

Operational Summary

for the Third Quarter of the Fiscal Year Ending March 31, 2021

February 3, 2021

Mitsubishi Chemical Holdings Corporation

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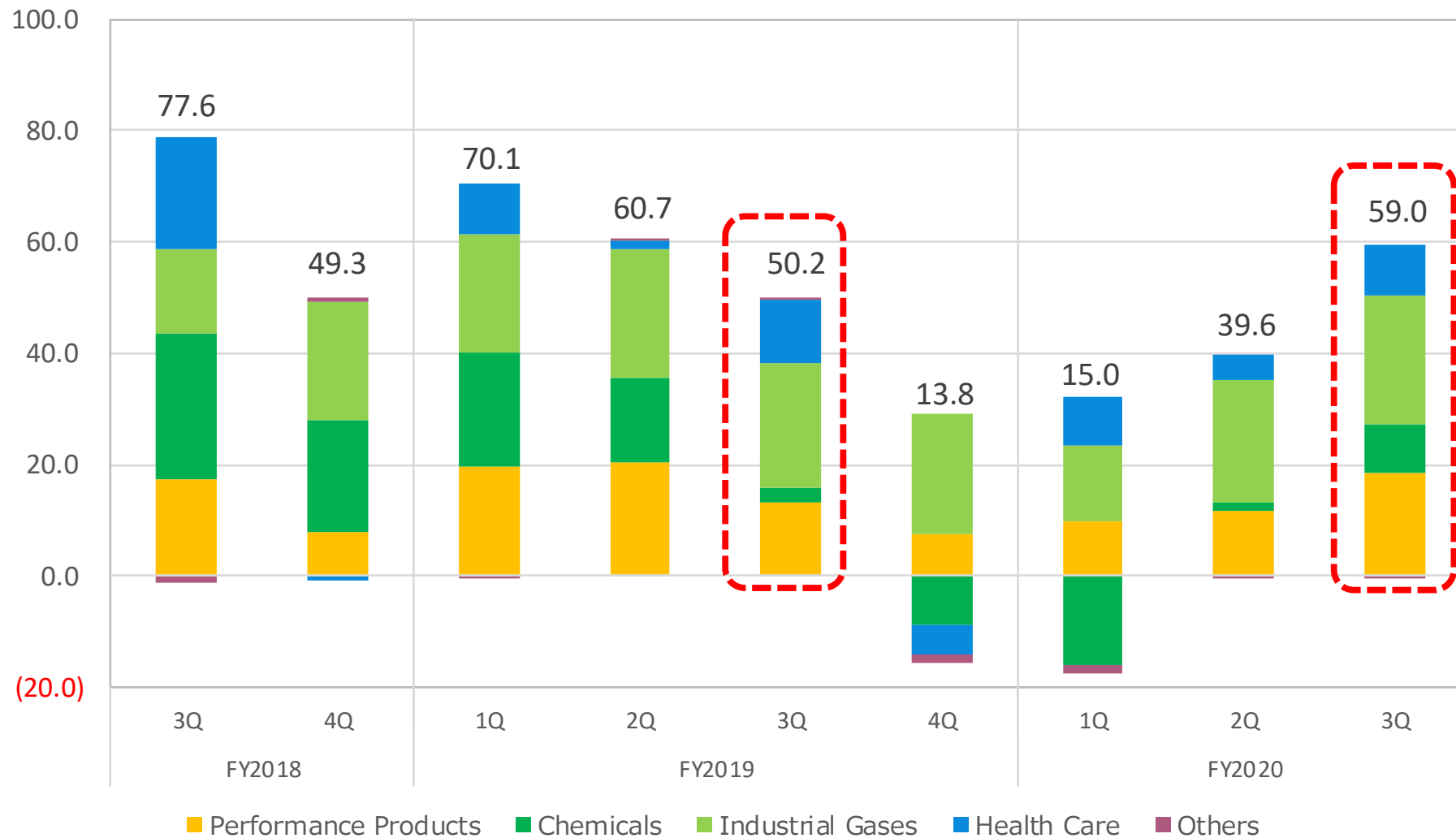
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List of Abbreviations

FY2020	April 1, 2020 – March 31, 2021	
	1st Quarter (1Q):	April 1, 2020 – June 30, 2020
	2nd Quarter (2Q):	July 1, 2020 – September 30, 2020
	3rd Quarter (3Q):	October 1, 2020 – December 31, 2020
	4th Quarter (4Q):	January 1, 2021 – March 31, 2021
	1st Half (1H):	April 1, 2020 – September 30, 2020
	2nd Half (2H):	October 1, 2020 – March 31, 2021
FY2019	April 1, 2019 – March 31, 2020	
	1st Quarter (1Q):	April 1, 2019 – June 30, 2019
	2nd Quarter (2Q):	July 1, 2019 – September 30, 2019
	3rd Quarter (3Q):	October 1, 2019 – December 31, 2019
	4th Quarter (4Q):	January 1, 2020 – March 31, 2020
	1st Half (1H):	April 1, 2019 – September 30, 2019
	2nd Half (2H):	October 1, 2019 – March 31, 2020
MCHC	Mitsubishi Chemical Holdings Corporation	
MCC	Mitsubishi Chemical Corporation	
MTPC	Mitsubishi Tanabe Pharma Corporation	
LSII	Life Science Institute, Inc.	
NSHD	Nippon Sanso Holdings Corporation	

Core Operating Income (Loss) by Business Segment [Quarterly Data]

(Billions of Yen)



Consolidated Statements of Operations

Exchange Rate (¥/\$)	104.0	105.5	109.3	108.9	(3.4)	(3%)
Naphtha Price (¥/kl)	31,300	28,800	41,300	42,300	(13,500)	(32%)

(Billions of Yen)

	Nine Months Ended Dec. 31, 2020		Nine Months Ended Dec. 31, 2019		Difference	%
	3Q		3Q			
Continuing Operations						
Sales Revenue	850.6	2,355.4	903.1	2,730.8	(375.4)	(14%)
Core Operating Income *1	59.0	113.6	50.2	181.0	(67.4)	(37%)
Special Items	(30.2)	(112.9)	(20.2)	(20.4)	(92.5)	
Operating Income	28.8	0.7	30.0	160.6	(159.9)	-
Financial Income/Expenses (Dividend included above)	(4.8) [0.7]	(13.5) [3.5]	(7.7) [1.1]	(15.9) [4.1]	2.4 [(0.6)]	
(Foreign Exchange Gain/Loss included above)	[(0.3)]	[(0.7)]	[(2.8)]	[(2.4)]	[1.7]	
Income (Loss) before Taxes	24.0	(12.8)	22.3	144.7	(157.5)	
Income Taxes	(12.5)	(15.6)	(15.7)	(53.3)	37.7	
Net Income (Loss) from Continuing Operations	11.5	(28.4)	6.6	91.4	(119.8)	
Net Income from Discontinued Operations *3	-	-	-	16.9	(16.9)	
Net Income (Loss)	11.5	(28.4)	6.6	108.3	(136.7)	
Net Income (Loss) Attributable to Owners of the Parent	1.9	(47.8)	(5.0)	76.3	(124.1)	-
Net Income (Loss) Attributable to Non-Controlling Interests	9.6	19.4	11.6	32.0	(12.6)	
	4.2	5.3	2.6	10.7	(5.4)	

*1 Share of profit of associates and joint ventures included.

*2 Discontinued operations not included.

*3 Figures for FY2019, include ¥15.8 billion from gain on share exchanges after tax.

Core operating income is calculated as operating income (loss) excluding certain gains and expenses attributable to non-recurring factors (losses incurred by business withdrawal and streamlining, etc.).

Sales Revenue and Core Operating Income (Loss) by Business Segment

(Billions of Yen)

		1Q	2Q	3Q	Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019	Difference
Total Consolidated	Sales Revenue	722.7	782.1	850.6	2,355.4	2,730.8	(375.4)
	Core Operating Income	15.0	39.6	59.0	113.6	181.0	(67.4)
Functional Products	Sales Revenue	142.7	150.4	162.8	455.9	519.5	(63.6)
	Core Operating Income	8.7	8.7	10.1	27.5	35.5	(8.0)
Performance Chemicals	Sales Revenue	87.5	93.0	109.0	289.5	328.3	(38.8)
	Core Operating Income	1.2	2.9	8.3	12.4	18.0	(5.6)
Performance Products	Sales Revenue	230.2	243.4	271.8	745.4	847.8	(102.4)
	Core Operating Income	9.9	11.6	18.4	39.9	53.5	(13.6)
MMA	Sales Revenue	52.5	62.1	64.4	179.0	209.0	(30.0)
	Core Operating Income	(1.2)	3.0	4.8	6.6	25.7	(19.1)
Petrochemicals	Sales Revenue	84.2	98.4	115.6	298.2	409.1	(110.9)
	Core Operating Income	(13.6)	1.1	2.6	(9.9)	2.8	(12.7)
Carbon Products	Sales Revenue	44.4	39.4	46.4	130.2	197.7	(67.5)
	Core Operating Income	(1.3)	(2.6)	1.3	(2.6)	9.9	(12.5)
Chemicals	Sales Revenue	181.1	199.9	226.4	607.4	815.8	(208.4)
	Core Operating Income	(16.1)	1.5	8.7	(5.9)	38.4	(44.3)
Industrial Gases	Sales Revenue	182.9	198.5	206.1	587.5	628.3	(40.8)
	Core Operating Income	13.5	22.1	23.3	58.9	66.5	(7.6)
Health Care	Sales Revenue	95.2	98.8	105.7	299.7	307.8	(8.1)
	Core Operating Income	8.9	4.5	9.0	22.4	22.0	0.4
Others	Sales Revenue	33.3	41.5	40.6	115.4	131.1	(15.7)
	Core Operating Income	(1.2)	(0.1)	(0.4)	(1.7)	0.6	(2.3)
[Inventory valuation gain/loss]							
	Performance Chemicals	(0.5)	(0.3)	1.4	0.6	(1.0)	1.6
	Petrochemicals	(14.3)	(0.5)	(0.4)	(15.2)	(3.5)	(11.7)
	Carbon Products	(0.5)	(0.9)	0.1	(1.3)	(1.3)	0.0
	Total	(15.3)	(1.7)	1.1	(15.9)	(5.8)	(10.1)

*1 All figures are approximation for reference purpose only.

*2 From Q2 FY2020, Qualicaps, Inc. has been reclassified from the Health Care segment to the Performance Products segment (Performance Chemicals). In addition, the segmentation of certain businesses and consolidated subsidiaries in MCC has been reviewed. The segment information for FY2019 is accordingly restated.

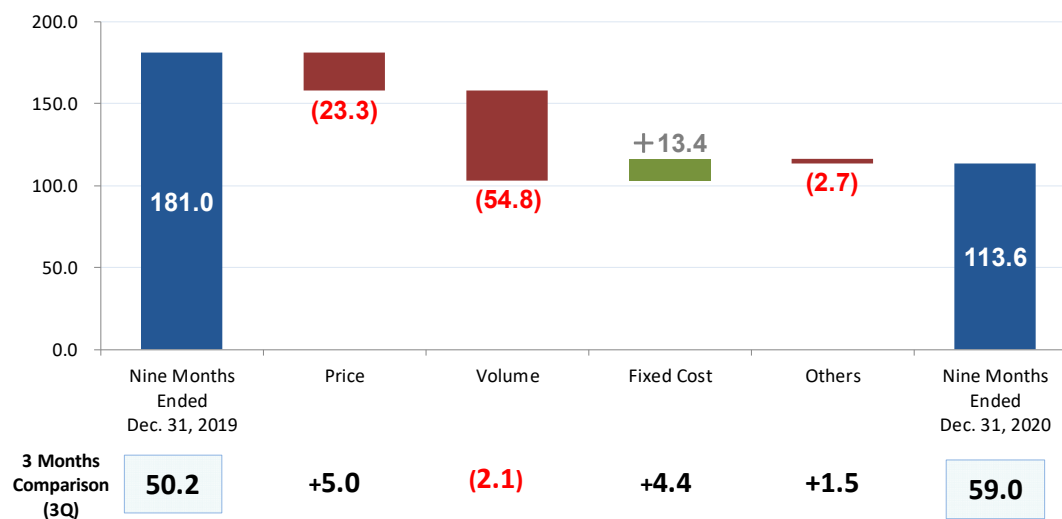
Analysis of Core Operating Income (Loss)

(Billions of Yen)

	Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019	Difference	Difference			
				Price	Volume	Fixed Cost	Others *
Total Consolidated	113.6	181.0	(67.4)	(23.3)	(54.8)	13.4	(2.7)
Performance Products	39.9	53.5	(13.6)	2.6	(26.9)	4.6	6.1
Chemicals	(5.9)	38.4	(44.3)	(18.0)	(13.7)	3.0	(15.6)
Industrial Gases	58.9	66.5	(7.6)	1.7	(10.6)	0.2	1.1
Health Care	22.4	22.0	0.4	(10.0)	(3.6)	5.6	8.4
Others	(1.7)	0.6	(2.3)	0.4	0.0	0.0	(2.7)

* Items included are impacts from inventory valuation gain/loss and Equity Income, etc.

Changes in exchange rates	(2.1)	(3.4)	(0.3)	-	1.6
Changes in foreign currency translation included in above		(1.0)			



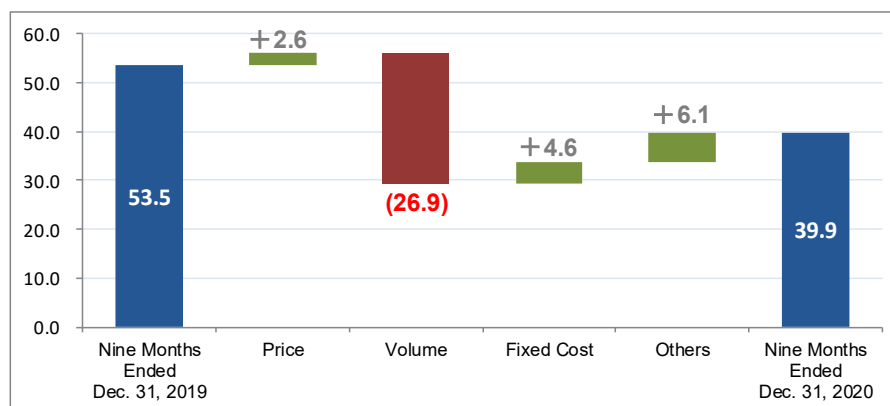
Performance Products Segment

(Billions of Yen)

		Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019	Difference
Functional Products	Sales Revenue	455.9	519.5	(63.6)
	Core Operating Income	27.5	35.5	(8.0)
Performance Chemicals	Sales Revenue	289.5	328.3	(38.8)
	Core Operating Income	12.4	18.0	(5.6)
Performance Products	Sales Revenue	745.4	847.8	(102.4)
	Core Operating Income	39.9	53.5	(13.6)

Functional Products	
Sales Revenue	Despite demand picking up from the third quarter, sales volumes of high-performance engineering plastics and other offerings for automotive applications were down from the previous corresponding period.
Core Operating Income	Earnings dropped amid lower sales volumes for high-performance engineering plastics and other offerings.
Performance Chemicals	
Sales Revenue	Sales volumes were down for performance polymers for automotive applications and other offerings, while sales volumes also dropped for phenol-polycarbonate chain materials because of scheduled maintenance and repairs and other factors.
Core Operating Income	Earnings were down amid lower sales volumes for performance polymers, phenol-polycarbonate chain materials, and other offerings.

<Analysis of Core Operating Income>



3 Months Comparison (3Q)	Value	Change	Value	Change	Value	Change	Value	Change	Value
	13.4	+2.4	+0.4	+1.2	+1.0	18.4			

<Major initiatives>

- In April 2020, MCC decided to acquire Gelest, Inc., and made it a consolidated subsidiary in October. The transaction is scheduled for completion by year-end. This purchase will enable MCC to broaden its customer solutions by combining its advanced technologies, business resources, and customer network with Gelest's capabilities. Gelest's key strengths include its advanced molecular design and compounding technologies in silicon compounds for contact lens materials, antimicrobials, and other materials, and the extensive use of the company's metal compounds for semiconductor precursors and other materials.
- In October 2020, MCC and Ube Industries, Ltd., established joint venture MU Ionic Solutions Corporation based on a joint incorporation-type split plan agreed in July 2020. The new entity has succeeded the electrolyte businesses of both partners, as announced in March 2020.

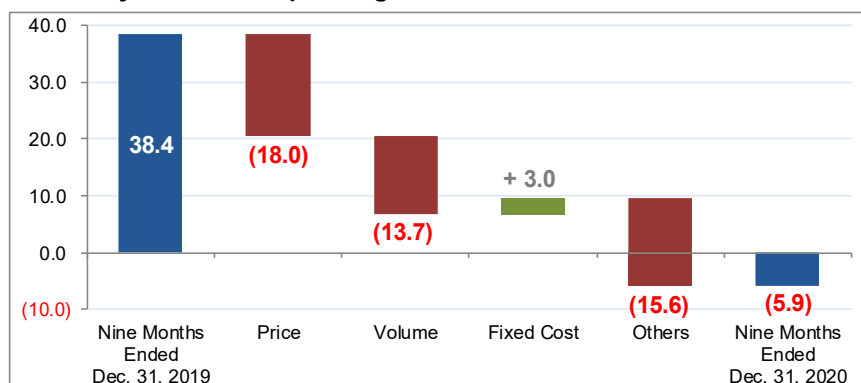
Chemicals Segment

(Billions of Yen)

		Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019	Difference
MMA	Sales Revenue	179.0	209.0	(30.0)
	Core Operating Income	6.6	25.7	(19.1)
Petrochemicals	Sales Revenue	298.2	409.1	(110.9)
	Core Operating Income	(9.9)	2.8	(12.7)
Carbon Products	Sales Revenue	130.2	197.7	(67.5)
	Core Operating Income	(2.6)	9.9	(12.5)
Chemicals	Sales Revenue	607.4	815.8	(208.4)
	Core Operating Income	(5.9)	38.4	(44.3)

MMA	
Sales Revenue	Revenue declined despite improving prices from the third quarter in the MMA monomer and other markets, as market prices were lower than a year earlier.
Core Operating Income	Earnings dwindled owing mainly to smaller gap between raw materials and product prices amid weaker market conditions.
Petrochemicals	
Sales Revenue	Revenue dropped owing to lower sales volumes from a greater impact of scheduled maintenance and repairs at the ethylene production facility, with prices declining owing to lower raw materials costs and other factors.
Core Operating Income	Earnings decreased amid a greater impact of scheduled maintenance and repairs and inventory valuation losses from lower raw materials prices.
Carbon Products	
Sales Revenue	Revenue was down amid lower prices as a result of reduced raw materials costs and a drop in sales volumes from declining in demand for coke and other offerings.
Core Operating Income	Earnings were down, as sales volumes dwindled amid lower demand.

<Analysis of Core Operating Income>



3 Months Comparison (3Q)	2.5	+5.9	(1.1)	+1.6	(0.2)	8.7
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- MCC acquired a green field property in Geismar, Louisiana, the United States to construct a 350,000 metric ton MMA plant that would leverage its proven, proprietary new ethylene method (Alpha technology). The company looks to finalize its investment decision by the middle of 2022, making the plant operational by the end of 2025.

<Major initiatives>

- MCC decided to implement metallurgical coke business reforms at its Kagawa Plant to optimize production and sales systems. These efforts will include reducing the number of coke ovens from 323, to 250, by the end of March 2021, and doubling export shipping facilities to two lines, the second becoming operational from the end of March 2022.
- MCC decided to end MMA monomer and MAA production (with an annual capacity of 135,000 metric tons) at the Beaumont site of Lucite International, Inc., its consolidated subsidiary in Texas, the United States, and close that facility at the end of February 2021 (planned).

Industrial Gases Segment

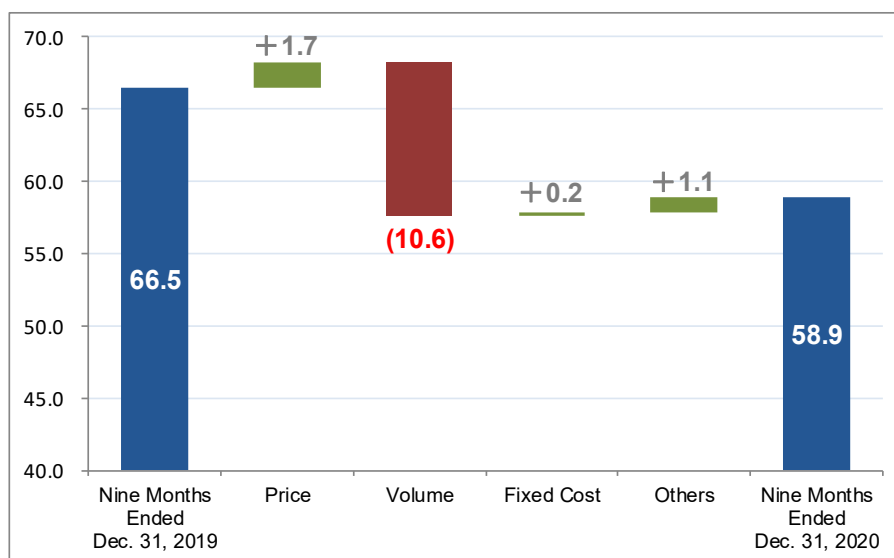
		(Billions of Yen)		
		Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019	Difference
Industrial Gases	Sales Revenue	587.5	628.3	(40.8)
	Core Operating Income	58.9	66.5	(7.6)

Industrial Gases	
Sales Revenue	Although demand for electronics-related gases remained strong, revenue was down amid lower domestic and overseas demand.
Core Operating Income	Earnings declined amid lower overall domestic and overseas demand.

<Major initiatives>

- TNSC adopted a holding company structure and changed its tradename to Nippon Sanso Holdings Corporation on October 1, 2020. The company seeks to establish a competitive group operation framework as a global gas major.

<Analysis of Core Operating Income>

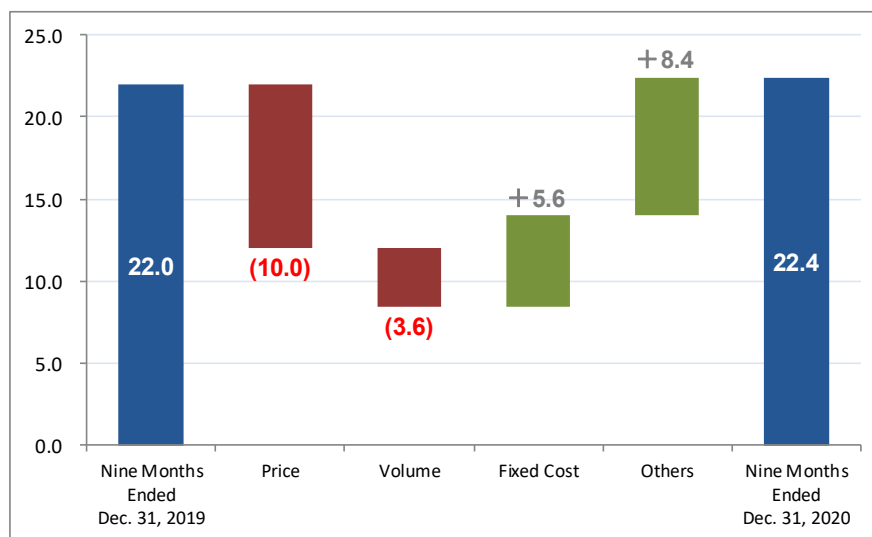


3 Months Comparison (3Q)	22.2	+0.1	+0.4	+0.1	+0.5	23.3
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Health Care Segment

		(Billions of Yen)		
		Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019	Difference
Health Care	Sales Revenue	299.7	307.8	(8.1)
	Core Operating Income	22.4	22.0	0.4

Health Care	
Sales Revenue	Revenue was unchanged mainly because higher sales volumes primarily in domestic priority products, offset by lower domestic sales prices for pharmaceuticals owing to National Health Insurance drug price revisions and other factors.
Core Operating Income	Although sales of domestic pharmaceuticals were down amid National Health Insurance drug price revisions, earnings were basically unchanged. This was because constrained activities owing to the COVID-19 pandemic suppressed selling, general and administrative expenses and research and development expenditure.



3 Months Comparison (3Q)	2020	2019	2020	2019	2020
	11.7	11.7	(3.6)	(3.6)	(1.8)
	+1.5	+1.5	+1.2	+1.2	9.0

Note:

Royalty revenue from Novartis Pharma AG for *Gilenya*, a treatment agent for multiple sclerosis, was reduced, because a part of the royalty revenue was not recognized as sales revenue in accordance with IFRS 15 due to the start of arbitration proceedings.

<Major initiatives>

- In July 2020, MTPC received approval for edaravone (branded *Radicava* in the United States) as an intravenous treatment for amyotrophic lateral sclerosis in Indonesia, followed by Japan, South Korea, the United States, Canada, Switzerland, and China.

Consolidated Special Items

(Billions of Yen)

	3Q	Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019	Difference
Total Special Items	(30.2)	(112.9)	(20.4)	(92.5)
Impairment loss	(20.2)	(107.2)	(19.4)	(87.8)
Special retirement expenses	(5.4)	(5.4)	(1.1)	(4.3)
Loss on sale and disposal of fixed assets	(1.2)	(4.4)	(3.4)	(1.0)
Provision for loss on plant closure	(3.3)	(3.3)	-	(3.3)
Loss on sale of intercompany securities	(0.4)	(0.5)	(1.5)	1.0
Gain on sale of property, plant and equipment	0.0	8.6	4.4	4.2
Share of profit of associates and joint ventures	2.7	2.7	-	2.7
Gain on step acquisitions	1.3	1.3	-	1.3
Gain on sale of intercompany securities	-	0.9	0.5	0.4
Others	(3.7)	(5.6)	0.1	(5.7)

Including a loss of ¥23.6 billion on the closure of the Beaumont site of Lucite International, Inc.
(Impairment loss: ¥19.4 billion; special retirement expenses: ¥0.9 billion; provision for loss on plant closure: ¥33.0 billion)

[Special Items by Business Segment]

Performance Products	(0.4)	(4.0)	(1.7)	(2.3)
Chemicals	(23.7)	(26.0)	(1.3)	(24.7)
Industrial Gases	2.8	2.7	2.1	0.6
Health Care	(3.0)	(79.5)	(16.3)	(63.2)
Others	(5.9)	(6.1)	(3.2)	(2.9)

Consolidated Cash Flows

	Based on statements of cash flows		Adjusted cash flows *1	
	Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019	Nine Months Ended Dec. 31, 2020	Nine Months Ended Dec. 31, 2019
	(Billions of Yen)			
Net cash provided by (used in) operating activities	272.2	337.8	272.2	337.8
Income before taxes	(12.8)	170.3	(12.8)	170.3
Depreciation and amortization	181.0	179.4	181.0	179.4
Change in operating receivables/payables	(42.4)	31.8	(42.4)	31.8
Change in Inventories	46.1	5.9	46.1	5.9
Others	100.3	(49.6)	100.3	(49.6)
Net cash provided by (used in) investment activities	(148.8)	(115.0)	(218.8)	(143.0)
Capital expenditure	(184.4)	(167.7)	(184.4)	(167.7)
Sale of assets	24.3	16.7	24.3	16.7
Investment and loans receivable, etc.	11.3	36.0	(58.7)	8.0
Free cash flow	123.4	222.8	53.4	194.8
Net cash provided by (used in) financing activities	(34.8)	(294.3)		
Interest bearing debts	102.8	(206.7)		
Additional acquisition of consolidated subsidiaries' stocks	*2 (98.5)	(1.7)		
Dividends, etc.	(39.1)	(85.9)		
Net increase (decrease) in cash and cash equivalents	88.6	(71.5)		
Effect of exchange rate changes and changes in scope of consolidation	4.3	(4.7)		
Cash and cash equivalents at the beginning of the period	228.2	321.5		
Cash and cash equivalents at the end of the period	321.1	245.3		

*1 Adjusted cash flows based on actual results are calculated by excluding cash flows from investment of surplus funds for explanatory purposes.

*2 ¥95.4 billion in additional acquisitions of MTPC shares

Consolidated Statements of Financial Positions

	(Billions of Yen)				(Billions of Yen)		
	Dec. 31, 2020	Mar. 31, 2020	Difference		Dec. 31, 2020	Mar. 31, 2020	Difference
Cash and cash equivalents	321.1	228.2	92.9	Interest-bearing debt	2,517.6	2,388.1	129.5
Trade receivables	716.7	698.5	18.2	Trade payables	370.4	398.1	(27.7)
Inventories	568.0	606.5	(38.5)	Other liabilities	792.2	895.1	(102.9)
Other current assets	151.7	216.1	(64.4)	Total liabilities	3,680.2	3,681.3	(1.1)
Total current assets	1,757.5	1,749.3	8.2	Shareholders' equity	1,183.4	1,234.5	(51.1)
Tangible and Intangible fixed assets	2,183.9	2,252.8	(68.9)	Other components of equity	(50.5)	(64.3)	13.8
Goodwill	656.0	616.8	39.2	Total equity attributable to owners of the parent	1,132.9	1,170.2	(37.3)
Investment and other non-current assets	524.3	513.2	11.1	Non-controlling interests	308.6	280.6	28.0
Total non-current assets	3,364.2	3,382.8	(18.6)	Total equity	1,441.5	1,450.8	(9.3)
Total assets	5,121.7	5,132.1	(10.4)	Total liabilities and equity	5,121.7	5,132.1	(10.4)
				Net interest-bearing debt *1	2,196.5	2,089.9	106.6
				Net D/E ratio	1.94	1.79	0.15
				Ratio of equity attributable to owners of the parent	22.1%	22.8%	(0.7%)
				ROE *2	-	4.2%	-

*1 Net interest-bearing debt (End of Dec.31, 2020)
 = interest-bearing debt (2,517.6 billion yen)
 - {cash and cash equivalents (321.1 billion yen) + investments of surplus funds (0.0 billion yen)}
 Note: Interest-bearing debt includes lease obligations.

*2 Ratio of net income attributable to owners of the parent.

Consolidated Financial Results Forecasts for FY2020

Consolidated Statements of Operations

Exchange Rate (¥/\$)	106.3	104.0	104.0	104.0	105.2
Naphtha Price (¥/kl)	27,600	31,300	37,500	34,400	31,000

(Billions of Yen)

		1H (Actual)	3Q (Actual)	4Q (Forecast)	2H (Forecast)	FY2020 Forecast	FY2020 Forecast (Announced on Nov.4)	Difference	%to Previous Forecast
Continuing Operations *1	Sales Revenue	1,504.8	850.6	837.6	1,688.2	3,193.0	3,175.0	18.0	1%
	Core Operating Income	54.6	59.0	39.4	98.4	153.0	140.0	13.0	9%
	Special Items	(82.7)	(30.2)	(17.1)	(47.3)	(130.0)	(136.0)	6.0	
	Operating Income (Loss)	(28.1)	28.8	22.3	51.1	23.0	4.0	19.0	475%
	Financial Income/Expenses	(8.7)	(4.8)	(5.5)	(10.3)	(19.0)	(20.0)	1.0	
	Income (Loss) before Taxes	(36.8)	24.0	16.8	40.8	4.0	(16.0)	20.0	
	Income Taxes	(3.1)	(12.5)	(10.4)	(22.9)	(26.0)	(18.0)	(8.0)	
	Net Income (Loss) from Continuing Operations	(39.9)	11.5	6.4	17.9	(22.0)	(34.0)	12.0	
	Net Income from Discontinued Operations	-	-	-	-	-	-	-	
	Net Income (Loss)	(39.9)	11.5	6.4	17.9	(22.0)	(34.0)	12.0	
	Net Income (Loss) Attributable to Owners of the Parent	(49.7)	1.9	(0.2)	1.7	(48.0)	(59.0)	11.0	-
	Net Income (Loss) Attributable to Non-Controlling Interests	9.8	9.6	6.6	16.2	26.0	25.0	1.0	

*1 Discontinued operations not included.

Sales Revenue and Core Operating Income (Loss) by Business Segment

(Billions of Yen)

		1H (Actual)	3Q (Actual)	4Q (Forecast)	2H (Forecast)	FY2020 Forecast	FY2020 Forecast (Announced on Nov.4)	Difference
Total Consolidated	Sales Revenue	1,504.8	850.6	837.6	1,688.2	3,193.0	3,175.0	18.0
	Core Operating Income	54.6	59.0	39.4	98.4	153.0	140.0	13.0
Functional Products	Sales Revenue	293.1	162.8	157.1	319.9	613.0	609.0	4.0
	Core Operating Income	17.4	10.1	6.5	16.6	34.0	37.0	(3.0)
Performance Chemicals	Sales Revenue	180.5	109.0	110.5	219.5	400.0	389.0	11.0
	Core Operating Income	4.1	8.3	7.6	15.9	20.0	14.0	6.0
Performance Products	Sales Revenue	473.6	271.8	267.6	539.4	1,013.0	998.0	15.0
	Core Operating Income	21.5	18.4	14.1	32.5	54.0	51.0	3.0
MMA	Sales Revenue	114.6	64.4	66.0	130.4	245.0	221.0	24.0
	Core Operating Income	1.8	4.8	6.4	11.2	13.0	5.0	8.0
Petrochemicals	Sales Revenue	182.6	115.6	113.8	229.4	412.0	405.0	7.0
	Core Operating Income	(12.5)	2.6	3.4	6.0	(6.5)	(10.0)	3.5
Carbon products	Sales Revenue	83.8	46.4	42.8	89.2	173.0	172.0	1.0
	Core Operating Income	(3.9)	1.3	2.1	3.4	(0.5)	(3.0)	2.5
Chemicals	Sales Revenue	381.0	226.4	222.6	449.0	830.0	798.0	32.0
	Core Operating Income	(14.6)	8.7	11.9	20.6	6.0	(8.0)	14.0
Industrial Gases	Sales Revenue	381.4	206.1	207.5	413.6	795.0	822.0	(27.0)
	Core Operating Income	35.6	23.3	22.1	45.4	81.0	80.0	1.0
Health Care	Sales Revenue	194.0	105.7	87.3	193.0	387.0	387.0	0.0
	Core Operating Income	13.4	9.0	(9.4)	(0.4)	13.0	13.0	0.0
Others	Sales Revenue	74.8	40.6	52.6	93.2	168.0	170.0	(2.0)
	Core Operating Income	(1.3)	(0.4)	0.7	0.3	(1.0)	4.0	(5.0)

* All figures are approximation for reference purpose only.

References 1

Statements of Operations [Quarterly Data]

Exchange Rate (¥/\$)	109.7	107.7	109.3	109.1	107.4	105.3	104.0
Naphtha Price (¥/kl)	45,400	40,200	41,300	44,800	25,000	30,200	31,300

(Billions of Yen)

		FY2019				FY2020		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q
Continuing Operations * 2	Sales Revenue	916.4	911.3	903.1	849.7	722.7	782.1	850.6
	Core Operating Income *1	70.1	60.7	50.2	13.8	15.0	39.6	59.0
	Special Items	(0.2)	0.0	(20.2)	(30.1)	8.7	(91.4)	(30.2)
	Operating Income (Loss)	69.9	60.7	30.0	(16.3)	23.7	(51.8)	28.8
	Financial Income/Expenses (Dividend included above)	(3.3)	(4.9)	(7.7)	(6.4)	(3.3)	(5.4)	(4.8)
	(Foreign Exchange Gain/Loss included above)	[2.9]	[0.1]	[1.1]	[0.1]	[2.5]	[0.3]	[0.7]
		[(0.3)]	[0.7]	[(2.8)]	[(1.3)]	[0.0]	[(0.4)]	[(0.3)]
	Income (Loss) before Taxes	66.6	55.8	22.3	(22.7)	20.4	(57.2)	24.0
	Income Taxes	(18.2)	(19.4)	(15.7)	1.0	(12.2)	9.1	(12.5)
	Net Income (Loss) from Continuing Operations	48.4	36.4	6.6	(21.7)	8.2	(48.1)	11.5
Net Income from Discontinued Operations	0.5	16.4	-	-	-	-	-	
Net Income (Loss)	48.9	52.8	6.6	(21.7)	8.2	(48.1)	11.5	
Net Income (Loss) Attributable to Owners of the Parent	37.8	43.5	(5.0)	(22.2)	5.2	(54.9)	1.9	
Net Income (Loss) Attributable to Non-Controlling Interests	11.1	9.3	11.6	0.5	3.0	6.8	9.6	
	5.0	3.1	2.6	2.7	0.2	0.9	4.2	

*1 Share of profit of associates and joint ventures included.

*2 Discontinued operations not included.

Sales Revenue and Core Operating Income (Loss) by Business Segment [Quarterly Data]

(Billions of Yen)

		FY2019				FY2020		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total Consolidated	Sales Revenue	916.4	911.3	903.1	849.7	722.7	782.1	850.6
	Core Operating Income	70.1	60.7	50.2	13.8	15.0	39.6	59.0
Functional Products	Sales Revenue	171.8	175.4	172.3	160.9	142.7	150.4	162.8
	Core Operating Income	12.6	13.9	9.0	4.0	8.7	8.7	10.1
Performance Chemicals	Sales Revenue	110.2	109.5	108.6	109.4	87.5	93.0	109.0
	Core Operating Income	7.1	6.5	4.4	3.7	1.2	2.9	8.3
Performance Products	Sales Revenue	282.0	284.9	280.9	270.3	230.2	243.4	271.8
	Core Operating Income	19.7	20.4	13.4	7.7	9.9	11.6	18.4
MMA	Sales Revenue	77.7	72.1	59.2	53.5	52.5	62.1	64.4
	Core Operating Income	13.8	11.4	0.5	(1.9)	(1.2)	3.0	4.8
Petrochemicals	Sales Revenue	134.7	137.1	137.3	125.3	84.2	98.4	115.6
	Core Operating Income	0.8	1.0	1.0	(4.9)	(13.6)	1.1	2.6
Carbon Products	Sales Revenue	71.7	63.8	62.2	48.9	44.4	39.4	46.4
	Core Operating Income	6.0	2.9	1.0	(1.8)	(1.3)	(2.6)	1.3
Chemicals	Sales Revenue	284.1	273.0	258.7	227.7	181.1	199.9	226.4
	Core Operating Income	20.6	15.3	2.5	(8.6)	(16.1)	1.5	8.7
Industrial Gases	Sales Revenue	208.6	210.9	208.8	215.0	182.9	198.5	206.1
	Core Operating Income	21.1	23.2	22.2	21.5	13.5	22.1	23.3
Health Care	Sales Revenue	102.5	93.0	112.3	85.3	95.2	98.8	105.7
	Core Operating Income	9.1	1.2	11.7	(5.5)	8.9	4.5	9.0
Others	Sales Revenue	39.2	49.5	42.4	51.4	33.3	41.5	40.6
	Core Operating Income	(0.4)	0.6	0.4	(1.3)	(1.2)	(0.1)	(0.4)

*1 All figures are approximation for reference purpose only.

*2 From Q2 FY2020, Qualicaps, Inc. has been reclassified from the Health Care segment to the Performance Products segment (Performance Chemicals). In addition, the segmentation of certain businesses and consolidated subsidiaries in MCC has been reviewed. The segment information for FY2019 is accordingly restated.

Business Segment Information

Business Domain	Business Segment	Business Sub-Segment		
			Businesses	
Performance Products	Performance Products	Functional Products	Information, Electronics and Displays	Optical films, display- and semiconductor-related products
			High Performance Films	Packaging films, Industrial films
			Environment and Living Solutions	Aqua and separator solutions, Infrastructure solutions and agricultural materials
			Advanced Moldings and Composites	High performance engineering plastics, Fibers and textile, Carbon fiber and composite materials, Functional moldings and composites, Almina fiber and light metal products
		Performance Chemicals	Advanced Polymers	Performance polymers, Engineering polymers, Sustainable resources
			High Performance Chemicals	Performance chemicals, Performance materials, Food ingredients
			New Energy	Lithium ion battery materials, Energy transduction materials
Industrial Materials	Chemicals	MMA	MMA	MMA
		Petrochemicals	Petrochemicals	Basic petrochemicals, Polyolefins, Basic chemical derivatives
		Carbon Products	Carbon	Carbon Products
	Industrial Gases		Industrial gases	
Health Care	Health Care			Pharmaceuticals
				Life science

References 2



Q3 FY2020 Business Results (April – December 2020)

February 3, 2021

Q3 FY2020 Business Results

Q3 FY2020 Financial Results

	Q3 FY2020	Comparison to previous year			Comparison to forecasts	
		Q3 FY2019	Increase (decrease)	Change	Announced on Nov.4th	Progress
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Revenue	290.2	297.4	(7.2)	(2.4)	373.0	77.8
(Domestic)	241.8	247.3	(5.5)	(2.2)	312.2	77.4
(Overseas)	48.4	50.2	(1.7)	(3.5)	60.8	79.6
Overseas sales ratio	16.7%	16.9%			16.3%	-
Cost of sales	147.2	143.1	4.2	2.9	187.5	78.5
Sales cost ratio	50.7%	48.1%			50.3%	-
Gross profit	143.0	154.3	(11.4)	(7.4)	185.5	77.1
SG&A expense, etc.	118.2	130.2	(12.0)	(9.2)	168.5	70.2
(R&D expense)	50.3	57.6	(7.3)	(12.7)	72.5	69.3
Core operating profit*1	24.7	24.2	0.6	2.3	17.0	145.5
Non-recurring items*2	(79.5)	0.8	(80.3)	-	(79.5)	-
Gain from sales of Toda office	7.5	-	7.5	-	-	-
Loss from impairment*3	(84.5)	-	(84.5)	-	-	-
Operating profit*2	(54.7)	25.0	(79.7)	-	(62.5)	-
Financial income and loss*2	0.3	(0.4)	0.6	-	-	-
Net profit attributable to owners of the Company*2	(45.3)	18.2	(63.5)	-	(52.5)	-
Average exchange rate US\$	¥105.54	¥108.89			¥108.00	

*1:¥6.8B of impact from COVID-19 included

Decreased expenses by shrinkage in sales promotion and delay in R&D expenses incurrence overtake sales decrease

*2:Brackets indicate expense and loss

*3:Booked impairment loss from ND0612 in Q2

Q3 FY2020 Business Results

Details of Revenue

	Q3 FY2020	Comparison to previous year			Comparison to forecasts	
		Q3 FY2019	Increase (decrease)	Change	Announced on Nov.4th	Progress
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Domestic ethical drugs	235.0	239.6	(4.7)	(2.0)	302.3	77.7
Priority products	139.2	137.9	1.3	1.0	183.0	76.1
Vaccines*	36.0	32.9	3.0	9.3	41.6	86.4
Long-listed drugs, etc.*	59.8	68.9	(9.1)	(13.2)	77.7	77.0
Overseas ethical drugs	37.0	37.5	(0.5)	(1.3)	47.0	78.8
Radicava	15.9	17.4	(1.4)	(8.3)	20.1	79.3
Royalty revenue, etc.	12.4	13.6	(1.2)	(8.7)	15.2	81.8

*Corrected vaccines forecasts from 40.8 to 41.6 and Long-listed drugs, etc forecasts from 78.5 to 77.7 due to mistaken announcement on Nov.4

Q3 FY2020 Business Results

Domestic Ethical Drugs

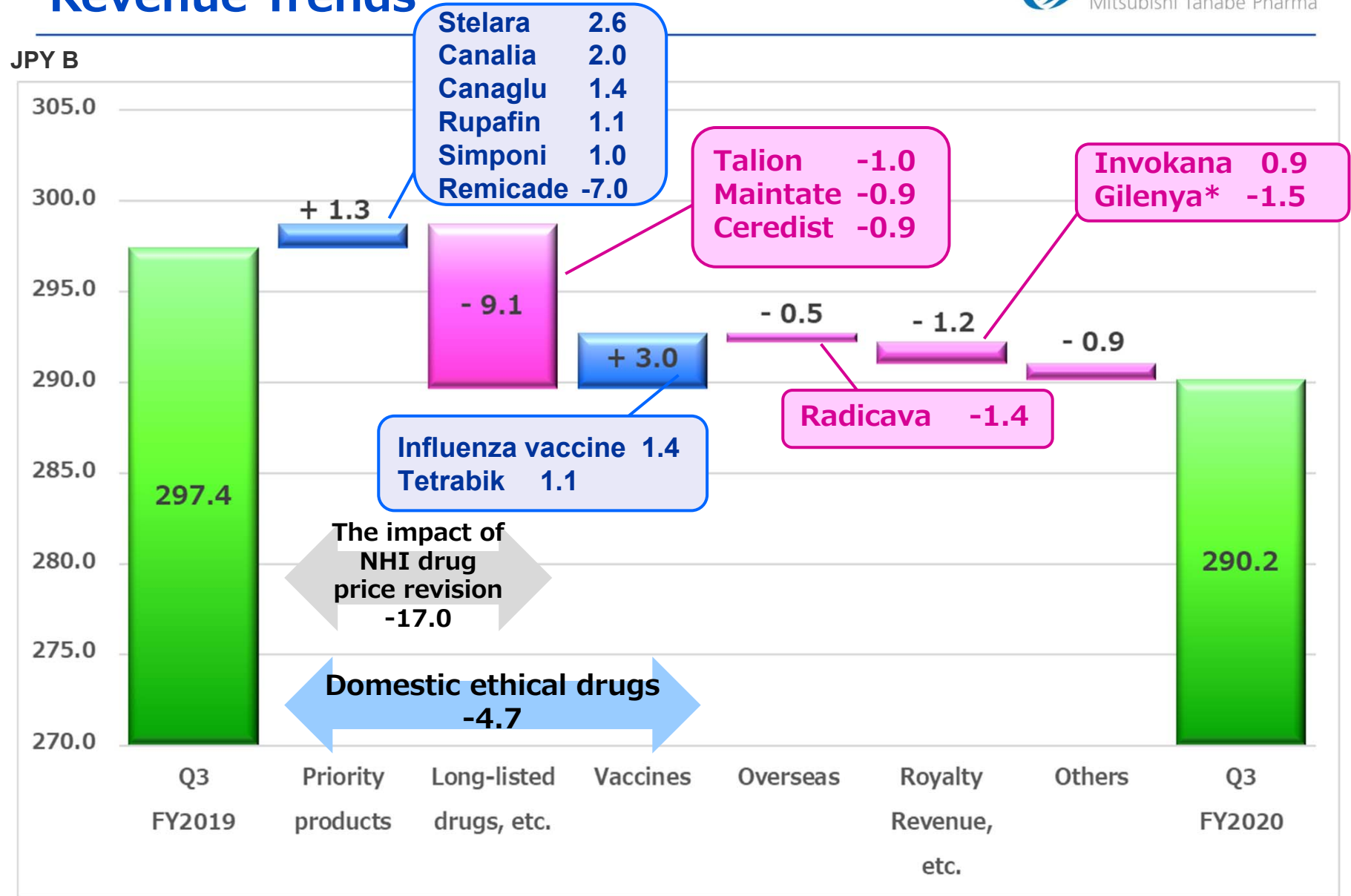
Revenue of Priority Products and Vaccines



	Q3 FY2020	Comparison to previous year			Comparison to forecasts	
		Q3 FY2019	Increase (decrease)	Change	Announced on Nov.4th	Progress
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Remicade	35.5	42.5	(7.0)	(16.5)	45.0	78.9
Simponi	32.7	31.7	1.0	3.3	42.7	76.7
Stelara	23.0	20.4	2.6	13.0	31.9	72.1
Tenelia	11.8	12.1	(0.3)	(2.1)	14.9	79.4
Canaglu	8.0	6.6	1.4	21.3	9.8	81.5
Canalia	7.5	5.5	2.0	36.0	9.3	80.6
Vafseo (launched in Aug.)	0.3	-	0.3	-	0.5	65.6
Lexapro	11.9	11.6	0.2	2.1	14.8	80.1
Rupafin	5.2	4.2	1.1	25.3	10.0	52.1
Imusera	3.2	3.4	(0.1)	(3.2)	4.1	79.2
Total of priority products	139.2	137.9	1.3	1.0	183.0	76.1
Influenza vaccine	13.8	12.4	1.4	11.1	13.2	104.7
Tetrabik	8.2	7.1	1.1	15.3	11.1	73.7
Mearubik	5.1	4.8	0.3	6.1	6.4	79.1
JEBIK V	4.3	4.2	0.2	4.0	5.3	81.9
Varicella vaccine	3.8	3.8	(0.0)	(0.1)	4.8	78.9
Total of vaccines*	36.0	32.9	3.0	9.3	41.6	86.4
Total of priority products and vaccines*	175.2	170.8	4.4	2.6	224.6	78.0

*Corrected total of vaccines forecasts from 40.8 to 41.6 and total of priority products and vaccines forecasts from 223.8 to 224.6 due to mistaken announcement on Nov.4

Revenue Trends



* Including a decline of "GILENYA® Royalty" amounts which will not be recognized as sales revenue during arbitration proceedings

Status of research and development etc.



FY 2020 Q3 Overview

Major Development Pipeline

Code	Indications	Stage	Topics
MT-1186	ALS / Oral suspension	P3	<ul style="list-style-type: none"> Global P3 study (long-term safety study) is ongoing. Enrollment completed in October.
ND0612	Parkinson's disease	P3	<ul style="list-style-type: none"> Global P3 study is ongoing.
MT-7117	Erythropoietic protoporphyria (EPP) X-linked protoporphyria (XLP)	P3	<ul style="list-style-type: none"> Global P3 study is ongoing.
MT-0551	Myasthenia gravis	P3*	<ul style="list-style-type: none"> Started co-development with Viela Bio in global P3 study
	IgG4-related disease	P3*	
MT-2766	Prophylaxis of COVID-19 (Plant-based VLP** vaccine)	P2	<ul style="list-style-type: none"> P2 study started in November. P3 study planned to be conducted in 30,000 subjects early in 2021

*Co-development with Viela Bio (Global study ongoing)

**VLP : Virus-like particle

Topics

Dec. : Launched "Talion AR", new OTC drug for the exclusive use of allergic rhinitis.

Jan. : Received the arbitration award on the license agreement with Kolon Life Science

: licensing agreement for Riluzole oral film in the U.S. to strengthen our ALS product lineup

: Entered into an exclusive licensing agreement with Pharma Foods International for a new therapeutic antibody to treat autoimmune diseases

MT-0551

(Generic name: Inebilizumab)

As indications following NMOSD, global P3 studies are being conducted for 2 diseases

Mechanism of Action	Humanized anti-CD 19 monoclonal antibody
Origin	Viela Bio, Inc. (United States)
Our company Rights	Japan and Asia (excluding some regions such as China)
Indications	<p>① Myasthenia gravis: A disease that shows muscle weakness and fatigue in the eyes, hands, and feet. It could be classified into two types; the ocular type (mainly showing eye symptoms) and the generalized type. [Japan] Approximately 23,000 patients*</p> <p>② IgG4-related disease: A disease that shows swelling and hardening of various organs; the cause of the disease is unknown. IgG4, one of the immunoglobulins, is typically elevated in blood. [Japan] Approximately 8,000 patients* *Japan Intractable Diseases Information Center</p>
Development stage	① ②: Phase 3 (co-development with Viela Bio)
Future plans	<p>Viela Bio is conducting global studies including Japan, and the timing of regulatory submission and its approval in Japan will be determined depending on the study progress.</p> <p>※The indication of neuromyelitis optica spectrum disorder (NMOSD) was applied for approval in Japan in June 2020.</p>

Medicago VLP Vaccine aims to prevent COVID-19

Category	Plant-based VLP (virus-like particle) vaccine
Origin	Medicago Inc. (Canada)
Development stage	Phase 2
Indications	Prophylaxis of COVID-19
Phase 1 Summary and results	<ul style="list-style-type: none"> • Subjects: 180 healthy Canadian subjects, male and female aged 18-55. • Dosage and administration: Evaluated dosages of 3.75, 7.5 or 15 µg of the VLP vaccine candidate alone or with each of the two adjuvants – GSK’s adjuvant and Dynavax’s adjuvant after two doses. • Results: Induced robust neutralizing antibody and cellular immune response in the adjuvant group. No severe adverse events were observed.
Phase 2 Summary	<ul style="list-style-type: none"> • Subjects: A total of 900 healthy adults, elderly adults and comorbidities in Canada and the United States. • Dosage and administration: Two doses of 3.75 µg VLP vaccine candidate combined with GSK’s adjuvant given 21 days apart. • Endpoints: Safety and immunogenicity. (compared to placebo)
Future plans	P2 study started in November. P3 study planned to be conducted in 30,000 subjects early in 2021. It is scheduled to be launched in Canada in 2021

Arbitral Award on the License Agreement with Kolon Life Science



■ Background to date

Mitsubishi Tanabe Pharma Corporation (MTPC) on April 10, 2018 filed with the International Court of Arbitration of the International Chamber of Commerce (ICC, Venue: Seoul) against Kolon Life Science, Inc. (KLS) a request for arbitration seeking return of the upfront payment and related matters regarding the license agreement on “Invossa” between MTPC and KLS in November 2016.

■ Summary of the arbitral award

On January 11, 2021, MTPC received the arbitral award in which the arbitral court ordered to KLS to pay MTPC 2.5 billion yen equivalent to the upfront payment under the license agreement (as well as additional payments for interest on that amount), plus approximately 130 million yen as damages (as well as additional payments for interest on that amount), plus an amount of approximately 7.9 million US dollars as arbitration costs.

■ Future prospects

MTPC will review the details of the arbitral award and provide updates on the impact, if any, of the arbitral award on MTPC’s business performance.

Strengthen our ALS product pipeline in the U.S.
US Licensing and Supply Deal for EXSERVAN

On Jan. 21, 2021, Mitsubishi Tanabe Pharma Holdings America, Inc., a subsidiary in the U.S., concluded a license and supply agreement for the U.S. right of EXSERVAN (RILUZOLE oral film), a therapeutic agent for ALS, with Aquestive Therapeutics, Inc.

EXSERVAN : RILUZOLE oral film

- EXSERVAN was approved in November 2019 in the U.S.
- Mitsubishi Tanabe Pharma America, Inc., a sales subsidiary in the U.S., plans to launch EXSERVAN in the middle of 2021.
- Utilizing innovative drug delivery technology developed by Aquestive Therapeutics, EXSERVAN can be quickly dissolved without additional water or food when placed on patient's tongue.
- EXSERVAN is very convenient for ALS patients with dysphagia and potentially can be used in combination with RADICAVA.

Oral Film



Entered into an exclusive licensing agreement with Pharma Foods International for a new therapeutic antibody to treat autoimmune diseases



■ Background to date

In the collaborative research which was started in October 2018, Mitsubishi Tanabe Pharma Corporation (MTPC) and Pharma Foods International (PFI) successfully identified a development candidate antibody by using PFI's propriety antibody production technology and MTPC's specific technology for enhancing antibody affinity, etc. PFI has been successful in producing innovative lead antibodies for drug discovery targets to treat autoimmune diseases, for which antibody production is difficult with conventional technology.

■ Summary of the licensing agreement

On January 26, 2021, we entered into an exclusive licensing agreement for the development candidate antibody for which we have been conducting joint research. With the conclusion of this agreement, MTPC will have exclusive rights to manufacture, develop and sell the development candidate antibody worldwide.

MTPC will pay to PFI 320 million yen as an upfront payment. In addition, MTPC will pay development milestones depending on the stage of development, as well as royalties and sales milestones based on worldwide sales after launch.

■ Future prospects

This antibody project is positioned as prioritized product in the area of Immuno-inflammation, which is one of MTPC's priority disease areas, and MTPC will start the P1 study as soon as possible for the development as an antibody drug.

OTC Drug / Allergic Rhinitis Medication **Talion AR New release**

Open Up the Future
Mitsubishi Tanabe Pharma

**Talion AR has been available
in pharmacies and drugstores nationwide
since December 2020.**



Contains the same amount of medical ingredients “Bepotastine besilate” as prescription drugs.

The 5 Features of Talion AR

1. It is quickly absorbed into the body and has an excellent effect on sneezing, runny nose and stuffy nose.
2. Taking 1 tablet in the morning and evening, 2 times a day, the effect lasts for 24 hours.
3. It works well in the nose and is hard to transfer to the brain, so it does not make you sleepy.
4. It can be taken on an empty stomach before or after meals.
5. Less likely to cause dry mouth. Bepotastine besilate has less anti-cholinergic effects that cause decreased salivation.

As of January 25, 2021

Open Up the Future



Mitsubishi Tanabe Pharma

Major Development Pipeline List

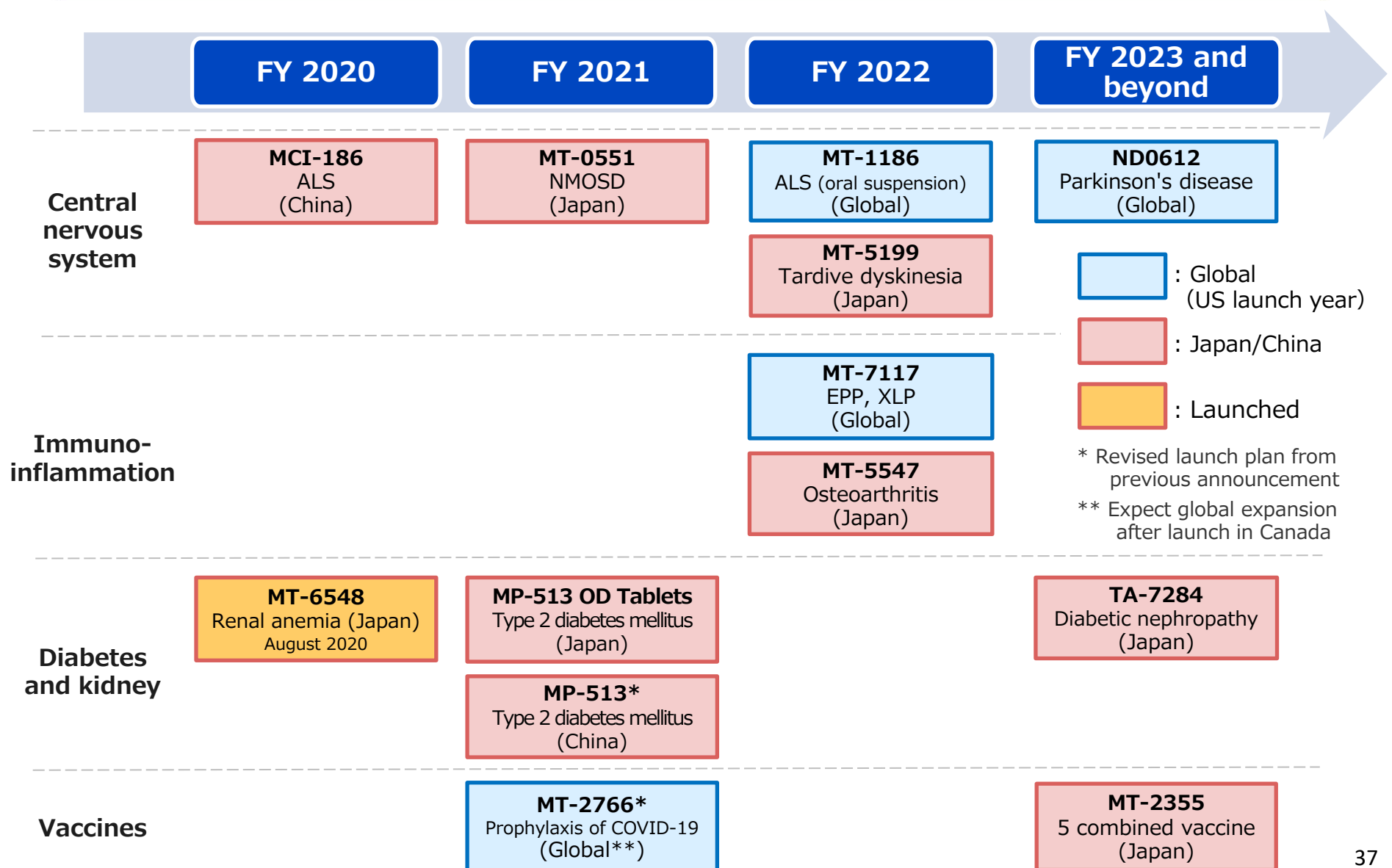
Progress Update

Priority areas	Code	Region	Indications	P1	P2	P3	Filed	Approved
Central nervous system	MT-1186	Global	ALS/oral suspension					
	ND0612	Global	Parkinson's disease					
	MT-8554	Global	Vasomotor symptoms associated with menopause			preparing		
	MT-3921	Global	Spinal cord injury					
	MT-0551	Japan	Neuromyelitis Optica Spectrum Disorder (NMOSD)					
		Japan*	Myasthenia gravis					
	MT-5199	Japan	Tardive dyskinesia					
Immuno-inflammation	MT-7117	Global	Erythropoietic protoporphyria(EPP) X-linked protoporphyria(XLP)					
	MT-2990	Global	Endometriosis					
	MT-5547	Japan	Osteoarthritis					
	MT-0551	Japan*	IgG4-related disease					
Diabetes and kidney	MT-3995	Global	Non-alcoholic steatohepatitis(NASH)					
	MT-6548	Japan	Renal anemia					June 2020
	TA-7284	Japan	Diabetic nephropathy					
	MP-513	China	Type 2 diabetes mellitus					
Vaccines	MT-2766	Global	Prophylaxis of COVID-19					
	MT-2654	Global	Prophylaxis of seasonal influenza / elderly					
	MT-2355	Japan	5 combined vaccine**					

* Co-development with Viela Bio (Global study ongoing)

** Prophylaxis of pertussis, diphtheria, tetanus, poliomyelitis and prophylaxis of Hib infection in infants

Launch Plan for Major Development Pipeline



The forward-looking statements are based largely on company expectations and information available as of the date hereof, and are subject to risks and uncertainties, which may be beyond company control.

Actual results could differ materially due to numerous factors, including without limitation, marketing conditions and the effects of industry competition.