



THE KAITEKI COMPANY

Sustainability

APTSIS 15

Step 2 (FY2013 - FY2015)

Presentation to Investors

March 11, 2015

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Mitsubishi Chemical Holdings Corporation

Health

Comfort

The forward-looking statements are based largely on information available as of the date hereof, and are subject to risks and uncertainties which may be beyond Company control. Actual results could differ largely, due to numerous factors, including but not limited to the following: Group companies execute businesses in many different fields, such as information and electronics, performance products, polymers and processed products, pharmaceuticals, carbon and inorganic products, and petrochemicals, and these business results are subjected to influences of world demands, exchange rates, price and procurement volume of crude oil and naphtha, trends in market prices, speed in technology innovation, National Health Insurance price revision, product liabilities, lawsuits, laws, and regulations.

List of Abbreviations

MCHC: Mitsubishi Chemical Holdings Corporation
 MCC: Mitsubishi Chemical Corporation
 MTPC: Mitsubishi Tanabe Pharma Corporation
 MPI: Mitsubishi Plastics, Inc.
 MRC: Mitsubishi Rayon Co., Ltd.
 LSII: Life Science Institute, Inc.
 TNSC: Taiyo Nippon Sanso Corporation

APIC: API Corporation
 BARDA: Biomedical Advanced Research
 and Development Authority
 CRK: Chuo Rika Kogyo Corporation
 HLC: Healthy Life Compass Corporation
 LSIM: LSI Medience Corporation
 NEDO: New Energy and Industrial Technology
 Development Organization
 NIMS: National Institute for Materials Science
 NSCI: The Nippon Synthetic Chemical Industry Co., Ltd.
 QKK: Qualicaps Co., Ltd.

ALS: Amyotrophic lateral sclerosis
 BPA: Bisphenol-A
 CAE: Computer aided engineering
 CD: Crohn's disease
 CIDP: Chronic inflammatory demyelinating
 polyradicaloneuropathy
 DPC: Diphenyl carbonate
 EO: Ethylene oxide
 EV: Electric vehicle
 EVOH: Ethylene vinyl alcohol
 FPD: Flat panel display
 GaN: Gallium nitride
 HEV: Electric vehicle
 Hib: Haemophilus influenza type b
 ICT: Information and communication technology
 LiB: Lithium-ion battery
 MMA: Methyl methacrylate
 MOCVD: Metal organic chemical vapor deposition
 MOS: Management of Sustainability
 MOT: Management of Technology
 MS: Multiple sclerosis
 OLED: Organic light emitting diode
 OPV: Organic photovoltaic

PC: Polycarbonate
 PE: Polyethylene
 PCM: Prepreg compression molding
 PHEV: Plug-in hybrid electric vehicle
 PHL: Phenol
 PMMA: Polymethyl methacrylate
 PP: Polypropylene
 PS: Psoriasis
 PTA: Terephthalic acid
 PVC: Polyvinyl chloride
 PVOH: Polyvinyl alcohol
 RTM: Resin transfer molding
 SAP: Super absorbent polymer
 SBU: Strategic business unit
 SM: Styrene monomer
 SMC: Sheet molding compound
 UTT: Utility
 VLP: Virus-like particles
 ZEB: Zero energy building

FY2011: April 1, 2011 – March 31, 2012
 FY2012: April 1, 2012 – March 31, 2013
 FY2013: April 1, 2013 – March 31, 2014
 FY2014: April 1, 2014 – March 31, 2015
 FY2015: April 1, 2015 – March 31, 2016

Note:

Product names, brand names, service names, and technology names used in this presentation material are denoted in italics and are trademarks or registered trademarks of the MCHC Group in Japan and/or overseas. Other product names, brand names, and service names may also be protected.

Today's Agenda

- 1. Group Overview and Performance Review**
- 2. Progress in Principal Businesses (Comparison with Step 2)**
 - 2-1. Performance Products**
 - 2-2. Health Care**
 - 2-3. Industrial Materials**
 - 2-4. Summary**
- 3. Challenges of Formulating the Next Medium-term Management Plan**

1-1. Group Overview

MCHC* Oct. 2005 — Net sales (consolidated): ¥3,498.8 billion** Employees (consolidated): 56,031**

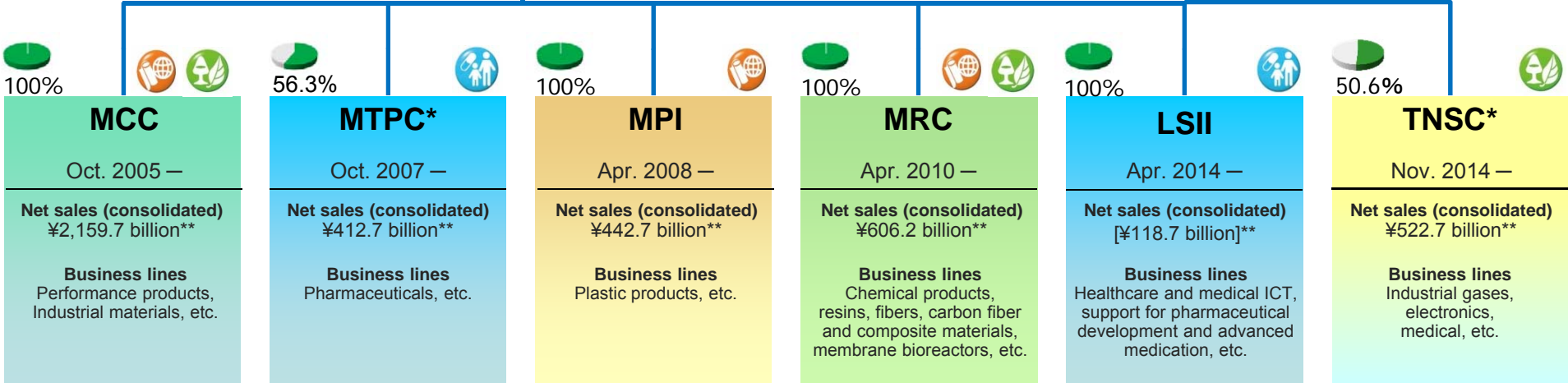
-  **Performance Products**
-  **Health Care**
-  **Industrial Materials**

*Listed company
 **Net sales, employees (as of March 31, 2014)

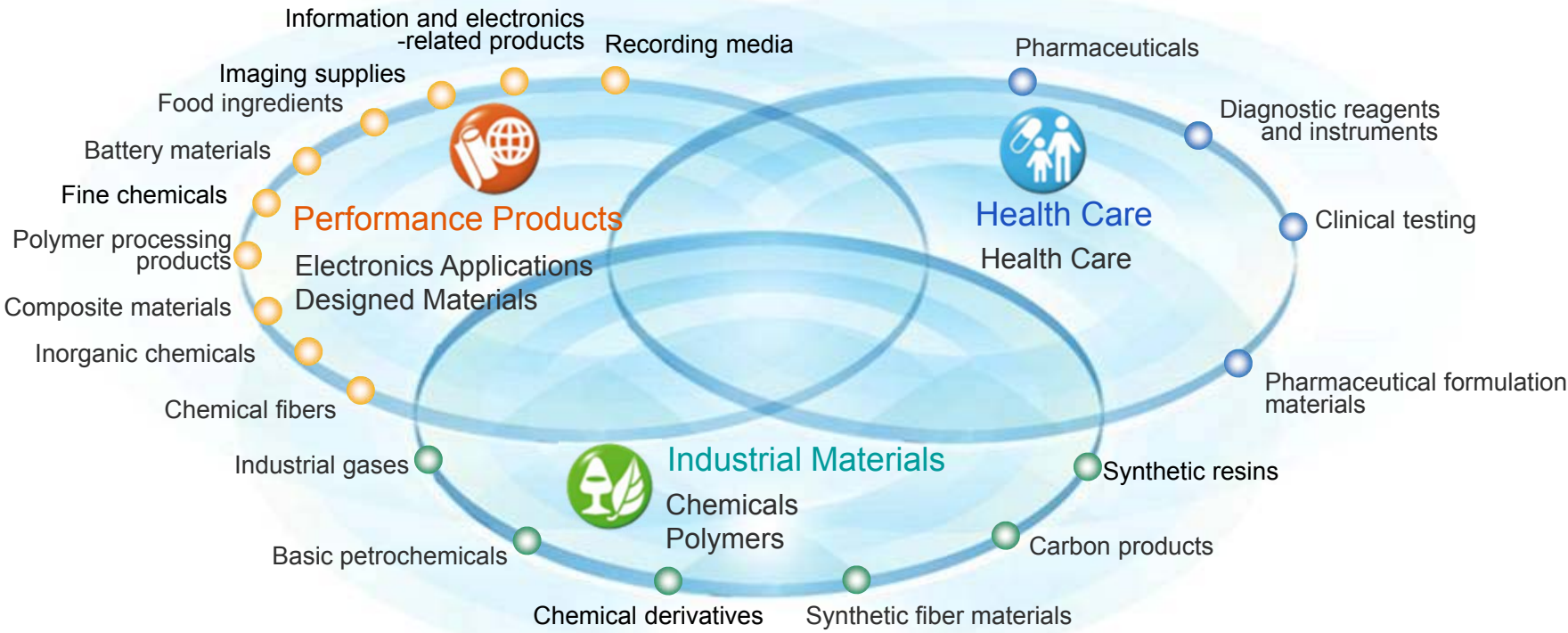
Net sales (consolidated): Approx. ¥4 trillion
Overseas sales ratio: Approx. 40%
Employees (consolidated): Approx. 70,000
Overseas employees: Approx. 23,000
 (Figures for fiscal 2014 were calculated as the simple summation of TNSC results with those of the Group.)

-  **The KAITEKI Institute, Inc.** Apr. 2009 —
- Mitsubishi Chemical Holdings America, Inc.** Nov. 2010 —
- Mitsubishi Chemical Holdings (Beijing) Co., Ltd.** Nov. 2011 —
- Mitsubishi Chemical Holdings Europe GmbH** Nov. 2012 —
- Mitsubishi Chemical Holdings Corporate Staff, Inc.** Apr. 2013 —
- MCHC R&D Synergy Center, Inc.** Apr. 2014 —

Oct. 2013: Strengthening capital and business alliance (ownership ratio: 27%)
 Sep. 30, 2014: Commenced TOB
 Nov. 12, 2014: Completed payment
 Thereafter, TNSC became a consolidated subsidiary (with 50.6% MCHC ownership)

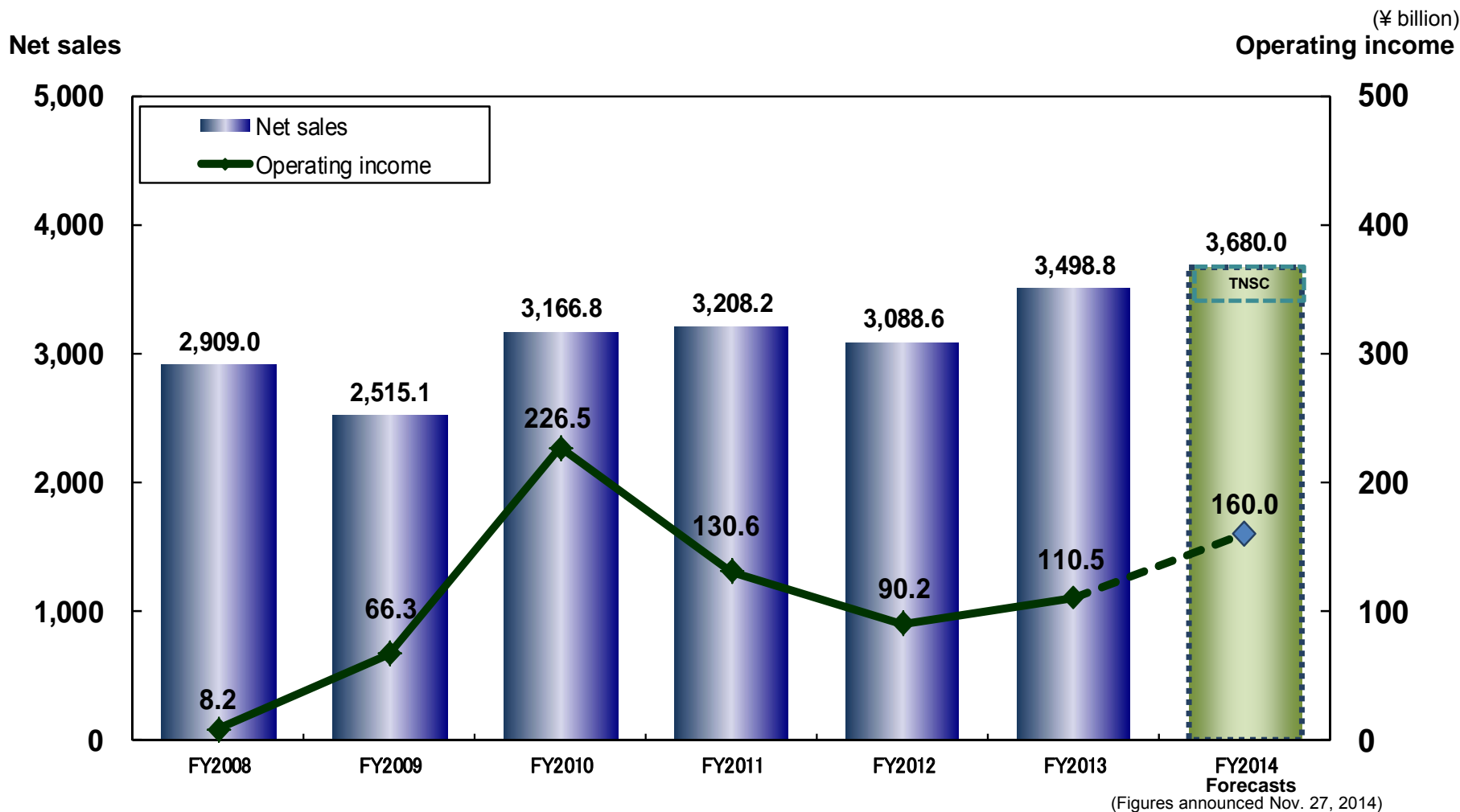


1-2. Business Domains



1-3. Financial Results and Fiscal 2014 Outlook

- Consolidated TNSC in 3Q fiscal 2014 through TOB
- Forecasting major increase in income in fiscal 2014 (+145% Y-o-Y) because of this and other factors



Notes:

Includes effects of adopting uniform date for account closings in fiscal 2013: Net sales: ¥151.9 billion; Operating income: ¥3.9 billion
 Includes effects of consolidating TNSC in fiscal 2014: Net sales: ¥275.0 billion; Operating income: ¥17.5 billion

1-4. Operating Income by Segment

THE KAITEKI COMPANY

Fiscal 2013 Actual Results vs. Fiscal 2014 Forecasts

- Designed Materials: Conditions firm
- Health Care: Conditions firm for pharmaceuticals and healthcare solutions
- Polymers: Outlook for major increase in income in MMA/PMMA

Operating income (¥ billion)

Domains	Segments	FY2013 actual results	FY2014 forecasts*	Change	Accumulated through 3Q**	Target attainment ratio	Comments
Performance Products	Electronics Applications	(5.5)	(2.0)	+3.5	(2.3)	—	<ul style="list-style-type: none"> • Consolidation of TNSC (Chemicals) [3Q fiscal 2014] • Outlook for inventory valuation loss* for naphtha and paraxylene in Chemicals and marginal gain* for polyolefin in Polymers [3Q and 4Q fiscal 2014] • Outlook for increase in income in Designed Materials, Health Care, and Polymers <p>*Overall impact: (Approx. ¥18.0 billion)</p>
	Designed Materials	46.5	55.5	+9.0	41.7	75.1%	
Health Care	Health Care	68.3	70.0	+1.7	70.7	101%	
Industrial Materials	Chemicals	0.7	17.5	+16.8	2.2	12.6%	
	Polymers	2.3	20.5	+18.2	13.7	66.8%	
	Others	5.7	6.5	+ 0.8	3.3	50.8%	
	Corporate	(7.5)	(8.0)	(0.5)	(5.0)	—	
	Total	110.5	160.0	+ 49.5	124.3	77.7%	

Notes:

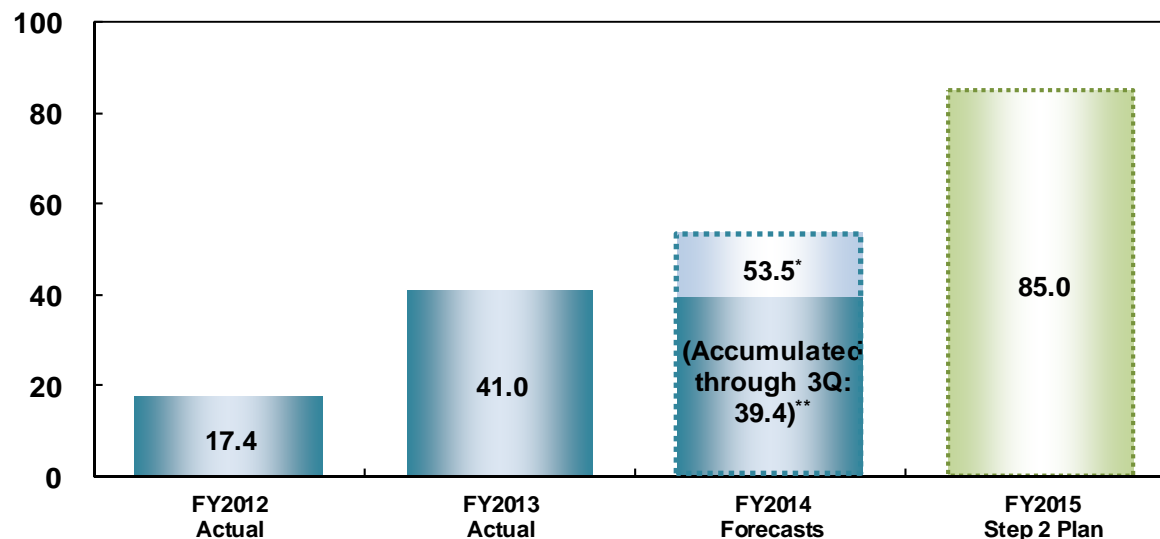
Includes effects of adopting uniform date for account closings in fiscal 2013: Net sales: ¥151.9 billion; Operating income: ¥3.9 billion)
Includes effects of consolidating TNSC in fiscal 2014: Net sales: ¥275.0 billion; Operating income: ¥17.5 billion

*Figures announced Nov. 27, 2014
**Figures announced Feb. 4, 2015

2-1. Performance Products: Progress

■ Increase income by accelerating development of growth fields

Operating income (¥ billion)



Growth fields

- Lithium-ion battery materials
- Organic synthesis (NSCI)
- Polyester film
- Engineering plastics
- Carbon fiber and composite materials, etc.

*Figure announced Nov. 27, 2014

**Figure announced Feb. 4, 2015

2-1-1. Electronics Applications: Principal Businesses

■ Organic photovoltaics (OPVs)

- Developed film-type OPV. Currently undergoing verification tests at the Sendai City Science Museum. (From Jun. 2014)
- Developed external wall units with Taisei Construction for use in ZEB. Verification tests for practical use are under way. (From May 2014)
- Customers are evaluating OPV modules. (Market launch scheduled for the first half of fiscal 2015)
→Verification tests are being implemented as “Guidance and Technical Development Project for the Practical Application of Organic Photovoltaics” supported by NEDO.



Sendai City
Science Museum
(Film-type OPVs)

■ Organic photo-semiconductors (OLEDs)

- Realizing improvements in color rendering properties and useful lifetimes
- Based on their excellence in reproducing skin colors and their thinness, were adopted, combined with mirrors, for use in makeup washstands.



■ Gallium nitride (GaN) substrates

- In the market for LED lamps using GaN substrates, expansion is taking place mainly in units for use in automobiles and units to replace halogen lamps.
- To help customers increase production efficiency, currently moving forward with large substrate sizes (from 2 inches to 4 inches)
- Research is currently under way under tie-up with Nobel laureate Prof. Shuji Nakamura of the University of California, Santa Barbara. (Since 2001)

*SORAA, Inc.: Venture business established by Prof. Nakamura and other co-founders



LED lighting
installed
in automobiles



LED lighting
developed
to replace
halogen lamps
(SORAA, Inc.*)

■ LED materials

- In South Korea, took measures against infringement of the legitimacy of our patent (co-owned with NIMS) for red phosphor, and the legitimacy of our patent was confirmed. In addition, a similar patent infringement litigation is also in progress in China.
- Concluded a cross-licensing agreement for red phosphor with Nichia Corporation

2-1-2. Lithium-ion Battery Materials

- Business expansion to the field that requires high quality, especially in automotive applications

Although the start-up of usage in automobiles has been slower than expected, annual growth of 50% on a volume basis is expected for lithium-ion battery materials.

MCC's lithium-ion battery materials provide a good balance of the special features required in automobile applications, and adoption is expanding in major EV and PHEV models.

Along with the expansion in demand, sales in volume terms are increasing. As a result of this and cost reductions, we are expecting operating losses to decline substantially, and reaching breakeven is expected at an early date.

Electrolytes:

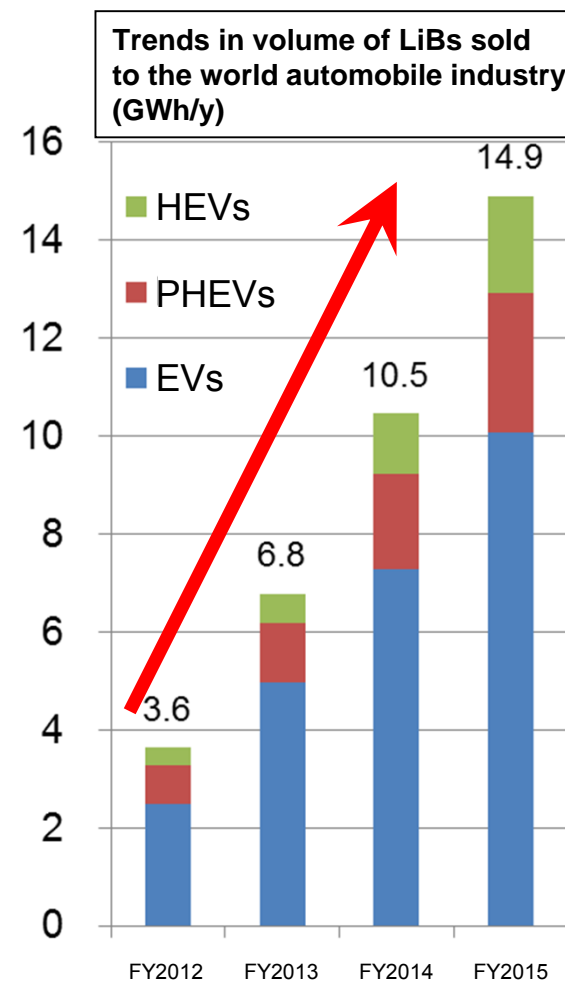
Have secured strong position through additive technology. Will maintain a high market share in applications for automobiles

Anode materials:

Beginning to be adopted by major automobile models, because of the strengths of natural graphite. Sales in volume terms are expanding gradually.

Separators:

Have completed the development stage of heat-resistant separators for automobile use, and will launch sales in fiscal 2015



Estimates by MCC

2-1-3. Organic Synthesis (NSCI)

■ Aggressive expansion in core businesses. Continuing initiatives to accelerate development of third major business

■ *OPL film, Optical PVOH film*

- A new production line for wide films (line No. 6) at the Kumamoto Plant went into commercial operation. (Nov. 2014)

■ *Soarnol, EVOH copolymer*

- A new production line under construction at Noltex, LLC in U.S.A. (Scheduled operation in 1Q fiscal 2015)

■ *Hi-Selon, Water soluble PVOH film*

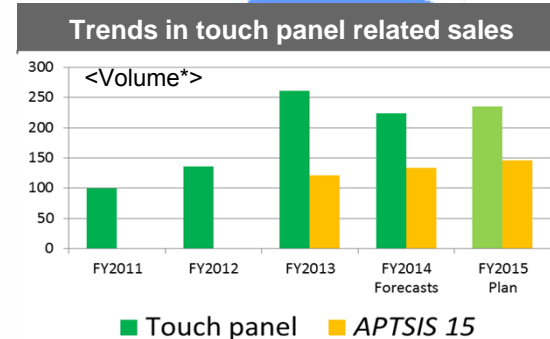
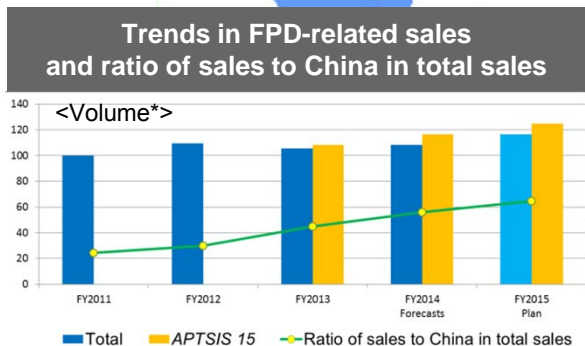
- Expecting higher demand for individual packaging of liquid detergents, transfer printing, and other applications. Will build a new production facility at the Kumamoto Plant (Scheduled operation in 4Q fiscal 2015)

■ *Pressure sensitive adhesive and functional coating resin*

- *COPONYL* (acrylic copolymer):
Expecting increases in demand for electronic and optical materials.
Will add a new facility at the Ogaki Plant
(Scheduled operation in 1Q fiscal 2016)
- Integrated emulsion manufacturing division into CRK.
Relaunched as a new company, Japan Coating Resin Co., Ltd.
(Oct. 2014)

2-1-4. Polyester Film

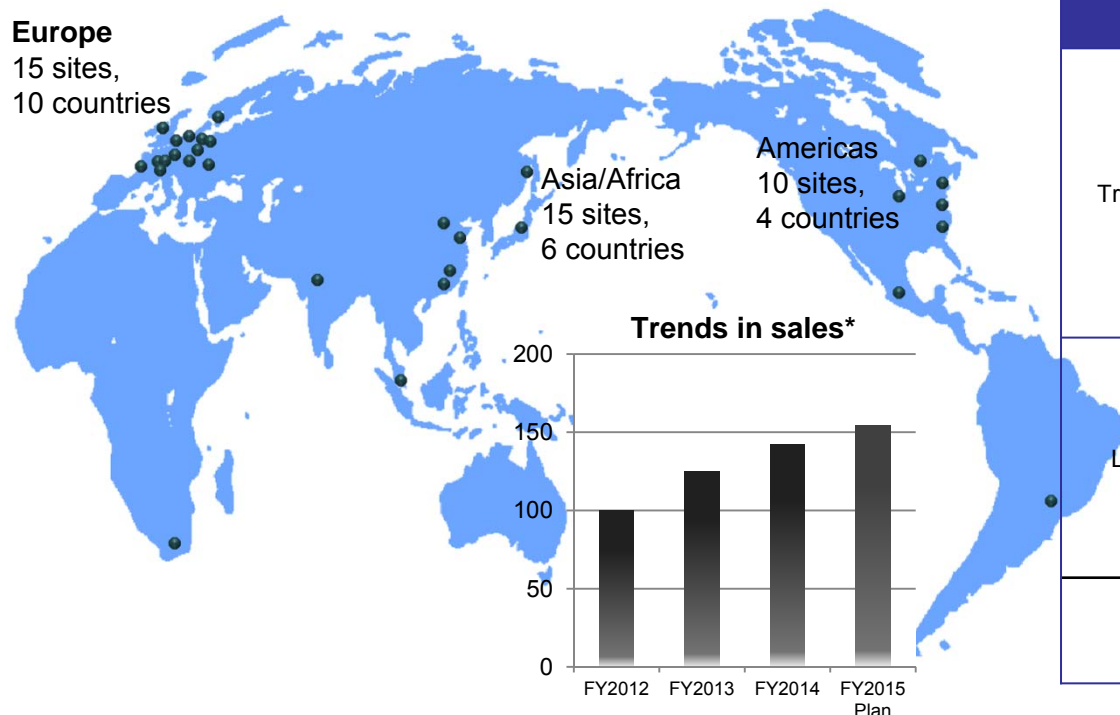
- **Asia:** Making sure to capture FPD demand in the Chinese market. The volume of films for touch panels decreased due to development of thinner films in fiscal 2014. Will expand sales in fiscal 2015
- **North America:** Conditions firm in industrial uses; **Europe:** Focusing on high-value-added medical applications









*Relative figures with FY2011 as the base of 100

2-1-5. Engineering Plastics (Quadrant Group)

- Sales for transportation equipment and in the life science fields are favorable.
- Going forward, aggressive development in Americas, Europe, and the rest of Asia

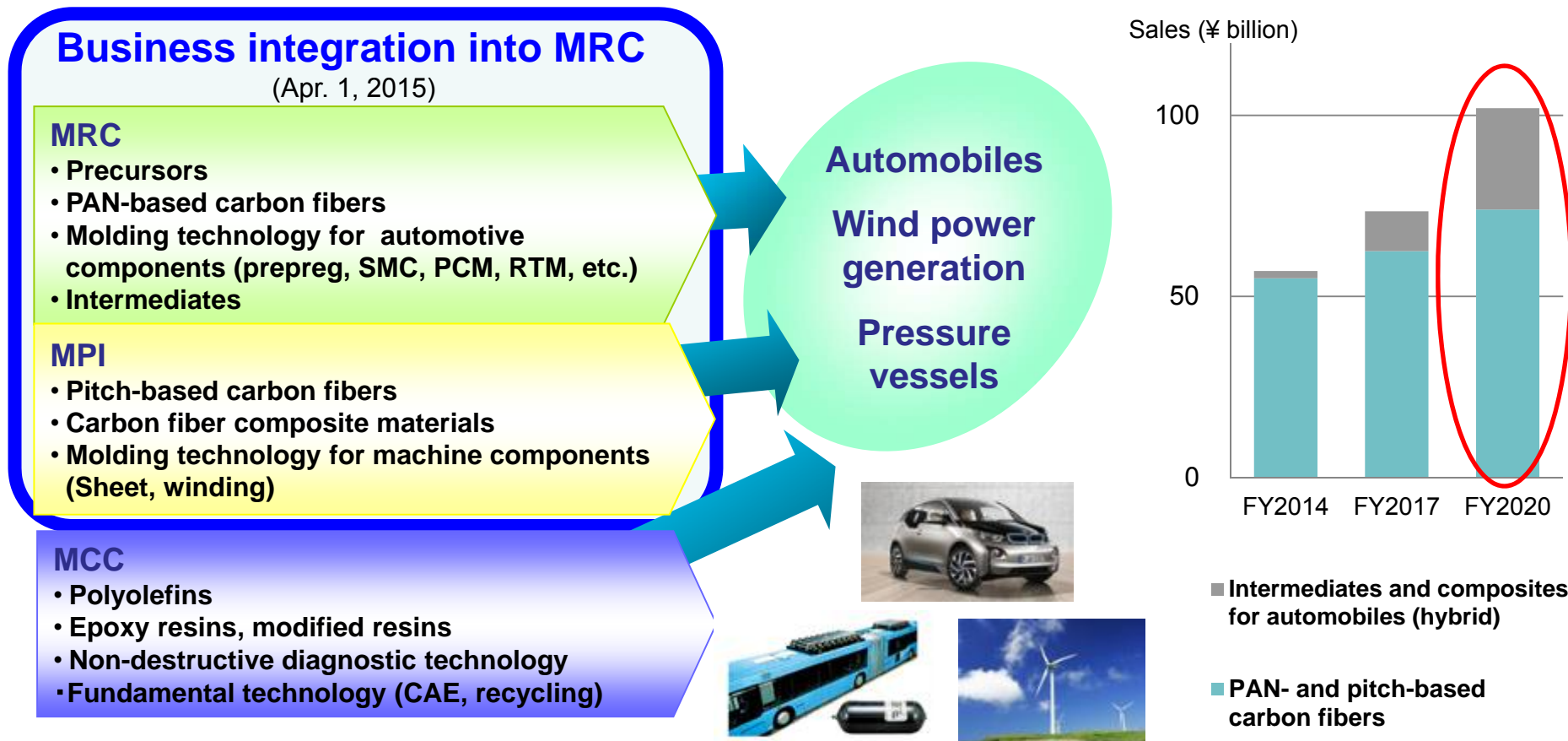


*Relative figures with FY2012 as the base of 100

Areas	Product types	Applications
Transportation	Sheet material for lining	 Lining for pallets
	Glass mat reinforced thermoplastic	 Underbody covers
	Casting nylon	 Gears, rollers
Life science	Ultrahigh molecular weight polyethylene	 Artificial joints
	Advanced engineering plastic	 Components for medical equipment
Others	Advanced engineering plastic	 Retainer rings

2-1-6. Carbon Fiber and Composite Materials

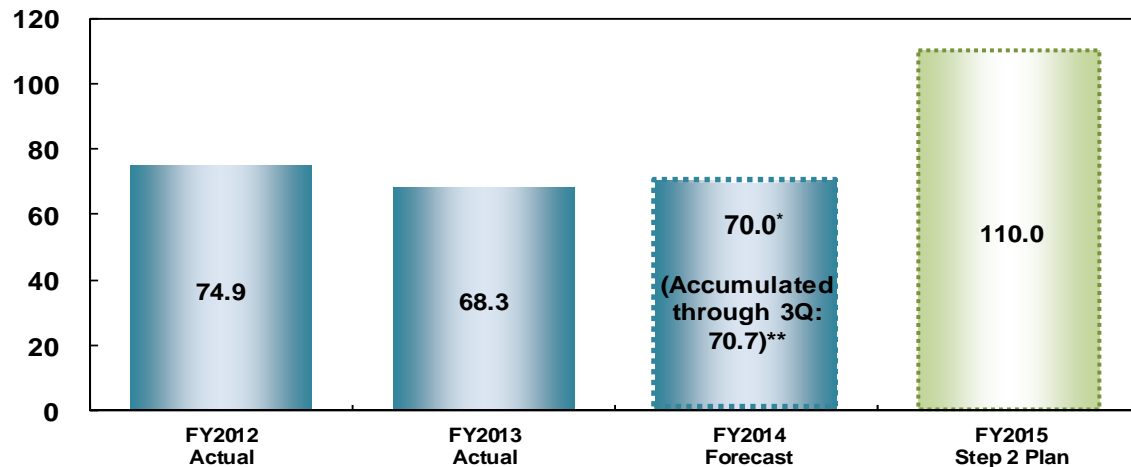
- Integration of the carbon fiber businesses in MPI and MRC: Targeting a ¥100 billion business in fiscal 2020
- Using our hybrid PAN-based and pitch-based carbon fibers together with our molding technologies (SMC, PCM, RTM, etc.), we are aiming to improve performance characteristics and lower weight. Will establish competitively superior position for industrial uses (automobiles, etc.)



2-2. Health Care: Progress

- Inroads of generics into our long-term listed pharmaceuticals for healthcare usage have been more than expected.
Will secure earnings expanding royalties from out-licensing of technology and implementation of structural reforms
- In healthcare solutions, we will focus on creating new growth businesses.

Operating income (¥ billion)



*Figure announced Nov. 27, 2014

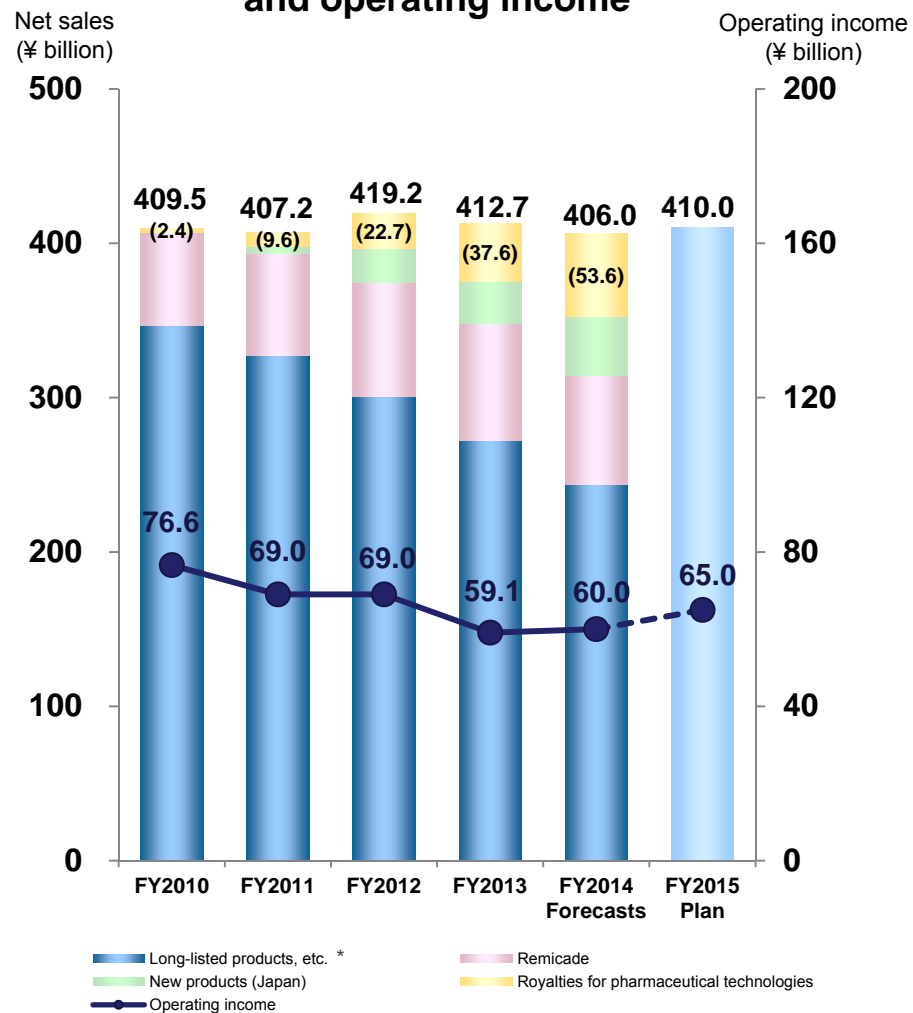
**Figure announced Feb. 4, 2015

Businesses in Health Care

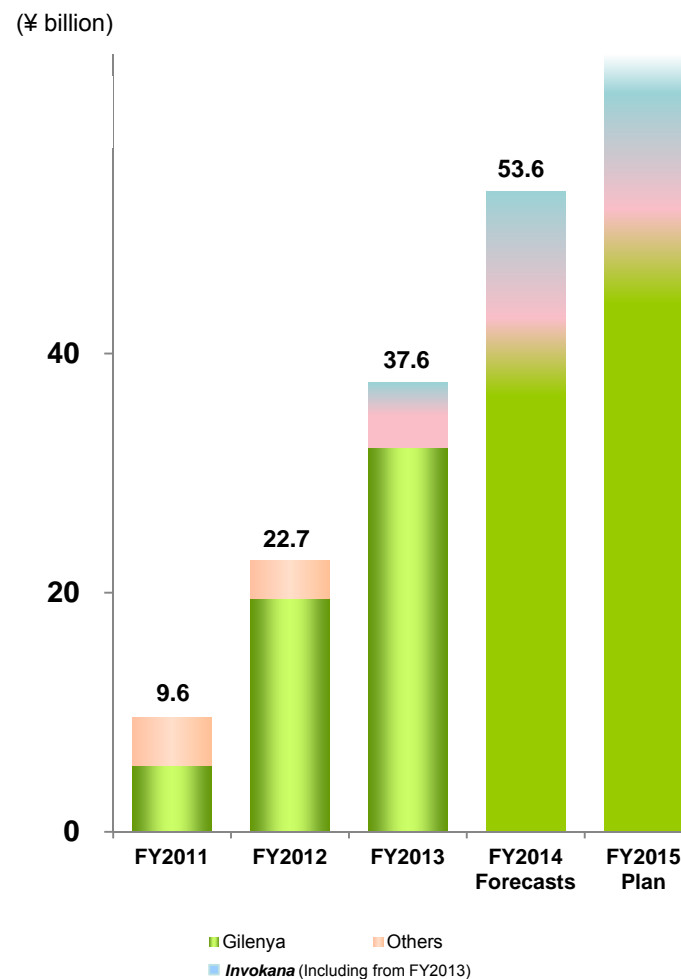
- MTPC
- LSII Group
 - QKK
(Capsules, pharmaceutical formulation materials, etc.)
 - APIC
(Active pharmaceutical intermediates)
 - LSIM
(Clinical testing, support for pharmaceutical development, etc.)
 - HLC
(Health self-check services, etc.)

2-2-1. Pharmaceuticals

Trends in net sales and operating income



Trends in royalties for pharmaceutical technologies



* Simponi, Telavic, Tenelia, Canaglu, Lexapro, Imusera, Tetrabik

2-2-1. Pharmaceuticals

■ Steady advances in development and marketing of pharmaceuticals in priority disease domains

- Scheduled product launches during *APTSIS 15* and pipeline products (Phase 2—)

As of February 2, 2015

Domains	Phase 2	Phase 3	Filed	Launched
Auto-immune disease	MT-1303 (MS, PS, CD)	FTY720 (CIDP)	Remicade (Behcet's disease with special lesions)	Simponi (Rheumatoid arthritis) Imusera (Multiple sclerosis)
CNS disease	MP-214 (Schizophrenia) MT-4666 (Dementia of Alzheimer's type)		Radicut (ALS)	Lexapro (Depression)
Diabetes and kidney disease	MT-3995 (Diabetic nephropathy)	MT-2412 (Combination drug for <i>Tenelia</i> and <i>Canaglu</i>) TA-7284 (Diabetic nephropathy)	In-house License-in	Tenelia (Type 2 diabetes mellitus) Canaglu (Type 2 diabetes mellitus) BindRen (Hyperphosphatemia)
Vaccine*	Plant-based VLP vaccine (Influenza) MT-2301 (Hib vaccine**)			Tetrabik (Combined vaccine for preventing four diseases: diphtheria, pertussis, Tetanus, and polio)
Others	MT-4580 (Secondary hyperparathyroidism)			Telavic (Chronic hepatitis C)

*Medicago Inc., a subsidiary of MTPC, signed an agreement with the U.S. government organization (BARDA) related to development of an alternative method for producing antibodies to treat Ebola virus infections (Feb. 2015). Medicago is a biopharmaceutical company that uses MCC's fully artificial light-type plant growing systems, etc., and specializes in R&D related to developing new vaccines with VLP technology.

**Hib vaccine: Haemophilus influenza type b (Prevents meningitis due to Hib infection in infants)

2-2-2. Healthcare Solutions

- Aiming for net sales of ¥300 billion and operating income of ¥30 billion in fiscal 2020, strengthen existing businesses, work in concert with other Group companies, and develop/promote new growth businesses through alliances and innovation (Sales forecast for fiscal 2014: Approx. ¥130 billion)

■ Strengthen existing businesses

QKK

- Expand capsule business, new production lines under construction

APIC

- Strengthen manufacturing of API for use in generics

LSIM

- Expand sales of new testing kits, restructure systems for developing *PATHFAST* diagnostic equipment in U.S.A.

HLC

- Expand number of drugstores providing services for the self-health check service *Jibun Karada Club* by eliminating the grey zone (Looking to reach 1,000 drugstores in fiscal 2015)
- Promote initiatives to make use of ICT for next-generation healthcare services*

*Effective disease prevention, health maintenance, life support services related to diseases, etc., and diverse forms of evidence-based healthcare services

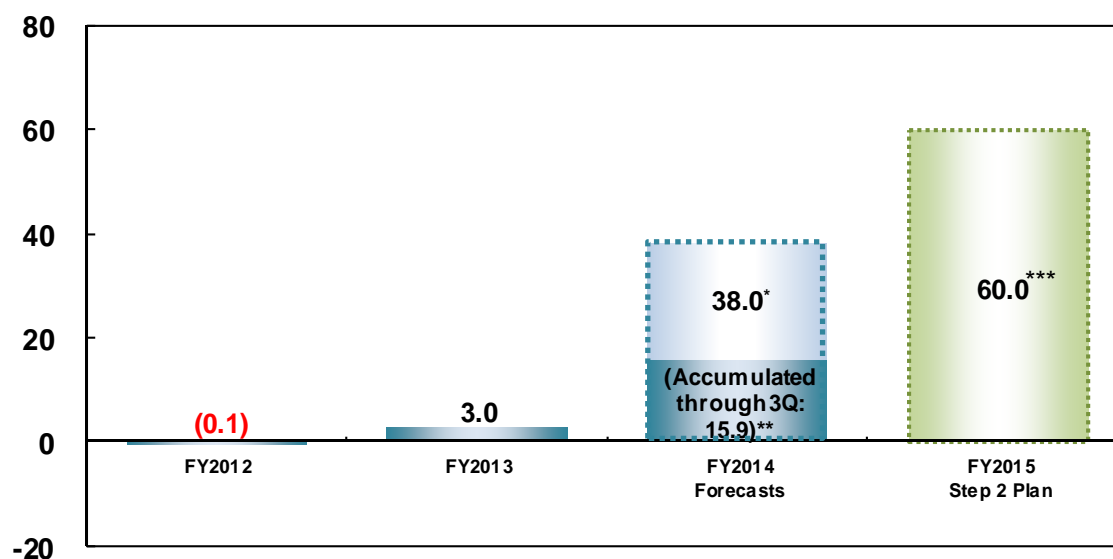
■ Work in concert with other Group companies, conclude alliances, and innovate

- Realize synergies with the MCHC Group (development of new capsule materials, develop diagnostic reagents, etc.)
- Form alliances with academia (with Kyushu University and Tsinghua University (Beijing) in the clinical testing field)
- Form alliances with other companies (operating agreement with Nikon Corporation in the testing and diagnostic equipment fields)
- Promote alliances in the regenerative medicine field

2-3. Industrial Materials: Progress

- Consolidated TNSC in 3Q fiscal 2014
- Will promote structural reforms in petrochemical businesses and aim to reach targets

Operating income (loss) (¥ billion)



Fiscal 2015 Outlook

- Performance of MMA, carbon, and performance polymers to remain firm
- TNSC will be fully consolidated and contribute to income (Fiscal 2015 plan in “Ortus Stage 1”: operating income of ¥38 billion)
- Expecting to eliminate inventory valuation loss in the naphtha and paraxylene businesses in fiscal 2014

*Figure announced Nov. 27, 2014. Includes effects of adopting uniform date for account closings in fiscal 2013: Net sales: ¥151.9 billion; Operating income: ¥3.9 billion.

**Figure announced Feb. 4, 2015. Includes effects of consolidating TNSC in fiscal 2014: Net sales: ¥275.0 billion; Operating income: ¥17.5 billion.

***Including Leaping ahead (M&A)

2-3-1. PHL/PC Chain

- Promote thorough-going cost-cutting and implement reforms aimed at creating a stable earnings structure
- Return to profitability at the operating income level in fiscal 2015

Business Environment

- Improve supply/demand balance for PHL, BPA, and PC

Priority Measures

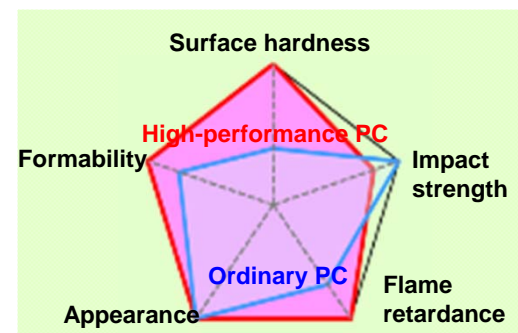
- **Kashima**
Achieve improvements in plant safety and cost reductions (in fiscal 2014) through introducing technology from ILLA International*. Further cost cuts by lowering UTT and fixed costs, etc.
- **Kurosaki**
Continuing pursuit of thoroughgoing cost reductions (energy conservation, UTT, etc.). Raise profitability by accelerating sales of high-performance PC making use of specialized bisphenol
- **China****
Implement cost reductions similar to those at the Kurosaki Plant. Improve profitability through strengthening sales at MCC initiative and introducing high-value-added grades. Considering production of non-phosgene DPC in house

*ILLA International Ltd. (Russia): Licensing company for phenol technology

**Sinopec Mitsubishi Chemical Polycarbonate (Beijing) Co., Ltd.:

A 50-50 joint venture between MCC and Sinopec in China

Characteristics of high-performance PC



2-3-2. Terephthalic Acid

- Expected to show an operating profit in fiscal 2017 as a result of revisions in the price schedule at bases, improvement in the terms of trade for paraxylene, and implementation of cost reductions
- Implemented policies to reduce inventory valuation risk when prices of raw materials decline

Business environment

- Market conditions continuing to stagnate because of large excess supply capacity in China

Priority measures

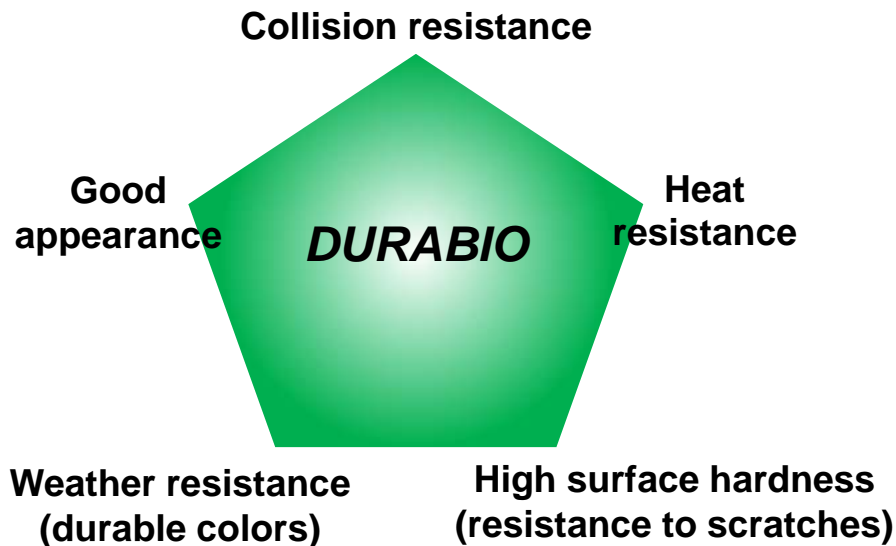
- **India**
Scheduled to reduce costs through electric power purchases from the grid (Mar. 2015) and converting to coal fuel (heavy oil → coal: end of 2015)
Aiming to return to profitability through changes in the domestic price schedules (including antidumping tax)
- **Indonesia**
Changes in domestic price schedules (maintaining PTA flooring)
- **South Korea**
Reduce losses substantially through optimizing production operations (including downsizing)
Increase domestic share as Korean competitor withdraws from the business
Linking domestic and overseas prices to paraxylene
- **China**
Structural reform with a view also to inviting new partners
Alliances in the energy field with corporations in the vicinity, considering changing fuel to be used
Continue to link domestic prices to paraxylene

2-3-3. Sustainable Resources: *DURABIO*

- Making use of the special features of *DURABIO* and expanding number of automobile manufacturers adopting the material

- Together with Mazda Motor Corporation, MCC developed a new grade of *DURABIO* that can be used in automotive components without a coating step.
- Decision made to adopt for usage in an interior component for new model *MX-5*
Scheduled to be used in exterior components for other Mazda production models
(*DURABIO*: Bioengineering plastic, made principally from plant-derived isosorbide)

Balancing the range of properties necessary for automotive components at a high level



New model *MX-5*
(Photo by Mazda Motor Corporation)



HUSTLER
(Photo by Suzuki Motor Corporation)

2-3-4. MMA · PMMA

- Establishing global operations and optimizing production taking account of raw materials and supply/demand
- Expansion strategy, increasing income ratios, and implementing rationalization

Expansion strategy

Thailand: New plant began MAA production (Feb. 2014)

U.S.A.: Began production at the Beaumont MAA plant (Jul. 2014)

China: Increased capacity and rationalized Shanghai MMA plant: 82,000 t/y (Jan. 2015)

Improving income ratios and rationalization

Singapore: Improvements in energy efficiency 15% (Scheduled for 4Q 2015)

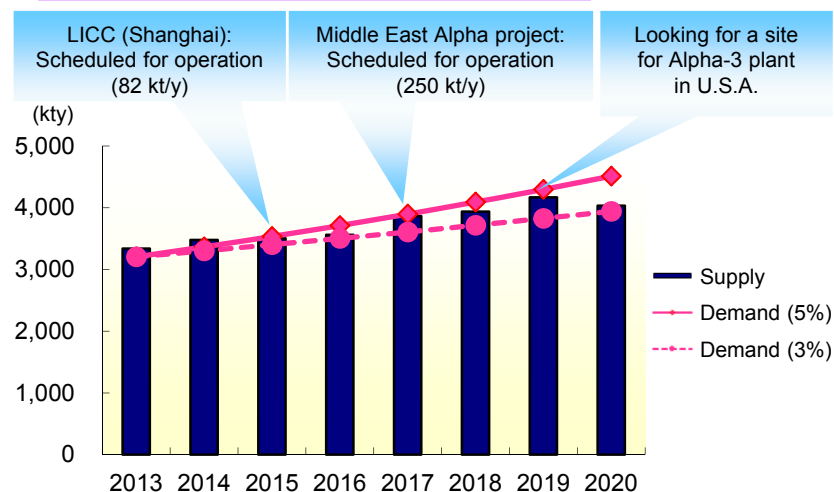
Introduction of new catalyst (Beginning in 2015)

MMA Project in the Middle East

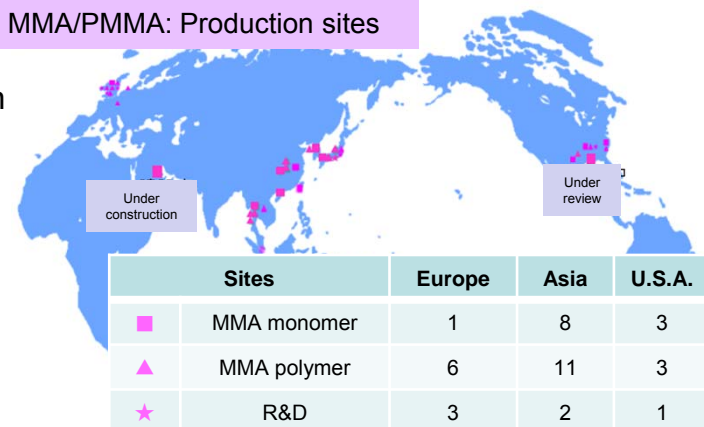
- Production capacity: MMA (250kty), PMMA (40kty)
- Create the world's largest MA production capacity using a new ethylene production technology (Alpha technology) using gas-based raw materials that offer an overwhelming cost advantage
- Create a strategic base for supplying growing emerging country markets in Eastern Europe, India, the Middle East, Africa, etc.
- Completion: Scheduled for Apr. 2017
- Commercial operation: Scheduled for Jul. 2017

Note: Planning to make public announcement on U.S.A. project as soon as decisions are made

MMA Monomer: Supply/demand balance



MMA/PMMA: Production sites



2-3-5. TNSC (1)

- Long-term vision to reach net sales of ¥1 trillion, operating income ratio of 10%, ROCE of 10% or more, and a ratio of overseas sales of 50% by fiscal 2022
- Going forward, will implement “Ortus Stage 1,” looking to preparation of *APTSIS 20*

Measures	Ortus Stage 1: Progress
Structural reforms	<ul style="list-style-type: none"> • Optimization of personnel and organizations ⇒ Implementation of early retirement program at TNSC (Apr. 2014)
Innovation	<ul style="list-style-type: none"> • Hydrogen refueling stations, Water-¹⁸O (stable isotope), etc.*next page
Global development	<ul style="list-style-type: none"> • On-site project initiatives abroad ⇒ Received major on-site project order from South African company Sasol, in Louisiana, U.S.A. (Jan. 2015) Will supply gas via piping to ethane cracker project and to the surrounding region (Start-up: 2018)
	<ul style="list-style-type: none"> • Global development of subsidiaries ⇒ Established company to manufacture thermos bottles in the Philippines (Sep. 2015)
M&A	<ul style="list-style-type: none"> • Acquired European thermos bottle manufacturer (Nov. 2014) • Acquired gas distributor in southern California (Feb. 2015) • Acquired gas business in Hawaii (Feb. 2015) ⇒ (Deployment of business sites in 43 states out of the 50 states)
Synergies with the MCHC Group	<ul style="list-style-type: none"> • Industrial gases ⇒ Acting in concert to supply UTT • Electronics ⇒ Joint activities in MOCVD devices and GaN substrates • Healthcare ⇒ Promote mutual use of the business network (artificial spa generators, medical-use gases, home medical care, etc.) • Concerted focus on R&D within the MCHC Group

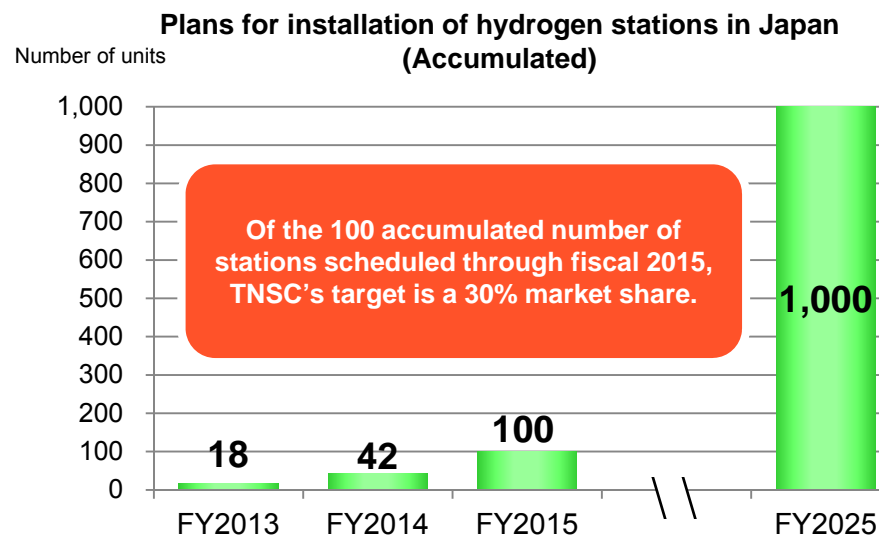
2-3-5. TNSC (2)

■ Hydrogen refueling station business

- As the hydrogen-based society comes closer to being a reality, TNSC strengthened its sales activities for *Hydro Shuttle*, which is a package-type hydrogen refueling station, originally launched in Aug. 2013.
- As of Feb. 2015, orders for eight stations for commercial use have been placed. (fixed type: three; *Hydro Shuttle*: five)



Hydro Shuttle, package-type hydrogen refueling station

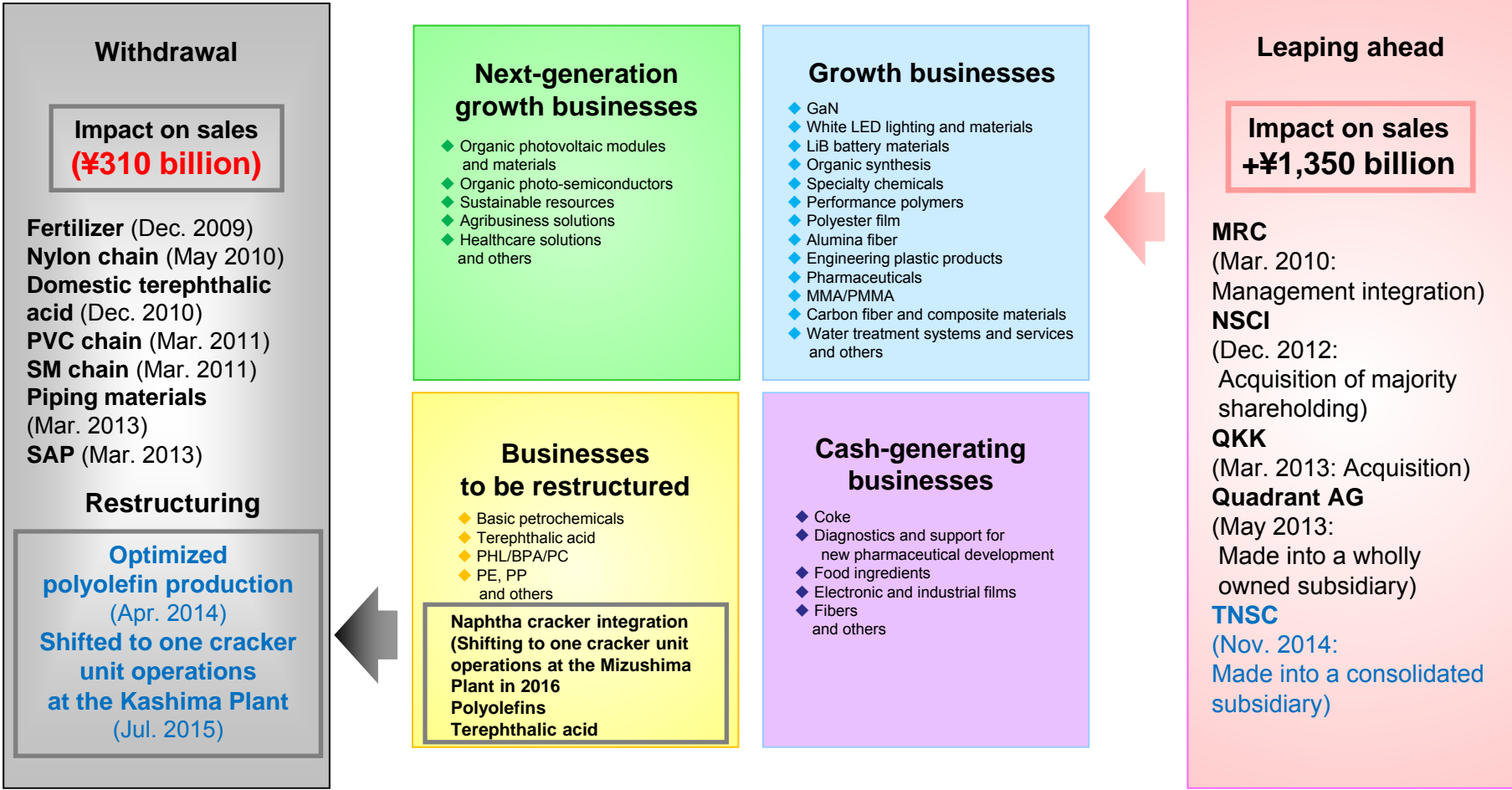


■ Water-¹⁸O (stable isotope) business

- Material for PET cancer diagnosis drug (5% to 10% annual growth); Expect applications to expand to brain and heart disease diagnosis
 - Build No. 3 plant in Shunan district, Yamaguchi (First shipments: Fall 2015)

2-4-1. Summary: APTISIS 15

■ Transforming the business structure base on the four-quadrant model



2-4-2. Summary: APTSYS 15 Step 2

■ Implementing a portfolio transformation

1. TNSC became consolidated subsidiary (Closing: Nov. 12, 2014; Contribution in 3Q through 4Q fiscal 2014)
2. Establishment of LSII (Apr. 2014)
3. Delays in commercialization of next-generation growth businesses

■ Promoting petrochemical structural reforms

1. Realign/restructure petrochemical-related businesses
 - ⇒ Transition to single cracker operation at full capacity (Kashima) and full-capacity operation (Mizushima)
 - ⇒ Shift to high-performance products and optimize production in derivatives
(strengthen EO and PE, optimize PE and PP production)
 - ⇒ Kashima complex alliances (Optimize power plant operations)
2. Implement drastic measures in the terephthalic acid, PHL/PC chain businesses

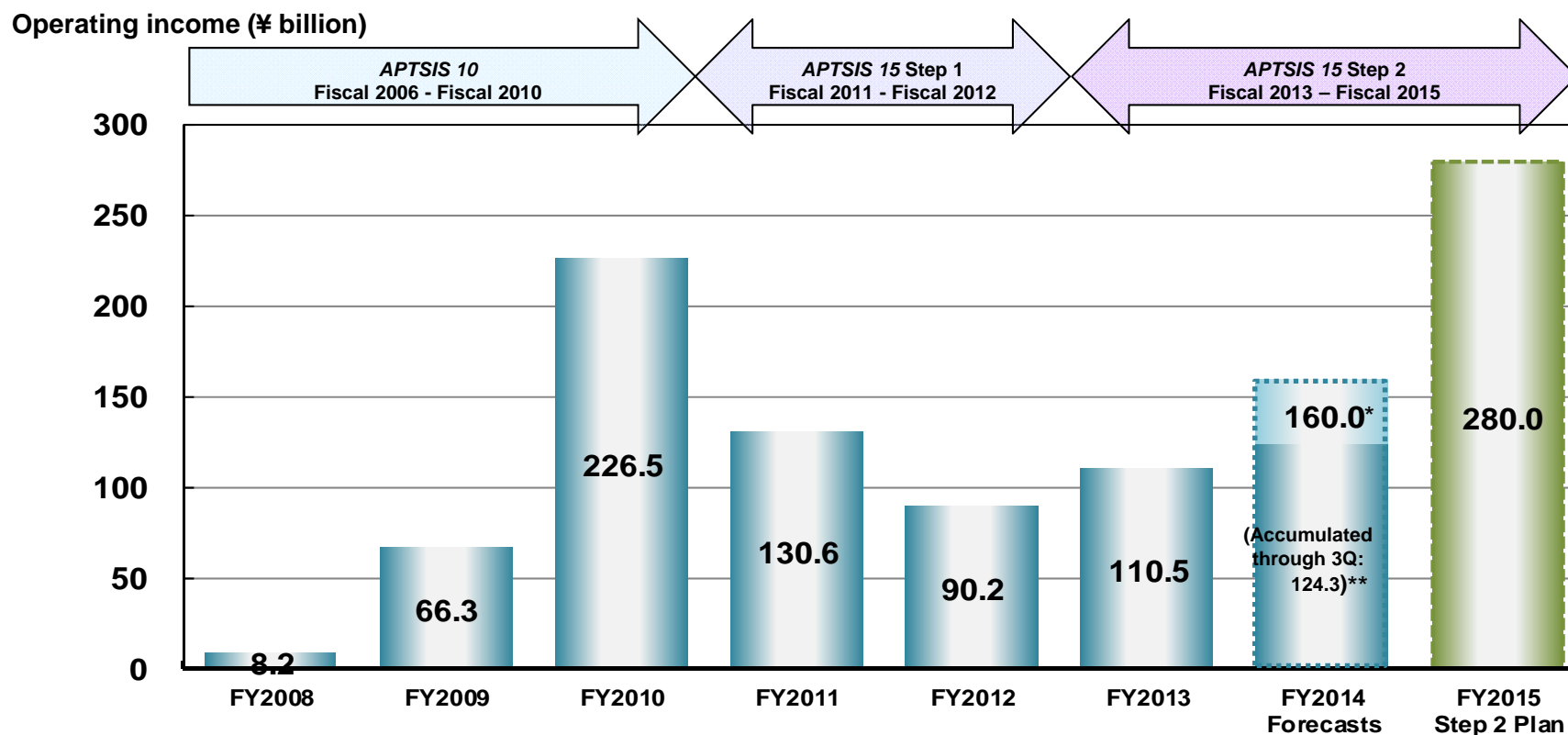
■ Strengthening Profitability of Growth Businesses

1. Strengthening and expanding profit base of MMA business
 - ⇒ Implementation of Middle East project and U.S. project
2. Accelerate development of performance products businesses ⇒ Integration of emulsion business, etc.
 - ⇒ Various high-performance films, alumina fiber, etc.
3. Generating synergies ⇒ Integrating the carbon fiber businesses of MRC and MPI (April 2015), etc.

2-4-3. Summary:

Toward Fiscal 2015, Final Year of *APTSIS 15*

- Conditions firm for Performance Products. Hurdle to clear in Health Care under *APTSIS 15* Step 2 is high. Industrial Materials is on a recovery trend.
- Steadily implementing measures to address major management issues and exerting utmost efforts to attain targets for fiscal 2015



Notes:

Includes effects of adopting uniform date for account closings in fiscal 2013: Net sales: ¥151.9 billion; Operating income: ¥3.9 billion

Includes effects of consolidating TNSC in fiscal 2014: Net sales: ¥275.0 billion; Operating income: ¥17.5 billion

Financial results forecasts for fiscal 2015 to be announced on May 13, 2015

*Figure announced Nov. 27, 2014

**Figure announced Feb. 4, 2015

3. Next Medium-term Management Plan

MCHC Group vision
Realizing *KAITEKI*

What we aspire to be in 2020

By increasing profitability, pursuing innovation, and contributing to sustainability,
MCHC will establish the base to be a global excellent company.

Next medium-term management plan: *APTSIS 20*

Period: Fiscal 2016 – Fiscal 2020

Announcement: Dec. 2015 (scheduled)

3. Basic Approach to Preparing *APTSIS 20*

- **Emphasis on increasing profitability and management speed**
 - ROE: Considering assumption of 10% target

- **Expansion in growth businesses: Aggressive allocation of resources to Performance Products and Health Care**
 - Strategy formulation for growth businesses from perspective of concerted efforts transcending existing SBUs
 - Strategic reformation in the Group R&D
 - Innovating productivity in growth businesses

- **Accelerate commercialization of businesses through reassessment of next-generation growth businesses and reviews of business strategies**

- **Further evolving holding company operating systems**
 - Transitioning to a Company with Committees with the aim of substantially strengthening corporate governance (Transition scheduled to follow approval by the general meeting of shareholders in late Jun. 2015)
 - Strengthening global operating systems and infrastructures

- **More use of MOS Indexes**

3. KAITEKI Management

- Increase *KAITEKI* value and work to expand shareholder value through putting MOE, MOT, and MOS into practice

