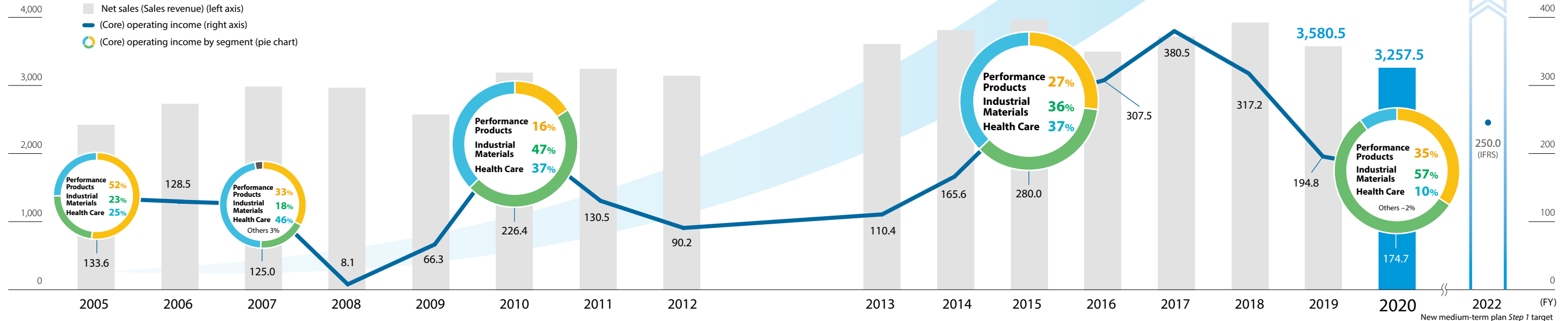


Progress of Portfolio Reforms

J-GAAP until FY2015
 IFRS from FY2016
 Figures for past fiscal periods (up to and including FY2019)
 are the business results figures announced at the time.
 (Core) operating income

We See Resolving Social Issues as Creating Business Opportunities Steadily Advance with Portfolio Reform for a Sustainable Increase in Corporate Value



Pursuit of business scale through M&A and integrations, and restructuring of unprofitable businesses

Become a corporate group with high growth and a profitable business through Performance Products, Industrial Materials and Health Care

Realizing KAITEKI—Development as a solutions provider setting a global lead in the resolution of social issues for a sustainable future

Medium-term management plans and portfolio reforms

Plan Name	Period	Target Operating Income	Result Operating Income
KAKUSHIN Plan—Phase 2	FY2005–FY2007	¥140 billion or more	¥125.0 billion
APTSIS 10	FY2008–FY2010	¥190 billion	¥226.4 billion
APTSIS 15	FY2011–FY2015	¥280 billion	¥280.0 billion
APTSIS 20	FY2016–FY2020	¥410 billion	¥174.7 billion
New Medium-Term Management Plan APTSIS 25	Step 1: FY2021–FY2022 Step 2: FY2023–FY2025	-	-

- | | | | |
|--|--|--|---|
| <p>Achievements</p> <ul style="list-style-type: none"> Raised the ratio of the pharmaceutical business and strengthened earnings less susceptible to the economy <ul style="list-style-type: none"> 2005 Establishment of MCHC Strengthened the pharmaceutical business <ul style="list-style-type: none"> 2007 Establishment of MTPC | <p>Achievements</p> <ul style="list-style-type: none"> Expanded the Performance Products domain <ul style="list-style-type: none"> 2008 Integrated MPI, MCC's functional products business and three affiliate companies 2009 Conversion of Quadrant AG, the world's largest manufacturer of engineering plastic products, into a consolidated subsidiary Shifted to a higher value-added business portfolio <ul style="list-style-type: none"> 2010 Conversion of MRC into a consolidated subsidiary 2010 Withdrawal from the nylon chain business 2011 Withdrawal from the PVC chain business Withdrawal from the SM chain business | <p>Achievements</p> <ul style="list-style-type: none"> Stabilized profitability through structural reform in Industrial Materials domain and the conversion of an industrial gas company into a subsidiary <ul style="list-style-type: none"> 2014–2015 Production optimization of polyolefin 2014 Retained a single naphtha cracker at the Kashima Plant (now Ibaraki Plant) 2014 Conversion of TNSC into a consolidated subsidiary 2016 Formed a joint venture to operate the naphtha cracker at the Mizushima Plant (now Okayama Plant) 2016 Decided on the equity interest transfer of the terephthalic acid business in India and China Shifted to high performance and added value <ul style="list-style-type: none"> 2013 Conversion of Qualicaps Co., Ltd., capsules and pharmaceutical processing equipment businesses based in Japan, the United States and Europe, into a consolidated subsidiary 2014 Established LSII Strengthened corporate governance <ul style="list-style-type: none"> 2015 Transitioned to a company with a nominating committee, etc. | <p>Achievements</p> <ul style="list-style-type: none"> Accelerated growth of Performance Products domain through integrations <ul style="list-style-type: none"> 2016 Converted The Nippon Synthetic Chemical Industry Co., Ltd. into a wholly owned subsidiary 2017 Establishment of the New-MCC Integration of the three chemical operating companies (MCC, MPI and MRC) Strengthened management through continuous business restructuring and investment in growth areas <ul style="list-style-type: none"> 2018 Started commercial operations of the new MMA plants with The Saudi Methacrylates Company, in the Middle East 2018 and 2019 Expanded the global market share of the industrial gases through M&A activities 2019 Strategic capital alliance with PHC Holdings Corporation through share exchange with LSI Medience Corporation 2019 Withdrew from the storage media business 2020 Converted MTPC into a wholly owned subsidiary Strengthened global management capabilities <ul style="list-style-type: none"> 2017 MCC established regional headquarters 2020 Established Nippon Sanso Holdings Corporation in the industrial gases business through a shift to a holding company structure Accelerated digital transformation <ul style="list-style-type: none"> 2017 Establishment of the Emerging Technology and Business Development Office |
|--|--|--|---|

MCHC: Mitsubishi Chemical Holdings Corporation	MTPC: Mitsubishi Tanabe Pharma Corporation	PVC: Polyvinyl chloride
MCC: Mitsubishi Chemical Corporation	LSII: Life Science Institute, Inc.	SM: Styrene monomer
MPI: Mitsubishi Plastics, Inc.	TNSC: Taiyo Nippon Sanso Corporation	
MRC: Mitsubishi Rayon Co., Ltd.	New-MCC: Mitsubishi Chemical Corporation (Apr. 2017–)	

Challenges for the next management plan

- Driving growth through synergies, development of a global management system and measures for low-profit businesses**
- Strengthen the business foundation, strengthen operations in growth business domains and strengthen financial position**

For detailed analysis of APTSIS 20, see [Review of APTSIS 20](#) P. 19
 For details on APTSIS 25 (Step 1), see [New Medium-Term Management Plan](#) P. 25