



February 4, 2016

Mitsubishi Chemical Holdings Corporation

Recognition of Impairment Loss and Revision to Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2016

Mitsubishi Chemical Holdings Corporation (MCHC) announced the recognition of a fixed asset impairment loss for its consolidated subsidiaries, MCC PTA India Corp. Private Limited and Ningbo Mitsubishi Chemical Co., Ltd., in the third quarter of fiscal year ending March 31, 2016 (October 1, 2015 – December 31, 2015).

In addition, MCHC announced a revision of its forecasts for consolidated financial results for the fiscal year ending March 31, 2016 (fiscal 2015) that were issued on November 5, 2015, as detailed below.

1. Recognition of impairment loss

MCHC recognized the fixed asset impairment loss of ¥62.8 billion for its consolidated subsidiaries MCC PTA India (¥42.4 billion) and Ningbo Mitsubishi Chemical (¥20.4 billion) which operate the MCHC Group's terephthalic acid business. This is the result of a study on the collectability of fixed assets held by both companies, in consideration of the recent significantly deteriorating business situation and the difficulties of a recovery in the future business environment.

2. Revision to consolidated financial results forecasts for fiscal 2015

(April 1, 2015 – March 31, 2016)

(Unit: Billions of yen; unless otherwise noted)

	Net sales	Operating income	Ordinary income	Net income attributable to Shareholders of the parent	Net income per share
Previous forecasts (A) (Announced on November 5, 2015)	3,940.0	248.0	237.0	65.0	44.37 yen
Revised forecasts (B)	3,870.0	255.0	244.5	22.0	15.01 yen
Difference (B – A)	(70.0)	7.0	7.5	(43.0)	-
Difference (%)	(1.8)	2.8	3.2	(66.2)	-
Reference: Results for fiscal 2014	3,656.3	165.7	163.1	60.9	41.40 yen

2. Reasons for revisions

Turning to net sales, we have made a downward revision in our forecast in anticipation of factors including lower sales prices brought about by a drop in raw material prices.

We have made upward revisions in our forecasts for operating income and ordinary income, in anticipation of higher revenues from royalties, our vaccine business, and other business and a decrease in SG&A expenses centering on R&D expenditures and other factors in pharmaceuticals, despite the deteriorating market conditions expected for MMA and other products.

Net income attributable to Shareholders of the parent is expected to decrease from previous forecasts since the recognition of the fixed asset impairment loss in the third quarter of fiscal 2015, despite a gain on sale of investment securities associated with the sale of part of the investment securities held by Mitsubishi Chemical Holdings Corporation and its consolidated subsidiaries. As a result, we have made downward revisions in our forecasts for net income attributable to Shareholders of the parent for fiscal 2015.

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.

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