

Operational Summary

for the Third Quarter of the Fiscal Year Ending March 31, 2022

February 3, 2022

Mitsubishi Chemical Holdings Corporation

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List of Abbreviations

FY2021	April 1, 2021 – March 31, 2022	
	1st Quarter (1Q):	April 1, 2021 – June 30, 2021
	2nd Quarter (2Q):	July 1, 2021 – September 30, 2021
	3rd Quarter (3Q):	October 1, 2021 – December 31, 2021
	4th Quarter (4Q):	January 1, 2022 – March 31, 2022
	1st Half (1H):	April 1, 2021 – September 30, 2021
	2nd Half (2H):	October 1, 2021 – March 31, 2022
FY2020	April 1, 2020 – March 31, 2021	
	1st Quarter (1Q):	April 1, 2020 – June 30, 2020
	2nd Quarter (2Q):	July 1, 2020 – September 30, 2020
	3rd Quarter (3Q):	October 1, 2020 – December 31, 2020
	4th Quarter (4Q):	January 1, 2021 – March 31, 2021
	1st Half (1H):	April 1, 2020 – September 30, 2020
	2nd Half (2H):	October 1, 2020 – March 31, 2021
MCHC	Mitsubishi Chemical Holdings Corporation	
MCC	Mitsubishi Chemical Corporation	
MTPC	Mitsubishi Tanabe Pharma Corporation	
LSII	Life Science Institute, Inc.	
NSHD	Nippon Sanso Holdings Corporation	

Consolidated Statements of Operations

Exchange Rate (¥/\$)	114.2	111.5	104.0	105.5	108.9	5.9	6%	2.6
Naphtha Price (¥/kl)	60,700	53,900	31,300	28,800	42,300	25,100	87%	11,600

		Nine Months Ended Dec. 31, 2021		Nine Months Ended Dec. 31, 2020		Nine Months Ended Dec. 31, 2019	Difference	%	Difference vs. Nine Months Ended Dec. 31, 2019
		3Q		3Q					
Continuing Operations * 2	Sales Revenue	1,015.2	2,900.3	850.6	2,355.4	2,730.8	544.9	23%	169.5
	Core Operating Income *1	62.8	218.9	59.0	113.6	181.0	105.3	93%	37.9
	Special Items	2.3	(0.7)	(30.2)	(112.9)	(20.4)	112.2		19.7
	Operating Income (Loss)	65.1	218.2	28.8	0.7	160.6	217.5	—	57.6
	Financial Income/Expenses	(4.1)	(10.0)	(4.8)	(13.5)	(15.9)	3.5		5.9
	(Dividend included above)	[0.9]	[4.8]	[0.7]	[3.5]	[4.1]	[1.3]		[0.7]
	(Foreign Exchange Gain/Loss included above)	[0.2]	[0.9]	[(0.3)]	[(0.7)]	[(2.4)]	[1.6]		[3.3]
	Income (Loss) before Taxes	61.0	208.2	24.0	(12.8)	144.7	221.0	—	63.5
	Income Taxes	(15.6)	(60.9)	(12.5)	(15.6)	(53.3)	(45.3)		(7.6)
	Net Income (Loss) from Continuing Operations	45.4	147.3	11.5	(28.4)	91.4	175.7		55.9
Net Income from Discontinued Operations	-	-	-	-	16.9	-		(16.9)	
Net Income (Loss)	45.4	147.3	11.5	(28.4)	108.3	175.7		39.0	
Net Income (Loss) Attributable to Owners of the Parent	36.9	122.1	1.9	(47.8)	76.3	169.9	—	45.8	
Net Income Attributable to Non-Controlling Interests	8.5	25.2	9.6	19.4	32.0	5.8		(6.8)	
	4.1	13.7	4.2	5.3	10.7	8.4		3.0	

*1 Share of profit of associates and joint ventures included.

*2 Discontinued operations are not included.

Core operating income is calculated as operating income (loss) excluding certain gains and expenses attributable to non-recurring factors (losses incurred by business withdrawal and streamlining, etc.).

Sales Revenue and Core Operating Income (Loss) by Business Segment

(Billions of Yen)

		1Q	2Q	3Q	Nine Months Ended Dec. 31, 2021	Nine Months Ended Dec. 31, 2020	Difference
Total Consolidated	Sales Revenue	928.3	956.8	1,015.2	2,900.3	2,355.4	544.9
	Core Operating Income	88.7	67.4	62.8	218.9	113.6	105.3
Polymers & Compounds	Sales Revenue	80.1	78.8	76.6	235.5	195.1	40.4
	Core Operating Income	8.0	3.8	1.1	12.9	9.5	3.4
Films & Molding Materials	Sales Revenue	120.2	117.9	119.7	357.8	302.5	55.3
	Core Operating Income	15.3	11.8	7.2	34.3	21.2	13.1
Advanced Solutions	Sales Revenue	82.8	86.9	85.9	255.6	223.8	31.8
	Core Operating Income	3.3	3.6	3.4	10.3	12.3	(2.0)
Performance Products	Sales Revenue	283.1	283.6	282.2	848.9	721.4	127.5
	Core Operating Income	26.6	19.2	11.7	57.5	43.0	14.5
MMA	Sales Revenue	77.6	73.4	73.3	224.3	165.8	58.5
	Core Operating Income	12.3	12.5	4.7	29.5	5.9	23.6
Petrochemicals	Sales Revenue	160.4	171.8	189.9	522.1	329.2	192.9
	Core Operating Income	16.0	10.5	7.1	33.6	(12.4)	46.0
Carbon Products	Sales Revenue	53.9	56.9	64.6	175.4	130.2	45.2
	Core Operating Income	6.5	4.4	9.5	20.4	(2.5)	22.9
Chemicals	Sales Revenue	291.9	302.1	327.8	921.8	625.2	296.6
	Core Operating Income	34.8	27.4	21.3	83.5	(9.0)	92.5
Industrial Gases	Sales Revenue	216.8	227.3	242.5	686.6	587.5	99.1
	Core Operating Income	23.8	24.5	25.6	73.9	58.9	15.0
Health Care	Sales Revenue	98.4	100.1	113.6	312.1	299.7	12.4
	Core Operating Income	4.7	(3.6)	3.5	4.6	22.4	(17.8)
Others	Sales Revenue	38.1	43.7	49.1	130.9	121.6	9.3
	Core Operating Income	(1.2)	(0.1)	0.7	(0.6)	(1.7)	1.1
[Inventory valuation gain/loss]							
	Polymers & Compounds	1.0	0.9	0.8	2.7	0.0	2.7
	Petrochemicals	9.0	7.4	9.0	25.4	(14.6)	40.0
	Carbon Products	(0.6)	1.1	4.4	4.9	(1.3)	6.2
	Total	9.4	9.4	14.2	33.0	(15.9)	48.9

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

*2 From Q1 FY2021, in tandem with building an organizational structure that conforms to growth business domains in KAITEKI Vision 30, the medium- to long-term basic management strategy for MCHC, the conventional breakdown of performance products into two classifications, functional products and performance chemicals, will be changed into three classifications, polymers and compounds, films and molding materials, and advanced solutions. In addition, the company is reclassifying the managing segments for some of its businesses and consolidated subsidiaries. Accordingly, for purposes of comparison, we are restated the results for FY2020.

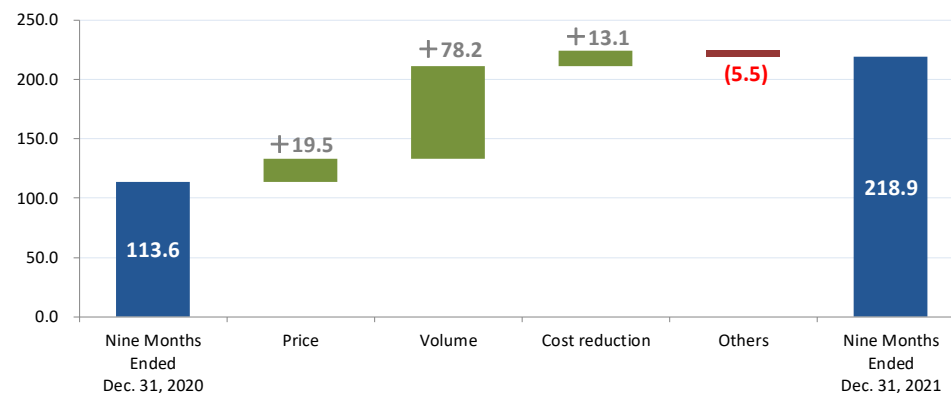
Analysis of Core Operating Income (Loss)

(Billions of Yen)

	Nine Months Ended Dec. 31, 2021	Nine Months Ended Dec. 31, 2020	Difference	Difference			
				Price	Volume	Cost reduction	Others *
Total Consolidated	218.9	113.6	105.3	19.5	78.2	13.1	(5.5)
Performance Products	57.5	43.0	14.5	(8.8)	29.6	3.0	(9.3)
Chemicals	83.5	(9.0)	92.5	32.3	17.3	7.4	35.5
Industrial Gases	73.9	58.9	15.0	2.3	17.4	0.1	(4.8)
Health Care	4.6	22.4	(17.8)	(6.5)	12.0	2.6	(25.9)
Others	(0.6)	(1.7)	1.1	0.2	1.9	0.0	(1.0)

* Items included are impacts from inventory valuation gain/loss and share of profit of associates and joint ventures, etc.

Changes in exchange rates	2.5	8.9	0.4	-	(6.8)
Changes in foreign currency translation included in above		5.5			



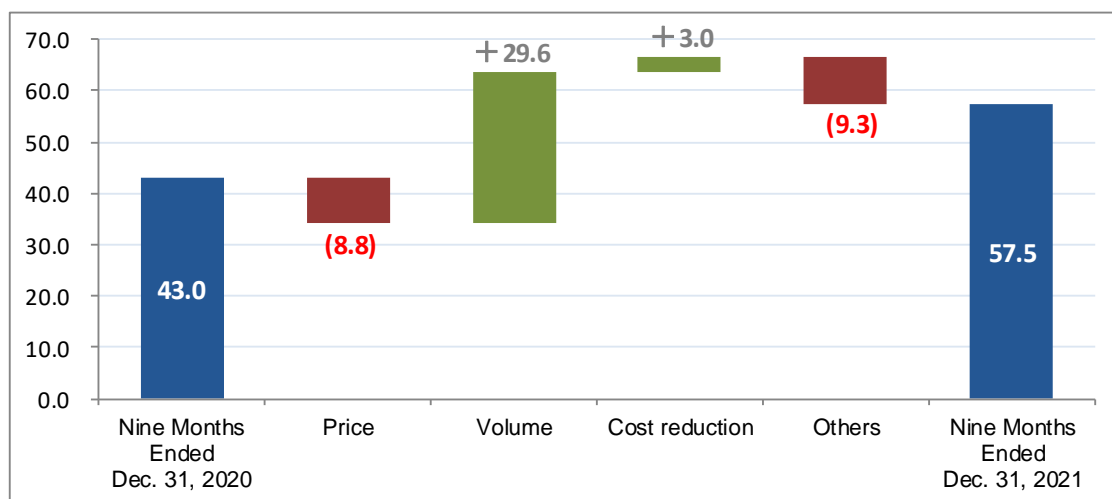
Performance Products Segment

(Billions of Yen)

		Nine Months Ended Dec. 31, 2021	Nine Months Ended Dec. 31, 2020	Difference
Polymers & Compounds	Sales Revenue	235.5	195.1	40.4
	Core Operating Income	12.9	9.5	3.4
Films & Molding Materials	Sales Revenue	357.8	302.5	55.3
	Core Operating Income	34.3	21.2	13.1
Advanced Solutions	Sales Revenue	255.6	223.8	31.8
	Core Operating Income	10.3	12.3	(2.0)
Performance Products	Sales Revenue	848.9	721.4	127.5
	Core Operating Income	57.5	43.0	14.5

Polymers & Compounds	
Sales Revenue	Sales revenue increased reflecting a rise in sales volumes for products used in automobiles and other applications, and also an upturn in market prices for some polymers.
Core Operating Income	Profit rose mainly on an increase in sales volumes for products used in automobiles, including performance polymers.
Films & Molding Materials	
Sales Revenue	Sales revenue increased reflecting a rise in sales volume mainly for molding materials used in automobiles and other applications in tandem with a recovery in demand, and there was also brisk sales trends mainly in 1H primarily for films used for optical applications for displays as well as for other applications.
Core Operating Income	Profit increased on the back of a rise in sales volumes and despite higher raw material prices.
Advanced Solutions	
Sales Revenue	Sales revenue grew underpinned primarily by an increase in sales volume accompanying a recovery in economic activities.
Core Operating Income	Although there was an increase in sales volumes, profit decreased mainly due to a rise in raw material prices.

< Analysis of Core Operating Income >



<Major initiatives>

- MCC has decided to construct a new Sugar Ester production line (an annual production capacity of 2,000 tons) at the Fukuoka Plant. MCC plans to launch operations in mid 2023.
- In September 2021, MCC agreed to transfer its polycrystalline alumina fiber business and the same business of Mitsubishi Chemical High-Technica Corporation to a special purpose company held by funds managed by affiliates of Apollo Global Management, Inc.
- MCC has decided to expand its polyester film production capacity (German annual production 55,000 tons to 82,000 tons) at its consolidated subsidiary, Mitsubishi Polyester Film GmbH in anticipation of a growth in global demand moving forward. MCC aims to put its new capacity into operation at the end of 2024.
- In December 2021, MCC has decided to build a new facility for producing specialty epoxy resins for semiconductor encapsulants and electronic materials at its Fukuoka Plant. MCC aims to launch commercial production in April 2023.

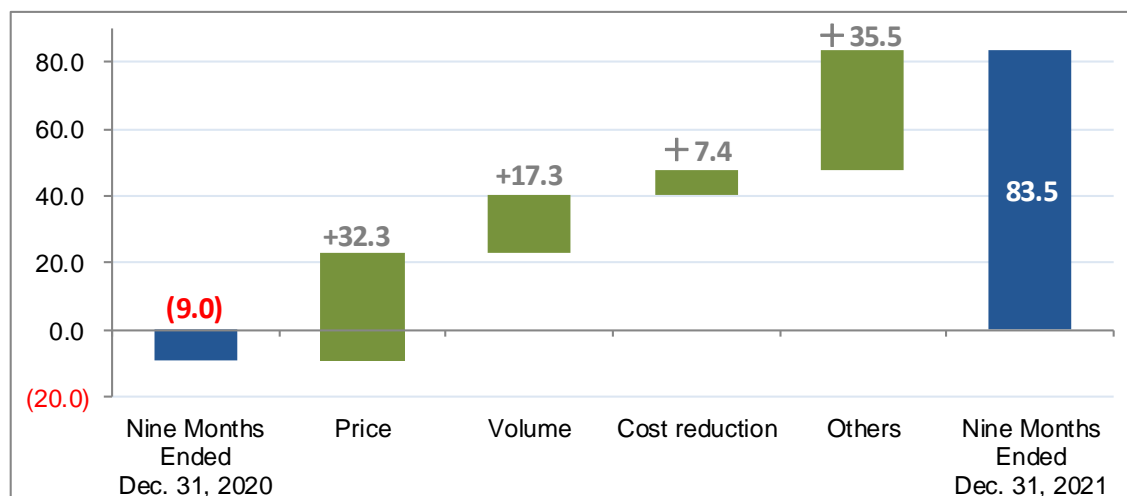
Chemicals Segment

(Billions of Yen)

		Nine Months Ended Dec. 31, 2021	Nine Months Ended Dec. 31, 2020	Difference
MMA	Sales Revenue	224.3	165.8	58.5
	Core Operating Income	29.5	5.9	23.6
Petrochemicals	Sales Revenue	522.1	329.2	192.9
	Core Operating Income	33.6	(12.4)	46.0
Carbon Products	Sales Revenue	175.4	130.2	45.2
	Core Operating Income	20.4	(2.5)	22.9
Chemicals	Sales Revenue	921.8	625.2	296.6
	Core Operating Income	83.5	(9.0)	92.5

MMA	
Sales Revenue	Sales revenue expanded owing to a rise in the market price for MMA monomer given strong demand trends.
Core Operating Income	Profit grew primarily reflecting an expansion in price gap between raw materials and products in tandem with higher market prices, chiefly for MMA monomer.
Petrochemicals	
Sales Revenue	Sales revenue expanded. In addition to a growth in sales prices in tandem with higher raw material prices, sales volumes also rose reflecting smaller impact from scheduled maintenance and repairs to ethylene production facility and a recovery in demand.
Core Operating Income	Profit increased owing to smaller impact from scheduled maintenance and repairs, an expansion in sales volumes, and in improvement in the inventory valuation gain/loss arisen from higher raw material prices.
Carbon Products	
Sales Revenue	Sales revenue rose reflecting higher sales volumes in tandem with an overall recovery in demand as well as a rise in selling prices for export coke.
Core Operating Income	Profit increased due to a rise in market prices for export coke.

< Analysis of Core Operating Income >



<Major initiatives>

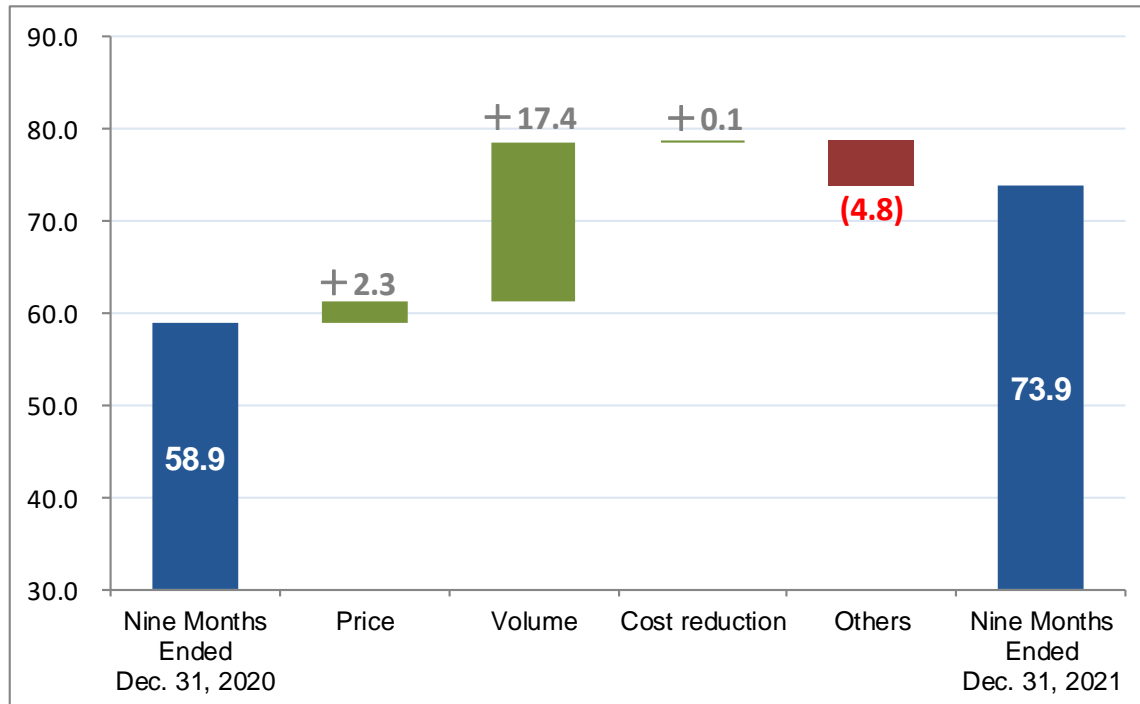
- Japan Polychem Corporation, decided in April 2021 to acquire equity in six overseas group companies owned by Japan Polypropylene Corporation, including Mytex Polymers US Corporation, and turned them into wholly-owned subsidiaries in July. Mytex Polymers deploys the polypropylene compound and long glass reinforced thermoplastic business.
- MCC and Mitsubishi Chemical Methacrylates Japan Co., Ltd., decided in May 2021 to carry out verification testing in preparation of the commercialization of chemical recycling for acrylic resins. Regarding the recovery, chemical recycling and reuse of acrylic resins, both companies are carrying out an examination of a scheme along with Honda Motor Co., Ltd. and are jointly implementing a verification of a recycling system that uses this verification facility.
- In July 2021, MCC and ENEOS Corporation decided to construct a chemical recycling facility at the MCC Ibaraki Plant to commence a joint Plastic-to-Oil Conversion Business. The facility will have an annual processing capacity of 20,000 tons, which will be the largest-scale in Japan as commercial basis. MCC and ENEOS aim to commence operations in FY2023. Moreover, in tandem with the construction of this facility, in July 2021 MCC signed a basic agreement with RefinVerse, Inc. to procure waste plastics to be used as raw material.

Industrial Gases Segment

		(Billions of Yen)		
		Nine Months Ended Dec. 31, 2021	Nine Months Ended Dec. 31, 2020	Difference
Industrial Gases	Sales Revenue	686.6	587.5	99.1
	Core Operating Income	73.9	58.9	15.0

Industrial Gases	
Sales Revenue	Sales revenue increased reflecting an overall recovery in demand in Japan and overseas.
Core Operating Income	Core operating income increased reflecting an overall recovery in demand in Japan and overseas.

< Analysis of Core Operating Income >



<Major initiatives>

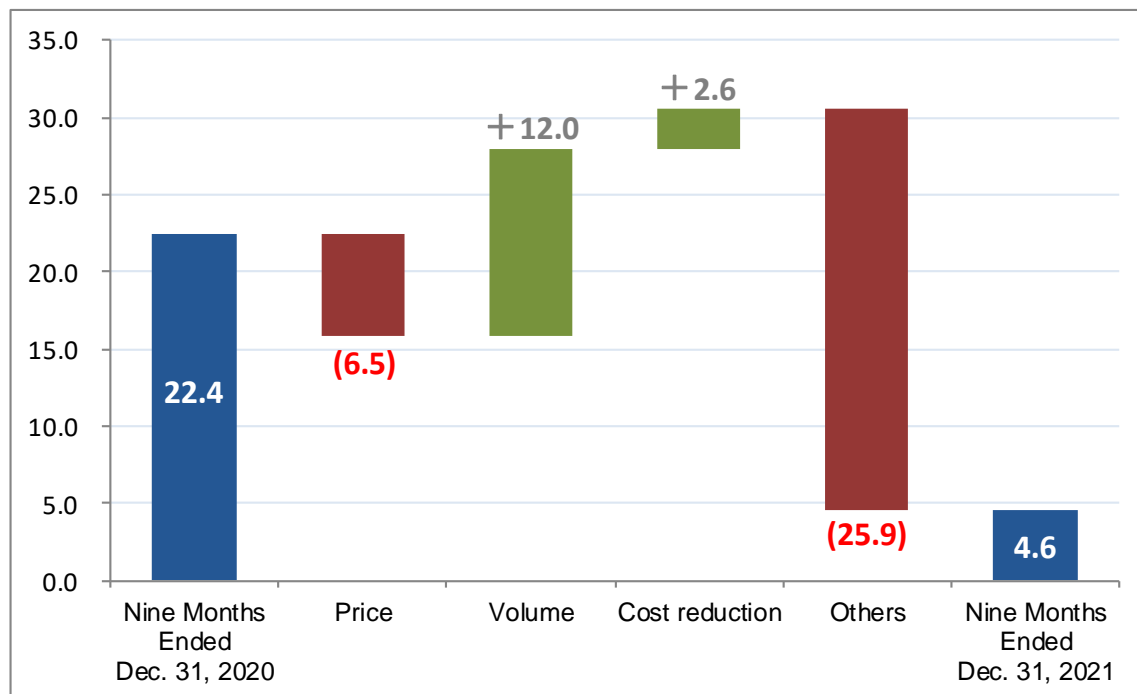
- In November 2021, NSHD has decided to successively boost, through the end of 2023, its production capacity for diborane gas, which is an electronic materials gas used in the semiconductor device fabrication process, at sites in Japan, South Korea and China. Going forward, the company aims to address demand in the electronics industry and to fortify its supply chain.

Health Care Segment

		(Billions of Yen)		
		Nine Months Ended Dec. 31, 2021	Nine Months Ended Dec. 31, 2020	Difference
Health Care	Sales Revenue	312.1	299.7	12.4
	Core Operating Income	4.6	22.4	(17.8)

Health Care	
Sales Revenue	Sales revenue climbed. Although there was negative impact from National Health Insurance drug price revisions in the domestic ethical pharmaceuticals business, this was offset by a growth in sales volumes mainly for priority products.
Core Operating Income	Core operating income was down primarily due to an increase in research and development expenditures for a COVID-19 vaccine.

< Analysis of Core Operating Income >



Note:

Royalty revenue from Novartis Pharma AG for *Gilenya*, a treatment agent for multiple sclerosis, was reduced, because a part of the royalty revenue was not recognized as sales revenue in accordance with IFRS 15 due to the start of arbitration proceedings.

<Major initiatives>

- In April 2021, LSII started clinical trials for the Muse cell-based product CL2020 in patients with acute respiratory distress syndrome triggered by COVID-19, in addition to application as a treatment for acute myocardial infarction, ischemic stroke, epidermolysis bullosa, spinal cord injury and amyotrophic lateral sclerosis (ALS).
- In October 2021, MTPC launched phase-I/II clinical trials in Japan for MT-2766, a plant-derived virus like particle(VLP) vaccine being developed by its consolidated subsidiary, Medicago Inc. to prevent COVID-19. In addition, in December 2021, Medicago Inc. applied for approval for the sales and manufacturing of vaccine in Canada, owing to the positive results obtained during the phase-III part of the phase-II/III clinical trials.

Consolidated Special Items

(Billions of Yen)

	3Q	FY2021 3Q	FY2020 3Q	Difference
Total Special Items	2.3	(0.7)	(112.9)	112.2
Loss on sale and disposal of fixed assets	(0.9)	(3.6)	(4.4)	0.8
Impairment loss	(0.9)	(2.8)	(107.2)	104.4
Special retirement expenses	(1.3)	(1.9)	(5.4)	3.5
Provision for loss on plant closure	-	-	(3.3)	3.3
Cancellation penalty	-	-	(1.9)	1.9
Gain on sale of property, plant and equipment	6.6	8.4	8.6	(0.2)
Gain on sales of shares of subsidiaries and associates	-	1.9	0.9	1.0
Share of profit of associates and joint ventures	-	-	2.7	(2.7)
Gain on step acquisitions	-	-	1.3	(1.3)
Others	(1.2)	(2.7)	(4.2)	1.5

[Special Items by Business Segment]

Performance Products	(2.4)	(3.7)	(4.0)	0.3
Chemicals	(0.4)	(0.9)	(26.0)	25.1
Industrial Gases	(0.0)	(0.0)	2.7	(2.7)
Health Care	4.8	3.2	(79.5)	82.7
Others	0.3	0.7	(6.1)	6.8

Consolidated Cash Flows

	Based on statements of cash flows		Reference) Adjusted cash flows *1
	Nine Months Ended Dec. 31, 2021	Nine Months Ended Dec. 31, 2020	(Billions of Yen) Nine Months Ended Dec. 31, 2020
Net cash provided by (used in) operating activities	248.0	272.2	272.2
Income before taxes	208.2	(12.8)	(12.8)
Depreciation and amortization	186.6	181.0	181.0
Change in operating receivables/payables	(0.1)	(42.4)	(42.4)
Change in Inventories	(105.9)	46.1	46.1
Others	(40.8)	100.3	100.3
Net cash provided by (used in) investment activities	(140.6)	(148.8)	(218.8)
Capital expenditure	(182.7)	(184.4)	(184.4)
Sale of assets	53.7	24.3	24.3
Investment and loans receivable, etc.	(11.6)	11.3	(58.7)
Free cash flow	107.4	123.4	53.4
Net cash provided by (used in) financing activities	(200.6)	(34.8)	
Interest bearing debts	(141.7)	102.8	
Additional acquisition of consolidated subsidiaries' stocks	(0.4)	*2 (98.5)	
Dividends, etc.	(58.5)	(39.1)	
Net increase (decrease) in cash and cash equivalents	(93.2)	88.6	
Effect of exchange rate changes and changes in scope of consolidation	2.9	4.3	
Cash and cash equivalents at the beginning of the period	349.6	228.2	
Cash and cash equivalents at the end of the period	259.3	321.1	

*1 Adjusted cash flows based on actual results are calculated by excluding cash flows from investment of surplus funds for explanatory purposes.

*2 Additional acquisitions of MTPC shares(¥95.4 billion in FY 2020)

Consolidated Statements of Financial Positions

	Dec.31.2021	Mar.31.2021	(Billions of Yen) Difference
Cash & cash equivalents	259.3	349.6	(90.3)
Trade receivables	802.0	716.4	85.6
Inventories	684.3	576.5	107.8
Others	208.1	155.0	53.1
Current assets	1,953.7	1,797.5	156.2
Fixed assets	2,278.1	2,269.2	8.9
Goodwill	680.0	671.9	8.1
Investments & Other	546.0	548.6	(2.6)
Non-current assets	3,504.1	3,489.7	14.4
Total assets	5,457.8	5,287.2	170.6

	Dec.31.2021	Mar.31.2021	(Billions of Yen) Difference
Interest-bearing debt	2,375.3	2,482.4	(107.1)
Trade payables	469.8	382.3	87.5
Others	907.6	851.4	56.2
Liabilities	3,752.7	3,716.1	36.6
Share capitals, Retained earnings, etc.,	1,317.8	1,226.5	91.3
Other components of equity	30.1	9.8	20.3
Equity attributable to owners of the parent	1,347.9	1,236.3	111.6
Non-controlling interests	357.2	334.8	22.4
Equity	1,705.1	1,571.1	134.0
Total liabilities & equity	5,457.8	5,287.2	170.6

Net Interest-bearing debt *1	2,115.9	2,132.8	(16.9)
Net D/E ratio	1.57	1.73	(0.16)
Ratio of Equity attributable to owners of the parent	24.7%	23.4%	1.3%
ROE *2	-	(0.6%)	-

*1 Net interest-bearing debt (End of Dec.31, 2021)

= interest-bearing debt (2,375.3 billion yen)

- {cash and cash equivalents (259.3 billion yen) + investments of surplus funds (0.1 billion yen)}

Note : Interest-bearing debt includes lease obligations.

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

References 1

Statements of Operations [Quarterly Data]

Exchange Rate (¥/\$)	109.7	107.7	109.3	109.1	107.4	105.3	104.0	107.2	109.8	110.4	114.2
Naphtha Price (¥/kl)	45,400	40,200	41,300	44,800	25,000	30,200	31,300	38,800	47,700	53,500	60,700

(Billions of Yen)

	FY2019				FY2020				FY2021		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Continuing Operations * 2											
Sales Revenue	916.4	911.3	903.1	849.7	722.7	782.1	850.6	902.1	928.3	956.8	1,015.2
Core Operating Income * 1	70.1	60.7	50.2	13.8	15.0	39.6	59.0	61.1	88.7	67.4	62.8
Special Items	(0.2)	0.0	(20.2)	(30.1)	8.7	(91.4)	(30.2)	(14.3)	(1.7)	(1.3)	2.3
Operating Income (Loss)	69.9	60.7	30.0	(16.3)	23.7	(51.8)	28.8	46.8	87.0	66.1	65.1
Financial Income/Expenses	(3.3)	(4.9)	(7.7)	(6.4)	(3.3)	(5.4)	(4.8)	(1.1)	(1.7)	(4.2)	(4.1)
(Dividend included above)	[2.9]	[0.1]	[1.1]	[0.1]	[2.5]	[0.3]	[0.7]	[0.8]	[3.8]	[0.1]	[0.9]
(Foreign Exchange Gain/Loss included above)	[(0.3)]	[0.7]	[(2.8)]	[(1.3)]	[0.0]	[(0.4)]	[(0.3)]	[3.1]	[(0.0)]	[0.7]	[0.2]
Income (Loss) before Taxes	66.6	55.8	22.3	(22.7)	20.4	(57.2)	24.0	45.7	85.3	61.9	61.0
Income Taxes	(18.2)	(19.4)	(15.7)	1.0	(12.2)	9.1	(12.5)	5.4	(26.1)	(19.2)	(15.6)
Net Income (Loss) from Continuing Operations	48.4	36.4	6.6	(21.7)	8.2	(48.1)	11.5	51.1	59.2	42.7	45.4
Net Income from Discontinued Operations	0.5	16.4	-	-	-	-	-	-	-	-	-
Net Income (Loss)	48.9	52.8	6.6	(21.7)	8.2	(48.1)	11.5	51.1	59.2	42.7	45.4
Net Income (Loss) Attributable to Owners of the Parent	37.8	43.5	(5.0)	(22.2)	5.2	(54.9)	1.9	40.2	49.9	35.3	36.9
Net Income (Loss) Attributable to Non-Controlling Interests	11.1	9.3	11.6	0.5	3.0	6.8	9.6	10.9	9.3	7.4	8.5
	5.0	3.1	2.6	2.7	0.2	0.9	4.2	7.6	4.6	5.0	4.1

*1 Share of profit of associates and joint ventures included.

*2 Discontinued operations are not included.

Sales Revenue and Core Operating Income (Loss) by Business Segment [Quarterly Data]

		(Billions of Yen)				(Reference) FY2019 Core Operating Income by Business Segment						
		FY2020				FY2021			FY2019			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q	4Q
Total Consolidated	Sales Revenue	722.7	782.1	850.6	902.1	928.3	956.8	1,015.2				
	Core Operating Income	15.0	39.6	59.0	61.1	88.7	67.4	62.8	70.1	60.7	50.3	13.7
Polymers & Compounds	Sales Revenue	60.1	62.9	72.1	76.8	80.1	78.8	76.6				
	Core Operating Income	2.0	2.6	4.9	5.5	8.0	3.8	1.1	5.5	4.9	3.3	2.7
Films & Molding Materials	Sales Revenue	94.3	100.1	108.1	111.3	120.2	117.9	119.7				
	Core Operating Income	5.2	5.7	10.3	6.4	15.3	11.8	7.2	9.5	9.7	6.5	2.3
Advanced Solutions	Sales Revenue	69.0	73.6	81.2	85.1	82.8	86.9	85.9				
	Core Operating Income	4.1	5.4	2.8	4.8	3.3	3.6	3.4	5.4	6.6	4.2	1.9
Performance Products	Sales Revenue	223.4	236.6	261.4	273.2	283.1	283.6	282.2				
	Core Operating Income	11.3	13.7	18.0	16.7	26.6	19.2	11.7	20.4	21.2	14.0	6.9
MMA	Sales Revenue	48.0	58.3	59.5	65.3	77.6	73.4	73.3				
	Core Operating Income	(1.9)	3.4	4.4	7.2	12.3	12.5	4.7	12.1	9.4	(0.4)	(1.9)
Petrochemicals	Sales Revenue	93.3	107.0	128.9	150.6	160.4	171.8	189.9				
	Core Operating Income	(14.3)	(1.4)	3.3	14.1	16.0	10.5	7.1	1.8	2.3	1.5	(4.4)
Carbon Products	Sales Revenue	44.4	39.4	46.4	47.2	53.9	56.9	64.6				
	Core Operating Income	(1.4)	(2.5)	1.4	3.5	6.5	4.4	9.5	6.0	2.9	1.0	(1.8)
Chemicals	Sales Revenue	185.7	204.7	234.8	263.1	291.9	302.1	327.8				
	Core Operating Income	(17.6)	(0.5)	9.1	24.8	34.8	27.4	21.3	19.9	14.6	2.1	(8.1)
Industrial Gases	Sales Revenue	182.9	198.5	206.1	224.3	216.8	227.3	242.5				
	Core Operating Income	13.5	22.1	23.3	26.2	23.8	24.5	25.6	21.1	23.2	22.2	21.5
Health Care	Sales Revenue	95.2	98.8	105.7	90.9	98.4	100.1	113.6				
	Core Operating Income	8.9	4.5	9.0	(4.5)	4.7	(3.6)	3.5	9.1	1.2	11.6	(5.4)
Others	Sales Revenue	35.5	43.5	42.6	50.6	38.1	43.7	49.1				
	Core Operating Income	(1.1)	(0.2)	(0.4)	(2.1)	(1.2)	(0.1)	0.7	(0.4)	0.5	0.4	(1.2)

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

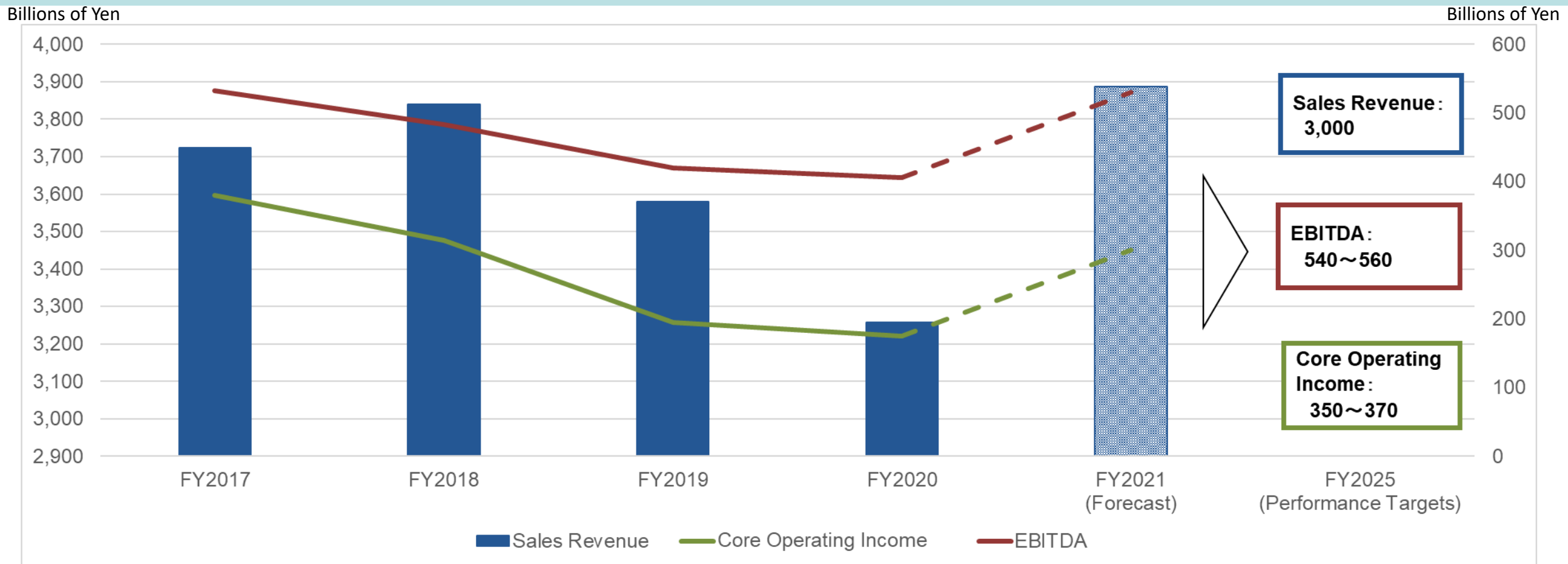
*2 From Q2 FY2020, Qualicaps, Inc. has been reclassified from the Health Care segment to the Performance Products segment (Advanced Solutions). The segment information for FY2020 is accordingly restated.

*3 From Q1 FY2021, in tandem with building an organizational structure that conforms to growth business domains in KAITEKI Vision 30, the medium- to long-term basic management strategy for MCHC, the conventional breakdown of performance products into two classifications, functional products and performance chemicals, will be changed into three classifications, polymers and compounds, films and molding materials, and advanced solutions. In addition, the company is reclassifying the managing segments for some of its businesses and consolidated subsidiaries. Accordingly, for purposes of comparison, we are restated the results for FY2020.

Business Segment Information

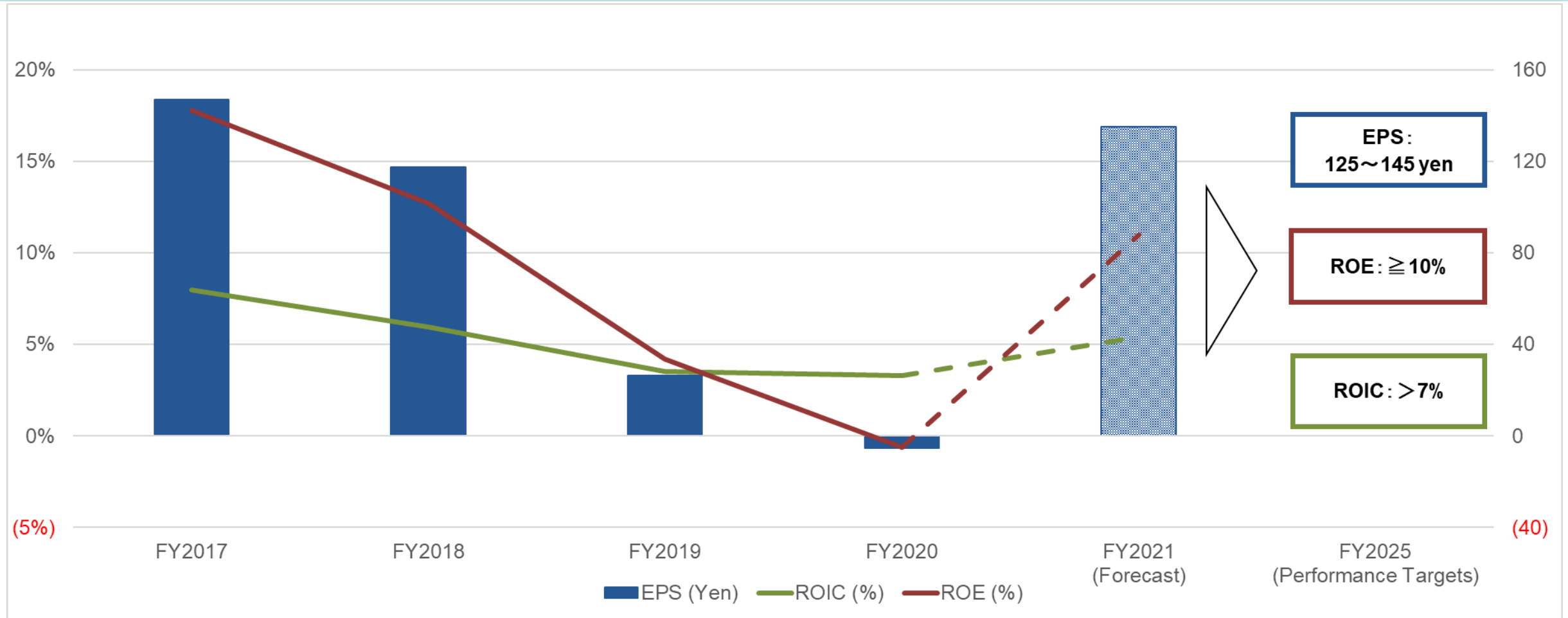
Business Domain	Business Segment	Business Sub-Segment		
			Businesses	
Performance Products	Performance Products	Polymers & Compounds	Polymers	Performance Polymers, Sustainable Polymers Acetyl Polymers
			Coating & Additives	Coating Material, Additives & Fine
		Films & Molding Materials	Films	Packaging, Industrial Films, Polyester Film
			Molding Materials	Carbon Fiber, Advanced Materials, Alumina & Fiber
		Advanced Solutions	Amenity Life	Aqua & Infrastructure, Life Solutions
			Information & Electronics	Semiconductor, Electronics, Battery Materials
Industrial Materials	Chemicals	MMA	MMA	MMA
		Petrochemicals	Petrochemicals	Basic Petrochemicals, Polyolefins, Basic Chemical Derivatives
		Carbon Products	Carbon Products	Carbon Products
	Industrial Gases		Industrial Gases	
Health Care	Health Care			Pharmaceuticals
				Life Science

Trends in Sales Revenue, Core Operating Income and EBITDA



	FY2017	FY2018	FY2019	FY2020	FY2021 3Q	FY2021 (Forecast)	FY2025 (Performance Targets)
Sales Revenue (Billions of Yen)	3,724.4	3,840.3	3,580.5	3,257.5	2,900.3	3,886.0	3,000
Core Operating Income (Billions of Yen)	380.5	314.1	194.8	174.7	218.9	300.0	350~370
EBITDA (Billions of Yen)	532.1	483.4	420.0	405.6	391.9	529.8	540~560

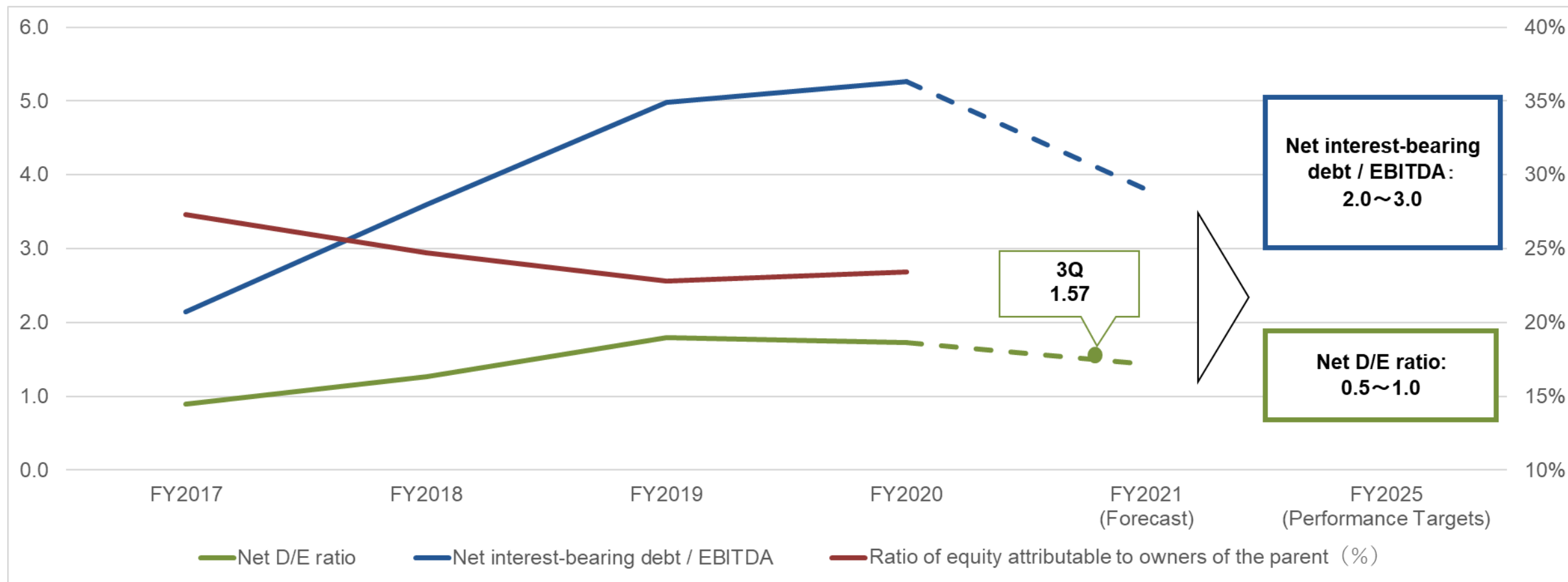
Trends in Indicators for Profitability



	FY2017	FY2018	FY2019	FY2020	FY2021 3Q	FY2021 (Forecast)	FY2025 (Performance Targets)
EPS (Yen)	147.14	117.49	26.19	(5.32)	85.95	*1 135.12	125~145
ROIC (%)	8.0%	5.9%	3.5%	3.3%	-	5.4%	>7%
ROE (%)	17.8%	12.7%	4.2%	(0.6%)	-	11.0%	≥10%

*1 The EPS is 108.60 yen after deduction of an amount equivalent to the gain on transfer of the polycrystalline alumina fiber business.

Trends in Indicators for Stability



	FY2017	FY2018	FY2019	FY2020	FY2021 3Q	FY2021 (Forecast)	FY2025 (Performance Targets)
Net D/E ratio	0.89	1.26	1.79	1.73	1.57	1.43	0.5~1.0
Net interest-bearing debt / EBITDA	2.1	3.6	5.0	5.3	-	3.8	2.0~3.0
Ratio of equity attributable to owners of the parent (%)	27.3%	24.7%	22.8%	23.4%	24.7%	-	-

Calculation formula of indicators

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

References 2



Q3 FY2021 Business Results

(April –December 2021)

February 3, 2022

Q3 FY2021 Financial Results



	Q3 FY2021	Comparison to previous year		
		Q3 FY2020	Increase (decrease)	Change
	Billion yen	Billion yen	Billion yen	%
Revenue	299.8	290.2	9.7	3.3
Gross profit	148.2	143.0	5.2	3.7
SG&A expense, etc.	141.1	118.2	22.9	19.3
R&D expense	70.2	50.3	19.9	39.6
Core operating profit	7.1	24.7	(17.6)	(71.2)
Non-recurring items*	3.4	(79.5)	82.8	-
Operating profit*	10.5	(54.7)	65.2	-
Net profit attributable to owners of the Company*	6.1	(45.3)	51.4	-
Average exchange rate US\$	¥111.45	¥105.54		

*Brackets indicate expense and loss

Details of Revenue

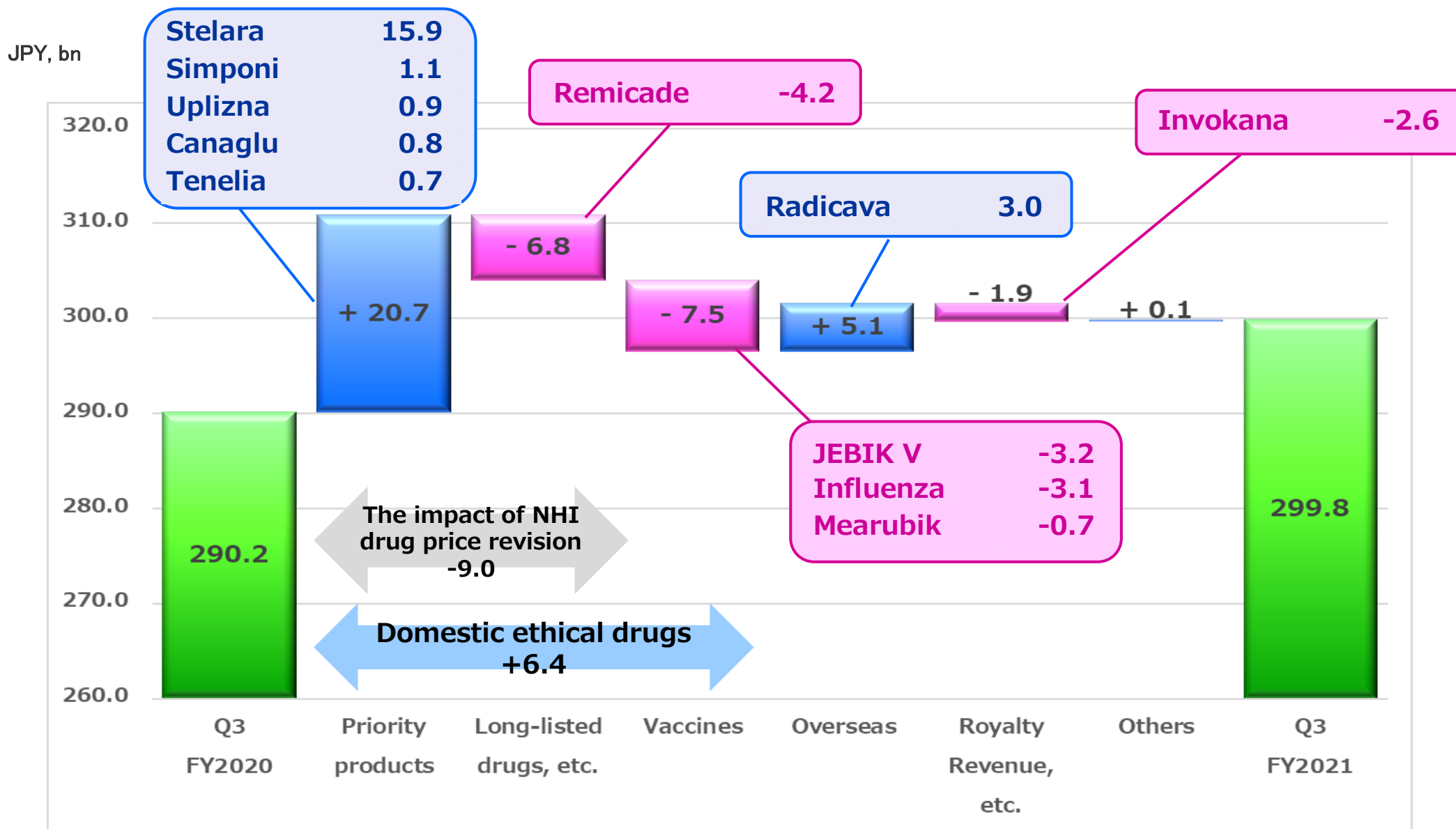


	Q3 FY2021	Comparison to previous year		
		Q3 FY2020	Increase (decrease)	Change
	Billion yen	Billion yen	Billion yen	%
Domestic ethical drugs	241.3	235.0	6.4	2.7
Priority products	124.4	103.7	20.7	20.0
Vaccines	28.5	36.0	(7.5)	(20.9)
Long-listed drugs, etc.	88.5	95.3	(6.8)	(7.2)
Remicade	31.3	35.5	(4.2)	(11.9)
Overseas ethical drugs	42.1	37.0	5.1	13.7
Radicava	18.9	15.9	3.0	18.7
Royalty revenue, etc.	10.5	12.4	(1.9)	(15.3)

Revenue of Priority Products and Vaccines

	Q3	Comparison to previous year		
	FY2021	Q3 FY2020	Increase (decrease)	Change
	Billion yen	Billion yen	Billion yen	%
Stelara	38.9	23.0	15.9	69.3
Simponi	33.8	32.7	1.1	3.2
Tenelia	12.5	11.8	0.7	5.9
Canaglu	8.8	8.0	0.8	10.6
Canalia	7.8	7.5	0.3	4.1
Vafseo	0.7	0.3	0.4	113.4
Lexapro	11.9	11.9	0.0	0.3
Uplizna	0.9	-	0.9	-
Rupafin	5.9	5.2	0.7	13.7
Imusera	3.1	3.2	(0.2)	(5.4)
Total of priority products	124.4	103.7	20.7	20.0
Influenza vaccine	10.7	13.8	(3.1)	(22.6)
Tetrabik	7.8	8.2	(0.3)	(4.2)
Mearubik	4.3	5.1	(0.7)	(14.5)
Varicella vaccine	3.6	3.8	(0.2)	(6.0)
JEBIK V	1.2	4.3	(3.2)	(73.2)
Total of vaccines	28.5	36.0	(7.5)	(20.9)
Total of priority products and vaccines	152.9	139.7	13.2	9.5

Revenue Trends





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Status of research and development etc.

Development Pipeline : Central nervous system

Creating hope for all facing illness.



1. Central nervous system

Code	Indications/Description	Region	Stage	Progress (blue indicates progression)
MT-1186	ALS/Oral suspension	Global* ¹	Filed	<ul style="list-style-type: none">Acceptance of NDA in the U.S. for priority review (January 2022).
ND0612	Parkinson's disease	Global	P3	<ul style="list-style-type: none">Global P3 study is ongoing.
MT-3921	Spinal cord injury	Global	P2	<ul style="list-style-type: none">Global P2 study is ongoing.
MT-0551	Myasthenia gravis	Japan* ²	P3	<ul style="list-style-type: none">Global P3 study is ongoing.

*1 Development stage for other countries excluding US is Phase 3

*2 Co-development with Horizon Therapeutics

Development Pipeline : Immuno-inflammation and Vaccines

Creating hope for all facing illness.



2. Immuno-inflammation

Code	Indications	Region	Stage	Progress
MT-7117	Erythropoietic protoporphyria (EPP) X-linked protoporphyria (XLP)	Global	P3	• Global P3 study is ongoing.
MT-7117	Systemic sclerosis	Global	P2	• Global P2 study is ongoing.
MT-5547	Osteoarthritis	Japan	P2/3	• P2/3 study completed.
MT-0551	IgG4-related disease	Japan* ¹	P3	• Global P3 study is ongoing.

3. Vaccines

Code	Indications / Description	Region	Stage	Progress (blue indicates progression)
MT-2766	Prophylaxis of COVID-19/Plant-derived VLP* ² vaccine	Global* ³	P3	<ul style="list-style-type: none"> • NDA submission completed in Canada (December), aim to commercialization in FY2021. • P1/2 study is ongoing in Japan.
MT-2355	Combined vaccine* ⁴	Japan	P3	• P3 study completed.

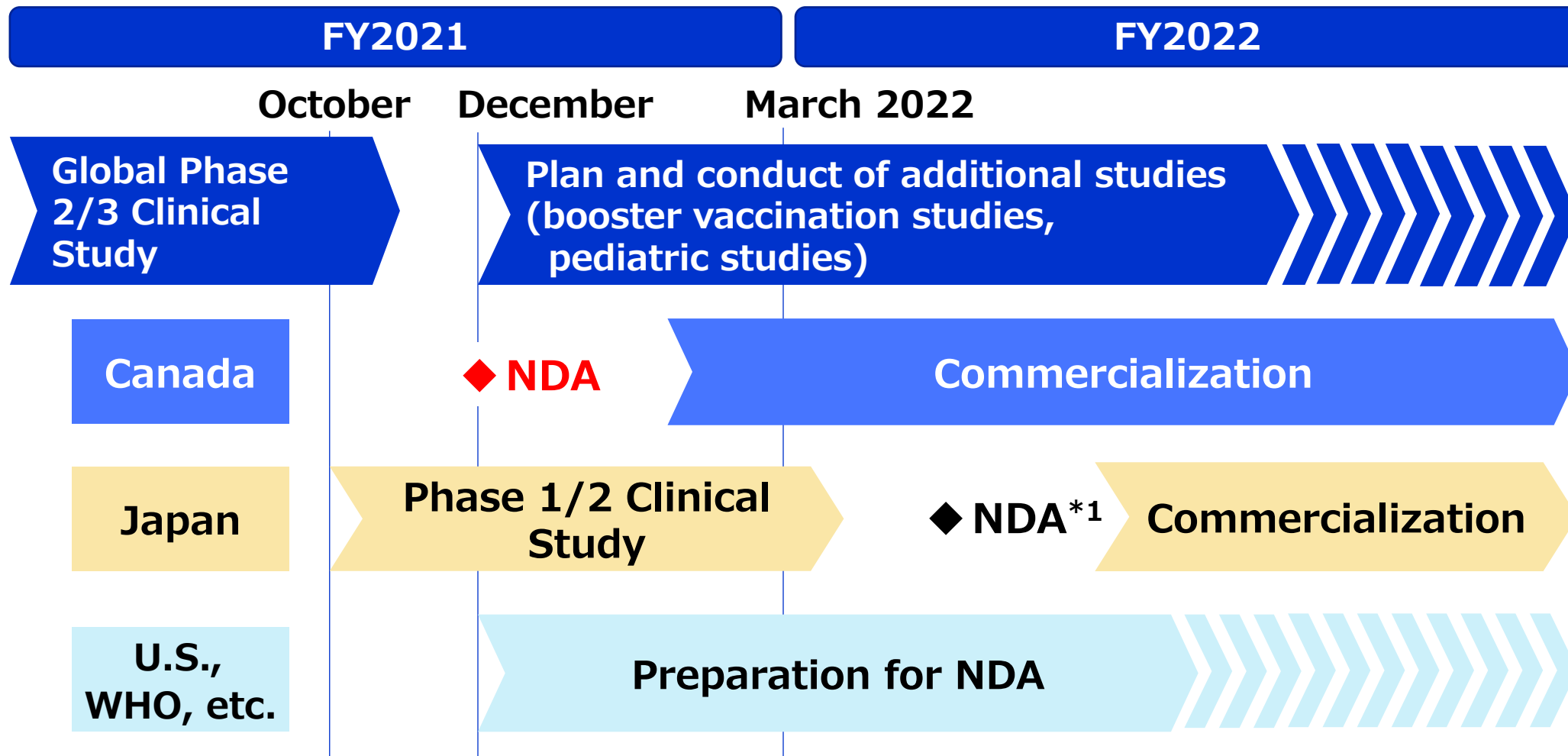
*¹ Co-development with Horizon Therapeutics

*² VLP (Virus-Like Particle)

*³ Development stage for other countries excluding Canada is P3.

*⁴ Prophylaxis of pertussis, diphtheria, tetanus, poliomyelitis and prophylaxis of Hib infection in infants

■ Status of development in each country



*1 Global clinical study data and Japanese clinical study data

■ Acceptance of MT-1186 filing in the U.S. in January

- The U.S. Food and Drug Administration (FDA) has accepted the application for priority review.
- This oral suspension contains the same ingredient as Radicava (injectable dosage form) and reduces the burden on ALS patients such as injection pain and outpatient visits, and significant improvement in convenience.

Grow as a leader in ALS treatment

■ Expanding the lineup of ALS treatment drugs in the U.S. and create new hope

Scheduled to launch MT-1186 in FY2022

FDA acceptance of NDA for MT-1186 (RADICAVA Oral Suspension)

Launched EXSERVAN in FY2021 (RILUZOLE oral film)

Launched RADICAVA for ALS treatments in FY2017 (injection)

Major Development Pipeline List

As of Jan. 25, 2022

Progress Update



Research areas	Code	Region	Indications/Description	P1	P2	P3	Filed	Approved
Central nervous system	MT-1186	Global* ¹	ALS/Oral suspension					
	ND0612	Global	Parkinson's disease					
	MT-3921	Global	Spinal cord injury					
	MT-5199	Japan	Tardive dyskinesia					
	MT-0551	Japan* ²	Myasthenia gravis					
	MT-8554	Japan	Peripheral neuropathic pain					
Immuno-inflammation	MT-7117	Global	Erythropoietic protoporphyria(EPP) X-linked protoporphyria(XLP)					
		Global	Systemic sclerosis					
	MT-2990	Global	Endometriosis					
	MT-5547	Japan	Osteoarthritis					
	MT-0551	Japan* ²	IgG4-related disease					
Vaccines	MT-2766	Global* ³	Prophylaxis of COVID-19/Plant-derived VLP* ⁴ vaccine					
	MT-2654	Global	Prophylaxis of seasonal influenza: elderly/Plant-derived VLP* ⁴ vaccine					
	MT-2355	Japan	Combined vaccine* ⁵					
Others	TA-7284	Japan	Diabetic nephropathy					

*1 NDA submission completed in the U.S. And P3 development stage in other countries

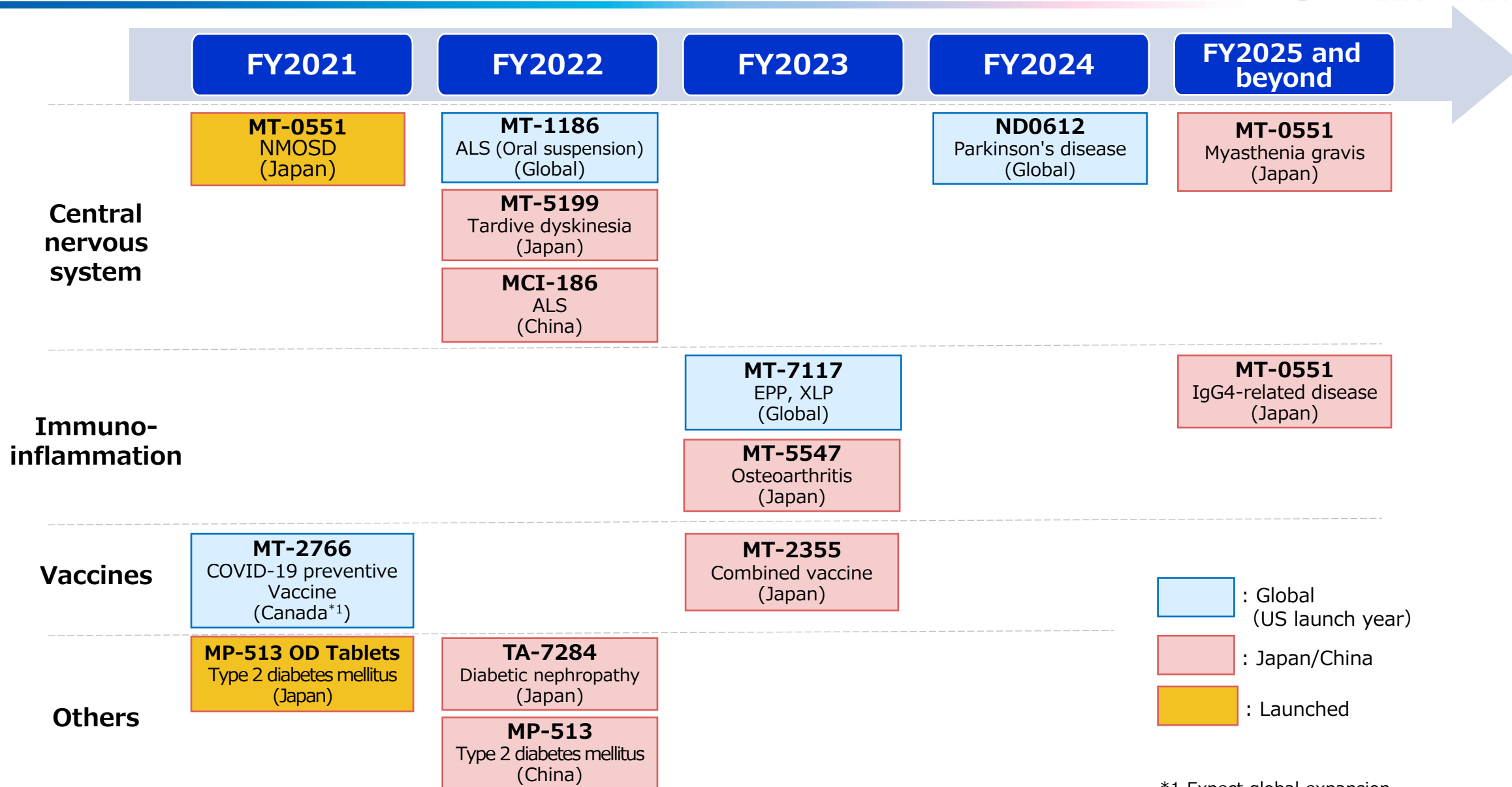
*2 Co-development with Horizon Therapeutics

*3 NDA submission completed in the Canada. And P3 development stage in other countries

*4 VLP (Virus-Like Particle)

*5 Prophylaxis of pertussis, diphtheria, tetanus, poliomyelitis and prophylaxis of Hib infection in infants

Launch Plan for Major Development Pipeline



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

*1 Expect global expansion after commercialization in Canada

Cautionary Statement

The statements contained in this presentation is based on a number of assumptions and belief in light of the information currently available to management of the company and is subject to significant risks and uncertainties.

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



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Creating hope for all facing illness.

The forward-looking statements are based largely on company expectations and information available as of the date hereof, and are subject to risks and uncertainties, which may be beyond company control.

Actual results could differ materially due to numerous factors, including without limitation, marketing conditions and the effects of industry competition.