

Operational Summary

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

August 4, 2021

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 (¥/\$)	109.8	107.4	109.7	2.4	2%	0.1	108.0
Naphtha Price (¥/kl)	47,700	25,000	45,400	22,700	91%	2,300	48,000

		(Billions of Yen)						<Reference>	
		FY2021 1Q	FY2020 1Q	FY2019 1Q	Difference	%	Difference vs. FY2019 1Q	FY2021 1H Forecast (Announced on May 12)	% to 1H Forecast
Continuing Operations * 2	Sales Revenue	928.3	722.7	916.4	205.6	28%	11.9	1,774.0	52%
	Core Operating Income *1	88.7	15.0	70.1	73.7	491%	18.6	102.5	87%
	Special Items	(1.7)	8.7	(0.2)	(10.4)		(1.5)	(2.0)	
	Operating Income	87.0	23.7	69.9	63.3	267%	17.1	100.5	87%
	Financial Income/Expenses	(1.7)	(3.3)	(3.3)	1.6		1.6	(7.0)	
	(Dividend included above)	[3.8]	[2.5]	[2.9]	[1.3]		[0.9]	[2.7]	
	(Foreign Exchange Gain/Loss included above)	[(0.0)]	[0.0]	[(0.3)]	[(0.1)]		[0.3]	[0.0]	
	Income before Taxes	85.3	20.4	66.6	64.9	318%	18.7	93.5	91%
	Income Taxes	(26.1)	(12.2)	(18.2)	(13.9)		(7.9)	(33.0)	
	Net Income (Loss) from Continuing Operations	59.2	8.2	48.4	51.0		10.8	60.5	
Net Income from Discontinued Operations	-	-	0.5	-		(0.5)	-		
Net Income	59.2	8.2	48.9	51.0		10.3	60.5		
Net Income Attributable to Owners of the Parent	49.9	5.2	37.8	44.7	866%	12.1	44.0	113%	
Net Income Attributable to Non-Controlling Interests	9.3	3.0	11.1	6.3		(1.8)	16.5		
	4.6	0.2	5.0	4.4		(0.4)			

*1 Share of profit of associates and joint ventures 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)			<Reference>
		FY2021 1Q	FY2020 1Q	Difference	FY2021 1H Forecast (Announced on May 12)
Total Consolidated	Sales Revenue	928.3	722.7	205.6	1,774.0
	Core Operating Income	88.7	15.0	73.7	102.5
Polymers & Compounds	Sales Revenue	80.1	60.1	20.0	139.0
	Core Operating Income	8.0	2.0	6.0	7.5
Films & Molding Materials	Sales Revenue	120.2	94.3	25.9	216.0
	Core Operating Income	15.3	5.2	10.1	18.0
Advanced Solutions	Sales Revenue	82.8	69.0	13.8	169.0
	Core Operating Income	3.3	4.1	(0.8)	7.0
Performance Products	Sales Revenue	283.1	223.4	59.7	524.0
	Core Operating Income	26.6	11.3	15.3	32.5
MMA	Sales Revenue	77.6	48.0	29.6	135.0
	Core Operating Income	12.3	(1.9)	14.2	17.0
Petrochemicals	Sales Revenue	160.4	93.3	67.1	313.0
	Core Operating Income	16.0	(14.3)	30.3	2.0
Carbon Products	Sales Revenue	53.9	44.4	9.5	100.0
	Core Operating Income	6.5	(1.4)	7.9	5.0
Chemicals	Sales Revenue	291.9	185.7	106.2	548.0
	Core Operating Income	34.8	(17.6)	52.4	24.0
Industrial Gases	Sales Revenue	216.8	182.9	33.9	415.0
	Core Operating Income	23.8	13.5	10.3	45.0
Health Care	Sales Revenue	98.4	95.2	3.2	195.0
	Core Operating Income	4.7	8.9	(4.2)	3.0
Others	Sales Revenue	38.1	35.5	2.6	92.0
	Core Operating Income	(1.2)	(1.1)	(0.1)	(2.0)
[Inventory valuation gain/loss]					
	Polymers & Compounds	1.0	(0.1)	1.1	
	Petrochemicals	9.0	(14.7)	23.7	
	Carbon Products	(0.6)	(0.5)	(0.1)	
	Total	9.4	(15.3)	24.7	

*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.

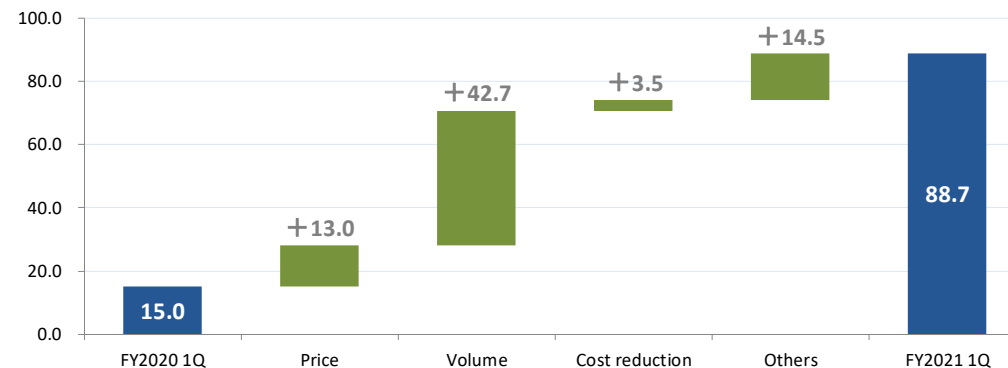
Analysis of Core Operating Income (Loss)

(Billions of Yen)

	FY2021 1Q	FY2020 1Q	Difference				
				Price	Volume	Cost reduction	Others *
Total Consolidated	88.7	15.0	73.7	13.0	42.7	3.5	14.5
Performance Products	26.6	11.3	15.3	(1.6)	17.6	0.8	(1.5)
Chemicals	34.8	(17.6)	52.4	14.5	12.1	2.5	23.3
Industrial Gases	23.8	13.5	10.3	2.3	9.7	0.0	(1.7)
Health Care	4.7	8.9	(4.2)	(2.0)	3.1	0.2	(5.5)
Others	(1.2)	(1.1)	(0.1)	(0.2)	0.2	0.0	(0.1)

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

Changes in exchange rates	1.6	2.5	0.1	-	(1.0)
Changes in foreign currency translation included in above		1.2			



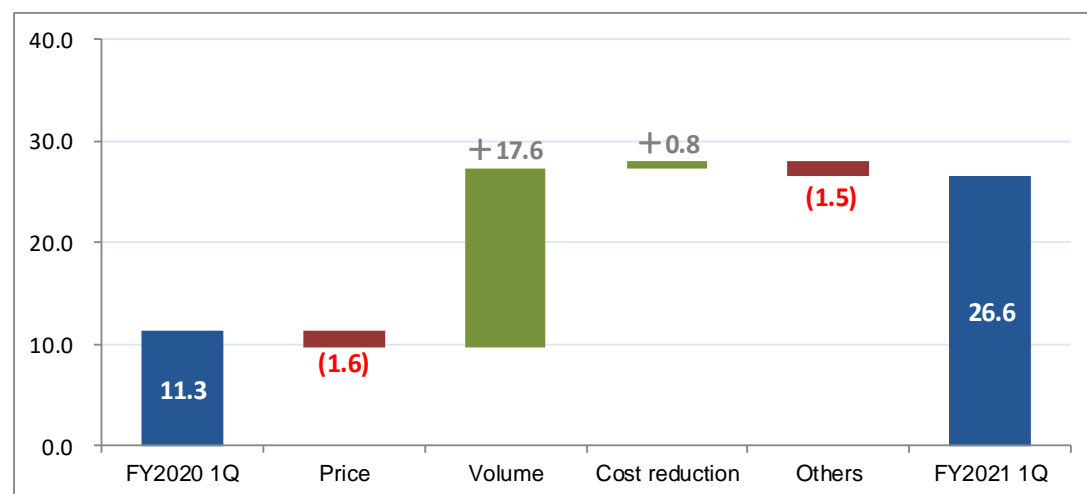
Performance Products Segment

(Billions of Yen)

		FY2021 1Q	FY2020 1Q	Difference
Polymers & Compounds	Sales Revenue	80.1	60.1	20.0
	Core Operating Income	8.0	2.0	6.0
Films & Molding Materials	Sales Revenue	120.2	94.3	25.9
	Core Operating Income	15.3	5.2	10.1
Advanced Solutions	Sales Revenue	82.8	69.0	13.8
	Core Operating Income	3.3	4.1	(0.8)
Performance Products	Sales Revenue	283.1	223.4	59.7
	Core Operating Income	26.6	11.3	15.3

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 of molding materials for use in automobiles and other applications, and also owing to a growth in sales of 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 demand.
Core Operating Income	Although there was an increase in sales volumes, profit was flat year-on-year mainly due to a rise in raw material prices.

< Analysis of Core Operating Income >



<Major initiatives>

- In April 2021, MCC decided to make a capital investment in C.P.C. SRL in order to strengthen the carbon fiber and composite material business. The investment includes plans for the addition of 5,000-metric ton press machines, which will be among the largest in the world. CPC manufactures and sells carbon fiber reinforced plastic (CFRP) automotive parts. The facility is scheduled for operation in 2023.
- In May 2021, MCC agreed to transfer its shareholdings in Sinopec Mitsubishi Chemical Polycarbonate (Beijing) Co., Ltd. to China Petroleum & Chemical Corporation by the end of October 2021.
- In May 2021, MCC and the Japan Steel Works, Ltd. jointly completed construction of a verification facility for mass production of gallium nitride (GaN) single-crystal substrates at the Muroran Plant of Japan Steel Works M&E, Inc. The aim is to conduct verification tests for mass production throughout FY2021, and start market supply from early FY2022.

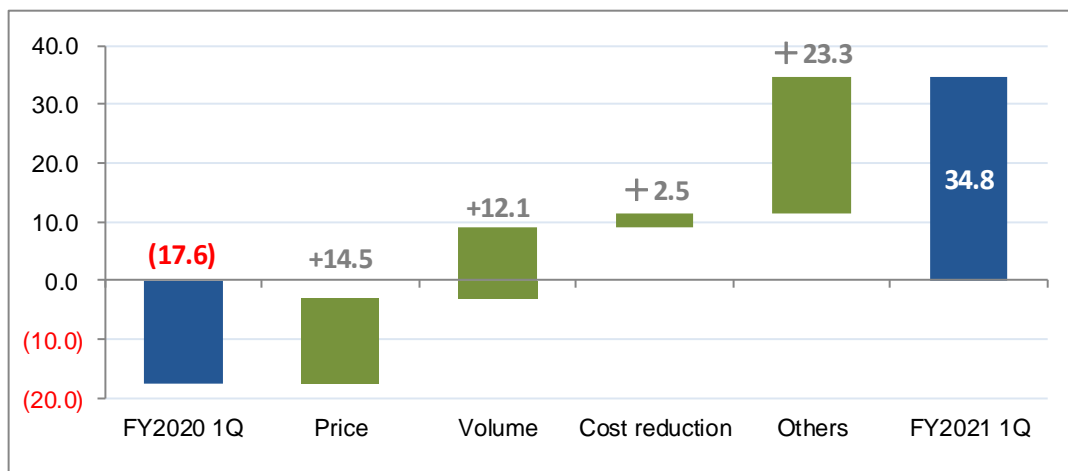
Chemicals Segment

(Billions of Yen)

		FY2021 1Q	FY2020 1Q	Difference
MMA	Sales Revenue	77.6	48.0	29.6
	Core Operating Income	12.3	(1.9)	14.2
Petrochemicals	Sales Revenue	160.4	93.3	67.1
	Core Operating Income	16.0	(14.3)	30.3
Carbon Products	Sales Revenue	53.9	44.4	9.5
	Core Operating Income	6.5	(1.4)	7.9
Chemicals	Sales Revenue	291.9	185.7	106.2
	Core Operating Income	34.8	(17.6)	52.4

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 at the 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 June 2021, MCC entered into a licensing agreement with Mura Technology Limited pertaining to technology to manufacture of raw materials for chemical products and fuel oil products from waste plastics.

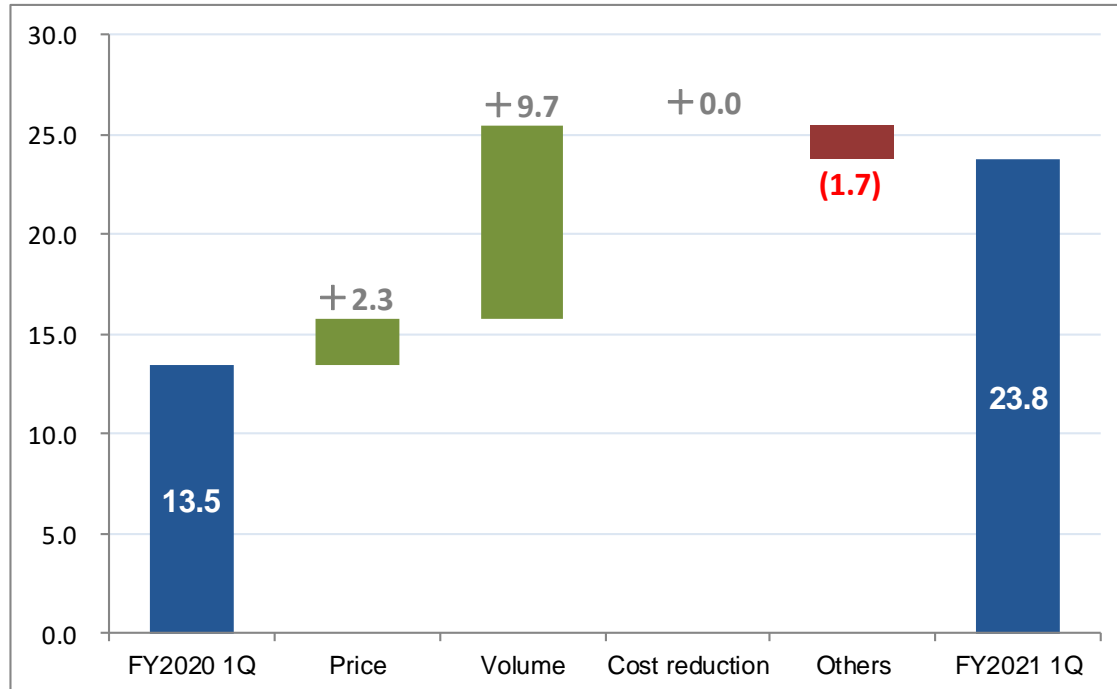
Industrial Gases Segment

(Billions of Yen)

		FY2021 1Q	FY2020 1Q	Difference
Industrial Gases	Sales Revenue	216.8	182.9	33.9
	Core Operating Income	23.8	13.5	10.3

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 >



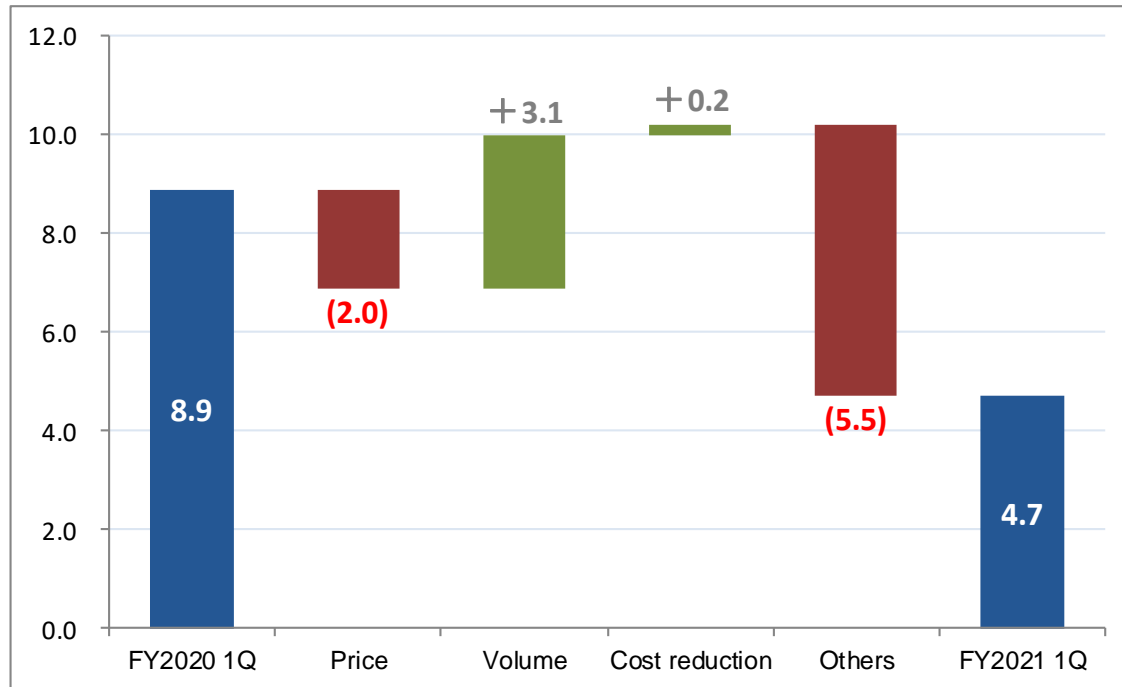
Health Care Segment

(Billions of Yen)

		FY2021 1Q	FY2020 1Q	Difference
Health Care	Sales Revenue	98.4	95.2	3.2
	Core Operating Income	4.7	8.9	(4.2)

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 coupled with 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).

Consolidated Special Items

(Billions of Yen)

	FY2021 1Q	FY2020 1Q	Difference
Total Special Items	(1.7)	8.7	(10.4)
Loss on sale and disposal of fixed assets	(0.3)	(0.2)	(0.1)
Impairment loss	(0.1)	(0.0)	(0.1)
Gain on sale of property, plant and equipment	0.0	8.1	(8.1)
Gain on sales of shares of subsidiaries and associates	-	0.9	(0.9)
Others	(1.3)	(0.1)	(1.2)

[Special Items by Business Segment]

Performance Products	(1.3)	0.8	(2.1)
Chemicals	(0.0)	(0.0)	0.0
Industrial Gases	-	-	-
Health Care	(0.0)	8.1	(8.1)
Others	(0.4)	(0.2)	(0.2)

Consolidated Cash Flows

	Based on statements of cash flows		Reference) Adjusted cash flows *1
	FY2021 1Q	FY2020 1Q	FY2020 1Q
Net cash provided by (used in) operating activities	81.9	70.1	70.1
Income before taxes	85.3	20.4	20.4
Depreciation and amortization	62.4	59.6	59.6
Change in operating receivables/payables	18.6	14.4	14.4
Change in Inventories	(34.4)	12.6	12.6
Others	(50.0)	(36.9)	(36.9)
Net cash provided by (used in) investment activities	(57.4)	22.7	(47.3)
Capital expenditure	(55.7)	(60.5)	(60.5)
Sale of assets	5.2	14.6	14.6
Investment and loans receivable, etc.	(6.9)	68.6	(1.4)
Free cash flow	24.5	92.8	22.8
Net cash provided by (used in) financing activities	(116.6)	72.3	
Interest bearing debts	(93.0)	190.4	
Additional acquisition of consolidated subsidiaries' stocks *2	0.0	(95.8)	
Dividends, etc.	(23.6)	(22.3)	
Net increase (decrease) in cash and cash equivalents	(92.1)	165.1	
Effect of exchange rate changes and changes in scope of consolidation	2.2	0.3	
Cash and cash equivalents at the beginning of the period	349.6	228.2	
Cash and cash equivalents at the end of the period	259.7	393.6	

*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

	Jun.30.2021	Mar.31.2021	(Billions of Yen) Difference
Cash & cash equivalents	259.7	349.6	(89.9)
Trade receivables	725.5	716.4	9.1
Inventories	613.6	576.5	37.1
Others	169.8	155.0	14.8
Current assets	1,768.6	1,797.5	(28.9)
Fixed assets	2,269.3	2,269.2	0.1
Goodwill	679.5	671.9	7.6
Investments & Other	569.3	548.6	20.7
Non-current assets	3,518.1	3,489.7	28.4
Total assets	5,286.7	5,287.2	(0.5)

	Jun.30.2021	Mar.31.2021	(Billions of Yen) Difference
Interest-bearing debt	2,403.0	2,482.4	(79.4)
Trade payables	408.6	382.3	26.3
Others	836.4	851.4	(15.0)
Liabilities	3,648.0	3,716.1	(68.1)
Share capitals, Retained earnings, etc.,	1,263.1	1,226.5	36.6
Other components of equity	35.8	9.8	26.0
Equity attributable to owners of the parent	1,298.9	1,236.3	62.6
Non-controlling interests	339.8	334.8	5.0
Equity	1,638.7	1,571.1	67.6
Total liabilities & equity	5,286.7	5,287.2	(0.5)

Net interest-bearing debt *1	2,143.2	2,132.8	10.4
Net D/E ratio	1.65	1.73	(0.08)
Ratio of Equity attributable to owners of the parent	24.6%	23.4%	1.2%
ROE *2	-	(0.6%)	-

*1 Net interest-bearing debt (End of Jun.30, 2021)

= interest-bearing debt (2,403.0 billion yen)

- {cash and cash equivalents (259.7 billion yen) + investments of surplus funds (0.0 billion yen)}

Note : Interest-bearing debt includes lease obligations.

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

Revised Forecasts for 1H of FY2021

Consolidated Statements of Operations

	109.8	110.0	109.9	108.0	1.9	106.3		
Exchange Rate (¥/\$)	47,700	54,000	50,850	48,000	2,850	27,600		
Naphtha Price (¥/kl)	(Billions of Yen)					<Reference>		
	1Q (Actual)	2Q (Forecast)	FY2021 1H Forecast	FY2021 1H Forecast (Announced on May 12)	Difference	% to 1H Forecast	FY2020 1H Actual	%
Sales Revenue	928.3	931.7	1,860.0	1,774.0	86.0	4.8%	1,504.8	23.6%
Core Operating Income	88.7	60.3	149.0	102.5	46.5	45.4%	54.6	172.7%
Special Items	(1.7)	(0.3)	(2.0)	(2.0)	0.0		(82.7)	
Operating Income	87.0	60.0	147.0	100.5	46.5	46.3%	(28.1)	-
Financial Income/Expenses	(1.7)	(4.3)	(6.0)	(7.0)	1.0		(8.7)	
Earnings before Taxes	85.3	55.7	141.0	93.5	47.5		(36.8)	
Income Taxes	(26.1)	(17.9)	(44.0)	(33.0)	(11.0)		(3.1)	
Net Income	59.2	37.8	97.0	60.5	36.5		(39.9)	
Net Income Attributable to Owners of the Parent	49.9	29.1	79.0	44.0	35.0	79.5%	(49.7)	-
Net Income Attributable to Non-Controlling Interests	9.3	8.7	18.0	16.5	1.5		9.8	

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

		(Billions of Yen)					<Reference>
		1Q (Actual)	2Q (Forecast)	FY2021 1H Forecast	FY2021 1H Forecast (Announced on May 12)	Difference	FY2020 1H Actual
Total Consolidated	Sales Revenue	928.3	931.7	1,860.0	1,774.0	86.0	1,504.8
	Core Operating Income	88.7	60.3	149.0	102.5	46.5	54.6
Polymers & Compounds	Sales Revenue	80.1	77.4	157.5	139.0	18.5	123.0
	Core Operating Income	8.0	6.5	14.5	7.5	7.0	4.6
Films & Molding Materials	Sales Revenue	120.2	114.3	234.5	216.0	18.5	194.4
	Core Operating Income	15.3	10.7	26.0	18.0	8.0	10.9
Advanced Solutions	Sales Revenue	82.8	89.2	172.0	169.0	3.0	142.6
	Core Operating Income	3.3	3.7	7.0	7.0	0.0	9.5
Performance Products	Sales Revenue	283.1	280.9	564.0	524.0	40.0	460.0
	Core Operating Income	26.6	20.9	47.5	32.5	15.0	25.0
MMA	Sales Revenue	77.6	82.4	160.0	135.0	25.0	106.3
	Core Operating Income	12.3	11.7	24.0	17.0	7.0	1.5
Petrochemicals	Sales Revenue	160.4	165.6	326.0	313.0	13.0	200.3
	Core Operating Income	16.0	6.0	22.0	2.0	20.0	(15.7)
Carbon products	Sales Revenue	53.9	49.1	103.0	100.0	3.0	83.8
	Core Operating Income	6.5	2.5	9.0	5.0	4.0	(3.9)
Chemicals	Sales Revenue	291.9	297.1	589.0	548.0	41.0	390.4
	Core Operating Income	34.8	20.2	55.0	24.0	31.0	(18.1)
Industrial Gases	Sales Revenue	216.8	198.2	415.0	415.0	0.0	381.4
	Core Operating Income	23.8	21.2	45.0	45.0	0.0	35.6
Health Care	Sales Revenue	98.4	96.6	195.0	195.0	0.0	194.0
	Core Operating Income	4.7	(1.7)	3.0	3.0	0.0	13.4
Others	Sales Revenue	38.1	58.9	97.0	92.0	5.0	79.0
	Core Operating Income	(1.2)	(0.3)	(1.5)	(2.0)	0.5	(1.3)

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

References 1

Statements of Operations [Quarterly Data]

		109.7	107.7	109.3	109.1	107.4	105.3	104.0	107.2	109.8
		45,400	40,200	41,300	44,800	25,000	30,200	31,300	38,800	47,700
										(Billions of Yen)
		FY2019				FY2020				FY2021
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Continuing Operations * 2	Sales Revenue	916.4	911.3	903.1	849.7	722.7	782.1	850.6	902.1	928.3
	Core Operating Income *1	70.1	60.7	50.2	13.8	15.0	39.6	59.0	61.1	88.7
	Special Items	(0.2)	0.0	(20.2)	(30.1)	8.7	(91.4)	(30.2)	(14.3)	(1.7)
	Operating Income (Loss)	69.9	60.7	30.0	(16.3)	23.7	(51.8)	28.8	46.8	87.0
	Financial Income/Expenses (Dividend included above)	(3.3)	(4.9)	(7.7)	(6.4)	(3.3)	(5.4)	(4.8)	(1.1)	(1.7)
	(Foreign Exchange Gain/Loss included above)	[2.9]	[0.1]	[1.1]	[0.1]	[2.5]	[0.3]	[0.7]	[0.8]	[3.8]
		[(0.3)]	[0.7]	[(2.8)]	[(1.3)]	[0.0]	[(0.4)]	[(0.3)]	[3.1]	[(0.0)]
	Income (Loss) before Taxes	66.6	55.8	22.3	(22.7)	20.4	(57.2)	24.0	45.7	85.3
	Income Taxes	(18.2)	(19.4)	(15.7)	1.0	(12.2)	9.1	(12.5)	5.4	(26.1)
	Net Income (Loss) from Continuing Operations	48.4	36.4	6.6	(21.7)	8.2	(48.1)	11.5	51.1	59.2
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	
	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
	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
		5.0	3.1	2.6	2.7	0.2	0.9	4.2	7.6	4.6

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

*2 Discontinued operations not included.

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

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

References 2

Q1 FY2021 Business Results

(April –June 2021)

August 4, 2021

Q1 FY2021 Financial Results



	Q1 FY2021	Comparison to previous year			Comparison to forecasts* ¹	
		Q1 FY2020	Increase (decrease)	Change	Full-year	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Revenue	95.4	91.8	3.6	3.9	407.5	23.4
Gross profit	47.7	46.2	1.5	3.3	215.0	22.2
SG&A expense, etc.	41.9	36.6	5.3	14.5	189.0	22.2
R&D expense	18.8	15.3	3.5	22.9	85.0	22.1
Core operating profit	5.8	9.6	(3.8)	(39.2)	26.0	22.4
Non-recurring items* ²	(0.0)	8.1	(8.1)	-	4.0	-
Operating profit	5.8	17.7	(11.9)	(67.1)	30.0	19.3
Net profit attributable to owners of the Company	3.1	11.5	(8.4)	(73.4)	17.5	17.5
Average exchange rate US\$	¥109.76	¥107.38			¥110.00	

*1: Announced on May 12, 2021

*2: Brackets indicate expense and loss

Details of Revenue



	Q1 FY2021	Comparison to previous year			Comparison to forecasts* ¹	
		Q1 FY2020	Increase (decrease)	Change	Full-year	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Domestic ethical drugs	74.5	73.3	1.3	1.7	286.3	26.0
Priority products	38.9	33.4	5.5	16.4	146.6	26.5
Vaccines	6.2	7.5	(1.3)	(17.1)	37.0	16.8
Long-listed drugs, etc.	29.4	32.3	(2.9)	(9.0)	102.7	28.6
Remicade	10.4	11.9	(1.4)	(12.2)	36.5	28.6
Overseas ethical drugs	14.4	12.6	1.7	13.8	100.6	14.3
Radicava* ²	6.3	5.6	0.8	13.7	19.8	32.0
Royalty revenue, etc.	4.3	3.8	0.6	15.7	12.3	35.3

*1 Announced on May 12, 2021

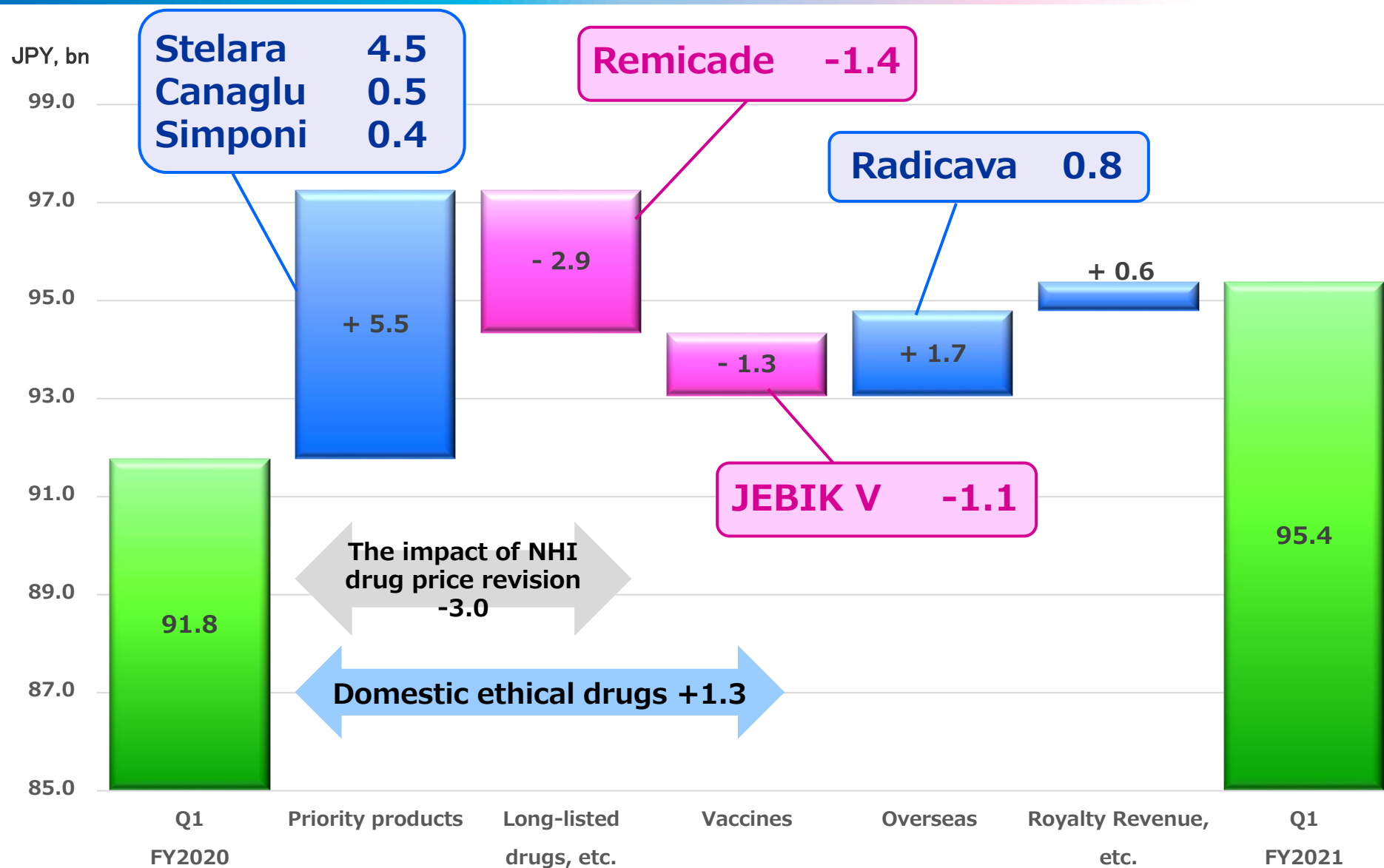
*2 Forecast of 19.8 was corrected from 19.2 announced on May 12, 2021.

Revenue of Priority Products and Vaccines

	Q1 FY2021	Comparison to previous year			Comparison to forecasts*	
		Q1 FY2020	Increase (decrease)	Change	Full-year	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Stelara	11.4	7.0	4.5	64.0	42.7	26.7
Simponi	11.1	10.7	0.4	4.0	41.2	26.9
Tenelia	3.8	4.1	(0.3)	(6.4)	14.4	26.7
Canaglu	3.0	2.5	0.5	18.3	10.1	29.7
Canalia	2.5	2.5	(0.1)	(2.5)	9.3	26.5
Vafseo	0.1	-	0.1	-	1.3	6.1
Lexapro	3.9	3.9	0.1	1.9	14.1	28.1
Uplizna	0.1	-	0.1	-	1.4	9.3
Rupafin	1.9	1.7	0.2	12.3	8.9	21.0
Imusera	1.1	1.1	(0.0)	(1.7)	3.3	32.8
Total of priority products	38.9	33.4	5.5	16.4	146.6	26.5
Influenza vaccine	(0.0)	(0.0)	0.0	-	14.3	(0.0)
Tetrabik	2.6	2.7	(0.1)	(3.8)	10.8	23.9
Mearubik	1.9	1.9	(0.0)	(1.0)	5.7	33.1
Varicella vaccine	1.1	1.3	(0.1)	(11.6)	4.1	27.1
JEBIK V	0.3	1.4	(1.1)	(76.0)	1.3	27.7
Total of vaccines	6.2	7.5	(1.3)	(17.1)	37.0	16.8
Total of priority products and vaccines	45.1	41.0	4.2	10.2	183.7	24.6

* Announced on May 12, 2021

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	Region	Stage	Progress (blue indicates progression)
MT-1186	ALS/oral suspension	Global	P3	<ul style="list-style-type: none">Global P3 study (long-term safety study) is ongoing.NDA is to be filed in the U.S. (3Q).
ND0612	Parkinson's disease	Global	P3	<ul style="list-style-type: none">Global P3 study is ongoing.
MT-0551	Myasthenia gravis	Japan*	P3	<ul style="list-style-type: none">Global P3 study is ongoing.
MT-5199	Tardive dyskinesia	Japan	Filed	<ul style="list-style-type: none">NDA submission completed (April).

* 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	<ul style="list-style-type: none"> Global P3 study is ongoing.
MT-5547	Osteoarthritis	Japan	P2/3	<ul style="list-style-type: none"> P2/3 study completed.
MT-0551	IgG4-related disease	Japan*	P3	<ul style="list-style-type: none"> Global P3 study is ongoing.

3. Vaccines

Code	Indications	Region	Stage	Progress(blue indicates progression)
MT-2766	Prophylaxis of COVID-19 (Plant-based VLP** vaccine)	Global	P3	<ul style="list-style-type: none"> Global P3 study is ongoing. Planned to be approved in Canada in 3Q, aim to commercialization in 2021.
MT-2355	Combined vaccine***	Japan	P3	<ul style="list-style-type: none"> P3 study completed.

* Co-development with Horizon Therapeutics

** VLP (Virus-Like Particle)

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

■ Launch for Neuromyelitis Optica Spectrum Disorder (NMOSD)

Mechanism of action	Humanized anti-CD19 monoclonal antibody.
Features	A new mechanism of a broad depletion of B cells including antibody-producing plasmablasts and plasma cells. Convenience of a dosing interval of once every six months.
Number of patients	Approximately 4,000 patients in Japan.*
Month of launch	June, 2021
Peak sales forecast	5.9 billion yen (at the peak of 8th year after launch)



■ Global P3 studies are ongoing for 2 indications following NMOSD**

[1] Myasthenia gravis

- A disease that shows muscle weakness and fatigue in the eyes, hands, and feet. It could be classified into two types; the ocular type (mainly showing eye symptoms) and the generalized type.
- Number of patients in Japan: approximately 23,000*

[2] IgG4-Related disease

- A disease that shows swelling and hardening of various organs; the cause of the disease is unknown. IgG4, one of the immunoglobulins, is typically elevated in blood.
- Number of patients in Japan: Approximately 8,000*

* Japan Intractable Diseases Information Center
<https://www.nanbyou.or.jp/>

** Co-development with Horizon Therapeutics

EXSERVAN (RILUZOLE oral film) Launched in U.S. (in June)



■ About EXSERVAN

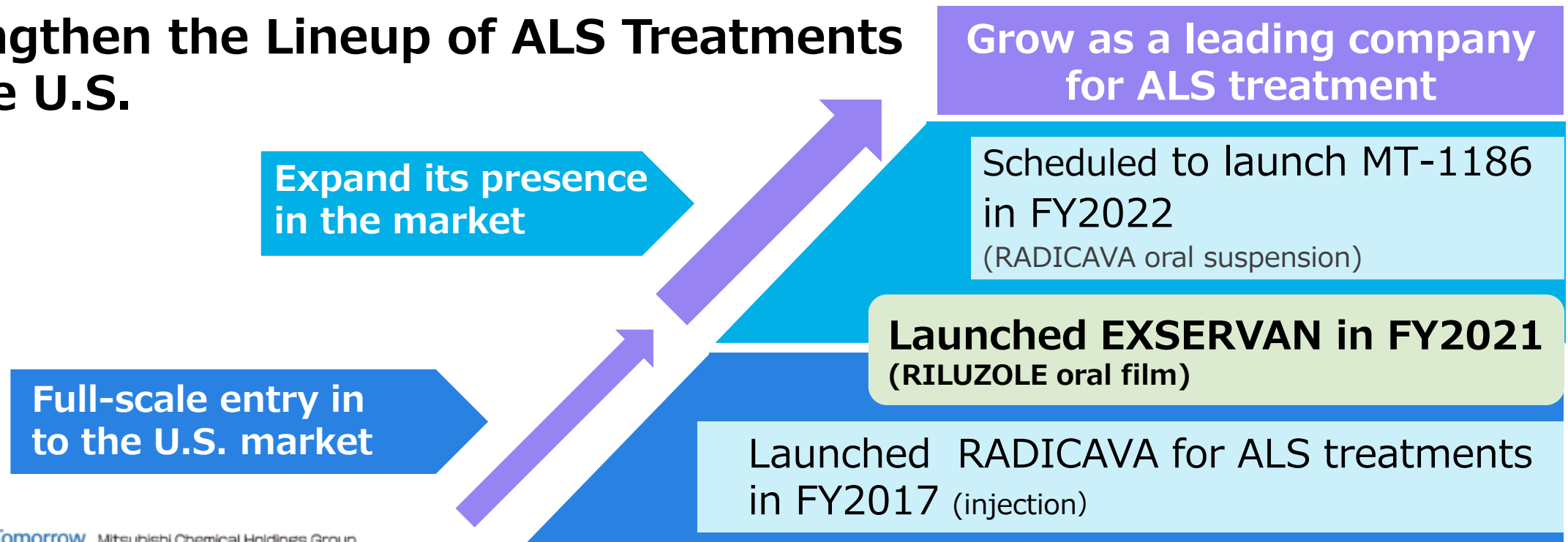


<Oral Film>



- Improves convenience for ALS patients, including those who have difficulty swallowing some medications
- Can be used in combination with RADICAVA

■ Strengthen the Lineup of ALS Treatments in the U.S.



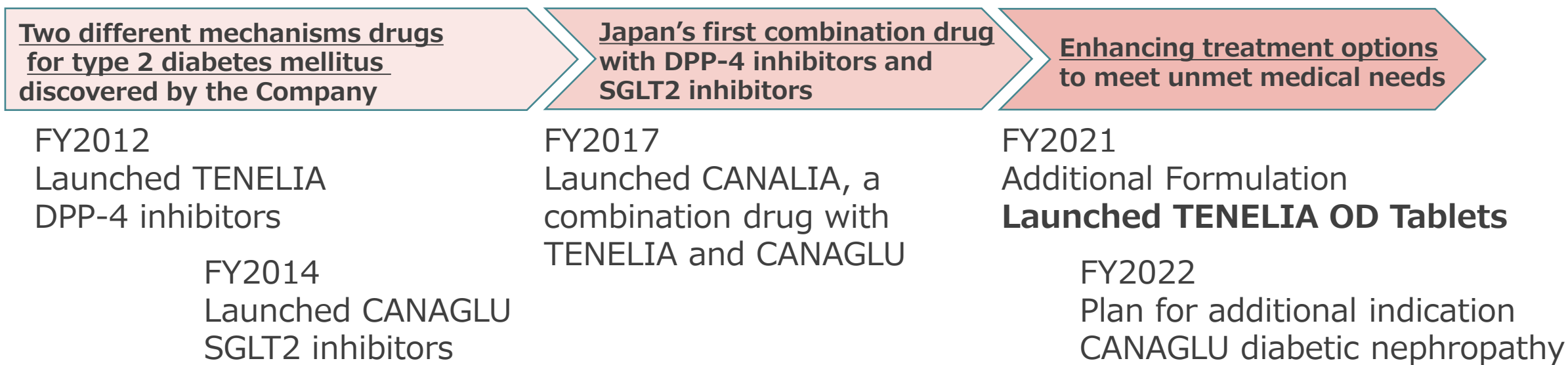
Launched "TENELIA OD Tablets" (in June)

■ The first OD tablets in DPP-4 inhibitors in Japan

- Further convenience and improvement of medication compliance for elderly patients and patients with impaired swallowing function in type 2 diabetes mellitus



■ New options for all people facing type 2 diabetes mellitus



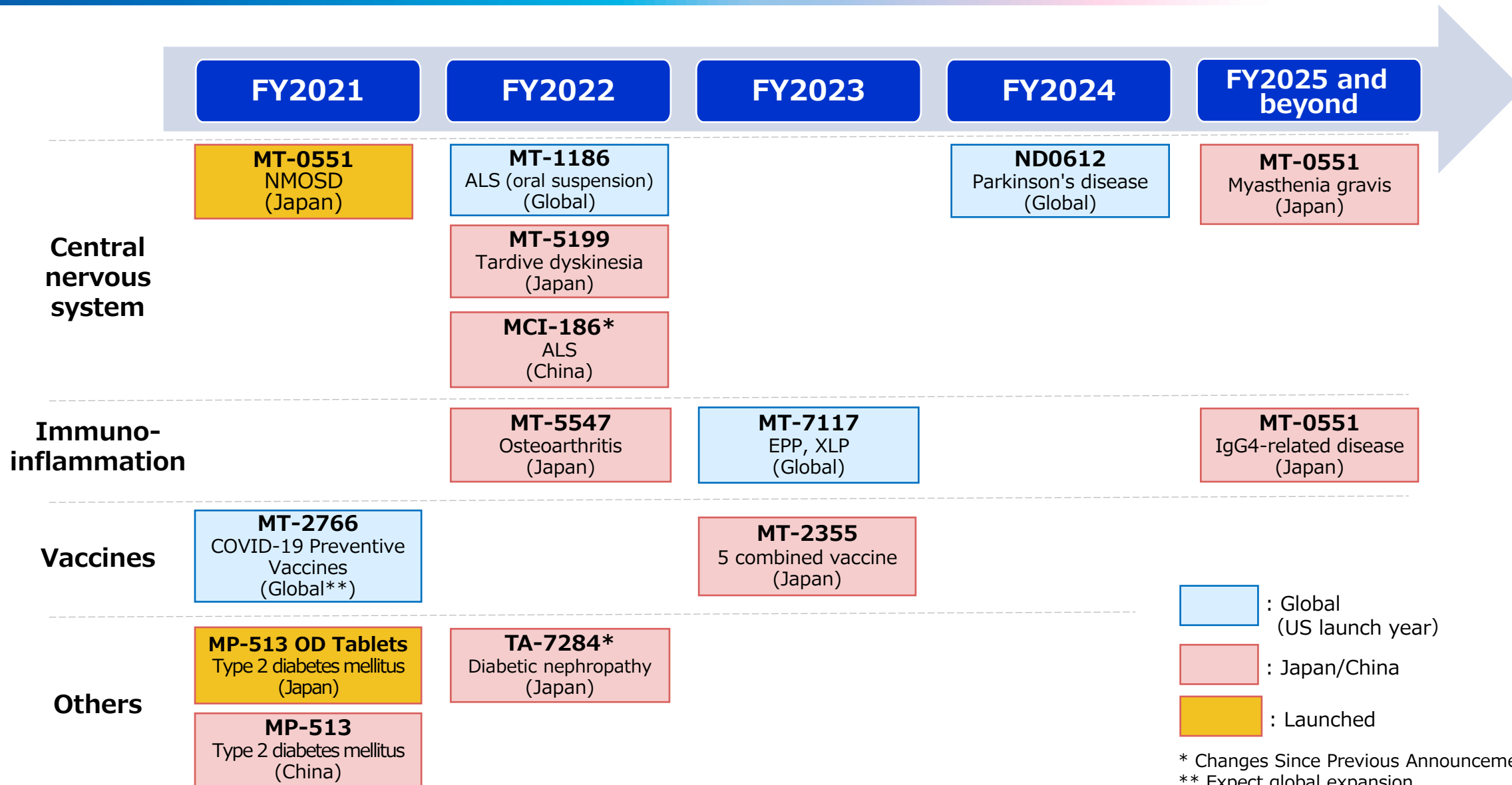
Major Development Pipeline List

Progress Update

Research areas	Code	Region	Indications	P1	P2	P3	Filed	Approved
Central nervous system	MT-1186	Global	ALS/oral suspension					
	ND0612	Global	Parkinson's disease					
	MT-3921	Global	Spinal cord injury					
	MT-0551	Japan	Neuromyelitis Optica Spectrum Disorder (NMOSD)					Mar.
		Japan*	Myasthenia gravis					
	MT-5199	Japan	Tardive dyskinesia					
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*	IgG4-related disease					
Vaccines	MT-2766	Global	Prophylaxis of COVID-19					
	MT-2654	Global	Prophylaxis of seasonal influenza/elderly					
	MT-2355	Japan	5 combined vaccine					
Others	TA-7284	Japan	Diabetic nephropathy					

* Co-development with Horizon Therapeutics (Global study ongoing)

Launch Plan for Major Development Pipeline



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

* Changes Since Previous Announcement
 ** 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.