

Operational Summary

for the Fiscal Year Ended March 31, 2022

May 13, 2022

Mitsubishi Chemical Holdings Corporation

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Highlights

FY2021

- Earnings have made a substantial recovery since FY2020, when performance was impacted by COVID-19.
- The transfer of the polycrystalline alumina fiber business, which was a part of our portfolio reforms, was completed. This also contributed to an improvement to our financial position (Net D/E ratio: 0.33 improvement: went from 1.73 at the start of the fiscal year to 1.40 at the end of the fiscal year).

FY2022

- Overall, core operating income is likely to be on par with the actual for FY2021.
 - Profit is likely to rise in each segment, with the exception of Chemicals, where there was a sharp contraction in the inventory valuation gain/loss.
 - Profit is likely to rise in Performance Products segment, overcoming the loss due to the transfer of the polycrystalline alumina fiber business by profits generated by other businesses.
- Our financial position will continue to improve by steadily securing profits
(Excluding the financial impact of the transfer of the polycrystalline alumina fiber business in FY2021, net income attributable to owners of the parent will increase.)

List of Abbreviations

FY2022	April 1, 2022 – March 31, 2023	
	1st Half (1H):	April 1, 2022 – September 30, 2022
	2nd Half (2H):	October 1, 2022 – March 31, 2023
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	
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 (¥/\$)	110.1	116.0	113.0	105.9	7.1	7%
Naphtha Price (¥/kl)	50,600	62,600	56,600	31,300	25,300	81%

							(Billions of Yen)
		1H	2H	FY2021	FY2020	Difference	%
Continuing Operations * 2	Sales Revenue	1,885.1	2,091.8	3,976.9	3,257.5	719.4	22%
	Core Operating Income *1	156.1	116.2	272.3	174.7	97.6	56%
	Special Items	(3.0)	33.9	30.9	(127.2)	158.1	
	Operating Income	153.1	150.1	303.2	47.5	255.7	538%
	Financial Income/Expenses	(5.9)	(6.9)	(12.8)	(14.6)	1.8	
	(Dividend included above)	[3.9]	[0.9]	[4.8]	[4.3]	[0.5]	
	(Foreign Exchange Gain/Loss included above)	[0.7]	[2.2]	[2.9]	[2.4]	[0.5]	
	Income before Taxes	147.2	143.2	290.4	32.9	257.5	782%
	Income Taxes	(45.3)	(35.7)	(81.0)	(10.2)	(70.8)	
	Net Income from Continuing Operations	101.9	107.5	209.4	22.7	186.7	
Net Income	101.9	107.5	209.4	22.7	186.7		
Net Income (Loss) Attributable to Owners of the Parent	85.2	92.0	177.2	(7.6)	184.8	—	
Net Income Attributable to Non-Controlling Interests	16.7	15.5	32.2	30.3	1.9		
	9.6	11.8	21.4	12.9	8.5		

*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 by Business Segment

(Billions of Yen)

		1H	2H	FY2021	FY2020	Difference	%
Total Consolidated	Sales Revenue	1,885.1	2,091.8	3,976.9	3,257.5	719.4	22%
	Core Operating Income	156.1	116.2	272.3	174.7	97.6	56%
Polymers & Compounds	Sales Revenue	158.9	149.2	308.1	271.9	36.2	
	Core Operating Income	11.8	6.7	18.5	15.0	3.5	
Films & Molding Materials	Sales Revenue	238.1	241.8	479.9	413.8	66.1	
	Core Operating Income	27.1	16.8	43.9	27.6	16.3	
Advanced Solutions	Sales Revenue	169.7	178.6	348.3	308.9	39.4	
	Core Operating Income	6.9	9.4	16.3	17.1	(0.8)	
Performance Products	Sales Revenue	566.7	569.6	1,136.3	994.6	141.7	14%
	Core Operating Income	45.8	32.9	78.7	59.7	19.0	32%
MMA	Sales Revenue	151.0	147.1	298.1	231.1	67.0	
	Core Operating Income	24.8	7.0	31.8	13.1	18.7	
Petrochemicals	Sales Revenue	332.2	390.0	722.2	482.6	239.6	
	Core Operating Income	26.5	18.1	44.6	1.7	42.9	
Carbon Products	Sales Revenue	110.8	156.8	267.6	177.4	90.2	
	Core Operating Income	10.9	14.9	25.8	1.0	24.8	
Chemicals	Sales Revenue	594.0	693.9	1,287.9	891.1	396.8	45%
	Core Operating Income	62.2	40.0	102.2	15.8	86.4	547%
Industrial Gases	Sales Revenue	444.1	506.0	950.1	811.8	138.3	17%
	Core Operating Income	48.3	50.6	98.9	85.1	13.8	16%
Health Care	Sales Revenue	198.5	205.1	403.6	390.6	13.0	3%
	Core Operating Income	1.1	(8.1)	(7.0)	17.9	(24.9)	-
Others	Sales Revenue	81.8	117.2	199.0	169.4	29.6	
	Core Operating Income	(1.3)	0.8	(0.5)	(3.8)	3.3	

[Inventory valuation gain/loss]

Polymers & Compounds	1.9	0.8	2.7	0.8	1.9
Petrochemicals	16.4	19.0	35.4	(6.9)	42.3
Carbon Products	0.5	8.5	9.0	(1.4)	10.4
Total	18.8	28.3	47.1	(7.5)	54.6

*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.

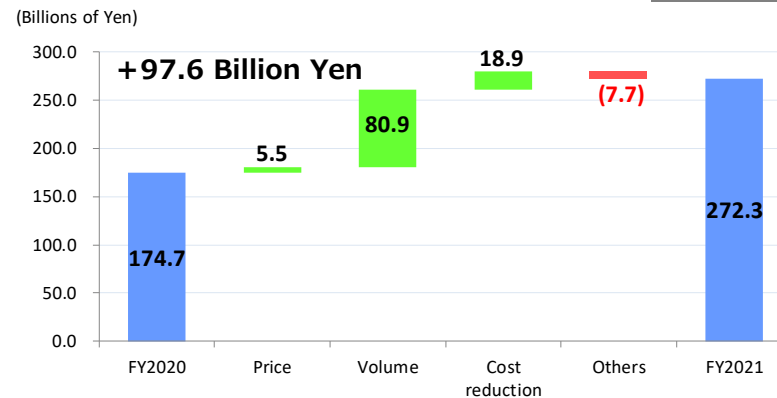
Analysis of Core Operating Income

(Billions of Yen)

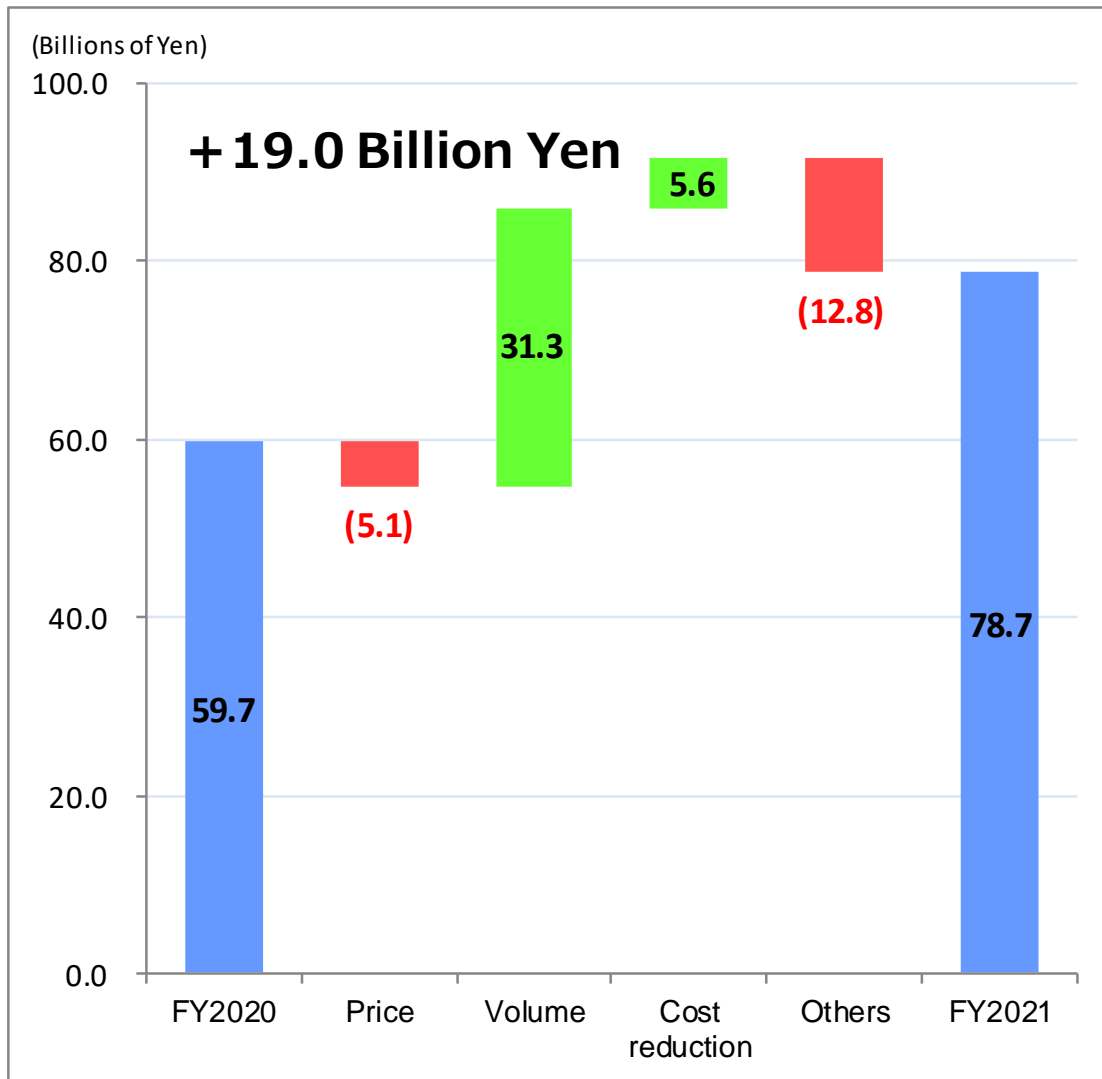
	FY2021	FY2020	Difference	Price	Volume	Cost reduction	Others *
Total Consolidated	272.3	174.7	97.6	5.5	80.9	18.9	(7.7)
Performance Products	78.7	59.7	19.0	(5.1)	31.3	5.6	(12.8)
Chemicals	102.2	15.8	86.4	17.9	14.0	9.5	45.0
Industrial Gases	98.9	85.1	13.8	1.1	20.1	0.6	(8.0)
Health Care	(7.0)	17.9	(24.9)	(8.0)	11.6	3.2	(31.7)
Others	(0.5)	(3.8)	3.3	(0.4)	3.9	0.0	(0.2)

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

Changes in exchange rates	5.3	13.5	0.6	-	(8.8)
Changes in foreign currency translation included in above		7.4			



Analysis of Core Operating Income Performance Products Segment



Polymers & Compounds (+3.5)

- Price
(+) Upturn in market prices for some polymers
Price revisions due to rising raw material prices
- Volume
(-) Although there was a rise in sales volumes for products mainly used in automobiles, the impact from scheduled maintenance and repairs expanded.
- Others
(+) Improvement in the inventory valuation gain/loss arisen from higher raw material prices
(+) Improvement in the share of profit of associates and joint ventures
(-) Increase in fixed cost in tandem with a recovery in sales activities

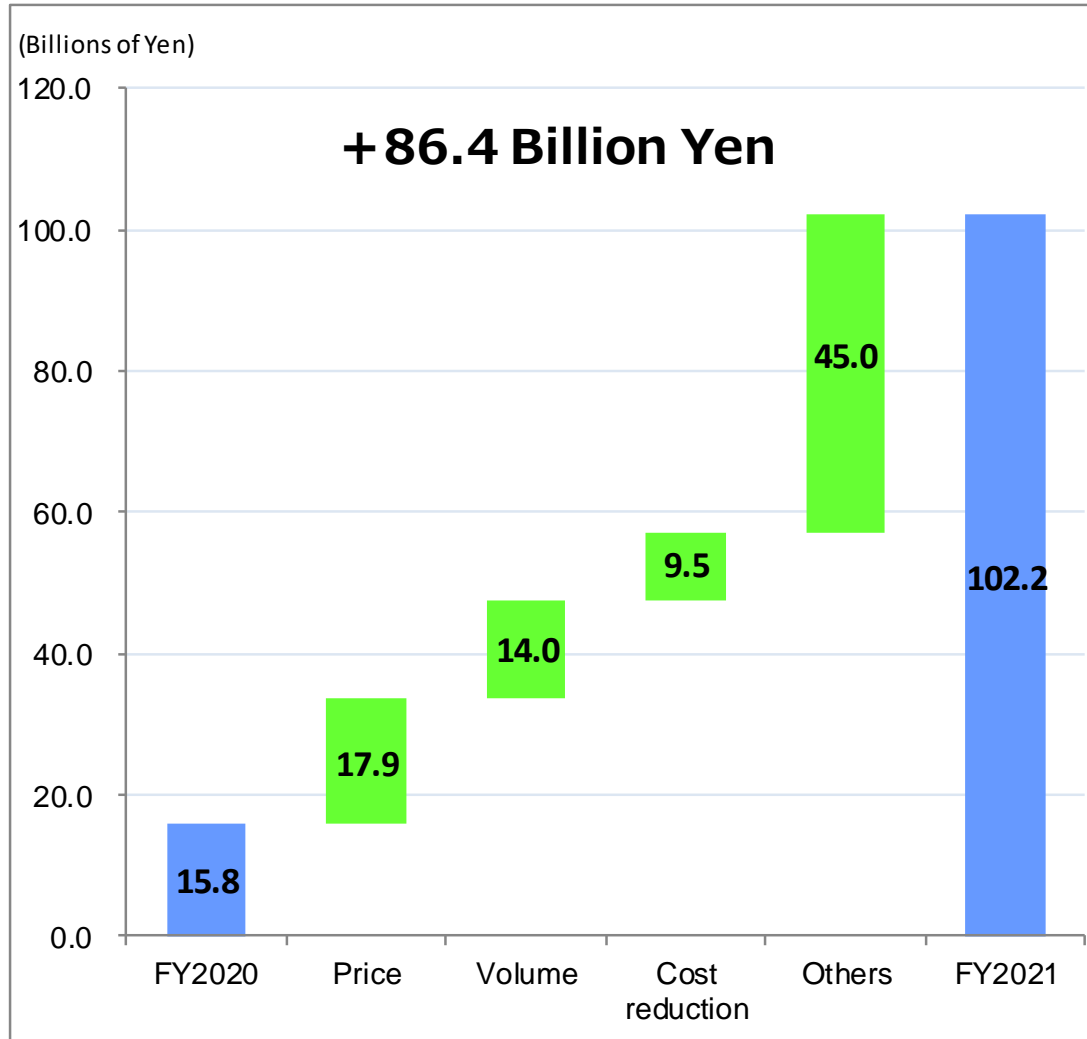
Films & Molding Materials (+16.3)

- Price
(-) Price revisions were not able to overcome rising raw materials prices
- Volume
(+) Recovery in demand for products mainly used in automobiles
- Others
(-) Increase in fixed cost in tandem with a recovery in sales activities

Advanced Solutions (0.8)

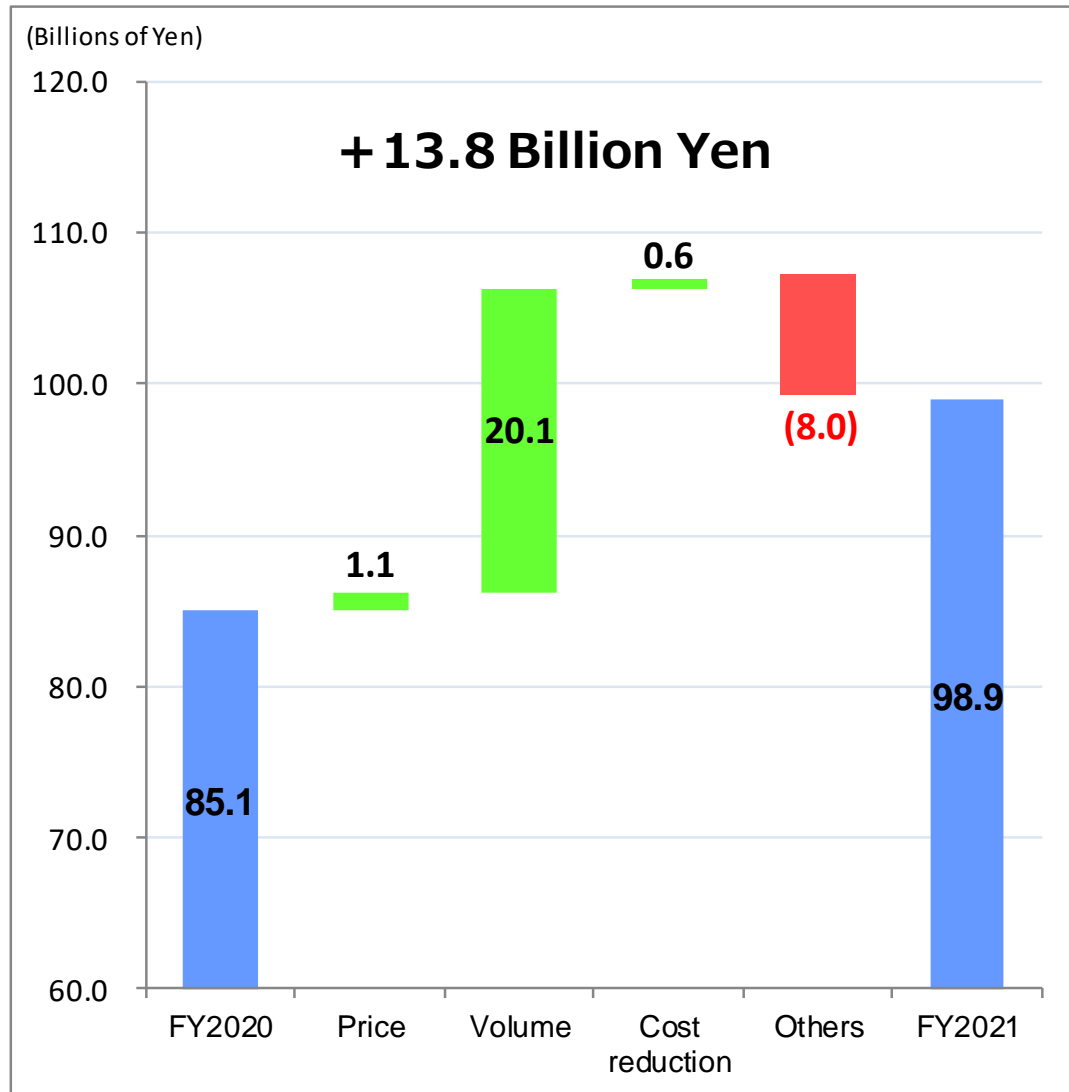
- Price
(-) Price revisions were not able to overcome rising raw materials prices
- Volume
(+) Recovery in overall demand
- Others
(-) Increase in fixed cost in tandem with a recovery in sales activities

Analysis of Core Operating Income Chemicals Segment



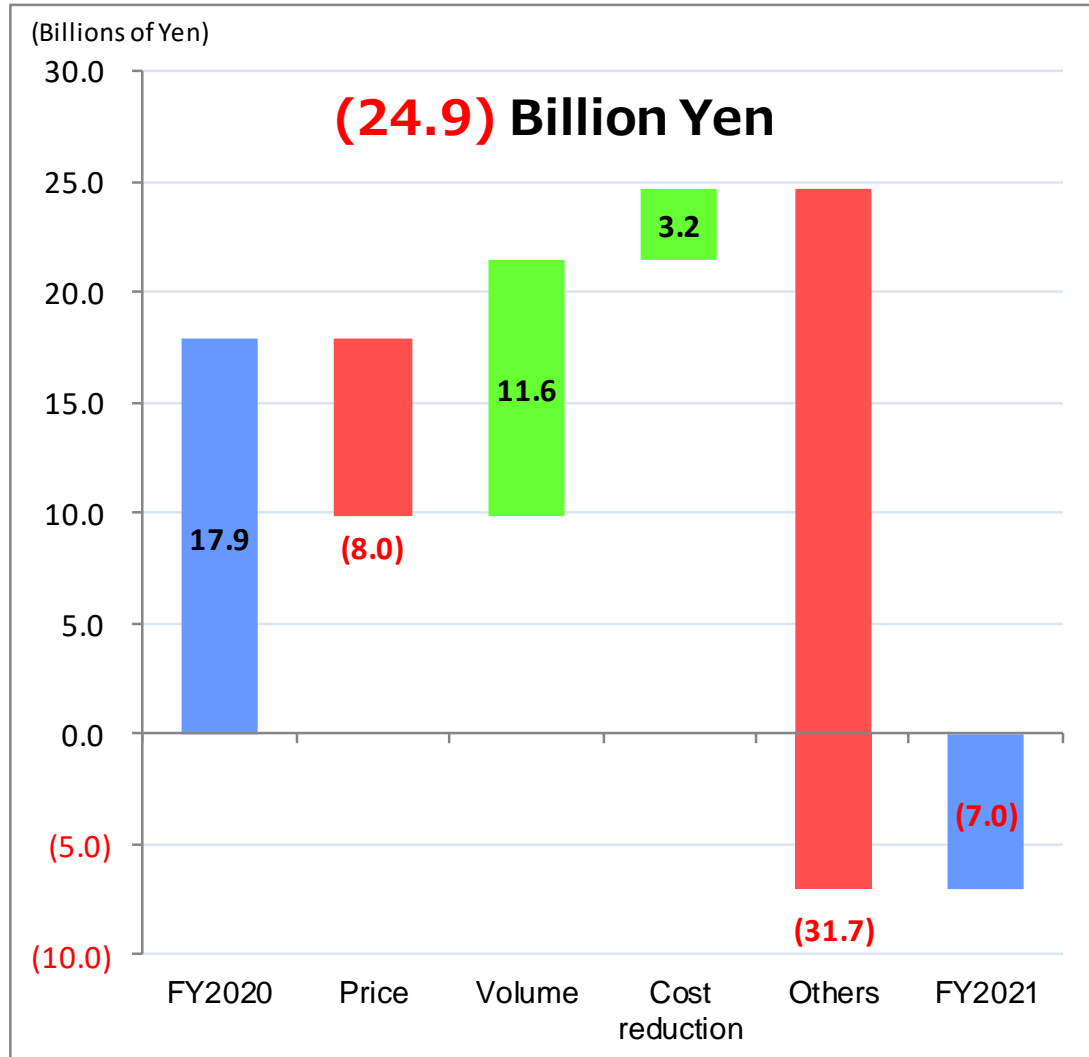
<p>MMA (+18.7)</p>	<ul style="list-style-type: none"> •Price (+) Rise in the market price for MMA monomer •Others (-) Impairment loss in Europe
<p>Petro chemicals (+42.9)</p>	<ul style="list-style-type: none"> •Price (-) Although there was a rise in market prices, mainly for Bisphenol A, there was also a delay in the timing for implementing price revisions for polyolefin. •Volume (+) Reduced impact from scheduled maintenance and repairs Recovery in demand •Others (+) Improvement in the inventory valuation gain/loss arisen from higher raw material prices
<p>Carbon Products (+24.8)</p>	<ul style="list-style-type: none"> •Price (+) Rise in the market prices for export coke •Volume (+) Recovery in demand •Others (+) Improvement in the inventory valuation gain/loss arisen from higher raw material prices

Analysis of Core Operating Income Industrial Gases Segment



<p>Industrial Gases (+13.8)</p>	<ul style="list-style-type: none"> • Volume (+) Overall recovery in demand in Japan and overseas • Others (-) Increase in fixed cost in tandem with a recovery in sales activities
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Analysis of Core Operating Income Health Care Segment



Health Care (24.9)	•Price (-) Negative impact from National Health Insurance drug price revisions in the domestic ethical pharmaceuticals business
	•Volume (+) Growth in sales volumes mainly for priority products
	•Others (-) Increase in research and development expenditures for a COVID-19 vaccine

Details of Revenue (FY2021 Actual)

(Billions of Yen)

	FY2021	FY2020	YoY	
			Increase (Decrease)	% change
Domestic ethical drugs	309.5	304.7	4.9	1.6
Priority products	162.1	137.7	24.4	17.7
Stelara	51.5	32.2	19.3	59.9
Simponi	43.3	42.3	1.0	2.4
Tenelia	15.2	15.1	0.1	0.6
Canaglu	11.3	10.3	1.0	9.5
Canalia	10.4	9.7	0.7	6.8
Vafseo	1.0	0.3	0.7	193.0
Lexapro	15.4	15.3	0.0	0.3
Uplizna	1.3	-	1.3	-
Rupafin	8.8	8.2	0.7	8.0
Imusera	3.8	4.1	(0.3)	(6.6)
Vaccines	33.5	42.6	(9.1)	(21.4)
Influenza vaccine	10.4	14.4	(4.0)	(27.5)
Tetrabik	10.4	10.9	(0.6)	(5.3)
Mearubik	5.4	6.1	(0.8)	(12.4)
Varicella vaccine	4.6	5.0	(0.4)	(7.6)
JEBIK V	1.6	5.2	(3.5)	(68.2)
Long-listed drugs, etc.	114.0	124.4	(10.4)	(8.4)
Remicade	40.0	45.4	(5.4)	(11.9)
Overseas ethical drugs	55.8	50.2	5.6	11.1
Radicava	24.6	22.0	2.6	12.0
Royalty revenue, etc.	13.3	15.9	(2.6)	(16.2)

Consolidated Special Items

(Billions of Yen)

	4Q	FY2021	FY2020	Difference
Total Special Items	31.6	30.9	(127.2)	158.1
Gain on business transfer	60.8	60.8	1.4	59.4
Gain on sale of property, plant and equipment	0.2	8.6	8.6	-
Gain on sales of shares of subsidiaries and associates	-	1.9	1.2	0.7
Impairment loss	(17.6)	(20.4)	(118.3)	97.9
Loss on sale and disposal of fixed assets	(3.8)	(7.4)	(6.2)	(1.2)
Loss on revisions to the retirement benefit	(4.0)	(4.0)	-	(4.0)
Special retirement expenses	(0.7)	(2.6)	(5.5)	2.9
Loss on restructuring of subsidiaries and affiliates	-	(0.3)	(7.4)	7.1
Others	(3.3)	(5.7)	(1.0)	(4.7)

※Gain and Loss on Alumina Fiber business transfer +56.6 (Gain on business transfer +60.8, Impairment loss (0.4), Loss on sale and disposal of fixed assets (1.1), Special retirement expenses (1.3), Others (1.4))

[Special Items by Business Segment]

Performance Products	55.3	51.6	(15.3)	66.9
Chemicals	(0.3)	(1.2)	(27.0)	25.8
Industrial Gases	(1.1)	(1.1)	1.7	(2.8)
Health Care	(17.0)	(13.8)	(79.6)	65.8
Others	(5.3)	(4.6)	(7.0)	2.4

Consolidated Cash Flows

	Based on statements of cash flows		Reference) Adjusted cash flows *1
	FY2021	FY2020	FY2020
Net cash provided by (used in) operating activities	346.9	467.1	467.1
Income before taxes	290.4	32.9	32.9
Depreciation and amortization	251.5	243.8	243.8
Change in operating receivables/payables	(2.2)	(27.5)	(27.5)
Change in Inventories	(152.6)	44.6	44.6
Others	(40.2)	173.3	173.3
Net cash provided by (used in) investment activities	(128.8)	(217.0)	(287.0)
Capital expenditure	(257.7)	(257.0)	(257.0)
Sale of assets	63.7	30.8	30.8
Investment and loans receivable, etc.	65.2	9.2	(60.8)
Free cash flow	218.1	250.1	180.1
Net cash provided by (used in) financing activities	(336.3)	(142.8)	
Interest bearing debts	(275.9)	(4.4)	
Additional acquisition of consolidated subsidiaries' stocks	(0.5)	*2 (98.8)	
Dividends, etc.	(59.9)	(39.6)	
Net increase (decrease) in cash and cash equivalents	(118.2)	107.3	
Effect of exchange rate changes and changes in scope of consolidation	14.4	14.1	
Cash and cash equivalents at the beginning of the period	349.6	228.2	
Cash and cash equivalents at the end of the period	245.8	349.6	

*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

	(Billions of Yen)				(Billions of Yen)		
	Mar.31.2022	Mar.31.2021	Difference		Mar.31.2022	Mar.31.2021	Difference
Cash & cash equivalents	245.8	349.6	(103.8)	Interest-bearing debt	2,289.9	2,482.4	(192.5)
Trade receivables	826.0	716.4	109.6	Trade payables	486.9	382.3	104.6
Inventories	745.2	576.5	168.7	Others	952.8	851.4	101.4
Others	169.1	155.0	14.1	Liabilities	3,729.6	3,716.1	13.5
Current assets	1,986.1	1,797.5	188.6	Share capitals, Retained earnings, etc.,	1,371.4	1,226.5	144.9
Fixed assets	2,348.5	2,269.2	79.3	Other components of equity	86.7	9.8	76.9
Goodwill	705.4	671.9	33.5	Equity attributable to owners of the parent	1,458.1	1,236.3	221.8
Investments & Other	533.9	548.6	(14.7)	Non-controlling interests	386.2	334.8	51.4
Non-current assets	3,587.8	3,489.7	98.1	Equity	1,844.3	1,571.1	273.2
Total assets	5,573.9	5,287.2	286.7	Total liabilities & equity	5,573.9	5,287.2	286.7

Net Interest-bearing debt *1	2,044.1	2,132.8	(88.7)
Net D/E ratio	1.40	1.73	(0.33)
Ratio of Equity attributable to owners of the parent	26.2%	23.4%	2.8%
ROE *2	13.2%	(0.6%)	13.8%

*1 Net interest-bearing debt (End of Mar.31, 2022)

= interest-bearing debt (2,289.9 billion yen)

- {cash and cash equivalents (245.8 billion yen) + investments of surplus funds }

Note : Interest-bearing debt includes lease obligations.

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

Consolidated Financial Results Forecasts for FY2022

Consolidated Statements of Operations

Exchange Rate (¥/\$)	125.0	125.0	125.0	113.0	12.0
Naphtha Price (¥/kl)	81,000	81,000	81,000	56,600	24,400

(Billions of Yen)

	1H	2H	FY2022 Forecast	FY2021 Actual	Difference	%
Sales Revenue	2,162.0	2,274.0	4,436.0	3,976.9	459.1	12%
Core Operating Income	125.0	150.0	275.0	272.3	2.7	1%
Special Items	(4.0)	6.0	2.0	30.9	(28.9)	
Operating Income	121.0	156.0	277.0	303.2	(26.2)	(9%)
Financial Income/Expenses	(5.0)	(6.0)	(11.0)	(12.8)	1.8	
Earnings before Taxes	116.0	150.0	266.0	290.4	(24.4)	(8%)
Income Taxes	(36.0)	(36.0)	(72.0)	(81.0)	9.0	
Net Income	80.0	114.0	194.0	209.4	(15.4)	(7%)
Net Income Attributable to Owners of the Parent	61.5	91.5	153.0	177.2	(24.2)	(14%)
Net Income Attributable to Non-Controlling Interests	18.5	22.5	41.0	32.2	8.8	

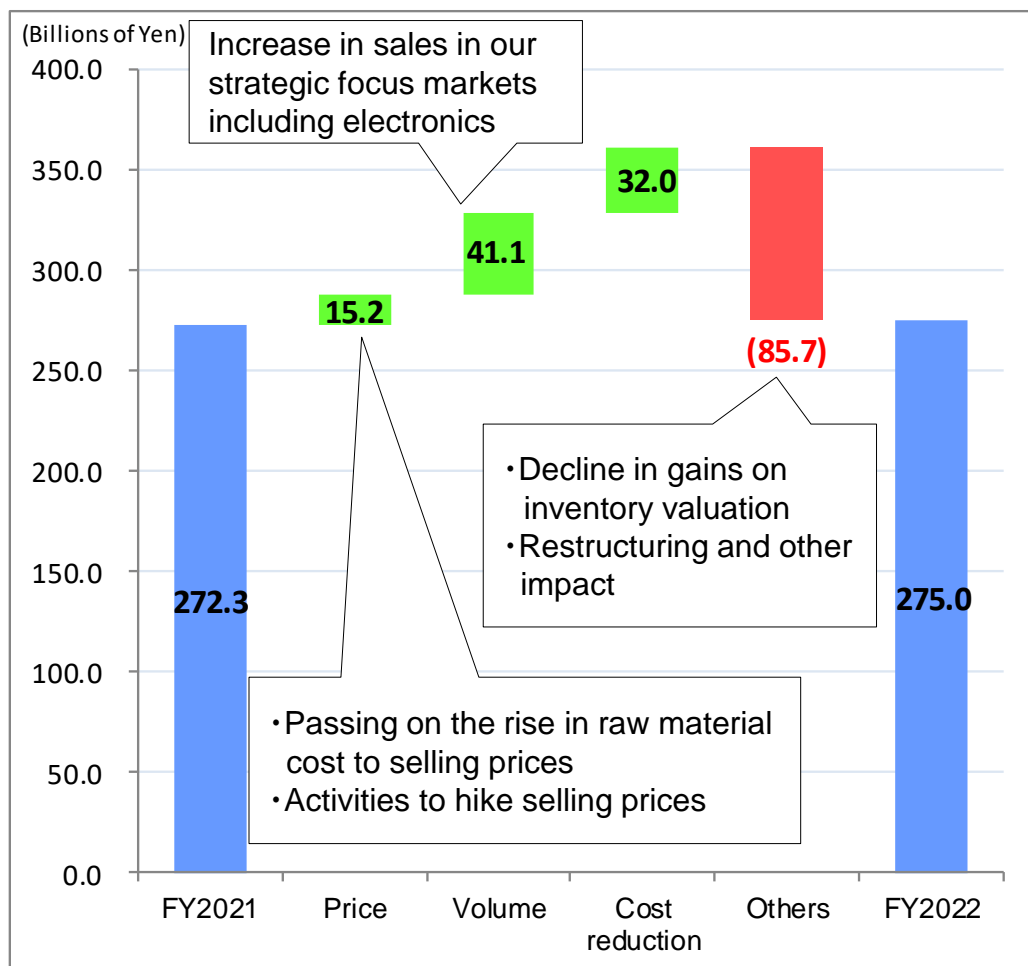
Sales Revenue and Core Operating Income by Business Segment

(Billions of Yen)

		1H	2H	FY2022 Forecast	FY2021 Actual	Difference
Total Consolidated	Sales Revenue	2,162.0	2,274.0	4,436.0	3,976.9	459.1
	Core Operating Income	125.0	150.0	275.0	272.3	2.7
Polymers & Compounds	Sales Revenue	164.0	169.0	333.0	308.1	24.9
	Core Operating Income	12.5	12.5	25.0	18.5	6.5
Films & Molding Materials	Sales Revenue	257.0	262.0	519.0	479.9	39.1
	Core Operating Income	20.0	20.0	40.0	43.9	(3.9)
Advanced Solutions	Sales Revenue	194.0	206.0	400.0	348.3	51.7
	Core Operating Income	8.0	12.0	20.0	16.3	3.7
Performance Products	Sales Revenue	615.0	637.0	1,252.0	1,136.3	115.7
	Core Operating Income	40.5	44.5	85.0	78.7	6.3
MMA	Sales Revenue	173.0	171.0	344.0	298.1	45.9
	Core Operating Income	17.0	18.0	35.0	31.8	3.2
Petrochemicals	Sales Revenue	398.0	458.0	856.0	722.2	133.8
	Core Operating Income	6.5	13.5	20.0	44.6	(24.6)
Carbon products	Sales Revenue	192.0	186.0	378.0	267.6	110.4
	Core Operating Income	11.5	8.5	20.0	25.8	(5.8)
Chemicals	Sales Revenue	763.0	815.0	1,578.0	1,287.9	290.1
	Core Operating Income	35.0	40.0	75.0	102.2	(27.2)
Industrial Gases	Sales Revenue	468.0	476.0	944.0	950.1	(6.1)
	Core Operating Income	50.5	54.5	105.0	98.9	6.1
Health Care	Sales Revenue	204.0	222.0	426.0	403.6	22.4
	Core Operating Income	1.0	13.0	14.0	(7.0)	21.0
Others	Sales Revenue	112.0	124.0	236.0	199.0	37.0
	Core Operating Income	(2.0)	(2.0)	(4.0)	(0.5)	(3.5)

Analysis of Core Operating Income

Amid the cost inflation such as rising raw material prices etc., we will keep the robust COI level that is roughly on par with the FY2021 by price pass-through, increasing sales volume, and reducing costs etc.



Price difference	<ul style="list-style-type: none"> (+) In performance products, impact from a rise in raw material costs was passed on to selling prices (+) In industrial gases, implemented activities to hike selling prices (-) In health care, there was impact from NHI drug price revisions
Volume difference	<ul style="list-style-type: none"> (+) Increase in sales in our strategic focus markets including electronics (+) In health care, commercialization of the COVID-19 vaccine
Cost reduction	<ul style="list-style-type: none"> (+) Steadily executed cost structure reforms
Others	<ul style="list-style-type: none"> (-) Gains from inventory valuation decreased YoY (-) Restructuring impact, mainly from the transfer of the polycrystalline alumina fiber business etc. (-) Increased labor costs in Japan and overseas (-) Increase in fixed cost in tandem with a recovery in sales activities

Dividend Forecast and Capital Allocation

Dividend Forecast

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.

The expected fiscal year-end dividend per share for FY2021 is 15 yen, which is in line with the forecast released on November 2, 2021. This is scheduled to be approved at the Board of Directors meeting, scheduled for May 19, 2022.

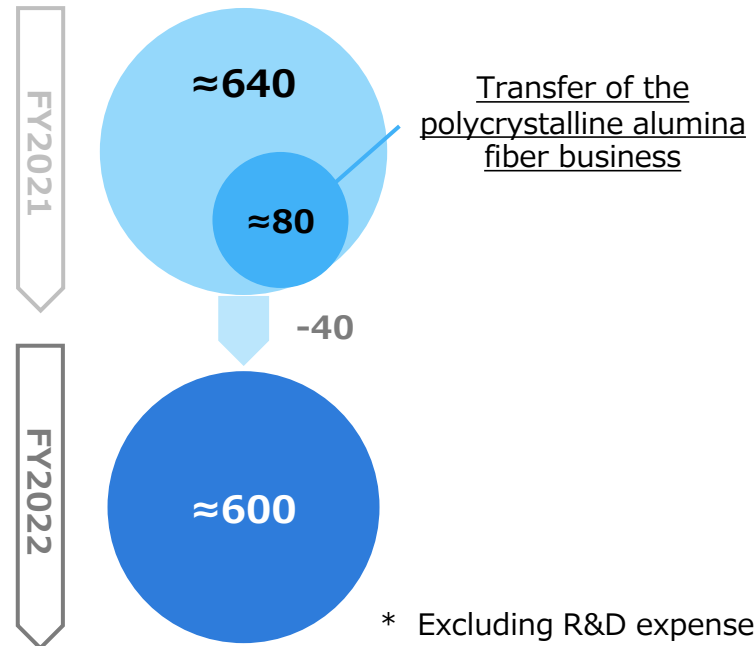
Taking into the aforementioned dividend policy, the interim and fiscal year-end dividend forecast for FY2022 is 15 yen, which is equivalent to the fiscal year-end dividend for FY2021. Accordingly, the expected full-fiscal year dividend for FY2022 is 30 yen.

Note that we plan to implement a review of our dividend policy with a view to increase shareholder return in accordance with the strategic capital allocation promoted in our new management policy, Forging the Future.

Dividend Trends

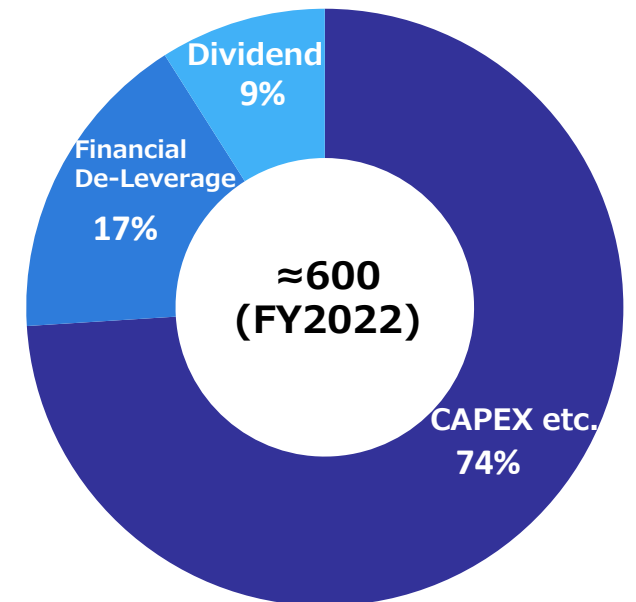
		FY2022 Forecast	FY2021 Forecast	FY2020 Actual
Cash dividends per share (Yen)	Interim	15	15	12
	Year-end	15	15	12
	Annual total	30	30	24
Net income per share (Yen)	Year-end	107.66	124.68	(5.32)
Consolidated dividend pay out ratio	Annual total	27.9%	24.1%	-

Operating Cash Flow*/Divestitures etc.



Capital Allocation

(Unit: JPY Bil)



References 1

Number of Subsidiaries and Affiliates, Overseas Sales Revenue, and Core Operating Income [Historical Data]

(Number of companies)

Number of subsidiaries and affiliates	FY2021	FY2020	FY2019	FY2018	FY2017
Subsidiaries and affiliated companies	625	666	698	754	708
Companies in consolidation scope	590	630	659	705	653
Consolidated subsidiaries	448	487	510	550	515
Japan	156	161	174	193	203
Overseas	292	326	336	357	312
Joint operation	4	4	4	4	4
Affiliates accounted for by the equity method	137	137	145	151	134
Companies for which the equity method does not apply as they are categorized as assets held for sale	1	2	-	-	-

Sales revenue and core operating income by geographic area based on location of consolidated subsidiaries

(Billions of Yen)

Japan	2,526.5	2,109.5	2,367.8	2,595.6	2,589.6
Overseas	1,450.4	1,148.0	1,212.7	1,244.7	1,134.8
Sales Revenue	3,976.9	3,257.5	3,580.5	3,840.3	3,724.4
Japan	159.7	92.5	99.5	162.3	223.2
Overseas	112.6	82.2	95.3	151.8	157.3
Core Operating Income	272.3	174.7	194.8	314.1	380.5

Overseas sales revenue based on location of customers

Overseas Sales Revenue	1,860.6 46.8%	1,464.9 45.0%	1,534.4 42.9%	1,664.6 43.3%	1,547.0 41.5%
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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	117.8
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	64,600

(Billions of Yen)

		FY2019				FY2020				FY2021			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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	1,076.6
	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	53.4
	Special Items	(0.2)	0.0	(20.2)	(30.1)	8.7	(91.4)	(30.2)	(14.3)	(1.7)	(1.3)	2.3	31.6
	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	85.0
	Financial Income/Expenses (Dividend included above)	(3.3)	(4.9)	(7.7)	(6.4)	(3.3)	(5.4)	(4.8)	(1.1)	(1.7)	(4.2)	(4.1)	(2.8)
	(Foreign Exchange Gain/Loss included above)	[2.9]	[0.1]	[1.1]	[0.1]	[2.5]	[0.3]	[0.7]	[0.8]	[3.8]	[0.1]	[0.9]	[0.0]
		[(0.3)]	[0.7]	[(2.8)]	[(1.3)]	[0.0]	[(0.4)]	[(0.3)]	[3.1]	[(0.0)]	[0.7]	[0.2]	[2.0]
	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	82.2
	Income Taxes	(18.2)	(19.4)	(15.7)	1.0	(12.2)	9.1	(12.5)	5.4	(26.1)	(19.2)	(15.6)	(20.1)
	Net Income (Loss) from Continuing Operations	48.4	36.4	6.6	(21.7)	8.2	(48.1)	11.5	51.1	59.2	42.7	45.4	62.1
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	62.1	
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	55.1	
Net Income 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	7.0	
	5.0	3.1	2.6	2.7	0.2	0.9	4.2	7.6	4.6	5.0	4.1	7.7	

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

		(Billions of Yen)											
		FY2020				FY2021				(Reference) FY2019 Core Operating Income by Business Segment			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total Consolidated	Sales Revenue	722.7	782.1	850.6	902.1	928.3	956.8	1,015.2	1,076.6				
	Core Operating Income	15.0	39.6	59.0	61.1	88.7	67.4	62.8	53.4	70.1	60.7	50.3	13.7
Polymers & Compounds	Sales Revenue	60.1	62.9	72.1	76.8	80.1	78.8	76.6	72.6				
	Core Operating Income	2.0	2.6	4.9	5.5	8.0	3.8	1.1	5.6	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	122.1				
	Core Operating Income	5.2	5.7	10.3	6.4	15.3	11.8	7.2	9.6	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	92.7				
	Core Operating Income	4.1	5.4	2.8	4.8	3.3	3.6	3.4	6.0	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	287.4				
	Core Operating Income	11.3	13.7	18.0	16.7	26.6	19.2	11.7	21.2	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	73.8				
	Core Operating Income	(1.9)	3.4	4.4	7.2	12.3	12.5	4.7	2.3	12.1	9.4	(0.4)	(1.9)
Petrochemicals	Sales Revenue	94.1	107.8	129.5	151.2	160.4	171.8	189.9	200.1				
	Core Operating Income	(14.3)	(1.4)	3.3	14.1	16.0	10.5	7.1	11.0	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	92.2				
	Core Operating Income	(1.4)	(2.5)	1.4	3.5	6.5	4.4	9.5	5.4	6.0	2.9	1.0	(1.8)
Chemicals	Sales Revenue	186.5	205.5	235.4	263.7	291.9	302.1	327.8	366.1				
	Core Operating Income	(17.6)	(0.5)	9.1	24.8	34.8	27.4	21.3	18.7	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	263.5				
	Core Operating Income	13.5	22.1	23.3	26.2	23.8	24.5	25.6	25.0	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	91.5				
	Core Operating Income	8.9	4.5	9.0	(4.5)	4.7	(3.6)	3.5	(11.6)	9.1	1.2	11.6	(5.4)
Others	Sales Revenue	34.7	42.7	42.0	50.0	38.1	43.7	49.1	68.1				
	Core Operating Income	(1.1)	(0.2)	(0.4)	(2.1)	(1.2)	(0.1)	0.7	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.

Special Items [Quarterly Data]

(Billions of Yen)

	FY2020				FY2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total Special Items	8.7	(91.4)	(30.2)	(14.3)	(1.7)	(1.3)	2.3	31.6
Gain on business transfer	-	-	-	1.4	-	-	-	60.8
Gain on sale of property, plant and equipment	8.1	0.5	-	-	0.0	1.8	6.6	0.2
Gain on sales of shares of subsidiaries and associates	0.9	-	-	0.3	-	1.9	-	-
Impairment loss	(0.0)	(87.0)	(20.2)	(11.1)	(0.1)	(1.8)	(0.9)	(17.6)
Loss on sale and disposal of fixed assets	(0.2)	(3.0)	(1.2)	(1.8)	(0.3)	(2.4)	(0.9)	(3.8)
Loss on revisions to the retirement benefit	-	-	-	-	-	-	-	(4.0)
Special retirement expenses	-	-	(5.4)	(0.1)	(0.5)	(0.0)	(1.3)	(0.7)
Loss on restructuring of subsidiaries and affiliates	-	-	-	(7.4)	-	-	(0.3)	-
Others	(0.1)	(1.9)	(3.4)	4.4	(0.8)	(0.8)	(0.9)	(3.3)

[Special Items by Business Segment]

Performance Products	0.8	(4.4)	(0.4)	(11.3)	(1.3)	0.0	(2.4)	55.3
Chemicals	-	(2.3)	(23.7)	(1.0)	(0.0)	(0.5)	(0.4)	(0.3)
Industrial Gases	-	(0.1)	2.8	(1.0)	-	(0.0)	(0.0)	(1.1)
Health Care	8.1	(84.6)	(3.0)	(0.1)	(0.0)	(1.6)	4.8	(17.0)
Others	(0.2)	-	(5.9)	(0.9)	(0.4)	0.8	0.3	(5.3)

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

(Billions of Yen)

	Capital Expenditure		Depreciation & Amortization		R&D Expenses		Number of Employees
	FY2022 Forecast	FY2021 Actual	FY2022 Forecast	FY2021 Actual	FY2022 Forecast	FY2021 Actual	FY2021 Actual
Performance Products	73.0	68.7	69.0	67.3	35.0	27.9	26,488
Chemicals	47.0	61.3	66.0	62.6	13.0	10.9	7,705
Industrial Gases	104.0	74.7	95.0	94.8	4.0	3.6	19,398
Health Care	24.0	19.5	16.0	15.5	83.0	101.3	7,265
Others	14.0	30.4	13.0	11.3	14.0	12.9	8,928
Total	262.0	254.6	259.0	251.5	149.0	156.6	69,784

Depreciation & Amortization and Share of profit of associates and joint ventures by Business segment [Historical Data]

Depreciation & Amortization

(Billions of Yen)

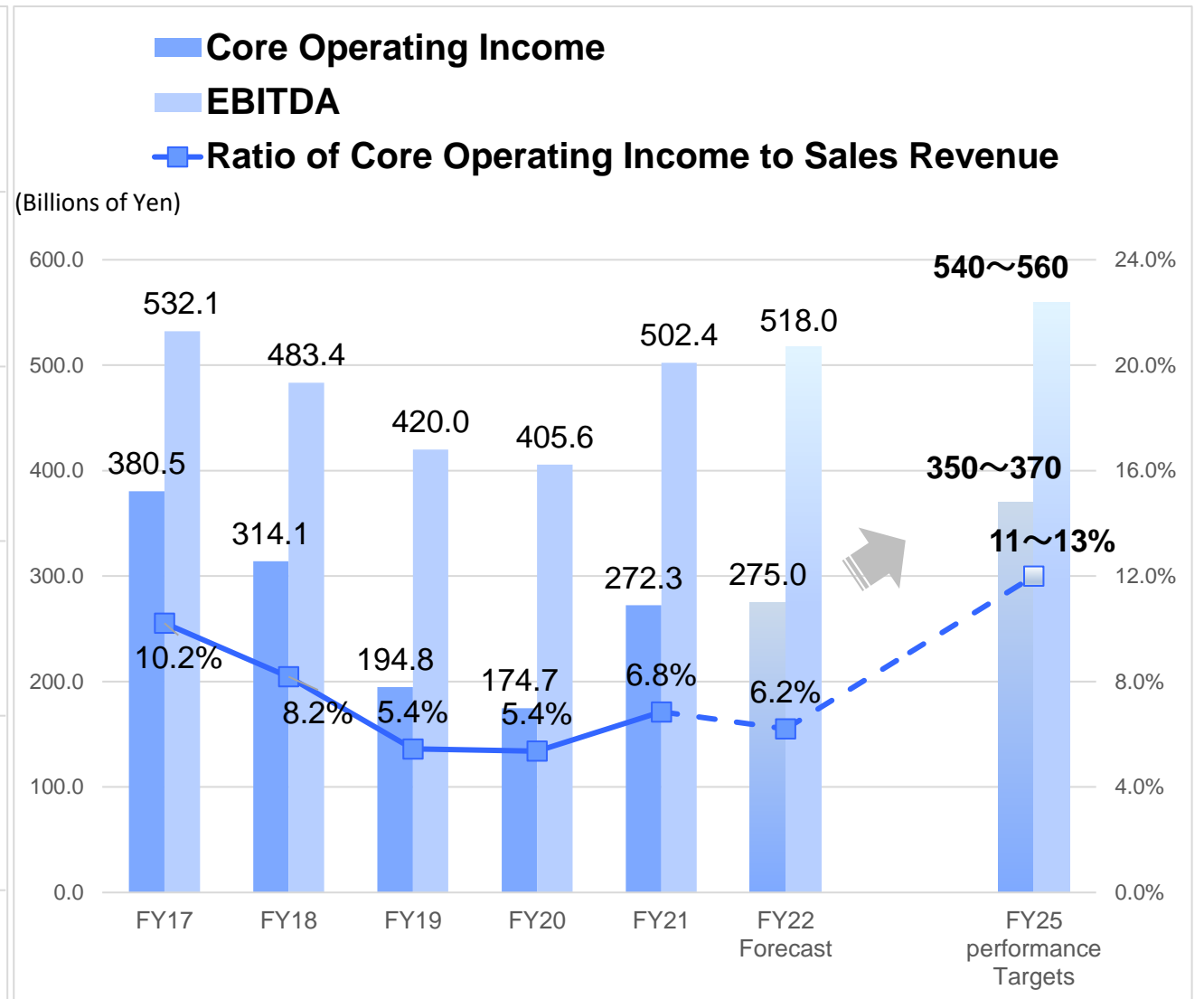
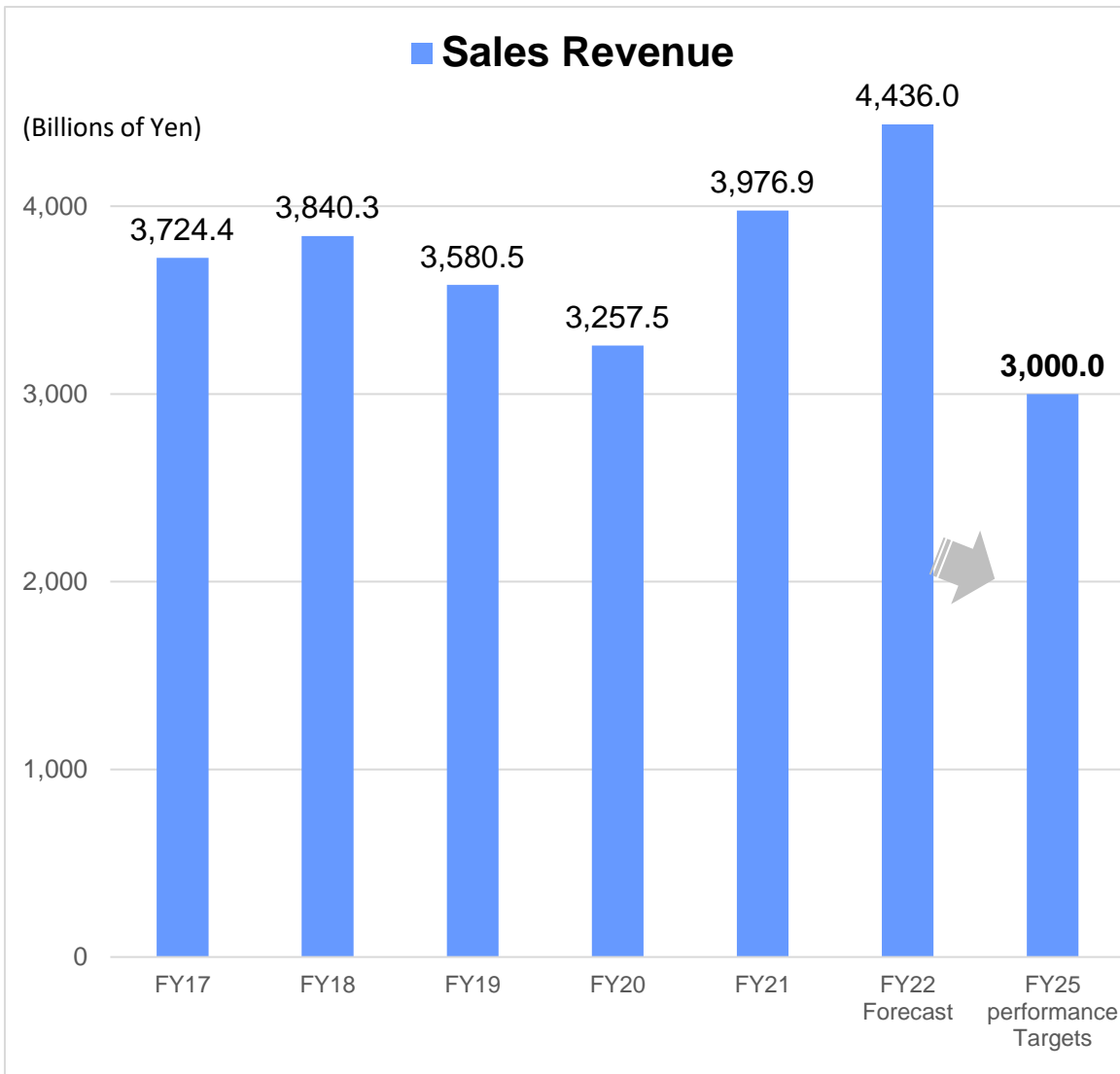
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 Forecast
Total Consolidated	178.9	196.1	238.6	243.8	251.5	259.0
Performance Products	58.4	59.6	62.1	64.8	67.3	69.0
MMA	21.9	25.5	25.8	24.5	23.1	22.0
Petrochemicals / Carbon Products	31.4	33.6	37.1	38.8	39.5	44.0
Chemicals	53.3	59.1	62.9	63.3	62.6	66.0
Industrial Gases	45.7	58.5	86.2	88.7	94.8	95.0
Health Care	15.7	12.8	17.0	16.4	15.5	16.0
Others	5.8	6.1	10.4	10.6	11.3	13.0

Share of profit of associates and joint ventures

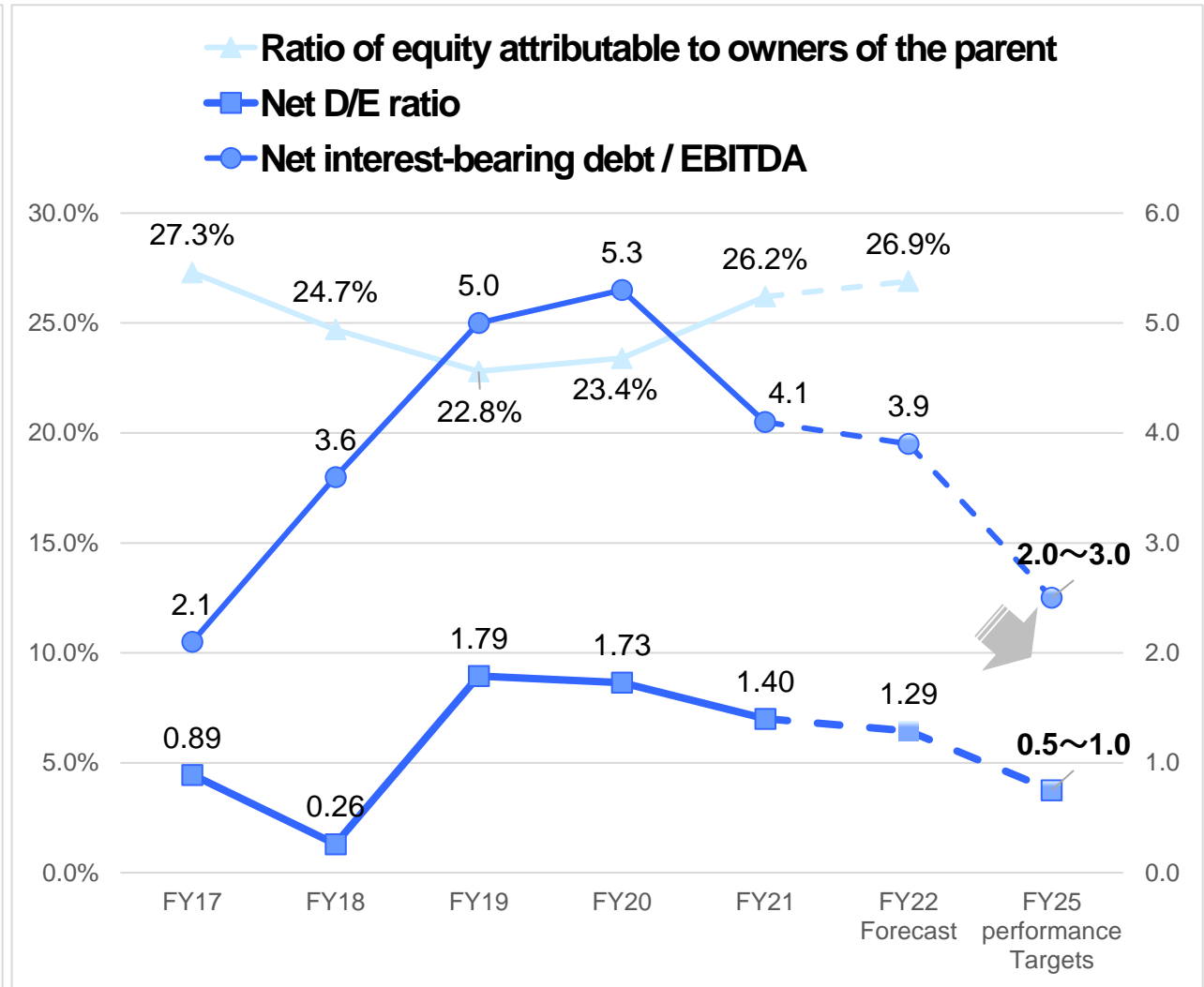
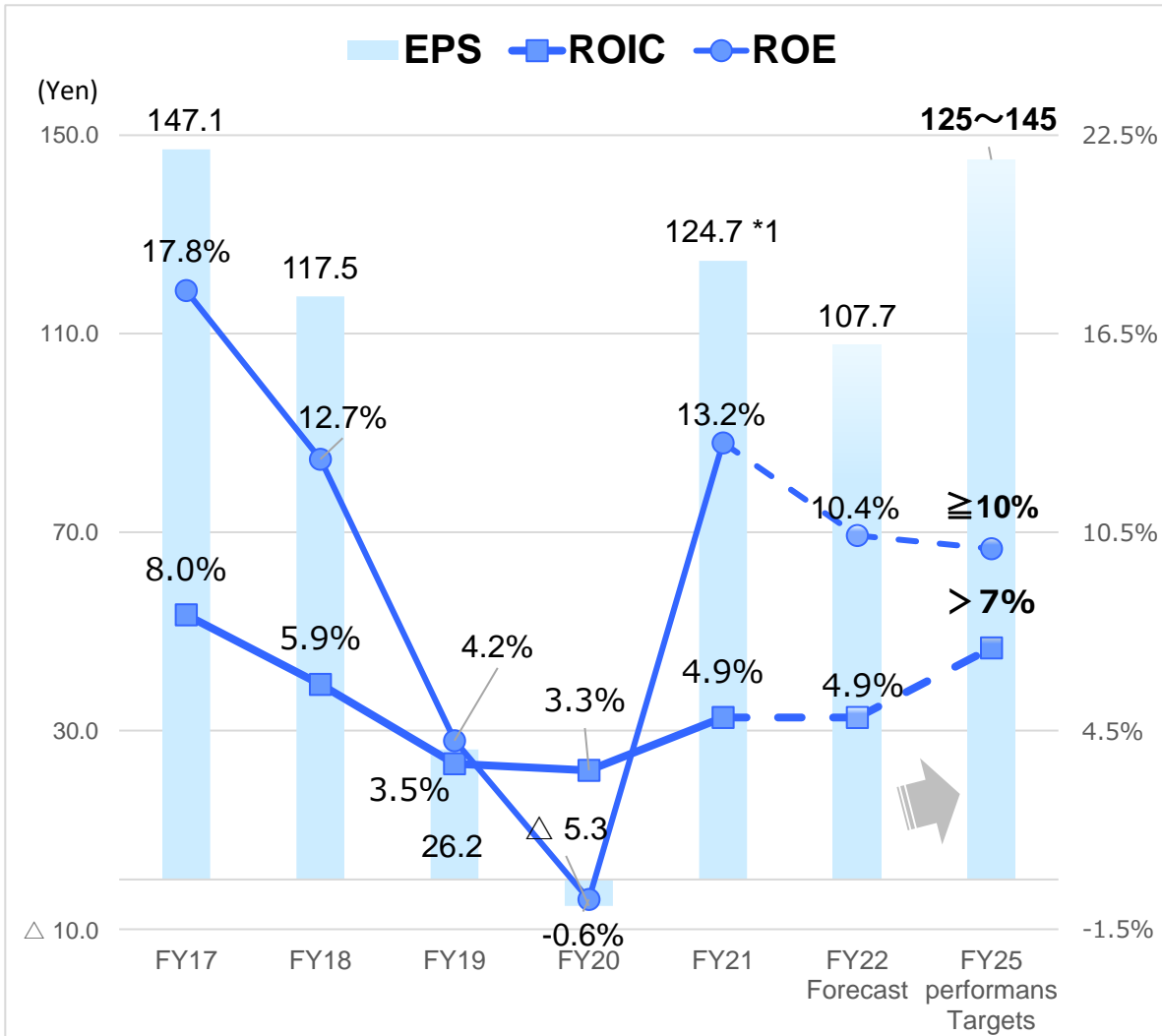
(Billions of Yen)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 Forecast
Total Consolidated	27.3	26.8	13.4	12.9	21.4	16.0
Performance Products	10.9	8.2	4.8	6.7	12.1	6.0
MMA	8.1	8.0	2.9	2.5	3.6	4.0
Petrochemicals / Carbon Products	4.7	6.7	2.0	0.7	1.8	2.0
Chemicals	12.8	14.7	4.9	3.2	5.4	6.0
Industrial Gases	3.5	3.8	3.6	2.8	3.7	4.0
Health Care	0.0	0.0	0.0	0.1	0.1	0.0
Others	0.1	0.1	0.1	0.1	0.1	0.0

Trends in Sales Revenue, Core Operating Income and EBITDA



Trends in Indicators for Profitability and Stability



EPS calculation excludes the profit of discontinued operations.

*1 The EPS is 96.92 yen after deduction of an amount equivalent to the gain on transfer of the polycrystalline alumina fiber business.

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	$\text{NOPAT (*1)} / \text{Invested Capital (averages of beginning and end of fiscal years) (*2)}$ <p>(*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</p> <p>(*2) Invested Capital = Total Equity + Interest-bearing debt</p>
ROE	Net income attributable to owners of the parent / Equity attributable to owners of the parent (averages of beginning and end of fiscal years)
Net D/E ratio	$\text{Net interest-bearing debt (*3)} / \text{Equity attributable to owners of the parent}$ <p>(*3) Net interest-bearing debt = Interest-bearing debt - (cash and cash equivalents + cash reserves (*4))</p> <p>(*4) Cash reserves comprise certificates of deposits, securities, and other instruments other than cash equivalents that the Group holds to manage surplus funds.</p>

References 2

Health Care Segment, Pharmaceuticals Businesses
Status of Research and Development etc.

Major Development Pipeline List

As of Apr. 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	Chronic kidney disease with type 2 diabetes mellitus					

^{*1} NDA submission has been completed in the US, Japan, etc. and development stages for other countries are Phase 3.

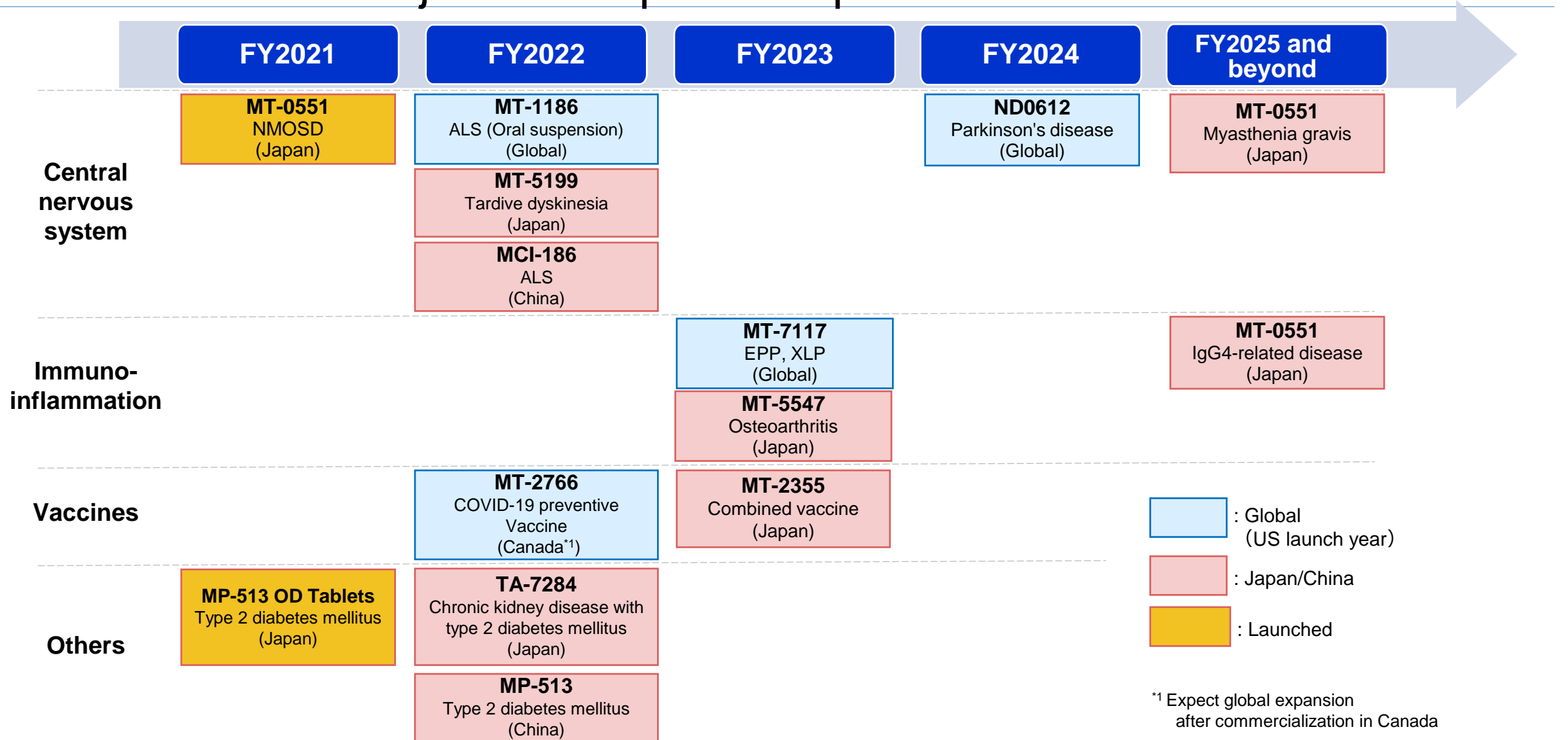
^{*3} Regulatory approval has been obtained in Canada, and development stages for other countries are Phase 3.

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

^{*2} Co-development with Horizon Therapeutics

^{*4} VLP (Virus-Like Particle)

Launch Plan for Major Development Pipeline



Development Pipeline: Central nervous system

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). NDA submission completed in Japan (March 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.
MT-5199	Tardive dyskinesia	Japan	Approved	<ul style="list-style-type: none"> Approved in Japan (March 2022).

*¹ NDA submission has been completed in the US, Japan, etc. and development stages for other countries are Phase 3.

*² Co-development with Horizon Therapeutics

Development Pipeline: Immuno-inflammation and Vaccines

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	Approved	• Approved in Canada (February 2022) • P1/2 study is ongoing in Japan.
MT-2355	Combined vaccine*4	Japan	Filed	• NDA submission completed in Japan (April 2022).

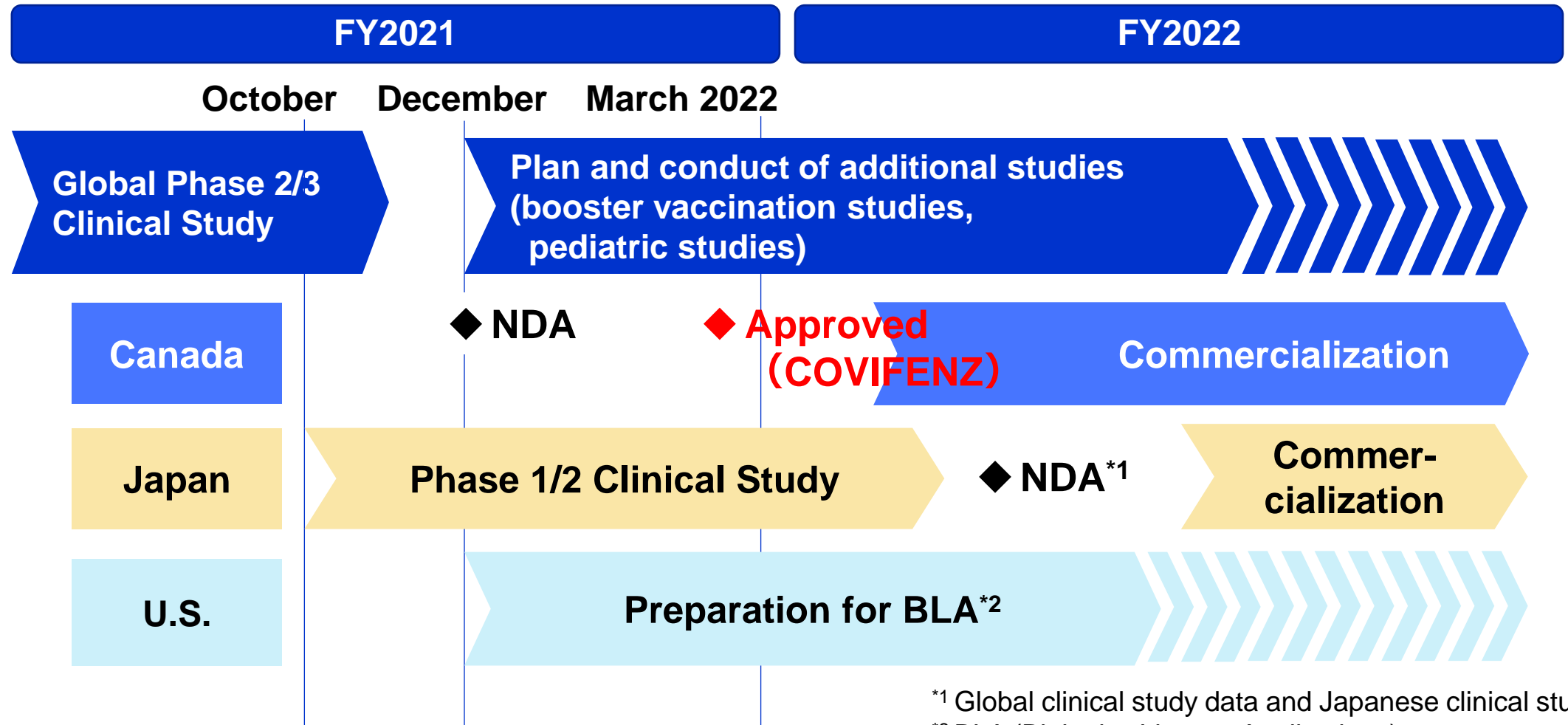
*1 Co-development with Horizon Therapeutics

*2 VLP (Virus-Like Particle)

*3 Regulatory approval has been obtained in Canada, and development stages for other countries are Phase 3.

*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

*2 BLA (Biologics License Applications)

Details of Revenue (FY2022 Forecasts)

(Billions of Yen)

	FY2022 Forecast	FY2021 Actual	YonY	
			Increase (Decrease)	% change
Domestic ethical drugs	308.6	309.5	(0.9)	(0.3)
Priority products	174.3	158.2	16.1	10.2
Stelara	64.6	51.5	13.1	25.5
Simponi	42.7	43.3	(0.7)	(1.6)
Tenelia	14.3	15.2	(0.8)	(5.5)
Canaglu	13.0	11.3	1.7	14.9
Canalia	10.5	10.4	0.1	1.0
Vafseo	3.1	1.0	2.1	207.8
Lexapro	13.0	15.4	(2.4)	(15.7)
Uplizna	3.2	1.3	1.9	147.3
Rupafin	9.9	8.8	1.1	12.3
Vaccines	42.8	33.5	9.3	27.8
Influenza vaccine	14.5	10.4	4.1	39.3
Tetrabik	10.0	10.4	(0.4)	(3.5)
JEBIK V	6.3	1.6	4.6	279.9
Mearubik	6.2	5.4	0.9	16.2
Varicella vaccine	4.5	4.6	(0.0)	(1.0)
Long-listed drugs, etc.	91.5	117.8	(26.3)	(22.3)
Remicade	31.2	40.0	(8.7)	(21.9)
Overseas ethical drugs	81.1	55.8	25.3	45.4
Radicava	27.0	24.6	2.4	9.7
Royalty revenue, etc.	10.2	13.3	(3.1)	(23.6)

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.

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