

Operational Summary

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

November 2, 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

		109.8	110.4	110.1	106.3	108.7	3.8	4%	1.4
Exchange Rate (¥/\$)									
Naphtha Price (¥/kl)		47,700	53,500	50,600	27,600	42,800	23,000	83%	7,800
(Billions of Yen)									
		1Q	2Q	FY2021 1H	FY2020 1H	FY2019 1H	Difference	%	Difference vs. FY2019 1H
		Continuing Operations * 2	Sales Revenue	928.3	956.8	1,885.1	1,504.8	1,827.7	380.3
Core Operating Income *1	88.7		67.4	156.1	54.6	130.8	101.5	186%	25.3
Special Items	(1.7)		(1.3)	(3.0)	(82.7)	(0.2)	79.7		(2.8)
Operating Income (Loss)	87.0		66.1	153.1	(28.1)	130.6	181.2	—	22.5
Financial Income/Expenses	(1.7)		(4.2)	(5.9)	(8.7)	(8.2)	2.8		2.3
(Dividend included above)	[3.8]		[0.1]	[3.9]	[2.8]	[3.0]	[1.1]		[0.9]
(Foreign Exchange Gain/Loss included above)	[(0.0)]		[0.7]	[0.7]	[(0.4)]	[0.4]	[1.1]		[0.3]
Income (Loss) before Taxes	85.3		61.9	147.2	(36.8)	122.4	184.0	—	24.8
Income Taxes	(26.1)		(19.2)	(45.3)	(3.1)	(37.6)	(42.2)		(7.7)
Net Income (Loss) from Continuing Operations	59.2		42.7	101.9	(39.9)	84.8	141.8		17.1
Net Income from Discontinued Operations	-	-	-	-	16.9	-		(16.9)	
Net Income (Loss)	59.2	42.7	101.9	(39.9)	101.7	141.8		0.2	
Net Income (Loss) Attributable to Owners of the Parent	49.9	35.3	85.2	(49.7)	81.3	134.9	—	3.9	
Net Income Attributable to Non-Controlling Interests	9.3	7.4	16.7	9.8	20.4	6.9		(3.7)	
		4.6	5.0	9.6	1.1	8.1	8.5		1.5

*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	FY2021 1H	FY2020 1H	Difference
Total Consolidated	Sales Revenue	928.3	956.8	1,885.1	1,504.8	380.3
	Core Operating Income	88.7	67.4	156.1	54.6	101.5
Polymers & Compounds	Sales Revenue	80.1	78.8	158.9	123.0	35.9
	Core Operating Income	8.0	3.8	11.8	4.6	7.2
Films & Molding Materials	Sales Revenue	120.2	117.9	238.1	194.4	43.7
	Core Operating Income	15.3	11.8	27.1	10.9	16.2
Advanced Solutions	Sales Revenue	82.8	86.9	169.7	142.6	27.1
	Core Operating Income	3.3	3.6	6.9	9.5	(2.6)
Performance Products	Sales Revenue	283.1	283.6	566.7	460.0	106.7
	Core Operating Income	26.6	19.2	45.8	25.0	20.8
MMA	Sales Revenue	77.6	73.4	151.0	106.3	44.7
	Core Operating Income	12.3	12.5	24.8	1.5	23.3
Petrochemicals	Sales Revenue	160.4	171.8	332.2	200.3	131.9
	Core Operating Income	16.0	10.5	26.5	(15.7)	42.2
Carbon Products	Sales Revenue	53.9	56.9	110.8	83.8	27.0
	Core Operating Income	6.5	4.4	10.9	(3.9)	14.8
Chemicals	Sales Revenue	291.9	302.1	594.0	390.4	203.6
	Core Operating Income	34.8	27.4	62.2	(18.1)	80.3
Industrial Gases	Sales Revenue	216.8	227.3	444.1	381.4	62.7
	Core Operating Income	23.8	24.5	48.3	35.6	12.7
Health Care	Sales Revenue	98.4	100.1	198.5	194.0	4.5
	Core Operating Income	4.7	(3.6)	1.1	13.4	(12.3)
Others	Sales Revenue	38.1	43.7	81.8	79.0	2.8
	Core Operating Income	(1.2)	(0.1)	(1.3)	(1.3)	0.0
[Inventory valuation gain/loss]						
	Polymers & Compounds	1.0	0.9	1.9	(0.6)	2.5
	Petrochemicals	9.0	7.4	16.4	(15.0)	31.4
	Carbon Products	(0.6)	1.1	0.5	(1.4)	1.9
	Total	9.4	9.4	18.8	(17.0)	35.8

*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.

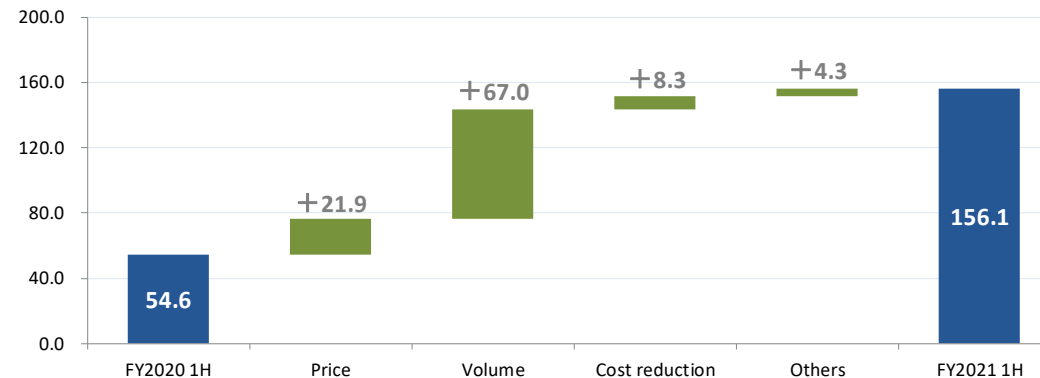
Analysis of Core Operating Income (Loss)

(Billions of Yen)

	FY2021 1H	FY2020 1H	Difference	Price	Volume	Cost reduction	Others *
Total Consolidated	156.1	54.6	101.5	21.9	67.0	8.3	4.3
Performance Products	45.8	25.0	20.8	(5.3)	28.6	2.0	(4.5)
Chemicals	62.2	(18.1)	80.3	29.0	15.1	4.9	31.3
Industrial Gases	48.3	35.6	12.7	2.0	16.2	0.0	(5.5)
Health Care	1.1	13.4	(12.3)	(4.0)	5.8	1.4	(15.5)
Others	(1.3)	(1.3)	0.0	0.2	1.3	0.0	(1.5)

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

Changes in exchange rates	1.7	4.4	0.2	-	(2.9)
Changes in foreign currency translation included in above		2.1			



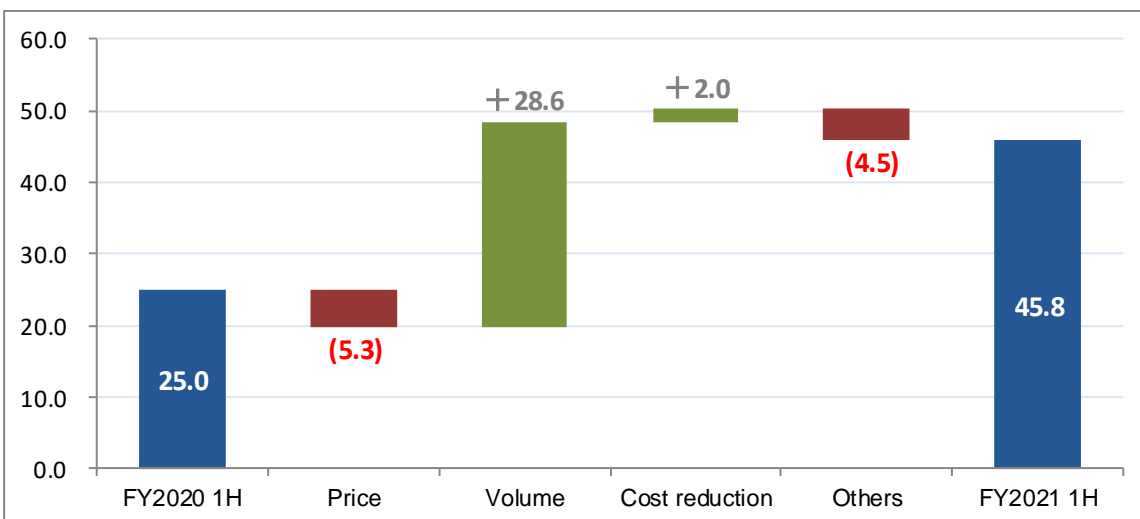
Performance Products Segment

(Billions of Yen)

		FY2021 1H	FY2020 1H	Difference
Polymers & Compounds	Sales Revenue	158.9	123.0	35.9
	Core Operating Income	11.8	4.6	7.2
Films & Molding Materials	Sales Revenue	238.1	194.4	43.7
	Core Operating Income	27.1	10.9	16.2
Advanced Solutions	Sales Revenue	169.7	142.6	27.1
	Core Operating Income	6.9	9.5	(2.6)
Performance Products	Sales Revenue	566.7	460.0	106.7
	Core Operating Income	45.8	25.0	20.8

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 were also brisk sales trends 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 was flat year-on-year mainly due to a rise in raw material prices.

<Analysis of Core Operating Income>



<Major initiatives>

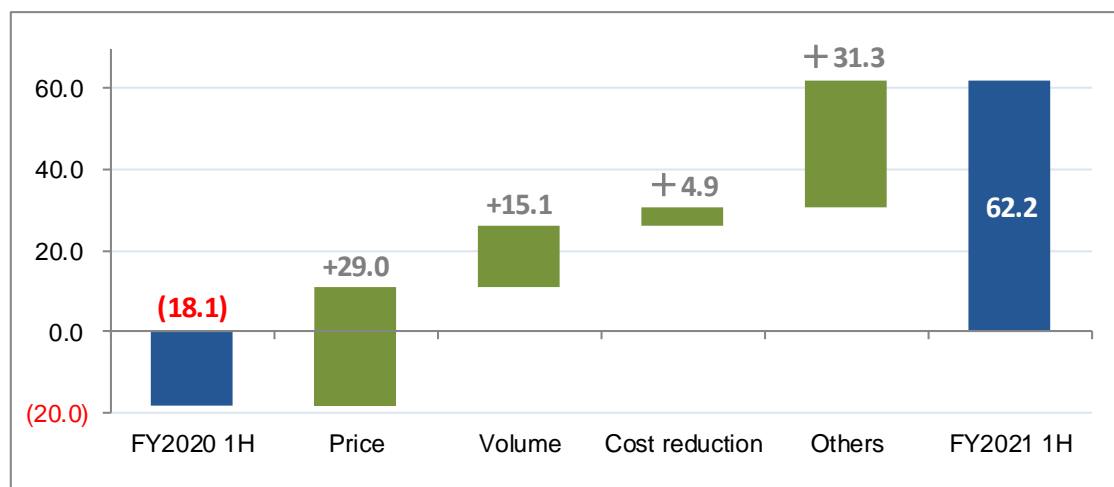
- In April 2021, MCC decided to make a capital investment in C.P.C. SRL in order to strengthen the carbon fiber and composite material business. The investment includes plans for the addition of 5,000-metric ton press machines, which will be among the largest in the world. CPC manufactures and sells carbon fiber reinforced plastic (CFRP) automotive parts. The facility is scheduled for operation in 2023.
- In May 2021, MCC 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.
- 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.

Chemicals Segment

(Billions of Yen)

		FY2021 1H	FY2020 1H	Difference
MMA	Sales Revenue	151.0	106.3	44.7
	Core Operating Income	24.8	1.5	23.3
Petrochemicals	Sales Revenue	332.2	200.3	131.9
	Core Operating Income	26.5	(15.7)	42.2
Carbon Products	Sales Revenue	110.8	83.8	27.0
	Core Operating Income	10.9	(3.9)	14.8
Chemicals	Sales Revenue	594.0	390.4	203.6
	Core Operating Income	62.2	(18.1)	80.3

< Analysis of Core Operating Income >



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.

<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 Refinerve, Inc. to procure waste plastics to be used as raw material.

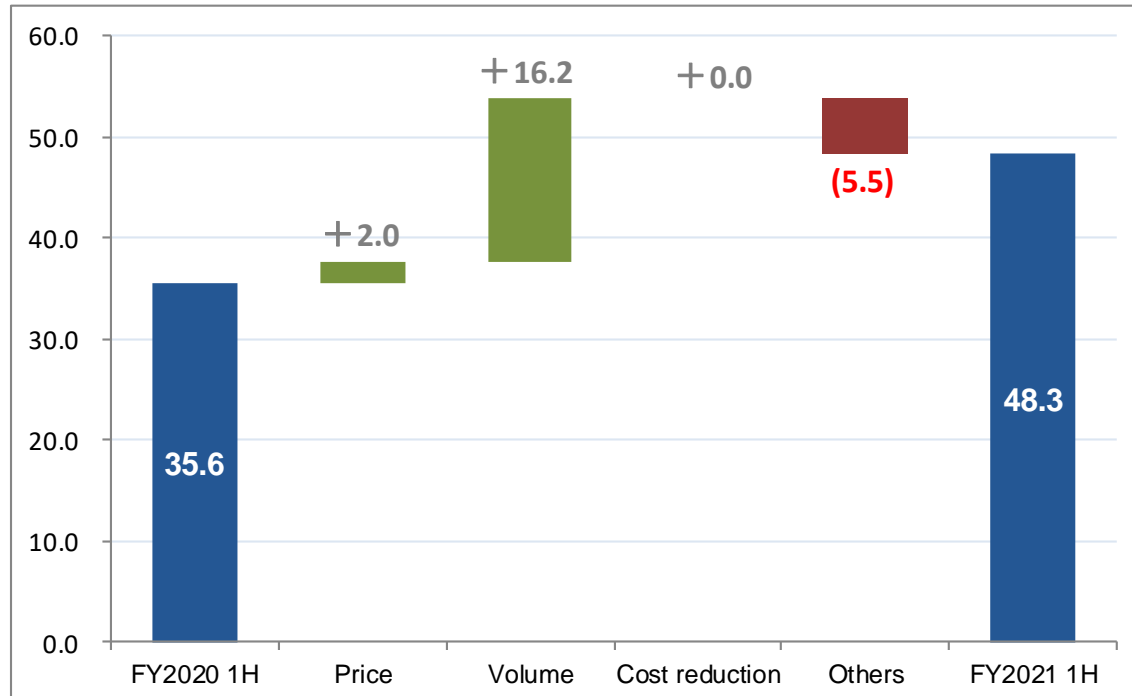
Industrial Gases Segment

(Billions of Yen)

		FY2021 1H	FY2020 1H	Difference
Industrial Gases	Sales Revenue	444.1	381.4	62.7
	Core Operating Income	48.3	35.6	12.7

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 >

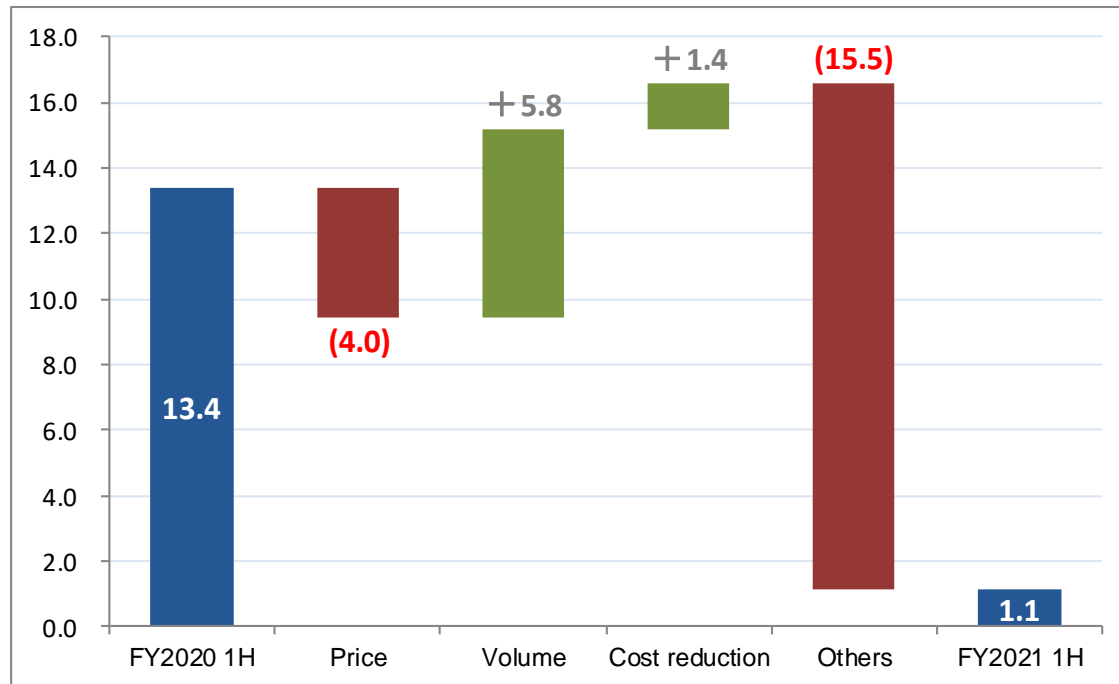


Health Care Segment

		(Billions of Yen)		
		FY2021 1H	FY2020 1H	Difference
Health Care	Sales Revenue	198.5	194.0	4.5
	Core Operating Income	1.1	13.4	(12.3)

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).
- 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. That being said, Medicago launched the phase-III part of phase-II/III clinical trials in Canada for said vaccine in March 2021.

Consolidated Special Items

(Billions of Yen)

	1Q	2Q	FY2021 1H	FY2020 1H	Difference
Total Special Items	(1.7)	(1.3)	(3.0)	(82.7)	79.7
Loss on sale and disposal of fixed assets	(0.3)	(2.4)	(2.7)	(3.2)	0.5
Impairment loss	(0.1)	(1.8)	(1.9)	(87.0)	85.1
Gain on sales of shares of subsidiaries and associates	-	1.9	1.9	0.9	1.0
Gain on sale of property, plant and equipment	0.0	1.8	1.8	8.6	(6.8)
Others	(1.3)	(0.8)	(2.1)	(2.0)	(0.1)

[Special Items by Business Segment]

Performance Products	(1.3)	0.0	(1.3)	(3.6)	2.3
Chemicals	(0.0)	(0.5)	(0.5)	(2.3)	1.8
Industrial Gases	-	(0.0)	(0.0)	(0.1)	0.1
Health Care	(0.0)	(1.6)	(1.6)	(76.5)	74.9
Others	(0.4)	0.8	0.4	(0.2)	0.6

Consolidated Cash Flows

	Based on statements of cash flows		Reference) Adjusted cash flows *1
	FY2021 1H	FY2020 1H	FY2020 1H
Net cash provided by (used in) operating activities	166.3	163.3	163.3
Income before taxes	147.2	(36.8)	(36.8)
Depreciation and amortization	124.7	119.9	119.9
Change in operating receivables/payables	14.1	(16.8)	(16.8)
Change in Inventories	(83.8)	16.9	16.9
Others	(35.9)	80.1	80.1
Net cash provided by (used in) investment activities	(107.5)	(43.0)	(113.0)
Capital expenditure	(117.4)	(127.1)	(127.1)
Sale of assets	19.1	18.8	18.8
Investment and loans receivable, etc.	(9.2)	65.3	(4.7)
Free cash flow	58.8	120.3	50.3
Net cash provided by (used in) financing activities	(151.4)	52.6	
Interest bearing debts	(121.5)	172.6	
Additional acquisition of consolidated subsidiaries' stocks	(0.2)	*2 (98.2)	
Dividends, etc.	(29.7)	(21.8)	
Net increase (decrease) in cash and cash equivalents	(92.6)	172.9	
Effect of exchange rate changes and changes in scope of consolidation	0.7	1.9	
Cash and cash equivalents at the beginning of the period	349.6	228.2	
Cash and cash equivalents at the end of the period	257.7	403.0	

*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

	Sep.30.2021	Mar.31.2021	(Billions of Yen) Difference
Cash & cash equivalents	257.7	349.6	(91.9)
Trade receivables	734.3	716.4	17.9
Inventories	657.1	576.5	80.6
Others	198.4	155.0	43.4
Current assets	1,847.5	1,797.5	50.0
Fixed assets	2,249.9	2,269.2	(19.3)
Goodwill	674.0	671.9	2.1
Investments & Other	544.4	548.6	(4.2)
Non-current assets	3,468.3	3,489.7	(21.4)
Total assets	5,315.8	5,287.2	28.6

	Sep.30.2021	Mar.31.2021	(Billions of Yen) Difference
Interest-bearing debt	2,379.5	2,482.4	(102.9)
Trade payables	418.4	382.3	36.1
Others	852.6	851.4	1.2
Liabilities	3,650.5	3,716.1	(65.6)
Share capitals, Retained earnings, etc.,	1,299.0	1,226.5	72.5
Other components of equity	21.0	9.8	11.2
Equity attributable to owners of the parent	1,320.0	1,236.3	83.7
Non-controlling interests	345.3	334.8	10.5
Equity	1,665.3	1,571.1	94.2
Total liabilities & equity	5,315.8	5,287.2	28.6

Net Interest-bearing debt *1	2,121.8	2,132.8	(11.0)
Net D/E ratio	1.61	1.73	(0.12)
Ratio of Equity attributable to owners of the parent	24.8%	23.4%	1.4%
ROE *2	-	(0.6%)	-

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

= interest-bearing debt (2,379.5 billion yen)

- {cash and cash equivalents (257.7 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.

Consolidated Financial Results Forecasts for FY2021

Consolidated Statements of Operations

Exchange Rate (¥/\$)	110.1	110.0	110.0	108.0	2.0	105.9
Naphtha Price (¥/kl)	50,600	60,000	55,300	48,000	7,300	31,300

				(Billions of Yen)		<Reference>		
	1H (Actual)	2H (Forecast)	FY2021 Forecast	FY2021 Forecast (Announced on May 12)	Difference	%	FY2020 Actual	%
Sales Revenue	1,885.1	2,000.9	3,886.0	3,660.0	226.0	6.2%	3,257.5	19.3%
Core Operating Income	156.1	143.9	300.0	230.0	70.0	30.4%	174.7	71.7%
Special Items	(3.0)	47.0	44.0	(14.0)	58.0		(127.2)	
Operating Income	153.1	190.9	344.0	216.0	128.0	59.3%	47.5	623.9%
Financial Income/Expenses	(5.9)	(10.1)	(16.0)	(16.0)	—		(14.6)	
Earnings before Taxes	147.2	180.8	328.0	200.0	128.0		32.9	
Income Taxes	(45.3)	(54.7)	(100.0)	(60.0)	(40.0)		(10.2)	
Net Income	101.9	126.1	228.0	140.0	88.0		22.7	
Net Income Attributable to Owners of the Parent	85.2	106.8	192.0	97.0	95.0	97.9%	(7.6)	-
Net Income Attributable to Non-Controlling Interests	16.7	19.3	36.0	43.0	(7.0)		30.3	

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

					(Billions of Yen)	<Reference>	
		1H (Actual)	2H (Forecast)	FY2021 Forecast	FY2021 Forecast (Announced on May 12)	Difference	FY2020 Actual
Total Consolidated	Sales Revenue	1,885.1	2,000.9	3,886.0	3,660.0	226.0	3,257.5
	Core Operating Income	156.1	143.9	300.0	230.0	70.0	174.7
Polymers & Compounds	Sales Revenue	158.9	161.1	320.0	282.0	38.0	271.8
	Core Operating Income	11.8	9.2	21.0	16.0	5.0	15.0
Films & Molding Materials	Sales Revenue	238.1	238.9	477.0	437.0	40.0	413.8
	Core Operating Income	27.1	19.9	47.0	35.0	12.0	27.6
Advanced Solutions	Sales Revenue	169.7	186.3	356.0	349.0	7.0	308.9
	Core Operating Income	6.9	7.1	14.0	18.0	(4.0)	17.1
Performance Products	Sales Revenue	566.7	586.3	1,153.0	1,068.0	85.0	994.5
	Core Operating Income	45.8	36.2	82.0	69.0	13.0	59.7
MMA	Sales Revenue	151.0	158.0	309.0	264.0	45.0	231.1
	Core Operating Income	24.8	15.2	40.0	32.0	8.0	13.1
Petrochemicals	Sales Revenue	332.2	397.8	730.0	643.0	87.0	479.8
	Core Operating Income	26.5	25.5	52.0	7.0	45.0	1.7
Carbon products	Sales Revenue	110.8	124.2	235.0	195.0	40.0	177.4
	Core Operating Income	10.9	6.1	17.0	9.0	8.0	1.0
Chemicals	Sales Revenue	594.0	680.0	1,274.0	1,102.0	172.0	888.3
	Core Operating Income	62.2	46.8	109.0	48.0	61.0	15.8
Industrial Gases	Sales Revenue	444.1	414.9	859.0	859.0	—	811.8
	Core Operating Income	48.3	45.7	94.0	94.0	—	85.1
Health Care	Sales Revenue	198.5	216.5	415.0	423.0	(8.0)	390.6
	Core Operating Income	1.1	11.9	13.0	22.0	(9.0)	17.9
Others	Sales Revenue	81.8	103.2	185.0	208.0	(23.0)	172.3
	Core Operating Income	(1.3)	3.3	2.0	(3.0)	5.0	(3.8)

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

Cash Dividends

MCHC's basic policy of returning profits to shareholders emphasizes enhancement of shareholder value by increasing the value of the Company. Therefore, using 30% of the medium-term level as a guideline for the consolidated dividend payout ratio, MCHC will make stable dividend payments, while maintaining sufficient internal reserves as resources to develop future businesses.

Based on this policy, net income attributable to owners of the parent for fiscal 2021 is expected to outperform our previously announced forecast. In light of this, MCHC decided at its Board of Directors meeting held on November 2 to set its interim dividend for fiscal 2021 at 15 yen, which is a hike of 3 yen from the previously announced forecast.

And we raised the year-end dividend forecast by ¥3 from the previous forecast, to ¥15. Accordingly, the forecast for the annual dividend will be increased by ¥6 per share from fiscal 2020 to ¥30.

		FY2021 Forecast	Previous Forecast	FY2020 Actual	FY2019 Actual	FY2018 Actual
Cash dividends per share (Yen)	Interim	15	12	12	20	20
	Year-end	* 15	12	12	12	20
	Total (Annual)	* 30	24	24	32	40
Net income per share (Yen)	Year-end	¥135.12	¥68.29	(¥5.32)	¥38.08	¥119.22
Consolidated dividend pay out ratio	Total (Annual)	22.2%	35.1%	—	84.0%	33.6%

* Forecast

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
Naphtha Price (¥/kl)	45,400	40,200	41,300	44,800	25,000	30,200	31,300	38,800	47,700	53,500

(Billions of Yen)

		FY2019				FY2020				FY2021	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
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
	Core Operating Income *1	70.1	60.7	50.2	13.8	15.0	39.6	59.0	61.1	88.7	67.4
	Special Items	(0.2)	0.0	(20.2)	(30.1)	8.7	(91.4)	(30.2)	(14.3)	(1.7)	(1.3)
	Operating Income (Loss)	69.9	60.7	30.0	(16.3)	23.7	(51.8)	28.8	46.8	87.0	66.1
	Financial Income/Expenses	(3.3)	(4.9)	(7.7)	(6.4)	(3.3)	(5.4)	(4.8)	(1.1)	(1.7)	(4.2)
	(Dividend included above)	[2.9]	[0.1]	[1.1]	[0.1]	[2.5]	[0.3]	[0.7]	[0.8]	[3.8]	[0.1]
	(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]
	Income (Loss) before Taxes	66.6	55.8	22.3	(22.7)	20.4	(57.2)	24.0	45.7	85.3	61.9
	Income Taxes	(18.2)	(19.4)	(15.7)	1.0	(12.2)	9.1	(12.5)	5.4	(26.1)	(19.2)
	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
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	
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	
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	

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

*2 Discontinued operations are not included.

5.0 3.1 2.6 2.7 0.2 0.9 4.2 7.6 4.6 5.0

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

Capital Expenditure, Depreciation & Amortization, R&D Expenses, Number of Employees by Business Segment

(Billions of Yen)

	Capital Expenditure		Depreciation & Amortization		R&D Expenses		Number of Employees
	FY2021 1H	FY2020 1H	FY2021 1H	FY2020 1H	FY2021 1H	FY2020 1H	FY2021 1H (End of the period)
Performance Products	35.3	47.2	33.6	30.7	13.3	11.1	26,634
Chemicals	29.9	37.8	30.7	31.6	5.2	4.8	7,990
Industrial Gases	32.1	30.8	46.0	44.2	1.9	1.7	19,579
Health Care	9.1	10.5	7.8	8.2	47.3	35.6	7,345
Others	3.8	3.9	6.0	5.2	6.2	6.0	9,129
Total	110.2	130.2	124.1	119.9	73.9	59.2	70,677

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

Q2 FY2021 Business Results

(April –September 2021)

November 2, 2021

Q2 FY2021 Financial Results

	Q2 FY2021	Comparison to previous year		
		Q2 FY2020	Increase (decrease)	Change
	Billion yen	Billion yen	Billion yen	%
Revenue	190.9	187.3	3.6	1.9
Gross profit	94.1	92.5	1.7	1.8
SG&A expense, etc.	91.5	77.9	13.6	17.4
R&D expense	45.2	33.9	11.3	33.3
Core operating profit	2.6	14.6	(11.9)	(81.9)
Non-recurring items*	(1.6)	(76.5)	74.9	-
Operating profit	1.0	(61.9)	62.9	-
Net profit attributable to owners of the Company*	(1.5)	(51.0)	49.5	-
Average exchange rate US\$	¥110.10	¥106.32		

*Brackets indicate expense and loss

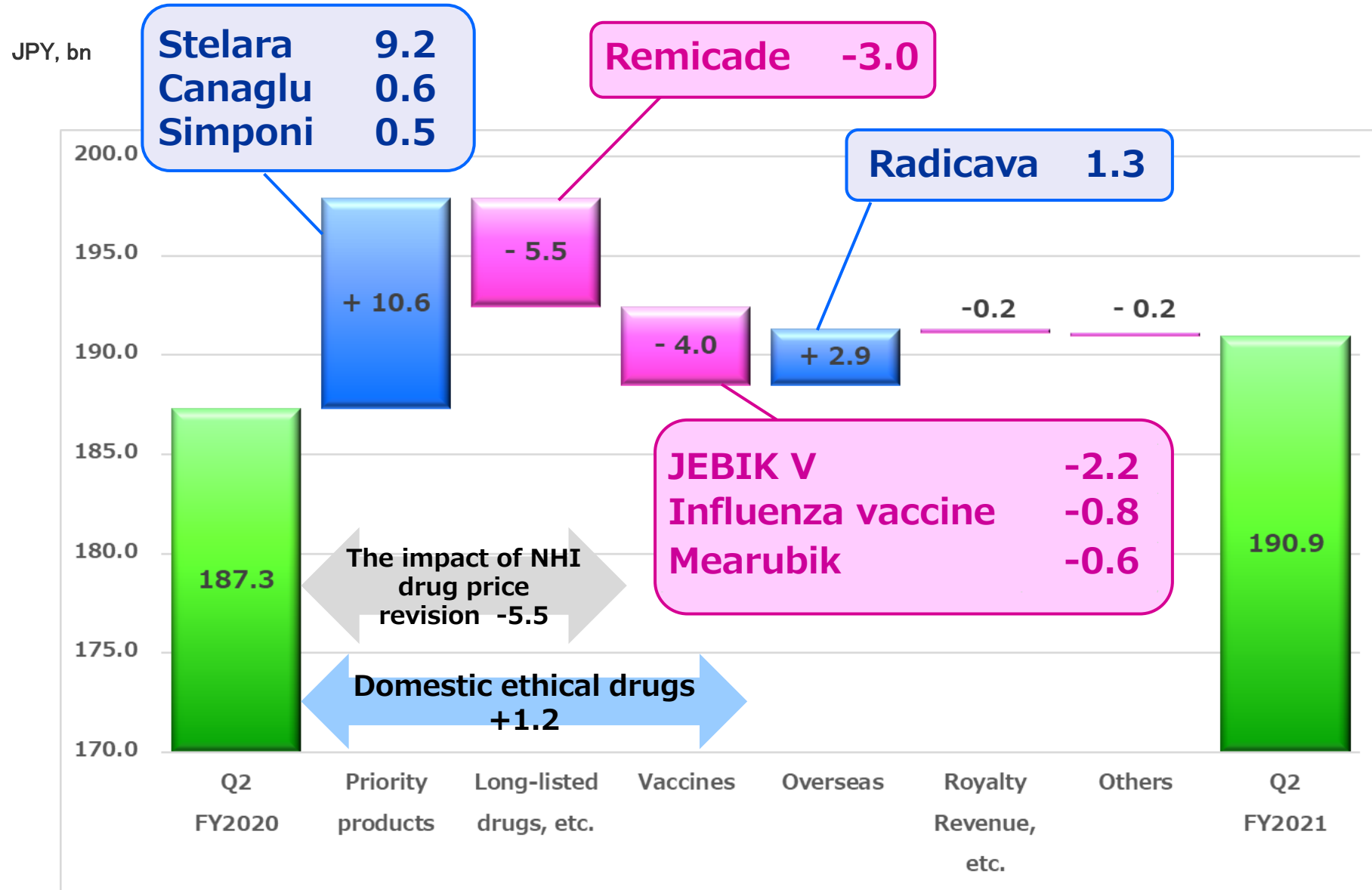
Details of Revenue

	Q2 FY2021	Comparison to previous year		
		Q2 FY2020	Increase (decrease)	Change
	Billion yen	Billion yen	Billion yen	%
Domestic ethical drugs	151.5	150.3	1.2	0.8
Priority products	77.0	66.4	10.6	16.0
Vaccines	17.2	21.1	(4.0)	(18.7)
Long-listed drugs, etc.	57.3	62.7	(5.5)	(8.7)
Remicade	20.4	23.4	(3.0)	(12.8)
Overseas ethical drugs	28.0	25.1	2.9	11.4
Radicava	12.4	11.1	1.3	12.1
Royalty revenue, etc.	7.6	7.8	(0.2)	(2.6)

Revenue of Priority Products and Vaccines

	Q2	Comparison to previous year		
	FY2021	Q2 FY2020	Increase (decrease)	Change
	Billion yen	Billion yen	Billion yen	%
Stelara	23.1	14.0	9.2	65.8
Simponi	21.7	21.2	0.5	2.2
Tenelia	7.8	8.0	(0.2)	(2.0)
Canaglu	5.7	5.0	0.6	12.5
Canalia	4.9	5.0	(0.1)	(2.2)
Vafseo	0.3	0.3	0.0	11.9
Lexapro	7.6	7.6	0.0	0.1
Uplizna	0.3	-	0.3	-
Rupafin	3.6	3.2	0.4	11.5
Imusera	2.0	2.1	(0.1)	(5.2)
Total of priority products	77.0	66.4	10.6	16.0
Influenza vaccine	5.5	6.3	(0.8)	(12.4)
Tetrabik	5.0	5.1	(0.2)	(3.8)
Mearubik	3.1	3.7	(0.6)	(16.3)
Varicella vaccine	2.2	2.5	(0.3)	(11.6)
JEBIK V	0.7	2.9	(2.2)	(75.7)
Total of vaccines	17.2	21.1	(4.0)	(18.7)
Total of priority products and vaccines	94.2	87.6	6.7	7.6

Revenue Trends



Revised Forecasts of FY2021

	Revised forecasts	Original forecasts ^{*1}	Increase / Decrease		FY2020 actual
	Billion yen	Billion yen	Billion yen	%	Billion yen
Revenue	398.0	407.5	(9.5)	(2.3)	377.8
SG&A expense, etc.	186.5	189.0	(2.5)	(1.3)	166.4
R&D expense	90.5	85.0	5.5	6.5	72.6
Core operating profit	16.5	26.0	(9.5)	(36.5)	21.0
Operating profit ^{*2}	19.5	30.0	(10.5)	(35.0)	(58.5)
Net profit attributable to owners of the Company ^{*2}	10.5	17.5	(7.0)	(40.0)	(46.9)
Average exchange rate US\$	¥110.00	¥110.00			¥105.94

<Reasons of revision>

Revenue : Expecting delay in the supply to the Canadian authority of COVID-19 vaccine being developed by Medicago

Core operating profit : Review contents and timing of expenses including R&D for reducing the impact of sales decline

*1: Original was announced on May 12,2021

*2: Brackets indicate expense and loss

Details of Revenue

	Revised forecasts	Original forecasts *	Increase / Decrease		FY2020 actual
	Billion yen	Billion yen	Billion yen	%	Billion yen
Domestic ethical drugs	297.6	286.3	11.3	3.9	304.7
Priority products	153.8	146.6	7.2	4.9	137.7
Vaccines	36.3	37.0	(0.7)	(2.0)	42.6
Long-listed drugs, etc.	107.5	102.7	4.8	4.7	124.4
Remicade	38.2	36.5	1.7	4.6	45.4
Overseas ethical drugs	79.2	100.6	(21.3)	(21.2)	50.2
Radicava	22.4	19.8	2.6	13.3	22.0
Royalty revenue, etc.	13.2	12.3	0.9	7.2	15.9

* Original was announced on May 12, 2021

Revenue of Priority Products and Vaccines

	Revised forecasts	Original forecasts*	Increase / Decrease		FY2020 actual
	Billion yen	Billion yen	Billion yen	%	Billion yen
Stelara	46.4	42.7	3.7	8.7	32.2
Simponi	42.5	41.2	1.3	3.2	42.3
Tenelia	14.8	14.4	0.5	3.1	15.1
Canaglu	10.8	10.1	0.7	7.1	10.3
Canalia	9.5	9.3	0.2	2.2	9.7
Vafseo	1.1	1.3	(0.2)	(18.0)	0.3
Lexapro	14.7	14.1	0.6	4.5	15.3
Uplizna	1.2	1.4	(0.1)	(8.8)	-
Rupafin	9.1	8.9	0.2	2.3	8.2
Imusera	3.6	3.3	0.4	10.6	4.1
Total of priority products	153.8	146.6	7.2	4.9	137.7
Influenza vaccine	13.5	14.3	(0.8)	(5.7)	14.4
Tetrabik	10.5	10.8	(0.3)	(2.6)	10.9
Mearubik	5.3	5.7	(0.3)	(6.2)	6.1
Varicella vaccine	4.3	4.1	0.1	3.3	5.0
JEBIK V	1.6	1.3	0.4	31.2	5.2
Total of vaccines	36.3	37.0	(0.7)	(2.0)	42.6
Total of priority products and vaccines	190.1	183.7	6.5	3.5	180.3

* Original was announced on May 12, 2021



Mitsubishi Tanabe Pharma

Status of research and development etc.

Development Pipeline: Central nervous system and Immuno-inflammation

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	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-3921	Spinal cord injury	Global	P2	<ul style="list-style-type: none"> Global P2 study started (August).
MT-0551	Myasthenia gravis	Japan*	P3	<ul style="list-style-type: none"> Global P3 study is ongoing.

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

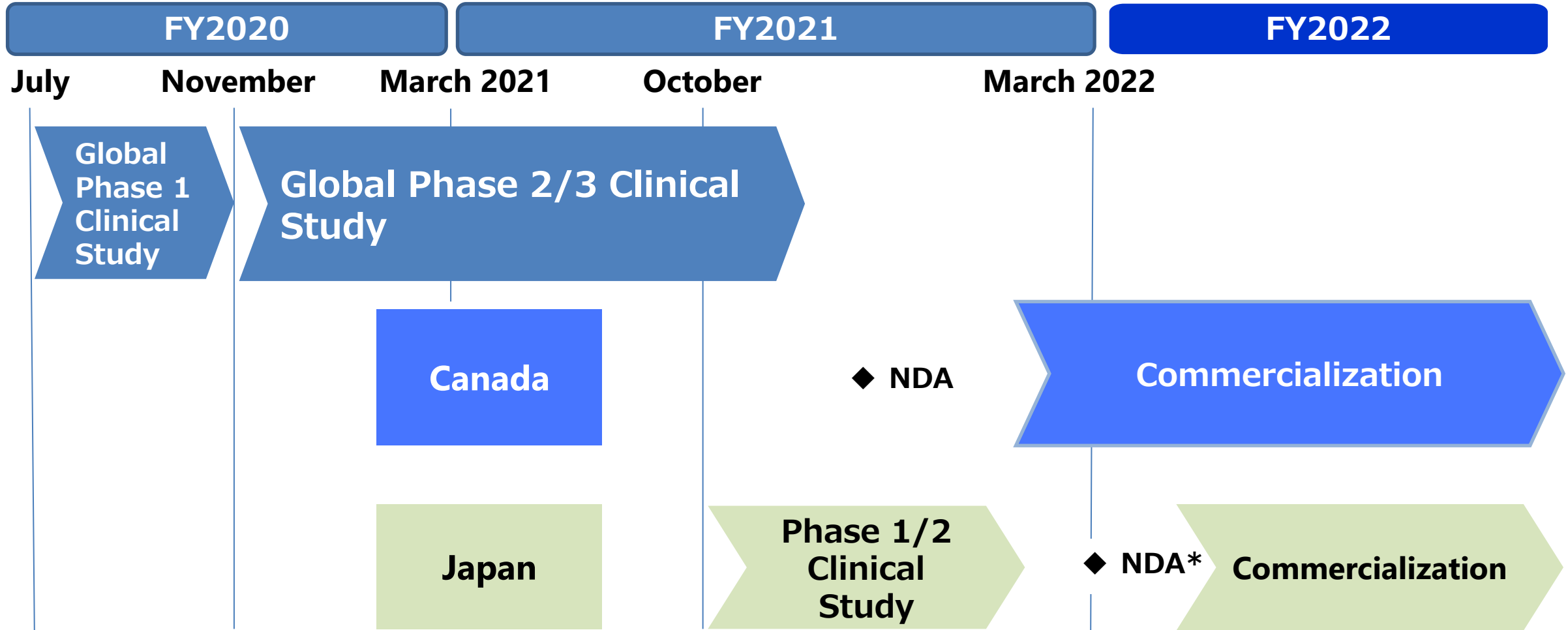
4. Others (Diabetes and kidney)

Code	Indications	Region	Stage	Progress(blue indicates progression)
TA-7284	Chronic kidney disease with type 2 diabetes mellitus	Japan	Filed	<ul style="list-style-type: none"> NDA submission completed (August).

* VLP (Virus-Like Particle)

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

Commercialization in Canada and Japan



* Global clinical study data bridging

Major Development Pipeline List

As of Oct. 22, 2021

Progress Update



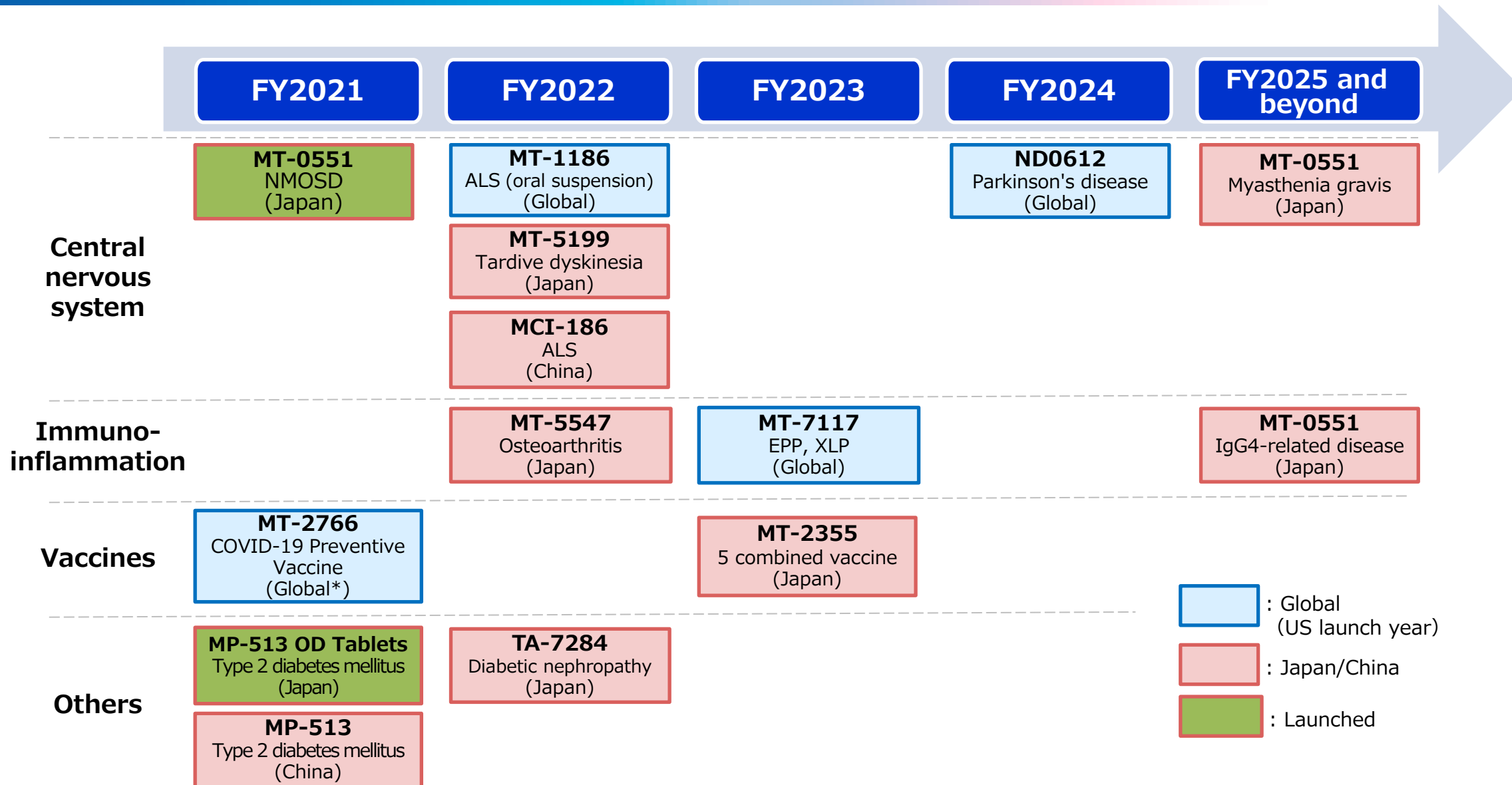
Research areas	Code	Region	Indications/Description	P1	P2	P3	Filed	Approved
Central nervous system	MT-1186	Global	ALS/oral suspension					
	ND0612	Global	Parkinson's disease					
	MT-3921	Global	Spinal cord injury					
	MT-0551	Japan*	Myasthenia gravis					
	MT-5199	Japan	Tardive dyskinesia					
Immuno-inflammation	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/Plant-derived VLP** vaccine					
	MT-2654	Global	Prophylaxis of seasonal influenza: elderly/Plant-derived VLP** vaccine					
	MT-2355	Japan	5 combined vaccine***					
Others	TA-7284	Japan	Diabetic nephropathy					

* Co-development with Horizon Therapeutics

** VLP (Virus-Like Particle)

*** 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

* 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.



Mitsubishi Tanabe Pharma

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.