

May 12, 2022
Mitsubishi Corporation

Subsidiary Chuo Kagaku Co., Ltd. Revises its Consolidated and Non-Consolidated Earnings
Forecasts for Fiscal Year Ending March 31, 2022

Mitsubishi Corporation (MC) today announced that consolidated subsidiary Chuo Kagaku Co., Ltd. has revised its consolidated and non-consolidated earnings forecasts for the fiscal year ending March 31, 2022.

This has minimal effect on MC's consolidated and non-consolidated earnings for the fiscal year ending March 31, 2022.

May 12, 2022

Notice for Revision of full-year Earnings Forecasts of Chuo Kagaku Co., Ltd.

Chuo Kagaku Co., Ltd, (hereinafter, Chuo) has announced that it has revised its FY2021 full-year consolidated and non-consolidated earnings forecasts as below.

1. Revisions of Forecasts

Revised Full-year Consolidated Earnings Forecast for FY2021 (April 1, 2021 to March 31, 2022)

| | Net Sales (million yen) | Operating Income (million yen) | Ordinary Income (million yen) | Net Income attributable to owners of parent (million yen) | Net Income Per Share* (yen) |
|-----------------------|----------------------------|-----------------------------------|----------------------------------|--|--------------------------------|
| Previous Forecast (A) | 48,400 | 1,200 | 1,100 | 800 | 39.70 |
| Revised Forecast (B) | 47,666 | 787 | 979 | 617 | 28.54 |
| Difference (B-A) | - 734 | - 413 | - 121 | - 183 | — |
| Difference (%) | - 1.5% | - 34.3% | - 10.9% | - 22.9% | — |
| Previous Year* | 47,936 | 2,359 | 2,385 | 2,170 | 107.72 |

*Net Income Per Share: Calculation considers amounts that are not attributable to common shareholders

**Previous Year: April 1, 2020 to March 31, 2021

Revised Full-Year Non-Consolidated Earnings Forecast for FY2021 (April 1, 2021 to March 31, 2022)

| | Net Sales (million yen) | Ordinary Income (million yen) | Net Income (million yen) | Net Income Per Share* (yen) |
|-----------------------|----------------------------|----------------------------------|-----------------------------|-----------------------------|
| Previous Forecast (A) | 41,700 | 700 | 500 | 24.82 |
| Revised Forecast (B) | 39,308 | 264 | 34 | -0.39 |
| Difference (B-A) | - 2,392 | - 436 | - 466 | — |
| Difference (%) | - 5.7% | - 62.3% | - 93.2% | — |
| Previous Year** | 40,854 | 1,472 | 1,434 | 71.78 |

*Net Income Per Share: Calculation considers amounts that are not attributable to common shareholders

**Previous Year: April 1, 2020 to March 31, 2021

2. Reasons for revisions

Chuo has continued to manage health and safety combined with efforts to improve the quality and supply stability of its products while maintaining operations efficiency. However, the company is now anticipating diminished Sales and Income in both its consolidated and non-consolidated forecasts for the fiscal year ending March 2022. This is primarily due to the lingering effects of the pandemic and confusion in global supply chains, which has continued to drive up resource prices.

Net Sales have been on the rise in China, where Chuo has been steadily strengthening its business foundations through advances in materials and product development. However, the situation has been less positive in Japan. This is due to the decline of fresh-food demand from supermarkets. Also, the demand in the event, tourism, and restaurant sectors has yet to bounce back in Japan, while takeout and delivery sectors have remained strong.

Income decrease in both Japan and China due to a variety of cost increases, such as in raw materials, electricity, and logistics, the prices which tend to fluctuate based on the oil price. Despite announcing in November 2021 the revision of product prices in Japan, Chuo has continued to see its profit margins shrink. One of the reasons for this has been the escalating price of styrene series of plastics, the company's main raw material.

Energy prices have been rising since February 24, when the crisis in Ukraine began. This has further driven up costs even more. Despite its best efforts to economize and improve efficiency, Chuo has experienced difficulty absorbing cost increases and as a result, was forced to announce on May 2 that it would once again need to raise product prices to stay competitive.

Chuo continues to honor our corporate value underpinned by our philosophy of "Innovation, Challenge, and Development." through enhancing environmentally friendly materials and products, making forays into new and growing markets, and expediting connectivity between operations in Japan and China.

Remarks

The above forecasts were prepared based on information available at the time of this announcement. Actual results may differ from the forecasts due to a variety of factors.