



November 1, 2018

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Revision of Forecasts for Consolidated Financial Results and Dividends for Fiscal Year Ending March 31, 2019

Mitsubishi Chemical Holdings Corporation announced a revision of its forecasts for consolidated financial results and dividends for the fiscal year ending March 31, 2019 (fiscal 2018) announced on May 10, 2018, as detailed below.

1. Revision to consolidated financial results forecast for fiscal 2018 (April 1, 2018 – March 31, 2019)

(Unit: 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 10, 2018)	3,930.0	355.0	337.0	238.0	184.0	127.83
Revised forecast (B)	4,040.0	368.0	354.0	268.0	213.0	149.79
Difference (B – A)	110.0	13.0	17.0	30.0	29.0	
Difference (%)	2.8	3.7	5.0	12.6	15.8	
Reference: Results for fiscal 2017	3,724.4	380.5	355.7	276.4	211.8	147.14

Notes:

Net income before taxes: ¥325.0 billion (previous forecast); ¥345.0 billion (revised forecast)

Core operating income: Operating income excluding special items

2. Reason for revision

Sales revenue, core operating income, operating income, net income, and net income attributable to the owners of the parent are expected to be higher than the previous forecast, mainly reflecting MMA and carbon product market prices that remained stronger than the initial assumption in the Chemicals segment, although profits are expected to decrease, mainly in the Performance Products segment, due in part to an increase in raw material costs.

Reference:

Core operating income by segment

(Unit: Billions of yen)

	Revised forecast	Previous forecast	Difference
Performance Products	87.5	95.0	(7.5)
Chemicals	151.5	130.5	21.0
Industrial Gases	61.5	61.5	—
Health Care	72.5	73.0	(0.5)
Others	(5.0)	(5.0)	-
Total	368.0	355.0	13.0

3. Revision to dividends forecast for fiscal 2018

(Unit: Yen)

	Cash dividends per share				
	1st quarter	Interim	3rd quarter	Year-end	Total (Annual)
Previous forecast (announced on May 10, 2018)	—	17.00	—	17.00	34.00
Revised forecast			—	20.00	40.00
Fiscal 2018	—	20.00			
Fiscal 2017	—	15.00	—	17.00	32.00

4. Reason for revision

Our basic policy of returning profits to shareholders emphasizes enhancement of shareholder value by increasing the value of the company. Therefore, using 30% of the medium-term profit level as a guideline for the consolidated dividend payout ratio, we will make stable dividend payments, while maintaining sufficient internal reserves as resources to develop future businesses.

Based on the above stated policy, we raised the interim dividend by ¥3 from the previous forecast, to ¥20 and the year-end dividend by ¥3 from the previous forecast, to ¥20. Accordingly, the forecast for the annual dividend will be increased by ¥8 per share from fiscal 2017 to ¥40.

Reference:

Dividend trends

(Unit: Yen)

Cash dividends per share	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Interim	6	7	8	15	20
Year-end	7	8	12	17	*20
Total (Annual)	13	15	20	32	*40

*Forecast

Forward-Looking Statements

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, market conditions and the effect of industry competition.