



April 28, 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: +81-3-6748-7120

Notice of Revision to Consolidated Financial Results Forecast and Dividends Forecast for the Fiscal Year Ended March 31, 2020

In light of recent developments, Mitsubishi Chemical Holdings Corporation (MCHC) has revised its results and dividends forecasts for fiscal 2019, ended March 31, 2020, as follows.

1. Revision to consolidated financial results forecast for fiscal 2019

(Billions of yen, unless otherwise noted)

	Sales revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent	Basic earnings per share (yen)
Previous forecast (A) (announced on February 6, 2020)	3,630.0	210.0	182.0	122.0	81.0	57.04
Revised forecast (B)	3,581.0	195.0	144.0	88.0	56.0	39.44
Difference (B—A)	(49.0)	(15.0)	(38.0)	(34.0)	(25.0)	
Difference (%)	(1.3)	(7.1)	(20.9)	(27.9)	(30.9)	
Reference: Results for fiscal 2018	3,840.3	314.1	294.8	216.7	169.5	119.22

Notes:

- The forecast for net income before taxes has been changed from ¥159.0 billion to ¥122.0 billion.
- Core operating income is operating income (loss) after excluding certain gains and expenses attributable to non-recurring factors.
- Sales revenue, core operating income, operating income, and income before taxes encompass continuing operations and exclude discontinued operations.

2. Reasons for revisions

MCHC lowered its sales revenue and core operating income forecasts in light of the COVID-19 pandemic and other factors. One is that demand and market prices have fallen in the methyl methacrylate, carbon, and other Chemicals segment products since February 6, when the Company announced its previous forecasts. Another factor is that demand has dwindled further in optical applications for displays, semiconductor and automotive applications in the Performance Products segment.

As well as facing a core operating income downturn, MCHC also expects declines from its previous forecasts for operating income, net income, and net income attributable to owners of the parent. This is due to a fourth-quarter ¥24 billion impairment loss in the Health Care segment on in-process research and development connected with a technology for a seasonal influenza virus-like particle vaccine. The loss stemmed from a decision to halt subsidiary Medicago Inc.'s development on that vaccine in the United States.

Reference:

Core operating income by segment

(Billions of yen)

	Revised forecast	Previous forecast	Difference
Performance Products	63.0	70.0	(7.0)
Chemicals	30.0	45.0	(15.0)
Industrial Gases	89.0	89.0	—
Health Care	14.0	6.0	8.0
Others	(1.0)	—	(1.0)
Total	195.0	210.0	(15.0)

3. Revision to dividends forecast for fiscal 2019

(Yen)

	Cash dividends per share				
	1st quarter	Interim	3rd quarter	Year-end	Annual total
Previous forecast (announced on May 14, 2019)	–	20.00	–	20.00	40.00
Revised forecast			–	12.00	32.00
Fiscal 2019	–	20.00			
Fiscal 2018	–	20.00	–	20.00	40.00

4. Reasons for revisions

MCHC's 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 level as a guideline for the consolidated dividend payout ratio, MCHC will make stable dividend payments, while maintaining sufficient internal reserves as resources to develop future businesses.

In keeping with a 30.9% reduction in the above-mentioned full-year forecast for net income attributable to owners of the parent owing to the ongoing impact of COVID-19 and other factors, MCHC must regretfully lower year-end cash dividends from the previously projected ¥20 per share, to ¥12. The annual total would thus be ¥32 per share.

The Board of Directors determines year-end dividends in accordance with MCHC's Articles of Incorporation.

Reference:

Dividends

(Yen)

Cash dividends per share	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Interim	7.00	8.00	15.00	20.00	20.00
Year-end	8.00	12.00	17.00	20.00	12.00*
Annual total	15.00	20.00	32.00	40.00	32.00*

*Forecast

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.