

February 13, 2018
Mitsubishi Corporation

Subsidiary Chuo Kagaku Co., Ltd. Reports Extraordinary Profit and Loss; Change of Representative Director; Reorganizations; and Change in Duties and Responsibilities of Officers; and Revises its Earnings Forecasts for Fiscal Year Ending March 31, 2018

Mitsubishi Corporation (MC) today announced that consolidated subsidiary Chuo Kagaku Co., Ltd. has recorded an extraordinary profit and extraordinary loss, and has revised its earnings forecasts for the fiscal year ending March 31, 2018 that were announced on November 8, 2017. In addition, Chuo Kagaku has reported that it has reached resolutions on a change of its representative director, company reorganizations, and changes in duties and responsibilities of its officers.

This has minimal effect on MC's consolidated and non-consolidated earnings for the fiscal year ending March 31, 2018.

February 13, 2018

(Translation of report filed with the Tokyo Stock Exchange by Chuo Kagaku Co., Ltd on February 13, 2018)

Notice Regarding Extraordinary Profit and Loss; Revision of Consolidated and Non-Consolidated Earnings Forecasts; Change of Representative Director; Reorganizations; and Change in Duties and Responsibilities of Officers

In light of recent trends in the company's third quarter financial results and other factors, Chuo Kagaku Co., Ltd, (Chuo) hereby announces that it has recorded extraordinary profit and extraordinary loss and has revised its full year consolidated and non-consolidated earnings forecasts that were announced on November 8, 2017. In addition, the company reached resolutions on a change of its representative director; company reorganizations; and changes in duties and responsibilities of executive officers, as outlined below.

1. Extraordinary Loss (Impairment Loss and Structural Reform Expenditure and Loss from Restructuring in China)

In accordance with the "Accounting Standard for Impairment of Fixed Assets," it has been estimated that future cash flows of some tangible fixed assets among manufacturing plants and some intangible fixed assets among information systems will not be able to recoup the value of certain investments. The company is expected to record a total impairment loss of 1.6 billion yen and structural reform expenditure (refer to "4. Reasons for Revision" below) of 0.5 billion yen as outlined in the company's consolidated and non-consolidated third quarter financial results.

In addition, the company is expected to record a loss of 0.2 billion yen from restructuring in China as reported in the company's third quarter financial results.

In addition, the company is expected to record an extraordinary loss of 0.3 billion yen due to the transfer of production facilities of Shanghai Chuo Kagaku Co., Ltd. that was announced on January 24, 2018.

2. Extraordinary Profit (Divestiture of Subsidiary)

The divestiture of "Beijing Yanqi Chuo Kagaku Co., Ltd., a subsidiary in China, that was announced on November 22, 2017, is expected to record an extraordinary profit of 1.1 billion yen in the company's fourth quarter consolidated financial results.

3. Revised Forecasts

(1) Revisions to full-year consolidated earnings forecasts (for period beginning on April 1, 2017 and ending on March 31, 2018)

	Net Sales (million yen)	Operating Income (million yen)	Ordinary Income (million yen)	Net Income (million yen)	Net Income Per Share (yen)
Previous Forecast (A)	59,000	- 1,100	-1,400	- 2,400	- 119.11
Revised Forecast (B)	58,000	- 1,500	-1,800	- 4,300	- 213.41
Difference (B-A)	- 1,000	- 400	- 400	- 1,900	
Difference (%)	- 1.7%	—	—	—	
(Reference) Previous Year*	58,240	290	-179	-537	-26.66

* Previous Year - April 1, 2016 to March 31, 2017

(2) Revisions to full-year non-consolidated earnings forecasts (for period beginning on April 1, 2017 and ending on March 31, 2018)

	Net Sales (million yen)	Ordinary Income (million yen)	Net Income (million yen)	Net Income Per Share (yen)
Previous Forecast (A)	51,000	- 1,400	- 2,400	- 119.11
Revised Forecast (B)	50,000	- 1,800	- 4,300	- 213.41
Difference(B-A)	- 1,000	- 400	- 1,900	
Difference (%)	- 2.0%	—	—	
(Reference) Previous Year*	51,987	- 141	- 464	- 23.07

* Previous Year – April 1, 2016 to March 31, 2017

4. Reasons for Revision

(1) Consolidated Figures

With regard to revised full-year forecasts, as conditions in the business environment at the time of the announcement of the previous forecast prevail, and given falling sales for its existing range of products caused by sluggish consumption particularly in commodity products at the end of the last

calendar year, full-year consolidated net sales is expected to be 1.0 billion yen less than that of the previous forecast and, collaterally, full-year consolidated operating income and ordinary income is expected to be 0.4 billion yen less than that of the previous forecast. Full-year consolidated net income is expected to be 1.9 billion yen less than that of the previous forecast due to the recording of extraordinary profit and extraordinary loss, as noted above in sections 1 and 2.

In consideration of this Revision of Consolidated and Non-Consolidated Earnings Forecasts, Chuo Kagaku has been engaged in developing a new mid-term business plan focusing on structural reform, which includes building mechanisms for sustaining financial viability against increases in raw material prices and improving cash flow. The new mid-term business plan will realize Chuo Kagaku's structural reform, with emphasis on restructuring of business portfolio (selecting and focusing on core business segments), relocation of production sites, improvement of operations, and enhanced cross-functional activities. Prior to this structural reform, the company has recorded an impairment loss in its financial results for the third quarter, as noted in above 1.

(2) Non-consolidated Figures

Reasons for the revision of non-consolidated figures are the same as those for consolidated figures. The full-year non-consolidated net sales as revised are expected to be 1.0 billion yen less than that of the previous forecast and the full-year non-consolidated ordinary income as revised is expected to be 0.4 billion yen less than that of the previous forecast while the full-year non-consolidated net income as revised is expected to be roughly 1.9 billion yen less than that of the previous forecast.

Remarks

Please note that the above-mentioned forecasts were prepared on the basis of information available as of the date of this announcement and that the actual results may differ from the forecasts due to a variety of factors.

5. Change of Representative Director

(1) Change

New Position	Name	Current Position
Representative Director, President	Yasumasa Kondo	Director
Director	Kazuya Mizuno	Representative Director, President
Director	Kazunori Morimoto	Representative Director

(2) Reason for Change

The change of Representative Director is being made in keeping with efforts under the company's new mid-term business plan, which focuses on realizing structural reform and on strengthening overall management systems to steadily implement further enhancement of the company's value.

(3) Profile of Representative Director

Name, Date of Birth	Career History	Number of Shares Held
Yasumasa Kondo, December 22, 1963	April 1986 Joined Mitsubishi Corporation January 2011 General Manager, Poly Vinyl Chloride Unit, Mitsubishi Corporation February 2013 General Manager, Plastics Unit, Poly Vinyl Chloride Unit, Mitsubishi Corporation March 2013 Director, Chuo Kagaku Co., Ltd, April 2013 General Manager, Plastics Department, Poly Vinyl Chloride Department, Mitsubishi Corporation May 2013 General Manager, Plastics Department, Mitsubishi Corporation April 2016 General Manager, Investment, Chemical Group CEO Office, Mitsubishi Corporation April 2017 Executive Director, Growth Strategy Marketing & Sales General Manager, Procurement Department, Chuo Kagaku Co., Ltd, August 2017 to present Executive Director, Growth Strategy Marketing & Sales General Manager, Procurement Department, Operation & Logistics Division, Chuo Kagaku Co., Ltd,	0

(4) Transfer Date

April 1, 2018

6. Reorganizations

These reorganizations are being implemented as part of the execution of the company's new mid-term business plan, which focuses on structural reforms. Under those structural reforms, effective April 1, 2018, the Technologies and Merchandizing Division will be merged with the Operation & Logistics Division, and will change its name to the "Manufacturing & Engineering Division," while the Marketing and Sales Division will be renamed the "Sales Division." As of this date, a "Corporate Strategy Office" will also be newly established, and the functions of the Business Development & Planning Division will be transferred to this new Office. The objective of these reorganizations is to further enhance cross-functional activity and strengthen overall management systems to steadily implement further enhancement of the company's value.

7. Changes of Officers

Changes of Officers are also being made for the purpose of executing objectives stipulated in the company's mid-term business plan, which focus on undertaking structural reforms with view to further enhance the company's value.

(1) Changes of Officers (Effective April 1, 2018)*

Name	*New Position	Current Position
Yasumasa Kondo	President	Executive Officer, Growth Strategy, Marketing & Sales General Manager, Procurement Department, Operation & Logistics Division
Kazunori Morimoto	Executive Director Corporate Management, Internal Control, Chinese Business, Compliance General Manager, Corporate Management Division, General Affairs & Human Resources Department	Senior Executive Officer, Corporate Management, Internal Control, Chinese Business, Compliance General Manger Corporate Management Division, General Affairs & Human Resources Department
Kenji Goto	Executive Officer Sales Division	Senior Executive Officer Sales & Marketing Division

Shuji Asahina	Executive Officer Manufacturing & Engineering Division	Executive Officer Operation & Logistics Division
Houmei Iku	Executive Officer, President, Head of Corporate Management, Sales, Procurement Huanling Chuo Kagaku Co., LTD, President Hong Kong Chuo Kagaku Co., Ltd.	Executive Officer, President, Head of Corporate Management, Sales, Procurement Huanling Chuo Kagaku Co., LTD, President Hong Kong Chuo Kagaku Co., LTD.

(3) Retiring (Effective February 28, 2018)

Name	New Position	Current Position
Hitoshi Hirai	Retiring	Executive Officer, Deputy Division Manager, Corporate Managing Division General Manager, Information Systems Department

(3) Retiring (March 31, 2018)

Name	New Position	Current Position
Kazuya Mizuno	Retiring	President
Tadashi Nakai	Retiring	Senior Executive Officer, Chinese Business Manufacturing & Engineering
Shoji Tanaka	Retiring	Executive Officer, Vice President Head of Manufacturing, Engineering & Technologies Division, Huanling Chuo Kagaku
Kenichiro Murayama	Retiring	Executive Officer, Business Development & Planning Division, Overseas Business of Marketing & Sales Division, Technologies and Merchandizing Division

Hitoshi Aoki	Retiring	Executive Officer, Deputy Division Manager, Marketing & Sales Division (East Japan)
Takanori Yoshida	Retiring	Executive Officer, Deputy Division Manager, Marketing & Sales Division (West Japan)
Keiji Anan	Retiring	Executive Officer, Deputy Division Manager, Operations & Logistics Division, Neo Act Promotion Supervisor
Shigeru Matsuoka	Retiring	Executive Officer, Technologies and Merchandizing Division