116.0	(143.0)
Non-controlling interests	34.7	57.7	(23.0)

## Achievement of Target Financial Indexes in *APTSIS 15*

(Billions of Yen)

	FY2015 Target	FY2015 Actual
<b>Operating income</b>	280.0	280.0
<b>ROA</b> (Income before income taxes/Total assets)	more than 7.0%	4.7%
<b>Net D/E ratio</b>	0.80	1.10
<b>Overseas sales ratio</b>	more than 45.0%	43.4%

# Consolidated Statements of Operations

## (FY2016 Forecast)

Forecast

Exchange rate (¥/US\$)	110.0	110.0	110.0
Naphtha price (¥/kl)	37,000	37,000	37,000

	(Billions of Yen)		
	1H	2H	FY2016 Forecast (IFRS)
<b>Sales revenue</b>	1,750.0	1,850.0	3,600.0
<b>Core operating income</b>	105.0	130.0	235.0
Special items	(8.0)	(16.0)	(24.0)
<b>Operating income</b>	97.0	114.0	211.0
Financial income/Expenses	(6.5)	(6.5)	(13.0)
<b>Earnings before taxes</b>	90.5	107.5	198.0
Income taxes	(30.5)	(36.0)	(66.5)
<b>Net income</b>	60.0	71.5	131.5
<b>Net income(loss) attributable to owners of the parent</b>	36.0	44.0	80.0
Net income(loss) attributable to non-controlling interests	24.0	27.5	51.5

\*MCHC plans to voluntarily adopt IFRS starting with the disclosure of the first quarter results of fiscal 2016.  
Above-mentioned forecasts are based on IFRS.

# Consolidated Sales Revenue and Segment Profit by Business Segment (FY2016 Forecast)

Forecast

Segment Profit

<b>IFRS</b>
Core operating income

J-GAAP
Operating income

		FY2016 Forecast (IFRS)			FY2015 Actual (J-GAAP)	Reference		
		1H	2H			FY2015 Impact on the unifications of accounting period	Accounting standards difference, etc.	Other change
<b>Total</b>	Sales Revenue	1,750.0	1,850.0	3,600.0	3,823.1	(78.5)	(36.0)	(108.6)
	<b>Segment Profit</b>	<b>105.0</b>	<b>130.0</b>	<b>235.0</b>	<b>280.0</b>	<b>(6.8)</b>	<b>9.0</b>	<b>(47.2)</b>
<b>Electronics Applications</b>	Sales Revenue	50.0	55.0	105.0	115.6	(1.6)	-	(9.0)
	<b>Segment Profit</b>	<b>(2.0)</b>	<b>0.0</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>(0.4)</b>	<b>(1.0)</b>	<b>0.4</b>
<b>Designed Materials</b>	Sales Revenue	407.0	428.0	835.0	852.6	(21.6)	(6.0)	10.0
	<b>Segment Profit</b>	<b>32.0</b>	<b>35.0</b>	<b>67.0</b>	<b>75.7</b>	<b>(1.7)</b>	<b>(1.0)</b>	<b>(6.0)</b>
<b>Health Care</b>	Sales Revenue	255.0	280.0	535.0	554.1	-	(6.0)	(13.1)
	<b>Segment Profit</b>	<b>38.5</b>	<b>43.5</b>	<b>82.0</b>	<b>103.4</b>	-	<b>9.0</b>	<b>(30.4)</b>
<b>Chemicals</b>	Sales Revenue	579.0	606.0	1,185.0	1,321.1	(51.3)	(24.0)	(60.8)
	<b>Segment Profit</b>	<b>23.5</b>	<b>30.0</b>	<b>53.5</b>	<b>57.3</b>	<b>(4.0)</b>	-	<b>0.2</b>
<b>Polymers</b>	Sales Revenue	360.0	370.0	730.0	773.7	(4.0)	-	(39.7)
	<b>Segment Profit</b>	<b>16.5</b>	<b>21.5</b>	<b>38.0</b>	<b>43.3</b>	<b>(0.7)</b>	<b>2.0</b>	<b>(6.6)</b>
<b>Others</b>	Sales Revenue	99.0	111.0	210.0	206.0	-	-	4.0
	<b>Segment Profit</b>	<b>0.5</b>	<b>4.0</b>	<b>4.5</b>	<b>7.3</b>	-	-	<b>(2.8)</b>
<b>Corporate</b>	Sales Revenue	-	-	-	-	-	-	-
	<b>Segment Profit</b>	<b>(4.0)</b>	<b>(4.0)</b>	<b>(8.0)</b>	<b>(6.0)</b>	-	-	<b>(2.0)</b>



# Consolidated Sales Revenue and Segment Profit By Business Sub-Segment

Forecast

Segment Profit

(Billions of Yen)

		IFRS	J-GAAP					Reference			
		Core operating income	Operating income		1H	2H	FY2016 Forecast (IFRS)	FY2015 Actual (J-GAAP)	FY2015 Impact on the unifications of accounting period	Accounting standards difference, etc.	Other change
<b>Electronics Applications</b>	Sales Revenue		50.0	55.0	105.0		115.6	(1.6)	-	(9.0)	
	<b>Segment Profit</b>		(2.0)	0.0	(2.0)		(1.0)	(0.4)	(1.0)	0.4	
Designed Materials	<b>Functional Products</b>	Sales Revenue	282.0	298.0	580.0		602.7	(21.6)	(3.0)	1.9	
		<b>Segment Profit</b>	18.0	22.0	40.0		44.4	(1.7)	1.0	(3.7)	
	<b>Performance Chemicals</b>	Sales Revenue	125.0	130.0	255.0		249.9	-	(3.0)	8.1	
		<b>Segment Profit</b>	14.0	13.0	27.0		31.3	-	(2.0)	(2.3)	
Health Care	<b>Pharmaceuticals</b>	Sales Revenue	193.0	213.5	406.5		431.6	-	(6.0)	(19.1)	
		<b>Segment Profit</b>	38.0	39.0	77.0		99.3	-	8.0	(30.3)	
	<b>Diagnostics, Clinical Testing and API</b>	Sales Revenue	62.0	66.5	128.5		122.5	-	-	6.0	
		<b>Segment Profit</b>	0.5	4.5	5.0		4.1	-	1.0	(0.1)	

\*1 All figures are approximation for reference purpose only.

# Consolidated Sales Revenue and Segment Profit By Business Sub-Segment (Continued)

Forecast

Segment Profit

(Billions of Yen)

		IFRS	J-GAAP					Reference			
		Core operating income	Operating income		1H	2H	FY2016 Forecast (IFRS)	FY2015 Actual (J-GAAP)	FY2015 Impact on the unifications of accounting period	Accounting standards difference, etc.	Other change
Chemicals	Petrochemicals	Sales Revenue	207.0	213.0	420.0	503.8	-	(20.0)	(63.8)		
		Segment Profit	(1.0)	2.0	1.0	6.6	-	(4.0)	(1.6)		
	Carbon	Sales Revenue	82.5	79.5	162.0	183.1	-	-	(21.1)		
		Segment Profit	1.5	1.5	3.0	6.5	-	(2.0)	(1.5)		
	Industrial Gases	Sales Revenue	289.5	313.5	603.0	634.2	(51.3)	(4.0)	24.1		
		Segment Profit	23.0	26.5	49.5	44.2	(4.0)	6.0	3.3		
Polymers	Polyolefins and Advanced Polymers	Sales Revenue	210.0	220.0	430.0	460.7	(4.0)	-	(26.7)		
		Segment Profit	11.5	15.5	27.0	30.0	(0.7)	(1.0)	(1.3)		
	MMA Monomers and Polymers	Sales Revenue	150.0	150.0	300.0	313.0	-	-	(13.0)		
		Segment Profit	5.0	6.0	11.0	13.3	-	3.0	(5.3)		

\*1 All figures are approximation for reference purpose only.

Inventory valuation gain/loss			FY2016 Forecast (IFRS)	FY2015 Actual (J-GAAP)	Change
	1H	2H			
Chemicals (Petrochemicals)	1.5	0.0	1.5	(7.0)	8.5
Chemicals (Carbon)	0.0	0.0	0.0	(0.9)	0.9
Polymers	(1.0)	(0.5)	(1.5)	(13.4)	11.9
Total	0.5	(0.5)	0.0	(21.3)	21.3

# Consolidated Cash Flows Targets

Forecast

	Adjusted by excluding cash flows from investment of surplus funds	
	(Billions of Yen)	
	FY2016 Target (IFRS)	FY2015 Actual (J-GAAP)
<b>Net cash provided by operating activities</b>	<b>340.0</b>	<b>388.7</b>
Income before income taxes	198.0	198.2
Depreciation and amortization	180.0	180.4
Amortization of goodwill	-	20.4
Change in working capital	28.0	49.9
Others	(66.0)	(60.2)
<b>Net cash used in investment activities</b>	<b>(240.0)</b>	<b>(156.0)</b>
Capital expenditure	*1 (244.0)	(180.6)
Investment and loans receivables, etc.	4.0	24.6
<b>Free cash flow</b>	<b>100.0</b>	<b>232.7</b>

\*1 Including capital expenditures of The Saudi Methacrylates

# Cash Dividends

**Forecast**

		<b>FY2016 Forecast (IFRS)</b>	<b>FY2015 Actual (J-GAAP)</b>	<b>FY2014 Actual (J-GAAP)</b>	<b>FY2013 Actual (J-GAAP)</b>	<b>FY2012 Actual (J-GAAP)</b>
<b>Cash dividends per share (Yen)</b>	<b>Interim</b>	8	7	6	6	6
	<b>Year-end</b>	8	* 8	7	6	6
	<b>Total (Annual)</b>	16	15	13	12	12
<b>Net income per share (Yen)</b>	-	¥54.61	¥31.70	¥41.40	¥21.89	¥12.61
<b>Consolidated dividend pay out ratio</b>	-	29.3%	47.3%	31.4%	54.8%	95.2%

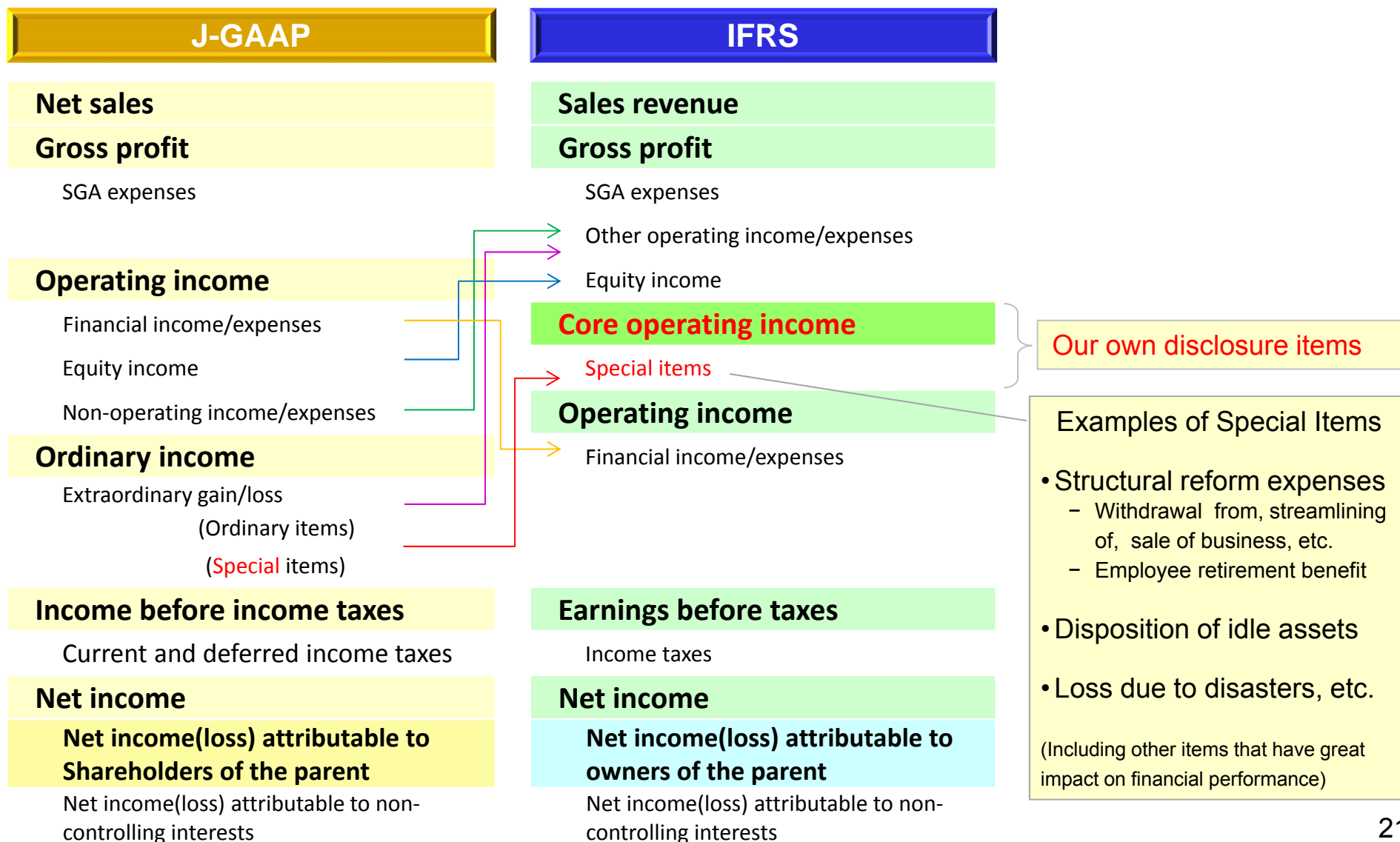
\*From fiscal 2015, a resolution of the Board of Directors will set the year-end dividend. The dividend effective date is June 3, 2016.

# Statements of Operations after IFRS Adoption

## Introduction of Core Operating Income

Reference

We are introducing **core operating income** excluding gains/losses incurred by non-recurring factors, and applying it as an index for disclosure and business management, to better understand operating gains/losses.



## Differences between Operating Income (J-GAAP) and Core Operating Income (IFRS) (Estimated Values)

Reference

(Billions of Yen)

	Differences between operating income (J-GAAP) and core operating income (IFRS)				
		Non-amortization of Goodwill (FY2015)	Employee retirement benefit (FY2015 vs. FY2016)	Revenues from out-licensed drugs and in-licensing expenses (FY2015)	Reclassification, etc.
Electronics Applications	(1.0)	0.0	(1.0)	-	0.0
Designed Materials	(1.0)	4.9	(3.5)	-	(2.4)
Functional Products	1.0	3.6	(1.0)	-	(1.6)
Performance Chemicals	(2.0)	1.3	(2.5)	-	(0.8)
Health Care	9.0	7.8	(2.5)	4.2	(0.5)
Pharmaceuticals	8.0	6.1	(2.5)	*1 4.2	0.2
Diagnostics, Clinical Testing and API	1.0	1.7	0.0	-	(0.7)
Chemicals	0.0	4.9	(1.5)	-	(3.4)
Petrochemicals	(4.0)	-	(1.0)	-	(3.0)
Carbon	(2.0)	-	(0.5)	-	(1.5)
Industrial Gases	6.0	4.9	0.0	-	1.1
Polymers	2.0	2.8	(1.5)	-	0.7
Polyolefins and Advanced Polymers	(1.0)	0.3	(2.0)	-	0.7
MMA Monomers and Polymers	3.0	2.5	0.5	-	0.0
Others	0.0	0.0	0.0	-	0.0
Corporate	0.0	-	0.0	-	0.0
<b>Total</b>	<b>9.0</b>	<b>20.4</b>	<b>(10.0)</b>	<b>4.2</b>	<b>(5.6)</b> *2

\*1 Deferred lump-sum royalty revenues from out-licensed drugs (7.2)  
Recognized in-licensing expenses as intangible assets 11.4

\*2 Reclassification of non-operating gains/losses and extraordinary gains/losses, etc. (4.6)  
Change in scope of consolidation (1.0)

# Scope of Consolidation and Overseas Sales Operating Income

Reference

(Number of companies)

Scope of consolidation	FY2015	FY2014	FY2013	FY2012	FY2011
MCHC and affiliated companies	749	762	450	429	448
Companies in consolidation scope	598	601	414	392	404
MCHC and consolidated subsidiaries	522	523	361	340	341
Japan	200	210	135	130	130
Overseas	322	313	226	210	211
Affiliates accounted for by the equity method	76	78	53	52	63

## Net sales and operating income by geographic area based on location of MCHC and consolidated subsidiaries

(Billions of Yen)

Japan	2,553.1	2,534.7	2,415.1	2,320.5	2,352.5
Overseas	1,270.0	1,121.6	1,083.7	768.1	855.7
Net sales	3,823.1	3,656.3	3,498.8	3,088.6	3,208.2
Japan	225.8	140.6	103.7	78.8	72.6
Overseas	54.2	25.1	6.8	11.4	58.0
Operating income	280.0	165.7	110.5	90.2	130.6

## Overseas sales based on location of customers

(Billions of Yen)

Overseas sales	1,659.2	1,519.1	1,457.1	1,107.6	1,184.4
Overseas sales ratio	43.4%	41.5%	41.6%	35.9%	36.9%

\*1 Overseas sales ratio, excluding impacts of 78.5 billion yen associated with a change in accounting periods in some of overseas subsidiaries is 41.3%.

\*2 Overseas sales ratio, excluding impacts of 145.6 billion yen associated with a change in accounting periods in some of overseas subsidiaries is 39.5%.

## Consolidated Capital Expenditure, Depreciation & Amortization, E&D Expenses, Total Assets, and Number of Employees by Business Segment

Reference

(Billions of Yen, until otherwise noted)

	Capital Expenditure		Depreciation & Amortization (excluding goodwill)		R&D Expenses		Total Assets	Number of Employees
	FY2016 Forecast (IFRS)	FY2015 Actual (J-GAAP)	FY2016 Forecast (IFRS)	FY2015 Actual (J-GAAP)	FY2016 Forecast (IFRS)	FY2015 Actual (J-GAAP)	FY2015 Actual (J-GAAP)	FY2015 Actual (J-GAAP)
Electronics Applications	7.0	5.1	6.0	6.2	6.0	7.2	102.8	2,529
Designed Materials	62.0	49.7	44.0	42.1	21.0	21.8	834.8	17,635
Health Care	28.0	21.3	19.0	16.2	83.0	86.3	1,059.0	12,876
Chemicals	85.0	73.5	67.0	71.2	4.0	4.8	1,296.9	18,915
Polymers	56.0	21.9	39.0	40.0	14.0	13.3	743.8	8,052
Others	4.0	3.5	3.0	3.1	1.0	0.3	658.9	8,229
Corporate	2.0	1.5	2.0	1.6	6.0	4.7	(634.6)	752
<b>Total</b>	<b>244.0</b>	<b>176.5</b>	<b>180.0</b>	<b>180.4</b>	<b>135.0</b>	<b>138.4</b>	<b>4,061.6</b>	<b>68,988</b>



# Major Capital Expenditure

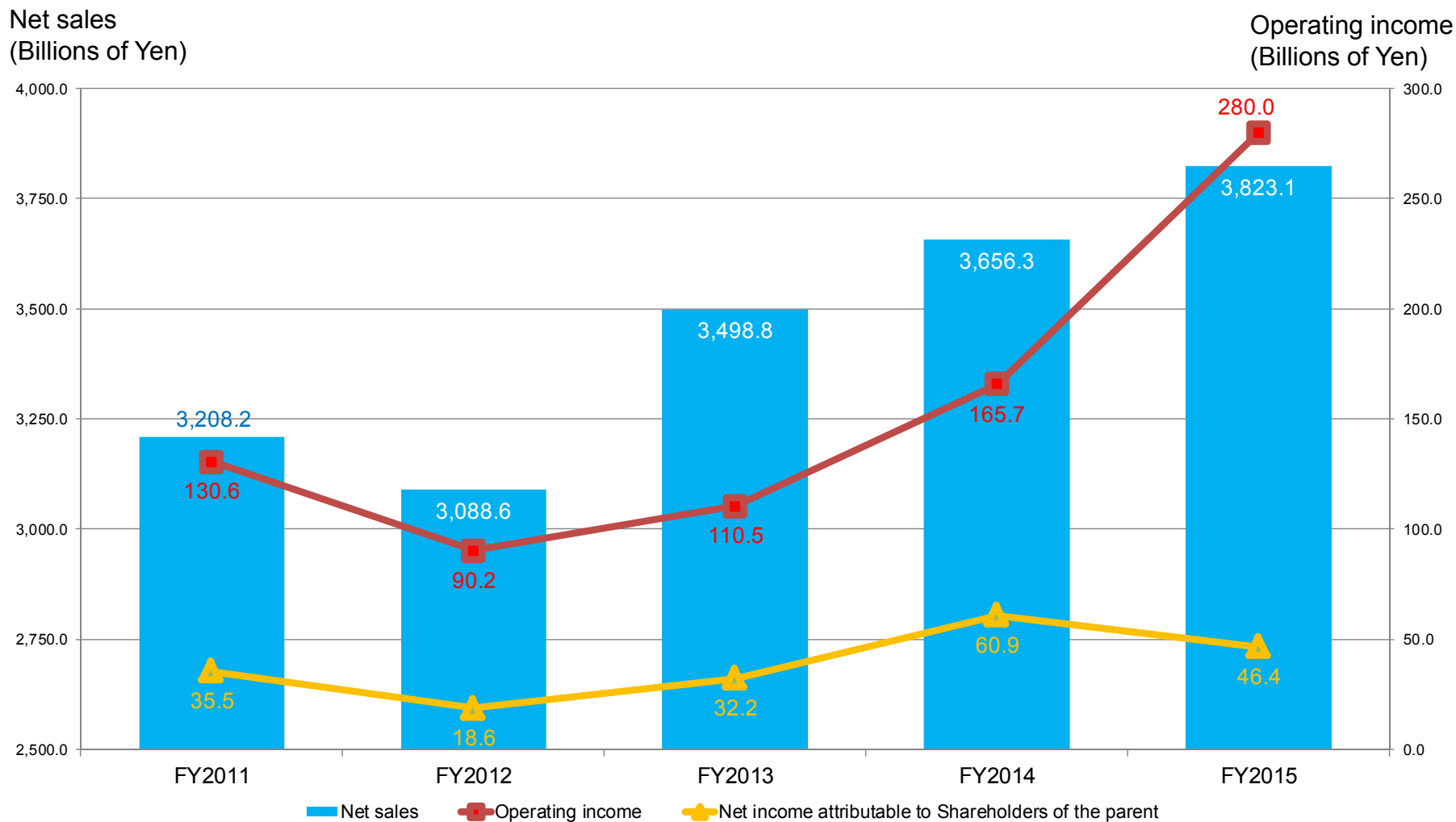
Reference

Segments	Projects Completed in FY2015				Projects in Progress			
	Company	Facility	Completion	Capacity increase	Company	Facility	Completion (Plan)	Capacity increase
Designed Materials	Noltex, L.L.C. (USA)	EVOH* (Expansion)	1H of FY2015	15,000 t/y	The Nippon Synthetic Chemical Industry Co., Ltd. Kumamoto Plant	Hi-Selon, water soluble PVOH film* (New)	Sep. 2016	--
	Mitsubishi Plastics Converting Film Wuxi Co., Ltd. (PRC)	Processed polyester film products* (New)	Apr. 2015	--	The Nippon Synthetic Chemical Industry Co., Ltd. Ogaki Plant	COPONYL, acrylic copolymer* (New)	Jun. 2016	--
	PT. MC PET FILM INDONESIA (Indonesia)	Moisture transmission film* (New)	May. 2015	240M m2/y	Mitsubishi Polyester Film, Inc. (USA)	Polyester film products* (Expansion)	2017/M	25,000 t/y
	Mitsubishi Plastics INC. Asai Plant	DIAMIRON* (Expansion)	Mar. 2016	--	Mitsubishi Rayon Carbon Fiber and Composites, Inc. (USA)	Carbon fiber products* (Expansion)	Dec. 2016	2,000 t/y
Health Care					Mitsubishi Tanabe Pharma Factory Ltd. Yoshitomi Plant	Pharmaceuticals* (Expansion)	Jun. 2016	--
					Mitsubishi Tanabe Pharma Factory Ltd. Onoda Plant	Injections* (Enhancement)	Apr. 2016	--
Chemicals	Taiyo Nippon Sanso Corporation Shunan Plant	Water- <sup>18</sup> O* (New)	Sep. 2015	300 kg/y	MCC PTA India Corp. Private Limited (India)	Coal hot heating system CHH (New)	Oct. 2016	--
	MCC PTA India Corp. Private Limited (India)	Connection with grid power (New)	Oct. 2015	--	Taiyo Nippon Sanso Corporation Kurashiki Plant	Air separation units (New)	2018/E	Oxygen gas 60,000Nm <sup>3</sup> /h Nitrogen gas 166,000Nm <sup>3</sup> /h
					Mitsubishi Chemical Corporation Sakaide Plant	Bug filter (Expansion)	Jul. 2016	--
					Mitsubishi Chemical Corporation Kashima Plant	Cracker* (Enhancement)	Jun. 2016	--
	Lucite International Singapore Pte Ltd (Singapore)	MMA monomer* (Enhancement)	2H of FY2015	--	The Saudi Methacrylates Company (Saudi Arabia)	MMA monomer and PMMA* (New)	2017/M	MMA monomer 250,000t/y PMMA 40,000t/y
Polymers	Mitsubishi Rayon Co., Ltd. Otake Plant	MMA catalyst* (New)	Feb. 2016	--				

\*Production facility

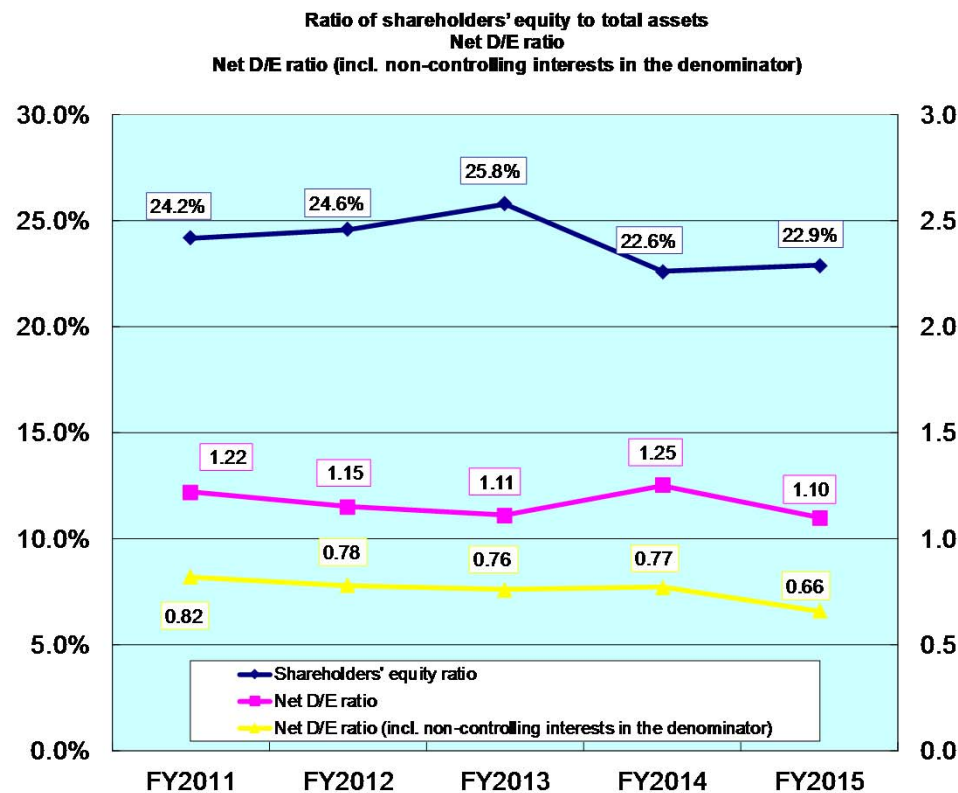
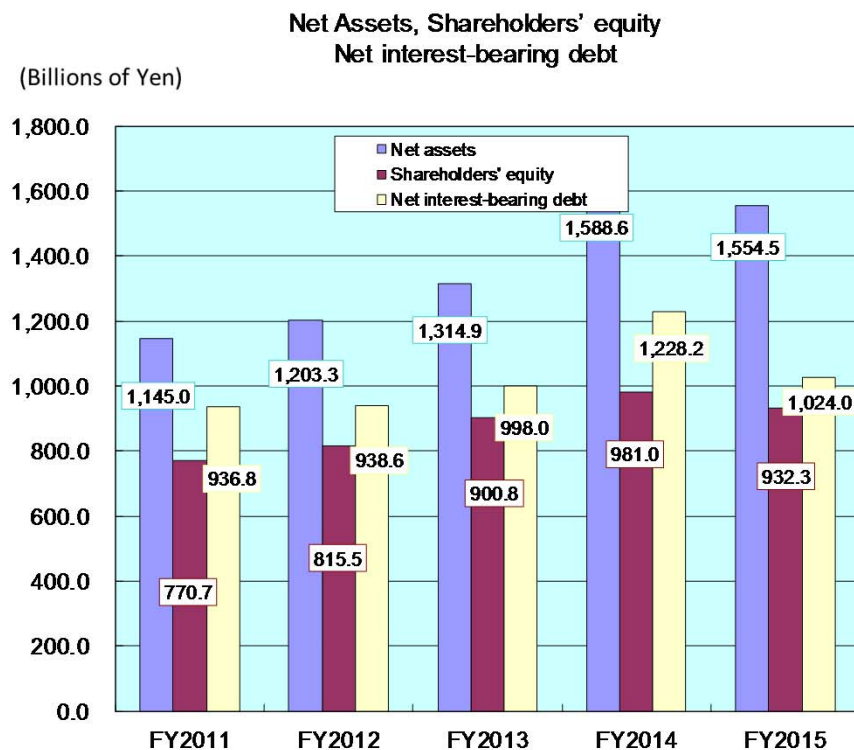
# Trend of Performance

Reference



# Trend of Financial Position

Reference



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.