

# 5

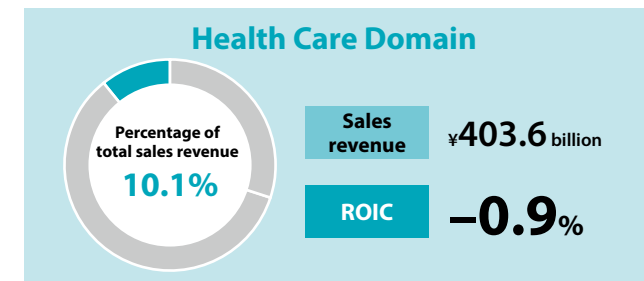
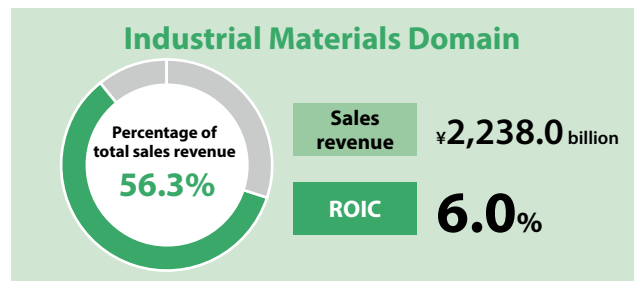
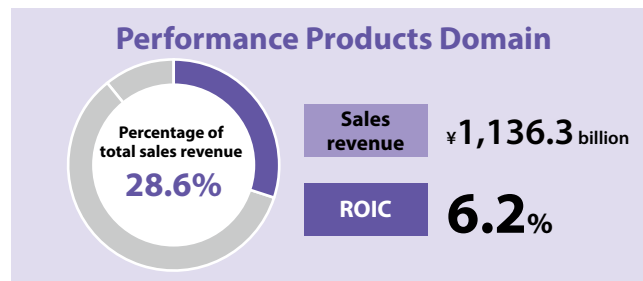
## Financial and Non-Financial Information

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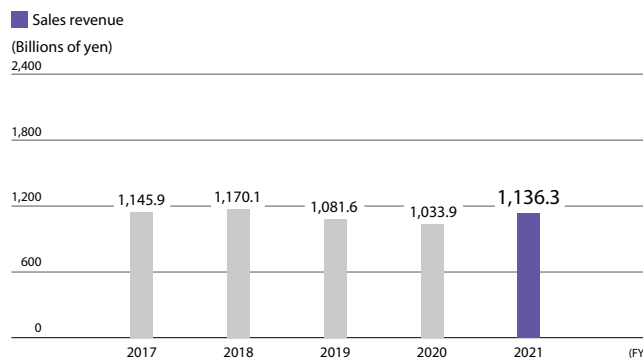
# Overview of Business Domains | Summary

[Financial results figures for each domain](#)

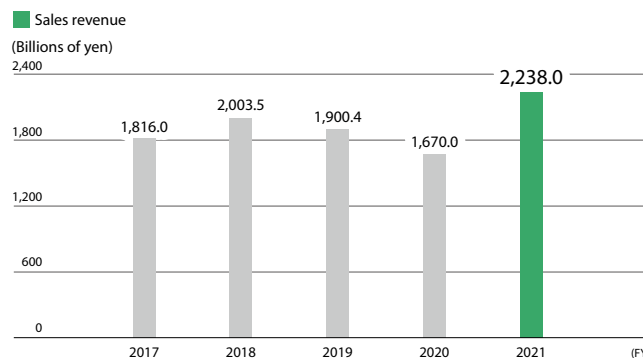
Note: Figures for past fiscal periods (up to and including FY2020) are the business results figures announced at the time.



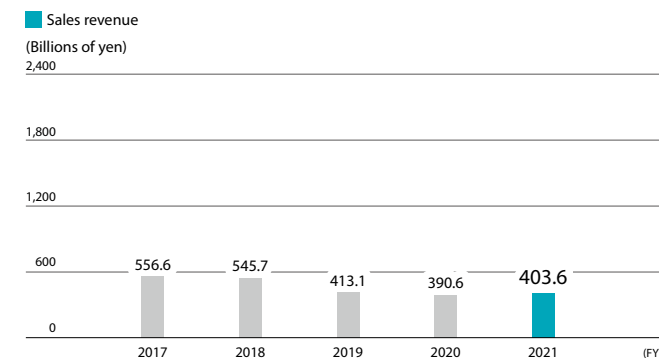
#### Sales revenue



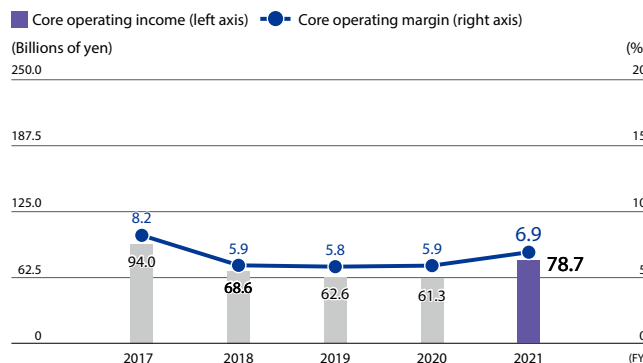
#### Sales revenue



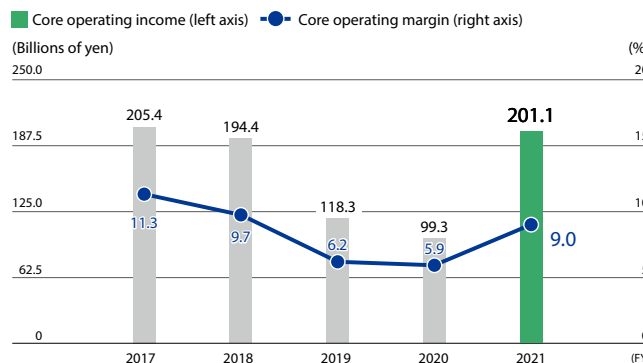
#### Sales revenue



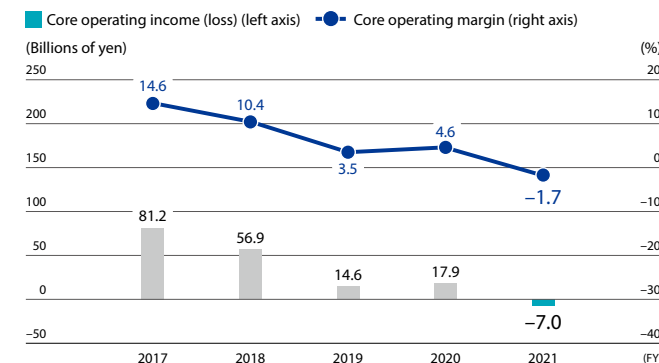
#### Core operating income and margin



#### Core operating income and margin



#### Core operating income (loss) and margin



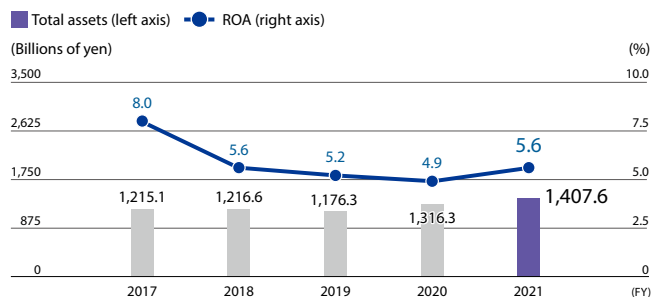
# Overview of Business Domains | Summary

[Financial results figures for each domain](#)

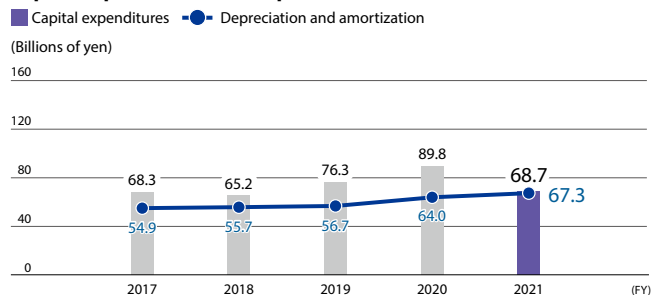
Notes: 1. Figures for past fiscal periods (up to and including fiscal 2020) are the business results figures announced at the time.  
2. ROA was calculated as core operating income divided by the fiscal year average of total assets.

## Performance Products Domain

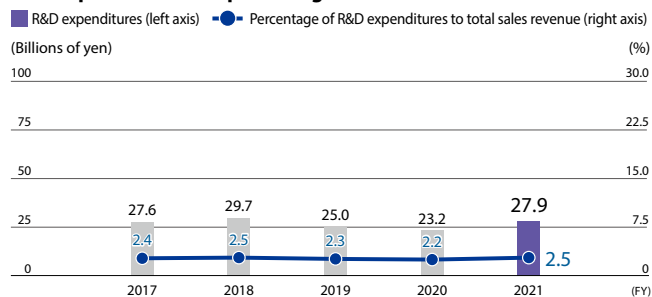
### Total assets and ROA



### Capital expenditures and depreciation and amortization

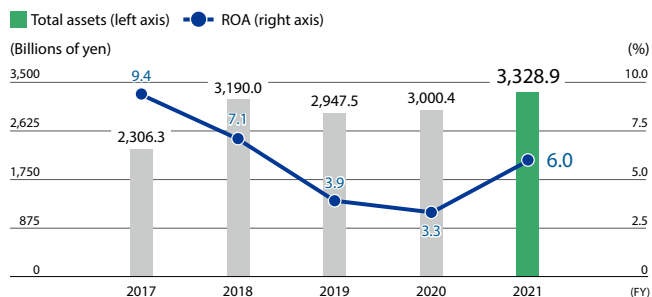


### R&D expenditures and percentage of total sales revenue

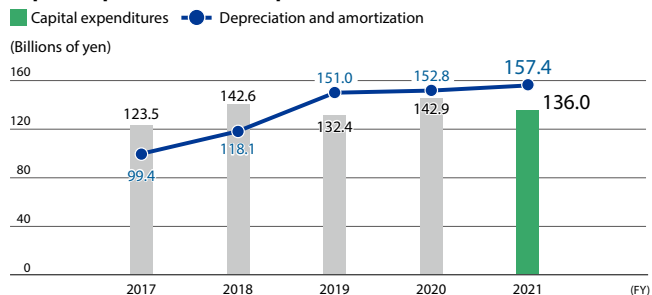


## Industrial Materials Domain

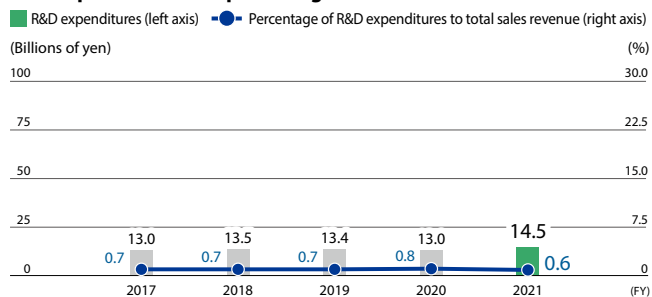
### Total assets and ROA



### Capital expenditures and depreciation and amortization

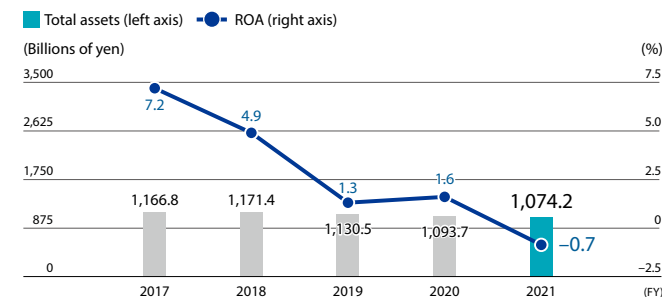


### R&D expenditures and percentage of total sales revenue

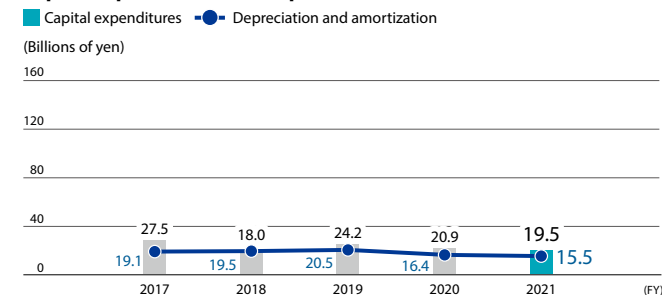


## Health Care Domain

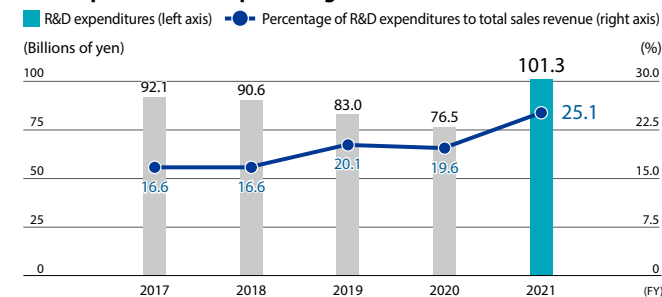
### Total assets and ROA



### Capital expenditures and depreciation and amortization



### R&D expenditures and percentage of total sales revenue



# Overview of Business Domains

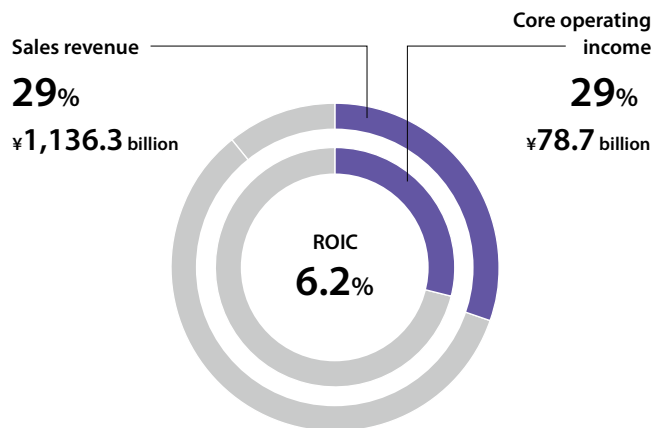
Note: The figures for each segment are based on the results for fiscal 2021.

## Performance Products Domain

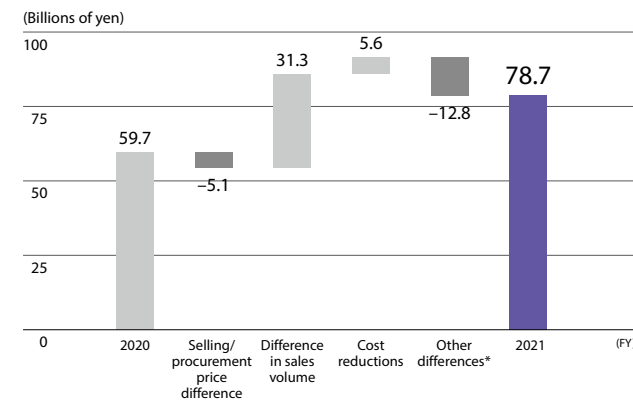
Polymers & Compounds  
Films & Molding Materials  
Advanced Solutions



We will seek to achieve differentiation and advanced functions by collaborating creatively across the Group on a diverse range of products and technologies to offer varied solutions to different target markets.



### Performance Products: Factors underlying the YoY change in core operating income



\* Includes differences in inventory valuation and gains/losses on equity-method investments

### Performance Products segment

Sales revenue amounted to ¥1,136.3 billion, a year-on-year increase of ¥141.7 billion, and core operating income to ¥78.7 billion, an increase of ¥19.0 billion.

The Polymers & Compounds subsegment posted a rise in sales revenue due to increased sales to the automotive industry and other sectors and an improvement in market conditions for certain polymer products.

The Films & Molding Materials subsegment also posted growth in sales revenue. This was due to an increase in sales volume on recovering demand, particularly for molding materials

in the automotive industry and other sectors, coupled with a strong performance in the first half-year by some film products, especially optical films for electronic displays.

In the Advanced Solutions subsegment as well, increased sales volume due to the recovery in economic activity contributed to growth in sales revenue.

Core operating income in this segment also grew despite the rise in raw material prices, which was counterbalanced by factors such as the overall growth in the volume of sales, particularly to the automotive industry.

# Overview of Business Domains

## Performance Products Domain



## Focus

### Expansion of the semiconductor-related business Helping to build the infrastructure of the digital society

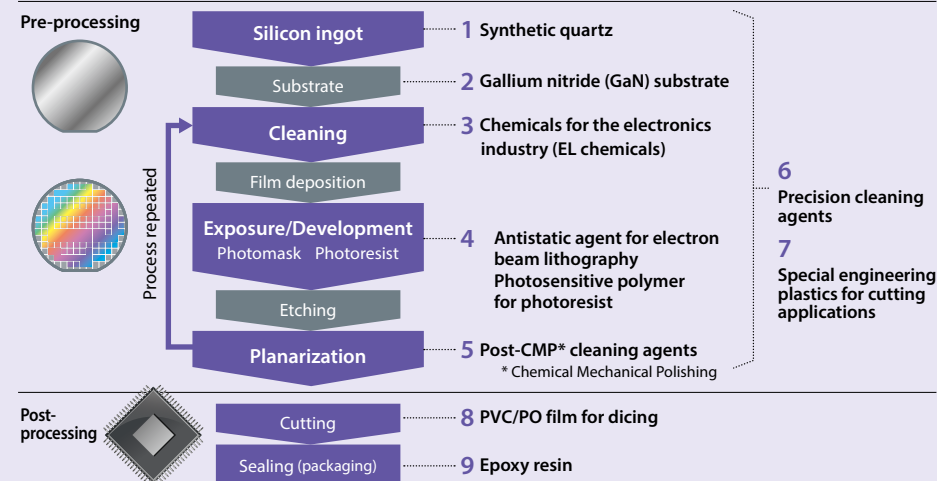
We are strengthening our offer of products and services in the semiconductor business to deliver new value to the semiconductor industry.

In October 2018, we acquired Cleanpart Group GmbH, a leading company in the provision of precision cleaning and coating services to semiconductor manufacturers and other business operators in Europe and the United States. This gives us the capability to deliver semiconductor precision cleaning services on a global basis, in addition to our existing operations in Japan and Asia.

In April 2020, we centralized the Mitsubishi Chemical Group's semiconductor-related business and at the same time established a global organization free of restrictive corporate structures. This has allowed us to work as one team on an integrated range of semiconductor-related products and services under a system that provides one-stop support to our customers worldwide. Meanwhile, we are driving the creation of synergies with the semiconductor-related businesses and technologies of Gelest, Inc., which we acquired in October 2020.

In our new management policy, "Forging the future," we identify the semiconductor business as one of our focus businesses that we will work to strengthen and expand.

#### Semiconductor manufacturing process and main MCG Group products and services



## Overview of Business Domains

### Performance Products Domain

#### Polyester Film

##### Strategy for expansion as the leading company

We manufacture polyester films at five sites in Japan, China, Indonesia, the United States, and Germany for supply to a range of applications, including as optical materials, particularly for electronic displays; as industrial materials for electronic components, automotive parts, and medical equipment; and as packaging materials for food and other products. In October 2021, anticipating robust expansion of demand for polyester films, we decided to establish a new manufacturing line in Germany with a yearly production capacity of 27,000 tons, among the world’s largest in the field of high-performance polyester film.

The new facility will incorporate the latest energy-saving technology and other measures designed to expand production capacity, while at the same time reducing the plant’s overall CO<sub>2</sub> emissions. Additionally, we will put in place a system to enable polyester film collected from customers and consumers to be reused as raw material, thus accelerating initiatives to achieve a circular economy.

We will continue to engage in active business development matched to demand in each region, thus contributing to fulfilling the SDGs and realizing a circular economy.

#### Expansion of polyester film production facilities (2015–2025)



#### High-Performance Engineering Plastics

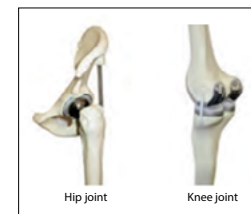
##### Product rollout to respond flexibly to a wide range of medical needs

Progressive population aging in developed countries, and rapid population growth in emerging countries, are expected to result in significant expansion of the global medical market going forward. With our focus on this growing medical market, we are rolling out products to respond flexibly to diverse medical needs.

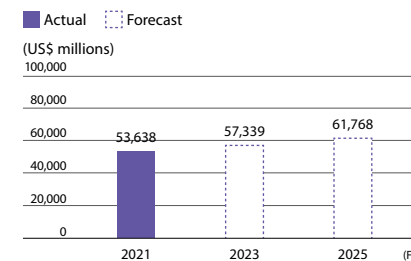
For instance, our high-performance engineering plastics business, which operates from sites in 17 countries worldwide, has for many years supplied the ultra-high molecular weight polyethylene materials *Chirulen* and *Extrulen* to implant manufacturers around the world for use as artificial joint materials.

We will target growth in the high-performance engineering plastics business by combining the wide range of technologies and experience available within the MCG Group.

#### Biocompatible high-performance engineering plastics



#### Orthopedic implant market



Based on ORTHOWORLD, "The Orthopaedic Industry Annual Report" (published in June 2022)

#### Finding solutions for a sustainable future

#### Bioengineering plastic DURABIO—increasingly used in vehicle manufacturing

To meet bio-based polymer demand in the mobility, optics, agriculture, and food packaging markets, we offer a range of solutions that contribute to the circular economy. Among these are bioengineering plastics, which are made with plant-based raw material; biopolyester, which uses renewable resources and is also biodegradable; and polyvinyl alcohol, which combines biodegradability with strong barrier properties.

The bioengineering plastic *DURABIO* not only boasts the physical properties required in automotive interior finish materials (namely, shock resistance and chemical resistance) but has also won acclaim for its use of plant-based raw materials. As a result, it is increasingly used in automotive parts and materials, including for Toyota Motor Corporation’s MIRAI range. By developing the applications of *DURABIO*, we will make ongoing contributions to environment-friendly vehicle manufacture.



New model of Toyota’s MIRAI range



## Overview of Business Domains

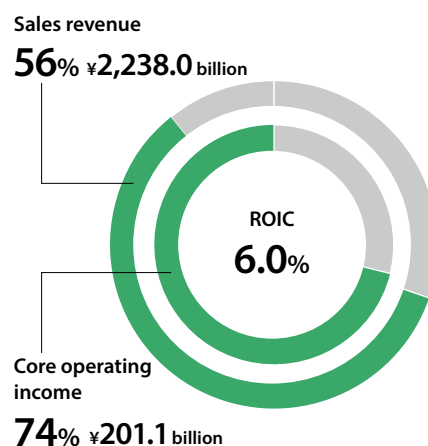
### Industrial Materials Domain

- MMA
- Petrochemicals
- Carbon Products
- Industrial Gases

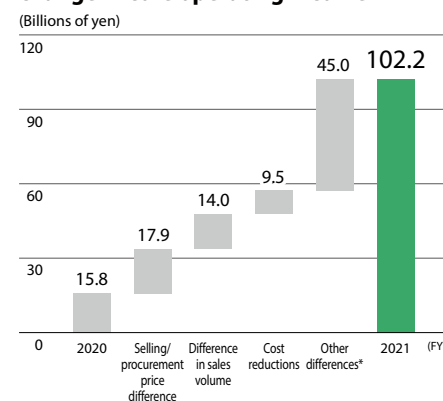


Note: The figures for each segment are based on the results for fiscal 2021.

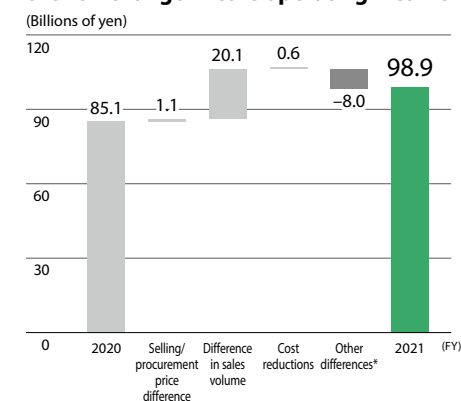
In the Industrial Materials domain, we will support growth markets by delivering products and technologies through a corporate structure that is continuously adapted to meet contemporary needs, while seeking to diversify our raw material procurement including through the use of renewable resources.



#### Chemicals: Factors underlying the YoY change in core operating income



#### Industrial Gases: Factors underlying the YoY change in core operating income



\* Includes differences in inventory valuation and gains/losses on equity-method investments

#### Chemicals segment

Sales revenue amounted to ¥1,287.9 billion, a year-on-year increase of ¥396.8 billion, and core operating income to ¥102.2 billion, an increase of ¥86.4 billion.

In the MMA subsegment, sales revenue increased on improved market conditions for MMA monomer and other products, against a background of sustained, robust demand.

The Petrochemicals subsegment saw sales revenue expand. This was due partly to higher sales prices resulting mainly from rising raw material prices, but other factors were the reduced impact of scheduled maintenance and repairs at our ethylene production facilities and increased sales volume on recovering demand.

Sales revenue also increased in the Carbon Products subsegment due to higher sales prices for export coke as a result of the recovery in demand.

Core operating income grew in this segment. Among the contributing factors were an increase in the sales volume of petrochemicals, an increase in the inventory valuation due to higher raw material prices, and an improvement in market conditions for MMA monomer, export coke, and other products.

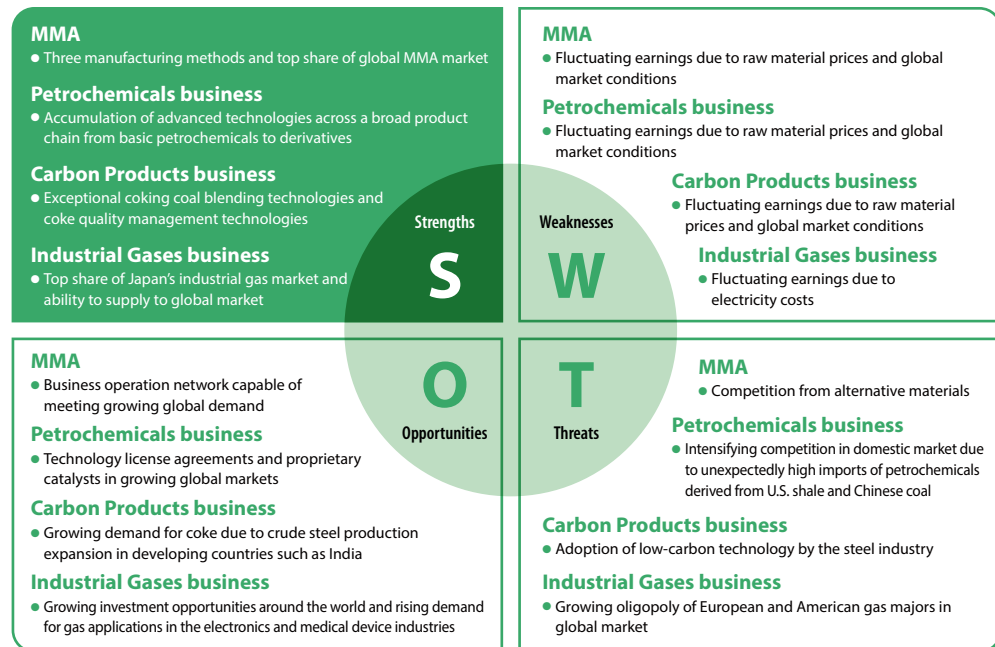
#### Industrial Gases segment

Sales revenue amounted to ¥950.1 billion, a year-on-year increase of ¥138.3 billion, and core operating income to ¥98.9 billion, an increase of ¥13.8 billion.

Here, the overall recovery of demand in Japan and overseas resulted in increases in both sales revenue and core operating income.

# Overview of Business Domains

## Industrial Materials Domain



## Industrial Gases

### Expansion of manufacturing capacity for semiconductor material gas in the Asia region

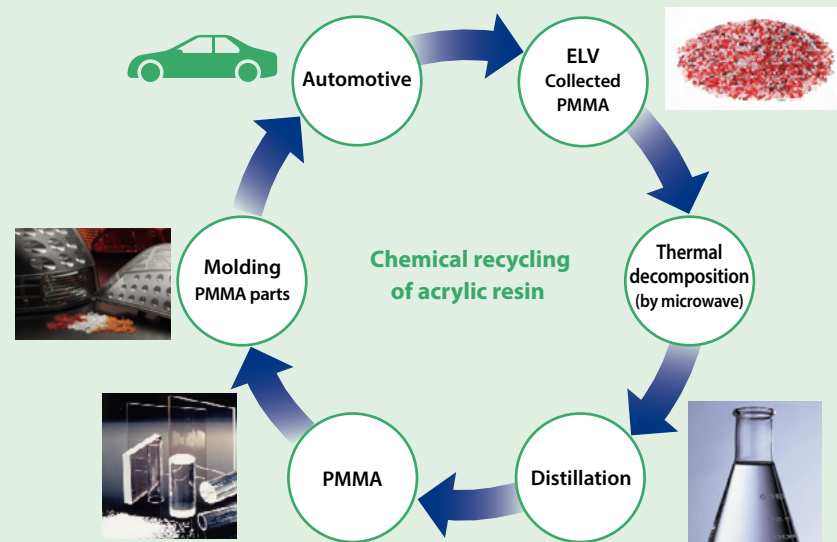
Demand for semiconductor devices is rising continuously due to factors such as lifestyle changes, increased data flows from the spread of 5G and IoT, and increased semiconductor demand from the automotive industry. The diborane gas we produce is essential to the manufacture of a wide range of semiconductor devices, from logic and storage to discrete devices, and demand is growing rapidly.

To meet the expanding diborane gas demand from semiconductor manufacturers, we have been boosting supply capacity since 2018 by successively expanding our manufacturing operations, previously limited to sites in Japan, with new sites in South Korea and China. As continuing demand growth is forecast, especially in the Asia region, we will strengthen the global supply chain through ongoing investment.

## Focus

### Initiatives as a leading company in the MMA industry to achieve a circular economy

Mitsubishi Chemical Group Corporation—which is unique worldwide in possessing capabilities in all three main MMA manufacturing methods—is the leading global supplier, boasting an approximately 30% share of the world's production capacity. To put in place an optimal supply system with global reach based on highly competitive manufacturing plants, we closed the Beaumont site in the United States in March 2021 and are now looking to construct a new U.S.-based MMA monomer plant using our new ethylene method (Alpha technology). We are also studying approaches to the recycling of acrylic resin, which is an MMA derivative. In June 2021, we launched a trial aimed at realizing chemical recycling in Japan on a commercial basis. Using tail lamps collected from end-of-life vehicles (ELVs) and other used acrylic resin materials, we have been exploring systems for chemical recycling and reuse in a joint project with Honda Motor Co., Ltd., which is also our partner in the recycling system trial. As the manufacturer with the world's leading market share in MMA and acrylic resin, we will take an active lead in initiatives to realizing the circular economy, to consolidate our position as the leading company in the sector.





## Overview of Business Domains

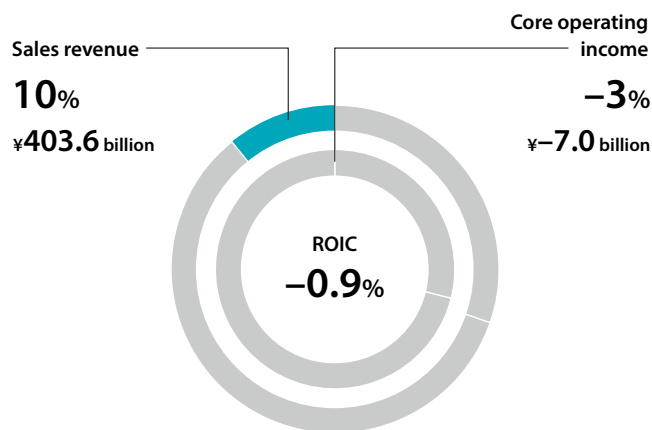
Note: The figures for each segment are based on the results for fiscal 2021.

### Health Care Domain

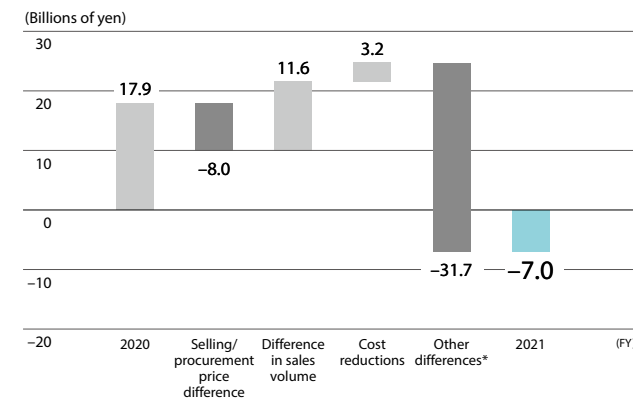
- Pharma
- Regenerative Medicine



In the Health Care domain, we not only work to provide treatments for diseases but also products and services that help people around the world live longer and healthier lives.



#### Health Care: Factors underlying the YoY change in core operating income (loss)



\* Includes differences in inventory valuation and gains/losses on equity-method investments

#### Health Care segment

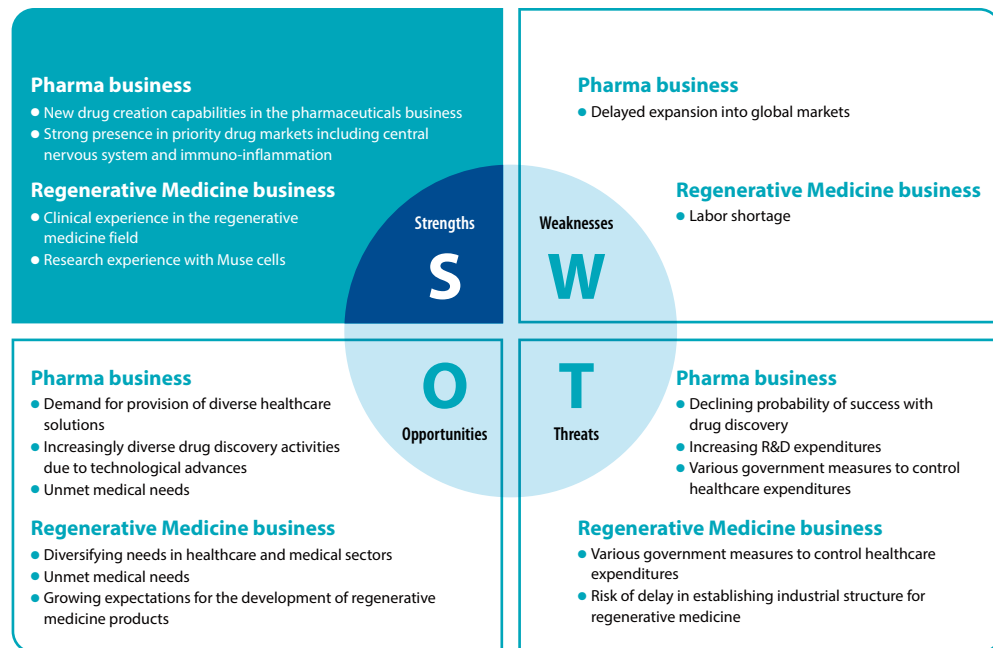
Sales revenue amounted to ¥403.6 billion, a year-on-year increase of ¥13.0 billion, while we recorded a core operating loss of ¥7.0 billion, a decrease of ¥24.9 billion.

The pharmaceuticals business posted increased sales revenue due to growth in the sales volume of priority products, which outweighed the impact of negative factors including National Health Insurance drug price revisions in the Japanese ethical pharmaceuticals market. Core operating income

decreased, mainly due to R&D expenditures on the COVID-19 vaccine project. Note that some royalty revenue from Novartis Pharma AG for *Gilenya*<sup>®</sup>, a treatment agent for multiple sclerosis, has not been recognized as sales revenue in accordance with IFRS 15 (Revenue from Contracts with Customers) due to the start of arbitration proceedings in February 2019. In fiscal 2021, likewise, some royalty revenue was not recognized as sales revenue due to the ongoing arbitration proceedings.

# Overview of Business Domains

## Health Care Domain



### Finding solutions for a sustainable future

## New ALS treatment option for patients in the United States



In June 2022, we released *RADICAVA ORS* in the United States. *RADICAVA ORS* is an oral suspension formulation containing the same active ingredient as Edaravone Infusion *RADICUT* (*RADICAVA* in the United States), which is a treatment for amyotrophic lateral sclerosis (ALS). *RADICAVA ORS* is specifically formulated for patients with ALS and provides a flexible administration option with a small, 5mL dose (taken orally or via feeding tube), a portable bottle, an oral dosing syringe, and no need for refrigeration or reconstitution.

We undertook its development with the aim of reducing burdens on ALS patients such as injection pain and outpatient visits. Previously, intravenous infusion was the only available route of administration, but now there is the option of taking the drug orally.

## Focus

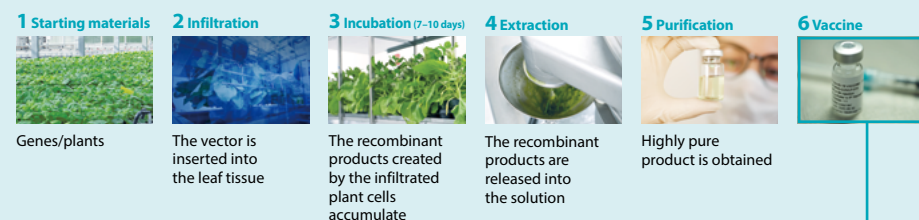
### Contributing through vaccines to infectious disease prevention Development of a VLP vaccine to prevent COVID-19 infection

The COVID-19 vaccine *COVIFENZ* received approval in Canada in February 2022. We have concluded a supply contract with the Canadian government, and preparations for a swift launch of supply are underway. We are also preparing to file for approval in Japan, with Phase 1 and 2 trials launched in October 2021.

The plant-based VLP vaccine is a new type of vaccine produced using VLP manufacturing technology. VLPs have an external structure similar to that of a virus and the vaccine is expected to induce high immunogenicity. Since VLPs do not contain genetic materials, they do not proliferate in the body and are attracting attention as a promising vaccine technology with excellent safety. In addition, plant-derived VLP manufacturing technology is expected to enable mass production in a short period of time.

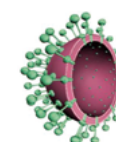
*COVIFENZ* is the world's first plant-based COVID-19 vaccine. Additionally, it can be stored and distributed under refrigerated conditions (2–8°C). By delivering the new option of a plant-based VLP vaccine, we will strengthen our contribution to the prevention of infectious diseases, which is an important social issue worldwide.

### Plant-based VLP vaccine manufacturing process (utilizing transient gene expression)

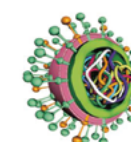


### Advantages expected with VLP manufacturing technology

- The use of plants allows large-volume production in a short timespan.
- There is excellent safety, as there is no virus proliferation.



VLP



Common virus

# Financial Summary

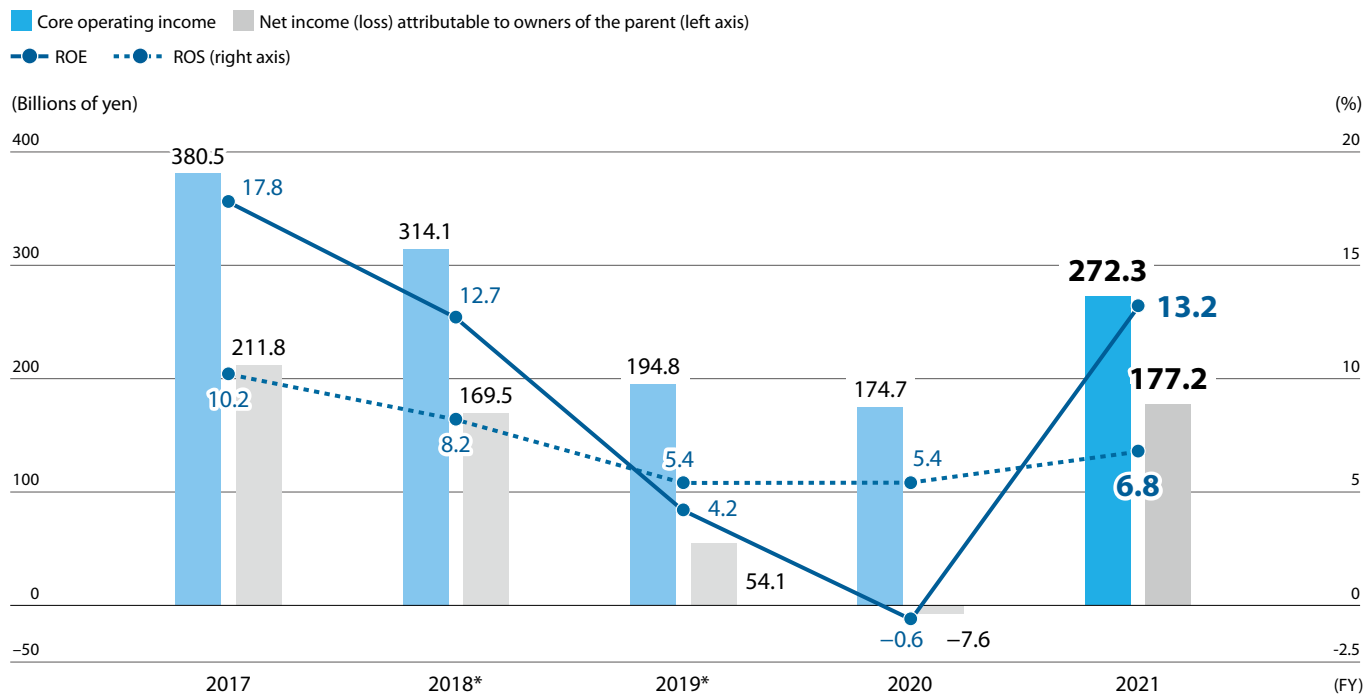
We adopted the International Financial Reporting Standards (IFRS) from fiscal 2016. Core operating income is calculated as operating income (loss) excluding certain gains and expenses attributable to non-recurring factors (gains and losses incurred by business withdrawal and contraction, etc.) as defined under IFRS. We disclose core operating income as our unique gains/losses incurred by staged gains/losses, considering the comparability with the operating income of J-GAAP.

J-GAAP (fiscal 2011–2015)						IFRS (fiscal 2015–2021)							
						Figures for years indicated with (*) do not include results from discontinued operations.							
						2015*	2016*	2017	2018*	2019*	2020	2021	
<b>For the year</b>						<b>For the year</b>							
						Millions of yen							
Net sales	3,208,168	3,088,577	3,498,834	3,656,278	3,823,098	3,543,352	3,376,057	3,724,406	3,840,341	3,580,510	3,257,535	3,976,948	
Operating income	130,579	90,241	110,460	165,681	280,026	300,410	307,522	380,489	314,104	194,820	174,710	272,342	
Income before income taxes and minority interests in consolidated subsidiaries	127,474	82,900	116,594	165,621	198,248	252,791	258,343	344,077	284,846	122,003	32,908	290,370	
Net income attributable to owners of the parent	35,486	18,596	32,248	60,859	46,444	51,358	156,259	211,788	169,530	54,077	(7,557)	177,162	
Total comprehensive income	64,199	94,900	134,016	173,692	7,695	34,302	226,493	297,476	205,898	475	160,551	332,834	
Capital expenditures	116,145	132,221	133,339	165,057	176,508	213,134	206,482	225,189	231,742	240,390	263,715	254,589	
Depreciation and amortization	145,695	129,549	131,571	151,253	180,374	182,656	174,040	178,895	199,332	239,824	243,793	251,469	
R&D expenditures	138,545	134,723	134,260	132,217	138,364	126,782	126,290	138,833	142,822	133,368	126,073	156,584	
Cash flows from operating activities	217,954	206,504	177,027	329,776	388,663	299,612	396,643	397,940	415,575	452,003	467,133	346,871	
Cash flows from investing activities	(63,404)	(169,758)	(159,789)	(277,223)	(202,796)	(234,078)	(289,056)	(335,933)	(895,068)	(87,563)	(217,010)	(128,781)	
Cash flows from financing activities	(164,146)	(26,250)	(8,307)	(2,061)	(156,957)	(40,945)	1,411	(150,592)	519,062	(450,523)	(142,773)	(336,283)	
<b>At year-end</b>						<b>At year-end</b>							
Total assets	3,173,970	3,307,758	3,479,359	4,323,038	4,061,572	4,223,774	4,463,547	4,701,415	5,572,508	5,132,149	5,287,228	5,573,871	
Property, plant and equipment	1,032,738	1,061,551	1,118,050	1,498,146	1,390,727	1,403,437	1,431,681	1,433,509	1,683,354	1,742,216	1,813,838	1,899,695	
Interest-bearing debt	1,164,128	1,198,799	1,258,186	1,603,595	1,465,752	1,579,575	1,693,742	1,606,123	2,246,751	2,388,060	2,482,422	2,289,869	
Total net assets	1,144,954	1,203,316	1,314,870	1,588,601	1,554,528	972,197	1,091,398	1,285,750	1,377,947	1,170,222	1,236,339	1,458,077	
<b>Per share</b>						<b>Per share</b>							
						Yen							
Net income—basic	24.06	12.61	21.89	41.40	31.70	35.06	106.73	147.14	119.22	38.08	(5.32)	124.68	
Net assets	522.77	553.54	611.95	669.77	636.43	663.71	758.30	893.26	970.46	824.07	870.40	1,026.03	
Cash dividends	10	12	12	13	15	15	20	32	40	32	24	30	
<b>Key indicators</b>						<b>Key indicators</b>							
Return on assets (ROA) (%)	3.9	2.6	3.4	4.2	4.7	5.9	5.9	7.5	5.5	2.3	0.6	5.3	
Return on equity (ROE) (%)	4.6	2.3	3.7	6.4	4.8	5.2	15.1	17.8	12.7	4.2	(0.6)	13.2	
Shareholders' equity ratio (%)	24.2	24.6	25.8	22.6	22.9	8.5	9.1	10.2	8.2	5.4	5.4	6.8	
<b>Other</b>						<b>Other</b>							
Number of employees	53,979	55,131	56,031	68,263	68,988	1.17	1.06	0.89	1.26	1.79	1.73	1.40	
						23.0	24.5	27.3	24.7	22.8	23.4	26.2	
Number of employees						68,988	69,291	69,230	72,020	69,609	69,607	69,784	

# Financial Highlights

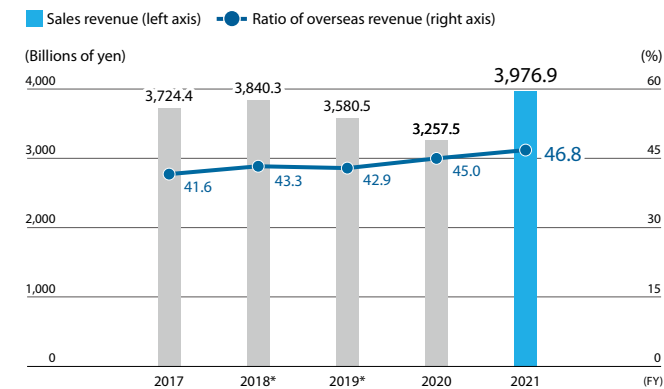
Figures for years indicated with (\*) do not include results from discontinued operations.

## Net income and ROS/ROE



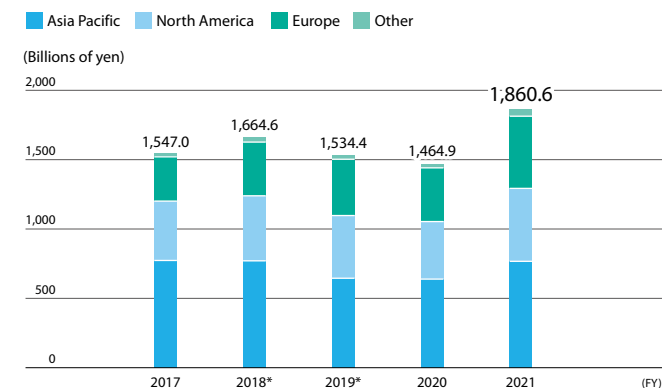
Fiscal 2017 saw an increase in sales revenue in the Industrial Materials domain and expanded sales volume, mainly in the Performance Products domain, resulting in new records for both core operating income and net income attributable to owners of the parent. From fiscal 2018, sales revenue went into decline under the deteriorating economic conditions arising from the economic downturn, trade friction between the United States and China, the impact of the COVID-19 pandemic, and other factors. This trend was accentuated by further impacts, notably the inability of the Health Care domain to record royalty revenue due to ongoing arbitration proceedings. In fiscal 2021, global economic activity began to pick up from the impact of the COVID-19 pandemic and demand in the domestic and overseas markets showed a recovering trend. Despite these conditions, fiscal 2021 saw core operating income increase by ¥97.6 billion (55.9%) year on year to ¥272.3 billion, while ROS rose by 1.4 points to 6.8%. Net income attributable to owners of the parent grew by ¥184.8 billion to ¥177.2 billion. The increase was due mainly to reduced impairment loss compared to the previous fiscal year, when such losses were recorded on non-recurring items in the Health Care domain, and to income from the transfer of the polycrystalline alumina fiber business in fiscal 2021. ROE climbed by 13.8 points year on year to 13.2%.

## Sales revenue and ratio of overseas revenue



In fiscal 2021, sales revenue increased by ¥719.4 billion (22.1%) year on year to a record figure of ¥3,976.9 billion. In addition to the increase in sales volume from recovering demand, higher sales prices on rising raw material prices in the Industrial Materials domain were another factor in the increase. The ratio of overseas revenue rose by 1.8 points to 46.8%.

## Overseas revenue by region



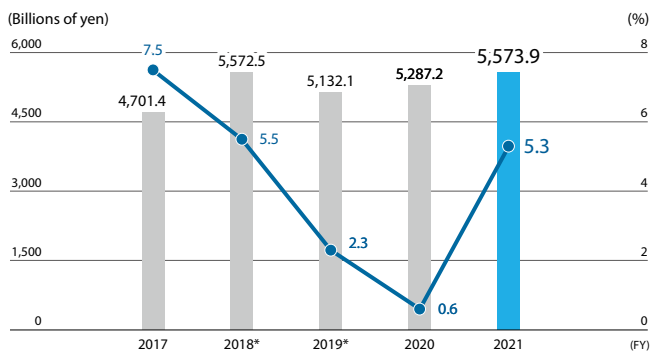
In Europe and the United States, as well as in Asia, demand showed a trend toward recovery from the impact of the COVID-19 pandemic, while the effect of exchange rate differences due to the falling yen also contributed to the increase.

## Financial Highlights

Figures for years indicated with (\*) do not include results from discontinued operations.

### Total assets and ROA

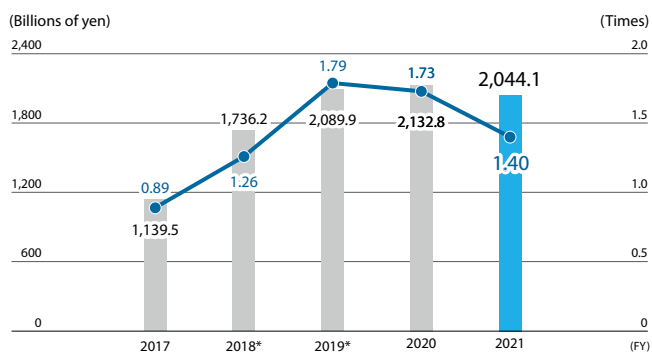
■ Total assets (left axis) ● ROA (right axis)



Total assets amounted to ¥5,573.9 billion. The year-on-year increase of ¥286.7 billion was due to a rise in the yen-denominated value of the assets of overseas consolidated subsidiaries accompanying the progressive depreciation of the yen, growth in inventory assets as a result of rising raw material prices, and increased trade receivables from increased sales revenue. ROA improved by 4.7 points year on year to 5.3%.

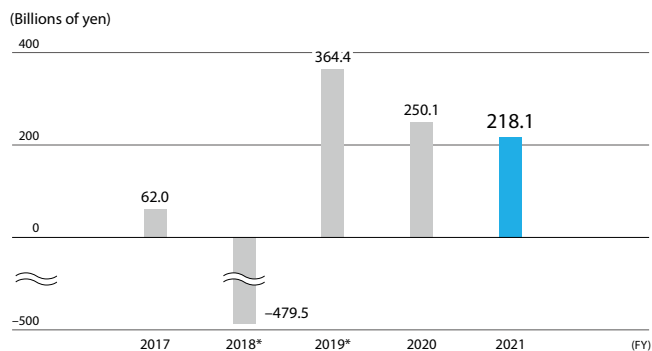
### Net interest-bearing debt and net D/E ratio

■ Net interest-bearing debt (left axis) ● Net D/E ratio (right axis)



The net D/E ratio saw a year-on-year reduction of 0.33 to 1.40, due among other factors to repayment of interest-bearing debt and exchange rate impacts. We will target an improvement in the ratio to between 0.5 and 1.0 by expanding cash flows from sources such as cost reductions, income growth, and sale of businesses and by steadily reducing interest-bearing debt.

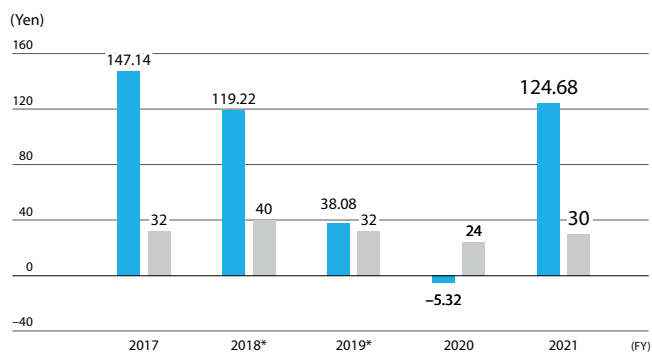
### Free cash flow



Net cash flows provided by operating activities amounted to ¥346.9 billion. Here, income before taxes and depreciation and amortization offset the increase in working capital and other factors. Net cash used in investing activities amounted to ¥128.8 billion. Here, acquisition of property, plant and equipment and other expenditures outweighed the income from a business transfer and other sources. The resulting balance of free cash flow was ¥218.1 billion.

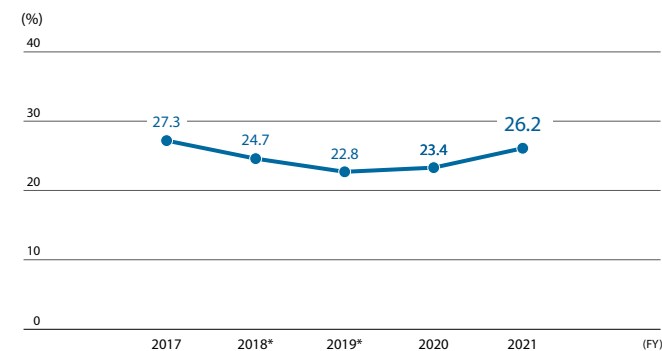
### Basic earnings (loss) per share and cash dividends per share

■ Basic earnings (loss) per share ■ Cash dividends per share



In fiscal 2021, basic earnings per share came to ¥124.68. The full-year cash dividend per share is based on an overall consideration of our financial position and future business conditions. Given the increases in core operating income and net income attributable to owners of the parent that resulted from the recovery of demand in fiscal 2021, we have increased the full-year dividend by ¥6 from the previous fiscal year to ¥30.

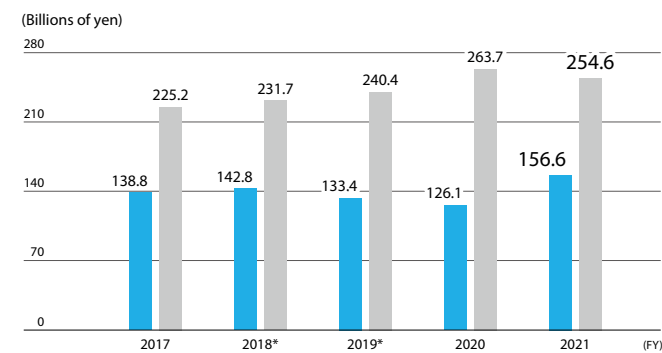
### Ratio of equity attributable to owners of the parent



Equity attributable to owners of the parent increased ¥221.8 billion year on year to ¥1,458.1 billion. Consequently, the ratio of equity attributable to owners of the parent increased 2.8 points year on year to 26.2%.

### R&D expenditures and capital expenditures

■ R&D expenditures ■ Capital expenditures

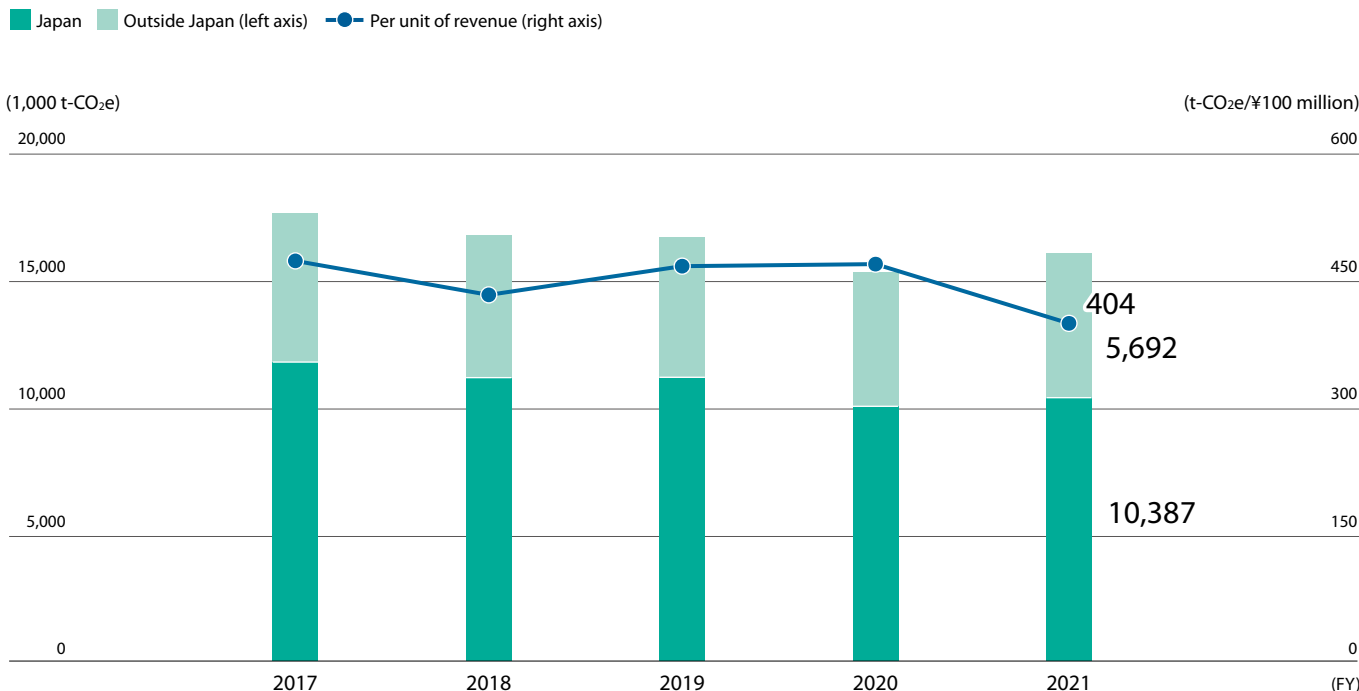


In fiscal 2021, R&D expenditures grew by ¥30.5 billion year on year to ¥156.6 billion due to an increase in expenditures on a COVID-19 vaccine and other projects. Capital expenditures decreased by ¥9.1 billion to ¥254.6 billion.



# Non-Financial Highlights

## GHG emissions\*1

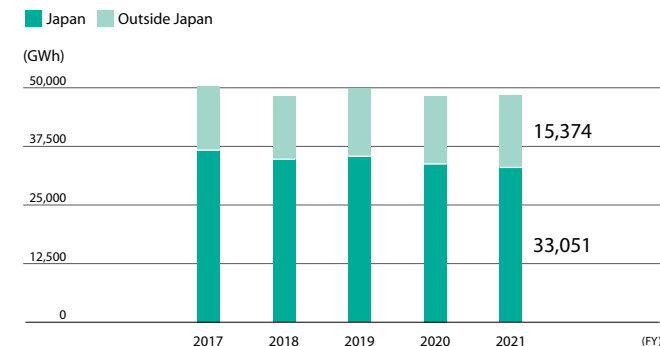


Fiscal 2021 GHG emissions (Scope 1 and Scope 2) totaled 16,079 thousand t-CO<sub>2</sub>e.

Total emissions rose year on year, due chiefly to increased operation of plants as economic activity recovered from the decline caused by the pandemic. However, sales rose as well, so emissions per unit of revenue fell to 404 t-CO<sub>2</sub>e/¥100 million.

GHG reduction is viewed as one of the most important social issues under the new management policy, "Forging the future." In addition to contributing to the reduction of emissions through our products and services, we are investigating what steps we need to take to further accelerate the reduction of GHG emissions from business activities including production.

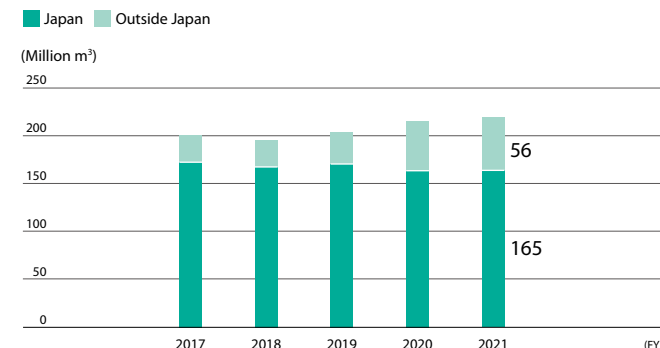
## Energy consumption\*1



Energy consumption rose in fiscal 2021 due to increased operation of plants as economic activity recovered from the decline caused by the pandemic.

Because improving production efficiency by implementing energy-saving activities and stabilizing process operations is directly linked to GHG reductions, we will continue to reduce energy consumption as an important initiative to realize the new management policy.

## Water withdrawal (excluding seawater)

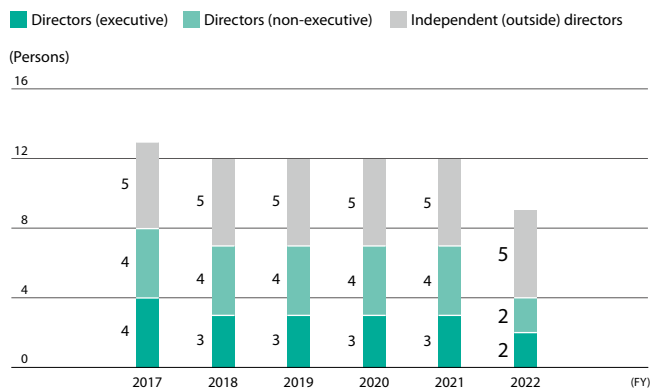


In fiscal 2021, water consumption rose due to increased operation of plants as economic activity recovered from the decline caused by the pandemic. However, ongoing efforts to use water more efficiently meant that we reined in this increase in water consumption, so that overall water consumption was almost at the same level as in fiscal 2020. Alleviating global water supply concerns is viewed as one of the most important social issues under the new management policy. We will continue to promote effective use of water resources and reduction of water intake to ensure that our use of water resources does not place a significant burden on the region.

\*1 Data for fiscal 2019 and subsequent periods are calculated based on boundaries revised to reflect the scope of activity of KV30. Figures for fiscal 2018 and earlier periods shown in the graph have been recalculated based on the revised boundaries. Figures for fiscal 2019 and subsequent periods, calculated based on the post-revision boundaries, have received independent assurance.

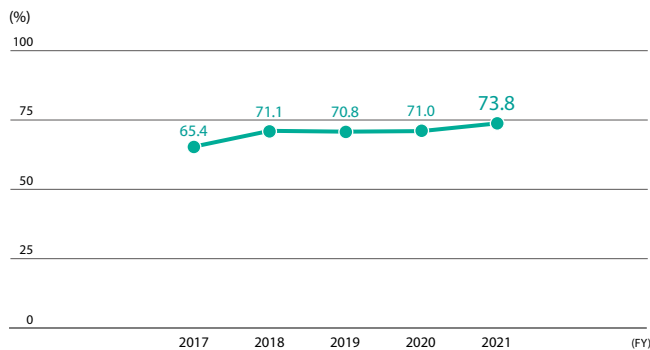
## Non-Financial Highlights

### Number of directors and outside directors



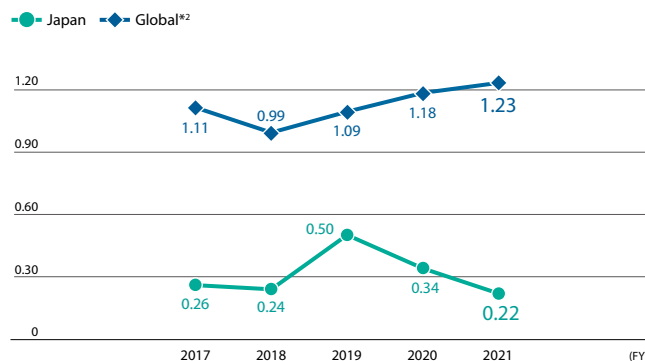
Pages 63–64 for a list of directors.

### Paid leave utilization rate (%)<sup>\*2</sup>



The paid leave utilization rate was much the same as the previous fiscal year. We will work to reform operational procedures in line with the approaching New Normal as we continue with strengthened initiatives to improve the work-life balance.

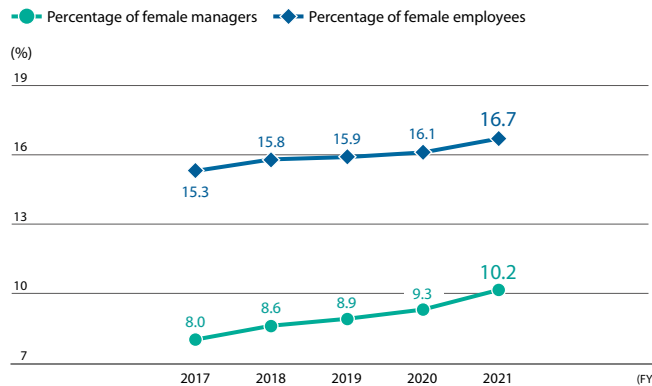
### Lost-time injury frequency rate (LTIFR)



The LTIFR in Japan was 0.22, an improvement on the previous fiscal year. The corresponding global figure, for which data has been collected and aggregated since fiscal 2017, is still higher than in Japan.

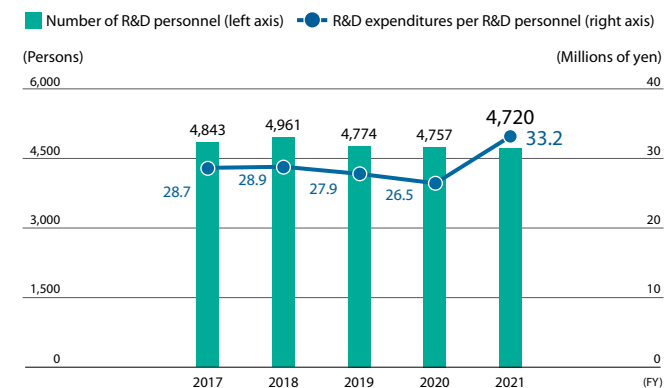
We are committed to efforts to reduce the LTIFR by stepping up initiatives to prevent occupational accidents. These will include a range of measures such as ensuring compliance with basic safety practice and operational safety rules and undertaking risk assessments.

### Percentage of female employees and percentage of female managers<sup>\*2</sup>



The percentage of female employees increased by 0.6 points to 16.7% from the previous fiscal year, while the percentage of female managers was 10.2%, up 0.9 points from the previous fiscal year. We operate a range of initiatives to promote the empowerment of women.

### Number of R&D personnel and R&D expenditures per R&D personnel



In fiscal 2021, the number of R&D personnel fell by 37 from the previous fiscal year to 4,720, giving a figure of ¥33.2 million for R&D expenditures per R&D personnel.

<sup>\*2</sup> For the boundary data aggregation, see page 108.

# Shareholder Information

## Basic policy on shareholder returns

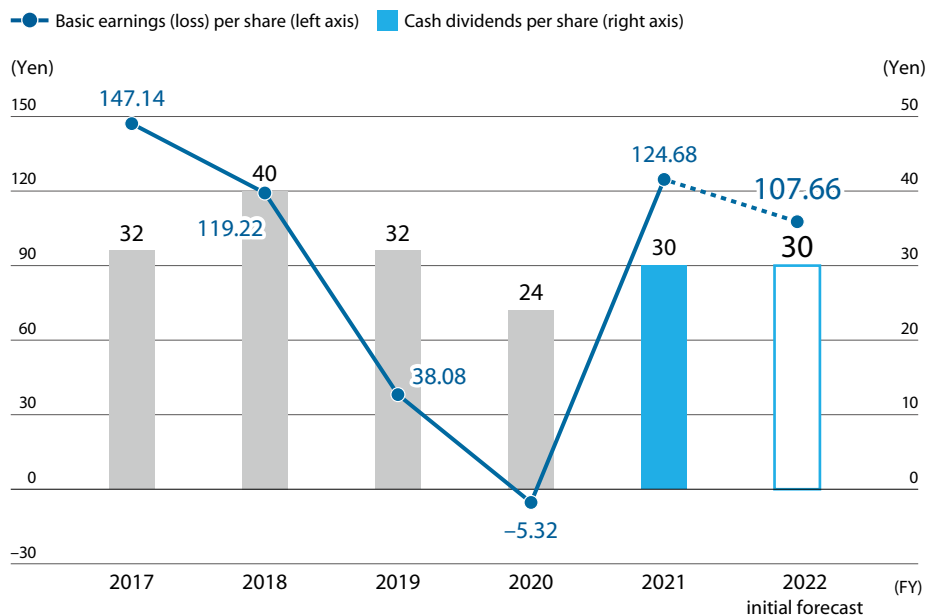
Mitsubishi Chemical Group Corporation aims to improve shareholder value by enhancing corporate value.

We consider achieving a balance between growth investment and improving our financial position in our dividend policy.

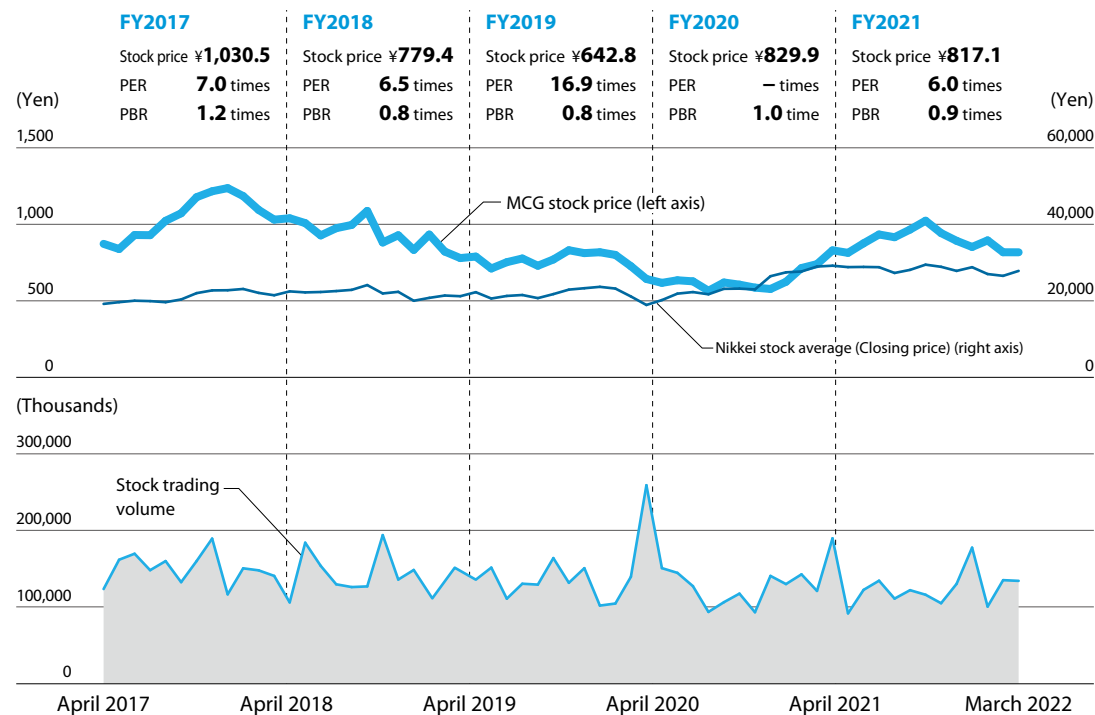
Targeting a medium-term consolidated payout ratio of 30%

Paying stable dividends

### Basic earnings (loss) per share and cash dividends per share



### Stock price and stock trading volume



Stock price: As of March 31  
 PER: Share price as of March 31/Basic earnings (loss) per share  
 PBR: Share price as of March 31/Equity attributable to owners of the parent per share

## Shareholder Information

### Shareholder information (As of March 31, 2022)

Securities code	4188 (Tokyo Stock Exchange Prime Market*) * From April 4, 2022
Shares per unit	100
Authorized shares	6,000,000,000
Outstanding shares	1,506,288,107
Number of shareholders	274,369

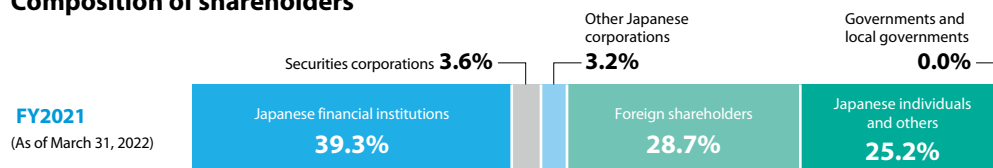
### Major shareholders

Name	Number of shares (Thousands)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	229,624	16.1
SSBTC CLIENT OMNIBUS ACCOUNT	122,749	8.6
Custody Bank of Japan, Ltd. (Trust account)	82,609	5.8
Meiji Yasuda Life Insurance Company	64,389	4.5
Nippon Life Insurance Company	42,509	3.0
Custody Bank of Japan, Ltd. (Trust account 4)	22,105	1.6
STATE STREET BANK WEST CLIENT - TREATY 505234	21,837	1.5
Taiyo Life Insurance Company	18,838	1.3
JPMorgan Securities Japan Co., Ltd.	17,859	1.3
JP MORGAN CHASE BANK 385781	16,592	1.2

Notes: 1. In addition to the above, Mitsubishi Chemical Holdings holds 82,367 thousand shares as treasury stock, but these shares are non-voting pursuant to the provisions of Article 308, Paragraph 2 of the Companies Act.

2. Equity investment ratios are calculated to the exclusion of the treasury stock (82,367 thousand shares).



### Composition of shareholders



### FY2021 IR Report

Mitsubishi Chemical Group engages in active and constructive dialogues with shareholders, customers, and other stakeholders through various opportunities to share issues and goals and collaboration.

In dialogues with shareholders and investors, we will ensure appropriate disclosures so as to gain the trust of our shareholders and encourage the long-term holding of our shares. We also intend to engage in active dialogues with shareholders and reflect such dialogues in our corporate activities.

Activities	Description
<b>1</b> General Meeting of Shareholders	Held on June 24, 2022  General Meeting of Shareholders
IR briefings (large meetings)	1 event: Briefing on management policy (December) Audio and documentation available on our website (Japanese and English)
Top management's dialogue with investors	Small meetings (June, December), individual interviews with domestic and overseas institutional investors
<b>2</b> For domestic and overseas institutional investors, analysts	Conference calls, following the financial results announcement 4 sessions (following the quarterly financial results announcement) Audio and documentation available on our website (Japanese and English)
Participation in conferences held by securities firms	14 events: Mainly individual interviews with overseas institutional investors
Small meetings on individual themes	1 session: MMA business (June)
Other IR activities	Meetings following the financial results announcement and other events  Briefing on management policy
<b>3</b> For individual investors	Individual investors' briefings 4 sessions: Including presentation by CEO/CFO

# Consolidated Financial Statements

## Consolidated Statement of Income

Mitsubishi Chemical Holdings Corporation and Consolidated Subsidiaries  
Fiscal years ended March 31

	Millions of yen	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Continuing operations:</b>		
Sales revenue	¥ 3,257,535	¥ 3,976,948
Cost of sales	(2,331,286)	(2,862,224)
Gross profit	926,249	1,114,724
Selling, general and administrative expenses	(752,693)	(854,455)
Other operating income	30,713	81,692
Other operating expenses	(172,391)	(59,961)
Share of profit of associates and joint ventures	15,640	21,194
Operating income	47,518	303,194
Financial income	8,252	9,368
Financial expenses	(22,862)	(22,192)
Income before taxes	32,908	290,370
Income taxes	(10,186)	(80,965)
Net income from continuing operations	¥ 22,722	¥ 209,405
<b>Net income (loss) attributable to:</b>		
Owners of the parent	¥ (7,557)	¥ 177,162
Non-controlling interests	30,279	32,243
<b>Earnings per share:</b>		
		(Yen)
Basic earnings (loss) per share attributable to owners of the parent	¥ (5.32)	¥ 124.68
Diluted earnings (loss) per share attributable to owners of the parent	¥ (5.32)	¥ 115.03



## Consolidated Financial Statements

### Consolidated Statement of Comprehensive Income

Mitsubishi Chemical Holdings Corporation and Consolidated Subsidiaries  
Fiscal years ended March 31

	Millions of yen	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Net income</b>	¥ 22,722	<b>¥209,405</b>
<b>Other comprehensive income:</b>		
Items that will not be reclassified to profit or loss:		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	26,675	<b>4,471</b>
Remeasurements of defined benefit pensions plans	26,817	<b>7,328</b>
Share of other comprehensive income (loss) of associates and joint ventures for using the equity method	(191)	<b>(6)</b>
Total items that will not be reclassified to profit or loss	53,301	<b>11,793</b>
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	81,019	<b>104,596</b>
Net gain (loss) on derivatives designated as cash flow hedges	180	<b>2,384</b>
Share of other comprehensive income (loss) of associates and joint ventures for using the equity method	3,329	<b>4,656</b>
Total items that may be subsequently reclassified to profit or loss	84,528	<b>111,636</b>
Total other comprehensive income (net of tax)	137,829	<b>123,429</b>
<b>Total comprehensive income</b>	¥160,551	<b>¥332,834</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	¥ 97,068	<b>¥268,003</b>
Non-controlling interests	63,483	<b>64,831</b>

## Consolidated Financial Statements

### Consolidated Statement of Financial Position

Mitsubishi Chemical Holdings Corporation and Consolidated Subsidiaries

		Millions of yen	
		March 31, 2021	March 31, 2022
<b>Assets</b>	<b>Current assets:</b>		
	Cash and cash equivalents	¥ 349,577	¥ 245,789
	Trade receivables	716,392	825,996
	Inventories	576,473	745,248
	Other financial assets	47,818	51,085
	Other current assets	83,462	106,556
	Subtotal	1,773,722	1,974,674
	Assets held for sale	23,812	11,442
	Total current assets	1,797,534	1,986,116
	<b>Non-current assets:</b>		
	Property, plant and equipment	1,813,838	1,899,695
	Goodwill	671,889	705,412
	Intangible assets	455,317	448,805
	Investments accounted for using the equity method	162,042	174,791
	Other financial assets	251,211	233,533
	Other non-current assets	68,051	60,923
	Deferred tax assets	67,346	64,596
	Total non-current assets	3,489,694	3,587,755
	<b>Total assets</b>	<b>¥5,287,228</b>	<b>¥5,573,871</b>

		Millions of yen	
		March 31, 2021	March 31, 2022
<b>Liabilities and Equity</b>			
<b>Liabilities</b>	<b>Current liabilities:</b>		
	Trade payables	¥ 382,272	¥ 486,874
	Bonds and borrowings	653,475	411,213
	Income tax payable	22,283	34,875
	Other financial liabilities	272,341	291,237
	Provisions	11,690	15,601
	Other current liabilities	147,911	178,613
	Subtotal	1,489,972	1,418,413
	Liabilities directly associated with assets held for sale	2,534	880
	Total current liabilities	1,492,506	1,419,293
	<b>Non-current liabilities:</b>		
	Bonds and borrowings	1,696,029	1,748,756
	Other financial liabilities	118,300	112,554
	Retirement benefit liabilities	112,272	103,941
	Provisions	27,398	22,673
	Other non-current liabilities	113,730	147,212
	Deferred tax liabilities	155,845	175,123
	Total non-current liabilities	2,223,574	2,310,259
	<b>Total liabilities</b>	<b>3,716,080</b>	<b>3,729,552</b>
<b>Equity</b>	Common stock	50,000	50,000
	Additional paid-in capital	179,716	170,600
	Treasury stock	(63,244)	(62,870)
	Retained earnings	1,060,069	1,213,677
	Other components of equity	9,798	86,670
	Equity attributable to owners of the parent	1,236,339	1,458,077
	Non-controlling interests	334,809	386,242
	<b>Total equity</b>	<b>1,571,148</b>	<b>1,844,319</b>
	<b>Total liabilities and equity</b>	<b>¥5,287,228</b>	<b>¥5,573,871</b>

## Consolidated Financial Statements

### Consolidated Statement of Changes in Equity

Mitsubishi Chemical Holdings Corporation and Consolidated Subsidiaries

Fiscal year ended March 31, 2021

	Millions of yen			
	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2020	¥50,000	¥176,715	¥(63,485)	¥1,071,260
Net income (loss)	—	—	—	(7,557)
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	(7,557)
Purchase of treasury stock	—	—	(20)	—
Disposal of treasury stock	—	(198)	261	—
Cash dividends	—	—	—	(34,091)
Share-based payment transactions	—	(13)	—	—
Changes in interests in subsidiaries	—	756	—	—
Business combinations or business divestitures	—	2,456	—	—
Changes in scope of consolidation	—	—	—	51
Transfer from other components of equity to retained earnings	—	—	—	30,406
Transfer from other components of equity to non-financial assets	—	—	—	—
Total transactions with owners	—	3,001	241	(3,634)
Balance at March 31, 2021	¥50,000	¥179,716	¥(63,244)	¥1,060,069

	Other components of equity				Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit pensions plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges				
Balance at April 1, 2020	¥38,335	¥ —	¥(102,773)	¥ 170	¥(64,268)	¥1,170,222	¥280,607	¥1,450,829
Net income (loss)	—	—	—	—	—	(7,557)	30,279	22,722
Other comprehensive income	22,523	26,255	55,696	151	104,625	104,625	33,204	137,829
Total comprehensive income	22,523	26,255	55,696	151	104,625	97,068	63,483	160,551
Purchase of treasury stock	—	—	—	—	—	(20)	—	(20)
Disposal of treasury stock	—	—	—	—	—	63	—	63
Cash dividends	—	—	—	—	—	(34,091)	(11,049)	(45,140)
Share-based payment transactions	—	—	—	—	—	(13)	—	(13)
Changes in interests in subsidiaries	—	—	—	—	—	756	361	1,117
Business combinations or business divestitures	—	—	—	—	—	2,456	1,488	3,944
Changes in scope of consolidation	—	—	—	—	—	51	(81)	(30)
Transfer from other components of equity to retained earnings	(4,151)	(26,255)	—	—	(30,406)	—	—	—
Transfer from other components of equity to non-financial assets	—	—	—	(153)	(153)	(153)	—	(153)
Total transactions with owners	(4,151)	(26,255)	—	(153)	(30,559)	(30,951)	(9,281)	(40,232)
Balance at March 31, 2021	¥56,707	¥ —	¥ (47,077)	¥ 168	¥ 9,798	¥1,236,339	¥334,809	¥1,571,148

## Consolidated Financial Statements

### Consolidated Statement of Changes in Equity

Mitsubishi Chemical Holdings Corporation and Consolidated Subsidiaries

Fiscal year ended March 31, 2022

	Millions of yen			
	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2021	¥50,000	¥179,716	¥(63,244)	¥1,060,069
Net income (loss)	—	—	—	177,162
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	177,162
Purchase of treasury stock	—	—	(31)	—
Disposal of treasury stock	—	(403)	405	—
Cash dividends	—	—	—	(38,367)
Share-based payment transactions	—	533	—	—
Forfeiture of share acquisition rights	—	(1,106)	—	823
Changes in interests in subsidiaries	—	(8,140)	—	—
Business combinations or business divestitures	—	—	—	—
Changes in scope of consolidation	—	—	—	21
Transfer from other components of equity to retained earnings	—	—	—	13,969
Total transactions with owners	—	(9,116)	374	(23,554)
Balance at March 31, 2022	¥50,000	¥170,600	¥(62,870)	¥1,213,677

	Other components of equity							Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit pensions plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges	Total					
Balance at April 1, 2021	¥56,707	¥ —	¥(47,077)	¥ 168	¥ 9,798	¥1,236,339	¥334,809	¥1,571,148		
Net income (loss)	—	—	—	—	—	177,162	32,243	209,405		
Other comprehensive income	1,063	7,155	80,395	2,228	90,841	90,841	32,588	123,429		
Total comprehensive income	1,063	7,155	80,395	2,228	90,841	268,003	64,831	332,834		
Purchase of treasury stock	—	—	—	—	—	(31)	—	(31)		
Disposal of treasury stock	—	—	—	—	—	2	—	2		
Cash dividends	—	—	—	—	—	(38,367)	(15,963)	(54,330)		
Share-based payment transactions	—	—	—	—	—	533	—	533		
Forfeiture of share acquisition right	—	—	—	—	—	(283)	—	(283)		
Changes in interests in subsidiaries	—	—	—	—	—	(8,140)	2,553	(5,587)		
Business combinations or business divestitures	—	—	—	—	—	—	(9)	(9)		
Changes in scope of consolidation	—	—	—	—	—	21	21	42		
Transfer from other components of equity to retained earnings	(6,814)	(7,155)	—	—	(13,969)	—	—	—		
Total transactions with owners	(6,814)	(7,155)	—	—	(13,969)	(46,265)	(13,398)	(59,663)		
Balance at March 31, 2022	¥50,956	¥ —	¥ 33,318	¥2,396	¥ 86,670	¥1,458,077	¥386,242	¥1,844,319		

## Consolidated Financial Statements

### Consolidated Statement of Cash Flows

Mitsubishi Chemical Holdings Corporation and Consolidated Subsidiaries

Fiscal year ended March 31

	Millions of yen	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from operating activities:</b>		
Income before taxes	¥ 32,908	¥ 290,370
Depreciation and amortization	243,793	251,469
Share of (profit) loss of associates and joint ventures	(15,640)	(21,194)
Impairment loss	127,193	26,047
Loss on sales and retirement of property, plant and equipment	11,458	14,407
Loss on liquidation of subsidiaries and associates	7,379	270
Provision for loss related to plant closure	3,318	—
Gain on transfer of businesses	(1,428)	(60,838)
Gain on sales of property, plant and equipment	(9,869)	(9,121)
Gain on sales of shares of subsidiaries and associates	(1,168)	(1,888)
Gain on step acquisitions	(1,295)	—
Interest and dividend income	(5,547)	(5,875)
Interest expense	21,404	20,985
(Increase) decrease in trade receivables	(237)	(88,721)
(Increase) decrease in inventories	44,629	(152,599)
Increase (decrease) in trade payables	(27,240)	86,511
Increase (decrease) in retirement benefit assets and liabilities, net	446	9,222
Others	71,695	45,566
Subtotal	501,799	404,611
Interest received	1,391	1,134
Dividends received	19,019	14,204
Interest paid	(19,891)	(20,250)
Income tax (paid) received, net	(35,185)	(52,828)
Net cash provided by (used in) operating activities	467,133	346,871
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(246,410)	(244,851)
Proceeds from sales of property, plant and equipment	15,843	24,707
Purchase of intangible assets	(10,606)	(12,814)
Purchase of other financial assets	(3,106)	(4,070)
Proceeds from sales/redemption of other financial assets	76,982	38,988
Purchase of investments in subsidiaries	(28,677)	(6,501)
Proceeds from sales of investments in subsidiaries	3,020	0
Payments for transfer of businesses	(983)	(700)
Proceeds from transfer of businesses	1,747	81,901
Net (increase) decrease in time deposits	5,708	476
Others	(30,528)	(5,917)
Net cash provided by (used in) investing activities	(217,010)	(128,781)

<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term borrowings	(115,453)	(89,129)
Net increase (decrease) in commercial papers	(3,000)	(60,000)
Proceeds from long-term borrowings	301,531	66,162
Repayment of long-term borrowings	(171,789)	(130,246)
Proceeds from issuance of bonds	69,640	94,636
Redemption of bonds	(55,000)	(125,000)
Repayment of lease liabilities	(30,349)	(32,349)
Net (increase) decrease in treasury stock	(19)	(27)
Dividends paid to owners of the parent	(34,091)	(38,367)
Dividends paid to non-controlling interests	(11,007)	(15,810)
Payment for acquisition of subsidiaries' interests from non-controlling interests	(98,779)	(512)
Proceeds from stock issuance to non-controlling interests	4,404	1
Repayments to non-controlling interests	—	(5,600)
Others	1,139	(42)
Net cash provided by (used in) financing activities	(142,773)	(336,283)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	13,094	14,276
<b>Net increase (decrease) in cash and cash equivalents</b>	120,444	(103,917)
<b>Cash and cash equivalents at the beginning of the period</b>	228,211	349,577
<b>Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale</b>	49	(137)
<b>Net increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation</b>	854	266
<b>Net increase in cash and cash equivalents resulting from merger and acquisition</b>	19	—
<b>Cash and cash equivalents at the end of the period</b>	¥ 349,577	¥ 245,789



# Non-Financial Information

## Environmental Data

☑ Indicators with this icon have been assured by KPMG AZSA Sustainability Co., Ltd. for fiscal 2021.

### Boundary of data aggregation

The data covers the four operating companies (Mitsubishi Chemical, Mitsubishi Tanabe Pharma, Life Science Institute, and Nippon Sanso Holdings) and their domestic and overseas Group companies.

Energy consumption/Greenhouse gases (GHG)*1	FY2018	FY2019	FY2020	FY2021
☑ GHG emissions (Scope 1 + Scope 2) (1,000 metric t-CO <sub>2</sub> e)*2	14,187	16,629*4	15,325	16,079
☑ Scope 1	6,787	8,455	7,786	7,829
☑ Scope 2	7,400	8,174	7,540	8,250
☑ Scope 3*5	49,260	51,820	51,930	53,637
☑ Energy consumption (GWh)*3	39,126	49,110	47,335	48,425

Environmental impact	FY2018	FY2019	FY2020	FY2021
☑ NOx emissions (1,000 metric tons)	7.54	8.28	7.94	7.91
☑ SOx emissions (1,000 metric tons)	4.07	3.39	3.23	3.08
☑ COD (1,000 metric tons)*6	1.84	1.80	1.68	1.70
☑ Total nitrogen emissions (1,000 metric tons)*6	5.64	5.67	4.87	4.85
☑ Total phosphorous emissions (1,000 metric tons)*6	0.10	0.11	0.10	0.09

Water use	FY2018	FY2019	FY2020	FY2021
☑ Water withdrawal (Million m <sup>3</sup> ) (excluding seawater)	189	204	216	222

\*1 Based on the GHG Protocol, energy used to produce electricity and steam sold externally and the resulting CO<sub>2</sub> emissions are not excluded. Since fiscal 2019, the data has included half of the energy consumption and GHG emissions of joint operations in Japan.

\*2 For the calculation of emissions in Japan, the base emission factors of individual electric power companies specified in the Act on Promotion of Global Warming Countermeasures are used in principle, with an alternative emission factor used in cases where the specific emission factor is unavailable. GHG emissions that are not subject to reporting under the Act are mostly calculated based on the mass balance of chemical reactions. Overseas Scope 1 emissions are calculated with the emission factors specified in the Act on Promotion of Global Warming Countermeasures, and overseas Scope 2 emissions are calculated with power company-specific emission factors or country-level emission factors for electricity published by the IEA.

\*3 The unit higher heating values for fuels specified in the Act on the Rational Use of Energy are used.

\*4 In fiscal 2019, the expanded boundary of data aggregation under our medium- to long-term basic management strategy KAITEKI Vision 30 resulted in the additional inclusion of one joint operations company. Given the additional effect of expansion due to acquisitions in previous fiscal years, the total of Scope 1 + Scope 2 emissions showed an increase of 2,442 thousand metric t-CO<sub>2</sub>e from fiscal 2018 to 16,629 thousand metric t-CO<sub>2</sub>e. Excluding these effects, however, emissions fell by 54 thousand metric t-CO<sub>2</sub>e compared to fiscal 2018.

\*5 See page 3 of the non-financial data sheet on the Mitsubishi Chemical Group Corporation's website for the calculation method for Scope 3 GHG emissions.

\*6 COD, total nitrogen emissions, and total phosphorous emissions each show total quantity of emissions discharged into rivers, lakes, and oceans. Emissions into sewage systems and off-site wastewater treatment plants are excluded.

## Non-Financial Information

### Social Data

☑ Indicators with this icon have been assured by KPMG AZSA Sustainability Co., Ltd. for fiscal 2021.

Constitution of employees (Mitsubishi Chemical Group)	FY2018	FY2019	FY2020	FY2021
Number of consolidated employees	72,020	69,609	69,607	69,784
Number of employees by district Japan	43,709	40,732	40,774	40,289
Outside Japan	28,311	28,877	28,833	29,495

#### Aggregation period

Each fiscal year from April 1 to March 31, or as of March 31

#### Boundary of data aggregation

The figures show those employed by Mitsubishi Chemical, Mitsubishi Tanabe Pharma, Life Science Institute, and Taiyo Nippon Sanso (including those seconded to other companies but excluding those seconded from other companies and workers in fixed-term employment).

Diversity/Work-life balance/Occupational safety	FY2018	FY2019	FY2020	FY2021
☑ Number of employees	22,064	23,116	23,147	22,739
☑ Number of employees by gender Male	18,578	19,444	19,429	18,934
☑ Female	3,486	3,672	3,718	3,805
☑ Percentage of female employees (%)	15.8	15.9	16.1	16.7
☑ Percentage of female managers (%) <sup>*7</sup>	8.6	8.9	9.3	10.2
☑ Paid leave utilization rate (%) <sup>*8</sup>	71.1	70.8	71.0	73.8
☑ Lost-time injury frequency rate (LTIFR) <sup>*9, *10</sup>	0.99	1.09	1.18	1.23

<sup>\*7</sup> Percentage of female employees out of all employees at assistant manager level and above.

<sup>\*8</sup> The denominator is the number of days newly granted and the numerator is the number of days acquired in the reporting fiscal year. The denominator does not include the number of days carried over from the previous fiscal year.

<sup>\*9</sup> Boundary of data aggregation: From fiscal 2018, the data covers the four operating companies and their domestic and overseas Group companies with operating divisions active. From fiscal 2020, the boundary of the LTIFR includes the staff of Mitsubishi Tanabe Pharma's Head Office, branches, and sales offices in Japan.

<sup>\*10</sup> The LTIFR is the number of lost-time injuries and fatalities per million hours worked.



## Independent Assurance Report

To the President and CEO of Mitsubishi Chemical Group Corporation

We were engaged by Mitsubishi Chemical Group Corporation (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with  (the “Indicators”) for the period from April 1, 2021 to March 31, 2022 included in its KAITEKI REPORT 2022 (the “Report”) for the fiscal year ended March 31, 2022.

### The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Report.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting the Yoshitomi Plant of Mitsubishi Tanabe Pharma Factory Ltd. and the Yoshitomi Plant of API Corporation selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

### Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

### Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Kazuhiko Saito, Partner, Representative Director

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

November 28, 2022