

Operational Summary

for the First Quarter of the Fiscal Year Ending March 31, 2021

August 4, 2020

Mitsubishi Chemical Holdings Corporation

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List of Abbreviations

FY2020	April 1, 2020 – March 31, 2021	
	1st Quarter (1Q):	April 1, 2020 – June 30, 2020
	2nd Quarter (2Q):	July 1, 2020 – September 30, 2020
	3rd Quarter (3Q):	October 1, 2020 – December 31, 2020
	4th Quarter (4Q):	January 1, 2021 – March 31, 2021
	1st Half (1H):	April 1, 2020 – September 30, 2020
	2nd Half (2H):	October 1, 2020 – March 31, 2021
FY2019	April 1, 2019 – March 31, 2020	
	1st Quarter (1Q):	April 1, 2019 – June 30, 2019
	2nd Quarter (2Q):	July 1, 2019 – September 30, 2019
	3rd Quarter (3Q):	October 1, 2019 – December 31, 2019
	4th Quarter (4Q):	January 1, 2020 – March 31, 2020
	1st Half (1H):	April 1, 2019 – September 30, 2019
	2nd Half (2H):	October 1, 2019 – March 31, 2020
MCHC	Mitsubishi Chemical Holdings Corporation	
MCC	Mitsubishi Chemical Corporation	
MTPC	Mitsubishi Tanabe Pharma Corporation	
LSII	Life Science Institute, Inc.	
TNSC	Taiyo Nippon Sanso Corporation	

Consolidated Statements of Operations

Exchange Rate (¥/\$)	107.4	109.7	(2.3)	(2%)
Naphtha Price (¥/kl)	25,000	45,400	(20,400)	(45%)

		(Billions of Yen)			<Reference>		
		FY2020 1Q	FY2019 1Q	Difference	%	FY2020 1H Forecast (Announced on May 13)	% to 1H Forecast
Continuing Operations	Sales Revenue	722.7	916.4	(193.7)	(21%)	1,509.0	48%
	Core Operating Income *1	15.0	70.1	(55.1)	(79%)	25.0	60%
	Special Items	8.7	(0.2)	8.9		3.5	
	Operating Income	23.7	69.9	(46.2)	(66%)	28.5	83%
	Financial Income/Expenses (Dividend included above)	(3.3) [2.5]	(3.3) [2.9]	0.0 [(0.4)]		(10.5) -	
	(Foreign Exchange Gain/Loss included above)	[0.0]	[(0.3)]	[0.3]		-	
	Income before Taxes	20.4	66.6	(46.2)		18.0	
	Income Taxes	(12.2)	(18.2)	6.0		(7.0)	
	Net Income from Continuing Operations	8.2	48.4	(40.2)		11.0	
	Net Income from Discontinued Operations	-	0.5	(0.5)		0.0	
Net Income	8.2	48.9	(40.7)		11.0		
Net Income Attributable to Owners of the Parent	5.2	37.8	(32.6)	(86%)	0.0		
Net Income Attributable to Non-Controlling Interests	3.0	11.1	(8.1)		11.0		
	0.2	5.0	(4.8)				

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

*2 Discontinued operations 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)			<Reference>	Impact of COVID-19 (Approximation)
		FY2020 1Q	FY2019 1Q	Difference	FY2020 1H Forecast (Announced on May 13)	FY2020 1Q
Total Consolidated	Sales Revenue	722.7	916.4	(193.7)	1,509.0	
	Core Operating Income	15.0	70.1	(55.1)	25.0	(38.2)
Functional Products	Sales Revenue	142.7	171.8	(29.1)	290.0	
	Core Operating Income	8.7	12.6	(3.9)	8.0	(6.9)
Performance Chemicals	Sales Revenue	82.5	104.8	(22.3)	187.0	
	Core Operating Income	1.3	6.9	(5.6)	(1.0)	(6.3)
Performance Products	Sales Revenue	225.2	276.6	(51.4)	477.0	
	Core Operating Income	10.0	19.5	(9.5)	7.0	(13.2)
MMA	Sales Revenue	52.5	77.7	(25.2)	111.0	
	Core Operating Income	(1.2)	13.8	(15.0)	6.0	(5.9)
Petrochemicals	Sales Revenue	84.2	134.7	(50.5)	161.0	
	Core Operating Income	(13.6)	0.8	(14.4)	(19.0)	(10.4)
Carbon Products	Sales Revenue	44.4	71.7	(27.3)	95.0	
	Core Operating Income	(1.3)	6.0	(7.3)	1.0	(3.1)
Chemicals	Sales Revenue	181.1	284.1	(103.0)	367.0	
	Core Operating Income	(16.1)	20.6	(36.7)	(12.0)	(19.4)
Industrial Gases	Sales Revenue	182.9	208.6	(25.7)	396.0	
	Core Operating Income	13.5	21.1	(7.6)	34.0	(8.3)
Health Care	Sales Revenue	100.2	107.9	(7.7)	186.0	
	Core Operating Income	8.8	9.3	(0.5)	1.0	2.7
Others	Sales Revenue	33.3	39.2	(5.9)	83.0	
	Core Operating Income	(1.2)	(0.4)	(0.8)	(5.0)	0.0
[Inventory valuation gain/loss]						
	Performance Chemicals	(0.5)	(0.7)	0.2		
	Petrochemicals	(14.3)	0.9	(15.2)		
	Carbon Products	(0.5)	0.0	(0.5)		
	Total	(15.3)	0.2	(15.5)		

*1 All figures are approximation for reference purpose only.

*2 Starting from FY2020, the segmentation of certain businesses and consolidated subsidiaries in MCC has been reviewed. The segment information for FY2019 is accordingly restated.

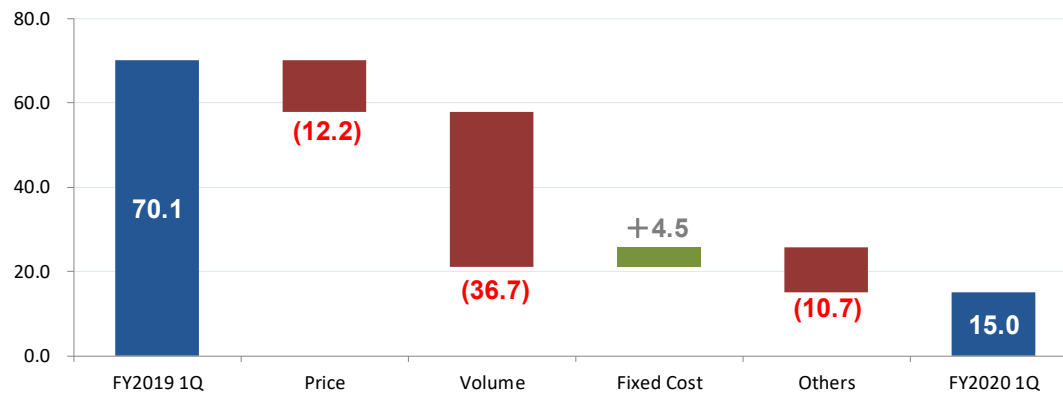
Analysis of Core Operating Income

(Billions of Yen)

	FY2020 1Q	FY2019 1Q	Difference	Price	Volume	Fixed Cost	Others *1
Total Consolidated	15.0	70.1	(55.1)	(12.2)	(36.7)	4.5	(10.7)
Performance Products	10.0	19.5	(9.5)	0.0	(14.5)	1.6	3.4
Chemicals	(16.1)	20.6	(36.7)	(10.3)	(9.3)	0.3	(17.4)
Industrial Gases	13.5	21.1	(7.6)	0.6	(7.5)	0.1	(0.8)
Health Care	8.8	9.3	(0.5)	(3.0)	(5.1)	2.5	5.1
Others	(1.2)	(0.4)	(0.8)	0.5	(0.3)	0.0	(1.0)

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

Changes in exchange rates	(0.9)	(1.2)	(0.1)	-	0.4
Changes in foreign currency translation included in above		(0.7)			



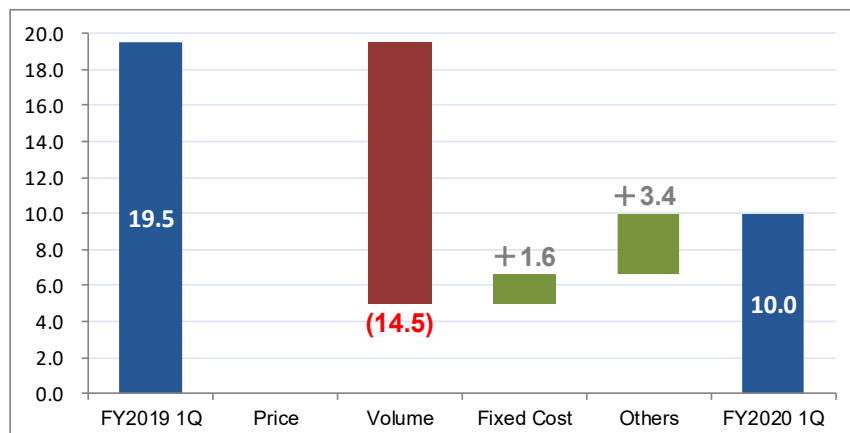
Performance Products Segment

(Billions of Yen)

		FY2020 1Q	FY2019 1Q	Difference
Functional Products	Sales Revenue	142.7	171.8	(29.1)
	Core Operating Income	8.7	12.6	(3.9)
Performance Chemicals	Sales Revenue	82.5	104.8	(22.3)
	Core Operating Income	1.3	6.9	(5.6)
Performance Products	Sales Revenue	225.2	276.6	(51.4)
	Core Operating Income	10.0	19.5	(9.5)

Functional Products	
Sales Revenue	Demand dropped mainly for automotive applications, with sales volumes of high-performance engineering plastics declining and other offerings.
Core Operating Income	Earnings dropped amid lower sales volumes for high-performance engineering plastics and other offerings.
Performance Chemicals	
Sales Revenue	Sales volumes were down owing to an overall decline for automobiles, including for performance polymers, as well as because of the impact of scheduled maintenance and repairs for phenol-polycarbonate chain materials facilities.
Core Operating Income	Earnings were down amid lower sales volumes for performance polymers, phenol-polycarbonate chain materials, and other offerings.

< Analysis of Core Operating Income >



Estimated impact of COVID-19

(13.2) (including 6.9 in Functional Products segment and 6.3 in Performance Chemicals segment)

<Major initiatives>

- In April 2020, Mitsubishi Chemical Corporation consolidated subsidiary Mitsubishi Chemical America, Inc. entered into a definitive agreement to acquire Gelest, Inc. The transaction is scheduled for completion by year-end. This purchase will enable Mitsubishi Chemical to broaden its customer solutions by combining its advanced technologies, business resources, and customer network with Gelest's capabilities. Gelest's key strengths include its advanced molecular design and compounding technologies in silicon compounds for contact lens materials, antimicrobials, and other materials, and the extensive use of the company's metal compounds for semiconductor precursors and other materials.

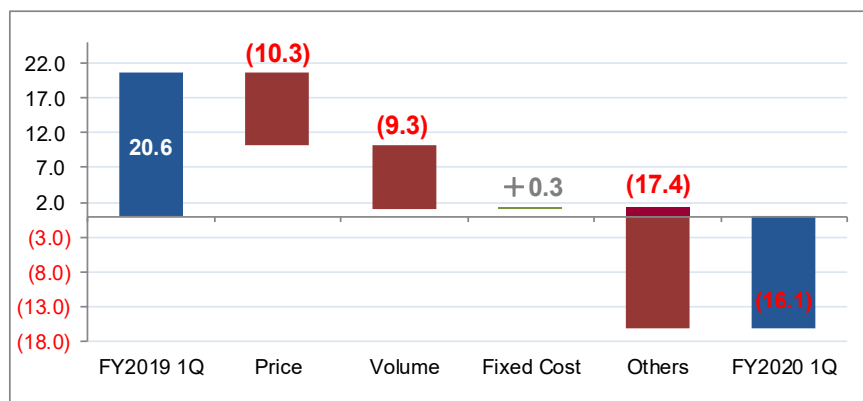
Chemicals Segment

(Billions of Yen)

		FY2020 1Q	FY2019 1Q	Difference
MMA	Sales Revenue	52.5	77.7	(25.2)
	Core Operating Income	(1.2)	13.8	(15.0)
Petrochemicals	Sales Revenue	84.2	134.7	(50.5)
	Core Operating Income	(13.6)	0.8	(14.4)
Carbon Products	Sales Revenue	44.4	71.7	(27.3)
	Core Operating Income	(1.3)	6.0	(7.3)
Chemicals	Sales Revenue	181.1	284.1	(103.0)
	Core Operating Income	(16.1)	20.6	(36.7)

MMA	
Sales Revenue	With demand remaining weak, sales were down amid deteriorating market conditions, including for MMA monomers.
Core Operating Income	Earnings dwindled owing mainly to smaller gap between raw materials and product prices amid weaker market conditions.
Petrochemicals	
Sales Revenue	Revenue dropped owing to lower sales volumes from a greater impact of scheduled maintenance and repairs at the ethylene production facility, with prices declining owing to lower raw materials costs and other factors.
Core Operating Income	Earnings decreased amid a greater impact of scheduled maintenance and repairs and inventory valuation losses from lower raw materials prices.
Carbon Products	
Sales Revenue	Revenue was down amid lower prices as a result of reduced raw materials costs and a drop in sales volumes from declining in demand for coke and other offerings.
Core Operating Income	Earnings were off owing to a shrinking gap between raw materials and product prices, including for export coke.

< Analysis of Core Operating Income >



Estimated impact of COVID-19

(19.4) (including 5.9 in MMA, 10.4 in Petrochemicals, and 3.1 in Carbon Products)

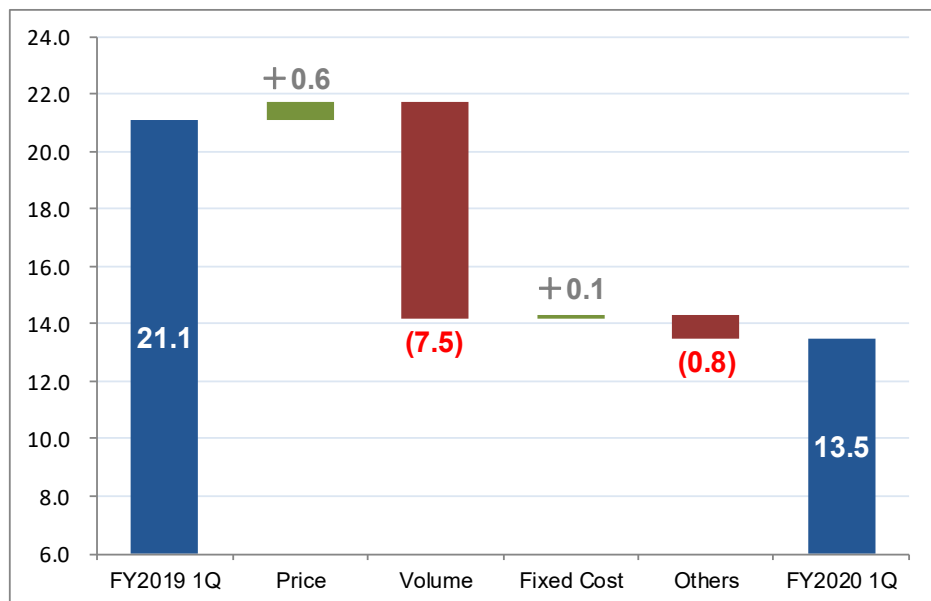
Industrial Gases Segment

(Billions of Yen)

		FY2020 1Q	FY2019 1Q	Difference
Industrial Gases	Sales Revenue	182.9	208.6	(25.7)
	Core Operating Income	13.5	21.1	(7.6)

Industrial Gases	
Sales Revenue	Although demand for electronics-related gases remained strong, revenue was down amid lower domestic and overseas demand.
Core Operating Income	Earnings declined amid lower overall domestic and overseas demand.

< Analysis of Core Operating Income >



Estimated impact of COVID-19
(8.3)

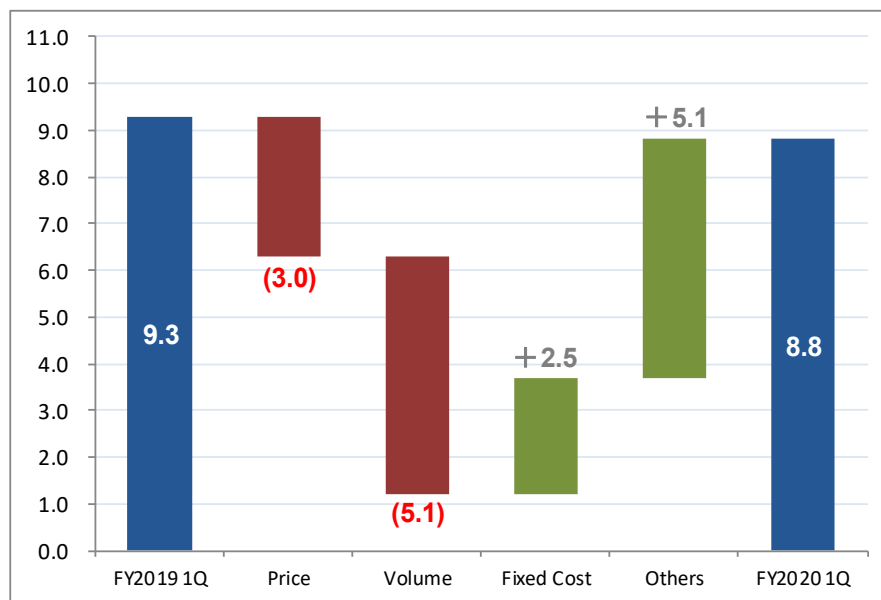
Health Care Segment

		(Billions of Yen)		
		FY2020 1Q	FY2019 1Q	Difference
Health Care	Sales Revenue	100.2	107.9	(7.7)
	Core Operating Income	8.8	9.3	(0.5)

*Discontinued operations not included.

Health Care	
Sales Revenue	Revenue was down mainly because lower domestic sales prices for pharmaceuticals due to National Health Insurance drug price revisions and other factors.
Core Operating Income	Earnings were unchanged despite such factor as lower domestic sales prices for pharmaceuticals amid National Health Insurance drug price revisions. This was because constrained activities owing to the COVID-19 pandemic suppressed spending on selling, general and administrative expenses, and research and development.

< Analysis of Core Operating Income >



Estimated impact of COVID-19
2.7

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

Consolidated Special Items

(Billions of Yen)

	FY2020 1Q	FY2019 1Q	Difference
Total Special Items	8.7	(0.2)	8.9
Gain on sale of property, plant and equipment	8.1	0.9	7.2
Gain on sale of intercompany securities	0.9	0.4	0.5
Loss on sale and disposal of fixed assets	(0.2)	(0.6)	0.4
Impairment loss	(0.0)	(0.7)	0.7
Others	(0.1)	(0.2)	0.1

[Special Items by Business Segment]

Performance Products	0.8	0.2	0.6
Chemicals	(0.0)	0.0	(0.0)
Industrial Gases	-	(0.6)	0.6
Health Care	8.1	(0.0)	8.1
Others	(0.2)	0.2	(0.4)

Consolidated Cash Flows

	Based on statements of cash flows		Adjusted cash flows *1	
	FY2020 1Q	FY2019 1Q	FY2020 1Q	FY2019 1Q
Net cash provided by (used in) operating activities	70.1	103.7	70.1	103.7
Income before taxes	20.4	67.3	20.4	67.3
Depreciation and amortization	59.6	59.6	59.6	59.6
Change in operating receivables/payables	14.4	22.2	14.4	22.2
Change in Inventories	12.6	(5.2)	12.6	(5.2)
Others	(36.9)	(40.2)	(36.9)	(40.2)
Net cash provided by (used in) investment activities	22.7	(47.3)	(47.3)	(57.4)
Capital expenditure	(60.5)	(56.0)	(60.5)	(56.0)
Sale of assets	14.6	2.8	14.6	2.8
Investment and loans receivable, etc.	68.6	5.9	(1.4)	(4.2)
Free cash flow	92.8	56.4	22.8	46.3
Net cash provided by (used in) financing activities	72.3	(109.1)		
Interest bearing debts	190.4	(64.4)		
Additional acquisition of consolidated subsidiaries' stocks	*2 (95.8)	(1.4)		
Dividends, etc.	(22.3)	(43.3)		
Net increase (decrease) in cash and cash equivalents	165.1	(52.7)		
Effect of exchange rate changes and changes in scope of consolidation	0.3	(9.3)		
Cash and cash equivalents at the beginning of the period	228.2	321.5		
Cash and cash equivalents at the end of the period	393.6	259.5		

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

*2 ¥95.4 billion in additional acquisitions of MTPC shares

Consolidated Statements of Financial Positions

(Billions of Yen)				(Billions of Yen)			
	Jun. 30, 2020	Mar. 31, 2020	Difference		Jun. 30, 2020	Mar. 31, 2020	Difference
Cash and cash equivalents	393.6	228.2	165.4	Interest-bearing debt	2,587.6	2,388.1	199.5
Trade receivables	621.4	698.5	(77.1)	Trade payables	334.8	398.1	(63.3)
Inventories	594.7	606.5	(11.8)	Other liabilities	765.1	895.1	(130.0)
Other current assets	137.1	216.1	(79.0)	Total liabilities	3,687.5	3,681.3	6.2
Total current assets	1,746.8	1,749.3	(2.5)	Shareholders' equity	1,232.1	1,234.5	(2.4)
Tangible and Intangible fixed assets	2,257.1	2,252.8	4.3	Other components of equity	(66.6)	(64.3)	(2.3)
Goodwill	623.2	616.8	6.4	Total equity attributable to owners of the parent	1,165.5	1,170.2	(4.7)
Investment and other non-current assets	507.6	513.2	(5.6)	Non-controlling interests	281.7	280.6	1.1
Total non-current assets	3,387.9	3,382.8	5.1	Total equity	1,447.2	1,450.8	(3.6)
Total assets	5,134.7	5,132.1	2.6	Total liabilities and equity	5,134.7	5,132.1	2.6
				Net interest-bearing debt *1	2,194.0	2,089.9	104.1
				Net D/E ratio	1.88	1.79	0.09
				Ratio of equity attributable to owners of the parent	22.7%	22.8%	(0.1%)
				ROE *2	-	4.2%	-

*1 Net interest-bearing debt (End of Jun. 30, 2020)
 = interest-bearing debt (2,587.6 billion yen)
 - {cash and cash equivalents (393.6 billion yen) + investments of surplus funds (0.0 billion yen)}
 Note: Interest-bearing debt includes lease obligations.

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

References 1

Statement of Operations [Quarterly Data]

		109.7	107.7	109.3	109.1	107.4
		45,400	40,200	41,300	44,800	25,000
						(Billions of Yen)
		FY2019				FY2020
		1Q	2Q	3Q	4Q	1Q
Continuing Operations * 2	Sales Revenue	916.4	911.3	903.1	849.7	722.7
	Core Operating Income *1	70.1	60.7	50.2	13.8	15.0
	Special Items	(0.2)	0.0	(20.2)	(30.1)	8.7
	Operating Income	69.9	60.7	30.0	(16.3)	23.7
	Financial Income/Expenses (Dividend included above)	(3.3) [2.9]	(4.9) [0.1]	(7.7) [1.1]	(6.4) [0.1]	(3.3) [2.5]
	(Foreign Exchange Gain/Loss included above)	[(0.3)]	[0.7]	[(2.8)]	[(1.3)]	[0.0]
	Income before Taxes	66.6	55.8	22.3	(22.7)	20.4
	Income Taxes	(18.2)	(19.4)	(15.7)	1.0	(12.2)
	Net Income from Continuing Operations	48.4	36.4	6.6	(21.7)	8.2
	Net Income from Discontinued Operations	0.5	16.4	-	-	-
Net Income	48.9	52.8	6.6	(21.7)	8.2	
	Net Income Attributable to Owners of the Parent	37.8	43.5	(5.0)	(22.2)	5.2
	Net Income Attributable to Non-Controlling Interests	11.1	9.3	11.6	0.5	3.0
		5.0	3.1	2.6	2.7	0.2

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

*2 Discontinued operations not included.

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

		FY2019				FY2020	Impact of COVID-19 (Approximation)	
		1Q	2Q	3Q	4Q	1Q	FY2019 4Q	FY2020 1Q
Total Consolidated	Sales Revenue	916.4	911.3	903.1	849.7	722.7		
	Core Operating Income	70.1	60.7	50.2	13.8	15.0	(7.8)	(38.2)
Functional Products	Sales Revenue	171.8	175.4	172.3	160.9	142.7		
	Core Operating Income	12.6	13.9	9.0	4.0	8.7	(0.7)	(6.9)
Performance Chemicals	Sales Revenue	104.8	105.1	104.3	103.5	82.5		
	Core Operating Income	6.9	7.2	5.1	4.4	1.3	(1.1)	(6.3)
Performance Products	Sales Revenue	276.6	280.5	276.6	264.4	225.2		
	Core Operating Income	19.5	21.1	14.1	8.4	10.0	(1.8)	(13.2)
MMA	Sales Revenue	77.7	72.1	59.2	53.5	52.5		
	Core Operating Income	13.8	11.4	0.5	(1.9)	(1.2)	(2.9)	(5.9)
Petrochemicals	Sales Revenue	134.7	137.1	137.3	125.3	84.2		
	Core Operating Income	0.8	1.0	1.0	(4.9)	(13.6)	(2.2)	(10.4)
Carbon Products	Sales Revenue	71.7	63.8	62.2	48.9	44.4		
	Core Operating Income	6.0	2.9	1.0	(1.8)	(1.3)	(0.9)	(3.1)
Chemicals	Sales Revenue	284.1	273.0	258.7	227.7	181.1		
	Core Operating Income	20.6	15.3	2.5	(8.6)	(16.1)	(6.0)	(19.4)
Industrial Gases	Sales Revenue	208.6	210.9	208.8	215.0	182.9		
	Core Operating Income	21.1	23.2	22.2	21.5	13.5		(8.3)
Health Care	Sales Revenue	107.9	97.4	116.6	91.2	100.2		
	Core Operating Income	9.3	0.5	11.0	(6.2)	8.8		2.7
Others	Sales Revenue	39.2	49.5	42.4	51.4	33.3		
	Core Operating Income	(0.4)	0.6	0.4	(1.3)	(1.2)		0.0

*1 All figures are approximation for reference purpose only.

*2 Starting from FY2020, the segmentation of certain businesses and consolidated subsidiaries in MCC has been reviewed. The segment information for FY2019 is accordingly restated.

Business Segment Information

Business Domain	Business Segment	Business Sub-Segment		
			Businesses	
Performance Products	Performance Products	Functional Products	Information, Electronics and Displays	Optical films, display- and semiconductor-related products
			High Performance Films	Packaging films, Industrial films
			Environment and Living Solutions	Aqua and separator solutions, Infrastructure solutions and agricultural materials
			Advanced Moldings and Composites	High performance engineering plastics, Fibers and textile, Carbon fiber and composite materials, Functional moldings and composites, Almina fiber and light metal products
		Performance Chemicals	Advanced Polymers	Performance polymers, Engineering polymers, Sustainable resources
			High Performance Chemicals	Performance chemicals, Performance materials, Food ingredients
			New Energy	Lithium ion battery materials, Energy transduction materials
Industrial Materials	Chemicals	MMA	MMA	MMA
		Petrochemicals	Petrochemicals	Basic petrochemicals, Polyolefins, Basic chemical derivatives
		Carbon Products	Carbon	Carbon Products
	Industrial Gases		Industrial gases	
Health Care	Health Care			Pharmaceuticals
				Life science

References 2



Q1 FY2020 Business Results (April – June, 2020)

August 4, 2020

Q1 FY2020 Business Results

Q1 FY2020 Financial Results



	Q1 FY2020	Comparison to previous year			Comparison to forecasts*1	
		Q1 FY2019	Increase (decrease)	Change	Full-year	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Revenue	91.8	98.1	(6.3)	(6.5)	383.5	23.9
(Domestic)	75.7	80.8	(5.0)	(6.2)	314.1	24.1
(Overseas)	16.1	17.4	(1.3)	(7.5)	69.4	23.1
Overseas sales ratio	17.5%	17.7%			18.1%	
Cost of sales	45.6	44.8	0.8	1.8	187.5	24.3
Sales cost ratio	49.7%	45.6%			48.9%	
Gross profit	46.2	53.3	(7.2)	(13.4)	196.0	23.6
SG&A expense, etc.	36.6	43.6	(7.0)	(16.0)	186.0	19.7
(R&D expense)	15.3	19.9	(4.6)	(23.3)	83.5	18.3
Core operating profit	9.6	9.8	(0.2)	(1.8)	10.0	95.8
Non-recurring items* ₂	8.1	(0.1)	8.2	-	7.0	115.6
Operating profit	17.7	9.6	8.0	83.6	17.0	103.9
Financial income and loss* ₂	0.2	(0.4)	0.6	-		
Net profit attributable to owners of the Company	11.5	6.9	4.6	67.1	8.5	135.3
Average exchange rate US\$	¥107.38	¥109.67			¥108.00	

*1 Announced on May 13, 2020 *2 Brackets indicate expense and loss

Q1 FY2020 Business Results

Details of Revenue

	Q1 FY2020	Comparison to previous year			Comparison to forecasts*	
		Q1 FY2019	Increase (decrease)	Change	Full-year	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Domestic ethical drugs	73.3	78.2	(4.9)	(6.2)	303.6	24.1
Priority products	45.3	46.5	(1.2)	(2.5)	182.3	24.9
Vaccines	7.5	7.3	0.2	3.0	41.0	18.3
Long-listed drugs, etc.	20.4	24.3	(3.9)	(16.1)	80.3	25.4
Overseas ethical drugs	12.6	12.6	0.0	0.4	50.9	24.8
Radicava	5.6	6.1	(0.5)	(8.9)	22.4	24.9
Royalty revenue, etc.	3.8	5.1	(1.3)	(25.7)	19.9	18.9

*Announced on May 13, 2020

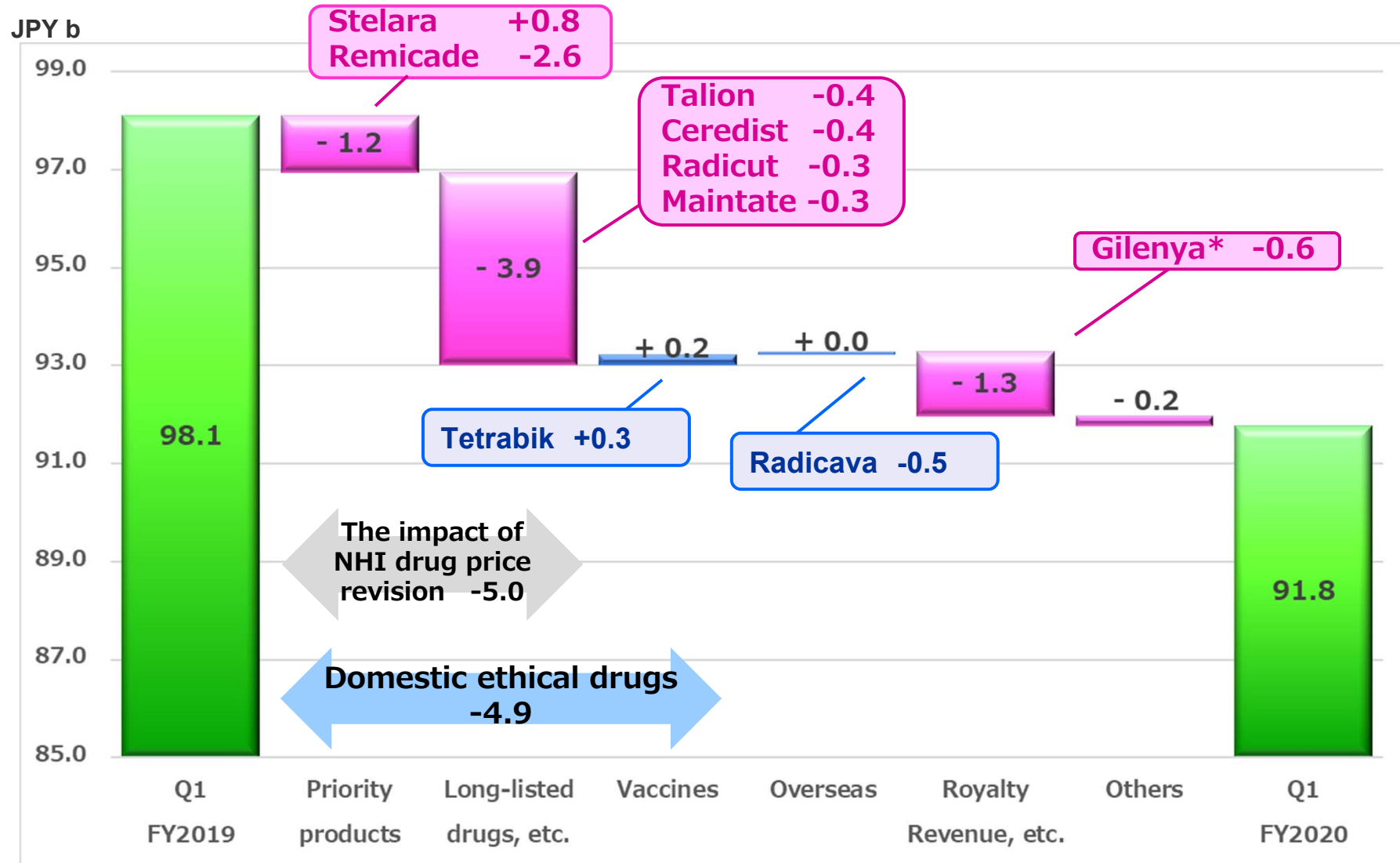
Q1 FY2020 Business Results
Domestic Ethical Drugs
Revenue of Priority Products and Vaccines



	Q1 FY2020	Comparison to previous year			Comparison to forecasts*	
		Q1 FY2019	Increase (decrease)	Change	Full-year	Achieved
	Billion yen	Billion yen	Billion yen	%	Billion yen	%
Remicade	11.9	14.4	(2.6)	(17.7)	44.8	26.6
Simponi	10.7	10.5	0.2	1.4	42.3	25.2
Stelara	7.0	6.2	0.8	12.5	32.8	21.2
Tenelia	4.1	4.7	(0.6)	(12.7)	14.9	27.5
Canaglu	2.5	2.2	0.4	17.3	9.2	27.7
Canalia	2.5	2.2	0.3	15.3	9.3	27.2
Lexapro	3.9	3.9	(0.0)	(0.6)	14.6	26.5
Rupafin	1.7	1.3	0.4	33.1	10.2	16.2
Imusera	1.1	1.1	(0.0)	(4.2)	4.1	26.5
Total of priority products	45.3	46.5	(1.2)	(2.5)	182.3	24.9
Influenza vaccine	(0.0)	(0.0)	(0.0)	-	12.2	(0.3)
Tetrabik	2.7	2.4	0.3	12.9	11.3	23.8
Mearubik	1.9	1.9	(0.0)	(0.4)	6.4	29.4
JEBIK V	1.4	1.5	(0.1)	(4.1)	5.3	27.1
Varicella vaccine	1.3	1.3	(0.0)	(2.1)	4.8	26.1
Total of vaccines	7.5	7.3	0.2	3.0	41.0	18.3
Total of priority products and vaccines	52.8	53.8	(1.0)	(1.8)	223.3	23.7

*Announced on May 13, 2020

Revenue Trends



* Including a decline of "GILENYA® Royalty" amounts which will not be recognized as sales revenue during arbitration proceedings

Major Development Pipeline Topics in 1st Quarter of FY2020

Global Projects

Code	Indications	Stage	Topics
MT-1186	Amyotrophic lateral sclerosis : ALS	P3	<ul style="list-style-type: none"> Global P3 study (long-term safety study) is ongoing. Due to the impact of novel coronavirus infection, etc., it is expected to be launched in FY2022.
ND0612	Parkinson's disease	P3	<ul style="list-style-type: none"> Global P3 study (BouNDless study) is ongoing. The impact of novel coronavirus infection, etc. on the development plan is being scrutinized.
MT-7117	Erythropoietic protoporphyria, X-linked protoporphyria	P3	<ul style="list-style-type: none"> Global P3 study was started in June. Orphan Drug Designation was obtained from FDA in June.
MT-2766	Prophylaxis of COVID-19 (Plant-based VLP* vaccine)	P1	<ul style="list-style-type: none"> Obtained the good results in nonclinical studies. Announced a collaboration agreements with GSK and Dynavax respectively regarding the use of their adjuvants in July. P1 study was started in July.

*VLP : Virus-like particle

Late Stage Projects in Japan

MT-6548	Renal anemia	Approved	<ul style="list-style-type: none"> Approved in Japan in June. Product name: Vafseo
MT-0551	Neuromyelitis optica spectrum disorder : NMOSD	Filed	<ul style="list-style-type: none"> J-NDA submission in June.

Late Stage Projects in Japan

MT-6548 (Vadadustat, Product name: Vafseo)

Open Up the Future

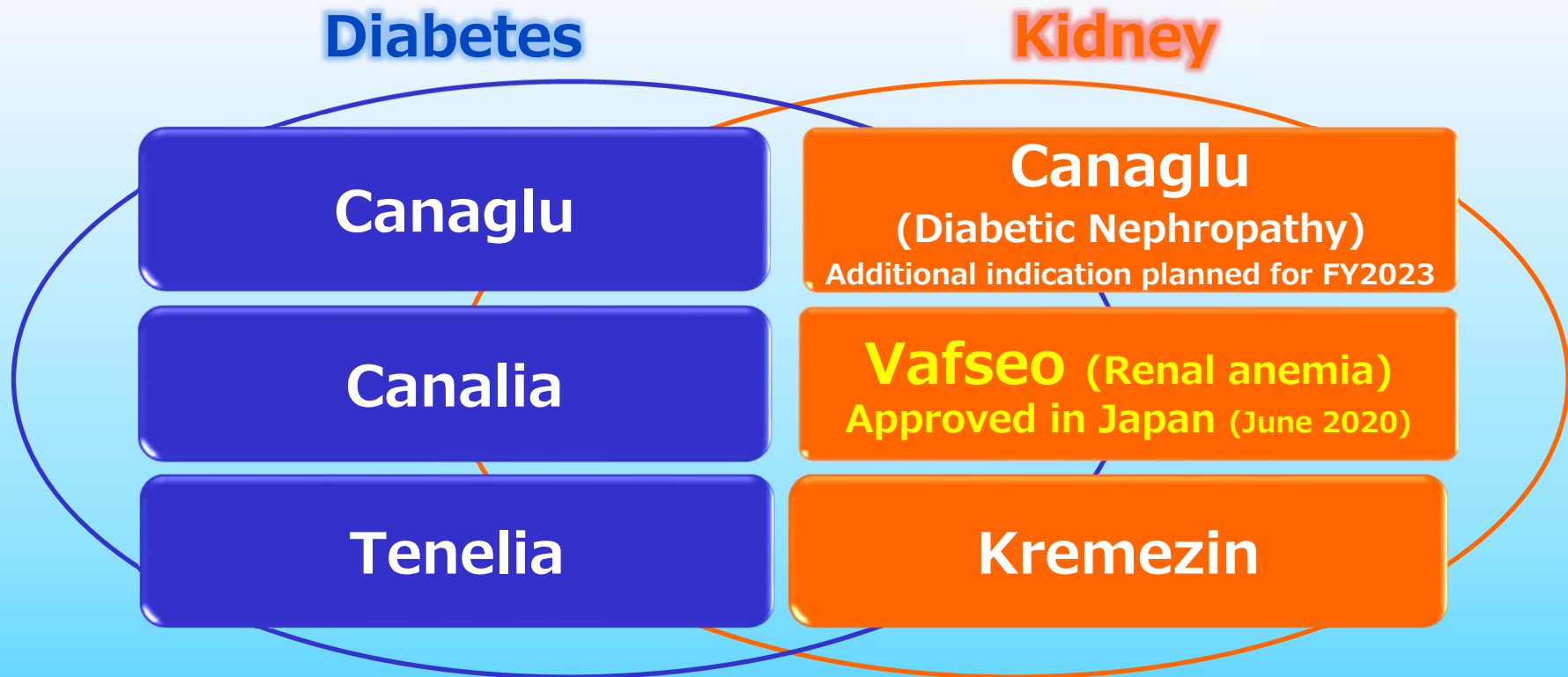


Mitsubishi Tanabe Pharma

Obtained marketing approval in Japan in June 2020

Mechanism of action	Hypoxia-inducible factor prolyl hydroxylase (HIF-PH) inhibitor
Origin	Akebia Therapeutics, Inc. (United States)
Development stage	Approved
Indication	Renal anemia
Features	<ul style="list-style-type: none">• Once-daily oral treatment• Treatment effect for anemia by stimulate endogenous erythropoietin production within physiological range• Can be used for renal anemia in both dialysis-dependent and non-dialysis dependent patients

Becoming the best partner in closely related diabetes and kidney disease areas through optimal treatment proposals



October 2019: Diabetes and kidney area managers were assigned nationwide.
April 2020: Diabetes and renal product marketing department was established.
May 2020: Co-marketing agreement concluded with Fuso Pharmaceutical for Vafseo in the area of dialysis.

Late Stage Projects in Japan

MT-0551 (Inebilizumab)

Japan NDA filed in June 2020

Mechanism of action	Humanized anti-CD19 monoclonal antibody
Origin	Viela Bio, Inc. (United States)
Development stage	Filed in Japan (June 2020) (US: Viela Bio received approval in June 2020)
Indication	Neuromyelitis Optica Spectrum Disorder (NMOSD): <ul style="list-style-type: none"> • Rare, severe, relapsing, autoimmune disease of central nervous system that can be fatal. • It may cause pain in the eye and vision loss, severe muscle weakness, paralysis, numbness, loss of bladder and bowel control and respiratory failure.
Number of patients	[Japan] Approximately 4,000
Features	<ul style="list-style-type: none"> • Every 6 months infusion as a maintenance monotherapy*¹ • 73% reduction in the risk of NMOSD attacks*², and reduction also in worsening of EDSS*³, hospitalizations, and MRI*⁴ lesions • Orphan Drug Designation in Japan in February 2020
Future plans	Launch in FY2021

*1: 300 mg intravenous (Day 1, 15, and every 6 months thereafter)

*2: N-MOMentum Study, N=230, intention-to-treat analysis

*3: Expanded Disability Status Scale

*4: Magnetic Resonance Imaging

Global P3 study was started in June 2020

Mechanism of action	Selective melanocortin 1 receptor (MC1R) agonist
Origin	in-house created product
Development stage	Phase 3
Indication	Erythropoietic protoporphyria (EPP): The main symptom is photosensitivity. An inherited disease with painful redness, swelling, blisters and erosions following sun exposure X-linked protoporphyria (XLP): An inherited disease with symptoms similar to EPP
Number of patients	[Japan, the US., and EU Total] EPP : Approximately 10,000 XLP : Said to be lower than that with EPP
Features	<ul style="list-style-type: none"> • An oral agent to prevent photosensitivity • Activation of MC1R promotes melanogenesis in melanocytes and prevents cutaneous symptoms caused by ultraviolet light • FDA Fast Track designation for EPP granted in June 2018 and Orphan Drug designation in June 2020
Future plans	NDA submission in FY2021

Medicago VLP Vaccine aims to prevent COVID-19

Category	Plant-based VLP (virus-like particle) vaccine
Origin	Medicago Inc. (Canada)
Stage	Phase 1
Indications	Prophylaxis of COVID-19
Design of P1 Study	To assess the safety and immunogenicity of MT-2766 at three dose levels unadjuvanted or adjuvanted with either GSK's or Dynavax's adjuvant*, administered on a one- and two-dose vaccination schedule, given 21 days apart
Feature	<ul style="list-style-type: none">• VLPs have the same external structure as viruses, so VLP vaccines are expected to provide high levels of immune-acquisition effect• Shorter time for manufacture by Medicago's plant-based technology• In July 2020, Medicago announced a collaboration agreement with GSK and Dynavax respectively regarding the use of their adjuvants
Schedule in future	Targeting the completion of clinical studies in 2021

*An adjuvant is a substance that is used concomitantly to enhance or support the effects of drugs and is expected to enhance immunogenicity when administered with vaccines.

Major Development Pipeline List

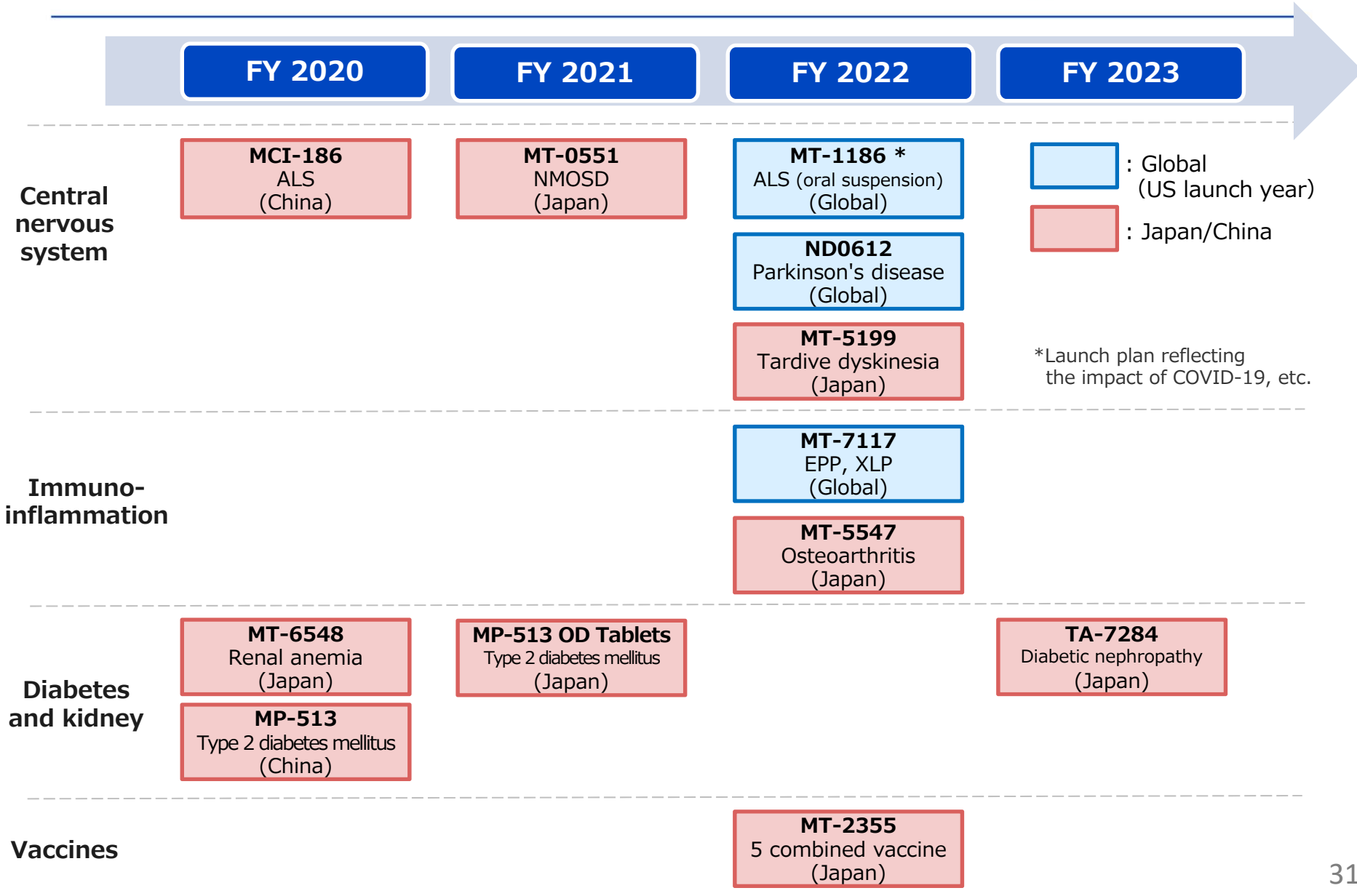
Progress Update

As of July 25, 2020

Priority areas	Code	Region	Indications	P1	P2	P3	Filed	Approved
Central nervous system	MT-1186	Global	ALS/oral suspension					
	ND0612	Global	Parkinson's disease					
	MT-8554	Global	Vasomotor symptoms associated with menopause			preparing		
	MT-3921	Global	Spinal cord injury					
	MT-0551	Japan	Neuromyelitis Optica Spectrum Disorder					
	MT-5199	Japan	Tardive dyskinesia					
Immuno-inflammation	MT-7117	Global	Erythropoietic protoporphyria, X-linked protoporphyria					
	MT-2990	Global	Endometriosis					
	MT-5547	Japan	Osteoarthritis					
Diabetes and kidney	MT-3995	Global	Non-alcoholic steatohepatitis(NASH)					
	MT-6548	Japan	Renal anemia					
	TA-7284	Japan	Diabetic nephropathy					
	MP-513	China	Type 2 diabetes mellitus					
Vaccines	MT-2766	Global	Prophylaxis of COVID-19					
	MT-2355	Japan	5 combined vaccine*					

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

Launch Plan for Major Development Pipeline



Cautionary Statement

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

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

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.