May 8, 2020

Company Name: Mitsui Chemicals, Inc.
(First Section of Tokyo Stock Exchange, Code: 4183)
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Notice Regarding the Recording of Extraordinary Loss, Setting of Allowance for Doubtful Accounts, and Revisions of Financial Forecasts for FY2019

In the fourth quarter of the fiscal year ended March 31, 2020, Mitsui Chemicals, Inc. ("MCI") expects to record an extraordinary loss and set an allowance for doubtful accounts. (See 1. below)

Considering the recent business conditions, MCI also revised the full-year financial forecasts for FY2019 (April 1, 2019 to March 31, 2020) from the forecasts previously announced on February 5, 2020. (See 2. below)

1. Recording of Extraordinary Loss and Setting of an Allowance for Doubtful Accounts
MCI has invested in Nghi Son Refinery and Petrochemical LLC ("NSRP") since 2008. Due to a significant drop in the real value of the investment amount from operational stagnation, MCI expects to record an investment valuation loss of 4.5 billion yen in the fourth quarter in line with "Accounting Standards for Financial Instruments". MCI recorded an investment valuation loss of 7.6 billion yen for NSRP until the third quarter and therefore expect the full-year total to be 12.1 billion yen.

In addition, MCI holds subordinated bonds in NSRP and expects to record an allowance for doubtful accounts of 2.7 billion yen due to operational stagnation.

The main factors were early setbacks and sluggish overseas markets in addition to a delay in beginning commercial operation from the initial plan.

2. Revisions of Financial Forecasts for FY2019
(1) Chart (Apr. 1, 2019 – Mar. 31, 2020)

<table>
<thead>
<tr>
<th></th>
<th>Net Sales</th>
<th>Operating Income</th>
<th>Ordinary Income</th>
<th>Profit Attributable to Owners of Parent</th>
<th>Earnings per Share (yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous forecast (A)</td>
<td>1,355,000</td>
<td>76,000</td>
<td>71,000</td>
<td>50,000</td>
<td>256.66</td>
</tr>
<tr>
<td>Actual (B)</td>
<td>1,339,000</td>
<td>71,600</td>
<td>65,500</td>
<td>37,900</td>
<td>194.94</td>
</tr>
<tr>
<td>Difference (B–A)</td>
<td>(16,000)</td>
<td>(4,400)</td>
<td>(5,500)</td>
<td>(12,100)</td>
<td></td>
</tr>
<tr>
<td>Ratio (%)</td>
<td>(1.2)</td>
<td>(5.8)</td>
<td>(7.7)</td>
<td>(24.2)</td>
<td></td>
</tr>
</tbody>
</table>

(Reference) FY2018 Actual (Apr. 1, 2018 – Mar. 31, 2019) | 1,482,909 | 93,427 | 102,972 | 76,115 | 385.60

(2) Reasons for Revision
Operating income is expected to fall short of previous forecasts due mainly to a decrease in sales volume in each segment arising from effects of the spread of the coronavirus. Some plants have decreased production due to a decline in demand.

Ordinary income is also expected to fall short of previous forecasts due primarily to the setting of an allowance for doubtful accounts as outlined above in section 1 in addition to the decrease in operating income.

As for extraordinary loss, in addition to the aforementioned recording of extraordinary loss in section 1, the gain on contribution to retirement benefit trust recorded in the fourth quarter totaled 12.2 billion yen instead of the originally planned 18.0 billion yen due to a sharp fall in share prices amid financial market volatility. Furthermore, anticipating an excess of deferred tax assets once the effects of the coronavirus have been factored into future plans, MCI undertook a reversal of certain deferred tax assets. MCI therefore expects profit attributable to owners of parent to fall short of previous forecasts.

There is no change in the dividend forecast.

Note: The above-mentioned forecasts 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 the information was originally provided in Japanese. This document has been translated from Japanese into English for the convenience of our stakeholders. If there is any discrepancy, the Japanese version is the official document and is available on our Japanese language website.