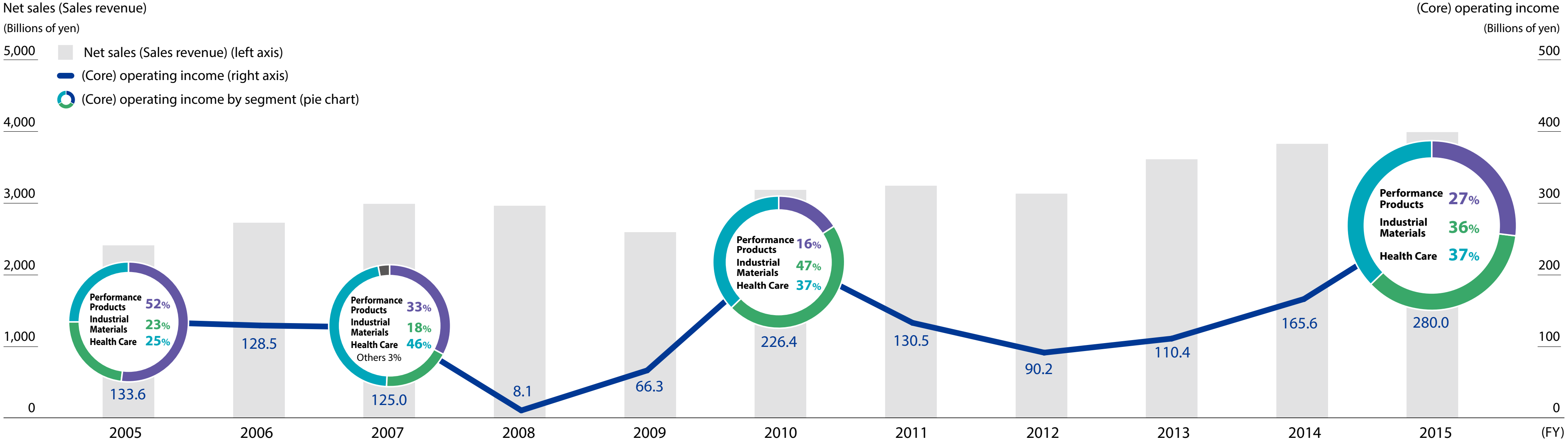
Progress of Portfolio Reforms

J-GAAP until FY2015 IFRS from FY2016
Figures for past fiscal periods (up to and including FY2020) are the business results figures announced at the time.
Core operating income is calculated as operating income (loss) excluding certain gains and expenses attributable to non-recurring factors (gains and losses incurred by business withdrawal and contraction, etc.).
We disclose core operating income as unique gains/losses incurred by staged gains/losses, while considering the comparability with operating income under J-GAAP.



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

Medium-term management plans and portfolio reforms ● Growth measures ▲ Restructuring

KAKUSHIN Plan—Phase 2 FY2005–FY2007

Operating income: Target ¥140 billion or more Result ¥125.0 billion

Review

Raised the ratio of the pharmaceutical business and strengthened earnings less susceptible to the economy
- ● 2005 Establishment of MCHC

Strengthened the pharmaceutical business
- ● 2007 Establishment of MTPC

Challenges for the next management plan

Creation of growth drivers in the Performance Products domain and structural reform of unprofitable businesses

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

APTSIS 10 FY2008–FY2010

Operating income: Target ¥190 billion Result ¥226.4 billion

Review

Expanded the Performance Products domain
- ● 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
- ● 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

Challenges for the next management plan

Structural reforms and profit stabilization in the Industrial Materials domain
A shift to higher performance and added value

APTSIS 15 FY2011–FY2015

Operating income: Target ¥280 billion Result ¥280.0 billion

Review

Stabilized profitability through structural reform in the Industrial Materials domain and the conversion of an industrial gas company into a subsidiary
- ● 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

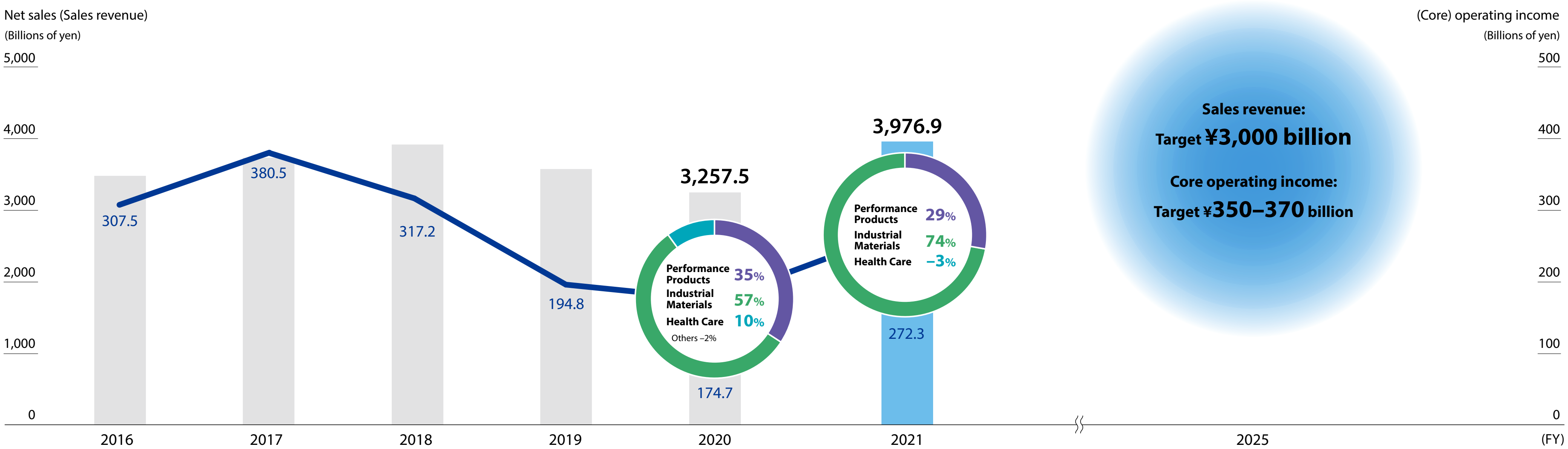
Shifted to high performance and added value
- ● 2013 Conversion of Qualicaps Co., Ltd.'s capsules and pharmaceutical processing equipment businesses based in Japan, the United States and Europe into a consolidated subsidiary
- ● 2014 Established LSII

Strengthened corporate governance
- ● 2015 Transitioned to a company with a nominating committee, etc.

Challenges for the next management plan

Driving growth through synergies, development of a global management system, and measures for low-profit businesses

Progress of Portfolio Reforms



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

Aim to maximize value for all stakeholders through clear strategies for efficient business operations and business growth

Medium-term management plans and portfolio reforms ● Growth measures ▲ Restructuring

APTSIS 20 FY2016–FY2020

Core operating income: Target ¥410 billion Result ¥174.7 billion

Review

Accelerated growth of the Performance Products domain through integrations

- ● 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

- ● 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

- ● 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 (DX)

- ● 2017 Establishment of the Emerging Technology and Business Development Office

Challenges for the next management plan

Strengthen the business foundation, strengthen operations in growth business domains, and strengthen financial position

New Management Policy FY2021–FY2025

"Forging the future"

EBITDA margin: Target 18–20%

Core operating margin: Target 11–13%

Strategic priorities

More Focused Approach to Maximize Our Value

1. Growth, Performance, and Sustainability
2. Business to Exit
3. Strategic Cost Transformation
4. Leaner Structure to Execute Strategy
5. Strategic Capital Allocation

New Management Policy ▶ Page 23