Notice Regarding Establishment of Employees’ Retirement Benefit Trust, the Recording of Extraordinary Income, and Revisions of Financial Forecasts for FY2019

Mitsui Chemicals, Inc. (“MCI”) hereby announces that it has resolved at a meeting of its Board of Directors held on February 5, 2020, to establish a retirement benefit trust for employees and contribute a portion of listed shares held by MCI in order to restore retirement benefit finances and improve asset efficiency. As a result, MCI expects to record extraordinary income in the financial results for the fourth quarter of the fiscal year ending March 31, 2020. (See 1. below)

In addition, MCI hereby announces that it has revised the full-year financial forecasts for FY2019 (the twelve-month period from April 1, 2019 to March 31, 2020) from the forecasts previously announced on November 6, 2019, in light of the establishment of the employees’ retirement benefit trust and recent business performance. (See 2. below)

1. Establishment of employees’ retirement benefit trust and the recording of extraordinary income
   (1) Date of establishment of employees’ retirement benefit trust
       By March 31, 2020 (planned)

   (2) Contribution to the retirement benefit trust
       Approximately ¥30 billion (planned)

   (3) Impact on financial results
       MCI plans to record approximately ¥18 billion in extraordinary income as gain on contribution of securities to retirement benefit trust in the financial results for the fourth quarter of the fiscal year ending March 31, 2020, due to the establishment of the employees’ retirement benefit trust.

       The amount of contribution to the retirement benefit trust and gain on contribution of securities to retirement benefit trust may change in the future as these amounts will be decided depending on the share price on the date of establishment.

(Reference)
   In the third quarter of the fiscal year ending March 31, 2020, MCI established a retirement benefit trust for employees using a portion of listed shares held by MCI. The contribution to the retirement benefit trust was ¥9.3 billion.

   MCI recorded ¥7.1 billion in gain on contribution of securities to retirement benefit trust in the financial results for the third quarter of the fiscal year ending March 31, 2020, announced today, due to the establishment of the employees’ retirement benefit trust.
2. Revisions of Financial Forecasts for FY2019

(1) Revised figures of Financial Forecasts for FY2019

<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>1,365,000</td>
<td>84,000</td>
<td>79,000</td>
<td>42,000</td>
<td>215.27</td>
</tr>
<tr>
<td>Revised forecast (B)</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>Difference (B-A)</td>
<td>(10,000)</td>
<td>(8,000)</td>
<td>(8,000)</td>
<td>8,000</td>
<td></td>
</tr>
<tr>
<td>Ratio (%)</td>
<td>(0.7)</td>
<td>(9.5)</td>
<td>(10.1)</td>
<td>19.0</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

Net sales are expected to fall below previous forecasts due to lower sales prices as a result of fall in naphtha, other raw materials and fuel prices.

With regard to operating income and ordinary income, within the Basic Materials segment, mainly the olefin and phenol overseas markets declined, and the Group’s unit selling price declined as well. As a result, MCI expects operating income and ordinary income to fall short of previous forecasts due mainly to the impact of a decrease in profit margins for these products.

Despite a decrease in ordinary income, profit attributable to owners of parent is expected to exceed previous forecasts due mainly to the occurrence of the gain on contribution of securities to retirement benefit trust described in 1. above.

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.