

# Operational Summary

## for the Fiscal Year Ended March 31, 2023

May 12, 2023

Mitsubishi Chemical Group Corporation

# Table of Contents

<b>Consolidated Financial Statements for FY2022</b>		<b>References 1</b>	
Summary	3	Topics for FY2022	20
Statements of Operations	4	Number of Subsidiaries and Affiliates [Historical Data]	22
Sales Revenue and Core Operating Income by Business Segment	5	Overseas Sales Revenue, and Core Operating Income [Historical Data]	23
Analysis of Core Operating Income	6	Statements of Operations [Quarterly Data]	24
Overview of Business Segments	7	Sales Revenue and Core Operating Income by Business Segment [Quarterly Data]	25
Special Items	11	Analysis of Core Operating Income	26
Cash Flows	12	Special Items [Quarterly Data]	29
Statements of Financial Positions	13	Capital Expenditure, Depreciation & Amortization, R&D Expenses, and Number of Employees by Business Segment	30
<b>FY2023 Forecast</b>		EBITDA Margin by Business Segment	32
Statements of Operations	15	Trends in Indicators	33
Sales Revenue and Core Operating Income by Business Segment	16	<b>References 2</b>	
Analysis of Core Operating Income	17	Health Care Segment, Pharmaceuticals Businesses Status of Research and Development etc.	37
Dividend Forecast	18	<b>References 3</b>	
		Trends by market of Specialty Materials	46

## List of Abbreviations

FY2023	April 1, 2023 – March 31, 2024
FY2022	April 1, 2022 – March 31, 2023
FY2021	April 1, 2021 – March 31, 2022

MCG	Mitsubishi Chemical Group Corporation
MCC	Mitsubishi Chemical Corporation
MTPC	Mitsubishi Tanabe Pharma Corporation
LSII	Life Science Institute, Inc.
NSHD	Nippon Sanso Holdings Corporation

## FY2022 Actual

- Sales revenue increased 17% year-on-year. Given the harsh business climate, MCG continued pricing activities to offset the negative impact, mainly from a rise in raw material prices.
- Although there was an adjustment phase for each product in the display and semiconductor markets and a retreat in demand for MMA, petrochemical and carbon products causing the weak business environment for performance products and chemicals respectively, core operating income rose 20% year-on-year reflecting strong demand for industrial gas as well as the recognition of revenue owing to the results of arbitration award regarding the royalties for Gilenya, a treatment agent for multiple sclerosis.
- Net income attributable to owners of the parent declined 46% year-on-year due to related losses accompanying progress with structural reforms.

## FY2023 Forecast

- MCG plans to steadily implement important measures to achieve financial goals in accordance with the action plan\* related to the management policy “Forging the future.”
- We forecast it will take some time for the business environment to improvement and expect modest recovery in fiscal 2023. Core operating income in fiscal 2023 is forecast at ¥250.0 billion, a rise of 25% versus the actual for fiscal 2022 (excluding the impact for the aforementioned Gilenya royalties being recognized as revenue).
- Net income attributable to owners of the parent is expected to be ¥97.0 billion, the same level as in fiscal 2022.
- The full-fiscal year dividend forecast for the fiscal 2023 is 32 yen/share, an increase of 2 yen over the fiscal 2022. We plan to expand our shareholder returns based on a payout ratio of 35% in fiscal 2025.

\* announced on February , 2023 <https://www.mcgc.com/english/ir/pdf/01508/01745.pdf>

# Consolidated Statements of Operations

Exchange Rate (¥/\$)	113.0	136.0	23.0	20%
Naphtha Price (¥/kl)	56,600	76,600	20,000	35%

(Billions of Yen)

	FY2021	FY2022	Difference	%
<b>Sales Revenue</b>	3,976.9	<b>4,634.5</b>	<b>657.6</b>	17%
<b>Core Operating Income *1</b>	272.3	<b>325.6</b>	<b>53.3</b>	20%
Special Items	30.9	<b>(142.9)</b>	<b>(173.8)</b>	
<b>Operating Income</b>	303.2	<b>182.7</b>	<b>(120.5)</b>	(40%)
<b>Income before Taxes</b>	290.4	<b>168.0</b>	<b>(122.4)</b>	(42%)
<b>Net Income</b>	209.4	<b>135.2</b>	<b>(74.2)</b>	
<b>Net Income Attributable to Owners of the Parent</b>	177.2	<b>96.1</b>	<b>(81.1)</b>	(46%)
Net Income Attributable to Non-Controlling Interests	32.2	<b>39.1</b>	<b>6.9</b>	
*1 Share of profit of associates and joint ventures included	21.4	<b>11.9</b>	<b>(9.5)</b>	

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 by Business Segment

(Billions of Yen)

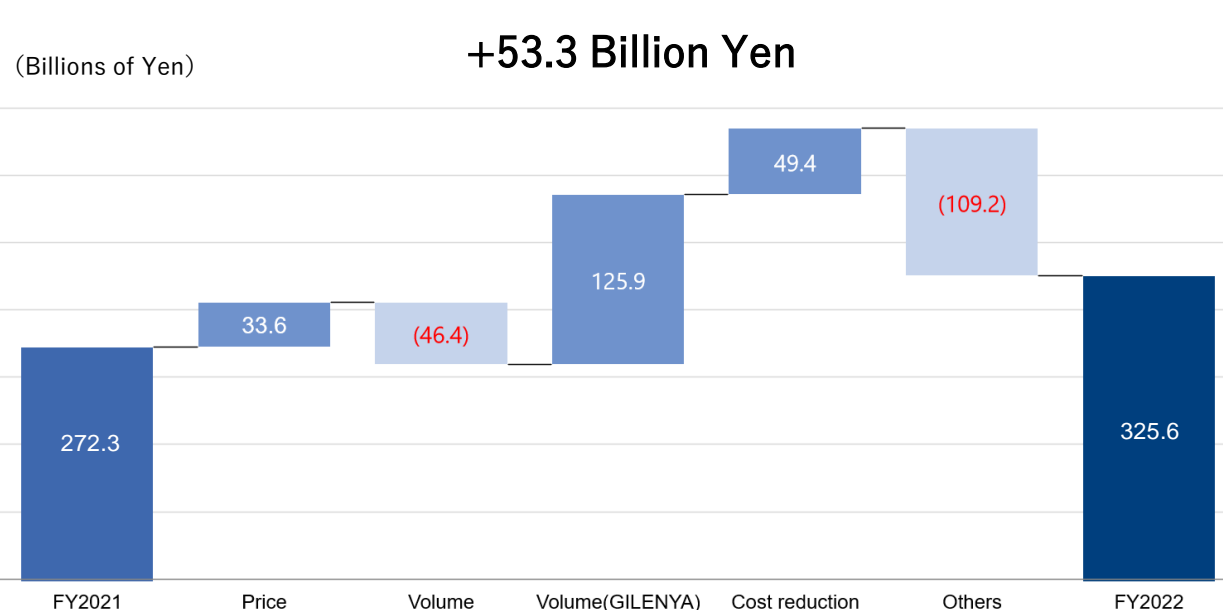
	FY2021		FY2022		Difference			
	Sales Revenue	Core Operating Income	Sales Revenue	Core Operating Income	Sales Revenue	%	Core Operating Income	%
<b>Total Consolidated</b>	<b>3,976.9</b>	<b>272.3</b>	<b>4,634.5</b>	<b>325.6</b>	<b>657.6</b>	17%	<b>53.3</b>	20%
<b>Performance Products</b>	<b>1,136.3</b>	<b>78.7</b>	<b>1,252.7</b>	<b>51.5</b>	<b>116.4</b>	10%	<b>(27.2)</b>	<b>(35%)</b>
Polymers & Compounds	308.1	18.5	346.0	25.1	37.9		6.6	
Films & Molding Materials	479.9	43.9	520.9	17.4	41.0		<b>(26.5)</b>	
Advanced Solutions	348.3	16.3	385.8	9.0	37.5		<b>(7.3)</b>	
<b>Chemicals</b>	<b>1,287.9</b>	<b>102.2</b>	<b>1,430.2</b>	<b>9.2</b>	<b>142.3</b>	11%	<b>(93.0)</b>	<b>(91%)</b>
MMA	298.1	31.8	278.6	<b>(3.7)</b>	<b>(19.5)</b>		<b>(35.5)</b>	
Petrochemicals	722.2	44.6	779.1	2.6	56.9		<b>(42.0)</b>	
Carbon Products	267.6	25.8	372.5	10.3	104.9		<b>(15.5)</b>	
<b>Industrial Gases</b>	<b>950.1</b>	<b>98.9</b>	<b>1,177.9</b>	<b>121.0</b>	<b>227.8</b>	24%	<b>22.1</b>	22%
<b>Health Care</b>	<b>403.6</b>	<b>(7.0)</b>	<b>547.1</b>	<b>141.8</b>	<b>143.5</b>	36%	<b>148.8</b>	-
<b>Others</b>	<b>199.0</b>	<b>(0.5)</b>	<b>226.6</b>	<b>2.1</b>	<b>27.6</b>	14%	<b>2.6</b>	-

[Inventory valuation gain/loss]

	FY2021	FY2022	Difference
Polymers & Compounds	2.7	1.4	<b>(1.3)</b>
Petrochemicals	35.4	19.5	<b>(15.9)</b>
Carbon Products	9.0	<b>(0.9)</b>	<b>(9.9)</b>
<b>Total</b>	<b>47.1</b>	<b>20.0</b>	<b>(27.1)</b>

\* Breakdown figures of segment are approximation for reference purpose only.

# Analysis of Core Operating Income



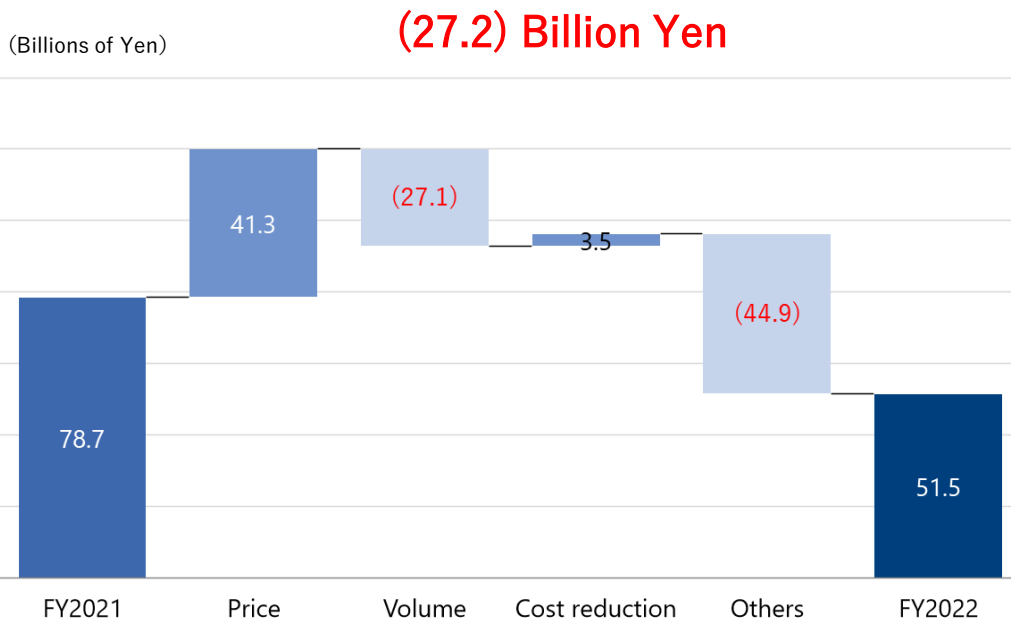
(Billions of Yen)

	FY2021	FY2022	Difference	Price	Volume	Cost reduction	Others *1
<b>Total Consolidated</b>	272.3	<b>325.6</b>	<b>53.3</b>	33.6	79.5	49.4	(109.2)
Performance Products	78.7	<b>51.5</b>	<b>(27.2)</b>	41.3	(27.1)	3.5	(44.9)
Chemicals	102.2	<b>9.2</b>	<b>(93.0)</b>	(22.7)	(45.6)	6.1	(30.8)
Industrial Gases	98.9	<b>121.0</b>	<b>22.1</b>	22.6	7.8	26.9	(35.2)
Health Care	(7.0)	<b>141.8</b>	<b>148.8</b>	(7.5)	143.0	7.4	5.9
Others	(0.5)	<b>2.1</b>	<b>2.6</b>	(0.1)	1.4	5.5	(4.2)

\* Items included are impacts from differences of inventory valuation gain/loss (27.1) billion yen and differences of share of profit of associates and joint ventures (9.5) billion yen, etc.

Changes in exchange rates	13.1	26.9	0.0	-	(13.8)
Changes in foreign currency translation included in above	23.1				

# Analysis of Core Operating Income Performance Products Segment



## Polymers & Compounds +6.6

Price

(+) Progress in passing on cost to selling prices in food products and automobile applications in tandem with the rise in raw material prices

Volume

(-) Sales dropped for PC, PBT and coating materials, mainly for those automobile applications

Others

(※)

## Films & Molding Materials (26.5)

Price

(+) Progress was made in passing on cost to selling prices mainly for engineering plastics

Volume

(-) Sales declined for optical films due to a rapid decrease in demand in the display market

Others

(-) Impact of the transfer of the alumina fiber business

(※)

## Advanced Solutions (7.3)

Price

(+) Progress was made in passing on cost to selling prices in construction materials and food products in tandem with the rise in raw material prices

Volume  
(-)

(+) In the first half, demand was strong in the semiconductor-related businesses, including precision cleaning services and performance chemical liquids

(-) Sales decreased for display-application materials due to a rapid downswing in demand in the display market

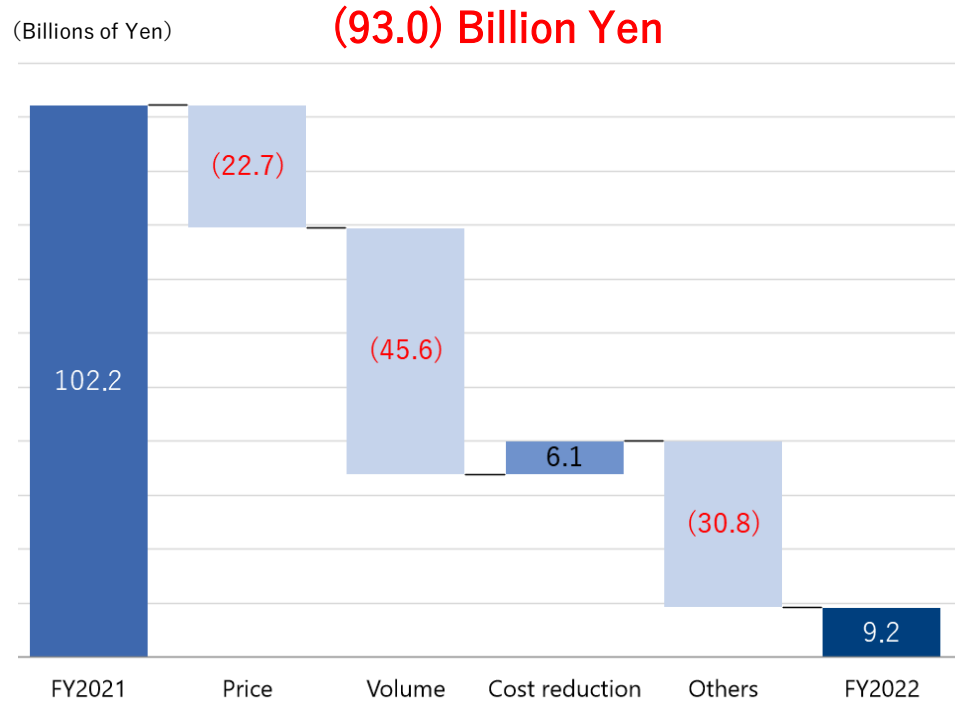
Others

(※)

## (※)Others

(-) Increase in costs due to inflation

# Analysis of Core Operating Income Chemicals Segment



## MMA (35.5)

### Price

(-) A rapid decline in market prices in and after 2Q and a contraction in price gap in tandem with a rise in raw material prices

### Volume

(-) An adjustment in production operations and a decline in sales in tandem with a decrease in global demand as a whole

## Petrochemicals (42.0)

### Price (-)

(+) Delay in the timing for implementing price revisions for polyolefin  
 (-) Decline in market prices for Bisphenol A and a contraction in the price gap in tandem with a rise in raw material prices

### Volume

(-) Sales declined due to productions adjustments for each product in tandem with a slowdown in demand and owing to an expansion in the scale of scheduled maintenance

### Others

(-) Contraction in inventory valuation gains in tandem with a decline in raw materials prices in and after 2Q.

## Carbon Products (15.5)

### Price

(-) Contraction in the price gap due to a weakening in the cokes market in tandem with a slowdown in demand for coke, and a rise in raw material prices

### Volume

(-) Sales volumes decreased due to slowdown in demand for coke.

### Others

(-) Contraction in inventory valuation gains in tandem with a decline in raw materials prices in and after 2Q.



# Analysis of Core Operating Income Industrial Gases Segment

+22.1 Billion Yen

(Billions of Yen)



## Industrial Gases + 22.1

Price

(+) Passing on a rise in fuel costs to selling prices

Volume

(+) Strong demand for in Japan and overseas

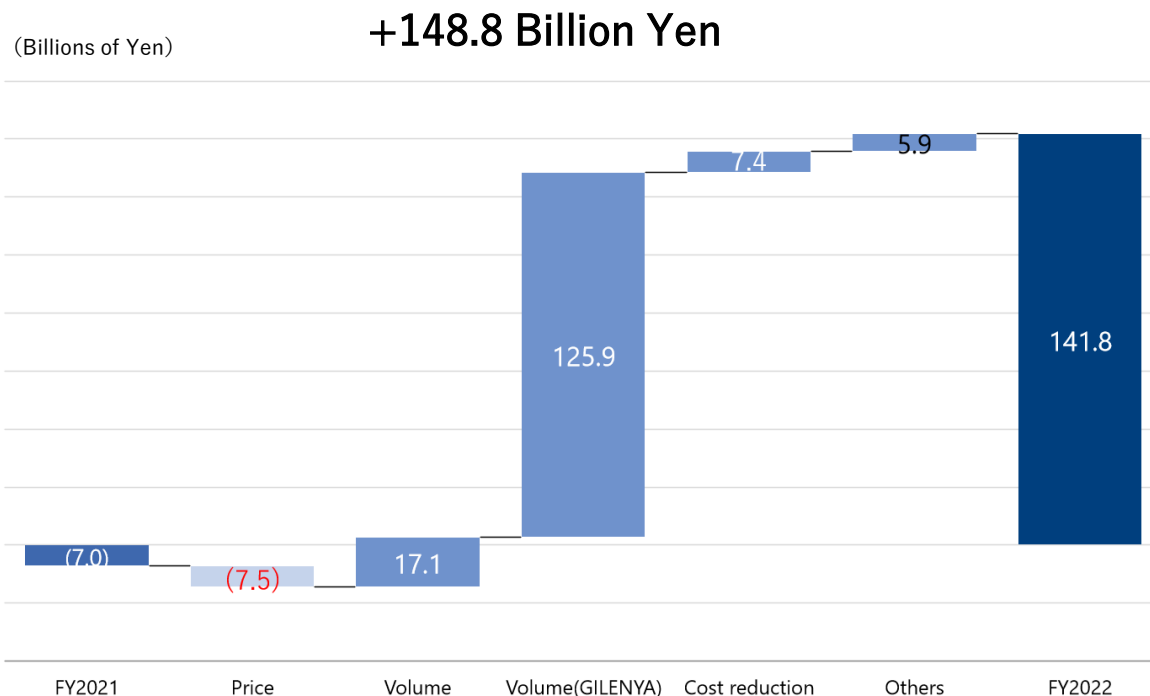
Cost  
reduction

(+) Activities to improve productivity, including the use of DX and optimization of plant operations

Others

(-) Increase in costs in tandem with a recovery in sales activities

# Analysis of Core Operating Income Health Care Segment



## Health Care +148.8

### Price

(-) Negative impact from National Health Insurance drug price revisions in the domestic ethical pharmaceuticals business

### Volume

(+) In North America, the launch of RADICAVA ORS®, an oral formulation, was strong and sales grew for domestic priority products, mainly Stelara in the inflammatory disease domain

(+) Recognize sales revenue owing to arbitration award regarding the royalties for Gilenya, a treatment agent for multiple sclerosis

### Cost reduction

(+) Decrease primarily in research and development costs after exiting the Medicago business

### Others

(+) Gain on transfer of intangible assets

# Consolidated Special Items

(Billions of Yen)

	FY2021	FY2022	Difference
<b>Total Special Items</b>	30.9	<b>(142.9)</b>	<b>(173.8)</b>
Gain on sales of shares of subsidiaries and associates	1.9	<b>3.3</b>	<b>1.4</b>
Gain on reversal of environmental expenses	-	<b>3.1</b>	<b>3.1</b>
Gain on arbitration award	-	<b>2.9</b>	<b>2.9</b>
Gain on business transfer	60.8	-	<b>(60.8)</b>
Impairment loss	<b>(20.4)</b>	<b>(93.4)</b>	<b>(73.0)</b>
Provision for loss on plant closure	-	<b>(26.7)</b>	<b>(26.7)</b>
Special retirement expenses	<b>(2.6)</b>	<b>(10.6)</b>	<b>(8.0)</b>
Provision for loss on business liquidation	-	<b>(5.7)</b>	<b>(5.7)</b>
Loss on sale and disposal of fixed assets	<b>(7.4)</b>	<b>(3.9)</b>	<b>3.5</b>
Provision for loss on litigation	<b>(0.6)</b>	<b>(3.6)</b>	<b>(3.0)</b>
Loss on arbitration award	-	<b>(3.5)</b>	<b>(3.5)</b>
Loss on business liquidation	<b>(0.5)</b>	<b>(3.3)</b>	<b>(2.8)</b>
Others	<b>(0.3)</b>	<b>(1.5)</b>	<b>(1.2)</b>

\*Loss on Cassel site closure **(68.7)** billion (Impairment loss **(39.3)** billion, Provision for loss on plant closure **(26.7)** billion, Special retirement expenses **(2.0)** billion, Others **(0.7)** billion)

\*Medicago Inc. Liquidation **(57.4)** billion (Impairment loss **(47.4)** billion, Provision for loss on business liquidation **(4.5)** billion, Special retirement expenses **(3.8)**, Loss on business liquidation **(1.8)** billion)

# Consolidated Cash Flows

	FY2021	FY2022
<b>Net cash provided by (used in) operating activities</b>	<b>346.9</b>	<b>355.2</b>
Income before taxes	290.4	168.0
Depreciation and amortization	251.5	269.6
Change in operating receivables/payables	(2.2)	5.8
Change in Inventories	(152.6)	(45.2)
Others	(40.2)	(43.0)
<b>Net cash provided by (used in) investment activities</b>	<b>(128.8)</b>	<b>(247.6)</b>
Capital expenditure	(257.7)	(281.0)
Sale of assets	63.7	42.6
Investment and loans receivable, etc.	65.2	(9.2)
<b>Free cash flow</b>	<b>218.1</b>	<b>107.6</b>

(Billions of Yen)

	FY2021	FY2022
<b>Net cash provided by (used in) financing activities</b>	<b>(336.3)</b>	<b>(60.8)</b>
Interest bearing debts	(275.9)	3.1
Dividends, etc.	(60.4)	(63.9)
<b>Net increase (decrease) in cash and cash equiv</b>	<b>(118.2)</b>	<b>46.8</b>
Effect of exchange rate changes and changes in scope of consolidation	14.4	4.6
<b>Total</b>	<b>(103.8)</b>	<b>51.4</b>

# Consolidated Statements of Financial Positions

(Billions of Yen)

(Billions of Yen)

	Mar.31.2022	Mar.31.2023	Difference
Cash & cash equivalents	245.8	297.2	51.4
Trade receivables	826.0	808.8	(17.2)
Inventories	745.2	797.9	52.7
Others	169.1	245.7	76.6
<b>Current assets</b>	<b>1,986.1</b>	<b>2,149.6</b>	<b>163.5</b>
Fixed assets	2,348.5	2,367.1	18.6
Goodwill	705.4	727.7	22.3
Investments & Other	533.9	529.5	(4.4)
<b>Non-current assets</b>	<b>3,587.8</b>	<b>3,624.3</b>	<b>36.5</b>
<b>Total assets</b>	<b>5,573.9</b>	<b>5,773.9</b>	<b>200.0</b>

	Mar.31.2022	Mar.31.2023	Difference
Interest-bearing debt	2,289.9	2,375.8	85.9
Trade payables	486.9	476.3	(10.6)
Others	952.8	933.7	(19.1)
<b>Liabilities</b>	<b>3,729.6</b>	<b>3,785.8</b>	<b>56.2</b>
Share capitals, Retained earnings, etc.,	1,371.4	1,425.9	54.5
Other components of equity	86.7	138.4	51.7
<b>Equity attributable to owners of the parent</b>	<b>1,458.1</b>	<b>1,564.3</b>	<b>106.2</b>
Non-controlling interests	386.2	423.8	37.6
<b>Equity</b>	<b>1,844.3</b>	<b>1,988.1</b>	<b>143.8</b>
<b>Total liabilities &amp; equity</b>	<b>5,573.9</b>	<b>5,773.9</b>	<b>200.0</b>
Net Interest-bearing debt *1	2,044.1	2,078.6	34.5
Net D/E ratio	1.40	1.33	(0.07)
ROE *2	13.2%	6.4%	(6.8%)

\*1 Net interest-bearing debt (End of Mar.31, 2023)

= interest-bearing debt (2,375.8billion yen)

- {cash and cash equivalents (297.2 billion yen) + investments of surplus funds-}

Note : Interest-bearing debt includes lease obligations.

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

# Consolidated Financial Results Forecasts for FY2023

# Consolidated Statements of Operations

	136.0	130.0	130.0	130.0	(6.0)	
Exchange Rate (¥/\$)						
Naphtha Price (¥/kl)	76,600	67,000	67,000	67,000	(9,600)	
					(Billions of Yen)	
	FY2022 Actual	1H	2H	FY2023 Forecast	Difference	%
<b>Sales Revenue</b>	4,634.5	2,221.0	2,334.0	<b>4,555.0</b>	<b>(79.5)</b>	<b>(2%)</b>
<b>Core Operating Income</b>	325.6	108.0	142.0	<b>250.0</b>	<b>(75.6)</b>	<b>(23%)</b>
Special Items	(142.9)	2.0	(13.0)	<b>(11.0)</b>	<b>131.9</b>	
<b>Operating Income</b>	182.7	110.0	129.0	<b>239.0</b>	<b>56.3</b>	31%
<b>Income before Taxes</b>	168.0	92.0	109.0	<b>201.0</b>	<b>33.0</b>	20%
<b>Net Income</b>	135.2	63.0	80.0	<b>143.0</b>	<b>7.8</b>	6%
Net Income Attributable to Owners of the Parent	96.1	43.0	54.0	<b>97.0</b>	<b>0.9</b>	1%
Net Income Attributable to Non-Controlling Interests	39.1	20.0	26.0	<b>46.0</b>	<b>6.9</b>	

# Sales Revenue and Core Operating Income by Business Segment

(Billions of Yen)

		FY2022 Actual	FY2023 Forecast		Difference		
			1H	2H			
<b>Total Consolidated</b>		Sales Revenue	4,634.5	2,221.0	2,334.0	<b>4,555.0</b>	<b>(79.5)</b>
		<b>Core Operating Income</b>	<b>325.6</b>	<b>108.0</b>	<b>142.0</b>	<b>250.0</b>	<b>(75.6)</b>
<b>Specialty Materials</b>		Sales Revenue	1,233.7	599.0	639.0	<b>1,238.0</b>	4.3
		<b>Core Operating Income</b>	<b>51.5</b>	<b>29.0</b>	<b>44.0</b>	<b>73.0</b>	<b>21.5</b>
Polymers & Compounds		Sales Revenue	351.6	178.0	180.0	<b>358.0</b>	6.4
		<b>Core Operating Income</b>	<b>26.5</b>	<b>13.0</b>	<b>14.0</b>	<b>27.0</b>	<b>0.5</b>
Films & Molding Materials		Sales Revenue	517.7	248.0	267.0	<b>515.0</b>	<b>(2.7)</b>
		<b>Core Operating Income</b>	<b>18.3</b>	<b>12.0</b>	<b>19.0</b>	<b>31.0</b>	<b>12.7</b>
Advanced Solutions		Sales Revenue	364.4	173.0	192.0	<b>365.0</b>	0.6
		<b>Core Operating Income</b>	<b>6.7</b>	<b>4.0</b>	<b>11.0</b>	<b>15.0</b>	<b>8.3</b>
<b>Industrial Gases</b>		Sales Revenue	1,177.9	568.0	583.0	<b>1,151.0</b>	<b>(26.9)</b>
		<b>Core Operating Income</b>	<b>121.0</b>	<b>59.0</b>	<b>66.0</b>	<b>125.0</b>	<b>4.0</b>
<b>Health Care</b>		Sales Revenue	535.4	195.0	194.0	<b>389.0</b>	<b>(146.4)</b>
		<b>Core Operating Income</b>	<b>144.2</b>	<b>13.0</b>	<b>7.0</b>	<b>20.0</b>	<b>(124.2)</b>
<b>MMA</b>		Sales Revenue	278.6	160.0	159.0	<b>319.0</b>	40.4
		<b>Core Operating Income</b>	<b>(3.7)</b>	<b>2.0</b>	<b>8.0</b>	<b>10.0</b>	<b>13.7</b>
<b>Basic Materials</b>		Sales Revenue	1,148.4	579.0	620.0	<b>1,199.0</b>	50.6
		<b>Core Operating Income</b>	<b>11.8</b>	<b>6.0</b>	<b>16.0</b>	<b>22.0</b>	<b>10.2</b>
Petrochemicals		Sales Revenue	780.3	387.0	409.0	<b>796.0</b>	15.7
		<b>Core Operating Income</b>	<b>2.2</b>	<b>5.0</b>	<b>11.0</b>	<b>16.0</b>	<b>13.8</b>
Carbon Products		Sales Revenue	368.1	192.0	211.0	<b>403.0</b>	34.9
		<b>Core Operating Income</b>	<b>9.6</b>	<b>1.0</b>	<b>5.0</b>	<b>6.0</b>	<b>(3.6)</b>
<b>Others</b>		Sales Revenue	260.5	120.0	139.0	<b>259.0</b>	<b>(1.5)</b>
		<b>Core Operating Income</b>	<b>0.8</b>	<b>(1.0)</b>	<b>1.0</b>	<b>0.0</b>	<b>(0.8)</b>

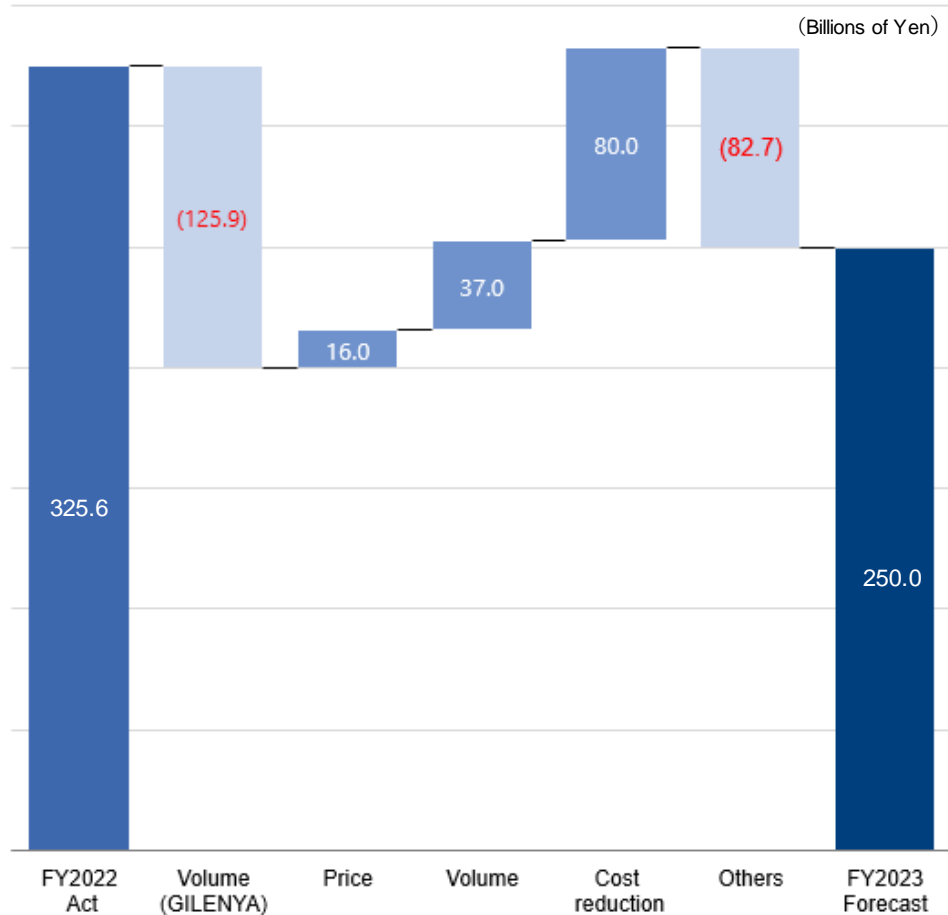
\* From Q1 FY2023, the current financial reporting segments will be reclassified into Specialty Materials, Industrial Gases, Health Care, MMA, Basic Materials, and Others. In addition, the company is reclassifying the managing segments for some of its businesses. Accordingly, for purposes of comparison, we are restated the results for FY2022.

\* Breakdown figures of segment are approximation for reference purpose only.



# Analysis of Core Operating Income

Forecast core operating income, excluding impact of Gilenya, to outperform actual for previous year owing mainly to an improvement in price gap, increase in sales and cost reduction



Price

(+) Increase in sales of high value-added products and improvement in the price gap reflecting the passing on of cost to selling prices  
 (-) Impact from NHI price revisions in Health Care Segment

Volume

(+) Increase in sales in tandem with a recovery in demand, mainly in the display application and automotive application products

Cost reduction

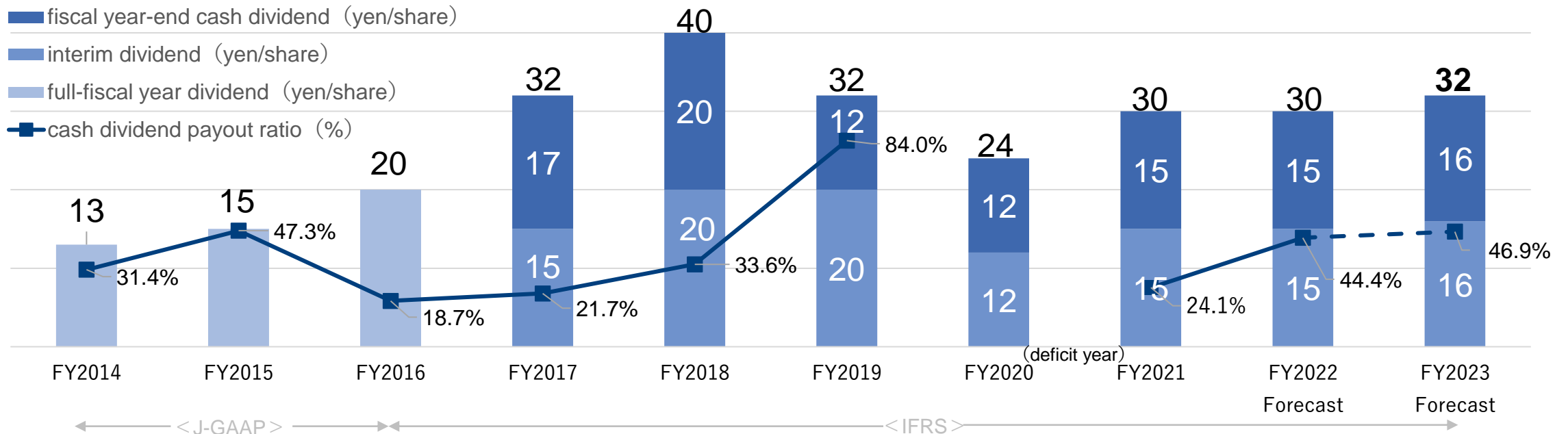
(+) Steadily achieving action plan owing results from cost structure reforms

Others

(-) Contraction in inventory valuation gains year-on-year  
 (-) Rise in fixed costs, including personnel expense, in Japan and abroad

# Dividend Forecast

- MCG's basic policy of returning profits to shareholders emphasizes enhancement of shareholder value by increasing the value of the company.
- While keeping an eye to increasing retained earnings that will fund its future business activities, MCG will aim for y-o-y dividend growth and payout ratio 35% in FY2025 in the action plan based on the management policy "Forging the future" for the period to FY2025.
- The expected fiscal year-end dividend per share for FY2022 is 15 yen, which is in line with the forecast released on May 13, 2022. This is scheduled to be approved at the Board of Directors meeting, scheduled for May 19, 2023.
- Based on the aforementioned policy, we forecast an interim and fiscal year-end cash dividend per share in FY2023 of 16 yen, a hike of 1 yen from the cash dividend per share at the end of FY2022. Accordingly, the expected full-fiscal year dividend for FY2023 is 32 yen.



# References 1

## Performance Products

- In China, MCG decided to boost its production capacity for newly-developed low-swelling natural graphite anode materials from a current 2,000 tons/year to 12,000 tons/year. The goal is to launch this new production capacity in the first half of fiscal 2023.
- In the UK, MCG decided in July 2022 to boost its annual production capacity for SoarnoL™ ethylene vinyl alcohol copolymer (EVOH) resin to 39,000 tons, from a present 18,000 tons. The production increase is slated to take effect in July 2025.
- MCG decided in December 2022 to withdraw from the business of Vonnel™ and Vonnel™ M.V.P, acrylic fibers manufactured at the Hiroshima Plant, by the end of 2023.
- The MCG Group decided in February 2023 to construct a new production facility at the Okayama Plant to nearly double its production capacity from current levels of GOHSENX™ and Nichigo G-Polymer™, specialty brands of polyvinyl alcohol resin (PVOH resin). The MCG Group is scheduled to start operations at this facility in October 2024.
- The MCG Group on March 31, 2023 signed a share transfer agreement with Sumikasekisu Film Co., Ltd. with the goal of transferring all of its shares in Mitsubishi Chemical Agri Dream Co., Ltd. to Sumikasekisu Film by around September 2023.

## Chemicals

- While MCG has been working on the establishment of its new Methyl Methacrylate (MMA) plant using Alpha technology (expected production capacity of 350,000 tons/year) in the United States, it has decided to defer the timing of the final investment decision (FID) for the project from mid-2022 to fiscal year 2023 due to current market volatilities among other factors.
- The MCG Group plans to enhance the competitiveness of its MMA operations and optimize the supply system. To this end, MCG Group closed the production in February 2023 of MMA-related products at the Cassel site (production capacity of about 200,000 tons/year) in the United Kingdom.

## Industrial Gases

- An agreement was signed with **Petroleos del Peru (PetroPeru)**, the Peruvian National Oil Company, related to the operations, maintenance and supply of hydrogen and nitrogen plants at the Talara refinery. Starting February 2023, the of supply hydrogen and nitrogen was launched.
- In addition to supplying hydrogen from an existing facility, a long-term supply agreement was entered into with **Vertex Energy, Inc.** for hydrogen to be used as a new raw material for renewable energy production at a 75,000 barrel per day refinery in Mobile, Alabama owned by Vertex.
- An award for the supply of hydrogen and co-product steam for a period of 20 years has been received from **Numaligarh Refinery Limited**, a Public Sector affiliate of the Government of India. A plant will be newly constructed adjacent to the refinery to supply hydrogen and co-product steam. The new plant is scheduled to be completed and commence operations in 2025.

## Health Care

- All shares held in **API Corporation** were transferred to **UBE Corporation** in December 2022.
- Plans were abandoned to commercialize **COVIFENZ®**, a plant-based virus-like particle (VLP) vaccine developed to prevent COVID-19 and decided in February 2023 to exit and liquidate business operations at **Medicago**.
- The decision was made to cease the development of a regenerative medicine product (**CL2020**) using **Muse Cells**.
- Regarding the arbitration proceedings pertaining to royalty revenue from **Gilenya**, a treatment agent for multiple sclerosis licensed out to **Novartis Pharma AG**, a portion of royalties were not recognized as sales revenue due to the arbitration proceedings. However, owing to arbitration award received in February 2023, sales revenue was collectively recognized in 4Q FY2022.

# Number of Subsidiaries and Affiliates [Historical Data]

(Number of companies)

	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Number of subsidiaries and affiliates</b>	754	698	666	625	<b>593</b>
<b>Companies in consolidation scope</b>	705	659	630	590	<b>556</b>
<b>Consolidated subsidiaries</b>	550	510	487	448	<b>422</b>
Japan	193	174	161	156	<b>144</b>
Overseas	357	336	326	292	<b>278</b>
Joint operation	4	4	4	4	<b>3</b>
Affiliates accounted for by the equity method	151	145	137	137	<b>131</b>
Companies for which the equity method does not apply as they are categorized as assets held for sale	-	-	2	1	-

# Overseas Sales Revenue, and Core Operating Income [Historical Data]

		(Billions of Yen)					
		FY2018	FY2019	FY2020	FY2021	FY2022	
<b>Sales revenue and core operating income by geographic area based on location of consolidated subsidiaries</b>							(Excluding impact of Gilenya)
<b>Sales Revenue</b>		3,840.3	3,580.5	3,257.5	3,976.9	<b>4,634.5</b>	4,508.6
Japan		2,595.6	2,367.8	2,109.5	2,526.5	<b>2,862.6</b>	2,736.7
Overseas		1,244.7	1,212.7	1,148.0	1,450.4	<b>1,771.9</b>	1,771.9
<b>Core Operating Income</b>		314.1	194.8	174.7	272.3	<b>325.6</b>	199.7
Japan		162.3	99.5	92.5	159.7	<b>197.3</b>	71.4
Overseas		151.8	95.3	82.2	112.6	<b>128.3</b>	128.3
<b>Overseas sales revenue based on location of customers</b>							
<b>Overseas Sales Revenue</b>		1,664.6	1,534.4	1,464.9	1,860.6	<b>2,315.3</b>	2,189.4
		43.3%	42.9%	45.0%	46.8%	<b>50.0%</b>	48.6%

# Statements of Operations [Quarterly Data]



Exchange Rate (¥/\$)

109.8      110.4      114.2      117.8      113.0

Naphtha Price (¥/kl)

47,700      53,500      60,700      64,600      56,600

131.3

139.4

139.9

133.4

136.0

86,100

81,400

72,500

66,500

76,600

(Billions of Yen)

	FY2021					FY2022				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
<b>Sales Revenue</b>	928.3	956.8	1,015.2	1,076.6	3,976.9	1,106.5	1,163.3	1,136.4	1,228.3	4,634.5
<b>Core Operating Income *1</b>	88.7	67.4	62.8	53.4	272.3	72.1	50.5	55.3	147.7	325.6
Special Items	(1.7)	(1.3)	2.3	31.6	30.9	(4.1)	(0.1)	(125.1)	(13.6)	(142.9)
<b>Operating Income (Loss)</b>	87.0	66.1	65.1	85.0	303.2	68.0	50.4	(69.8)	134.1	182.7
Financial Income/Expenses	(1.7)	(4.2)	(4.1)	(2.8)	(12.8)	7.1	(3.5)	(13.0)	(5.3)	(14.7)
(Dividend included above)	[3.8]	[0.1]	[0.9]	[0.0]	[4.8]	[7.8]	[0.2]	[1.1]	[3.2]	[12.3]
(Foreign Exchange Gain/Loss included above)	[(0.0)]	[0.7]	[0.2]	[2.0]	[2.9]	[3.7]	[3.0]	[(6.4)]	[(0.4)]	[(0.1)]
<b>Income (Loss) before Taxes</b>	85.3	61.9	61.0	82.2	290.4	75.1	46.9	(82.8)	128.8	168.0
Income Taxes	(26.1)	(19.2)	(15.6)	(20.1)	(81.0)	(21.8)	(8.7)	36.1	(38.4)	(32.8)
<b>Net Income (Loss)</b>	59.2	42.7	45.4	62.1	209.4	53.3	38.2	(46.7)	90.4	135.2
<b>Net Income (Loss) Attributable to Owners of the Parent</b>	49.9	35.3	36.9	55.1	177.2	44.9	29.0	(56.9)	79.1	96.1
Net Income Attributable to Non-Controlling Interests	9.3	7.4	8.5	7.0	32.2	8.4	9.2	10.2	11.3	39.1
*1 Share of profit of associates and joint ventures included	4.6	5.0	4.1	7.7	21.4	4.0	3.2	2.7	2.0	11.9



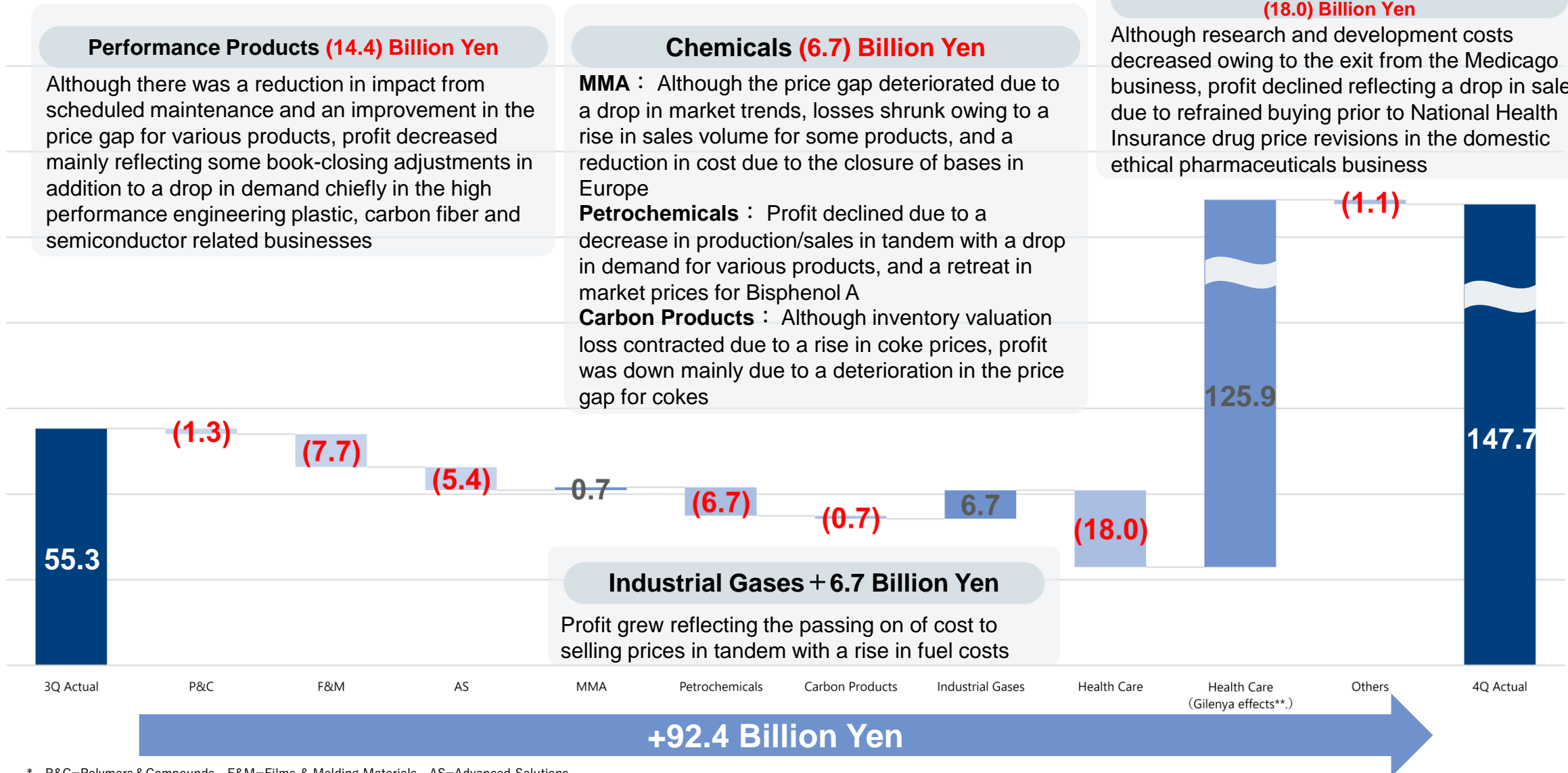
# Sales Revenue and Core Operating Income by Business Segment [Quarterly Data]

(Billions of Yen)

		FY2021					FY2022				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
<b>Total Consolidated</b>	Sales Revenue	928.3	956.8	1,015.2	1,076.6	3,976.9	1,106.5	1,163.3	1,136.4	1,228.3	4,634.5
	Core Operating Income	<b>88.7</b>	<b>67.4</b>	<b>62.8</b>	<b>53.4</b>	<b>272.3</b>	<b>72.1</b>	<b>50.5</b>	<b>55.3</b>	<b>147.7</b>	<b>325.6</b>
<b>Performance Products</b>	Sales Revenue	283.1	283.6	282.2	287.4	1,136.3	319.5	314.8	310.2	308.2	1,252.7
	Core Operating Income	<b>26.6</b>	<b>19.2</b>	<b>11.7</b>	<b>21.2</b>	<b>78.7</b>	<b>21.2</b>	<b>21.1</b>	<b>11.8</b>	<b>(2.6)</b>	<b>51.5</b>
Polymers & Compounds	Sales Revenue	80.1	78.8	76.6	72.6	308.1	88.4	85.9	85.8	85.9	346.0
	Core Operating Income	<b>8.0</b>	<b>3.8</b>	<b>1.1</b>	<b>5.6</b>	<b>18.5</b>	<b>6.7</b>	<b>9.3</b>	<b>5.2</b>	<b>3.9</b>	<b>25.1</b>
Films & Molding Materials	Sales Revenue	120.2	117.9	119.7	122.1	479.9	137.0	131.9	129.1	122.9	520.9
	Core Operating Income	<b>15.3</b>	<b>11.8</b>	<b>7.2</b>	<b>9.6</b>	<b>43.9</b>	<b>10.9</b>	<b>7.6</b>	<b>3.3</b>	<b>(4.4)</b>	<b>17.4</b>
Advanced Solutions	Sales Revenue	82.8	86.9	85.9	92.7	348.3	94.1	97.0	95.3	99.4	385.8
	Core Operating Income	<b>3.3</b>	<b>3.6</b>	<b>3.4</b>	<b>6.0</b>	<b>16.3</b>	<b>3.6</b>	<b>4.2</b>	<b>3.3</b>	<b>(2.1)</b>	<b>9.0</b>
<b>Chemicals</b>	Sales Revenue	291.9	302.1	327.8	366.1	1,287.9	359.0	386.4	356.0	328.8	1,430.2
	Core Operating Income	<b>34.8</b>	<b>27.4</b>	<b>21.3</b>	<b>18.7</b>	<b>102.2</b>	<b>18.9</b>	<b>3.8</b>	<b>(3.4)</b>	<b>(10.1)</b>	<b>9.2</b>
MMA	Sales Revenue	77.6	73.4	73.3	73.8	298.1	80.0	71.7	63.3	63.6	278.6
	Core Operating Income	<b>12.3</b>	<b>12.5</b>	<b>4.7</b>	<b>2.3</b>	<b>31.8</b>	<b>2.6</b>	<b>1.8</b>	<b>(4.4)</b>	<b>(3.7)</b>	<b>(3.7)</b>
Petrochemicals	Sales Revenue	160.4	171.8	189.9	200.1	722.2	186.3	209.4	201.9	181.5	779.1
	Core Operating Income	<b>16.0</b>	<b>10.5</b>	<b>7.1</b>	<b>11.0</b>	<b>44.6</b>	<b>6.7</b>	<b>2.8</b>	<b>(0.1)</b>	<b>(6.8)</b>	<b>2.6</b>
Carbon Products	Sales Revenue	53.9	56.9	64.6	92.2	267.6	92.7	105.3	90.8	83.7	372.5
	Core Operating Income	<b>6.5</b>	<b>4.4</b>	<b>9.5</b>	<b>5.4</b>	<b>25.8</b>	<b>9.6</b>	<b>(0.8)</b>	<b>1.1</b>	<b>0.4</b>	<b>10.3</b>
<b>Industrial Gases</b>	Sales Revenue	216.8	227.3	242.5	263.5	950.1	273.9	295.4	297.1	311.5	1,177.9
	Core Operating Income	<b>23.8</b>	<b>24.5</b>	<b>25.6</b>	<b>25.0</b>	<b>98.9</b>	<b>29.5</b>	<b>24.8</b>	<b>30.0</b>	<b>36.7</b>	<b>121.0</b>
<b>Health Care</b>	Sales Revenue	98.4	100.1	113.6	91.5	403.6	103.4	108.6	119.6	215.5	547.1
	Core Operating Income	<b>4.7</b>	<b>(3.6)</b>	<b>3.5</b>	<b>(11.6)</b>	<b>(7.0)</b>	<b>3.3</b>	<b>(0.2)</b>	<b>15.4</b>	<b>123.3</b>	<b>141.8</b>
<b>Others</b>	Sales Revenue	38.1	43.7	49.1	68.1	199.0	50.7	58.1	53.5	64.3	226.6
	Core Operating Income	<b>(1.2)</b>	<b>(0.1)</b>	<b>0.7</b>	<b>0.1</b>	<b>(0.5)</b>	<b>(0.8)</b>	<b>1.0</b>	<b>1.5</b>	<b>0.4</b>	<b>2.1</b>

\* Breakdown figures of segment are approximation for reference purpose only.

# Analysis of Core Operating Income (3Q→4Q)



**Performance Products (14.4) Billion Yen**

Although there was a reduction in impact from scheduled maintenance and an improvement in the price gap for various products, profit decreased mainly reflecting some book-closing adjustments in addition to a drop in demand chiefly in the high performance engineering plastic, carbon fiber and semiconductor related businesses

**Chemicals (6.7) Billion Yen**

**MMA** : Although the price gap deteriorated due to a drop in market trends, losses shrunk owing to a rise in sales volume for some products, and a reduction in cost due to the closure of bases in Europe

**Petrochemicals** : Profit declined due to a decrease in production/sales in tandem with a drop in demand for various products, and a retreat in market prices for Bisphenol A

**Carbon Products** : Although inventory valuation loss contracted due to a rise in coke prices, profit was down mainly due to a deterioration in the price gap for cokes

**Health Care (Excluding Gilenya effects\*\*.) (18.0) Billion Yen**

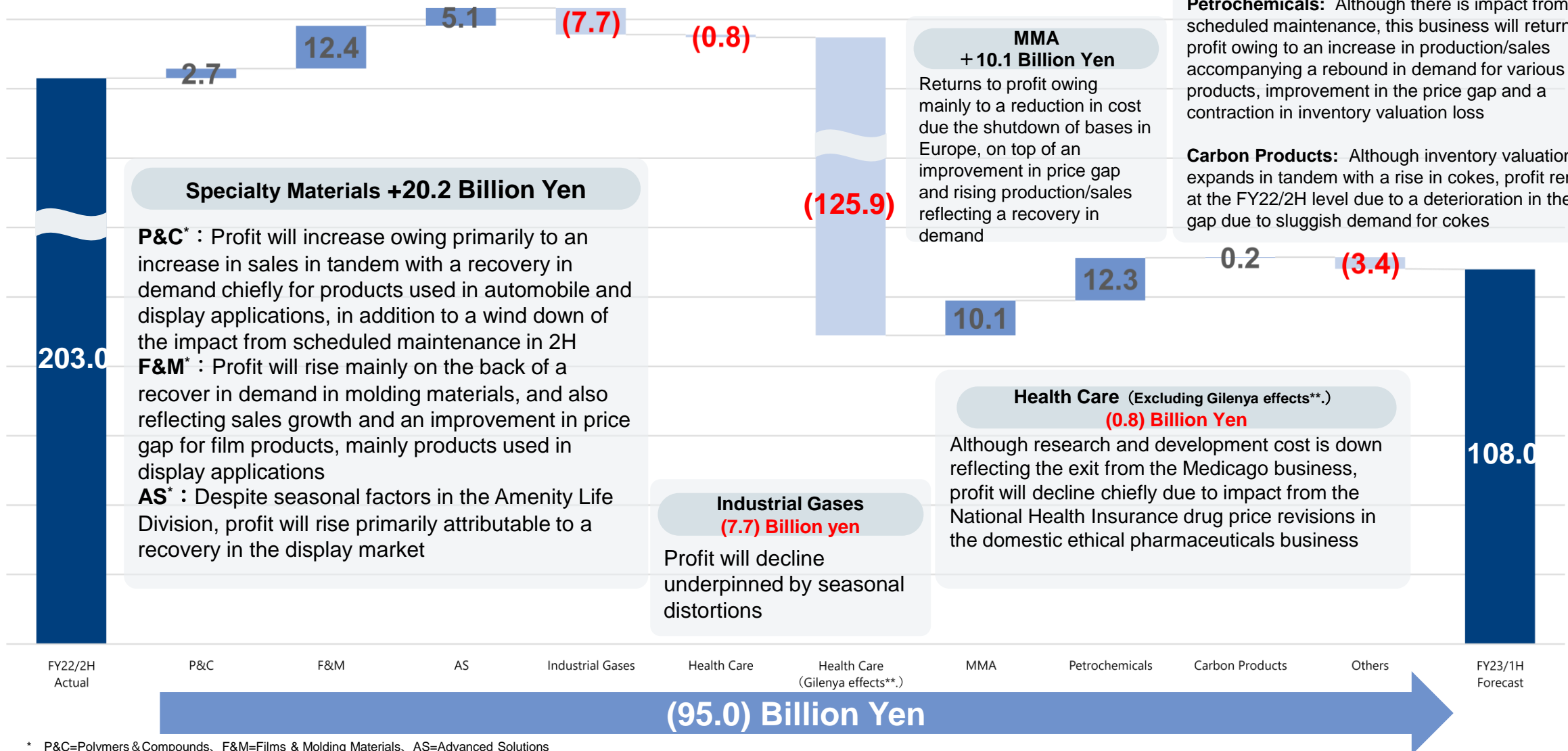
Although research and development costs decreased owing to the exit from the Medicago business, profit declined reflecting a drop in sales due to refrained buying prior to National Health Insurance drug price revisions in the domestic ethical pharmaceuticals business

**Industrial Gases + 6.7 Billion Yen**

Profit grew reflecting the passing on of cost to selling prices in tandem with a rise in fuel costs

\* P&C=Polymers & Compounds, F&M=Films & Molding Materials, AS=Advanced Solutions  
 \*\* Impact from the recognition of a portion of sales revenue in 4Q FY2022, reflecting the outcome of an arbitration award related to royalties for Gilenya, a treatment agent for multiple sclerosis

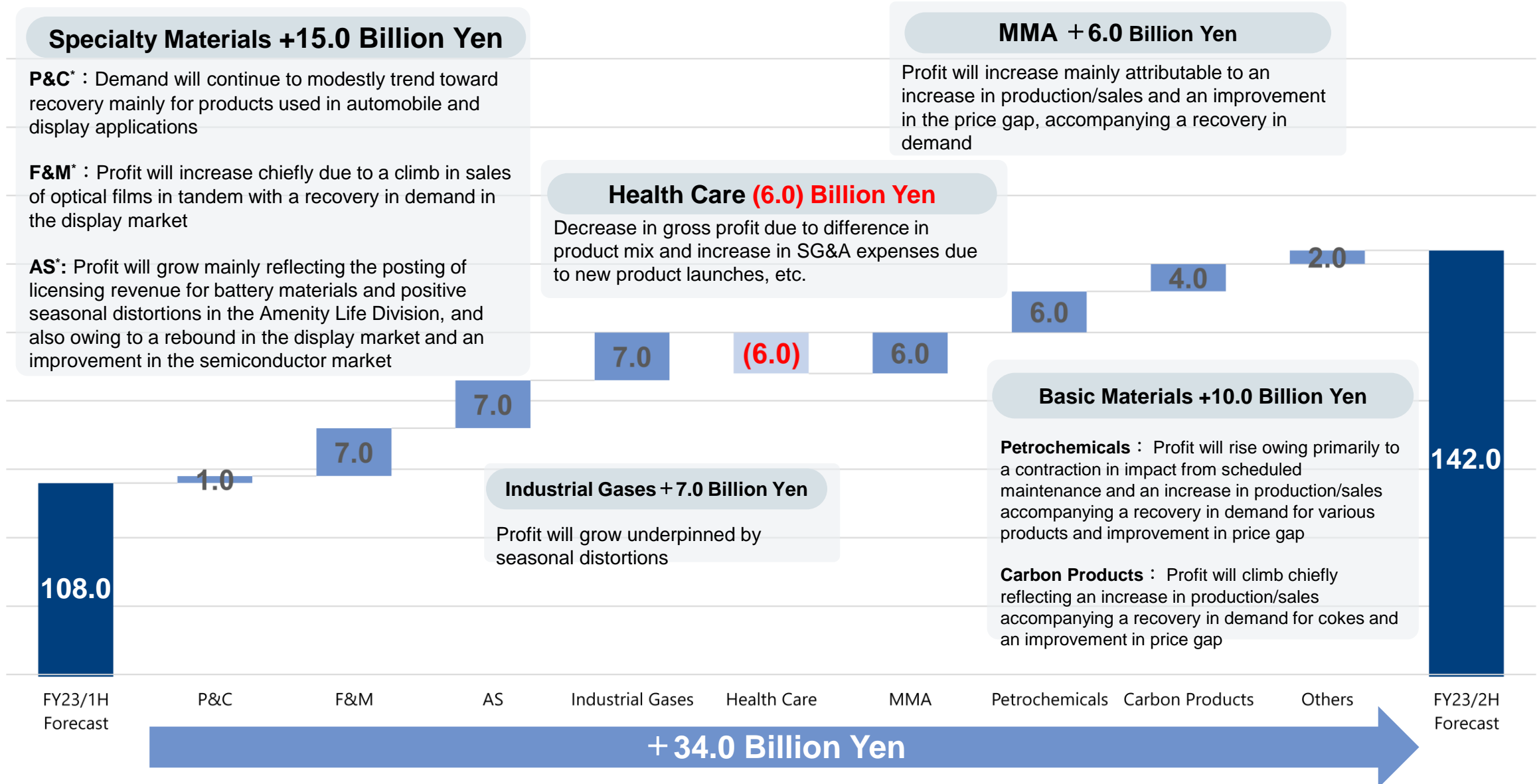
# Analysis of Core Operating Income (FY22/2H→FY23/1H)



\* P&C=Polymers & Compounds, F&M=Films & Molding Materials, AS=Advanced Solutions

\*\* Impact from the recognition of a portion of sales revenue in 4Q FY2022, reflecting the outcome of an arbitration award related to royalties for Gilenya, a treatment agent for multiple sclerosis

# Analysis of Core Operating Income (FY23/1H→2H)



\* P&C=Polymers & Compounds, F&M=Films & Molding Materials, AS=Advanced Solutions

# Special Items [Quarterly Data]

(Billions of Yen)

	FY2021					FY2022				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
<b>Total Special Items</b>	(1.7)	(1.3)	2.3	31.6	30.9	(4.1)	(0.1)	(125.1)	(13.6)	(142.9)
Gain on sales of shares of subsidiaries and associates	-	1.9	-	-	1.9	-	-	2.2	1.1	3.3
Gain on reversal of environmental expenses	-	-	-	-	-	-	2.4	-	0.7	3.1
Gain on arbitration award	-	-	-	-	-	-	-	-	2.9	2.9
Gain on business transfer	-	-	-	60.8	60.8	-	-	-	-	-
Impairment loss	(0.1)	(1.8)	(0.9)	(17.6)	(20.4)	(0.2)	(1.7)	(85.8)	(5.7)	(93.4)
Provision for loss on plant closure	-	-	-	-	-	-	-	(31.2)	4.5	(26.7)
Special retirement expenses	(0.5)	(0.0)	(1.4)	(0.7)	(2.6)	(0.0)	(0.0)	(4.3)	(6.3)	(10.6)
Provision for loss on business liquidation	-	-	-	-	-	-	-	-	(5.7)	(5.7)
Loss on sale and disposal of fixed assets	(0.3)	(2.4)	(0.9)	(3.8)	(7.4)	(0.2)	(1.2)	(1.0)	(1.5)	(3.9)
Provision for loss on litigation	(0.6)	-	-	-	(0.6)	-	-	(3.6)	-	(3.6)
Loss on arbitration award	-	-	-	-	-	(3.4)	(0.1)	(0.0)	0.0	(3.5)
Loss on business liquidation	(0.1)	(0.2)	(0.1)	(0.1)	(0.5)	(0.1)	(0.0)	(0.6)	(2.6)	(3.3)
Others	(0.1)	1.2	5.6	(7.0)	(0.3)	(0.2)	0.5	(0.8)	(1.0)	(1.5)

# Capital Expenditure, Depreciation & Amortization, R&D Expenses, and Number of Employees by Business segment (FY2022 Actual)

(Billions of Yen)

	Capital Expenditure		Depreciation & Amortization		R&D Expenses		Number of Employees
	FY2021 Actual	FY2022 Actual	FY2021 Actual	FY2022 Actual	FY2021 Actual	FY2022 Actual	FY2022 Actual
Performance Products	68.7	82.0	67.3	69.2	27.9	30.8	26,385
Chemicals	61.3	65.4	62.6	63.3	10.9	11.0	7,436
Industrial Gases	74.7	96.6	94.8	108.1	3.6	3.5	19,586
Health Care	19.5	29.6	15.5	14.2	101.3	90.7	6,468
Others	30.4	8.6	11.3	14.8	12.9	13.5	8,764
<b>Total</b>	<b>254.6</b>	<b>282.2</b>	<b>251.5</b>	<b>269.6</b>	<b>156.6</b>	<b>149.5</b>	<b>68,639</b>

# Capital Expenditure, Depreciation & Amortization, and R&D Expenses by Business segment (FY2023 Forecast)

(Billions of Yen)

	Capital Expenditure		Depreciation & Amortization		R&D Expenses	
	FY2022 Actual	FY2023 Forecast	FY2022 Actual	FY2023 Forecast	FY2022 Actual	FY2023 Forecast
Specialty Materials	80.3	118.0	65.5	69.0	30.3	36.0
Industrial Gases	96.6	140.0	108.1	109.0	3.5	4.0
Health Care	29.2	7.0	13.5	14.0	87.8	63.0
MMA	20.9	22.0	22.1	23.0	3.0	3.0
Basic Materials	46.5	38.0	43.6	42.0	8.0	10.0
Others	8.7	5.0	16.8	15.0	16.9	16.0
<b>Total</b>	<b>282.2</b>	<b>330.0</b>	<b>269.6</b>	<b>272.0</b>	<b>149.5</b>	<b>132.0</b>

# EBITDA Margin by Business Segment

	FY2022 Actual *	FY2023 Forecast	FY2025 Target
<b>Total Consolidated</b>	<b>12.6%</b>	<b>11.3%</b>	<b>18.0%</b>
<b>Specialty Materials</b>	<b>9.0%</b>	<b>11.3%</b>	<b>16.0%</b>
<b>Industrial Gases</b>	<b>19.1%</b>	<b>20.0%</b>	<b>24.0%</b>
<b>Health Care</b>	<b>29.4%</b>	<b>8.7%</b>	<b>15.0%</b>
<b>MMA</b>	<b>6.4%</b>	<b>10.0%</b>	<b>15.0%</b>
<b>Basic Materials</b>	<b>4.7%</b>	<b>5.3%</b>	<b>—</b>

EBITDA : Core Operating Income - Share of profit of associates and joint ventures (included in Core Operating Income)  
+ Depreciation/ Amortization

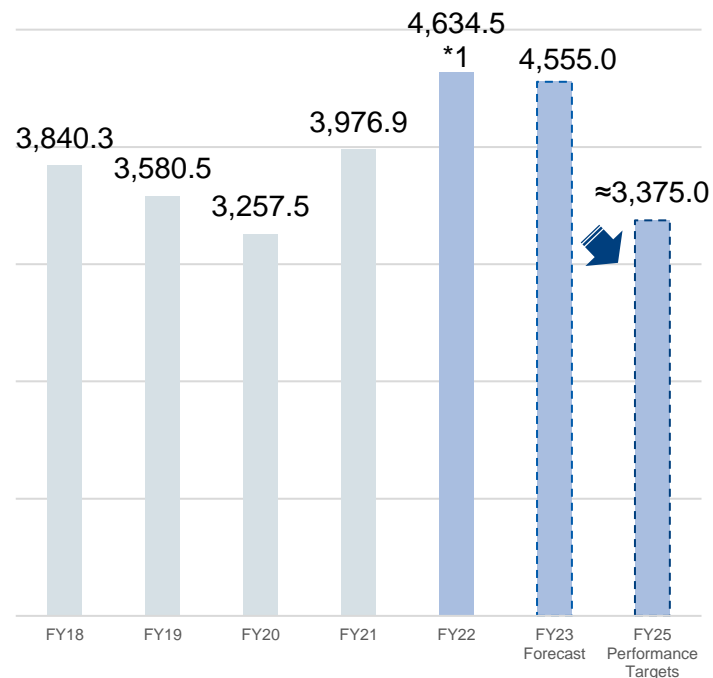
\* EBITDA margin after deduction of an impact equivalent the result of the Gilenya arbitration award :  
Total Consolidated 10.1%, Health Care 7.7%



# Trends in Sales Revenue, Core Operating Income and EBITDA

## Sales Revenue

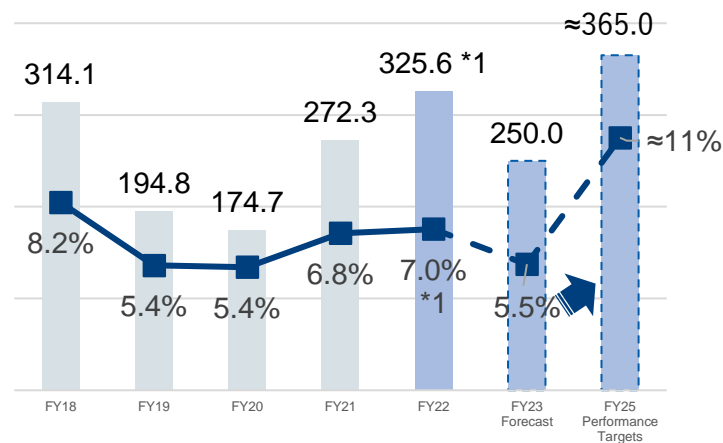
(Billions of yen)



\*1 Sales Revenue is 4,508.6 billions of yen after deduction of an amount related to the result of the Gilenya arbitration award.

## Core Operating Income · Ratio of Core Operating Income to Sales Revenue

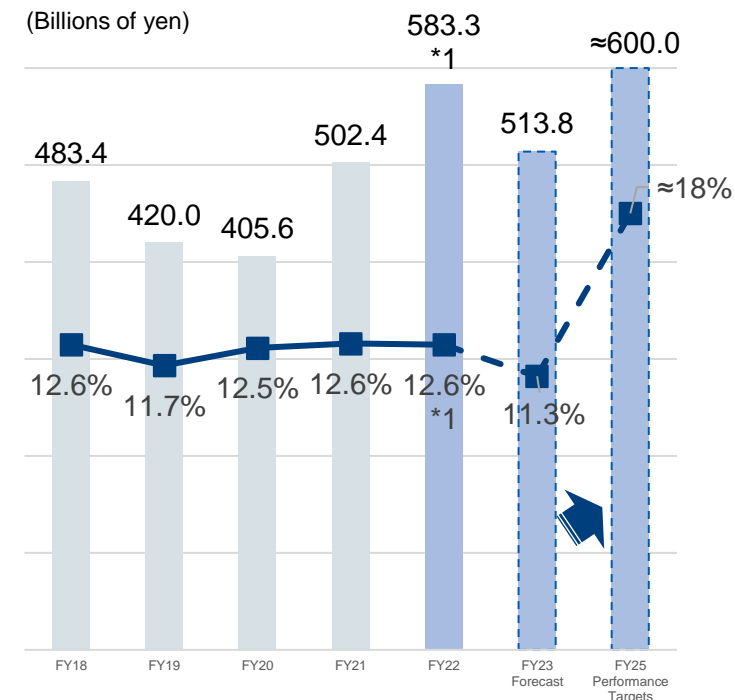
(Billions of yen)



\*1 Core Operating Income is 199.7 billions of yen after deduction of an amount related to the result of the Gilenya arbitration award and Ratio of Core Operating Income to Sales Revenue is 4.4%.

## EBITDA · EBITDA margin

(Billions of yen)

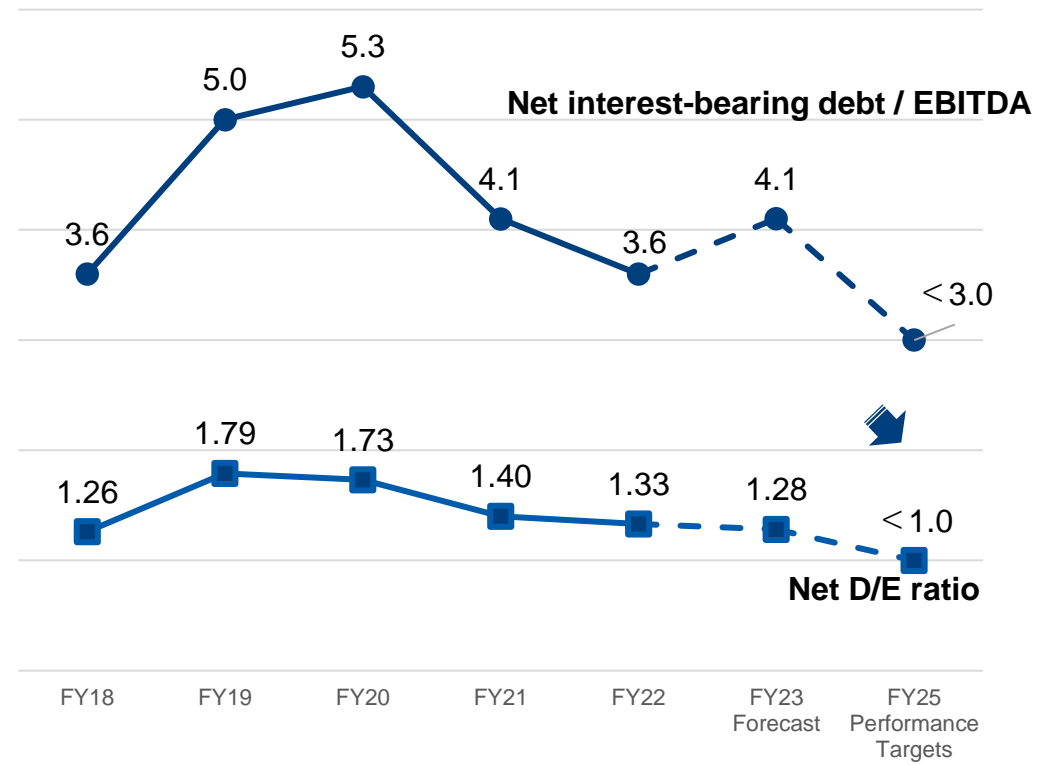
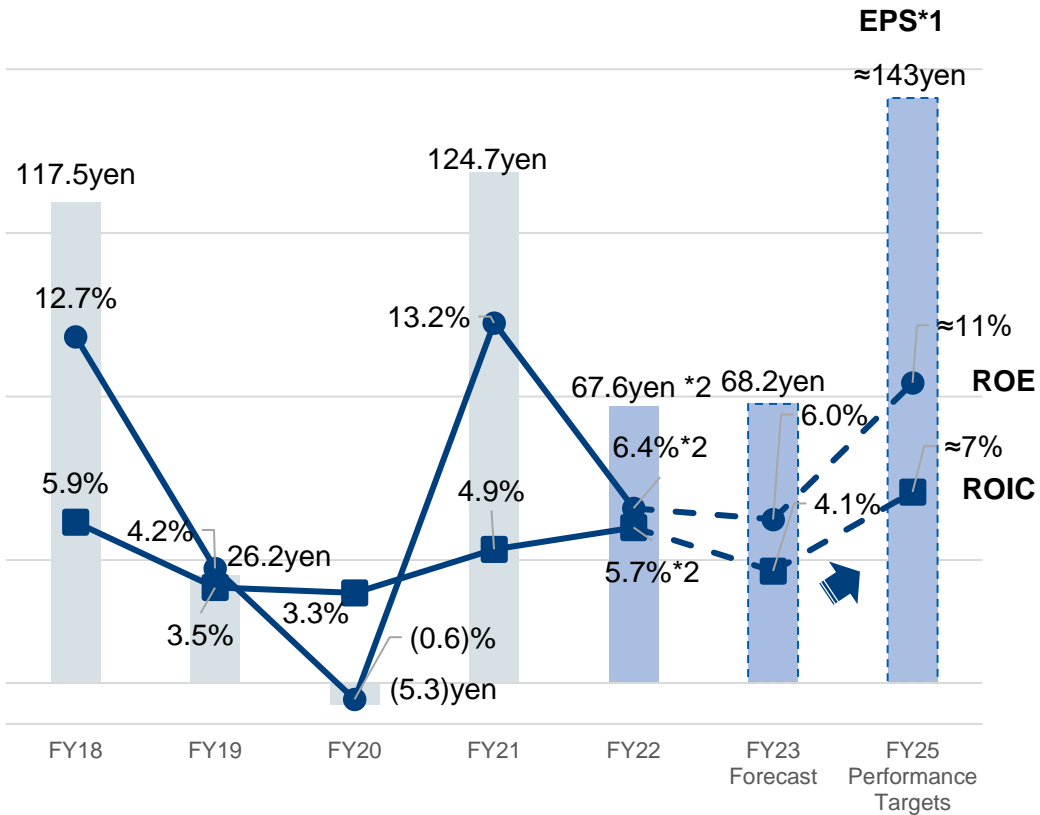


\*1 EBITDA is 457.4 billions of yen after deduction of an amount related to the result of the Gilenya arbitration award and EBITDA margin is 10.1%.

# Trends in Indicators for Profitability and Stability

## EPS · ROIC · ROE

## Net interest-bearing debt / EBITDA · Net D/E ratio



\*1 EPS calculation excludes the profit of discontinued operations.  
 \*2 EPS is 4.6 yen after deduction of an amount related to the result of the Gilenya arbitration award, ROIC is 3.6% and ROE is 0.4%.

# Calculation formula of indicators

Indicators	Calculation formula
EBITDA	Core Operating Income – Share of profit of associates and joint ventures (included in Core Operating Income) + Depreciation / Amortization
ROIC	<p>NOPAT(*1) / Invested Capital (averages of beginning and end of fiscal years) (*2)</p> <p>(*1) NOPAT = (Core Operating Income - Share of profit of associates and joint ventures (included in Core Operating Income) X (1 - Tax rate) + Share of profit of associates and joint ventures (included in Core Operating Income) + Dividend Income</p> <p>(*2) Invested Capital = Total Equity + Interest-bearing debt</p>
ROE	Net income attributable to owners of the parent / Equity attributable to owners of the parents (averages of beginning and end of fiscal years)
Net D/E ratio	<p>Net interest-bearing debt(*3) / Equity attributable to owners of the parent</p> <p>(*3) Net interest-bearing debt = Interest-bearing debt – (cash and cash equivalents + cash reserves(*4))</p> <p>(*4) Cash reserves comprise certificates of deposits, securities, and other instruments other than cash equivalents that the Group holds to manage surplus funds.</p>

## References 2

**Health Care Segment,  
Pharmaceuticals Businesses  
Status of Research and  
Development etc.**

# Major Development Pipeline List

As of Apr. 25, 2023

Progress Update

Research areas	Code	Region	Indications/Description	P1	P2	P3	Filed	Approved
Central Nervous System	ND0612	Global	Parkinson's disease					
	MT-3921	Global	Spinal cord injury					
	MT-0551	Japan <sup>*1</sup>	Myasthenia gravis					
	MT-8554	Japan	Peripheral neuropathic pain					
Immuno-inflammation	MT-7117	Global	Erythropoietic protoporphyria (EPP) X-linked protoporphyria (XLP)					
		Global	Systemic sclerosis					
	MT-2990	Global	Endometriosis					
	MT-0551	Japan <sup>*1</sup>	IgG4-related disease					
		Japan	Systemic sclerosis					
Oncology	MT-2111	Japan	Relapsed/Refractory Diffuse Large B-cell Lymphoma					
Vaccines	MT-2355	Japan	Combined vaccine <sup>*2 *3</sup>					

<sup>\*1</sup> Co-development with Horizon Therapeutics

<sup>\*2</sup> Prophylaxis of pertussis, diphtheria, tetanus, poliomyelitis and prophylaxis of Hib infection in infants

<sup>\*3</sup> Co-developed with The Research Foundation for Microbial Diseases of Osaka University (BIKEN Foundation)

# Launch Plan for Major Development Pipeline

	FY2022	FY2023	FY2024	FY2025 and beyond
Central Nervous System	<b>MT-1186</b> ALS (Oral suspension) (US, Canada)	<b>MT-1186</b> ALS (Oral suspension) (Japan <sup>*2</sup> )	<b>ND0612</b> Parkinson's disease (Global)	<b>MT-0551</b> Myasthenia gravis (Japan)
	<b>MT-5199</b> Tardive dyskinesia (Japan)			
Immuno-inflammation		<b>MT-7117</b> EPP, XLP (Global)		<b>MT-0551</b> IgG4-related disease (Japan)
Diabetes and kidney	<b>TA-7284</b> Chronic kidney disease complicated with type 2 diabetes mellitus <sup>*1</sup> (Japan)	<b>TA-7284 OD tablets</b> Type 2 diabetes mellitus , Chronic kidney disease complicated with type 2 diabetes mellitus <sup>*1</sup> (Japan)		
	<b>MP-513</b> Type 2 diabetes mellitus (China)			
Vaccines		<b>MT-2355</b> Combined vaccine <sup>*3 *4</sup> (Japan)		
Oncology				<b>MT-2111</b> Relapsed/Refractory Diffuse Large B-cell Lymphoma (Japan)

<sup>\*1</sup> Chronic kidney disease complicated with type 2 diabetes mellitus, excluding patients with end-stage renal disease or undergoing dialysis

<sup>\*2</sup> Approved in Japan and Switzerland

<sup>\*3</sup> Prophylaxis of pertussis, diphtheria, tetanus, poliomyelitis and prophylaxis of Hib infection in infants

<sup>\*4</sup> Launch timing depend on starting routine vaccination

  : Global (US launch year)
   : Japan/China
   : Launched

# RADICUT Oral Suspension 2.1% Launched in Japan (April 2023)

- Reducing burdens of treatment for ALS patients

- Oral suspension formulation
- Administration via a feeding tube
- Same active ingredient as edaravone for intravenous infusion (Japanese product name: Radicut Injection and Radicut Bag for I.V. Infusion) for the treatment of ALS.



## Providing ALS drugs

### Intravenous

Launched in Japan in 2015  
Launched in the U.S. in 2017

## Reduction of the burdens and Improvement of quality of life

### Oral suspension

Launched in Japan in 2023  
Launched in the U.S. in 2022

## Higher efficacy

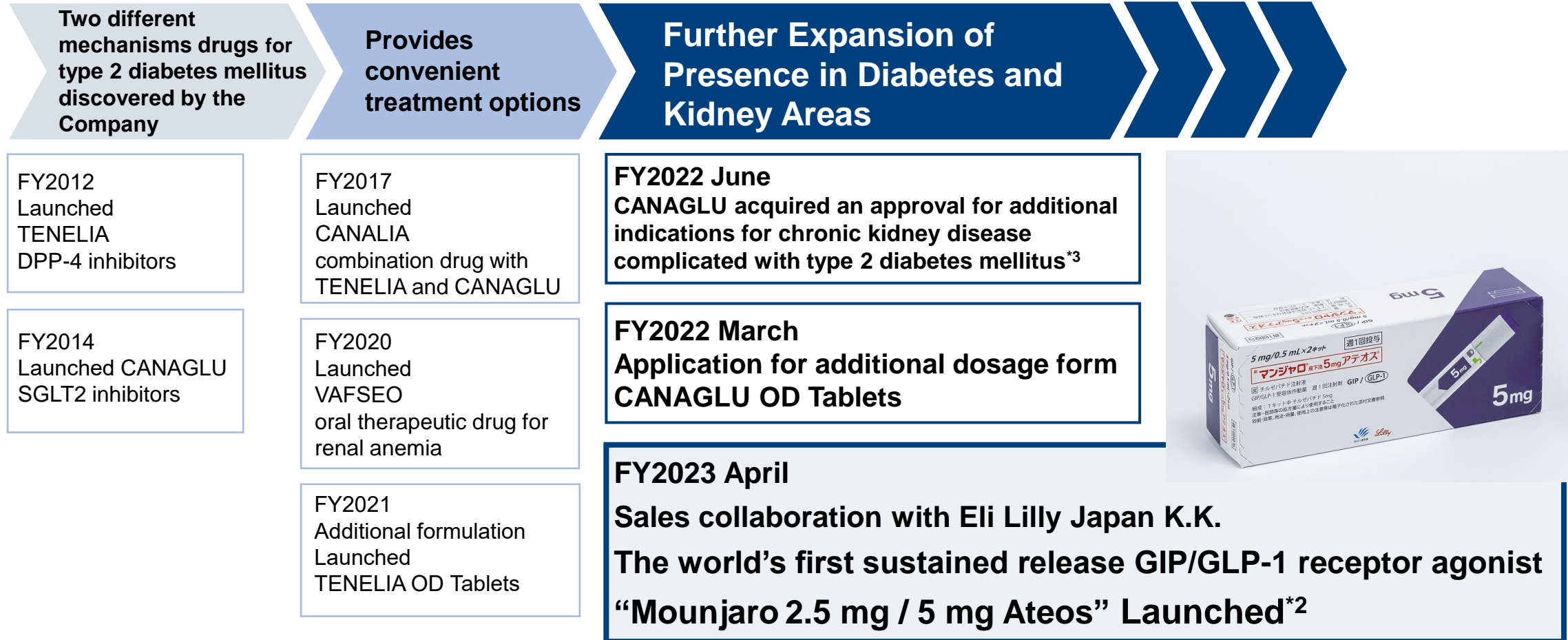
### Oral suspension new regimen

Clinical trial is ongoing

- Launched RADICAVA (IV\*1 infusion) in the U.S. in August 2017, and launched RADICAVA ORS (oral suspension) in the U.S. in June 2022. More than 10,000 people living with ALS treated with oral suspension and/or intravenous by March 2023. \*1 IV (intravenous)

# “Mounjaro\*<sup>1</sup> 2.5 mg / 5 mg Ateos” Launched\*<sup>2</sup> in Japan (April 2023)

## Portfolio Enhancement in Diabetes and Kidney Areas



\*<sup>1</sup> Eli Lilly Japan K.K. has filed for manufacturing and marketing approval in Japan.

\*<sup>2</sup> The starting dose (2.5 mg) and the maintenance dose (5 mg) were launched earlier than the higher four dose (7.5 mg, 10 mg, 12.5 mg, and 15 mg)

\*<sup>3</sup> Chronic kidney disease complicated with type 2 diabetes mellitus, excluding patients with end-stage renal disease or undergoing dialysis



# Pharmaceuticals Business: Statements of Operations (FY2022 Actual)

(Billions of Yen)

	FY2021	FY2022	Difference	%
<b>Revenue</b>	385.9	535.4	149.5	38.8%
Domestic	318.2	319.1	0.8	0.3%
Overseas	67.7	216.4	148.7	219.7%
Overseas sales ratio	17.5%	40.4%		
<b>Cost of sales</b>	194.7	205.9	11.2	5.8%
Sales cost ratio	50.4%	38.5%		
<b>Gross profit</b>	191.2	329.6	138.3	72.3%
<b>SG&amp;A expenses, etc.</b>	194.2	185.3	(8.9)	(4.6%)
R&D expenses	96.9	87.8	(9.1)	(9.4%)
<b>Core operating profit</b>	(3.0)	144.2	147.2	-
Non-recurring items	(12.7)	(60.0)	(47.3)	
<b>Operating profit</b>	(15.7)	84.3	99.9	-
<b>Net profit attributable to owners of the Company</b>	(10.2)	85.3	95.5	-

Effect of fluctuations in exchange rate for FY2022: Revenue increased by ¥12.1 bn. and core operating profit decreased by ¥9.8 bn.

# Pharmaceuticals: Details of Revenue (FY2022 Actual)

(Billions of Yen)

	FY2021	FY2022	Difference	%
<b>Domestic ethical drugs</b>	309.5	<b>310.0</b>	<b>0.4</b>	0.1%
<b>Priority and New products</b>	158.2	<b>176.1</b>	<b>17.8</b>	11.3%
Stelara	51.5	<b>66.2</b>	<b>14.7</b>	28.5%
Simponi	43.3	<b>43.6</b>	<b>0.2</b>	0.5%
Tenelia	15.2	<b>15.4</b>	<b>0.2</b>	1.3%
Canaglu	11.3	<b>11.6</b>	<b>0.3</b>	2.8%
Canalia	10.4	<b>9.7</b>	<b>(0.7)</b>	(6.5%)
Vafseo	1.0	<b>2.0</b>	<b>1.0</b>	95.0%
Lexapro	15.4	<b>11.8</b>	<b>(3.5)</b>	(22.9%)
Uplizna	1.3	<b>2.8</b>	<b>1.5</b>	113.7%
Rupafin	8.8	<b>9.8</b>	<b>1.0</b>	11.4%
Dysval	-	<b>3.2</b>	<b>3.2</b>	-
<b>Vaccines</b>	33.5	<b>35.1</b>	<b>1.6</b>	4.9%
Influenza vaccine	10.4	<b>11.1</b>	<b>0.6</b>	5.9%
Tetrabik	10.4	<b>9.3</b>	<b>(1.0)</b>	(10.0%)
JEBIK V	1.6	<b>4.1</b>	<b>2.4</b>	147.8%
Mearubik	5.4	<b>4.9</b>	<b>(0.4)</b>	(8.4%)
Varicella vaccine	4.6	<b>4.6</b>	<b>0.0</b>	0.2%
<b>Long-listed drugs, etc.</b>	117.8	<b>98.8</b>	<b>(19.0)</b>	(16.2%)
Remicade	40.0	<b>34.6</b>	<b>(5.4)</b>	(13.4%)
<b>Overseas ethical drugs</b>	55.8	<b>79.4</b>	<b>23.6</b>	42.2%
<b>Radicava</b>	24.6	<b>46.2</b>	<b>21.6</b>	87.8%
<b>Royalty revenue, etc.</b>	13.3	<b>138.3</b>	<b>125.0</b>	938.9%
<b>Royalty from INVOKANA</b>	6.4	<b>6.3</b>	<b>(0.1)</b>	(1.9%)
<b>Royalty from GILENYA</b>	3.6	<b>128.5</b>	<b>124.9</b>	3,498.7%

# Pharmaceuticals Business: Forecasts of FY2023

(Billions of Yen)

	FY2022	1H		2H		FY2023	Difference	%
<b>Revenue</b>	535.4	195.0	193.5	388.5	(146.9)	(27.4%)		
Domestic	319.1	147.0	152.5	299.5	(19.6)	(6.1%)		
Overseas	216.4	48.0	41.0	89.0	(127.4)	(58.9%)		
Overseas sales ratio	40.4%	24.6%	21.2%	22.9%				
<b>Cost of sales</b>	205.9	100.0	102.5	202.5	(3.4)	(1.6%)		
Sales cost ratio	38.5%	51.3%	53.0%	52.1%				
<b>Gross profit</b>	329.6	95.0	91.0	186.0	(143.6)	(43.6%)		
<b>SG&amp;A expenses, etc.</b>	185.3	82.0	84.0	166.0	(19.3)	(10.4%)		
R&D expenses	87.8	31.0	31.5	62.5	(25.3)	(28.8%)		
<b>Core operating profit</b>	144.2	13.0	7.0	20.0	(124.2)	(86.1%)		
Non-recurring items	(60.0)	3.0	-	3.0	63.0			
<b>Operating profit</b>	84.3	16.0	7.0	23.0	(61.3)	(72.7%)		
<b>Net profit attributable to owners of the Company</b>	85.3	8.5	4.5	13.0	(72.3)	(84.8%)		

# Pharmaceuticals: Details of Revenue (Forecasts of FY2023)

(Billions of Yen)

	FY2022	FY2023		Difference	%
		1H	2H		
<b>Domestic ethical drugs</b>	310.0	141.7	147.7	<b>289.4</b>	<b>(20.6)</b> (6.7%)
<b>Priority and New products</b>	166.4	78.7	83.3	<b>162.0</b>	<b>(4.4)</b> (2.7%)
Stelara	66.2	27.5	30.1	<b>57.6</b>	<b>(8.6)</b> (12.9%)
Simponi	43.6	21.6	21.7	<b>43.2</b>	<b>(0.3)</b> (0.7%)
Tenelia	15.4	5.5	6.2	<b>11.7</b>	<b>(3.7)</b> (24.0%)
Canaglu	11.6	7.3	7.2	<b>14.5</b>	<b>2.9</b> 24.7%
Canalia	9.7	5.5	4.9	<b>10.4</b>	<b>0.7</b> 6.8%
Vafseo	2.0	1.6	1.5	<b>3.1</b>	<b>1.2</b> 58.9%
Uplizna	2.8	1.6	1.5	<b>3.1</b>	<b>0.3</b> 11.4%
Rupafin	9.8	3.6	5.3	<b>8.9</b>	<b>(0.9)</b> (9.0%)
Dysval	3.2	2.4	2.7	<b>5.0</b>	<b>1.9</b> 58.7%
Radicut	2.2	2.1	2.3	<b>4.3</b>	<b>2.2</b> 100.0%
<b>Vaccines</b>	35.1	20.2	18.5	<b>38.8</b>	<b>3.6</b> 10.4%
Influenza vaccine	11.1	6.6	7.3	<b>13.9</b>	<b>2.8</b> 25.5%
Tetrabik	9.3	5.2	4.4	<b>9.6</b>	<b>0.3</b> 3.2%
JEBIK V	4.1	2.9	2.2	<b>5.1</b>	<b>1.0</b> 25.3%
Mearubik	4.9	2.5	1.7	<b>4.3</b>	<b>(0.7)</b> (13.5%)
Varicella vaccine	4.6	2.3	2.4	<b>4.7</b>	<b>0.1</b> 2.1%
<b>Long-listed drugs, etc.</b>	108.5	42.8	45.8	<b>88.6</b>	<b>(19.8)</b> (18.3%)
Remicade	34.6	15.7	14.8	<b>30.5</b>	<b>(4.1)</b> (11.9%)
<b>Overseas ethical drugs</b>	79.4	41.6	36.1	<b>77.7</b>	<b>(1.7)</b> (2.1%)
Radicava	46.2	26.4	20.4	<b>46.8</b>	<b>0.6</b> 1.3%
<b>Royalty revenue, etc.</b>	138.3	-	-	-	-
Royalty from INVOKANA	6.3	-	-	-	-
Royalty from GILENYA	128.5	-	-	-	-

# References 3

## Trends by market of Specialty Materials

# Trends by market of Specialty Materials

Our strategic focus		Key products	Overview of 4Q FY2022	Forecast for FY2023
<b>EV/Mobility</b>		<b>Electrolytes</b> <b>Fiber reinforced plastics &amp; composites</b>	Although the impact from the semiconductor shortage gradually wound down and recovery trends were seen in Japan and other regions, there was negative impact from the spread of COVID-19, which started all over again in China	We forecast growth trends in global automotive production volume in tandem with the gradual wind down of impact, mainly from the semiconductor shortage and economic slowdown EV market continues to expand
<b>Digital</b>	<b>Semiconductor</b>	<b>Semiconductor cleaning</b> <b>Epoxy resin</b> <b>Semiconductor equipment components</b>	Semiconductor market adjustments, which became full-fledged in the second half, continued into 4Q Implement a global production decrease, mainly for memories, despite brisk demand for automotive and power devices	The adjustment phase is expected to continue and a gradual recovery in anticipated in and after 2H FY2023 In the medium/long term, forecast continued market growth owing to a further expansion in demand mainly for automotive and datacenter applications
	<b>Electronics</b>	<b>Optical films</b> <b>Materials for display applications</b>	Although there was progress with inventory adjustments in the market, demand in the display market continued to decline	Progress in the rectification of inventory levels in the market Forecast a full-fledged recovery in and after 2Q FY2023
<b>Food</b>		<b>Emulsifier</b> <b>Packaging films</b> <b>Packaging materials</b>	The restaurant industry is trending toward recovery but demand remains weak, mainly for cooking at home and ready-made meals due to impact from refrained purchasing reflecting a rise in food product prices Expansion trend in the barrier film market	The impact from refrained buying due to price hikes for food products is gradually subsiding and a modest recovery is forecast for in and after 2H FY2023 Expansion trend to continue in the barrier film market

# Sales Revenue and EBITDA by market of Specialty Materials

(Billions of Yen)

	FY2022 Actual		FY2023 Forecast		FY2025 Target	
	Sales Revenue	EBITDA	Sales Revenue	EBITDA	Sales Revenue	EBITDA
<b>Specialty Materials</b>	1,230.0	111.0	1,240.0	140.0	1,370.0	225.0
EV / Mobility	200.0	11.0	230.0	19.0	280.0	31.0
Semiconductors	100.0	19.0	100.0	20.0	150.0	35.0
Electronics	130.0	16.0	150.0	21.0	200.0	42.0
Food	210.0	34.0	220.0	34.0	220.0	39.0
Industrial, Medical, Consumer goods, Building & Construction etc	590.0	31.0	540.0	46.0	520.0	78.0

\* Breakdown figures by market are approximation for reference purpose only.

For the purpose of this notice, “statements” means this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed by Mitsubishi Chemical Group.

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.

It contains information about pharmaceuticals including products under development, but is not intended for advertising or medical advice.