April 26, 2018
Company Name: Mitsui Chemicals, Inc.
(First Section of Tokyo Stock Exchange, Code: 4183)
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Notice on Extraordinary Losses and Revision of Consolidated Financial Outlook

Mitsui Chemicals, Inc. (“the Company”) reported extraordinary losses (see section 1 and 2) for the 4th quarter of fiscal 2017 and revised its consolidated financial outlook for fiscal 2017 (April 1, 2017 – March 31, 2018) from that announced on February 2, 2018 (see section 3).

1. Recognition of Extraordinary Losses in Consolidated Financial Closing

The Company re-examined the future recoverability of investments in its dental material business, which was acquired in fiscal 2013, by executing an impairment test based on Japan-GAAP after considering current business conditions. As a result, an impairment loss for intangible assets, including goodwill arising from the 2013 acquisition, was forecasted at approximately 14.3 billion yen.

The main reason for this loss is the revision of business plan in response to decreasing sales in the analog market in Germany and a delayed launch of digital goods.

Nevertheless, the Company is strengthening its sales activities in the analog market and its business regime of digital goods with the aim of sustainably growing its dental materials business.

Profit attributable to owners of parent is expected to be reduced by approximately 9.5 billion yen due to recording a part of impairment loss as loss attributable to non-controlling interests.

2. Recognition of Extraordinary Losses in Non-consolidated Financial Closing

As per section 1, a loss on valuation of investment securities of 25.3 billion yen was recorded as extraordinary loss in the non-consolidated financial closing for the year ended March 2018. This was caused by a significant decline in the substantial value of shares of the aforementioned subsidiary owned by the Company.

There is no effect on the consolidated financial closing as said loss on valuation of investment securities is eliminated in the consolidated financial closing.

3. Revision of Consolidated Financial Outlook

1) Revised Consolidated Financial Outlook of fiscal 2017

(April 1, 2017 – March 31, 2018)

(Millions of yen)	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Net Income per Share
Previous Outlook (A) (announced February 2, 2018)	1,365,000	105,000	108,000	78,000	390.41 yen
Revised Outlook (B)	1,328,500	103,500	110,000	71,500	357.95 yen
Variance in Amount (B-A)	(36,500)	(1,500)	2,000	(6,500)	-
Variance in Percentage (%)	(2.7)	(1.4)	1.9	(8.3)	-
Fiscal 2016 Actual (Reference) (April 1, 2016 – March 31, 2017)	1,212,282	102,149	97,196	64,839	324.05 yen

2) Reason for the Revision

As per section 1, profit attributable to owners of parent is anticipated to fall short of the previous outlook.

Net income per share is calculated based on the number of shares after the 5-to-1 share consolidation, which was conducted on October 1, 2017.

The per-share dividend forecast is unchanged.

The above-mentioned outlooks and expectations, estimates, forecasts, and projections are based on information available at this point of time, and therefore involve certain risks and uncertainties. As such, actual results may differ materially from those projected in the outlook and the Mitsui Chemicals Group cannot guarantee that these outlooks are accurate or will be achieved. Please note that this document has been translated from the original Japanese into English for the convenience of our stakeholders. The information was originally provided in Japanese. If there is any discrepancy, the Japanese language version is the official document and is available on our Japanese language website.