

August 6, 2020

MITSUBISHI GAS CHEMICAL COMPANY, INC.

Revision of Business Performance

In view of its recent performance, Mitsubishi Gas Chemical Company, Inc. (MGC) has revised the business performance published on May 12, 2020.

1. Revision of half-year consolidated performance forecasts for the fiscal year ending March 2021 (April 1, 2020-September 30, 2020)

(1) Consolidated business forecasts

(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)	270,000	8,000	6,000	4,000	19.23
Revised forecast (B)	270,000	12,000	12,000	9,000	43.27
Change (B-A)	-	4,000	6,000	5,000	
Change (%)	-	50.0	100.0	125.0	
Results for the previous 1H (ending September 2019)	303,369	16,034	11,690	8,147	38.45

(2) Non-consolidated business forecasts

(In millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previous forecast (A)	160,000	4,000	7,000	7,000	33.66
Revised forecast (B)	160,000	5,000	9,000	9,000	43.27
Change (B-A)	-	1,000	2,000	2,000	
Change (%)	-	25.0	28.6	28.6	
Results for the previous 1H (ending September 2019)	171,531	8,743	20,083	19,594	92.47

2. Revision of full-year consolidated performance forecasts for the fiscal year ending March 2021 (April 1, 2020-March 31, 2021)

(1) Consolidated business forecasts

(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)	580,000	27,000	26,000	17,000	81.74
Revised forecast (B)	560,000	29,000	26,000	17,000	81.74
Change (B - A)	△20,000	2,000	-	-	
Change (%)	△3.4	7.4	-	-	
Results for the previous year (ending March 2020)	613,344	34,260	31,116	21,158	100.50

(2) Non-consolidated business forecasts

(In millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previous forecast (A)	340,000	15,000	20,000	17,000	81.74
Revised forecast (B)	330,000	15,000	20,000	17,000	81.74
Change (B - A)	△10,000	-	-	-	
Change (%)	△2.9	-	-	-	
Results for the previous year (ending March 2020)	351,348	17,268	30,066	29,332	139.33

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3. Reasons for revision

With regard to consolidated operating results forecasts for the first half of the fiscal year ending March 31, 2021, the MGC Group expects that demand for engineering plastics will be lower than estimated at the beginning of the fiscal year. The Group also anticipates lower market prices for methanol and other general-purpose products than initial forecasts. However, the Group expects that its operating results will exceed previous forecasts for each earnings indicator thanks to higher sales of semiconductor-related products and optical polymers in the first three months of the fiscal year, in addition to better-than-expected results for foamed plastics (JSP) as well as reduction in repair and other fixed costs.

In terms of consolidated operating results forecasts for the second half, the Group believes that results for methanol and engineering plastics businesses will be less than forecast at the beginning of the fiscal year due to declining market prices for methanol and the lower sales volume of engineering plastics. Moreover, reflecting delays in global economic recovery, results for JSP will be lower than forecast at the beginning of the fiscal year. Similarly, equity in earnings of affiliates related to such operations as methanol and engineering plastics is expected to decrease. Taking these and other factors into account, the Group's net sales and earnings are likely to fall short of the previous forecasts.

In terms of full-year operating results forecasts, the Group expects that net sales will fall short of the previous forecast. However, as the Group expects first-half operating income to be higher than the previous forecast, it also expects full-year operating income to exceed the previous forecast. On the other hand, the Group's forecasts for ordinary income and net income attributable to owners of the parent remain unchanged from the previous forecasts, with the first half's upturns in these indicators being offset by downturns in the second half.

In addition to revising its consolidated operating results forecasts, the Group intends to likewise revise its forecasts for non-consolidated operating results for the first half and the full fiscal year, reflecting the expected impact of declining methanol market prices and a decrease in engineering plastics demand.

END

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