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Revision of Forecasts for Consolidated Financial Results and Dividends for Fiscal Year Ending March 31, 2018

Mitsubishi Chemical Holdings Corporation announced a revision of its forecasts for consolidated financial results and dividends for the fiscal year ending March 31, 2018 (fiscal 2017) announced on May 12, as detailed below.

1. Revision to consolidated financial results forecast for the first half of fiscal 2017 (April 1, 2017 – September 30, 2017)

(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 12, 2017)	1,800.0	157.0	152.0	104.0	74.0	51.42
Revised forecast (B)	1,804.0	192.0	185.0	131.0	100.0	69.48
Difference (B–A)	4.0	35.0	33.0	27.0	26.0	
Difference (%)	0.2%	22.3%	21.7%	26.0%	35.1%	
Reference: Results for fiscal 2016 (IFRS base)	1,586.3	136.3	120.1	109.1	79.2	54.04

Note: Net income before taxes: ¥145.5 billion (previous forecast); ¥180.0 billion (revised forecast)

*Operating income excluding special items

2. Revision to consolidated financial results forecast for fiscal 2017 (April 1, 2017 – March 31, 2018)

(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 12, 2017)	3,650.0	310.0	290.0	197.0	137.0	95.19
Revised forecast (B)	3,700.0	365.0	345.0	240.0	180.0	125.06
Difference (B–A)	50.0	55.0	55.0	43.0	43.0	
Difference (%)	1.4%	17.7%	19.0%	21.8%	31.4%	
Reference: Results for fiscal 2016 (IFRS base)	3,376.1	307.5	268.6	216.5	156.3	106.73

Note: Net income before taxes: ¥277.0 billion (previous forecast); ¥333.0 billion (revised forecast)

3. Reason for revision

During the first half of fiscal 2017, the Company anticipates an increase in profits from the previously announced forecast because the market for petrochemical products including MMA remains strong and sales of optical films, advanced moldings and composites, and other products in the Performance Products segment showed strength, despite a decrease in royalty revenues in the Health Care segment.

Meanwhile, the Company made an upward revision of the previous forecast for its full-year business performance because it expects continued firm demand in the Performance Products segment as well as for petrochemical products, and anticipates an increase in profits compared to the previous forecast, despite the impact of a suspension in production at part of its polypropylene plant due to a facilities issue and an increase in fixed costs such as R&D expenses in the Health Care segment.

Reference:

Core operating income by segment

(Unit: Billions of yen)

	Revised forecast		Previous forecast		Difference	
	1st half	Full year	1st half	Full year	1st half	Full year
Performance Products	51.0	99.0	42.0	86.0	9.0	13.0
Chemicals	72.5	129.0	48.5	78.0	24.0	51.0
Industrial Gases	25.5	54.0	25.5	54.0	—	—
Health Care	41.0	84.0	43.0	94.0	(2.0)	(10.0)
Others	2.0	(1.0)	(2.0)	(2.0)	4.0	1.0
Total	192.0	365.0	157.0	310.0	35.0	55.0

4. Revision to dividends forecast for fiscal 2017

(Unit: Yen)

	Cash dividends per share				
	1st quarter	Interim	3rd quarter	Year-end	Total (Annual)
Previous forecast (announced on May 12, 2017)	—	12.00	—	12.00	24.00
Revised forecast		15.00	—	15.00	30.00
Fiscal 2017	—				
Fiscal 2016	—	8.00	—	12.00	20.00

5. 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 forecast for the interim dividend by ¥3 from the previous forecast, to ¥15 and the year-end dividend by ¥3 from the previous forecast, to ¥15. Accordingly, the forecast for the annual dividend will be increased by ¥10 per share from fiscal 2016 to ¥30.

Reference:

Dividend trends

(Unit: Yen)

Cash dividends per share	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017 (forecast)
Interim	6	6	7	8	15
Year-end	6	7	8	12	15
Total (Annual)	12	13	15	20	30

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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