



MEMBERSHIP

February 3, 2022

## Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2022 (Under IFRS)

Company name: Mitsubishi Chemical Holdings Corporation Listing: Tokyo Stock Exchange  
 Securities code: 4188 URL: <https://www.mitsubishichem-hd.co.jp/english>  
 Representative: Jean-Marc Gilson Representative Corporate Executive Officer, President&Chief Executive Officer  
 Contact: Osamu Shimizu TEL: [+81] (0)3-6748-7120  
 General Manager, Corporate Communications Office  
 Scheduled date to file quarterly securities report: February 10, 2022  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the Third Quarter of the Fiscal Year Ending March 31, 2022("FY2021") (from April 1, 2021 to December 31, 2021)

#### (1) Results of Operations:

(Percentages indicate year-on-year changes.)

|                                     | Sales Revenue |        | Core Operating Income * |        | Operating income |        | Net income |   | Net income attributable to owners of the parent |   | Comprehensive Income |        |
|-------------------------------------|---------------|--------|-------------------------|--------|------------------|--------|------------|---|---|---|----------------------|--------|
|                                     |               | %      |                         | %      |                  | %      |            | % |   | % |                      | %      |
| Nine months ended December 31, 2021 | 2,900,294     | 23.1   | 218,941                 | 92.7   | 218,237          | —      | 147,259    | — | 122,132   | — | 191,333              | 561.9  |
| December 31, 2020                   | 2,355,441     | (13.7) | 113,612                 | (37.2) | 728              | (99.5) | (28,403)   | — | (47,830)  | — | 28,908               | (68.9) |

Reference: Income before taxes

Nine months ended December 31, 2021: ¥208,177 million(—%)

Nine months ended December 31, 2020: ¥(12,769) million(—%)

\* Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring factors.

|                   | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine months ended | Yen                      | Yen                        |
| December 31, 2021 | 85.95                    | 79.06                      |
| December 31, 2020 | (33.68)                  | (33.68)                    |

#### (2) Financial Position:

|                   | Total assets | Total equity | Equity attributable to owners of the parent | Ratio of equity attributable to owners of parent to total assets |
|-------------------|--------------|--------------|---|--|
| As of             |              |              |   | %  |
| December 31, 2021 | 5,457,812    | 1,705,092    | 1,347,897                                   | 24.7   |
| March 31, 2021    | 5,287,228    | 1,571,148    | 1,236,339                                   | 23.4   |

### 2. Cash dividends

|                           | Annual dividends per share |                    |                   |                 |       |
|---------------------------|----------------------------|--------------------|-------------------|-----------------|-------|
|                           | First quarter-end          | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| Fiscal year ended         | Yen                        | Yen                | Yen               | Yen             | Yen   |
| March 31, 2021            | —                          | 12.00              | —                 | 12.00           | 24.00 |
| March 31, 2022            | —                          | 15.00              | —                 |                 |       |
| March 31, 2022 (Forecast) |                            |                    |                   | 15.00           | 30.00 |

Note:

Revisions to the forecast of cash dividends most recently announced: None

### 3. Forecast for the Current Fiscal Year

(Percentages indicate changes in comparison with the previous fiscal year)

|        | Sales Revenue |      | Core Operating Income * |      | Operating income |       | Net income |       | Net income attributable to owners of the parent |   | Basic earnings per share |
|--------|---------------|------|-------------------------|------|------------------|-------|------------|-------|---|---|--------------------------|
|        |               | %    |                         | %    |                  | %     |            | %     |   | % | Yen                      |
| FY2021 | 3,886,000     | 19.3 | 300,000                 | 71.7 | 344,000          | 623.9 | 228,000    | 903.4 | 192,000   | — | 135.12                   |

Reference: Income before taxes

FY2021: ¥328,000 million(896.7%)

Note:

Revisions to the forecast for the current fiscal year most recently announced: None

#### \* Notes

(1) Changes in significant subsidiaries during the period : Yes

(changes in specified subsidiaries resulting in the change in scope of consolidation)

Newly included: — Excluded : 1 (Company name) Noltex L.L.C.

As of October 1, 2021, Noltex L.L.C. is excluded from the scope of consolidation due to its extinguishment following the execution of an absorption-type merger in which Mitsubishi Chemical America, Inc. was the surviving company and Noltex L.L.C. was the extinguished company.

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS : None

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

| As of December 31, 2021 | 1,506,288,107 Shares | As of March 31, 2021 | 1,506,288,107 Shares |
|-------------------------|----------------------|----------------------|----------------------|
|                         |                      |                      |                      |

(ii) Number of treasury shares at the end of the period

| As of December 31, 2021 | 85,229,563 Shares | As of March 31, 2021 | 85,865,812 Shares |
|-------------------------|-------------------|----------------------|-------------------|
|                         |                   |                      |                   |

(iii) Average number of shares outstanding during the period

| Nine months ended December 31, 2021 | 1,420,900,471 Shares | Nine months ended December 31, 2020 | 1,420,204,305 Shares |
|-------------------------------------|----------------------|-------------------------------------|----------------------|
|                                     |                      |                                     |                      |

\*Mitsubishi Chemical Holdings Corporation adopted a performance-based share compensation plan that uses executive compensation Board Incentive Plan (BIP) trusts. Mitsubishi Chemical Holdings Corporation stocks held by BIP trust are included in treasury shares.

(Reference)

Number of Company's shares in executive compensation BIP trust:

|                   |                  |
|-------------------|------------------|
| December 31, 2021 | 2,833,314 Shares |
| March 31, 2021    | 2,994,552 Shares |

#### Disclosure regarding quarterly review procedures

Financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

#### Proper use of earnings forecasts, and other special matters

\*The forward-looking statements are based largely on the Company's expectations and information available as of the date hereof, and are subject to risks and uncertainties which may be beyond the Company's control. Actual results could differ materially due to numerous factors.

\*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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# 1. Qualitative Information on Financial Results for the Term

## (1) Business Performance

### Performance Overview

In the business environment of the first three quarters (April 1, 2021 - December 31, 2021; same hereafter) of the Mitsubishi Chemical Holdings Corporation (MCHC) Group, as there was an uptick trend in economic activities in various countries recovering from the impact of COVID-19, demand in Japan and abroad is on a recovery trajectory versus the same period a year earlier, despite impact from negative factors, mainly a rise in raw material prices.

Amid this backdrop, sales revenue came to ¥2,900.3 billion, an increase of ¥544.9 billion (a rise of 23.1%) from the same period in the previous consolidated fiscal year (April 1, 2020 - December 31, 2020; same hereafter). In the profit front, core operating income climbed ¥105.3 billion, or 92.7%, to ¥218.9 billion. Operating income rose ¥217.5 billion, to ¥218.2 billion. Income before taxes was up ¥221.0 billion, to ¥208.2 billion. And net income attributable to owners of the parent improved ¥169.9 billion, to ¥122.1 billion.

### Overview of Business Segments

The overview of financial results by business segment for the first three quarters of fiscal 2021 is shown below. Segment gains or losses are stated as core operating income, which excludes gains or losses from non-recurring factors and including losses from business withdrawals, streamlining, and other factors.

### Performance Products Segment, Performance Products Domain

In comparison with the same period in the previous consolidated fiscal year, sales revenue increased ¥127.5 billion, to ¥848.9 billion and core operating income expanded ¥14.5 billion, to ¥57.5 billion.

In polymers and compounds, 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.

In films and molding materials, sales revenue increased reflecting a rise in sales volume mainly for molding materials used in automobiles in tandem with a recovery in demand, and also owing to brisk sales trends mainly in 1H primarily for films used for optical applications for displays.

In advanced solutions, sales revenue grew underpinned primarily by an increase in sales volume accompanying a recovery in economic activities.

Core operating income in this segment expanded chiefly reflecting an increase in sales volume overall, mainly for automotive applications, and despite impact from a rise in raw material prices.

Major initiative in the Performance Products segment during the first three quarters of fiscal 2021:

- In April 2021, Mitsubishi Chemical Corporation (MCC) decided to make a capital investment in C.P.C. SRL (CPC; Head office: Modena, Italy) 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 is an equity-method affiliate of MCC that manufactures and sells carbon fiber reinforced plastic (CFRP) automotive parts. The facility is scheduled for operation in 2023.
- Mitsubishi Chemical Corporation, as a part of its portfolio reforms, transferred its shareholdings in equity-method affiliate Sinopec Mitsubishi Chemical Polycarbonate (Beijing) Co., Ltd. (Head office: Beijing, PRC) to China Petroleum & Chemical Corporation (Head office: Beijing, PRC) in October 2021.
- In May 2021, Mitsubishi Chemical Corporation and the Japan Steel Works, Ltd. (Head office: Shinagawa-ku, Tokyo) 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. The goal is to contribute to an energy minimum society, which is the improvement of fuel and power generation efficiency through the supply of high-quality GaN substrates.

- Mitsubishi Chemical Corporation (MCC) has decided to construct a new Sugar Ester production line (an annual production capacity of 2,000 tons) at the Fukuoka Plant (Location: Kitakyushu, Fukuoka Prefecture). The goal is to address an increase in demand and strengthen its supply chain. MCC plans to launch operations in mid 2023.
- In September 2021, Mitsubishi Chemical Corporation, as part of its portfolio reforms, agreed to transfer its polycrystalline alumina fiber business and the same business of Mitsubishi Chemical High-Technica Corporation, its consolidated subsidiary, to a special purpose company held by funds managed by affiliates of Apollo Global Management, Inc. (Head office: New York, US).
- Mitsubishi Chemical Corporation (MCC) has decided to expand its polyester film production capacity (German annual production 55,000 tons to 82,000 tons) at its consolidated subsidiary, Mitsubishi Polyester Film GmbH (Head office: Wiesbaden, Germany) in anticipation of a growth in global demand moving forward. MCC aims to put its new capacity into operation at the end of 2024.
- In December 2021, Mitsubishi Chemical Corporation (MCC) has decided to build a new facility for producing specialty epoxy resins for semiconductor encapsulants and electronic materials at its Fukuoka Plant (Kitakyushu-shi, Fukuoka) with the goal of addressing brisk demand and strengthening its supply chain. MCC aims to launch commercial production in April 2023.

#### **Chemicals Segment, Industrial Materials Domain**

In comparison with the same period in the previous consolidated fiscal year, sales revenue increased ¥296.6 billion, to ¥921.8 billion and core operating income expanded ¥92.5 billion, to ¥83.5 billion.

In MMA, sales revenue expanded owing to a rise in the market price for MMA monomer given strong demand trends.

In petrochemicals, sales revenue expanded. In addition to a growth in sales prices in tandem with higher raw material prices, sales volumes also rose reflecting reduced impact from scheduled maintenance and repairs at the ethylene production facility and a recovery in demand.

In carbon products, sales revenue rose reflecting higher sales volumes in tandem with a recovery in demand as well as a hike in selling prices for export coke.

Core operating income in this segment was up owing to performance in petrochemical products, which was highlighted by an increase in sales volume and an improvement in inventory valuation gain in tandem with higher raw material prices, and also in part due to a rise in market prices mainly for MMA monomer and export coke.

Major initiatives in the Chemicals segment during the first three quarters of fiscal 2021:

- Japan Polychem Corporation (JPC), a consolidated subsidiary of Mitsubishi Chemical Corporation, decided in April 2021 to acquire equity in six overseas group companies owned by Japan Polypropylene Corporation, a joint venture of JNC Petrochemical Corporation and JPC, including Mytex Polymers US Corporation (Head office: Indiana, US), and turned them into wholly-owned subsidiaries in July. Mytex Polymers deploys the polypropylene compound and long glass reinforced thermoplastic business. The goal is to accelerate growth in response to an increase in demand, including prominent parts that will contribute to making automobiles lighter, through the use of technological strengths and business infrastructures in Japan and abroad.
- Mitsubishi Chemical Corporation (MCC) and Mitsubishi Chemical Methacrylates Japan Co., Ltd., a consolidated subsidiary of MCC, constructed a verification facility in Japan in June 2021, and 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, including tail lights from scrapped cars, both companies are carrying out an examination of a scheme along with Honda Motor Co., Ltd. (Head office: Minato-ku, Tokyo) and are jointly implementing a verification of a recycling system that uses this verification facility.

- In June 2021, Mitsubishi Chemical Corporation entered into a licensing agreement with Mura Technology Limited (Head office: London, UK) pertaining to technology to manufacture of raw materials for chemical products and fuel oil products from waste plastics. MCC plans to accelerate considerations for the commercialization of the chemical recycling business to realize a circular economy.
- In July 2021, Mitsubishi Chemical Corporation (MCC) and ENEOS Corporation (ENEOS; Head office: Chiyoda-ku, Tokyo) decided to construct a chemical recycling facility at the MCC Ibaraki Plant (Location: Kamisu, Ibaraki Prefecture) 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. (Head office: Chuo-ku, Tokyo) to procure waste plastics to be used as raw material.

### **Industrial Gases Segment, Industrial Materials Domain**

In comparison with the same period in the previous consolidated fiscal year, sales revenue increased ¥99.1 billion, to ¥686.6 billion and core operating income expanded ¥15.0 billion, to ¥73.9 billion.

In industrial gases, sales revenue and core operating income increased reflecting an overall recovery in demand in Japan and overseas.

Major initiatives in the Industrial Gases segment during the first three quarters of fiscal 2021:

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

### **Health Care Segment, Health Care Domain**

In comparison with the same period in the previous consolidated fiscal year, sales revenue increased ¥12.4 billion, to ¥312.1 billion and core operating income declined ¥17.8 billion, to ¥4.6 billion.

In pharmaceuticals, 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. Meanwhile, core operating income was down primarily due to an increase in research and development expenditures for a COVID-19 vaccine. Note that some royalty revenue from Novartis Pharma AG for *Gilenya*, a treatment agent for multiple sclerosis, has not been recognized as sales revenue in accordance with IFRS 15 (Revenue from Contracts with Customers) due to the start of arbitration proceedings since February 2019. In the consolidated first three quarters under review, some royalty revenue was not recognized as sales revenue due to ongoing arbitration proceedings.

Major initiative in the Health Care segment during the first three quarters of fiscal 2021:

- In April 2021, Life Science Institute, Inc., started clinical trials for the Muse cell-based product CL2020 in patients with acute respiratory distress syndrome triggered by COVID-19, in addition to application as a treatment for acute myocardial infarction, ischemic stroke, epidermolysis bullosa, spinal cord injury and amyotrophic lateral sclerosis (ALS).
- In October 2021, Mitsubishi Tanabe Pharma Corporation 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. (Head

office: Quebec, Canada) to prevent COVID-19. In addition, in December 2021, Medicago Inc. applied for approval for the sales and manufacturing of vaccine in Canada, owing to the positive results obtained during the phase-III part of the phase-II/III clinical trials.

### **Others**

In comparison with the same period in the previous consolidated fiscal year, sales revenue increased ¥9.3 billion, to ¥130.9 billion and core operating income expanded ¥1.3 billion, to ¥10.3 billion.

### **Group Performance Overview**

Mitsubishi Chemical Holdings Corporation formulated and disclosed in December 2021 its new management policy, “Forging the future,” which will cover the period through the end of FY 2025. We aim to sustainably increase value for our stakeholders with a clearer strategy to drive operational excellence and unlock the growth potential of our businesses.

## **(2) Financial Position**

Total assets at the end of the third quarter in the consolidated fiscal year under review totaled ¥5,457.8 billion, an increase of ¥170.6 billion compared with the end of the previous consolidated fiscal year. Although there was a decrease in cash and cash equivalents in tandem with a repayment of interest-bearing debts, the rise was mainly attributable to an increase in inventories primarily owing to a rise in raw material costs, and a climb in trade receivables in tandem with an increase in sales revenue.

## 2. Condensed Consolidated Financial Statements and Notes Concerning Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Statement of Profit or Loss

Nine months ended December 31, 2020 and 2021

|   | (Millions of yen)                         |   |
|---|---|---|
|   | Nine months<br>ended December 31,<br>2020 | Nine months<br>ended December 31,<br>2021 |
| Sales revenue   | 2,355,441                                 | 2,900,294                                 |
| Cost of sales   | (1,694,438)                               | (2,060,438)                               |
| Gross profit  | 661,003                                   | 839,856                                   |
| Selling, general and administrative expenses                    | (550,694)                                 | (627,274)                                 |
| Other operating income  | 19,564                                    | 17,317                                    |
| Other operating expenses  | (137,165)                                 | (25,319)                                  |
| Share of profit of associates and joint ventures                | 8,020                                     | 13,657                                    |
| Operating income  | 728                                       | 218,237                                   |
| Financial income  | 4,823                                     | 6,797                                     |
| Financial expenses  | (18,320)                                  | (16,857)                                  |
| Income (loss) before taxes                                      | (12,769)                                  | 208,177                                   |
| Income taxes  | (15,634)                                  | (60,918)                                  |
| Net income (loss)   | (28,403)                                  | 147,259                                   |
| <b>Net income (loss) attributable to</b>                        |   |   |
| Owners of the parent  | (47,830)                                  | 122,132                                   |
| Non-controlling interests                                       | 19,427                                    | 25,127                                    |
| <b>Earnings per share(Yen)</b>                                  |   |   |
| Basic earnings per share attributable to owners of the parent   | (33.68)                                   | 85.95                                     |
| Diluted earnings per share attributable to owners of the parent | (33.68)                                   | 79.06                                     |



**(2) Condensed Consolidated Statement of Comprehensive Income**

Nine months ended December 31, 2020 and 2021

(Millions of yen)

|  | Nine months<br>ended December 31,<br>2020 | Nine months<br>ended December 31,<br>2021 |
|--|---|---|
| Net income (loss)  | (28,403)                                  | 147,259                                   |
| Other comprehensive income   |   |   |
| Items that will not be reclassified to profit or loss  |   |   |
| Net gain (loss) on revaluation of financial assets<br>measured at fair value through other comprehensive<br>income | 6,125                                     | 7,449                                     |
| Remeasurements of defined benefit plans  | 24,544                                    | 7,528                                     |
| Share of other comprehensive income(loss)<br>of associates and joint ventures for using<br>the equity method       | (74)                                      | (84)                                      |
| Total items that will not be reclassified to profit or loss  | 30,595                                    | 14,893                                    |
| Items that may be subsequently reclassified to<br>profit or loss   |   |   |
| Exchange differences on translation of<br>foreign operations   | 25,893                                    | 27,847                                    |
| Net gain (loss) on derivatives designated<br>as cash flow hedges   | 233                                       | (355)                                     |
| Share of other comprehensive income(loss)<br>of associates and joint ventures for using<br>the equity method       | 590                                       | 1,689                                     |
| Total items that may be subsequently reclassified<br>to profit or loss   | 26,716                                    | 29,181                                    |
| Total other comprehensive income (net of tax)  | 57,311                                    | 44,074                                    |
| Total comprehensive income   | 28,908                                    | 191,333                                   |
| Total comprehensive income attributable to   |   |   |
| Owners of the parent   | (6,417)                                   | 156,259                                   |
| Non-controlling interests  | 35,325                                    | 35,074                                    |

**(3) Condensed Consolidated Statement of Financial Position**

(Millions of yen)

|   | March 31, 2021          | December 31, 2021       |
|---|-------------------------|-------------------------|
| <b>Assets</b>                                     |                         |                         |
| Current assets                                    |                         |                         |
| Cash and cash equivalents                         | 349,577                 | 259,300                 |
| Trade receivables                                 | 716,392                 | 802,026                 |
| Inventories                                       | 576,473                 | 684,279                 |
| Other financial assets                            | 47,818                  | 51,223                  |
| Other current assets                              | 83,462                  | 119,515                 |
| Subtotal  | <u>1,773,722</u>        | <u>1,916,343</u>        |
| Assets held for sales                             | 23,812                  | 37,346                  |
| Total current assets                              | <u>1,797,534</u>        | <u>1,953,689</u>        |
| Non-current assets                                |                         |                         |
| Property, plant and equipment                     | 1,813,838               | 1,830,680               |
| Goodwill  | 671,889                 | 679,971                 |
| Intangible assets                                 | 455,317                 | 447,438                 |
| Investments accounted for using the equity method | 162,042                 | 170,722                 |
| Other financial assets                            | 251,211                 | 237,201                 |
| Other non-current assets                          | 68,051                  | 70,350                  |
| Deferred tax assets                               | 67,346                  | 67,761                  |
| Total non-current assets                          | <u>3,489,694</u>        | <u>3,504,123</u>        |
| Total assets                                      | <u><u>5,287,228</u></u> | <u><u>5,457,812</u></u> |

(Millions of yen)

|  | March 31, 2021 | December 31, 2021 |
|--|----------------|-------------------|
| <b>Liabilities</b>   |                |                   |
| Current liabilities  |                |                   |
| Trade payables   | 382,272        | 469,786           |
| Bonds and borrowings                                       | 653,475        | 509,436           |
| Income tax payable   | 22,283         | 43,437            |
| Other financial liabilities                                | 272,341        | 255,532           |
| Provisions   | 11,690         | 13,433            |
| Other current liabilities                                  | 147,911        | 174,436           |
| Subtotal   | 1,489,972      | 1,466,060         |
| Liabilities directly associated with assets held for sales | 2,534          | 5,384             |
| Total current liabilities                                  | 1,492,506      | 1,471,444         |
| Non-current liabilities                                    |                |                   |
| Bonds and borrowings                                       | 1,696,029      | 1,738,337         |
| Other financial liabilities                                | 118,300        | 112,129           |
| Retirement benefit liabilities                             | 112,272        | 106,383           |
| Provisions   | 27,398         | 22,633            |
| Other non-current liabilities                              | 113,730        | 137,151           |
| Deferred tax liabilities                                   | 155,845        | 164,643           |
| Total non-current liabilities                              | 2,223,574      | 2,281,276         |
| Total liabilities  | 3,716,080      | 3,752,720         |
| <b>Equity</b>  |                |                   |
| Common stock   | 50,000         | 50,000            |
| Additional paid-in capital                                 | 179,716        | 172,998           |
| Treasury stock   | (63,244)       | (62,883)          |
| Retained earnings  | 1,060,069      | 1,157,710         |
| Other components of equity                                 | 9,798          | 30,072            |
| Equity attributable to owners of the parent                | 1,236,339      | 1,347,897         |
| Non-controlling interests                                  | 334,809        | 357,195           |
| Total equity   | 1,571,148      | 1,705,092         |
| Total liabilities and equity                               | 5,287,228      | 5,457,812         |

#### (4) Condensed Consolidated Statement of Changes in Equity

Nine months ended December 31, 2020

(Millions of yen)

|  | Common stock | Additional paid-in capital | Treasury stock | Retained earnings |
|--|--------------|----------------------------|----------------|-------------------|
| Balance at April 1, 2020   | 50,000       | 176,715                    | (63,485)       | 1,071,260         |
| Net income (loss)  | —            | —                          | —              | (47,830)          |
| Other comprehensive income   | —            | —                          | —              | —                 |
| Total comprehensive income   | —            | —                          | —              | (47,830)          |
| Purchase of treasury stock   | —            | —                          | (13)           | —                 |
| Disposal of treasury stock   | —            | (180)                      | 242            | —                 |
| Cash dividends   | —            | —                          | —              | (34,091)          |
| Share-based payment transactions                                       | —            | (7)                        | —              | —                 |
| Changes in interests in subsidiaries                                   | —            | 760                        | —              | —                 |
| Business combinations or business divestitures                         | —            | 2,456                      | —              | —                 |
| Changes in scope of consolidation                                      | —            | —                          | —              | 79                |
| Transfer from other components of equity to retained earnings          | —            | —                          | —              | 27,474            |
| Transfer from other components of equity to non-financial assets, etc. | —            | —                          | —              | —                 |
| Total transactions with owners   | —            | 3,029                      | 229            | (6,538)           |
| Balance at December 31, 2020   | 50,000       | 179,744                    | (63,256)       | 1,016,892         |

#### Other components of equity

|  | Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans | Exchange differences on translation of foreign operations | Net gain (loss) on derivatives designated as cash flow hedges | Total    | Equity attributable to owners of the parent | Non-controlling interests | Total equity |
|--|--|---|---|---|----------|---|---------------------------|--------------|
| Balance at April 1, 2020   | 38,335   | —                                       | (102,773)   | 170   | (64,268) | 1,170,222                                   | 280,607                   | 1,450,829    |
| Net income (loss)  | —  | —                                       | —   | —   | —        | (47,830)                                    | 19,427                    | (28,403)     |
| Other comprehensive income   | 3,307  | 24,456                                  | 13,486  | 164   | 41,413   | 41,413                                      | 15,898                    | 57,311       |
| Total comprehensive income   | 3,307  | 24,456                                  | 13,486  | 164   | 41,413   | (6,417)                                     | 35,325                    | 28,908       |
| Purchase of treasury stock   | —  | —                                       | —   | —   | —        | (13)  | —                         | (13)         |
| Disposal of treasury stock   | —  | —                                       | —   | —   | —        | 62  | —                         | 62           |
| Cash dividends   | —  | —                                       | —   | —   | —        | (34,091)                                    | (10,392)                  | (44,483)     |
| Share-based payment transactions                                       | —  | —                                       | —   | —   | —        | (7)   | —                         | (7)          |
| Changes in interests in subsidiaries                                   | —  | —                                       | —   | —   | —        | 760   | 1,667                     | 2,427        |
| Business combinations or business divestitures                         | —  | —                                       | —   | —   | —        | 2,456                                       | 1,488                     | 3,944        |
| Changes in scope of consolidation                                      | —  | —                                       | —   | —   | —        | 79  | (54)                      | 25           |
| Transfer from other components of equity to retained earnings          | (3,018)  | (24,456)                                | —   | —   | (27,474) | —   | —                         | —            |
| Transfer from other components of equity to non-financial assets, etc. | —  | —                                       | —   | (153)   | (153)    | (153)                                       | —                         | (153)        |
| Total transactions with owners   | (3,018)  | (24,456)                                | —   | (153)   | (27,627) | (30,907)                                    | (7,291)                   | (38,198)     |
| Balance at December 31, 2020   | 38,624   | —                                       | (89,287)  | 181   | (50,482) | 1,132,898                                   | 308,641                   | 1,441,539    |

Nine months ended December 31, 2021

(Millions of yen)

|   | Common stock | Additional paid-in capital | Treasury stock | Retained earnings |
|---|--------------|----------------------------|----------------|-------------------|
| Balance at April 1, 2021                                      | 50,000       | 179,716                    | (63,244)       | 1,060,069         |
| Net income  | —            | —                          | —              | 122,132           |
| Other comprehensive income                                    | —            | —                          | —              | —                 |
| Total comprehensive income                                    | —            | —                          | —              | 122,132           |
| Purchase of treasury stock                                    | —            | —                          | (24)           | —                 |
| Disposal of treasury stock                                    | —            | (385)                      | 385            | —                 |
| Cash dividends  | —            | —                          | —              | (38,367)          |
| Share-based payment transactions                              | —            | 384                        | —              | —                 |
| Changes in interests in subsidiaries                          | —            | (6,717)                    | —              | —                 |
| Changes in scope of consolidation                             | —            | —                          | —              | 23                |
| Transfer from other components of equity to retained earnings | —            | —                          | —              | 13,853            |
| Total transactions with owners                                | —            | (6,718)                    | 361            | (24,491)          |
| Balance at December 31, 2021                                  | 50,000       | 172,998                    | (62,883)       | 1,157,710         |

Other components of equity

|   | Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans | Exchange differences on translation of foreign operations | Net gain (loss) on derivatives designated as cash flow hedges | Total    | Equity attributable to owners of the parent | Non-controlling interests | Total equity |
|---|--|---|---|---|----------|---|---------------------------|--------------|
| Balance at April 1, 2021                                      | 56,707   | —                                       | (47,077)  | 168   | 9,798    | 1,236,339                                   | 334,809                   | 1,571,148    |
| Net income  | —  | —                                       | —   | —   | —        | 122,132                                     | 25,127                    | 147,259      |
| Other comprehensive income                                    | 3,327  | 7,616                                   | 23,516  | (332)   | 34,127   | 34,127                                      | 9,947                     | 44,074       |
| Total comprehensive income                                    | 3,327  | 7,616                                   | 23,516  | (332)   | 34,127   | 156,259                                     | 35,074                    | 191,333      |
| Purchase of treasury stock                                    | —  | —                                       | —   | —   | —        | (24)  | —                         | (24)         |
| Disposal of treasury stock                                    | —  | —                                       | —   | —   | —        | —   | —                         | —            |
| Cash dividends  | —  | —                                       | —   | —   | —        | (38,367)                                    | (14,328)                  | (52,695)     |
| Share-based payment transactions                              | —  | —                                       | —   | —   | —        | 384   | —                         | 384          |
| Changes in interests in subsidiaries                          | —  | —                                       | —   | —   | —        | (6,717)                                     | 1,618                     | (5,099)      |
| Changes in scope of consolidation                             | —  | —                                       | —   | —   | —        | 23  | 22                        | 45           |
| Transfer from other components of equity to retained earnings | (6,237)  | (7,616)                                 | —   | —   | (13,853) | —   | —                         | —            |
| Total transactions with owners                                | (6,237)  | (7,616)                                 | —   | —   | (13,853) | (44,701)                                    | (12,688)                  | (57,389)     |
| Balance at December 31, 2021                                  | 53,797   | —                                       | (23,561)  | (164)   | 30,072   | 1,347,897                                   | 357,195                   | 1,705,092    |

**(5) Condensed Consolidated Statement of Cash Flow**

Nine months ended December 31, 2020 and 2021

(Millions of yen)

|   | Nine months<br>ended December 31,<br>2020 | Nine months<br>ended December 31,<br>2021 |
|---|---|---|
| Cash flows from operating activities                                  |   |   |
| Income (loss) before taxes  | (12,769)                                  | 208,177                                   |
| Depreciation and amortization   | 181,000                                   | 186,623                                   |
| Share of profit of associates and joint ventures                      | (8,020)                                   | (13,657)                                  |
| Interest and dividend income  | (4,560)                                   | (5,631)                                   |
| Interest expenses   | 16,381                                    | 15,712                                    |
| (Increase) decrease in trade receivables                              | (10,171)                                  | (80,397)                                  |
| (Increase) decrease in inventories                                    | 46,114                                    | (105,917)                                 |
| Increase (decrease) in trade payables                                 | (32,183)                                  | 80,321                                    |
| Increase (decrease) in retirement benefit assets and liabilities, net | 2,709                                     | 4,022                                     |
| Other   | 122,336                                   | 6,254                                     |
| Subtotal  | 300,837                                   | 295,507                                   |
| Interest received   | 1,123                                     | 851                                       |
| Dividends received  | 14,140                                    | 11,506                                    |
| Interest paid   | (15,779)                                  | (15,222)                                  |
| Income tax (paid) received, net                                       | (28,086)                                  | (44,624)                                  |
| Net cash provided by (used in) operating activities                   | 272,235                                   | 248,018                                   |
| Cash flows from investing activities                                  |   |   |
| Purchase of property, plant and equipment                             | (176,446)                                 | (175,679)                                 |
| Proceeds from sales of property, plant and equipment                  | 14,914                                    | 23,359                                    |
| Purchase of intangible assets   | (7,905)                                   | (7,051)                                   |
| Purchase of other financial assets                                    | (2,198)                                   | (2,544)                                   |
| Proceeds from sales/redemption of other financial assets              | 72,386                                    | 30,388                                    |
| Net cash outflow on acquisition of subsidiaries                       | (28,449)                                  | (6,501)                                   |
| Proceeds from sales of investments in subsidiaries                    | 1,971                                     | 0   |
| Payment for transfer of business                                      | (374)                                     | (700)                                     |
| Net (Increase) decrease of time deposits                              | 4,727                                     | 275                                       |
| Other   | (27,413)                                  | (2,124)                                   |
| Net cash provided by (used in) investing activities                   | (148,787)                                 | (140,577)                                 |

(Millions of yen)

|  | Nine months<br>ended December 31,<br>2020 | Nine months<br>ended December 31,<br>2021 |
|--|---|---|
| Cash flows from financing activities   |   |   |
| Net increase (decrease) in short-term borrowings   | (76,705)                                  | (44,089)                                  |
| Net increase (decrease) in commercial papers   | 47,000                                    | (57,000)                                  |
| Proceeds from long-term borrowings   | 274,133                                   | 54,690                                    |
| Repayment of long-term borrowings  | (143,956)                                 | (116,251)                                 |
| Proceeds from issuance of bonds  | 69,640                                    | 94,636                                    |
| Redemption of bonds  | (45,000)                                  | (50,000)                                  |
| Repayment of lease liabilities   | (22,356)                                  | (23,643)                                  |
| Net (increase) decrease in treasury stock  | (12)                                      | (24)                                      |
| Dividends paid to owners of the parent   | (34,091)                                  | (38,367)                                  |
| Dividends paid to non-controlling interests  | (10,446)                                  | (14,428)                                  |
| Payments for acquisition of subsidiaries' interests<br>from non-controlling interests                    | (98,525)                                  | (436)                                     |
| Repayments to non-controlling interests  | —   | (5,600)                                   |
| Proceeds from stock issuance to non-controlling interests  | 4,404                                     | —   |
| Other  | 1,139                                     | (41)                                      |
| Net cash provided by (used in) financing activities  | (34,775)                                  | (200,553)                                 |
| Effect of exchange rate changes on cash and cash equivalents   | 3,413                                     | 2,582                                     |
| Net increase (decrease) in cash and cash equivalents   | 92,086                                    | (90,530)                                  |
| Cash and cash equivalents at the beginning of the period   | 228,211                                   | 349,577                                   |
| Net increase (decrease) in cash and cash equivalents<br>resulting from transfer to assets held for sales | 1   | —   |
| Net increase (decrease) in cash and cash equivalents<br>resulting from change in scope of consolidation  | 749                                       | 253                                       |
| Increase in cash and cash equivalents<br>resulting from merger   | 19  | —   |
| Cash and cash equivalents at the end of the period   | 321,066                                   | 259,300                                   |

## (6) Notes to Condensed Consolidated Financial Statements

### (Segment Information)

The Group's reporting segments are the components for which separate financial information is available, and the Board of Directors regularly assesses this information in deciding how to allocate resources and evaluate results. No operating segments or components have been aggregated in preparing the reporting segment information.

The Group operates in four business areas centered on four operating companies. They are Mitsubishi Chemical Corporation, Mitsubishi Tanabe Pharma Corporation, Life Science Institute, Inc., and Nippon Sanso Holdings Corporation. The business segments are Performance Products, Chemicals, Industrial Gases, and Health Care.

The businesses in each reporting segment are as follows.

In addition, from the first quarter of the year ending March 31, 2022, 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.

| 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  |

Accounting policies for reportable segments are identical to those Group accounting policies adopted to consolidated financial statements. Inter-segment sales and transfers are based mainly on prevailing market prices.



Nine months ended December 31, 2020

(Millions of yen)

|                                   | REPORTING SEGMENT       |           |                     |                |           | Others<br>(Note 1) | Subtotal  | Adjustment<br>(Note 2) | Consolidated |
|-----------------------------------|-------------------------|-----------|---------------------|----------------|-----------|--------------------|-----------|------------------------|--------------|
|                                   | Performance<br>Products | Chemicals | Industrial<br>Gases | Health<br>Care | Total     |                    |           |                        |              |
| Revenue                           |                         |           |                     |                |           |                    |           |                        |              |
| External revenue                  | 721,429                 | 625,246   | 587,477             | 299,663        | 2,233,815 | 121,626            | 2,355,441 | —                      | 2,355,441    |
| Inter-segment revenue             | 41,622                  | 32,133    | 4,779               | 364            | 78,898    | 143,660            | 222,558   | (222,558)              | —            |
| Total                             | 763,051                 | 657,379   | 592,256             | 300,027        | 2,312,713 | 265,286            | 2,577,999 | (222,558)              | 2,355,441    |
| Segment profit                    |                         |           |                     |                |           |                    |           |                        |              |
| Core operating income<br>(Note 3) | 43,023                  | (8,980)   | 58,861              | 22,380         | 115,284   | 8,968              | 124,252   | (10,640)               | 113,612      |

Notes:

1. The Others category consists of businesses not included in reporting segments and mainly includes engineering, transportation, and warehousing operations.
2. The segment profit (loss) adjustment includes corporate costs of ¥ (10,199) million not allocated to reporting segments and inter-segment eliminations of ¥(441) million. Corporate costs include expenditures on basic testing, research, and other activities not allocated to reporting segments.
3. Segment profit (loss) is Operating profit in accordance with IFRS after excluding earnings from non-recurring factors, such as losses from business withdrawals and downsizings, representing core operating income.

Nine months ended December 31, 2021

(Millions of yen)

|                                   | REPORTING SEGMENT       |           |                     |                |           | Others<br>(Note 1) | Subtotal  | Adjustment<br>(Note 2) | Consolidated |
|-----------------------------------|-------------------------|-----------|---------------------|----------------|-----------|--------------------|-----------|------------------------|--------------|
|                                   | Performance<br>Products | Chemicals | Industrial<br>Gases | Health<br>Care | Total     |                    |           |                        |              |
| Revenue                           |                         |           |                     |                |           |                    |           |                        |              |
| External revenue                  | 848,862                 | 921,840   | 686,555             | 312,146        | 2,769,403 | 130,891            | 2,900,294 | —                      | 2,900,294    |
| Inter-segment revenue             | 38,488                  | 31,852    | 4,980               | 247            | 75,567    | 148,212            | 223,779   | (223,779)              | —            |
| Total                             | 887,350                 | 953,692   | 691,535             | 312,393        | 2,844,970 | 279,103            | 3,124,073 | (223,779)              | 2,900,294    |
| Segment profit                    |                         |           |                     |                |           |                    |           |                        |              |
| Core operating income<br>(Note 3) | 57,457                  | 83,519    | 73,899              | 4,586          | 219,461   | 10,254             | 229,715   | (10,774)               | 218,941      |

Notes:

1. The Others category consists of businesses not included in reporting segments and mainly includes engineering, transportation, and warehousing operations.
2. The segment profit (loss) adjustment includes corporate costs of ¥ (10,059) million not allocated to reporting segments and inter-segment eliminations of ¥ (715) million. Corporate costs include expenditures on basic testing, research, and other activities not allocated to reporting segments.
3. Segment profit (loss) is Operating profit in accordance with IFRS after excluding earnings from non-recurring factors, such as losses from business withdrawals and downsizings, representing core operating income.
4. From the first quarter of the year ending March 31, 2022, the Company reclassified segments for some businesses and consolidated subsidiaries. The Company used new classifications to present segment information for the Nine months ended December 31, 2020.

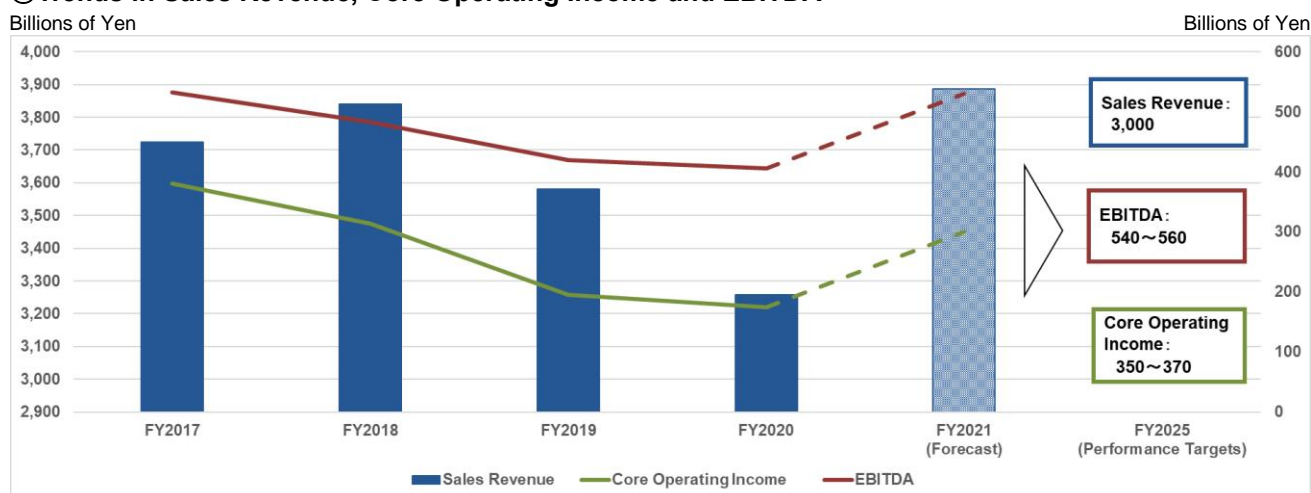
Adjustments to income (loss) before tax from segment operating results are as follows:

|  | (Millions of yen)                         |   |
|--|---|---|
|  | Nine months<br>ended<br>December 31, 2020 | Nine months<br>ended<br>December 31, 2021 |
| Segment profit   | 113,612                                   | 218,941                                   |
| Gain on sales of property, plant and equipment         | 8,621                                     | 8,420                                     |
| Gain on sales of shares of subsidiaries and associates | 909                                       | 1,886                                     |
| Share of profit of associates and joint ventures       | 2,749                                     | —   |
| Gain on step acquisitions                              | 1,295                                     | —   |
| Loss on sales and disposal of fixed assets             | (4,376)                                   | (3,579)                                   |
| Impairment loss  | (107,194)                                 | (2,797)                                   |
| Special retirement expense                             | (5,422)                                   | (1,871)                                   |
| Provision for loss on plant closure                    | (3,318)                                   | —   |
| Cancellation penalty                                   | (1,943)                                   | —   |
| Others   | (4,205)                                   | (2,763)                                   |
| Operating income                                       | 728                                       | 218,237                                   |
| Financial income                                       | 4,823                                     | 6,797                                     |
| Financial expenses                                     | (18,320)                                  | (16,857)                                  |
| Income (loss) before taxes                             | (12,769)                                  | 208,177                                   |

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

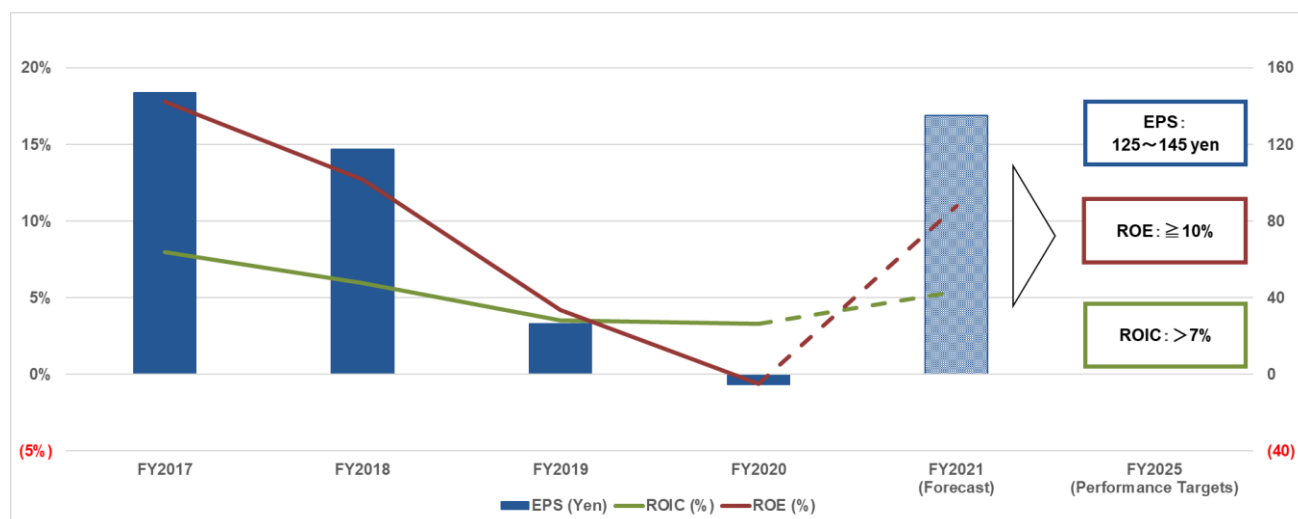
## 【Trends in Management Indicators】

### ① Trends in Sales Revenue, Core Operating Income and EBITDA



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

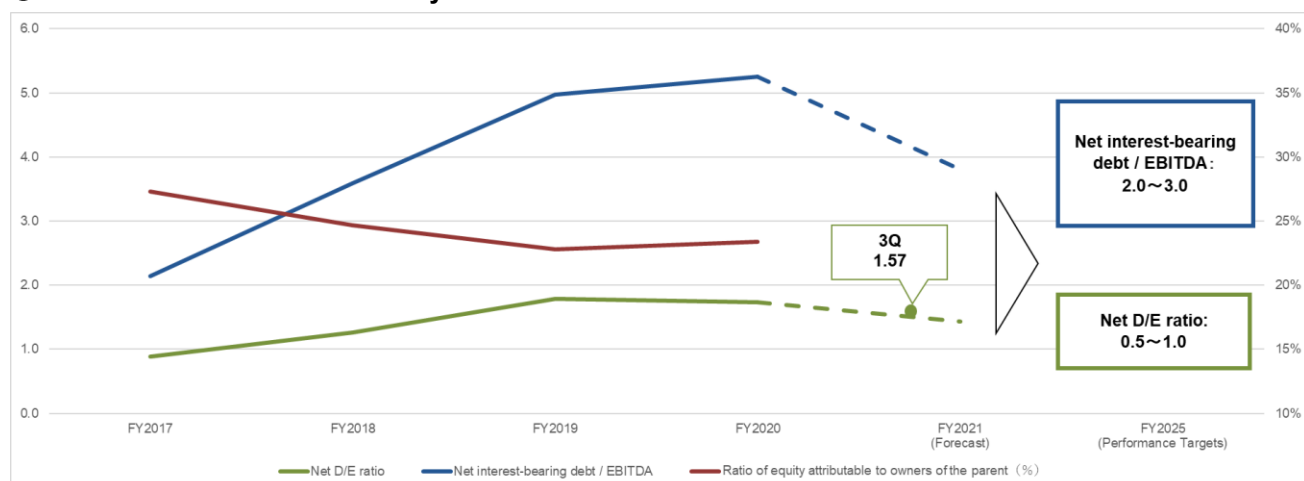
### ② Trends in Indicators for Profitability



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

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

### ③ Trends in Indicators for Stability



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

### Calculation formula of indicators

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