



November 4, 2020

Company name: Mitsubishi Chemical Holdings Corporation
 Representative: Hitoshi Ochi
 Representative Corporate Executive Officer,
 President & Chief Executive Officer
 Listed on 1st section of TSE (stock code: 4188)
 Contact: Osamu Shimizu
 General Manager,
 Public Relations and Investor Relations Office
 TEL: [+81] (0)3-6748-7120

Notice Regarding Differences between Financial Results Forecast and Financial Results for the First Half of Fiscal 2020, and Revisions to Annual Forecast

Mitsubishi Chemical Holdings Corporation hereby announces differences between its financial results forecast announced on May 13, 2020, and financial results announced today, for the first half of fiscal 2020, ending March 31, 2021. The Company has also revised its full-year forecast that it announced on May 13, 2020. Details are below.

1. Differences between consolidated financial results forecast and financial results for the first half of fiscal 2020 (April 1, 2020 – September 30, 2020)

(Billions of yen, unless otherwise noted)

	Sales revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent	Net income per share (yen)
Previous forecast (A) (announced on May 13, 2020)	1,509.0	25.0	28.5	11.0	0.0	00.00
Results (B)	1,504.8	54.6	(28.1)	(39.9)	(49.7)	(34.99)
Difference (B) - (A)	(4.2)	29.6	(56.6)	(50.9)	(49.7)	
Difference (%)	(0.3)	118.6	—	—	—	
Reference: Results for the same period of fiscal 2019	1,827.7	130.8	130.6	101.7	81.3	57.27

Notes:

- Net income before taxes: ¥18.0 billion (previous forecast); ¥(36.8) billion (results)
- Core operating income is operating income (loss) after excluding certain gains and expenses attributable to non-recurring factors.

2. Revisions to consolidated financial results forecast for fiscal 2020 (April 1, 2020 – March 31, 2021)

(Billions of yen; unless otherwise noted)

	Sales revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent	Net income per share (yen)
Previous forecast (A) (announced on May 13, 2020)	3,334.0	140.0	137.0	77.0	49.0	34.51
Revised forecast (B)	3,175.0	140.0	4.0	(34.0)	(59.0)	(41.54)
Difference (B—A)	(159.0)	—	(133.0)	(111.0)	(108.0)	
Difference (%)	(4.8)	—	(97.1)	—	—	
Reference: Results for fiscal 2019	3,580.5	194.8	144.3	86.6	54.1	38.08

Notes:

- The forecast for net income before taxes has been changed from ¥114.0 billion to ¥(16.0) billion.
- Core operating income is operating income (loss) after excluding certain gains and expenses attributable to non-recurring factors.

3. Reasons for Differences and Revisions

In the first half, core operating income was higher than previously projected. This is due to higher demand than initially expected in the Performance Products segment, including for semiconductor applications, as well as lower selling, general and administrative expenses and research and development expenditure in the Health Care segment owing to curtailed activities in response to the COVID-19 pandemic. At the same time, the Company posted an ¥84.5 billion impairment loss for the Health Care segment in the second quarter. That loss related to technology-related intangible assets (in-process research and development expenses) of NeuroDerm Ltd., an Israeli subsidiary developing a treatment for Parkinson's disease that expected a profitability downturn owing to changes in the business climate. Operating income, net income, and net income attributable to owners of the parent were thus lower than previously projected.

For the full-year results forecast, the Company has retained its core operating income forecast. This is because while market conditions for MMA and other offerings in the Chemicals segment are likely to be more unfavorable than initially expected, selling, general and administrative expenses and research and development expenditure in the Health Care and other segments are projected to decline. Operating income, net income, and net income attributable to owners of the parent are expected to be less than projected previously because of an impairment loss on intangible assets in the first half, as well as because of an impairment loss and shutdown-related costs associated with the closure of the Beaumont site of Lucite International, Inc. and other structural reform expenditure.

Reference:

Profit (loss) by segment for the first half of fiscal 2020

(Billions of yen)

	Results	Previous forecast	Difference
Performance Products	21.5	7.0	14.5
Chemicals	(14.6)	(12.0)	(2.6)
Industrial Gases	35.6	34.0	1.6
Health Care	13.4	1.0	12.4
Others	(1.3)	(5.0)	3.7
Total	54.6	25.0	29.6

Forward-Looking Statements

The forward-looking statements are based largely on the Company's expectations and information available as of the date hereof, and are subject to risks and uncertainties which may be beyond the Company's control. Actual results could differ materially due to numerous factors, including, without limitation, market conditions and the impact of industry competition.