



Revision of Business Performance and Dividend Forecasts

 MITSUBISHI GAS CHEMICAL COMPANY, INC.

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In view of its recent performance, Mitsubishi Gas Chemical Company, Inc. (MGC) has revised the business performance and dividend forecasts published on November 1, 2017.

1. Revision of business performance forecasts

Revision of full-year consolidated performance forecasts for the fiscal year ending March 2018 (April 1, 2017-March 31, 2018)

(In millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share (¥)
Previous forecast (A)	610,000	52,000	72,000	56,000	260.61
Revised forecast (B)	630,000	59,000	80,000	56,000	260.34
Change (B - A)	20,000	7,000	8,000	—	
Change (%)	3.3	13.5	11.1	—	
Results for the previous year (ending March 2017)	556,480	43,762	62,430	48,013	221.83

Revision of full-year non-consolidated performance forecasts for the fiscal year ending March 2018 (April 1, 2017-March 31, 2018)

(In millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previous forecast (A)	350,000	25,000	48,000	42,000	195.46
Revised forecast (B)	360,000	29,000	52,000	39,000	181.31
Change (B-A)	10,000	4,000	4,000	-3,000	
Change (%)	2.9	16.0	8.3	-7.1	
Results for the previous year (ending March 2017)	299,234	17,583	31,409	27,996	129.35

Reasons for revision

In the full-year consolidated forecasts for the fiscal year ending March 2018 (FY 2017), the MGC Group now expects higher operating income and ordinary income than the previous projections primarily due to the successful sales achieved by Specialty Chemicals and Aromatic Chemicals. By contrast, net income attributable to owners of the parent will likely remain unchanged from the previous forecast, because of the extraordinary loss posted in relation to the Canadian shale gas/LNG project.

For similar reasons, non-consolidated operating and ordinary incomes for fiscal 2017 are expected to surpass the previous forecasts. Non-consolidated full-year net income will likely be lower than the previously forecast number. Again, this is due to the extraordinary loss posted in relation to the shale gas/LNG project in Canada.

Just like the previous figures, these performance forecasts assume exchange rates of ¥110=\$1 and ¥130=€1 for the unelapsed period of the fiscal year.

2. Revision of dividend forecasts

Description of revision

	Annual dividend (¥)		
	End of Q2	Year-end	Total
Previous forecast (announced on November 1, 2017)		24.00	48.00
Revised forecast		30.00	54.00
Dividends paid for FY 2017	24.00		
Dividends paid for FY 2016 (ending March 2017)	8.00	22.00	—

Note: Through a reverse stock split (share consolidation), every two common shares of MGC became one share, effective as of October 1, 2016. Due to the reverse stock split in the middle of the fiscal year, the total annual dividend for FY 2016 is omitted. (By retroactive application of the reverse stock split, the total annual dividend per share for FY 2016 could be calculated as 38 yen.)

Reason for revision

The MGC Group defines improving corporate value by business expansion and growth as a key management task. The Group's basic policy is to comprehensively assess investment and financing plans as well as financial soundness, and forecast business performance, working to strike an optimal balance between the internal reserve and returns to shareholders.

As shown in the "Revision of business performance forecasts" section, the MGC Group will likely post higher consolidated operating and ordinary incomes than in the previous forecasts--and new record highs for these income categories--for FY 2017 (ending March 2018).

In accordance with our basic dividend policy and current performance forecasts, the year-end dividend per share for FY 2017 will likely be 30 yen. The total annual dividend per share (including an interim dividend per share of 24 yen) will thus be 54 yen.

Note: The above forecasts have been created using the information available to MGC as of the announcement date. Actual performance figures may be subject to change due to various reasons.

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