

# Financial Summary

Results of FY2017 & Outlook for FY2018

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**Mitsui Chemicals, Inc.**

May 15, 2018

<Remarks>

FY2017 indicates the period from April 1, 2017 to March 31, 2018.

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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 FY2017

(April 1, 2017 – March 31, 2018)

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# 1) Review of FY2017 (Business Overview and Topics)

## <Business Overview>

- **Mobility:** Overseas, healthy demand for elastomers, performance compounds and polypropylene compounds continued for automotive applications. Healthy demand continued in performance polymers especially for information and communication technology applications.
- **Health Care:** Sales were stable in vision care materials and nonwoven fabrics. Sales in dental materials decreased mainly in Germany.
- **Food & Packaging:** Sales for coating & engineering materials, performance films & sheets and agrochemicals were stable.
- **Basic Materials:** Healthy domestic demand continued and operating rates remained at high levels for naphtha crackers and other production facilities. The overseas market for petrochemical and other such products remained strong due mainly to healthy demand.

# 1) Review of FY2017 (Business Overview and Topics)

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## <Topics>

- Acquisition of shares of ARRK Corporation (January 2018)
- E-eyewear for near and far vision. Whenever you want, just one touch.  
TouchFocus™ Available for Purchase for the First Time  
(February 2018)
- Mitsui Chemicals Agro: License agreement for novel fungicide with Bayer  
(February 2018)

## 2) Consolidated Financial Highlights

(Billions of Yen)

Items	FY2016	FY2017	Increase (Decrease)	%
Net sales	1,212.3	1,328.5	116.2	10%
Operating income	102.1	103.5	1.4	1%
Non-operating incomes and expenses	(4.9)	6.7	11.6	—
Ordinary income	97.2	110.2	13.0	13%
Extraordinary gains and losses	(11.4)	(16.0)	(4.6)	—
Net income before income taxes and minority interests	85.8	94.2	8.4	10%
Profit attributable to owners of parent	64.8	71.6	6.8	10%

Exchange rate (Yen/US\$) 108 111 3

Domestic standard naphtha price (Yen/KL) 34,700 41,900 7,200

Dividend (Yen/Share)	Interim	25	45	20
	Year-end	45	45	0
	Full year	* 70	90	20

\*Regular:60+Memorial:10

The Group conducted 5-to-1 share consolidation on October 1, 2017. The dividend has been adjusted retrospectively to reflect the share consolidation for all periods.

## 2) Consolidated Financial Highlights

(Billions of Yen)

( ) Denotes a minus

Items	End of Mar. 2017	End of Mar. 2018	Increase (Decrease)	%
Interest-bearing liabilities	439.9	463.7	23.8	5%
Interest-bearing liabilities (net)	355.8	381.8	26.0	7%
Equity	449.7	511.1	61.4	14%
Net D/E Ratio (Times)	0.79	0.75	(0.04)	—
Equity Ratio (%)	33.9	35.4	1.5	—

(Number of companies)

Items	End of Mar. 2017	End of Mar. 2018	Increase (Decrease)
Consolidated companies			
Consolidated subsidiaries	94	115	21
Non-consolidated subsidiaries and affiliates to which the equity method is applied	37	39	2
Total	131	154	23

### 3) Net sales and Operating Income/Loss by Business Segment (compared with FY2016 results)

(Billions of Yen)

( ) Denotes a minus

Segment	Net sales			Operating Income/Loss			Breakdown		
	FY2016	FY2017	Incr. (Decr.)	FY2016	FY2017	Incr. (Decr.)	Volume	Terms of trade	Costs
Mobility	293.3	331.0	37.7	40.7	42.3	1.6	3.4	1.8	(3.6)
Health Care	134.2	139.1	4.9	10.1	10.8	0.7	2.0	0.4	(1.7)
Food & Packaging	182.5	195.8	13.3	20.6	19.9	(0.7)	3.9	(2.1)	(2.5)
Basic Materials	565.6	637.7	72.1	38.5	38.9	0.4	(0.2)	1.9	(1.3)
Others	36.7	24.9	(11.8)	(7.8)	(8.4)	(0.6)	-	-	(0.6)
Total	1,212.3	1,328.5	116.2	102.1	103.5	1.4	9.1	2.0	(9.7)



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

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

Items	FY2016	FY2017	Incr. (Decr.)
Equity in earnings of non-consolidated subsidiaries and affiliates	0.2	7.1	6.9
Interest expenses, interest and dividend income	(2.1)	(0.7)	1.4
Gain (loss) on foreign exchange	(1.3)	(1.2)	0.1
Others	(1.7)	1.5	3.2
<b>Non-operating incomes and expenses total</b>	<b>(4.9)</b>	<b>6.7</b>	<b>11.6</b>

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

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

Items	FY2016	FY2017	Incr. (Decr.)
Gain on sales of non-current assets & investment securities	2.6	3.6	1.0
Gain on transfer of business	—	0.6	0.6
Gain on revision of retirement benefit plan	—	0.3	0.3
Gain on forgiveness of debts	—	2.0	2.0
Extraordinary gains (a)	2.6	6.5	3.9
Loss on sales and disposal of non-current assets	(7.3)	(2.4)	4.9
Impairment loss	(4.1)	(15.0)	(10.9)
Loss on valuation of investment securities	(0.2)	(5.1)	(4.9)
Others	(2.4)	—	2.4
Extraordinary losses (b)	(14.0)	(22.5)	(8.5)
Extraordinary gains and losses total (a)+(b)	(11.4)	(16.0)	(4.6)

## 5) Consolidated Balance Sheet

(Billions of Yen)

( ) Denotes a minus

Items	End of Mar. 2017	End of Mar. 2018	Incr. (Decr.)	Items	End of Mar. 2017	End of Mar. 2018	Incr. (Decr.)
Current assets	678.9	749.5	70.6	Liabilities	810.9	857.5	46.6
Cash and deposits	84.1	80.2	(3.9)	Notes and accounts payables	145.7	162.2	16.5
Notes and accounts receivables	271.7	306.9	35.2	Interest-bearing liabilities	439.9	463.7	23.8
Inventories	247.5	274.3	26.8	Other liabilities	225.3	231.6	6.3
Other current assets	75.6	88.1	12.5				
Fixed assets	646.6	694.6	48.0	Net assets	514.6	586.6	72.0
Tangible fixed assets	409.4	432.9	23.5	Shareholders' equity	437.8	485.1	47.3
Intangible fixed assets	35.2	31.5	(3.7)	Other accumulated comprehensive income	11.9	26.0	14.1
Investments and other non-current assets	202.0	230.2	28.2	Non-controlling interests	64.9	75.5	10.6
<b>Total</b>	<b>1,325.5</b>	<b>1,444.1</b>	<b>118.6</b>	<b>Total</b>	<b>1,325.5</b>	<b>1,444.1</b>	<b>118.6</b>

## 6) Consolidated Statement of Cash Flow

(Billions of Yen)

( ) Denotes a minus

Items	FY2016	FY2017	Incr. (Decr.)
I . Cash flows from operating activities (a)	100.4	82.7	(17.7)
II . Cash flows from investing activities (b)	(47.4)	(75.1)	(27.7)
Free cash flows (a)+(b)	53.0	7.6	(45.4)
III . Cash flows from financing activities	(47.6)	(10.2)	37.4
IV . Others	(0.7)	(1.5)	(0.8)
Net incr.(decr.) in cash and cash equivalents	4.7	(4.1)	(8.8)

## 2. Outlook for FY2018 (April 1, 2018 – March 31, 2019)

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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 FY2018

## <Topics>

- Acquisition of shares of US 3D Printer Manufacturer B9Creations (April 2018)
- Commercial operations for high performance nonwovens at Nagoya Works in Japan (1<sup>ST</sup> Quarter of FY2018, 15,000 tons/annum)
- Commercial operations for capacity expansion of premium high performance nonwovens in Japan (1<sup>ST</sup> Quarter of FY2018, +6,000 tons/annum)
- Construction starts to expand facilities for thermoplastic olefinic elastomer Milastomer™ in North America (4<sup>th</sup> Quarter of FY2018, 6,000 tons/annum, commercial operations in FY2019)

## 2) Consolidated Financial Highlights of Outlook

(Billions of Yen)

Items	FY2017 (a)		FY2018 Outlook (b)		Incr.(Decr.) (b)-(a)	
	1st Half	Full Year	1st Half	Full Year	Full Year	%
Net sales	620.9	1,328.5	715.0	1,480.0	151.5	11%
Operating income	48.2	103.5	47.0	106.0	2.5	2%
Non-operating incomes and expenses	1.7	6.7	5.0	6.0	(0.7)	–
Ordinary income	49.9	110.2	52.0	112.0	1.8	2%
Extraordinary gains and losses	4.8	(16.0)	(3.0)	(5.0)	11.0	–
Net income before income taxes and minority interests	54.7	94.2	49.0	107.0	12.8	14%
Profit attributable to owners of parent	38.2	71.6	36.0	80.0	8.4	12%

Exchange rate (Yen/US\$)

111

111

105

105

(6)

Domestic standard naphtha price (Yen/KL)

37,600

41,900

49,000

49,000

7,100

	Interim	Year-end	Interim	Year-end	Interim	Year-end
Dividend (Yen/Share)	*45.0	45.0	50.0	50.0	5.0	5.0
	Full year	90.0	Full year	100.0	Full year	10.0

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

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

(Billions of Yen)

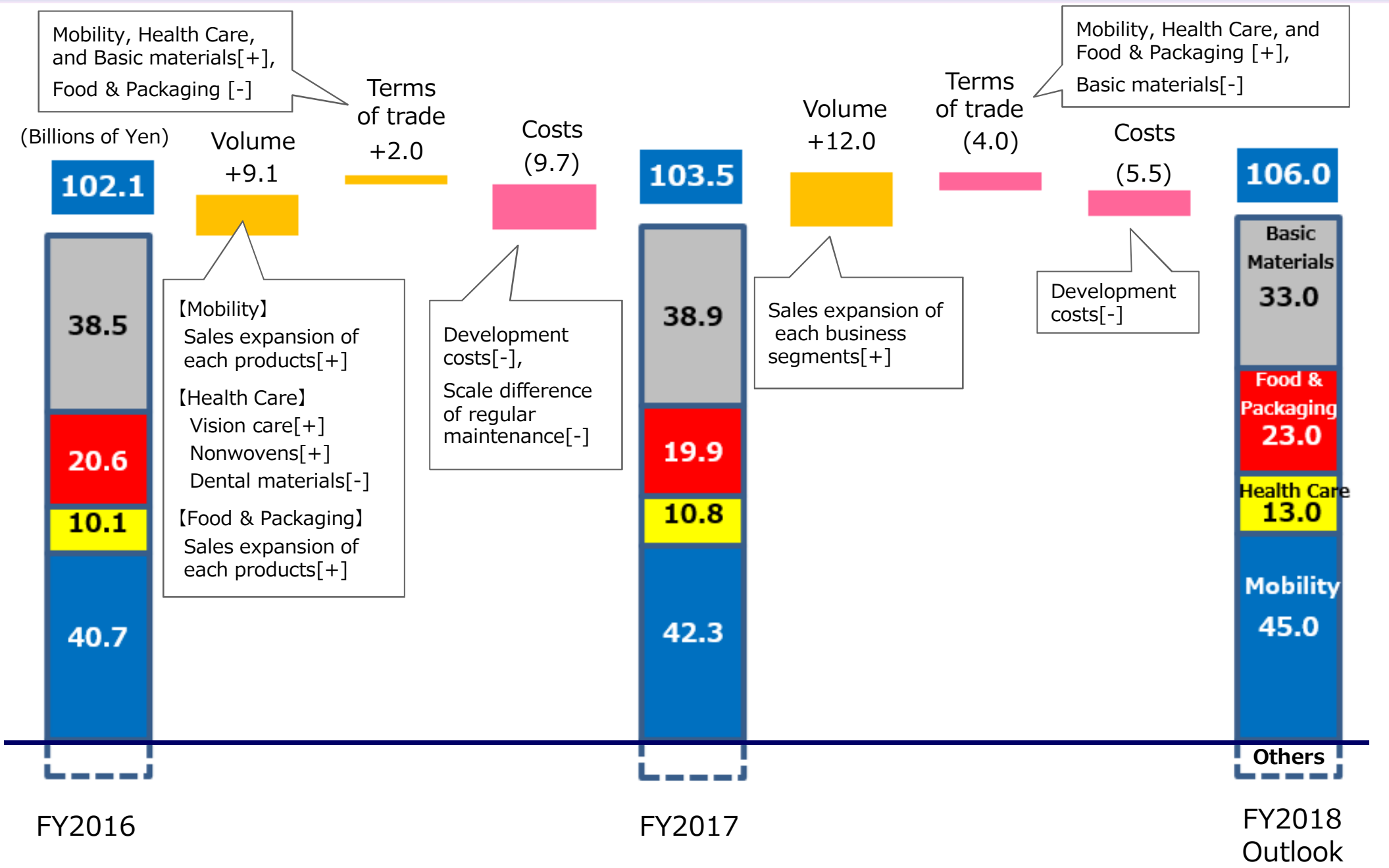
( ) Denotes a minus

Segment	Net sales					Operating Income/Loss				
	FY2017		FY2018 Outlook		Incr.(Decr.) (b) - (a)	FY2017		FY2018 Outlook		Incr.(Decr.) (d) - (c)
	1st Half	Full Year (a)	1st Half	Full Year (b)		1st Half	Full Year (c)	1st Half	Full Year (d)	
Mobility	153.4	331.0	190.0	385.0	54.0	22.0	42.3	21.5	45.0	2.7
Health Care	68.1	139.1	73.0	150.0	10.9	4.8	10.8	5.5	13.0	2.2
Food & Packaging	95.0	195.8	100.0	210.0	14.2	10.1	19.9	10.5	23.0	3.1
Basic Materials	292.2	637.7	340.0	710.0	72.3	15.4	38.9	14.0	33.0	(5.9)
Others	12.2	24.9	12.0	25.0	0.1	(4.1)	(8.4)	(4.5)	(8.0)	0.4
Total	620.9	1,328.5	715.0	1,480.0	151.5	48.2	103.5	47.0	106.0	2.5



# 4) Transition of Operating Income

(FY2016 → FY2017 → FY2018 outlook)



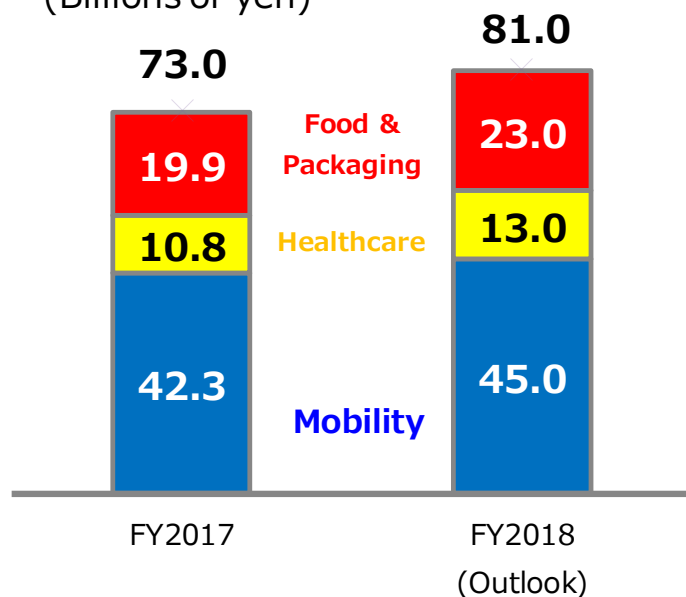
# 5) Trends of Business Segment

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

## <Business Environment>

- ◆ **Mobility:** Global automotive production will expand gradually. Forecast continuation of demand growth for information and communication technology applications.
- ◆ **Health Care:** Forecast stable demand for vision care materials and nonwoven. Demand for dental materials will expand mainly in digital products.
- ◆ **Food & Packaging:** Forecast stable demand.

(Billions of yen)



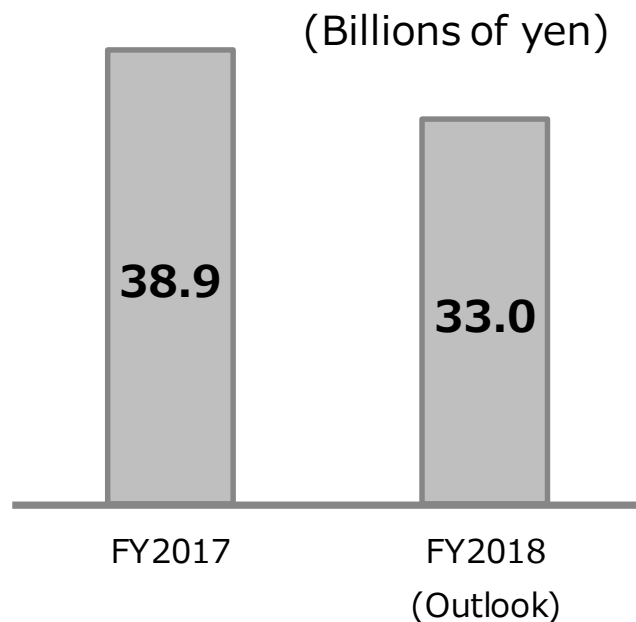
Trends of Operating Income	
FY2017 → FY2018 (outlook)	
Mobility	➔ Sales expansion of oversea PP compounds, elastomers, performance compounds, performance polymers[+], etc.
Healthcare	➔ Sales expansion of vision care materials, nonwoven fabrics, dental materials[+], etc.
Food & Packaging	➔ Sales expansion of coating & engineering materials, performance films & sheets, agrochemicals[+], etc.

# 5) Trends of Business Segment

(Basic Materials segment)

## <Business Environment>

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



	Sales Ratio (%)	Trends of Operating Income	
		FY2017 → FY2018 (outlook)	
Petrochemical feedstocks and Polyolefins	60%	↘	Sales expansion of Evolve[+], terms of trade[-], etc.
Phenols, PTA&PET and Industrial Chemicals	35%	→	terms of trade[+], etc.
Polyurethane Materials	5%	→	

Note: All figures are approximation for reference purpose only.

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

(Billions of Yen)

**Non-Operating Incomes and Expenses**

( ) Denotes a minus

Items	FY2017		FY2018 Outlook		Incr.(Decr.) (b) - (a)
	1st Half	Full Year (a)	1st Half	Full Year (b)	
Equity in earnings of non-consolidated subsidiaries and affiliates	2.3	7.1	5.5	8.5	1.4
Interest expenses, interest and dividend income	(0.7)	(0.7)	(0.5)	(1.5)	(0.8)
Gain (loss) on foreign exchange	0.2	(1.2)	–	–	1.2
Others	(0.1)	1.5	–	(1.0)	(2.5)
<b>Non-operating incomes and expenses total</b>	<b>1.7</b>	<b>6.7</b>	<b>5.0</b>	<b>6.0</b>	<b>(0.7)</b>

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

### Extraordinary Gains and Losses

(Billions of Yen)

( ) Denotes a minus

Items	FY2017		FY2018 Outlook		Incr.(Decr.) (b) - (a)
	1st Half	Full Year (a)	1st Half	Full Year (b)	
Gain on sales of non-current assets & investment securities	3.2	3.6	–	–	(3.6)
Gain on transfer of business	–	0.6	–	–	(0.6)
Gain on revision of retirement benefit plan	–	0.3	–	–	(0.3)
Gain on forgiveness of debts	2.0	2.0	–	–	(2.0)
Extraordinary gains (a)	5.2	6.5	0.0	0.0	(6.5)
Loss on sales and disposal of non-current assets	(0.4)	(2.4)	(3.0)	(5.0)	(2.6)
Impairment loss	–	(15.0)	–	–	15.0
Loss on valuation of investment securities	–	(5.1)	–	–	5.1
Extraordinary losses (b)	(0.4)	(22.5)	(3.0)	(5.0)	17.5
Extraordinary gains and losses Total (a)+(b)	4.8	(16.0)	(3.0)	(5.0)	11.0

## 7) Consolidated Statement of Cash Flow

(Billions of Yen)

( ) Denotes a minus

Items	FY2017		FY2018 Outlook		Incr.(Decr.) (b) - (a)
	1st Half	Full Year (a)	1st Half	Full Year (b)	
I . Cash flows from operating activities (a)	49.1	82.7	62.0	105.0	22.3
II . Cash flows from investing activities (b)	(21.0)	(75.1)	(45.0)	(100.0)	(24.9)
Free cash flows (a)+(b)	28.1	7.6	17.0	5.0	(2.6)
III . Cash flows from financing activities	(16.6)	(10.2)	(17.0)	(5.0)	5.2
IV . Others	(0.5)	(1.5)	—	—	1.5
Net incr.(decr.) in cash and cash equivalents	11.0	(4.1)	0.0	0.0	4.1

## 8) Consolidated Accounting Fundamentals

( ) Denotes a minus

Items		FY2017		FY2018 Outlook	
		1st Half	Full Year	1st Half	Full Year
Exchange Rate	Yen/US\$	111	111	105	105
Domestic Standard Naphtha Price	Yen/KL	37,600	41,900	49,000	49,000
Capital Expenditures	¥ Billions	27.0	81.2	46.0	84.0
Research and Development Expenses	¥ Billions	16.2	33.4	18.0	36.0
Depreciation and Amortization	¥ Billions	22.1	45.7	24.0	50.0
Financing Incomes and Expenses	¥ Billions	(0.7)	(0.7)	(0.5)	(1.5)
Interest-bearing Liabilities	¥ Billions	438.0	463.7	460.0	480.0
Net D/E Ratio	times	0.70	0.75	0.71	0.70
Number of Employees	persons	13,521	17,277	17,700	17,700

## 3. Appendix

- 1) Trends in Product Prices
- 2) Increase/Decrease in Business Segment (Net sales and Operating Income, year on year)
- 3) Net sales and Operating Income/Loss by Business Segment (by Quarter)
- 4) Main Subsidiaries and Affiliates
- 5) Financial Summary
- 6) Net sales by Region
- 7) Topics for FY2017

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# 1) Trends in Product Prices

(Naphtha prices are Domestic Standard Naphtha Price )

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

(ACP) : Asian contract price

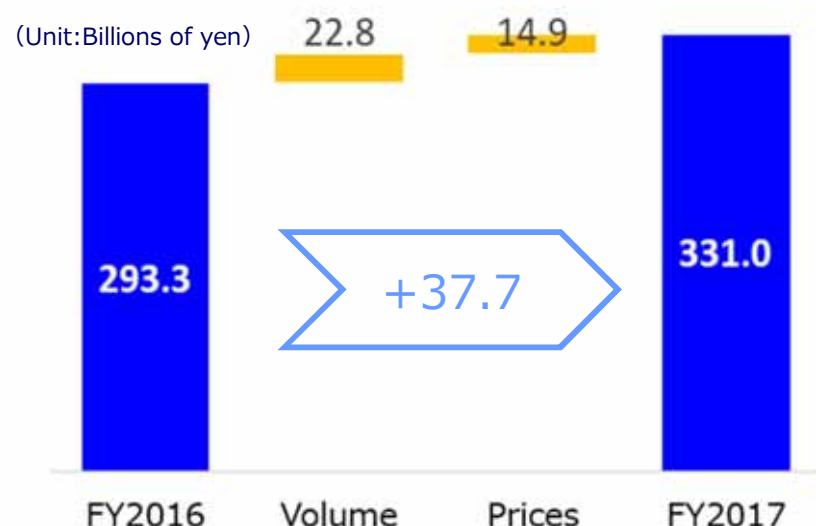
Year	2015			2016				2017				2018
Month	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.
Naphtha (Yen/KL)	48,800	47,200	40,900	34,300	31,600	31,300	34,100	41,900	39,100	36,100	44,600	47,900
PE (Yen/KG)			about (10)	about (10)		about (10)		about +20		about (5)	about +10	about +10
PP (Yen/KG)			about (10)	about (10)		about (10)		about +20		about (5)	about +10	about +10
PH (Formula Price) (Yen/KG)												
BZ(ACP) (US\$/T)	\$790	\$720	\$610	\$560	\$640	\$640	\$670	\$950	\$790	\$770	\$830	\$920
BPA(Japan) (Yen/KG)			(30) From Oct.					+20 From Mar.				
	negotiation based on BZ price and BPA market price											
BPA (China) (US\$/T)	\$1,390	\$1,060	\$910	\$940	\$1,140	\$1,130	\$1,170	\$1,360	\$1,200	\$1,220	\$1,420	\$1,670
PTA (US\$/T)	\$720	\$630	\$600	\$570	\$610	\$610	\$610	\$670	\$630	\$640	\$690	\$760
PX(ACP) (US\$/T)	\$930	\$820	\$790	\$720	\$800	\$790	\$790	\$890	\$810	\$800	\$890	\$950
TDI (US\$/T)	\$1,740	\$1,570	\$1,510	\$1,510	\$2,080	\$2,360	\$3,590	\$3,480	\$3,500	\$3,680	\$4,380	\$4,470

## 2-1) Increase/Decrease in Mobility

(Net sales and Operating Income, year on year)

### Increase/Decrease of Net Sales (FY2017 vs. FY2016)

( ) Denotes a minus



**331.0 billion yen (+37.7 billion yen year on year)**

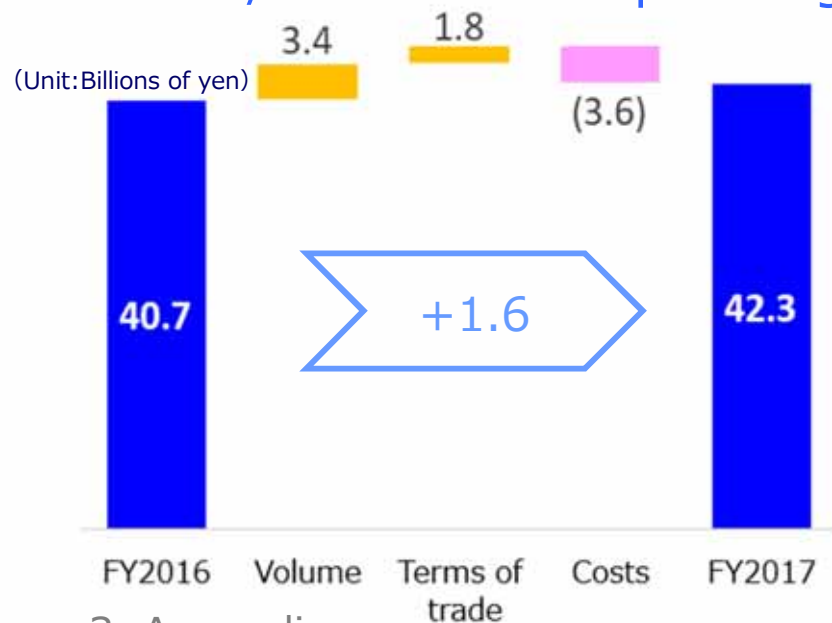
#### Volume +22.8 billion yen

- Prompt response to healthy global automotive use demand.
- Prompt response to healthy demand for information and communication technology applications.
- Acquisition of shares of ARRK corporation.

#### Prices +14.9 billion yen

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

### Increase/Decrease of Operating Income (FY2017 vs. FY2016)



**42.3 billion yen (+1.6 billion yen year on year)**

#### Volume +3.4 billion yen

- Prompt response to healthy global automotive use demand.
- Prompt response to healthy demand for information and communication technology applications.

#### Terms of trade +1.8 billion yen

- Increase from weak yen, etc.

#### Costs (3.6) 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 (FY2017 vs. FY2016)

(Unit: Billions of yen)



**139.1 billion yen (+4.9 billion yen year on year)**

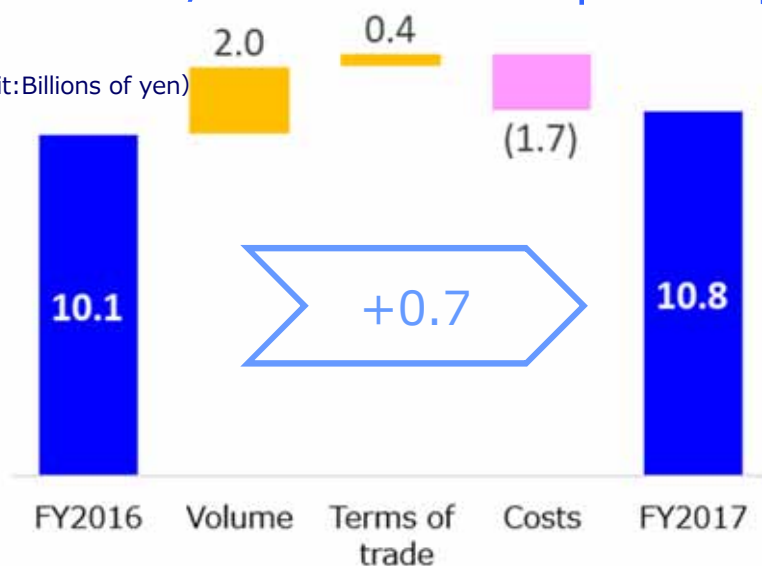
#### Volume +4.3 billion yen

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

#### Prices +0.6 billion yen

### Increase/Decrease of Operating Income (FY2017 vs. FY2016)

(Unit: Billions of yen)



**10.8 billion yen (+0.7 billion yen year on year)**

#### Volume +2.0 billion yen

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

#### Terms of trade +0.4 billion yen

#### Costs (1.7) billion yen

- Development costs, etc.

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

(Net sales and Operating Income, year on year)

### Increase/Decrease of Net Sales (FY2017 vs. FY2016)

( ) Denotes a minus



**195.8 billion yen (+13.3 billion yen year on year)**

#### **Volume +7.8 billion yen**

- Stable sales of coating & engineering materials, performance films & sheets and agrochemicals.

#### **Prices +5.5 billion yen**

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

### Increase/Decrease of Operating Income (FY2017 vs. FY2016)



**19.9 billion yen ((0.7) billion yen year on year)**

#### **Volume +3.9 billion yen**

- Stable sales of coating & engineering materials, performance films & sheets and agrochemicals.

#### **Terms of trade (2.1) billion yen**

- Decrease from unfavorable terms of trade due to upward swing in raw material prices, etc.

#### **Costs (2.5) billion yen**

- Development costs, etc.

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

(Net sales and Operating Income, year on year)

### Increase/Decrease of Net Sales (FY2017 vs. FY2016)

( ) Denotes a minus



**637.7 billion yen (+72.1 billion yen year on year)**

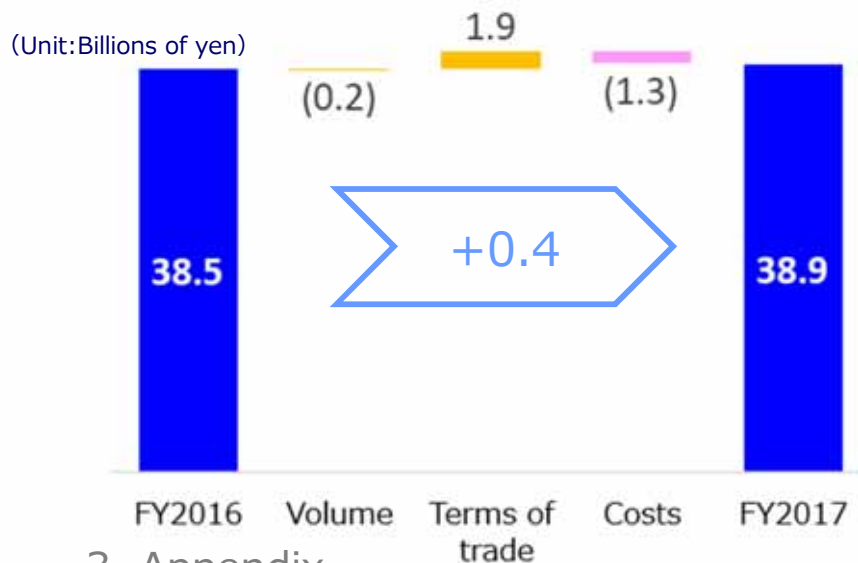
**Volume +13.4 billion yen**

- Stable sales of each product.

**Prices +58.7 billion yen**

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

### Increase/Decrease of Operating Income (FY2017 vs. FY2016)



**38.9 billion yen (+0.4 billion yen year on year)**

**Volume (0.2) billion yen**

- Stable sales of each product.

**Terms of trade +1.9 billion yen**

- Market price, etc.

**Costs (1.3) billion yen**

- Scale difference of regular maintenance, etc.

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

#### Net sales

(Billions of Yen)

Segment	FY2016				FY2017			
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Mobility	74.7	67.0	74.4	77.2	77.7	75.7	81.4	96.2
Health Care	35.1	32.1	32.8	34.2	34.2	33.9	35.3	35.7
Food & Packaging	44.4	43.9	43.7	50.5	45.8	49.2	49.6	51.2
Basic Materials	130.7	122.5	142.2	170.2	145.3	146.9	166.8	178.7
Others	8.8	9.5	8.3	10.1	6.0	6.2	5.8	6.9
<b>Total</b>	<b>293.7</b>	<b>275.0</b>	<b>301.4</b>	<b>342.2</b>	<b>309.0</b>	<b>311.9</b>	<b>338.9</b>	<b>368.7</b>

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

(-) Denotes a minus es a minus

Segment	FY2016				FY2017			
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Mobility	12.0	9.1	10.0	9.6	11.5	10.5	10.9	9.4
Health Care	3.2	2.2	2.5	2.2	2.9	1.9	3.1	2.9
Food & Packaging	5.7	5.3	3.9	5.7	4.6	5.5	4.4	5.4
Basic Materials	7.0	4.8	12.1	14.6	10.8	4.6	11.1	12.4
Others	(2.4)	(1.5)	(2.3)	(1.6)	(2.5)	(1.6)	(2.0)	(2.3)
<b>Total</b>	<b>25.5</b>	<b>19.9</b>	<b>26.2</b>	<b>30.5</b>	<b>27.3</b>	<b>20.9</b>	<b>27.5</b>	<b>27.8</b>

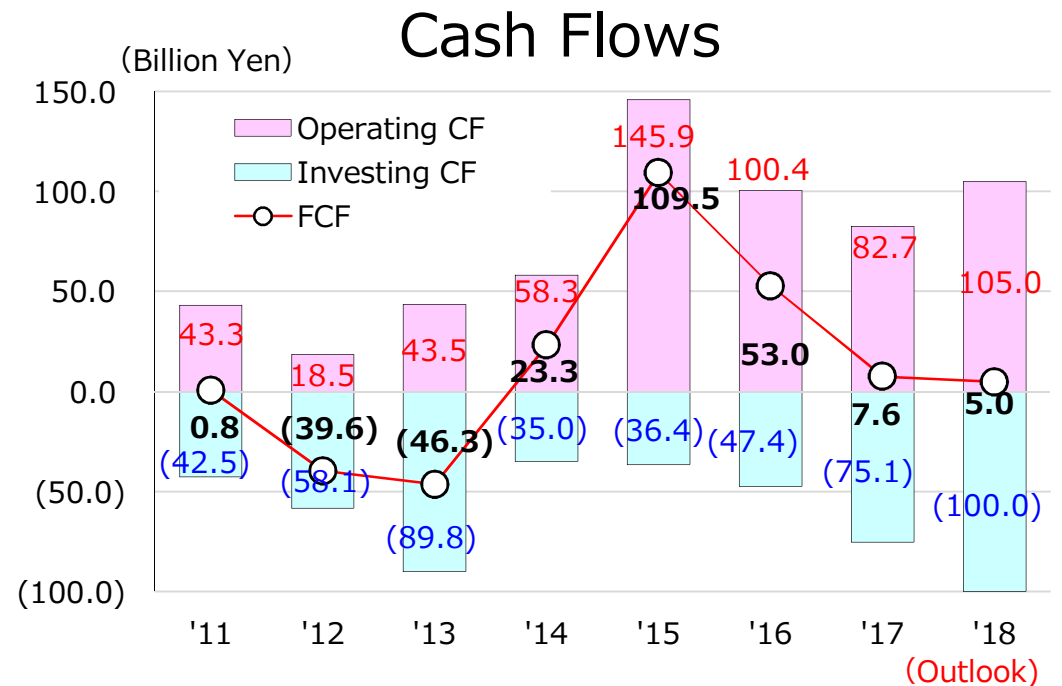
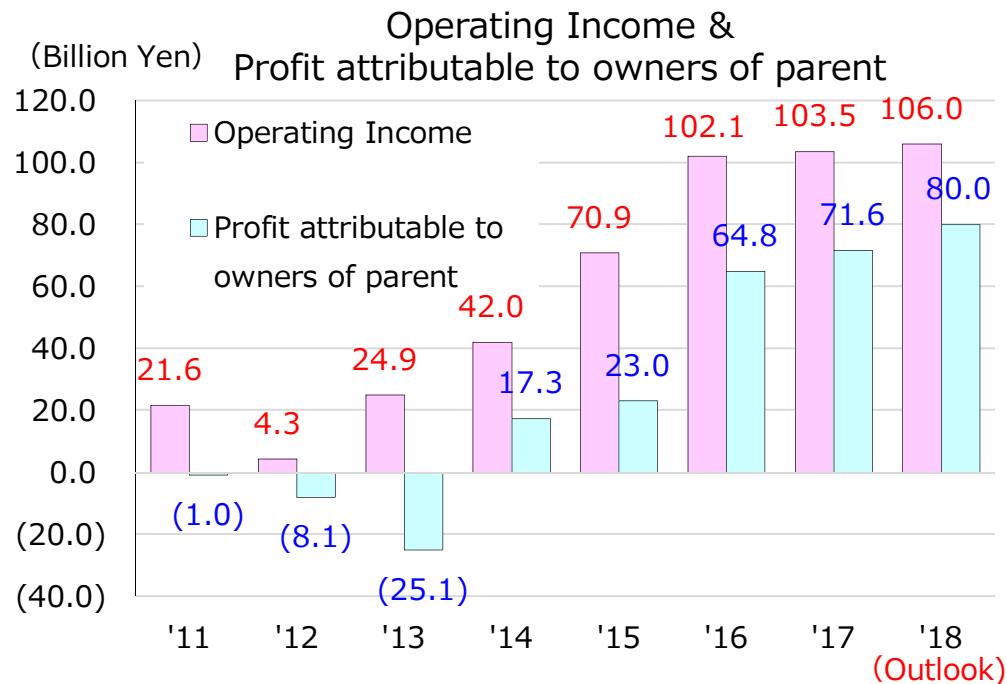
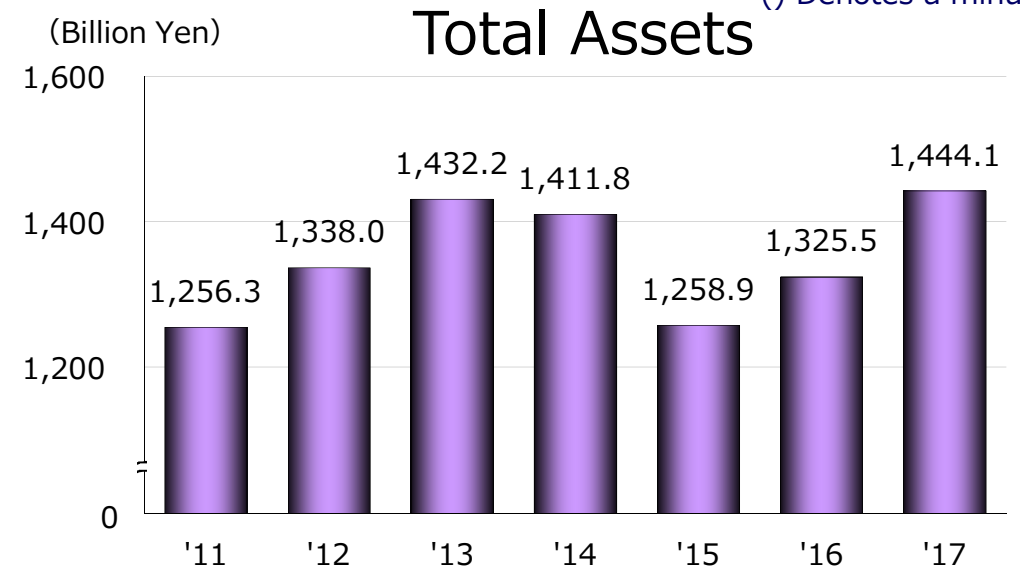
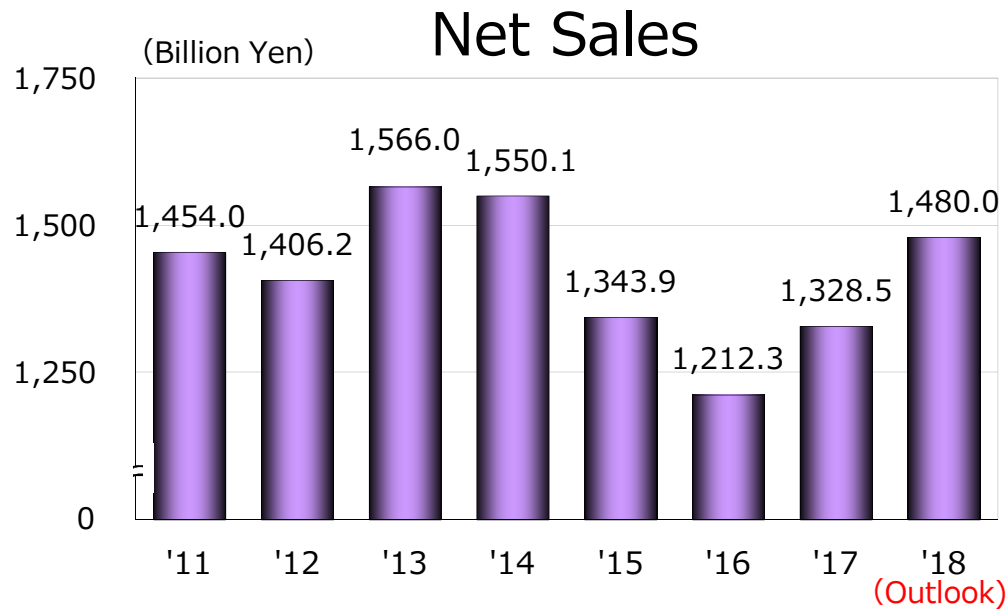
## 4) Main Subsidiaries and Affiliates

Items	Our share	Net sales		Operating Income/Loss	
		FY2017	FY2017	FY2018 Outlook	
<b>Subsidiaries</b>	%	Billions of Yen			
Prime Polymer	65.0	230	gain	↘	Terms of trade[-]
Advanced Composites	61.8	100	gain	→	
Mitsui Phenoles Singapore	95.0	60	gain	↗	
Mitsui Elastomers Singapore	100.0	50	gain	→	
Mitsui Chemicals Tohcello, Inc.	100.0	80	gain	↗	
Mitsui Chemicals Agro, Inc.	100.0	40	gain	→	
<b>Affiliates</b>					
Dupont-Mitsui Polychemicals	50.0	40	gain	→	
Dupont-Mitsui Fluorochemicals	50.0	30	gain	→	
Shanghai Sinopec Mitsui Chemicals	50.0	40	loss	↗	

Operating Income/Loss : FY2018 outlook "→" represents "no change", or change less than 0.5 billion yen compared with FY2017.

# 5-1) Financial Summary

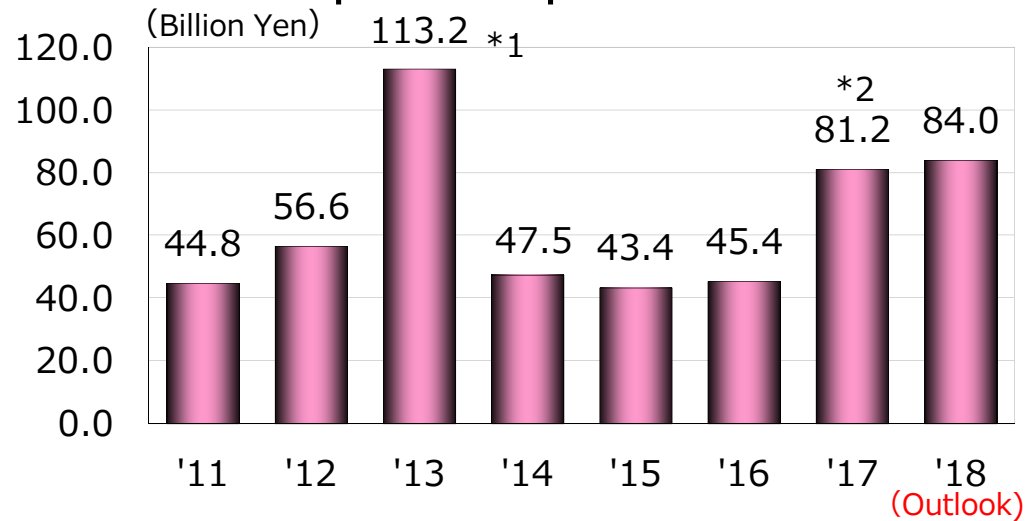
( ) Denotes a minus





# 5-2) Financial Summary

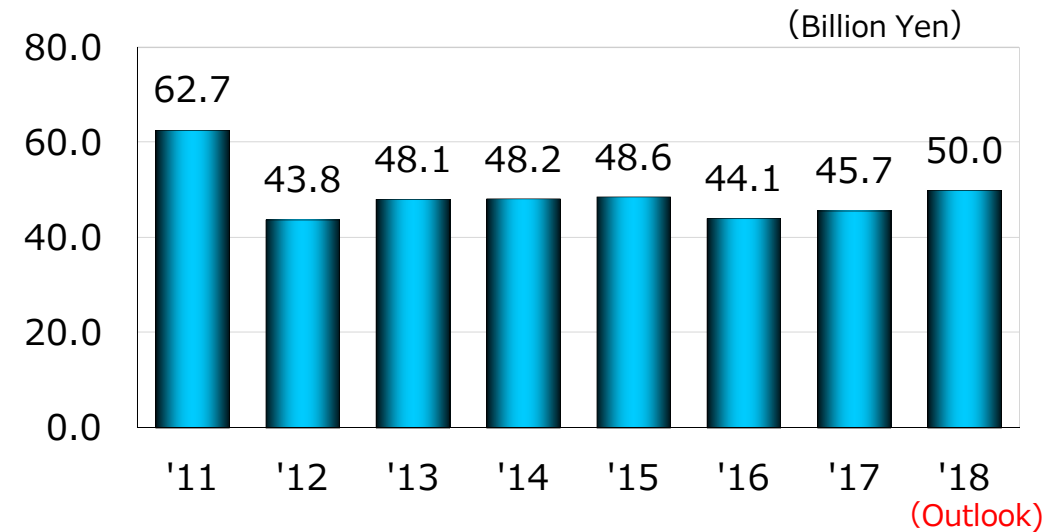
## Capital Expenditure



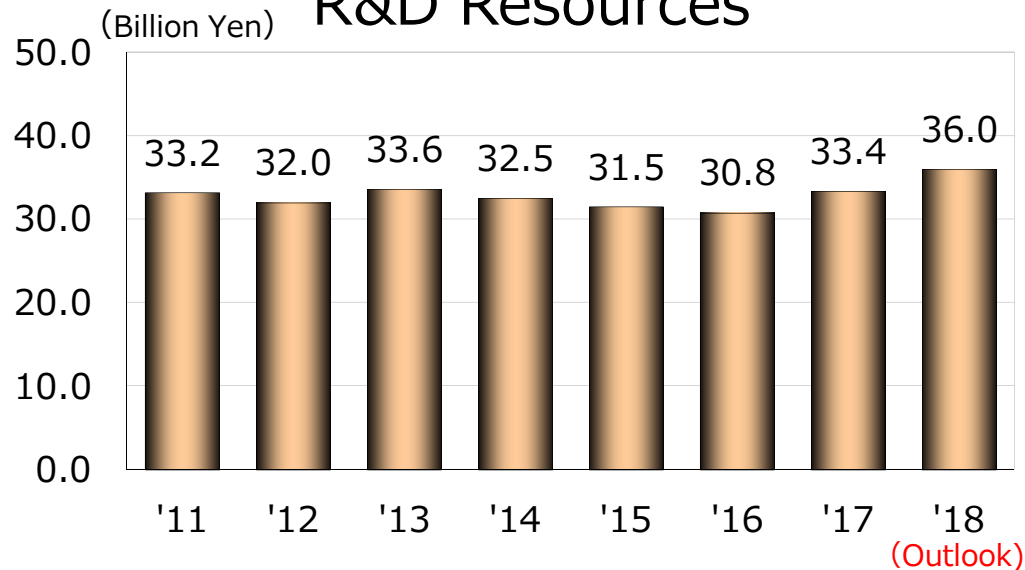
\*1. Include Heraeus dental business acquisition 56.0 billion yen

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

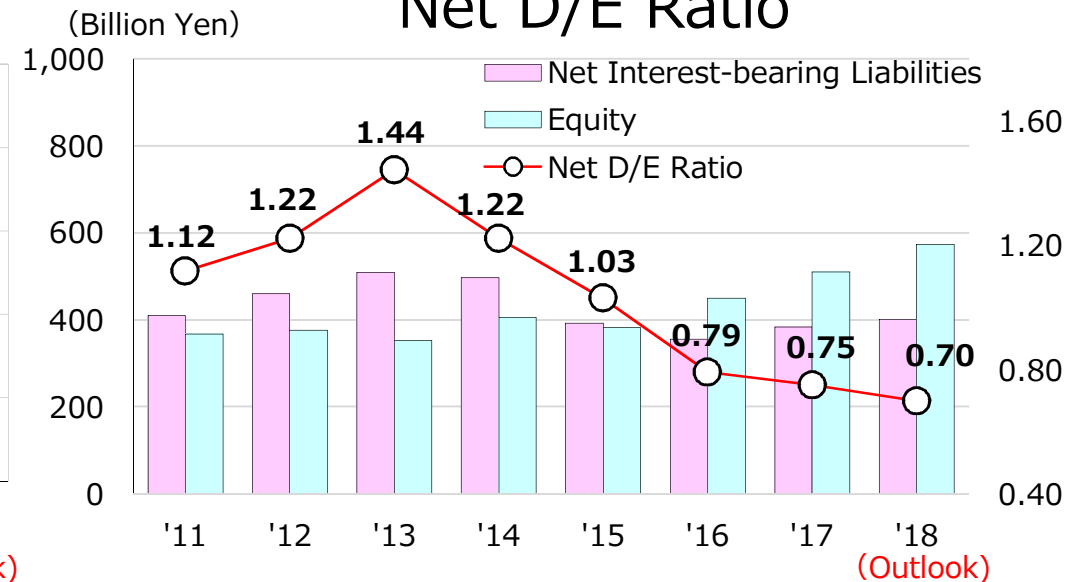
## Depreciation & Amortization



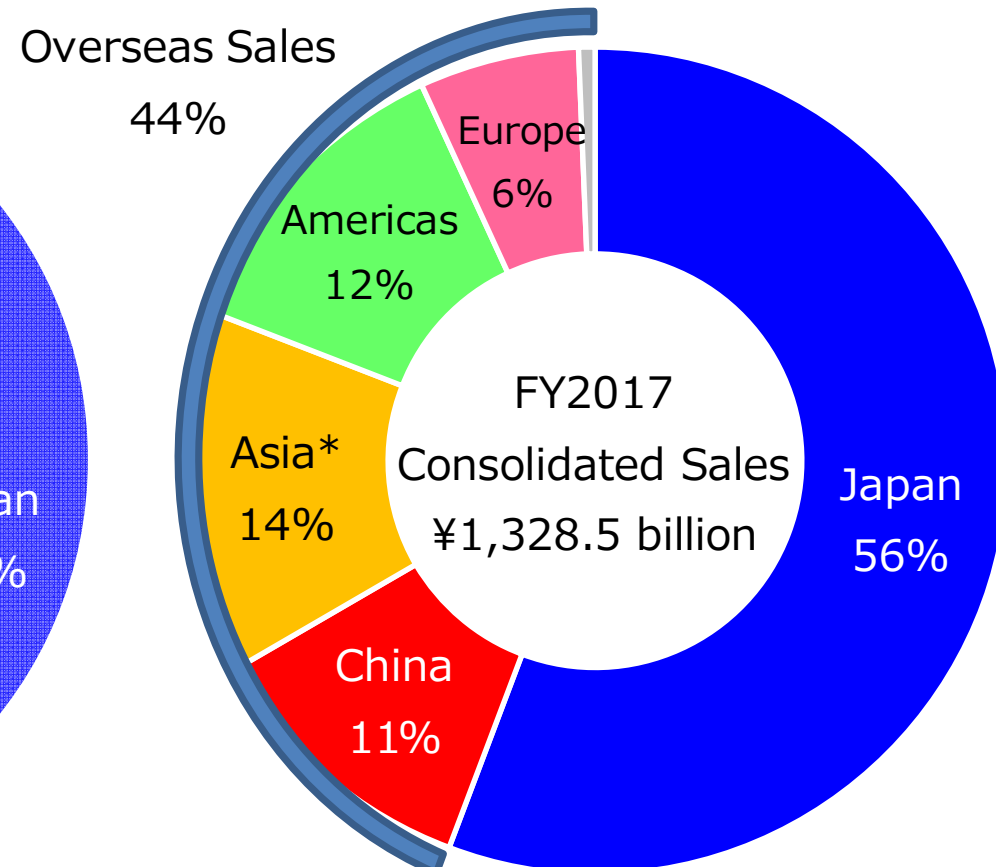
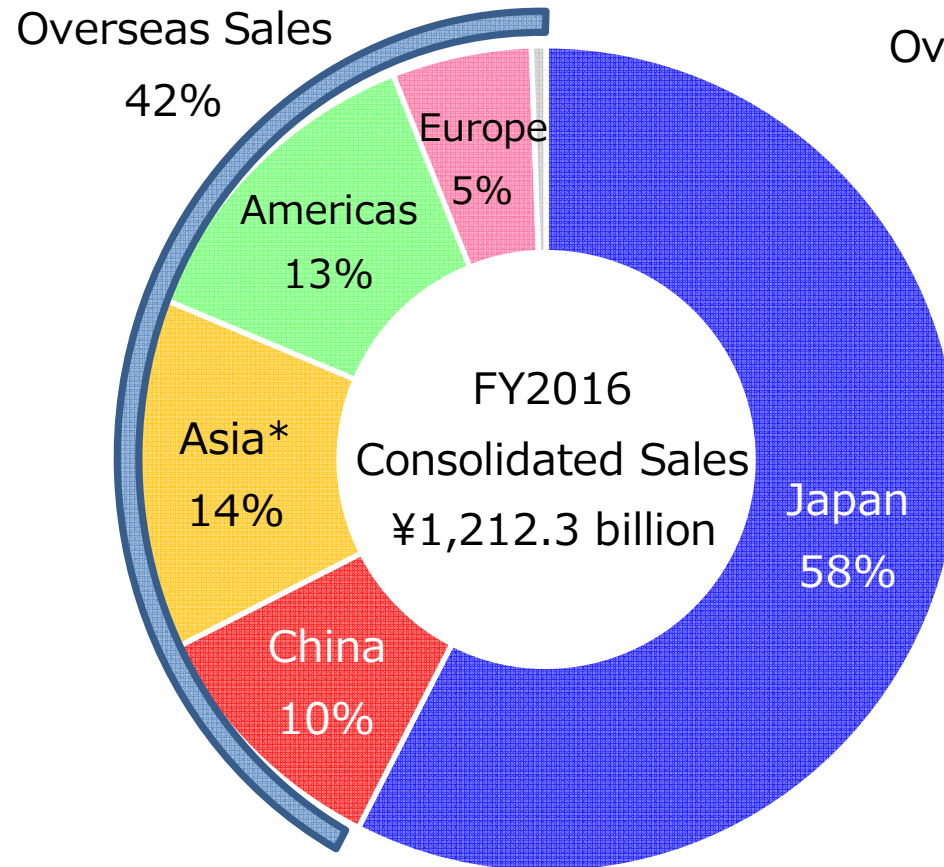
## R&D Resources



## Net D/E Ratio



## 6) Net sales by Region



\* Asia excluding Japan and China

## 7) Topics for FY2017

- Establishment of Mitsui Chemicals Thailand (April 2017)
- Commercial operations for electrolyte solution production facilities at Nagoya Works (April 2017, 5,000 tons/annum)
- Development of AIRYFA™, the world's first flexible nonwoven with high strength (May 2017)
- Commercial operations for capacity expansion of polypropylene compounds (India May 2017, U.S. June 2017, Mexico July 2017 : +50,000 tons/annum for total)
- Mitsui Chemicals Agro: Acquisition of shares of PT Agriculture Construction in Indonesia (August 2017)
- Commercial operations for capacity expansion of thermoplastic olefinic elastomer Milastomer™ (October 2017, +5,000 tons/annum)
- Establishment of new company for the ICROS™Tape, a tape for semiconductor manufacturing in Taiwan (November 2017)
- Commercial operations for capacity expansion of electrolyte solution for Taiwan joint venture (November 2017, +3,500 tons/annum)
- Acquisition of Asahi Kasei Corp.'s business for SUNVIEO™ thermoplastic styrene elastomer (December 2017)
- Mitsui Chemicals Agro: Commercialization agreement for new insecticide with BASF (November 2017)
- Acquisition of shares of ARRK Corporation (January 2018)
- E-eyewear for near and far vision. Whenever you want, just one touch. TouchFocus™ Available for Purchase for the First Time (February 2018)
- Mitsui Chemicals Agro: License agreement for novel fungicide with Bayer (February 2018)



**Mitsui Chemicals**

Creating New Customer Value and  
Solving Social Challenges through Business Activities