



MEMBERSHIP

November 13, 2024

Company name: Mitsubishi Chemical Group Corporation  
Representative: Manabu Chikumoto  
Representative Corporate Executive Officer,  
President and Chief Executive Officer  
Listed on The Prime Market of TSE (stock  
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**Notice regarding formulation of “KAITEKI Vision 35” and “New Medium-Term Management Plan 2029”**

Mitsubishi Chemical Group Corporation has formulated a new management vision “KAITEKI Vision 35” covering the period up to the end of FY2035, and a “New Medium-Term Management Plan 2029” covering the period up to the end of FY2029 as shown in the attachment.

Mitsubishi Chemical Group  
Corporate strategy meeting

# Vision & Strategy

November 13, 2024

**Manabu Chikumoto**  
Representative Corporate Executive Officer,  
President & Chief Executive Officer  
Mitsubishi Chemical Group Corporation



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## **2 New Medium-Term Management Plan 2029**

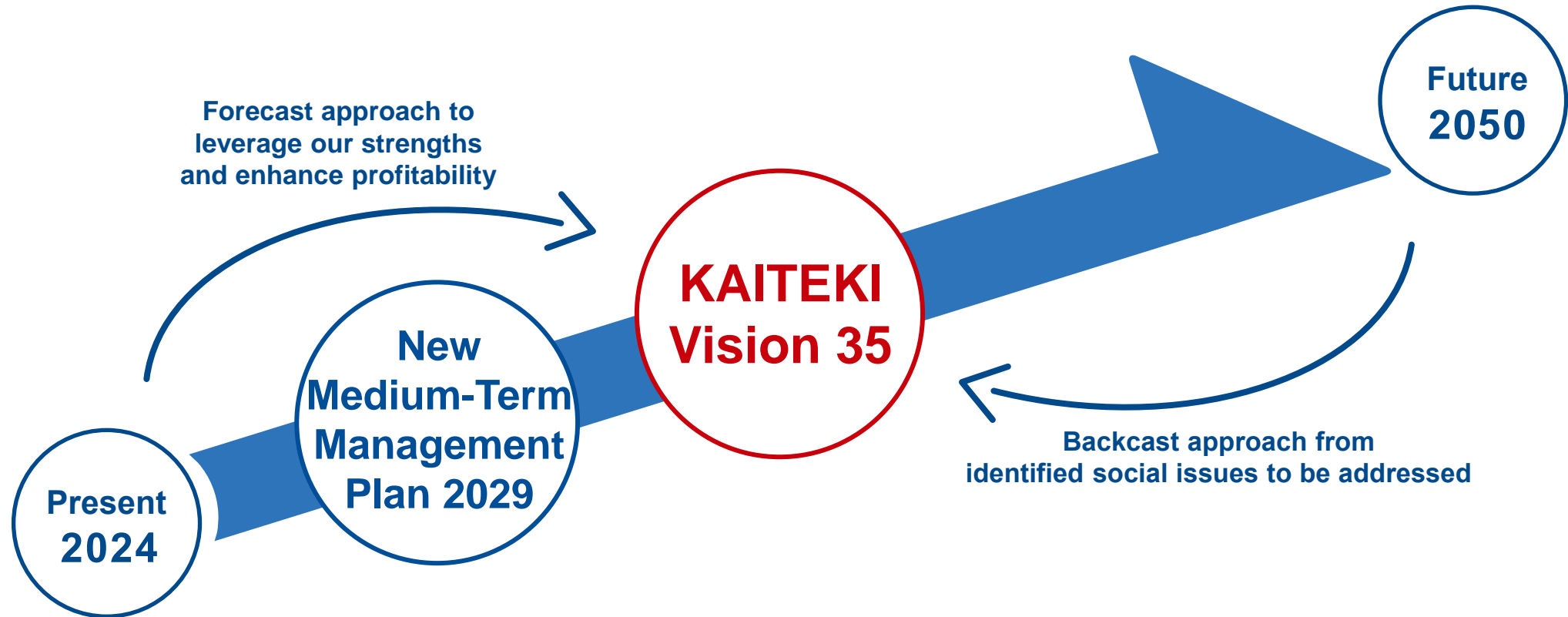
# Contents

## 1 KAITEKI Vision 35

## 2 New Medium-Term Management Plan 2029

# KAITEKI Vision 35 and New Medium-Term Management Plan 2029

KAITEKI Vision 35 was developed using both backcasting and forecasting approaches



# **KAITEKI Vision 35**

**Our Purpose / Why KAITEKI Vision 35**

**Where we compete: five business focus areas**

**What we deliver:  
business structure and profit level toward 2035**

**How we compete / operate**

**Human resources / Sustainability**

# KAITEKI Vision 35

## Our Purpose / Why KAITEKI Vision 35

Where we compete: five business focus areas

What we deliver:  
business structure and profit level toward 2035

How we compete / operate

Human resources / Sustainability

**We lead with innovative solutions  
to achieve KAITEKI,  
the well-being of people and the planet.**



**The world is becoming more complex,  
the pace of change is relentless,  
our customers are expecting and demanding more.**

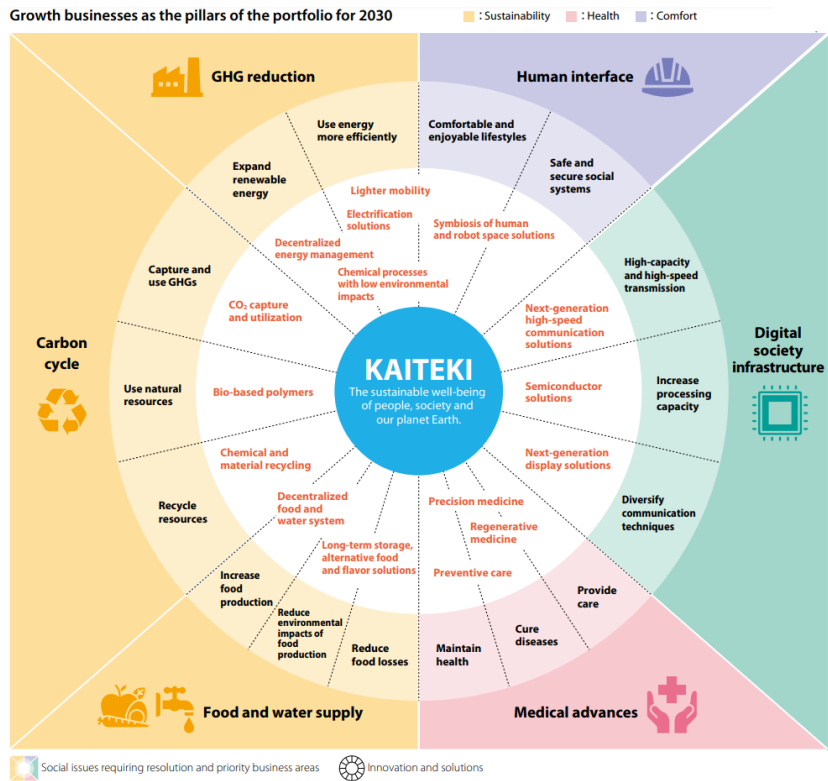
**Our way forward is clear.**

**As a “Green Specialty Company” we are committed,  
to solving social problems and to delivering impressive results to customers  
with the power of materials.**

# Context for developing KAITEKI Vision 35

## KAITEKI Vision 30

Medium- to long-term management strategy backcasted from our Vision for 2050 (formulated in February 2020)



## KAITEKI Vision 35

- ▶ Reflects changes in external forces that have accelerated beyond expectations since KAITEKI Vision 30 was developed
- ▶ Selected core business focus areas based on our core competencies
- ▶ Going back to Our Purpose: management and employees share common aspirations to drive change

# Societal challenges gaining greater sense of urgency in the five years since KAITEKI Vision 30

## Effective energy use and decarbonization



Number of countries declaring net zero targets after COP25

**+82** countries

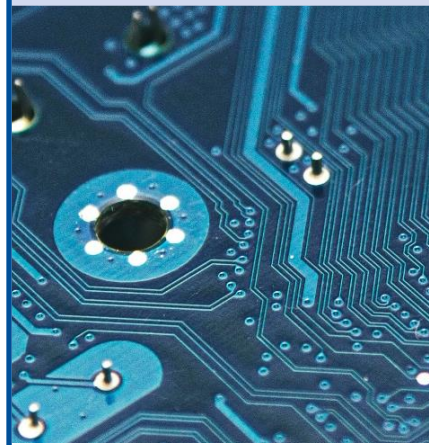
## Sustainable resource management



Number of countries committed to circular economy initiatives since 2019<sup>1</sup>

**+33** countries

## Digital technology advancement



Average annual growth rate of the generative AI market<sup>2</sup> (2020-2023)

**69%**

## Food and water resource optimization



Increase in number of people facing food insecurity<sup>3</sup> (2018-2023)

**+170M**

## Extension of healthy life expectancy



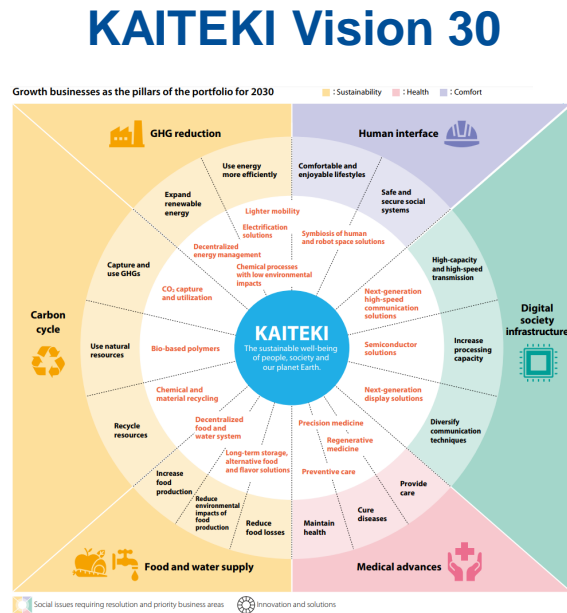
Per capita health care expenditure<sup>4</sup> (2018-2022)

**1.3**times

1. UNIDO "NATIONAL CIRCULAR ECONOMY ROADMAPS, A GLOBAL STOCKTAKE FOR 2024" ; 2019-, 2. Mizuho Bank, 3. WFP "Global Report on Food Crises" 2024 edition, 4. OECD health statistics

# Targeted business areas for KAITEKI Vision 35

KAITEKI Vision 35 is rooted in our Purpose and addresses pressing issues facing society



## Five key societal challenges

Effective energy use  
and decarbonization

Sustainable resource  
management

Digital technology  
advancement

Food and water  
resource optimization

Extension of  
healthy life expectancy

## KAITEKI Vision 35 (focus areas)



Stable supply platform  
for green chemicals<sup>1</sup>



Eco-conscious mobility



Enable advanced  
data processing and  
telecommunications



Food quality preservation



Technology and equipment  
for new therapeutics

1. Basic chemicals and their derivatives with reduced environmental impact

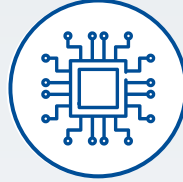
# Our Vision across five business focus areas

Become a Green Specialty Company that provides optimal solutions and solve societal challenges



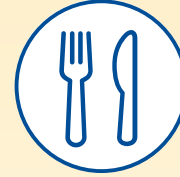
**Eco-conscious  
mobility**

**Leveraging materials  
to accelerate the shift to  
sustainable mobility**



**Enable advanced data  
processing and  
telecommunications**

**Supporting the  
advancement of  
semiconductor  
ecosystem**



**Food quality  
preservation**

**Extending shelf-life of  
food products  
to support distributing  
and processing**



**Technology and equipment  
for new therapeutics**

**Enabling new  
therapeutics through  
high-performance  
medical-grade materials**



**Stable supply platform for green chemicals**

**Lead the green transformation of chemical industry globally**

# KAITEKI Vision 35

Our Purpose / Why KAITEKI Vision 35

**Where we compete: five business focus areas**

What we deliver:  
business structure and profit level toward 2035

How we compete / operate

Human resources / Sustainability

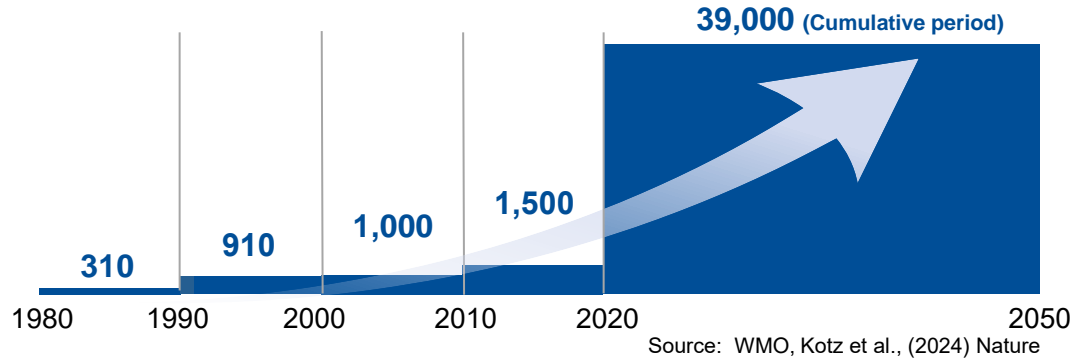


# Stable supply platform for green chemicals

Driven by the regulatory responses to global climate change, the chemical industry is facing a turning point.

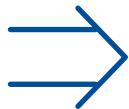
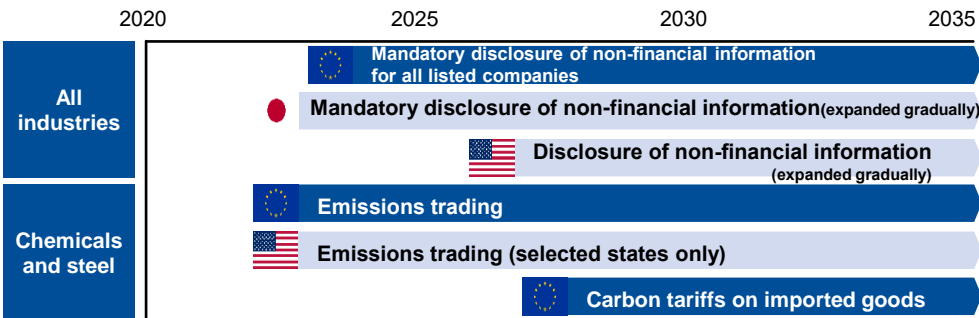
## Economic impact of climate change

Economic losses due to climate change could reach \$39 trillion by 2050 (Unit: Billion USD)



## Trends in environmental regulations in Japan, US, and Europe

Environmental regulations are being tightened worldwide, with Europe leading the way



## Vision

# Lead the green transformation of chemical industry globally



## Value proposition

### Promotion and commercialization of carbon and materials cycles

- Expand derivatives using e-methanol<sup>1</sup> (eg. polypropylene) by collaborating with global players
- Establishment of a chemical recycling closed loop for plastics through liquefaction processes
- Commercialization of plant-based chemicals (bio-naphtha, SAF<sup>2</sup> etc.)

### Establishment of reliability and traceability for environmental-related disclosure data

- Lead the development of evaluation methods for environmental metrics and impacts (global LCA<sup>3</sup>, mass balance, etc.)

1. Synthetic methanol made from CO<sub>2</sub> and green hydrogen (hydrogen generated using electricity from renewable energy sources), 2. Sustainable Aviation Fuel, 3. Life Cycle Assessment



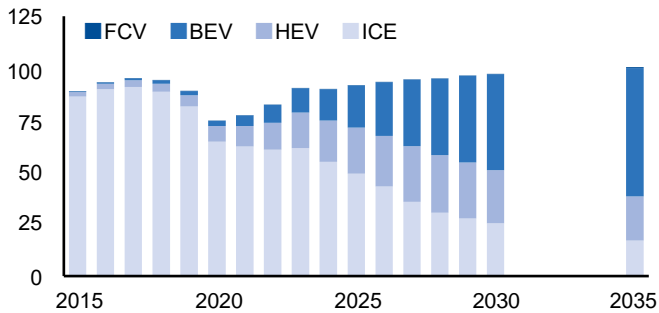


# Eco-conscious mobility

Increase in mobility with lower environmental impact will change the functional requirements for materials

## Vehicle production by powertrain<sup>1</sup>

EV market will be in full swing after 2020 (Unit: Million units)



FCV=Fuel Cell Vehicle, BEV=Battery Electric Vehicle, HEV=Hybrid Electric Vehicle, ICE=Internal Combustion Engine

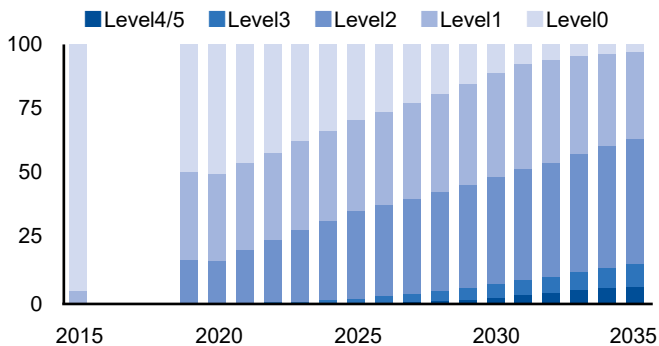
Increased weight due to EV batteries



Growing need for lighter materials

## Share of autonomous driving vehicles<sup>2</sup> as new vehicle sales

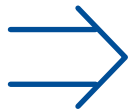
Steady replacement by more advanced autonomous vehicles (Unit: %)



Change in impact resistance requirements due to reduced accidents



Expansion of material flexibility



### Vision

## Leveraging materials to accelerate the shift to sustainable mobility



### Value proposition

#### ▶ Meet the material product requirements for changes in mobility

- Electrification: Lightweight materials (CF, GF, foaming resins)<sup>3</sup>, high-performance battery materials, thermal management resins
- Automation: Carbon fiber reinforced plastics, etc.

#### ▶ Meet environmental regulations for mobility<sup>4</sup> by sustainable materials

- Various compounds made from chemical recycling  
→ Increase ratio of recycled materials used in vehicle bodies
- Plastic compounds using sustainable olefin products  
→ Reduce carbon footprint of vehicle bodies

Source: Based on MCG's research

1. Vehicles weighing less than 6 tons, 2. Defined by the Society of Automotive Engineers (SAE). The higher the level, the higher the degree of automation.

3. CF=Carbon Fiber, GF=Glass Fiber, 4. Cases: Compliance with the European ELV Directive | Promotion of the use of recycled plastics, including those derived from end-of-life vehicles



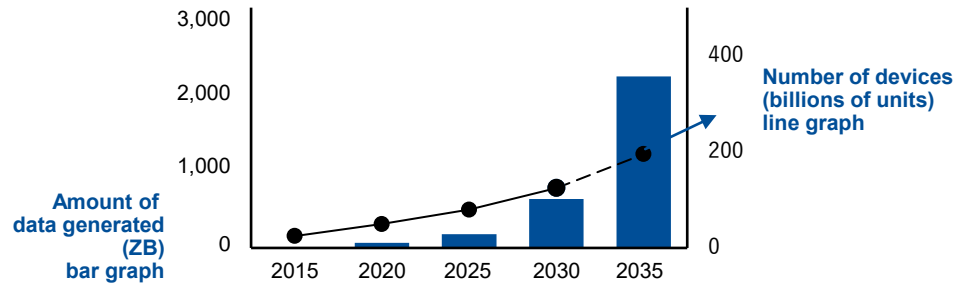


# Enable advanced data processing and telecommunications

Semiconductors are at the heart of driving digital transformation with the proliferation of data generation and communications

## Global data generation

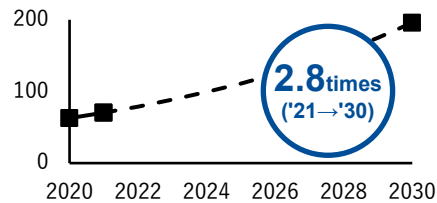
Data generation volume growth projected to exceed device usage



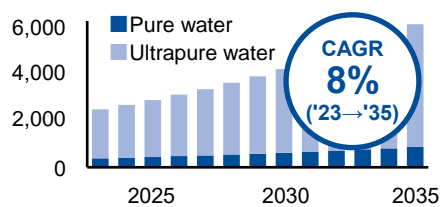
## The growing importance of energy conservation and water recycling

Energy and water consumption in the semiconductor industry

Semiconductor manufacturing power consumption in Japan, South Korea and Taiwan (TWh)



Market size of equipment and systems for producing pure water and ultrapure water for semiconductors (Oku yen)



Source: Fuji Kezai, GREENPEACE



Vision

## Supporting advancement of semiconductor ecosystem

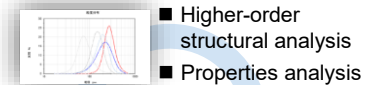


Value proposition

## Support semiconductor manufacturing with materials and services

Materials

High purity/high resolution [Contribution to energy saving]



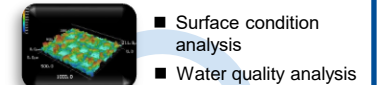
Development of optimal structure by computational Chemistry

- Organic technology
- Inorganic technology
- Ultra trace analysis

Semiconductor Manufacturing

Services

Removal of impurities [contribution to recycling]



Development of optimal treatment by simulation

- Physical cleaning
- Chemical cleaning
- Resin adsorption
- Membrane separation treatment



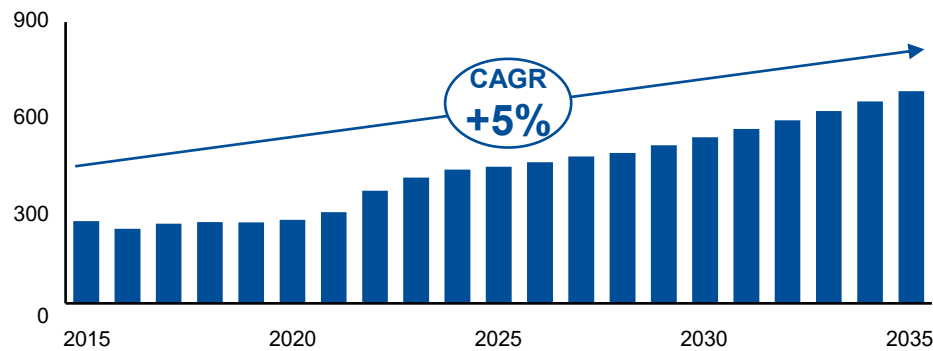
# Food quality preservation

Rising population, economic shifts, and climate change are widening the food supply and demand gap

## Processed food market size

Demand for processed foods will continue to grow

(Unit: Trillion yen)



## Global food supply

Climate change impacts, uneven distribution of food, and food loss will increase the importance of maintaining quality preservation

### Impact of climate change

**-6~-14%**

Due to global warming food production<sup>1</sup> declines (2020-2050)

### Uneven distribution of food

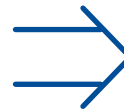
**2~7 times**

Volume of imports and exports among major crop<sup>2</sup> regions will increase by 2050

### Food loss

**180 trillion yen/year**

Economic losses due to food loss and waste (by 2035)



## Vision

# Extending shelf-life of food products to support distributing and processing



## Value proposition

### ▶ Advanced functions through materials to support food quality preservation

- Functions: anti-oxidation, texture control, and bacteria control solutions
- Materials: functional food additives, barrier packaging materials, ion exchange resin

### Support quality of food processing and distribution

- Functional food materials
- Industrial gases
- Packaging
- Engineering
- Separation materials
- Facilities for providing water for food processing



### Food distribution value chain

### Materials design and technologies that support recycling

- Packaging materials
- Chemical recycling technology
- Wastewater treatment system

Source: Euromonitor, Nature, MAFF, Food and Agriculture Organization of the United Nations

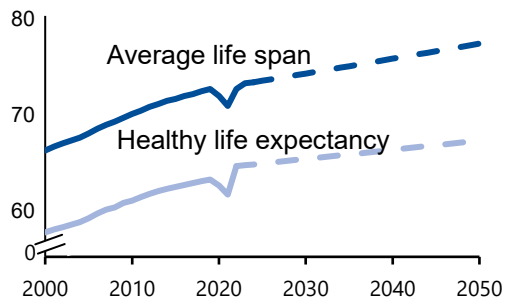
1. Calculated as energy equivalent of total food production of all food sectors, 2. Total of wheats, rice, corns, and soybeans



# Technology and equipment for new therapeutics

The rapid growth of bio-medical innovations and an aging population will drive an increased demand for high-performance materials

Aging of global population (Unit: years old)



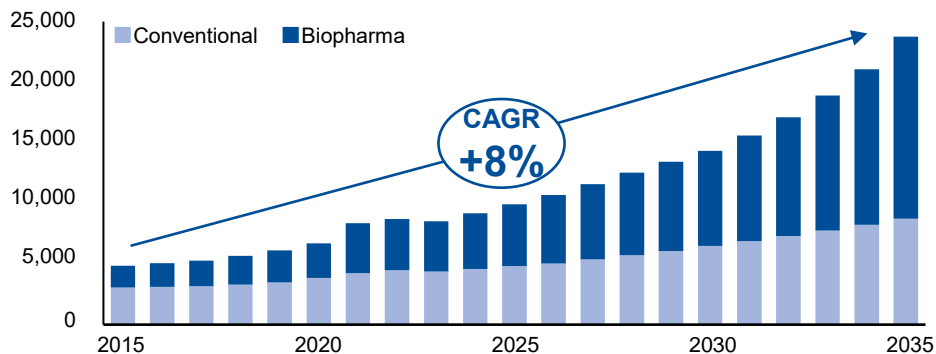
Source: WHO, UN world population prospects, Lancet

With rising life expectancy, the demand for new therapeutics and related critical devices will grow

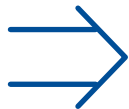


Increasing the need for medical-grade materials

Growth of biopharma in the pharmaceutical market (Unit: 100 Million USD)



Source: Evaluate Pharma



## Vision

### Enabling new therapeutics through high-performance medical-grade materials



## Value proposition

### ► Products supporting production and distribution of biopharma

- Single-use products for bioprocessing, purification process products

### ► Products that support next generation medical care

- Orthopedic products
- Dental products
- Ophthalmic products



### ► Sustainability-related products

- Customer process scrap, end-of-life product collection, recycling programs and development of chemical recycling technology

# KAITEKI Vision 35

Our Purpose / Why KAITEKI Vision 35

Where we compete: five business focus areas

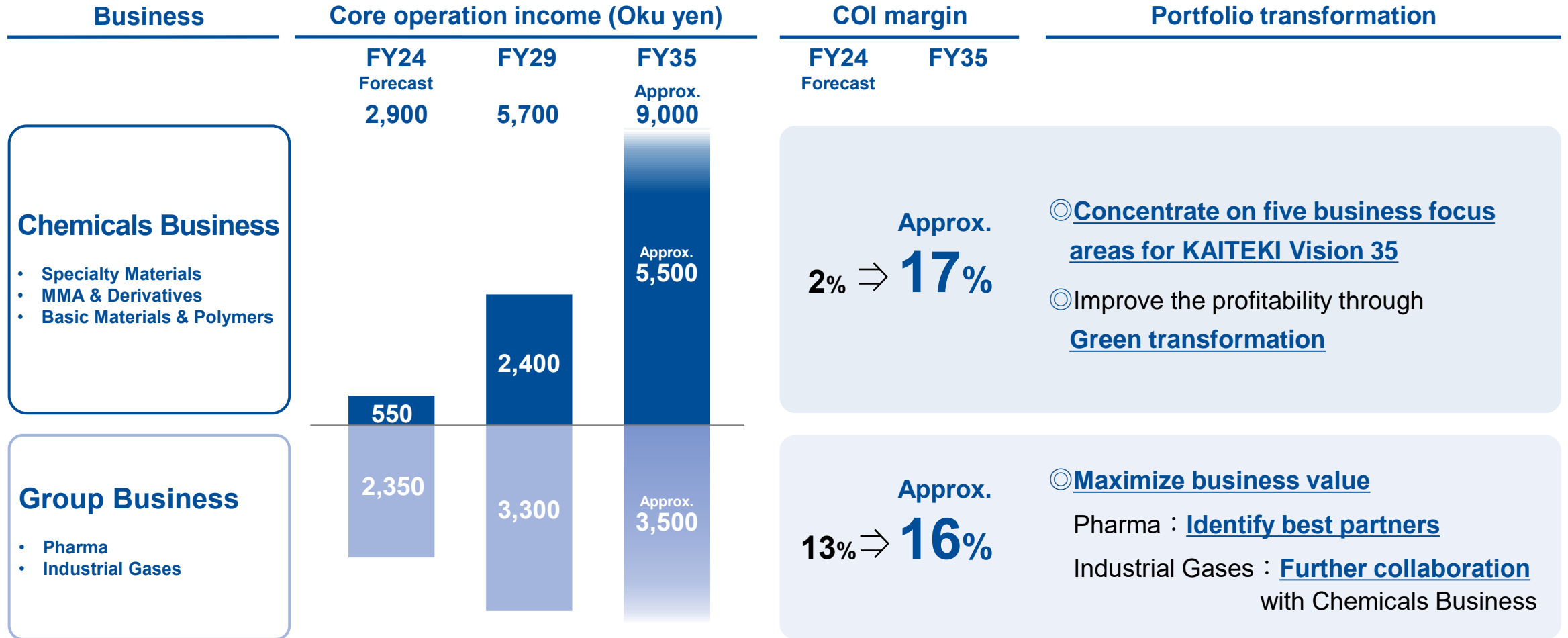
**What we deliver:  
business structure and profit level toward 2035**

How we compete / operate

Human resources / Sustainability

# Business structure and profit level toward 2035

COI of the Chemicals Business will exceed the total COI of the Group Businesses in 2035



# **KAITEKI Vision 35**

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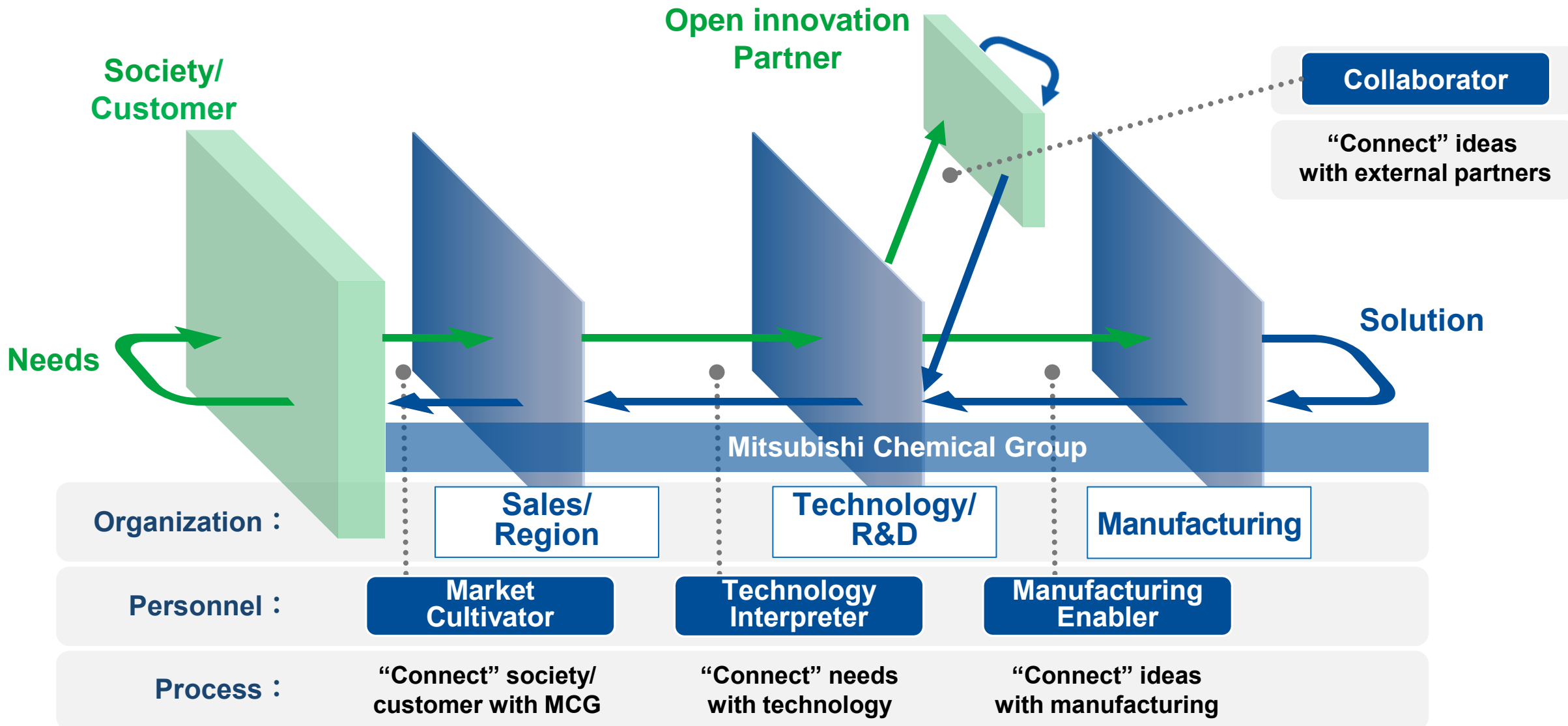
Human resources / Sustainability

**Our keyword is...**

**“Connect”**

# Organization, processes and resources to become the Green Specialty Company

“Connect” customer needs with innovative solutions to deliver the best societal outcomes with agility



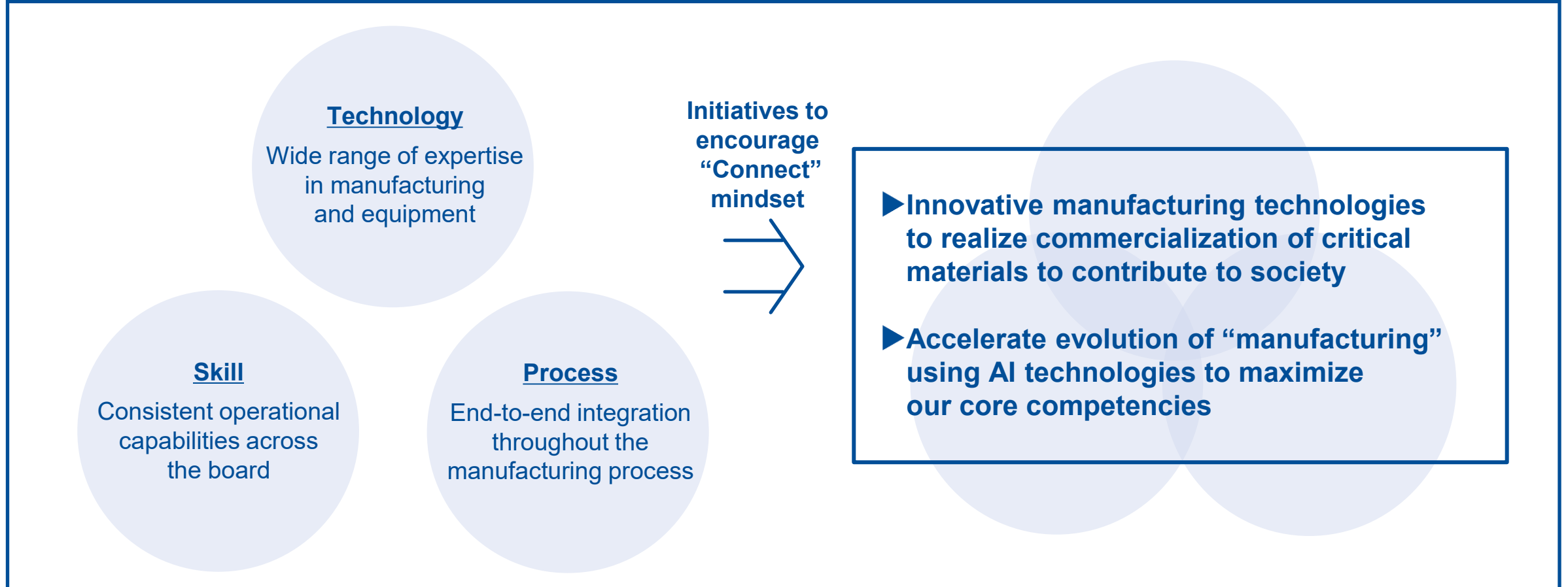


# Manufacturing at the heart as the Green Specialty Company

Safety and compliance comes first

Enhance the strength of “manufacturing” through “Connect” mindset

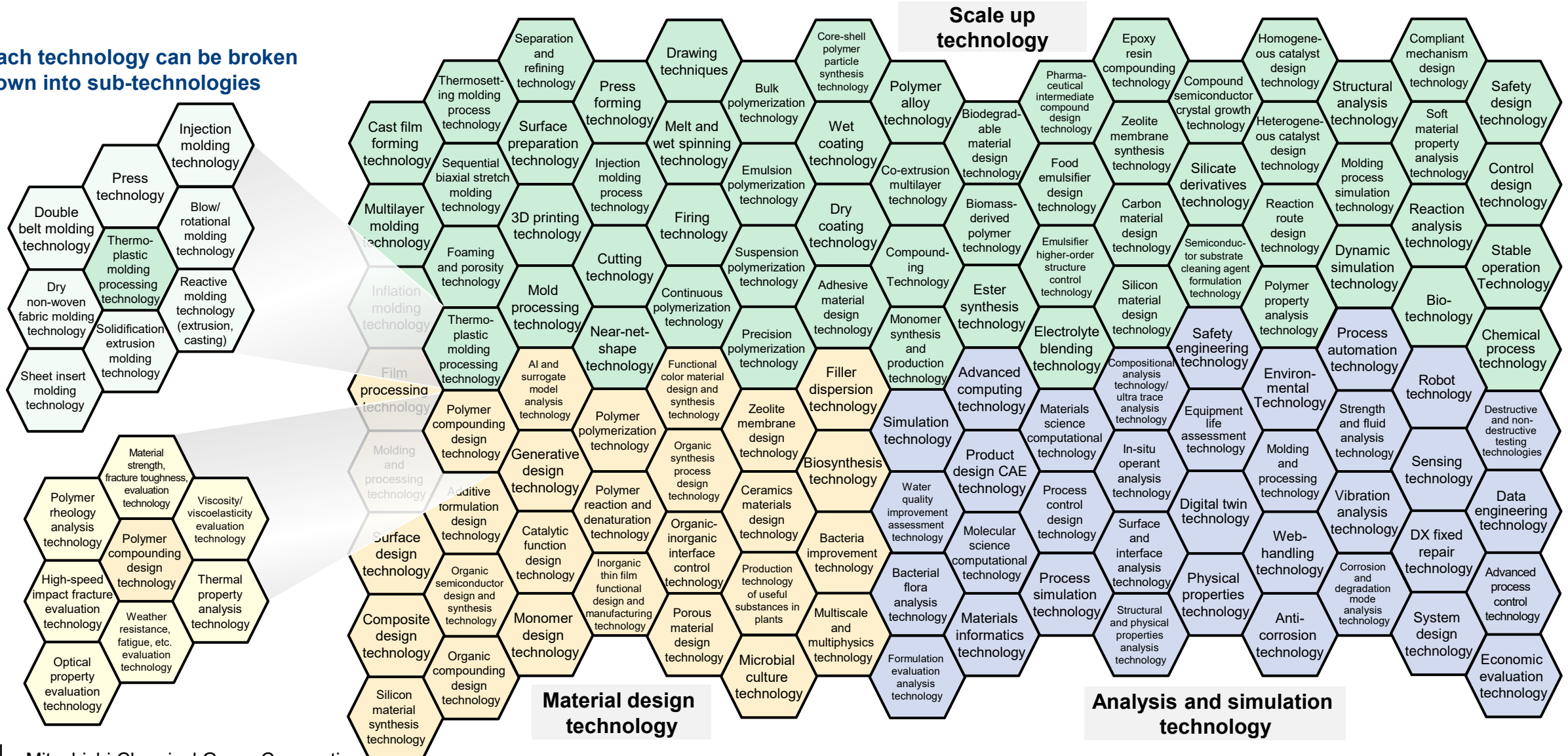
## Enhance operation excellence by leveraging the accumulated expertise



# Proprietary technologies to evolve into the Green Specialty Company

Develop solutions by connecting competitive advantage and diverse technologies

Each technology can be broken down into sub-technologies



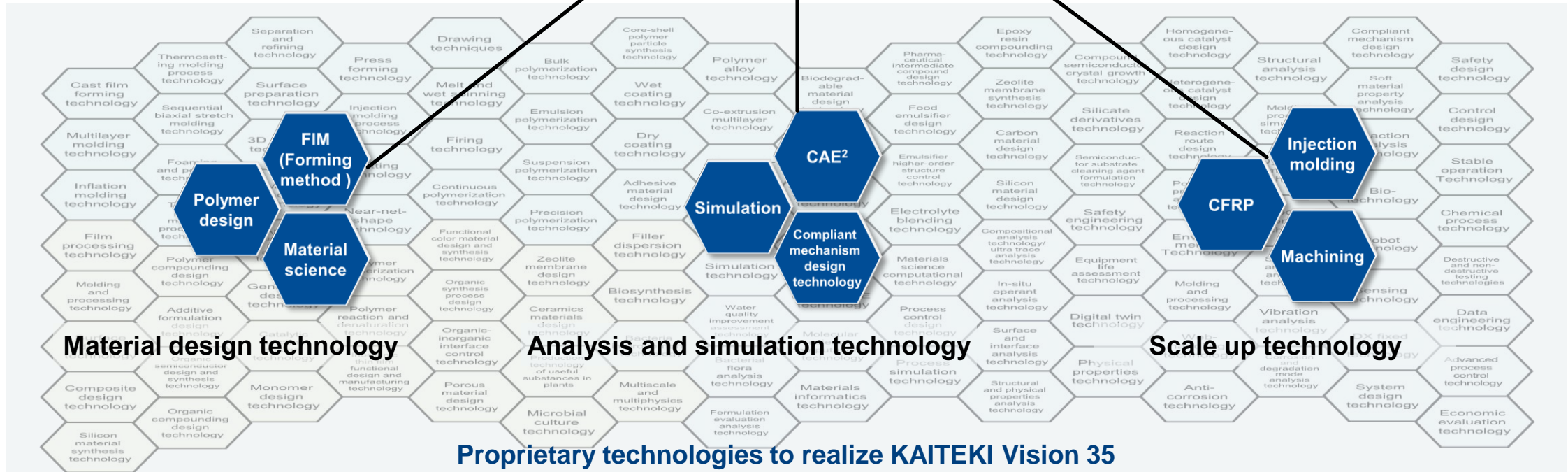
# Successful examples of solutions: connecting our technologies

## High-rigidity, lightweight materials for aerospace

- Lunar rover<sup>1</sup> “YAOKI” of Dymon Co., Ltd. combines various technologies and products in its structure, tires, sliders, and lens sections to achieve both lightweight and improved shock resistance



Lunar rover “YAOKI”



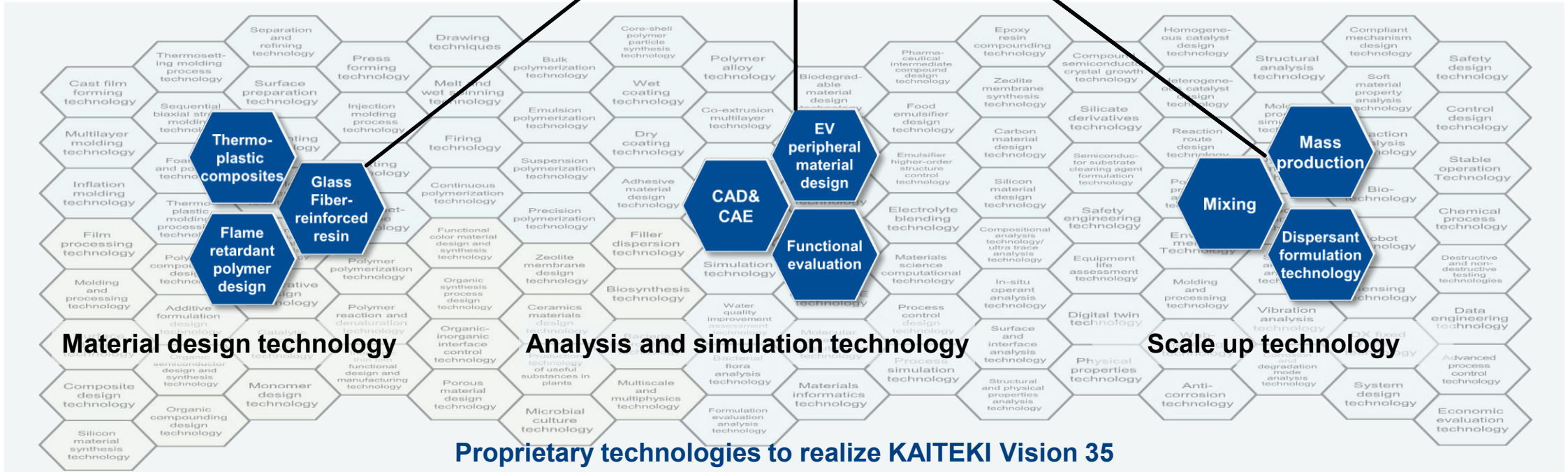
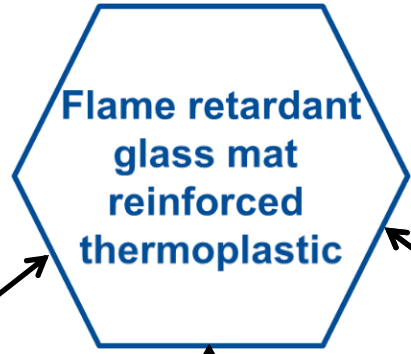
1. Missions can be carried out on the moon without deterioration in physical properties, even in environments with temperatures ranging from -170° C to 110° C and exposure to cosmic radiation  
 2. Computer Aided Engineering



# Successful examples of solutions: connecting our businesses

## Lightweight battery pack cover material for EV

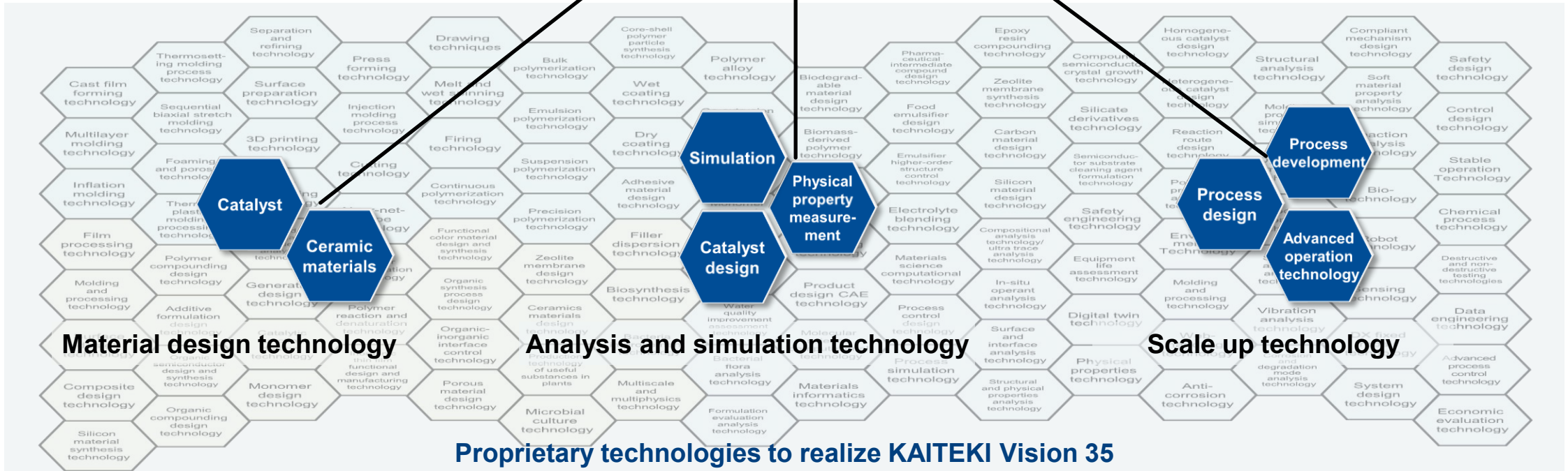
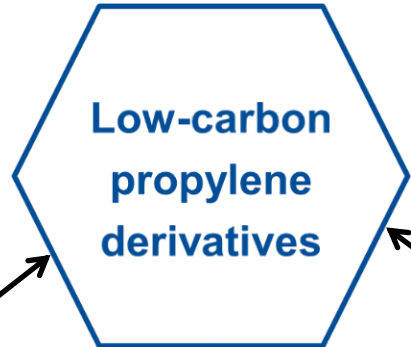
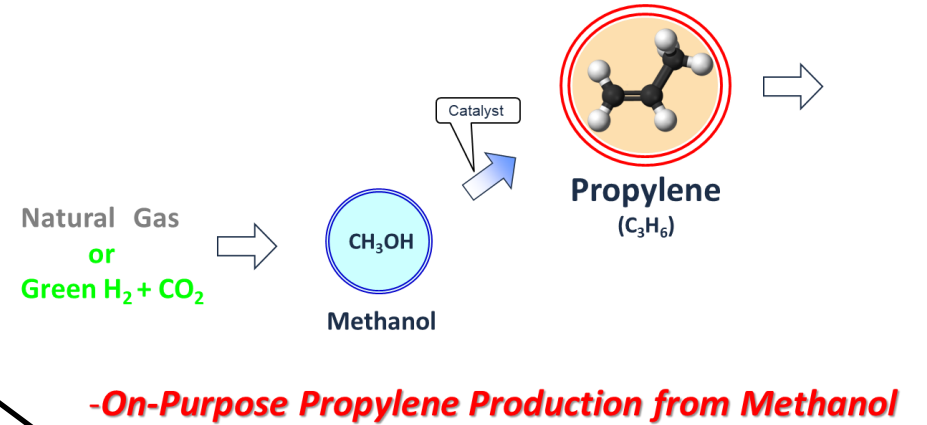
- Lightweight design, fire retardancy and recyclability enables widespread adoption of EV
- Cross business department collaboration



# Successful examples of solutions: connecting with our external partners

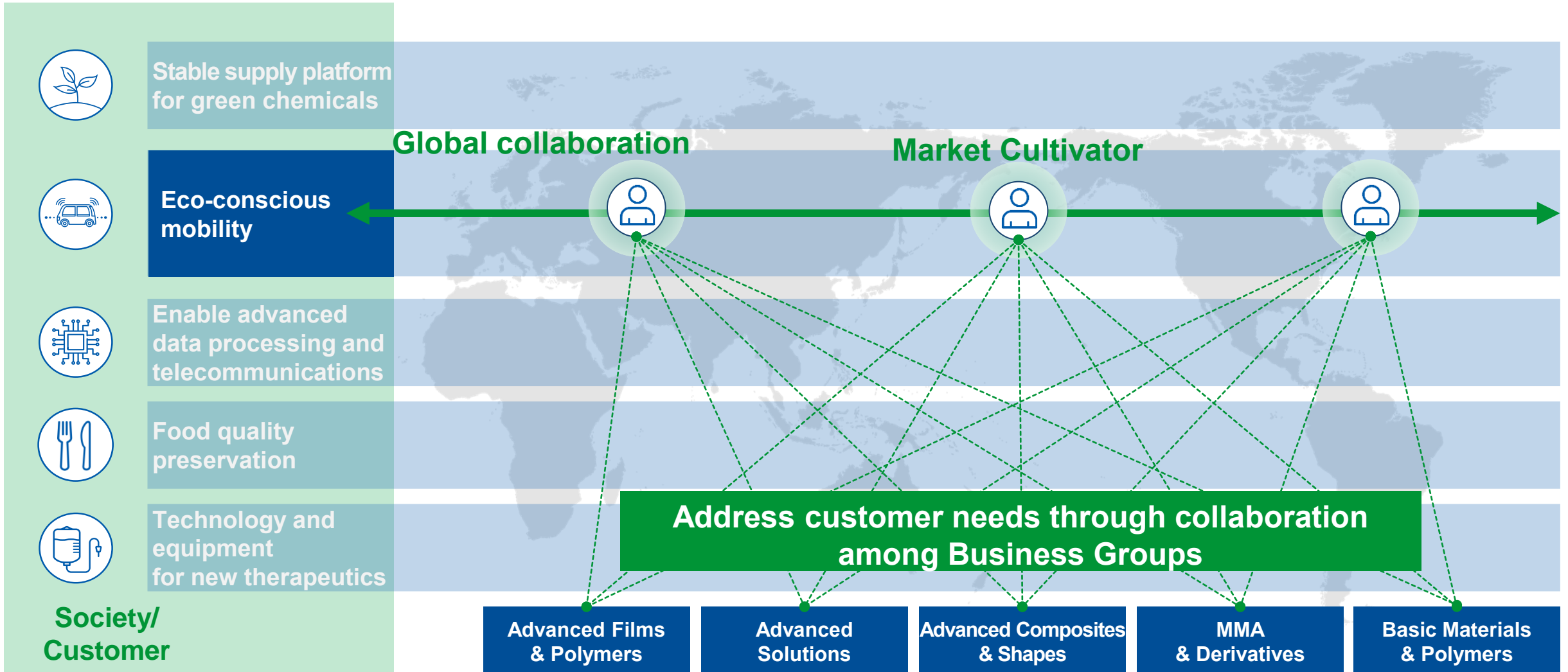
## Technology for producing propylene from methanol

- Co-development with JGC Global Corporation to produce propylene from low-carbon methanol derived from CCS<sup>1</sup> or CO<sub>2</sub> law material at high selectivity, contributing to low-carbon polypropylene and acrylic acid derivatives



# Market Cultivator: essential role to evolve into the Green Specialty Company

Enhance skills that can “Connect” five business focus areas and customer requirements across geographies





# Regional growth strategies toward 2035

Maximize our businesses in line with the market trends and characteristics of each region

## Americas

### Driving growth

- Rapid delivery of value-added products to key customers driving the market

## Europe

### Environmental regulatory responsiveness

- Adaptation and development to regulatory trends and changes in customer awareness

## China

### Growing with “China for China”

- Strengthen local customer collaboration

## Japan

### Center of Excellence of technologies

- Advance of manufacturing processes, utilizing on-site capabilities and expansion to other regions

## Middle East

### Center for green raw material supply

- Shift from gray to green raw materials

## APAC

### Growing with customers

- Support growing customer needs

# KAITEKI Vision 35

Our Purpose / Why KAITEKI Vision 35

Where we compete: five business focus areas

What we deliver:  
business structure and profit level toward 2035

How we compete / operate

**Human resources / Sustainability**



## A shared Purpose and Vision, growing together to realize KAITEKI

### ▶ Who we need

- Mindset to take challenges as opportunities
- Distinctive skills and strengths
- Soft skills that cannot be replaced by AI
- Strong sense of ownership
- “Connect” mindset



### ▶ What we offer

- Opportunities for personal development through large-scale, impactful project
- Fair reward system for individual achievements and contribution to the team
- Transparent working environment encouraging autonomy

Achieve carbon neutrality; contributing to a long-term sustainable society



## Drive initiatives in five business focus areas

### Short- and medium-term measures

- GHG reduction through optimal fuel conversion
- Utilization of water resources
- Waste reduction
- CO<sub>2</sub> utilization (bio/CCUS<sup>1</sup>)
- Commercialization and scale-up of recycling for various chemicals
- Global collaboration
- Strengthen supply chain management (incl. human rights due diligence)

### Long-term measures

- Fuel conversion to hydrogen and ammonia
- CCUS Implementation
- Utilization of biomass feedstock
- Regional and industrial complex cooperation

1. Carbon Capture, Utilization and Storage

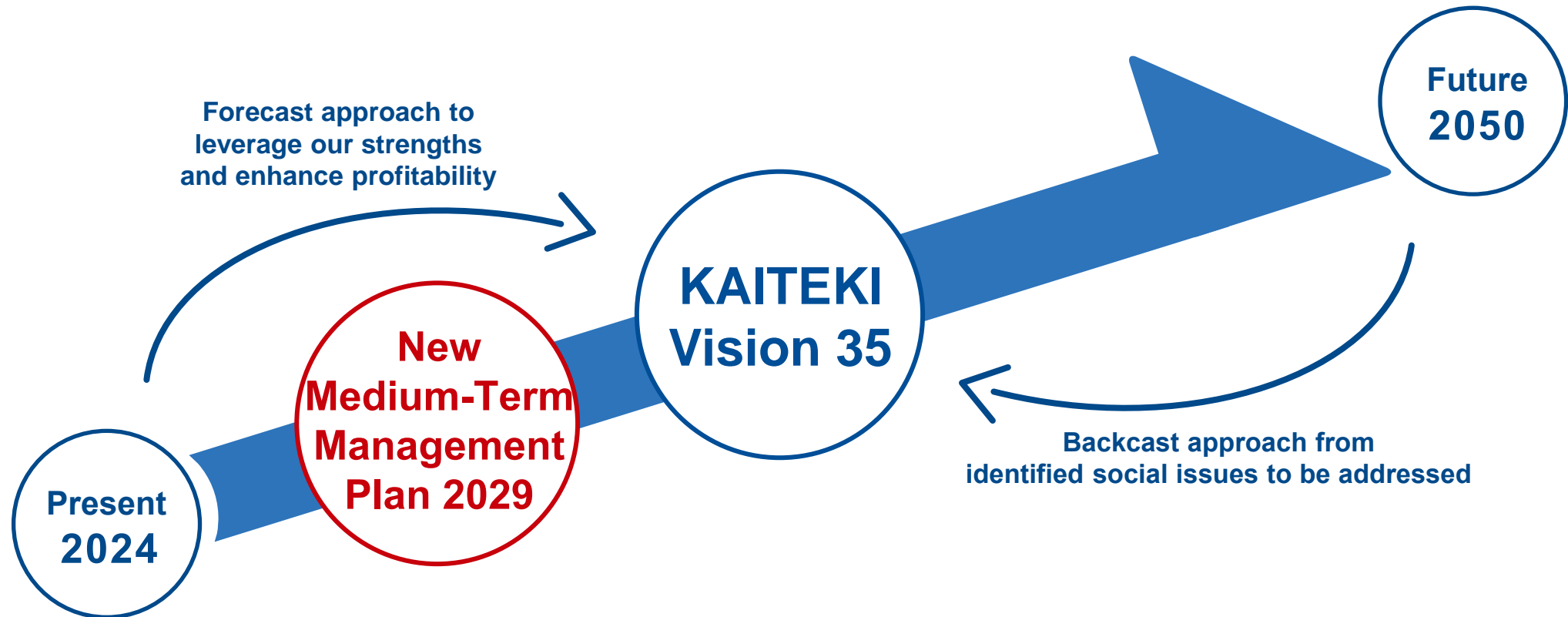
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**2 New Medium-Term  
Management Plan 2029**

# KAITEKI Vision 35 and New Medium-Term Management Plan 2029

New Medium-Term Management Plan 2029 is a strategy to realize KAITEKI Vision 35



**New  
Medium-Term  
Management  
Plan 2029**

# **Outline of New Medium-Term Management Plan**

**Business portfolio management**

**Business strategies / Rationalization**

**Social value / Human capital / Shareholder value**

**Management commitment**



# Outline of New Medium-Term Management Plan

Business portfolio management

Business strategies / Rationalization

Social value / Human capital / Shareholder value

Management commitment

**New  
Medium-Term  
Management  
Plan 2029**

# Performance over the past three years

## Chemicals Business

Flat sales revenue and stagnant profit growth  
→ urgent need for change

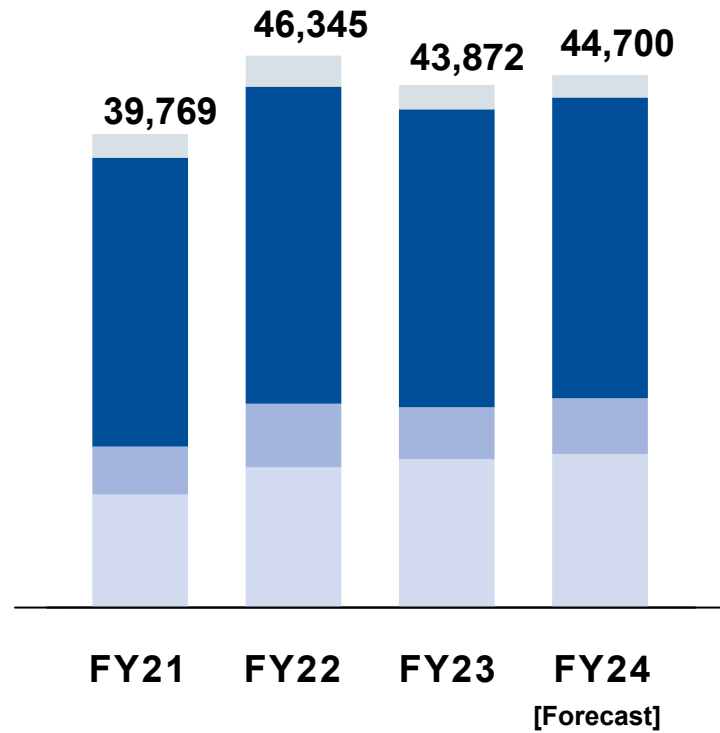
## Pharma Business

Improvement in profit margin

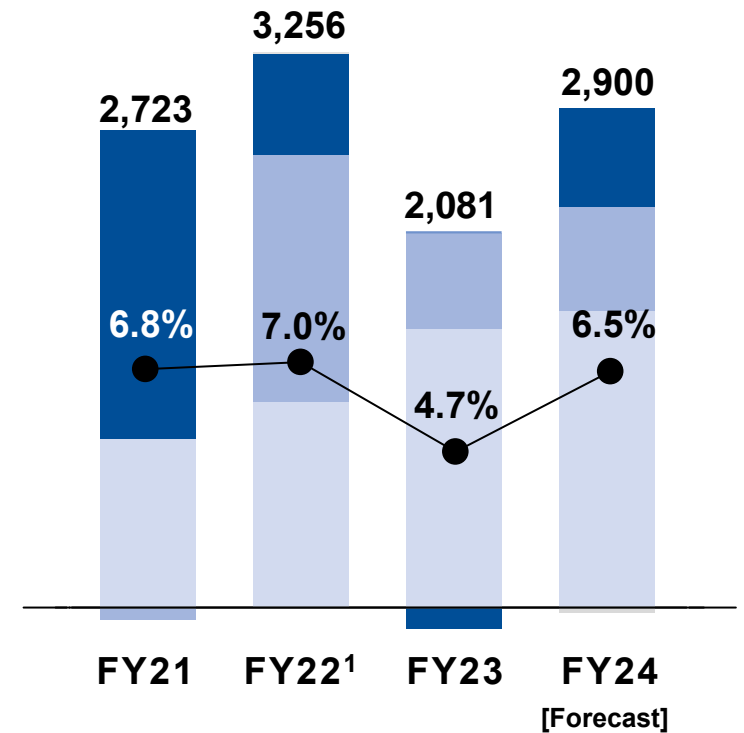
## Industrial Gases Business

Stable profit growth

### Sales revenue (Oku yen)



### Core operating income (Oku yen, %)



■ Chemicals ■ Pharma ■ Industrial Gases ■ Other

1. Includes 1,259 Oku yen related to Gilenya in Pharma Business

# Guiding principles for our business operations

Portfolio transformation and profit improvement

using “Three criteria for business selection” and “Three disciplined approaches in business operations”

## Three criteria for business selection

- Consistent with Vision
- Competitive advantage
- Potential for growth



Put under close monitoring



Divestiture

## Three disciplined approaches in business operations

### Pricing policy

- Pricing that reflects the value delivered
- Mix shift to higher value-added products
- Formula-based pricing to minimize the risk of volatility

### Investment decision making

- Rigorous screening and due diligence
- Thorough process management and enhanced reviews
- Decisive and timely decision-making

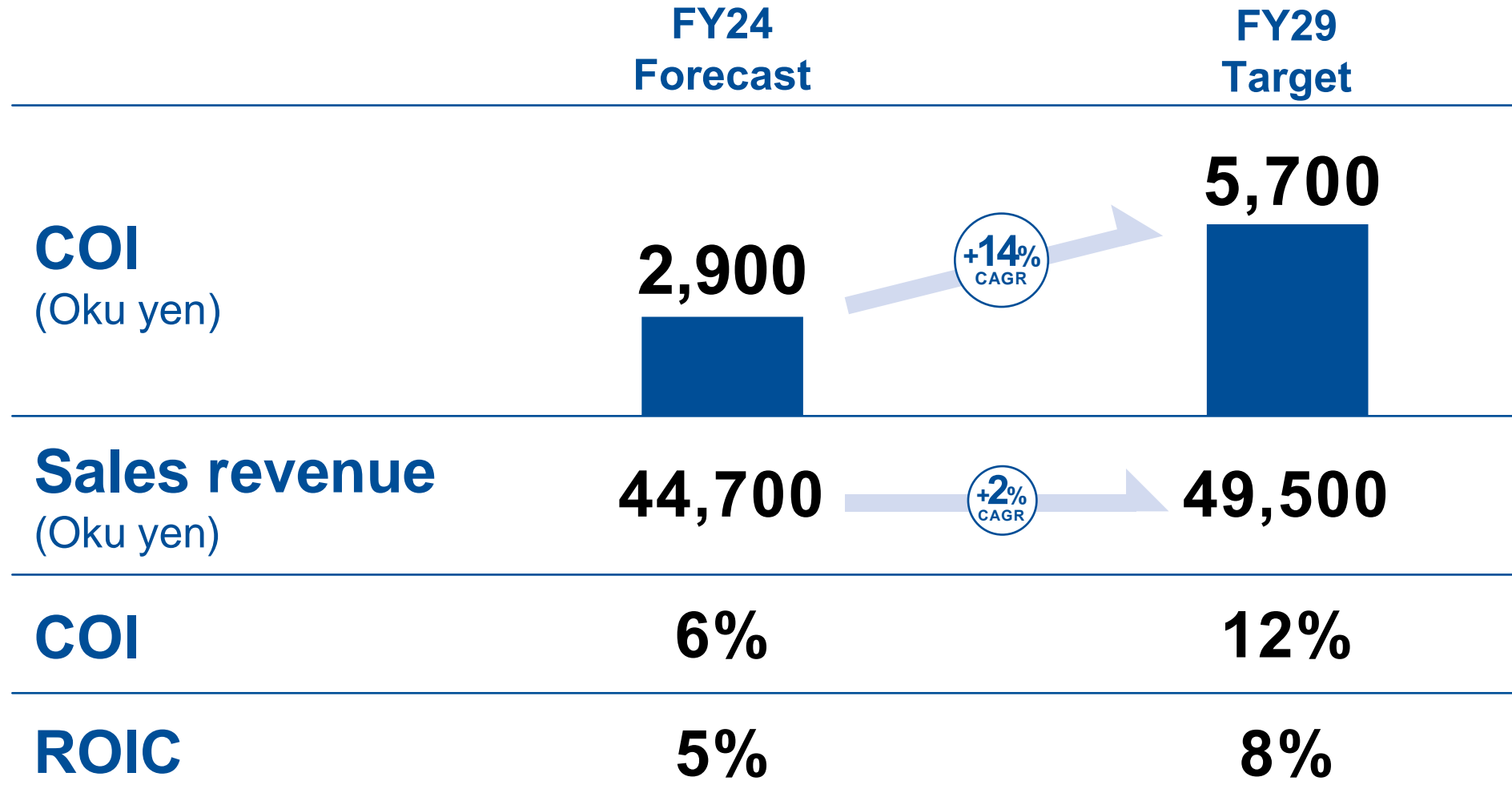
### Asset optimization

- Rationalization of excess capacity or equipment
- Optimization of business tasks and personnel
- Synergy realization of facilities/resources with other companies
- Re-evaluation of intangible assets, including IP



# Business performance targets

Reflect disciplined approaches and portfolio transformation





## Outline of New Medium-Term Management Plan

### **Business portfolio management**

Business strategies / Rationalization

Social value / Human capital / Shareholder value

Management commitment

# Guiding principles for our business operations

Select projects based on the “Three criteria for business selection”

## Three criteria for business selection

- **Consistent with Vision**
- **Competitive advantage**
- **Potential for growth**



**Put under close monitoring**



**Divestiture**

## Three disciplined approaches in business operations

### Pricing policy

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### Investment decision making

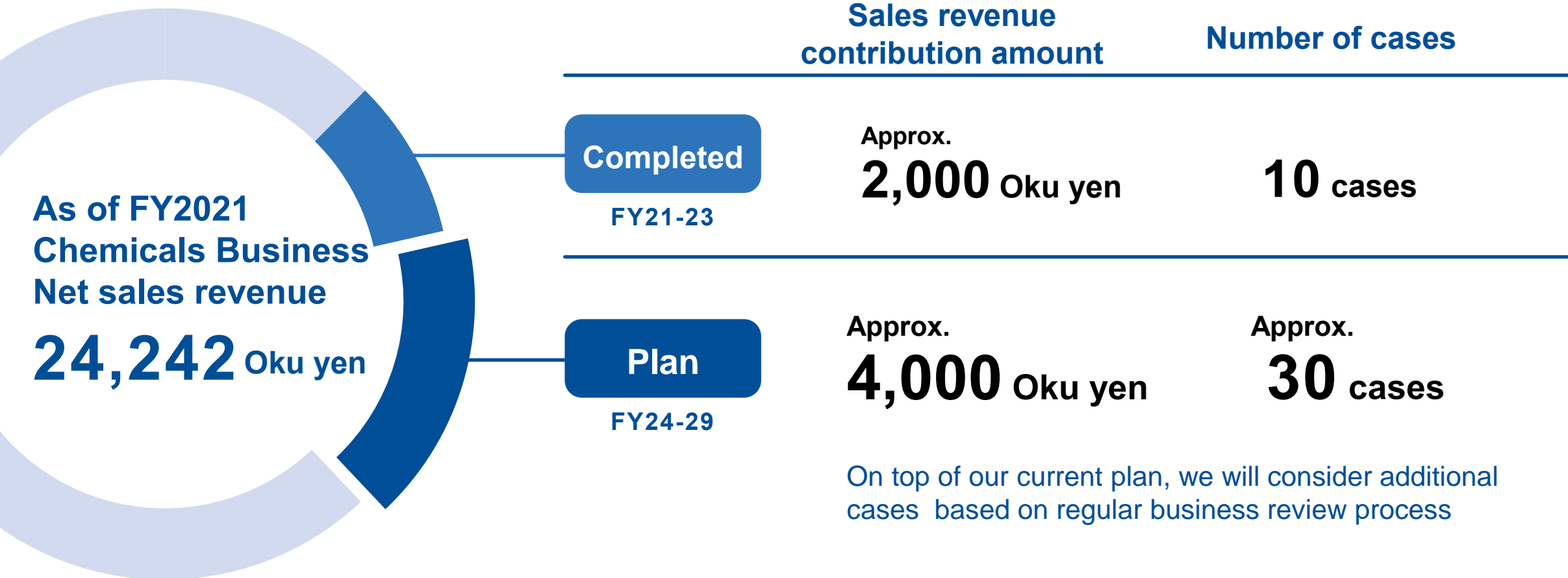
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- Optimization of business tasks and personnel
- Synergy realization of facilities/resources with other companies
- Re-evaluation of intangible assets, including IP

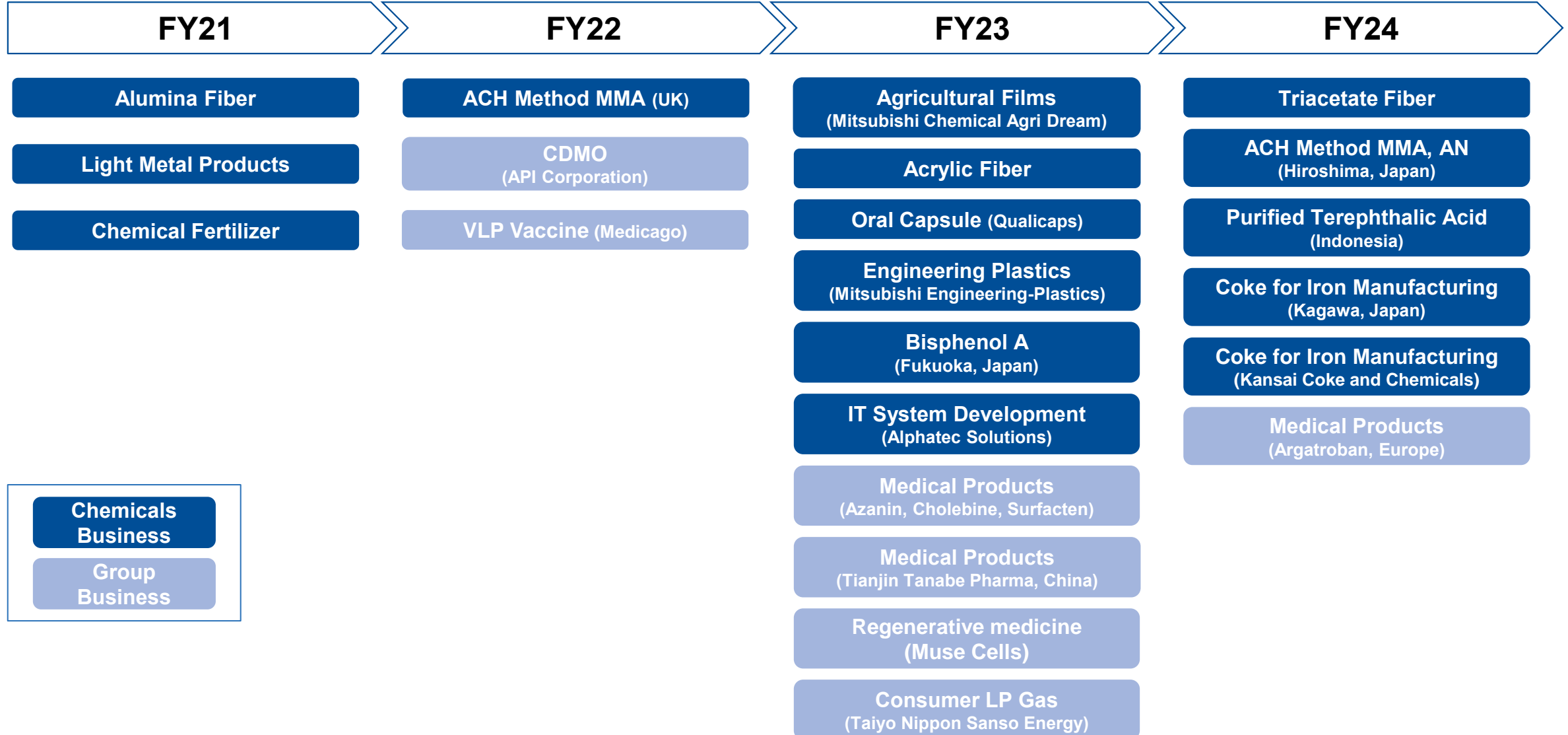
# Focus on core: divestiture/closure of non-core businesses in Chemicals

Accelerate streamlining of business based on the “Three criteria for business selection”



# Detailed track-record of our business selection journey

Completed divestitures or withdrawals (FY21-23 and 1st half of FY24)



## Outline of New Medium-Term Management Plan

Business portfolio management

**Business strategies / Rationalization**

Social value / Human capital / Shareholder value

Management commitment

**New  
Medium-Term  
Management  
Plan 2029**



# Guiding principles for our business operations

Operate businesses with “Three disciplined approaches in business operations”

## Three criteria for business selection

- Consistent with Vision
- Competitive advantage
- Potential for growth



Put under close monitoring



Divestiture

## Three disciplined approaches in business operations

### Pricing policy

- Pricing that reflects the value delivered
- Mix shift to higher value-added products
- Formula-based pricing to minimize the risk of volatility

### Investment decision making

- Rigorous screening and due diligence
- Thorough process management and enhanced reviews
- Decisive and timely decision-making

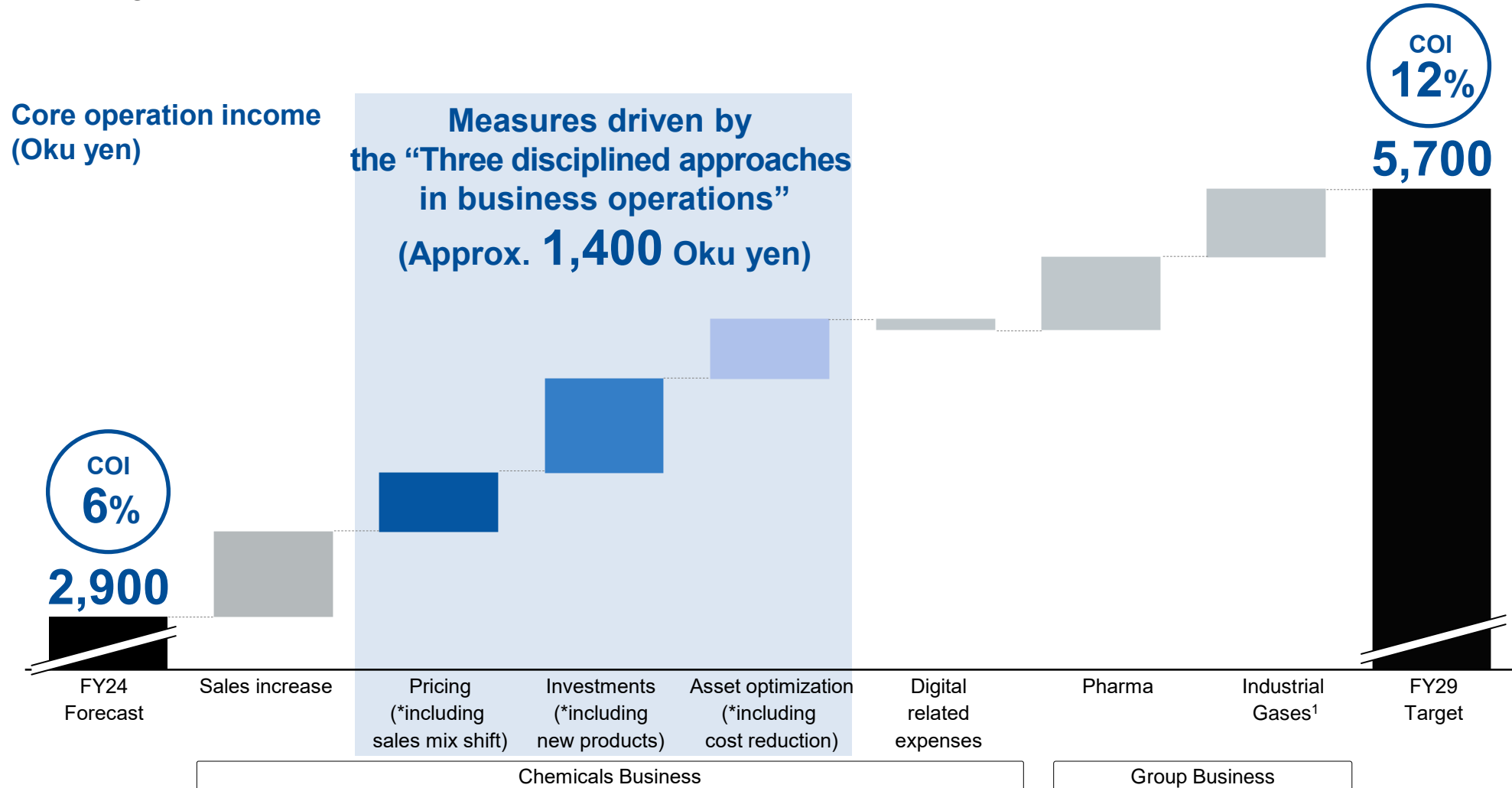
### Asset optimization

- Rationalization of excess capacity or equipment
- Optimization of business tasks and personnel
- Synergy realization of facilities/resources with other companies
- Re-evaluation of intangible assets, including IP

# Business strategies |

## Five-year profit growth outlook: breakdown by key measures

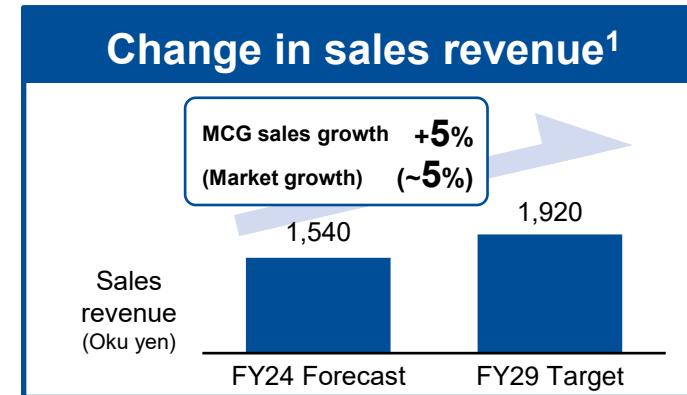
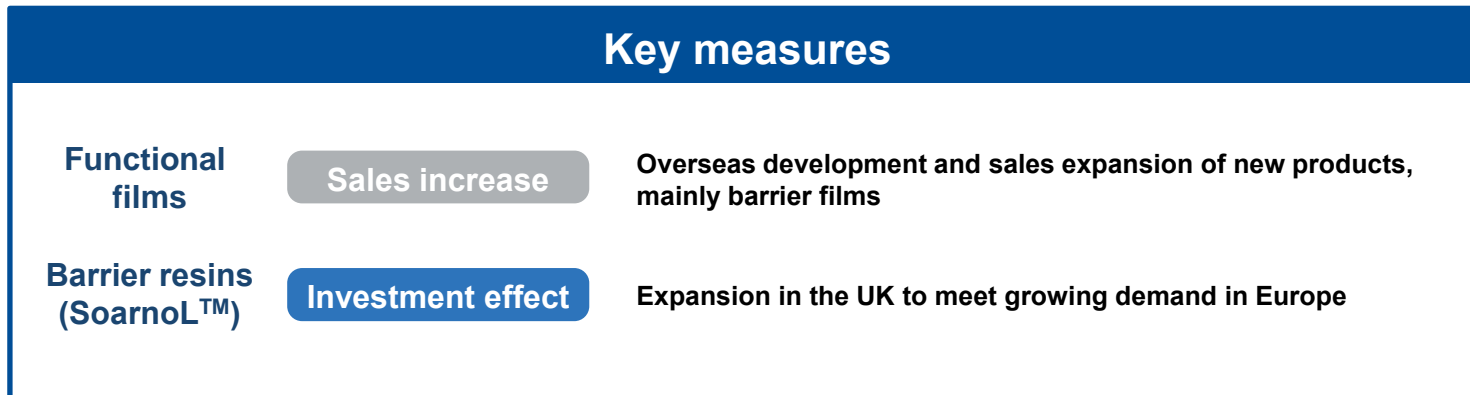
COI growth through the “Three disciplined approaches in business operations”



1. With regard to Industrial Gases Business, Mitsubishi Chemical Group Corporation has made its own estimates based on “NS Vision 2026”, which was formulated by Nippon Sanso Holdings Corporation in 2022, and incorporates the effects of continuous demand growth, price management, productivity improvements, etc.

# Business strategies | AF&P | Barrier Films and Resins

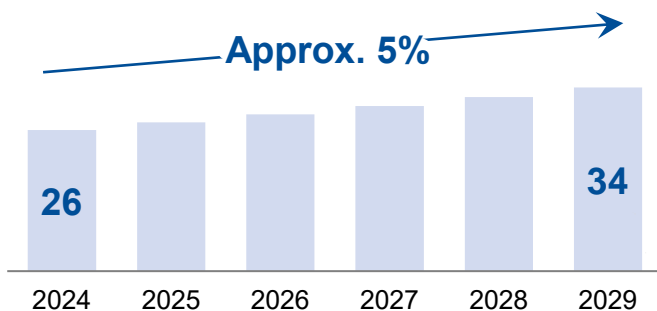
Accelerate growth through investment to expand high value-added product lines



1. Improvement measures by divestment or withdrawal are separately implemented

## Barrier Film

Barrier film market growth (Billion USD)

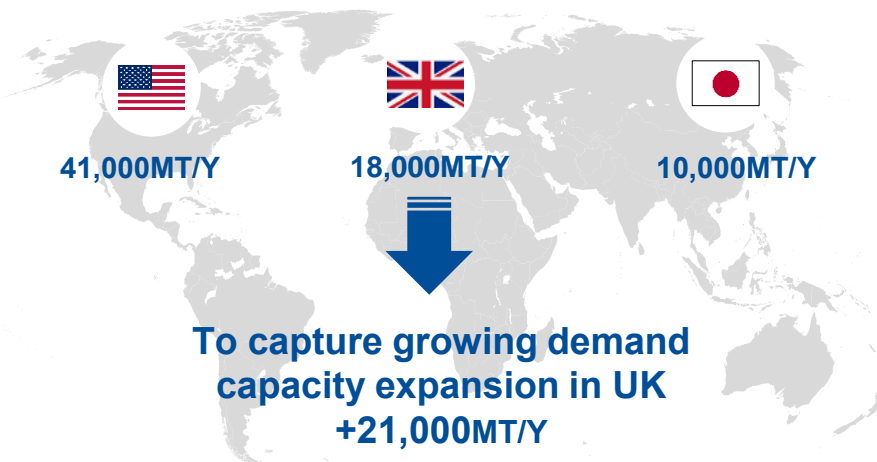


Source: Data bridge

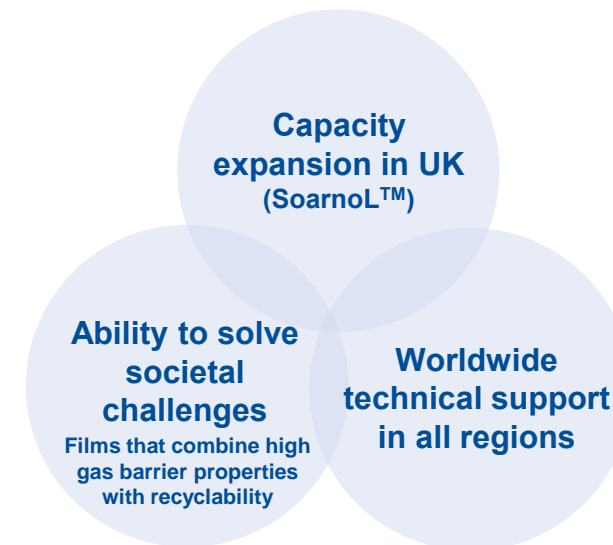
In addition to food packaging, where demand is expanding, we are also exploring high value-added applications

## Barrier Resin (SoarnoL™)

Global supply capacity and future capacity expansion plans



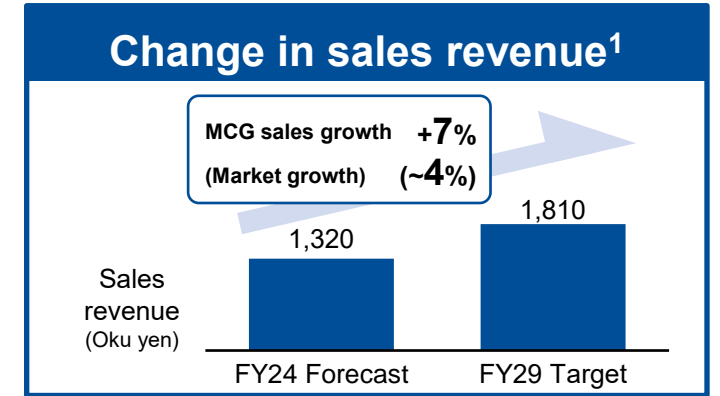
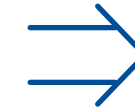
## Sources of competitive advantage



Continue product mix shift to high value-added applications and optimize global asset utilization

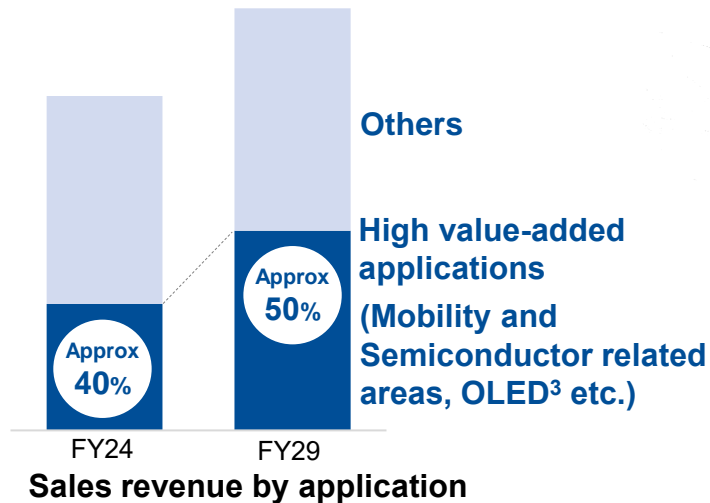
### Key measures

Polyester films	<b>Pricing policy</b>	Mix shift from LCD <sup>2</sup>
	<b>Sales increase</b>	Expand sales of high value-added products
	<b>Asset optimization</b>	Global asset integration leading to higher efficiency and asset optimization with new film lines



1. Improvement measures by divestment or withdrawal are separately implemented

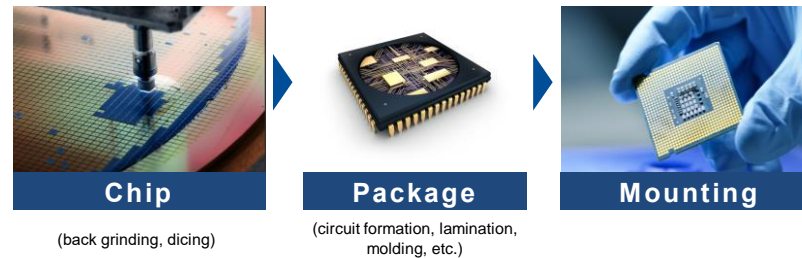
## Increase sales of high value-added products and improve product portfolio



## Strengthen global footprint

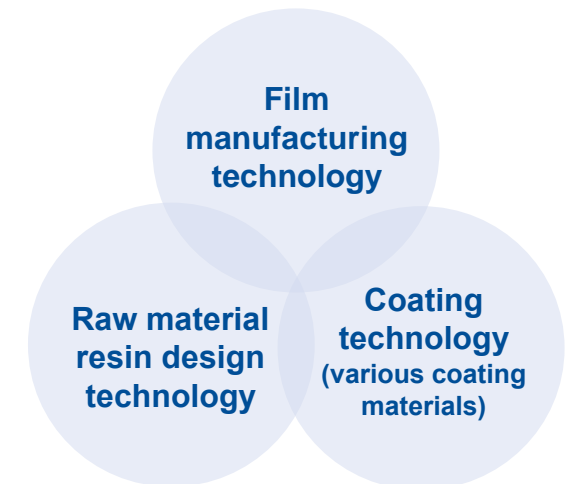


### Semiconductor manufacturing process where polyester film is used



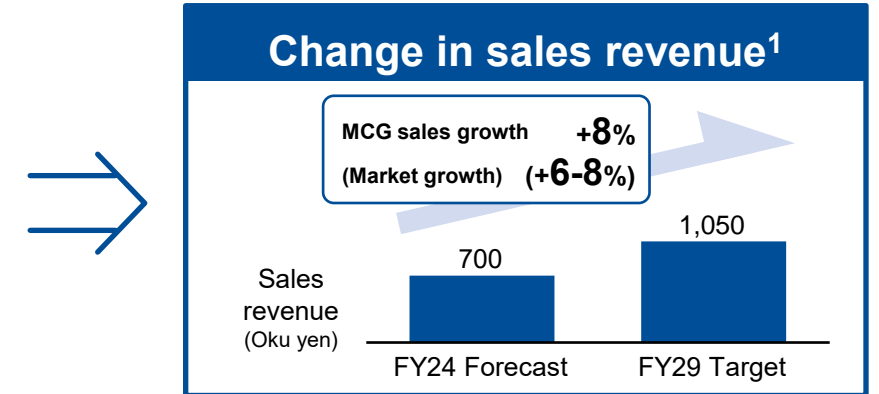
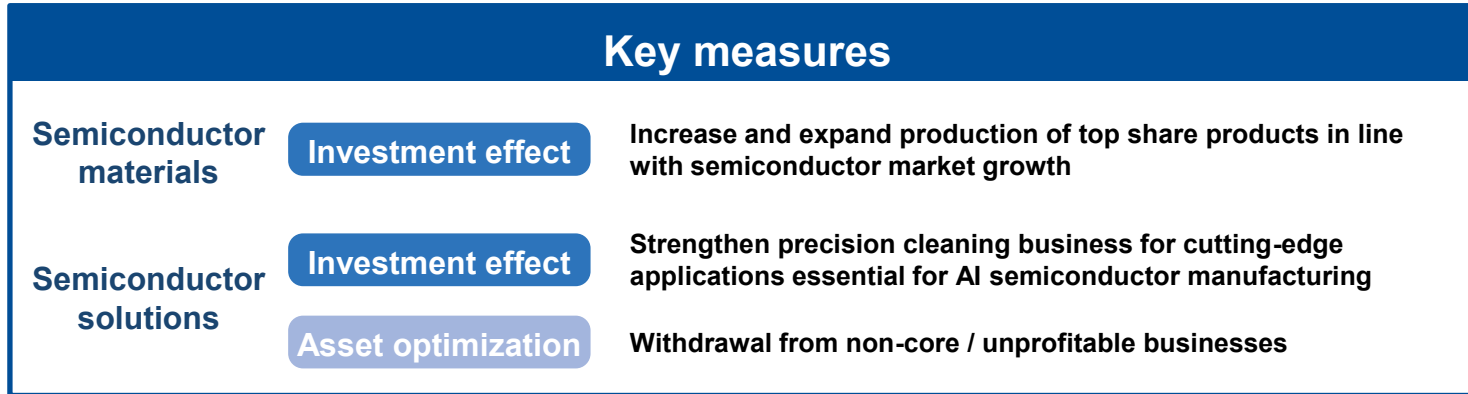
## Sources of competitive advantage

- Creation of customer value using three major technologies
- Hybrid system with global collaboration as a region-based development and global development system



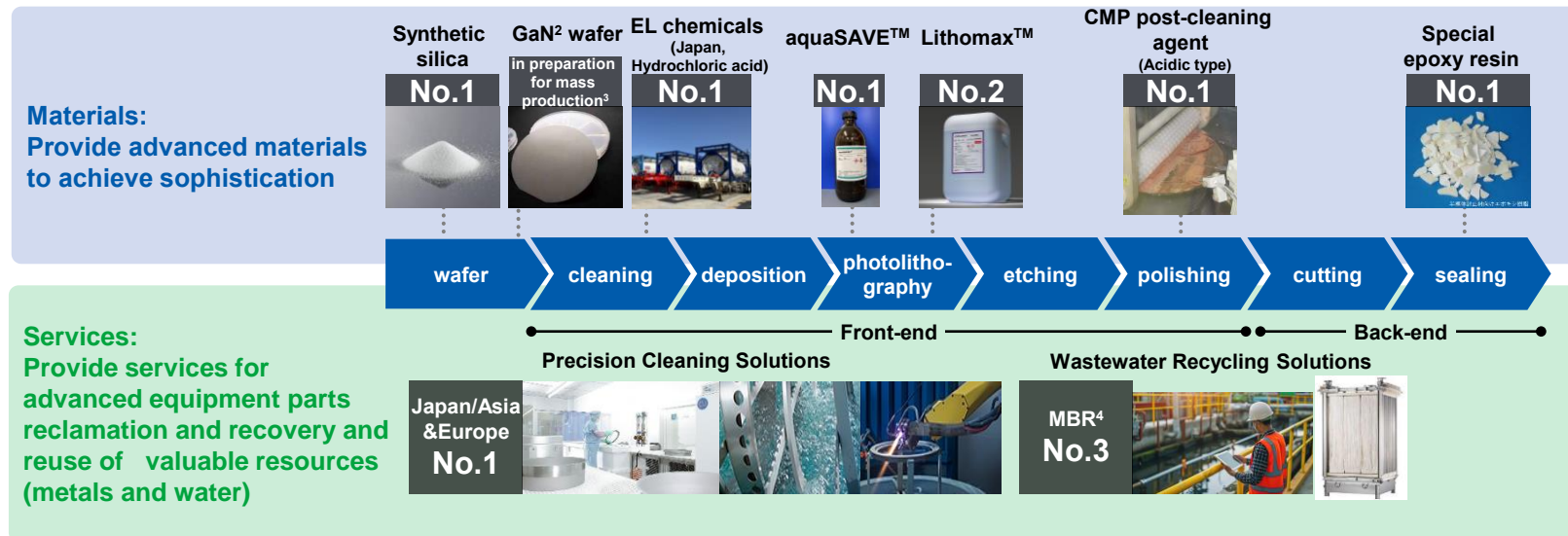
# Business strategies | AS | Semiconductor Materials & Solutions

Invest to serve cutting edge semiconductor market while rationalizing non-core / unprofitable businesses



1. Improvement measures by divestment or withdrawal are separately implemented

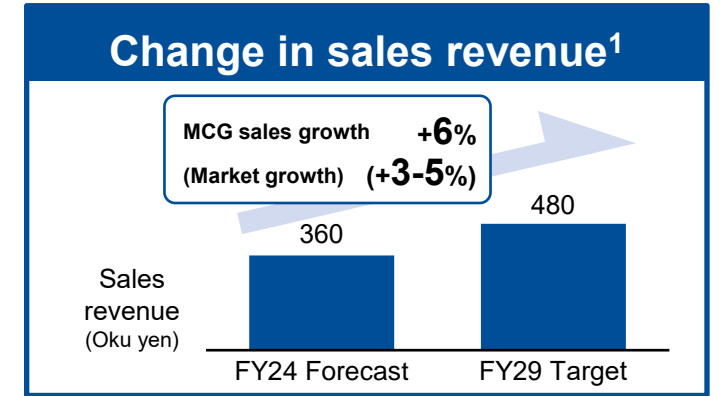
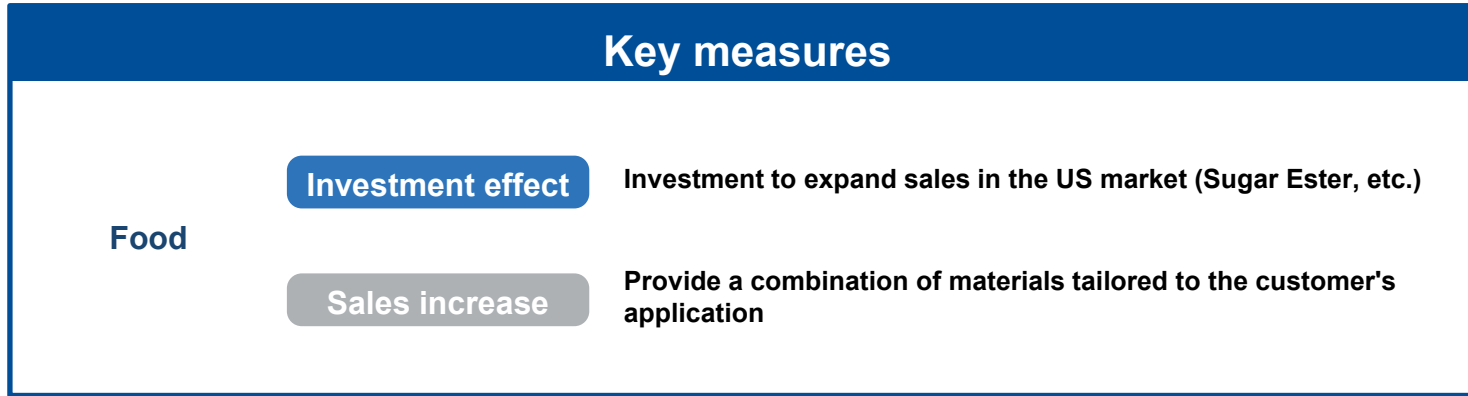
## Support semiconductor manufacturing with materials and services



- 2. Gallium Nitride
- 3. High quality by low-pressure acidic ammonothermal method. Social implementation for power semiconductors is underway.
- 4. Membrane Bio-Reactor

# Business strategies | AS | Food

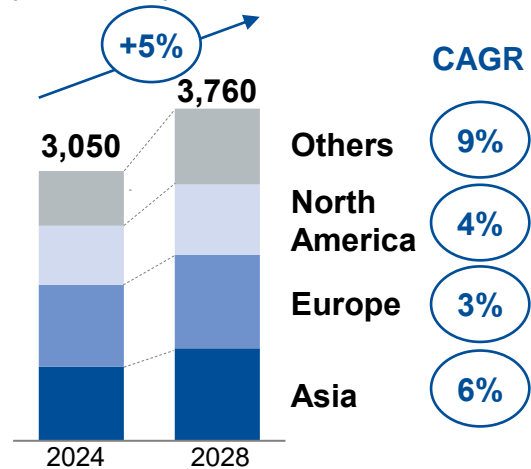
Accelerate growth driven by high value-added emulsifier Sugar Ester businesses in each region  
Contribute to food quality preservation through total solutions



1. Improvement measures by divestment or withdrawal are separately implemented

**Strengthen product line-up in shelf life extension through anti-oxidation, antibacterial, and texture control,**  
**Strengthen localization by promoting religious and legal compliance**

## Processed food market growth (Billion USD)



Source: Euromonitor

## Market entry readiness

- Strengthening the sales base through religious support (acquisition of kosher certification in addition to halal certification)

### Examples of product use



Food emulsifier



Fermentation materials

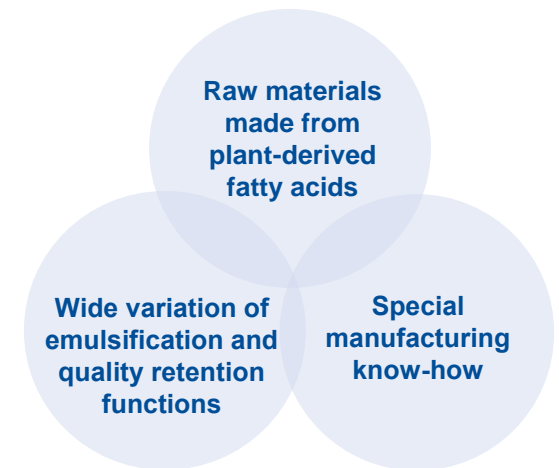


Antimicrobial and freshness-retaining agents

## Investment for sales expansion

- Increase in domestic production capacity (Fukuoka, Japan)
- Technical service system development in each region

## Sources of competitive advantage



## Establish brand equity

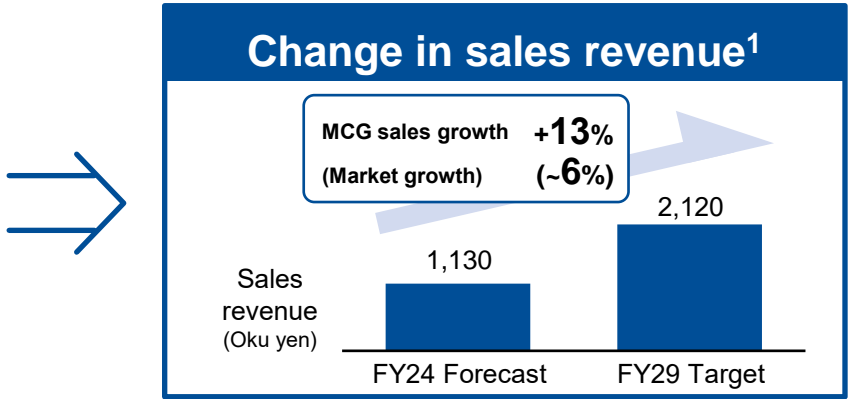
**“Food preservation, always supported by MCG”**



# Business strategies | AC&S | Carbon Fibers & Composites

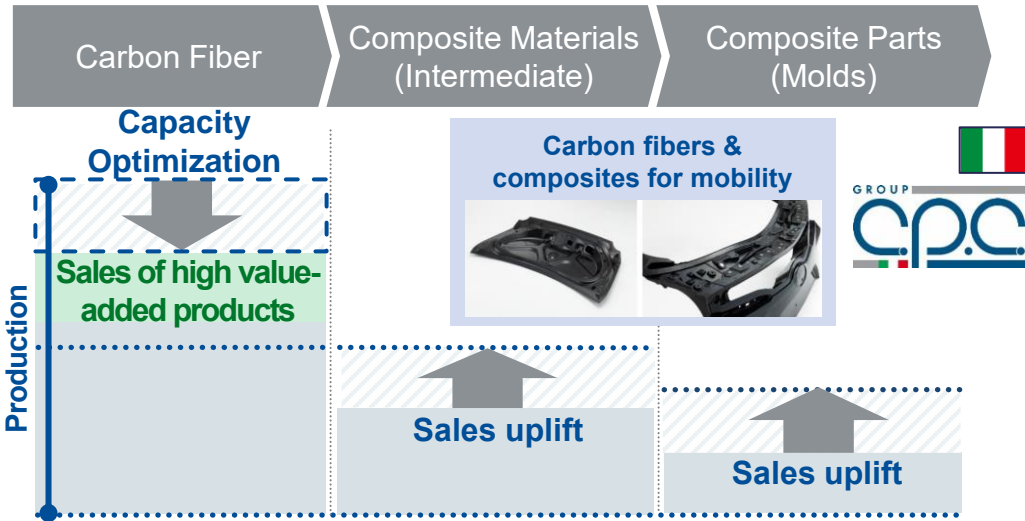
Mix shift to high value-added mobility applications, expand sales of intermediate materials and molded products, and optimize unprofitable facilities

Key measures		
Carbon fibers	Asset optimization	Capacity conversion towards high-end quality fibers
	Pricing policy	Shift to high value added products
Composite materials	Sales increase	Expand sales of intermediate materials for mobility
Composite parts	Investment effect	Uplift capacity for next-generation mobility
	Sales increase	Expand sales of high-value-added molded products for European automotive OEM <sup>2</sup> s



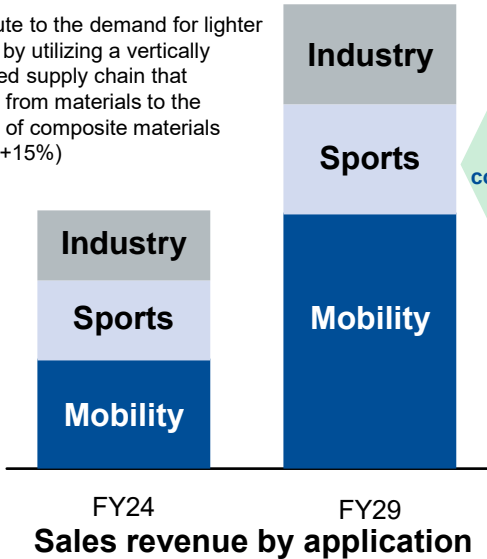
1. Improvement measures by divestment or withdrawal are separately implemented

## Downstream reinforcement and sales expansion and “capacity optimization” of the entire chain

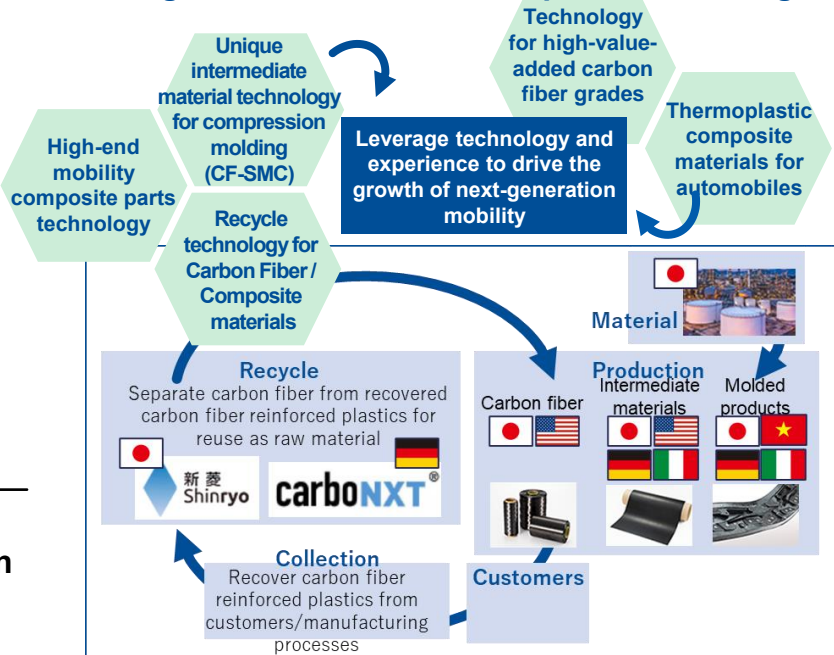


## Increase sales of high-value-added products and improve product portfolio

Contribute to the demand for lighter mobility by utilizing a vertically integrated supply chain that extends from materials to the molding of composite materials (CAGR +15%)



## High functionality and application development through the combination of superior technologies



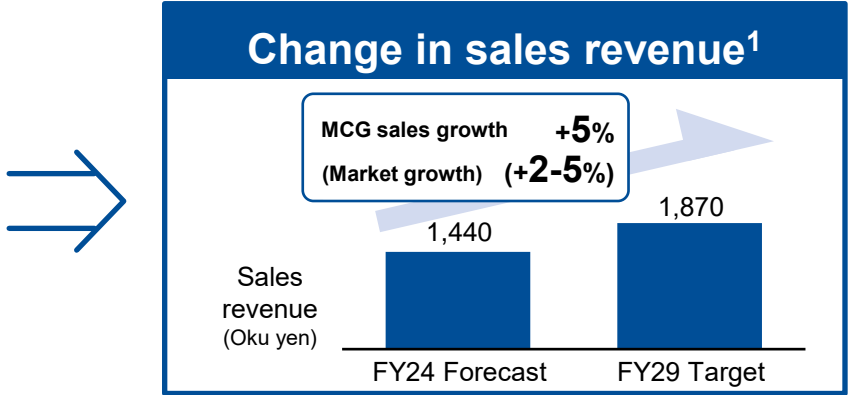


# Business strategies | AC&S | High-performance Engineering Plastics (Stock Shapes)

Promote rationalization and capacity expansion of high value-added products simultaneously

### Key measures

High-performance engineering plastics (Stock Shapes)	<b>Sales increase</b>	Capture market recovery demand and develop new applications
	<b>Investment effect</b>	Focus on high value-added products (medical and semiconductor manufacturing equipment) and material processing
	<b>Asset optimization</b>	Rationalization through consolidation



1. Improvement measures by divestment or withdrawal are separately implemented

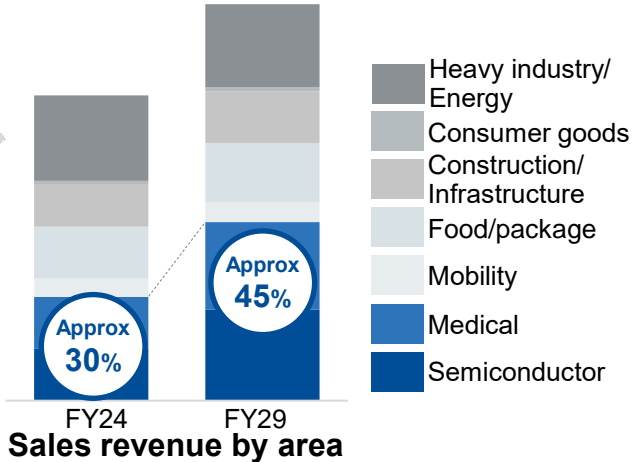
## Strengthen competitiveness by reforming business structure

**Global 25 manufacturing sites** [Americas, EMEA, APAC, Japan] → **Rationalization through consolidation**

Conduct administrative cost reduction and establish global #1 operational organization

- Shapes
- Medical
- Engineered Solutions

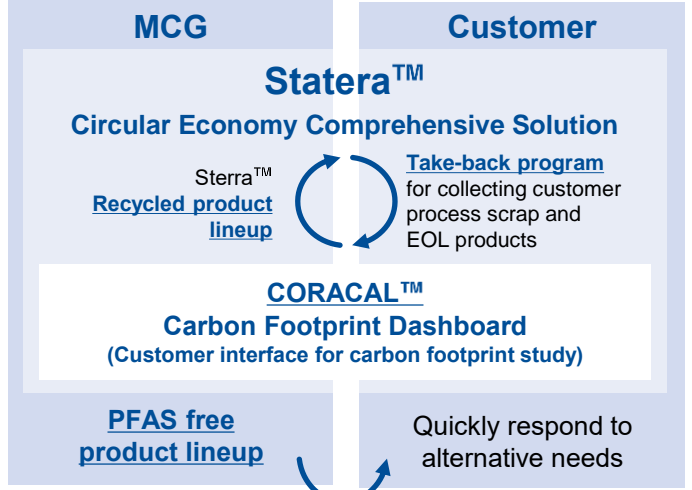
## Focus on high-growth, high-profit areas



### Applications in the focus areas



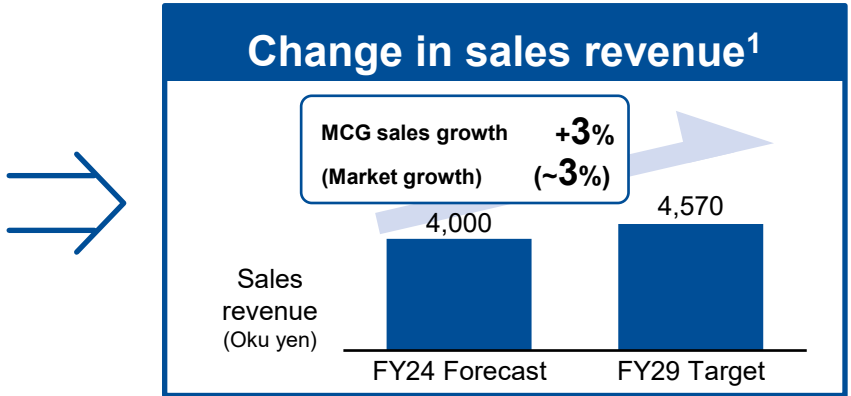
## Develop circular economy product program and expand PFAS-free product portfolio



# Business strategies | MMA & Derivatives

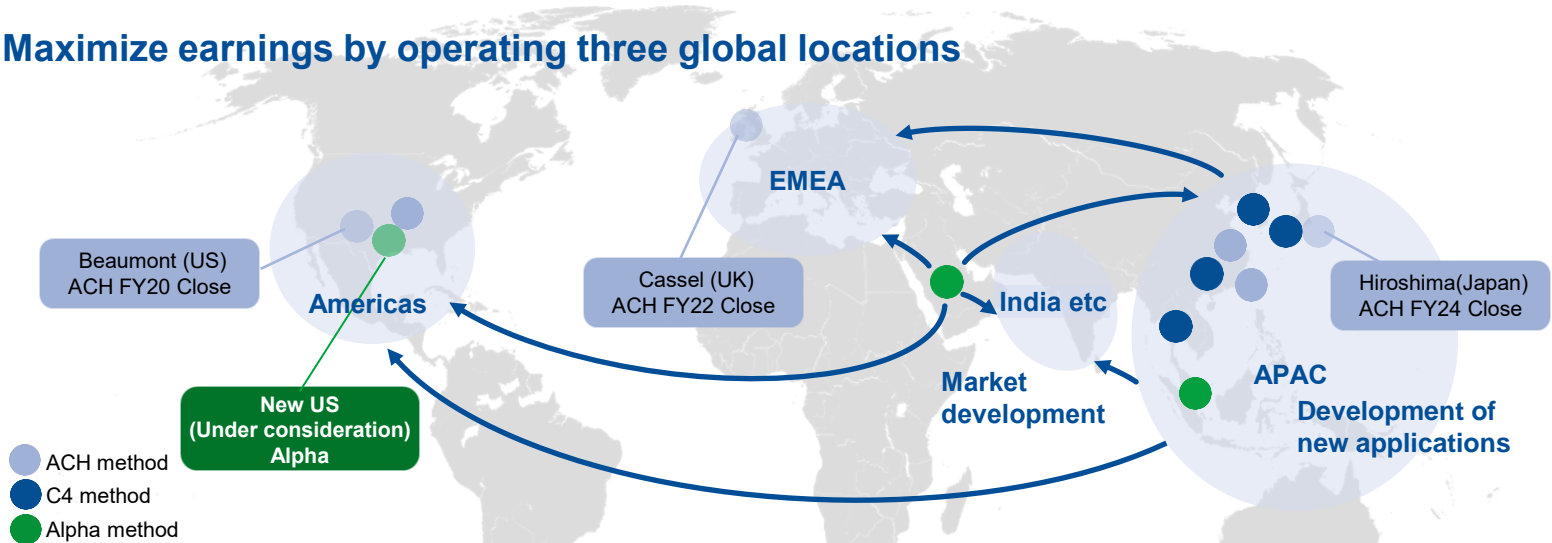
Strengthen No.1 market share position through global operational excellence

Key measures		
MMA & Derivatives	Asset optimization	Further cost reduction utilizing digital technology
	Pricing policy	Optimal production and sales allocation utilizing global production system
	Pricing policy	Focus on strategic customers and high value-added applications (US)
	Sales increase	Work with strategic customers to promote the development of new applications (APAC)
	Sales increase	Cultivation of emerging markets (India, etc.)



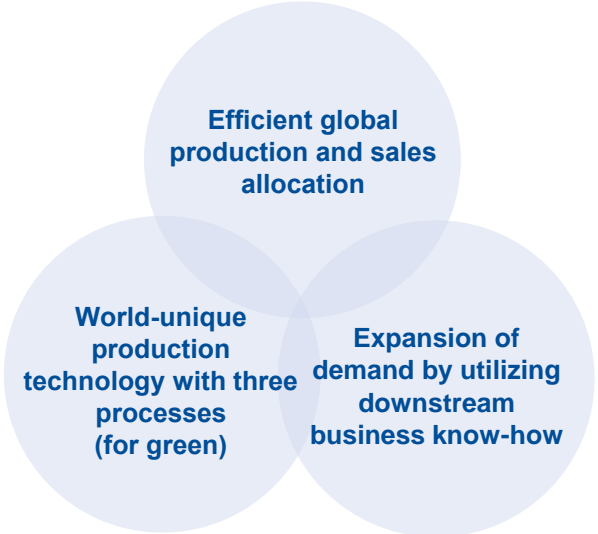
1. Improvement measures by divestment or withdrawal are separately implemented

## Maximize earnings by operating three global locations



Further improve competitiveness through process mix portfolio optimization leveraging our unique alpha technology with lowest PCF<sup>2</sup> to accelerate green transformation

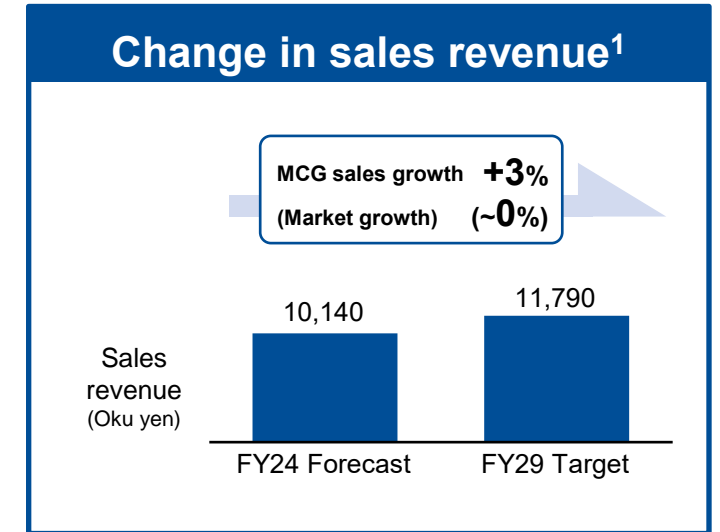
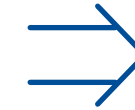
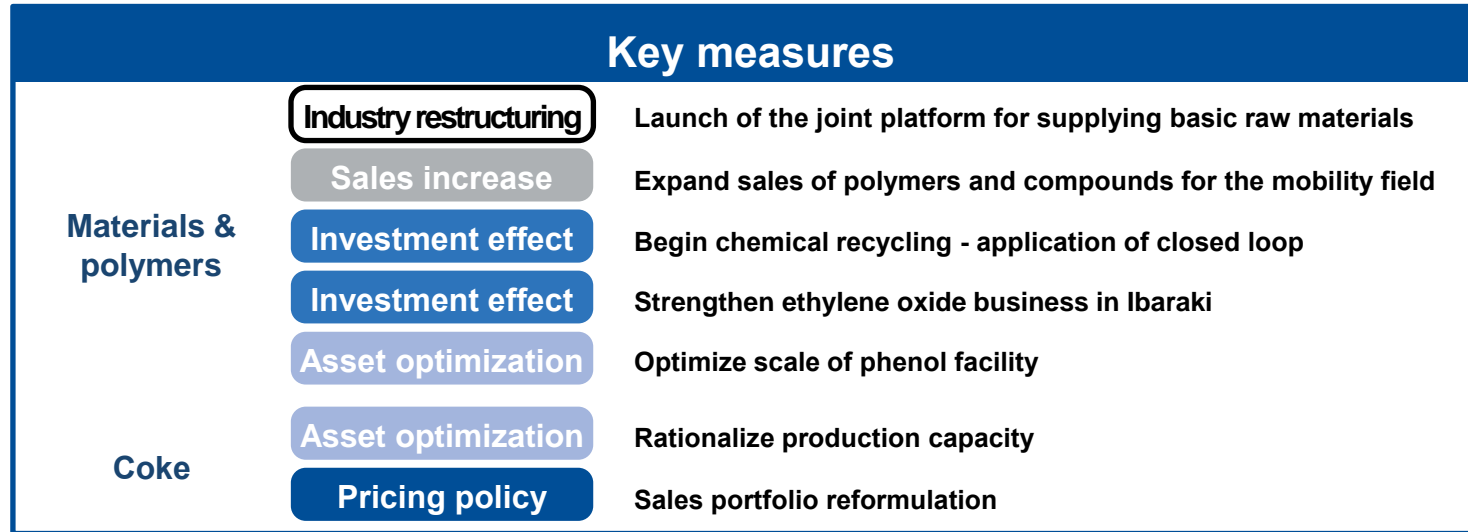
## Sources of competitive advantage



# Business strategies | Basic Materials & Polymers

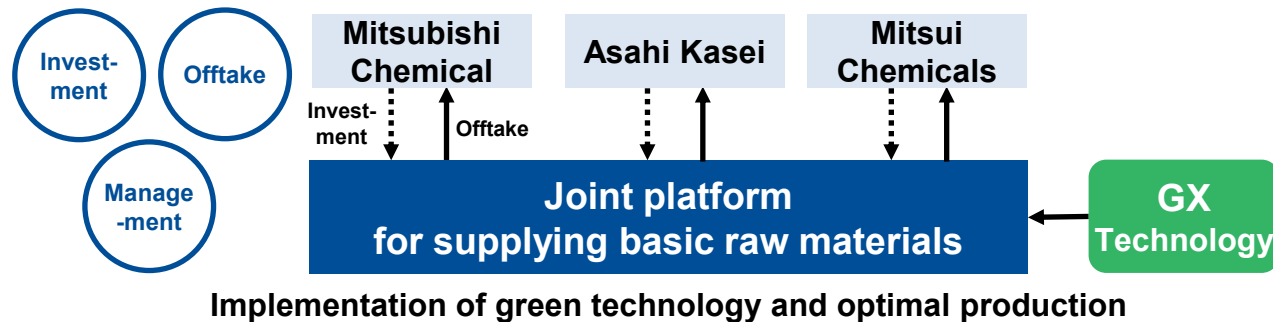
Launch the joint platform for supplying basic raw materials

Reduce excess capacity and expand high value-added businesses



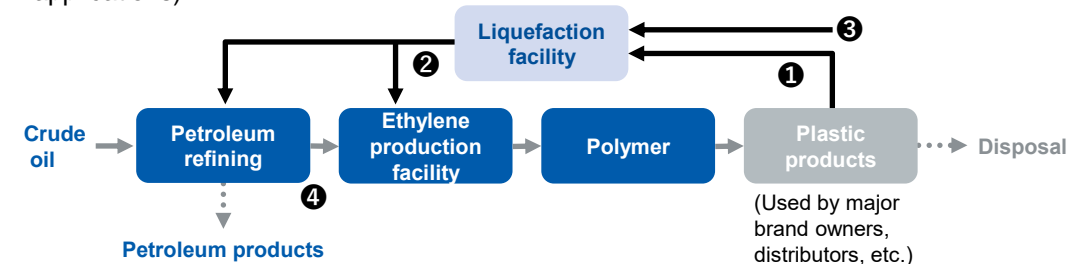
1. Improvement measures by divestment or withdrawal are separately implemented

## New olefin supply structure and GX promotion based on demand for derivatives



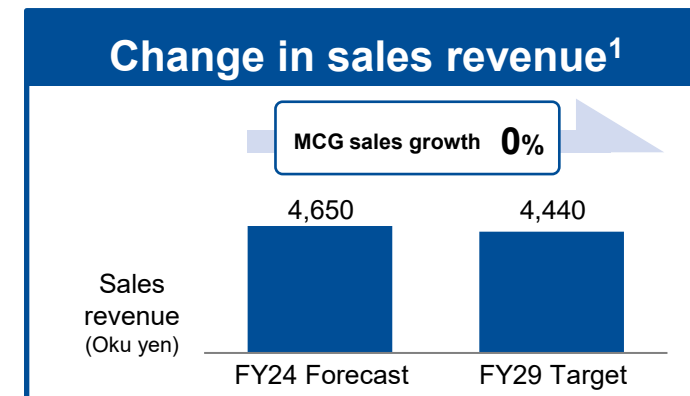
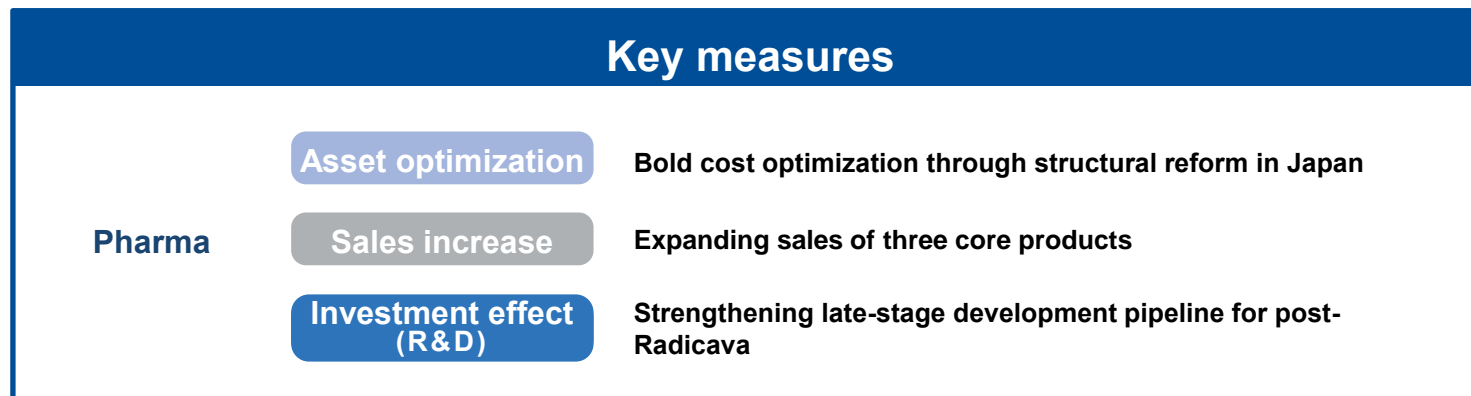
## Begin chemical recycling – application and expansion of closed loop

- ① Joint development of packaging design suitable for liquefaction (third party collaboration)
- ② Increase in size of liquefaction facility (cost reduction) and international expansion
- ③ Utilization of biomass as a feedstock (raw material diversification)
- ④ Manufacture of products other than chemicals such as bio-naphtha and SAF (expanding applications)



# Business strategies | Pharma

Enhance cash generation agility and strengthen pipeline



1. Improvement measures by divestment or withdrawal are separately implemented

## Cash Generation

### Maximize sales revenue and profit of core products

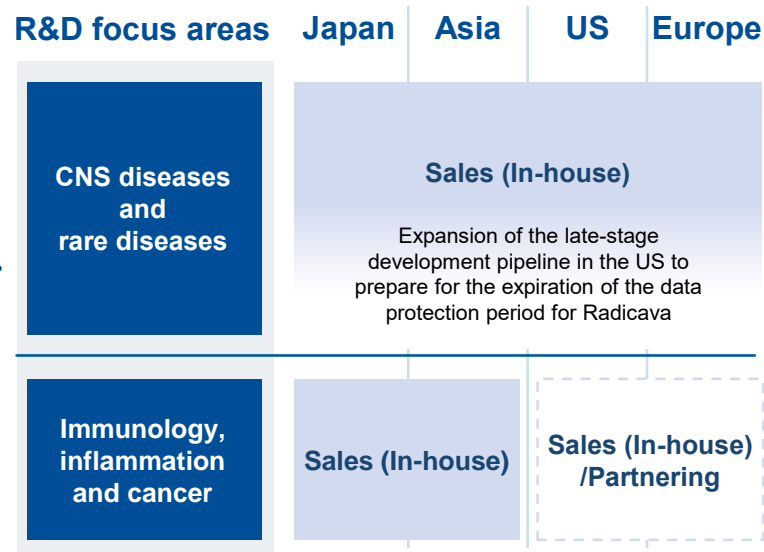
Overseas		Domestic
<b>Radicava</b>	<b>ND0612<sup>2</sup></b>	<b>Tirzepatide<sup>3</sup></b>
<ul style="list-style-type: none"> <li>Strengthen evidence generation and increase physician coverage</li> </ul>	<ul style="list-style-type: none"> <li>Launch promptly after approval in FY25</li> <li>Sales strategy to ensure high profitability</li> </ul>	<ul style="list-style-type: none"> <li>Increase in new prescriptions</li> <li>Expand indication for obesity</li> </ul>

### Decisive reform of cost structure in domestic business

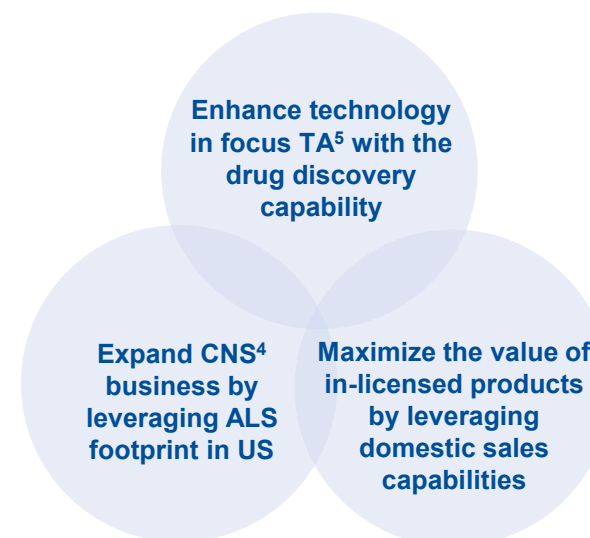
<b>Variable costs optimization</b>	<b>Distribution costs optimization</b>	<b>Infrastructure/organizational restructuring</b>
<ul style="list-style-type: none"> <li>Procurement costs</li> <li>R&amp;D expenses</li> </ul>	<ul style="list-style-type: none"> <li>Rebate and allowances</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary Retirement Program</li> <li>Spin off some businesses/ assets</li> </ul>



## Strengthen pipeline of next-generation core products



## Sources of competitive advantage



# Rationalization | Improvement of capital efficiency

Reduce fixed costs and working capital through standardization of operations and optimization of FTE

## Our challenges

### ▶ Business operations

- Inadequate system integration during PMI process resulting in complex patchwork

### ▶ FTE management

- Room for optimization through streamlining indirect functions and leaner operations

## 5 years actions and FY29 targets

### ▶ Actions

- Standardize operations through the unification of ERP systems  
(Investment amount:  
Approx. 350 Oku yen)
- Optimize administrative expenses to the level of global standards

### ▶ FY29 targets<sup>1</sup>

(compared to FY24)

#### Fixed cost reduction

Approx. **500** Oku yen/year

#### Working capital reduction

Approx. **500** Oku yen

1. Figures are managed and executed separately from the impact of business exits and divestitures during the same period

## Outline of New Medium-Term Management Plan

Business portfolio management

Business strategies / Rationalization

**Social value / Human capital / Shareholder value**

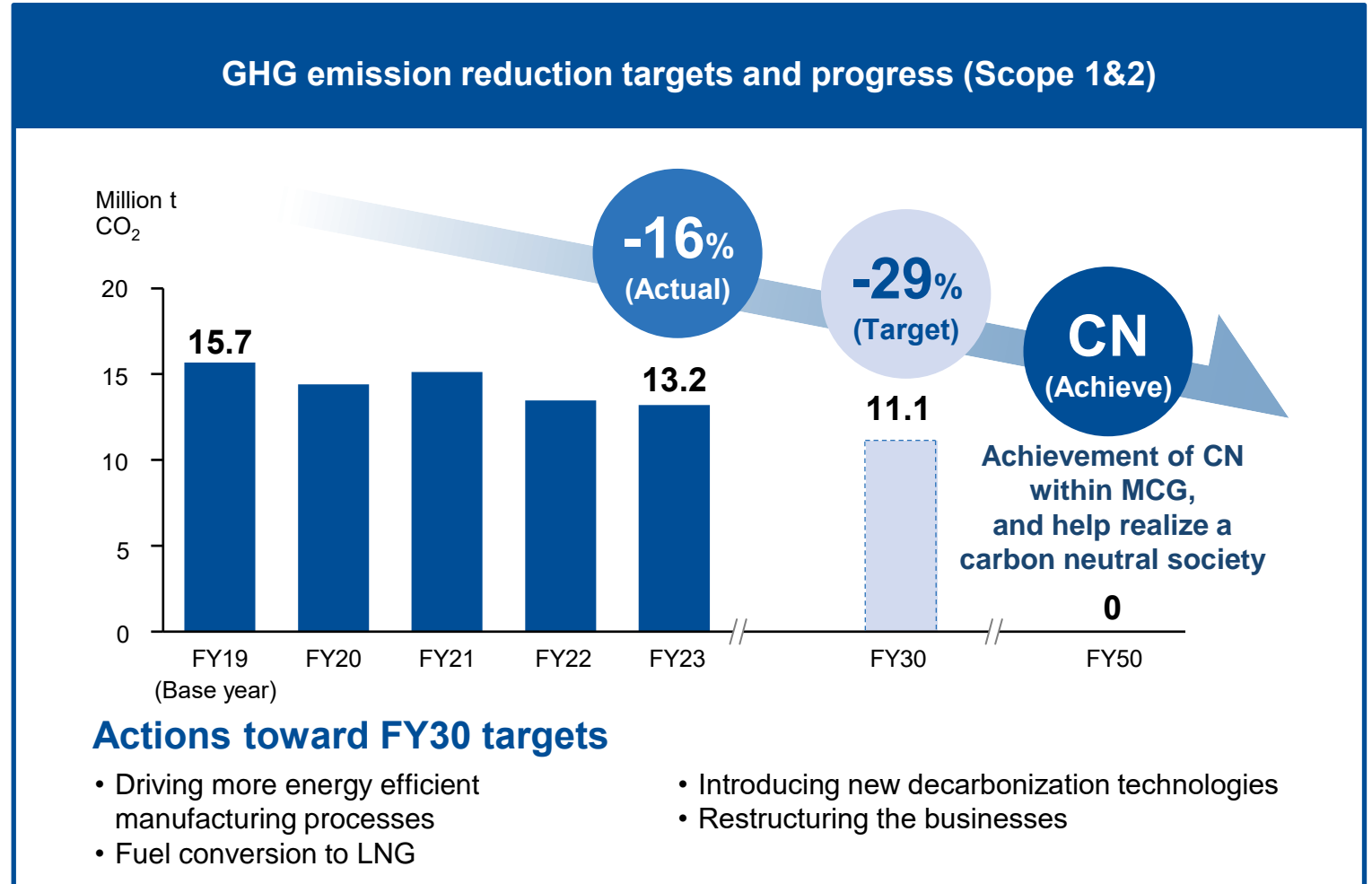
Management commitment

**New  
Medium-Term  
Management  
Plan 2029**

On the right track to achieve the target for 2030

### Sustainability targets to reduce environmental impact

- Reduction of GHG emissions (compared to FY19)** **FY30**  
**-29%**
- Reduction of waste (compared to FY23)** **FY29**  
MCC<sup>1</sup> domestic Amount of waste disposed  
**-50%**
- Water resources management COD<sup>2</sup> (compared to FY23)** **FY29**  
MCC<sup>1</sup> domestic  
**-310t**



1. Mitsubishi Chemical Corporation and its subsidiaries and affiliates

2. Chemical Oxygen Demand (COD) | An indicator of the level of water pollution caused by organic matter, etc. (The amount of oxidizing agent consumed when oxidizing agent reacts (oxidizes) with organic matter in water is expressed as a value corresponding to the concentration of oxygen).



Assigning the right person for the right roles unleashing the potential of our human capital



1. Percentage of favorable responses to set items in the employee awareness survey

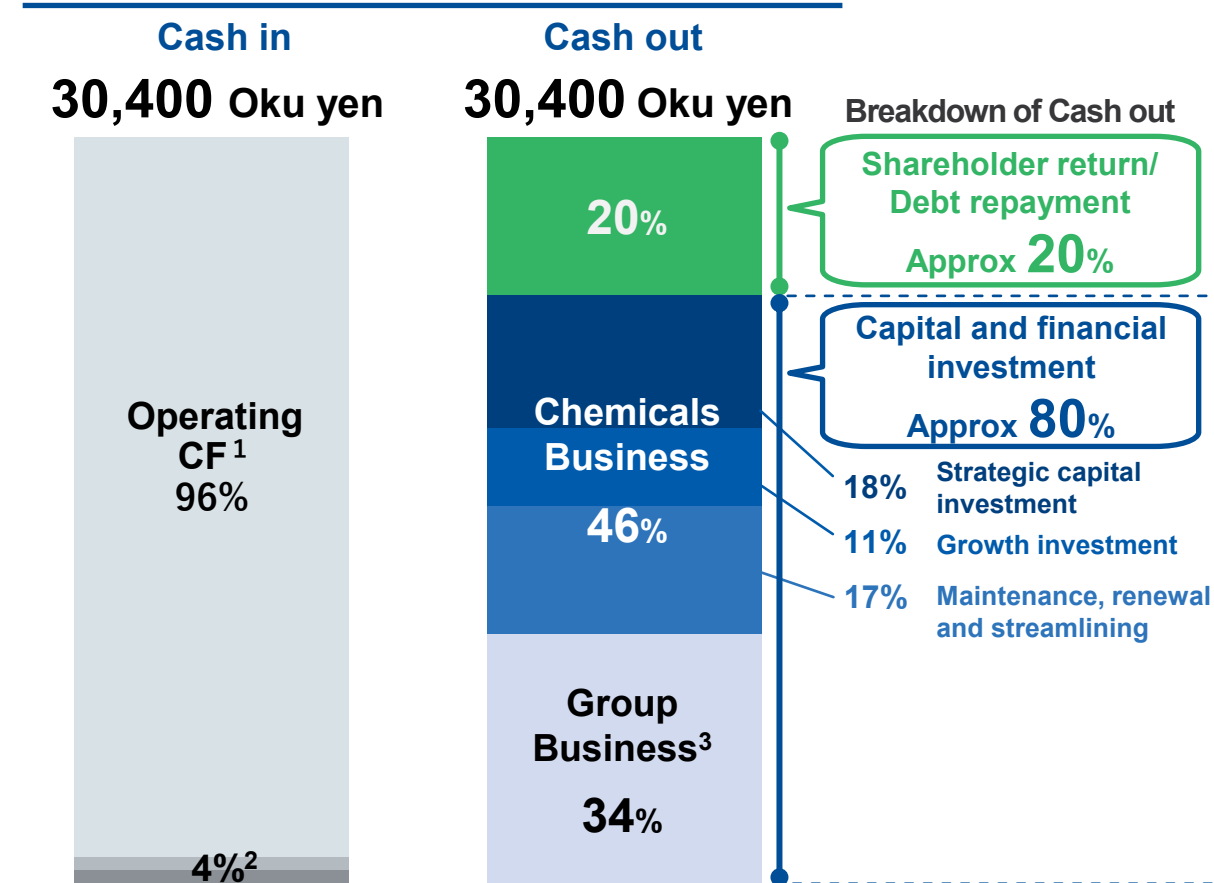
2. pp = percentage point

3. The percentage of executives plus top-tier employees who meet any of the following criteria: international (foreign nationality), female, and multi-career (mid-career recruitment).

# Shareholder value | Capital allocation policy

Delivering stable shareholder returns while strengthening financial resilience  
Promoting active investment in Chemicals Business

**FY25-29**



**Dividend payout ratio 35%** • Increase dividends in line with profit growth  
**D/E ratio 0.8 or less** • Maintain financial resilience

## ► Growth investment Focus on five business focus areas of KAITEKI Vision 35

Examples

- Stable supply platform for green chemicals → Expansion of collaboration with global players
- Eco-conscious mobility → High value-added carbon fiber chain
- Enable advanced data processing and telecommunications  
→ Strengthen global expansion of semiconductor precision cleaning
- Food quality preservation → Investment in SoarnoL™ (UK)
- Technology and equipment for new therapeutics  
→ Increase global capacity of engineering plastic products

## ► Strategic capital investment Invest in additional growth opportunities including M&A / actions to increase TSR

## ► R&D expenses 6,800 Oku yen

- Pharma: Strengthening the late-stage development pipeline for post-Radicava
- Chemicals: Expand new product lineup of five business focus areas of KAITEKI Vision 35

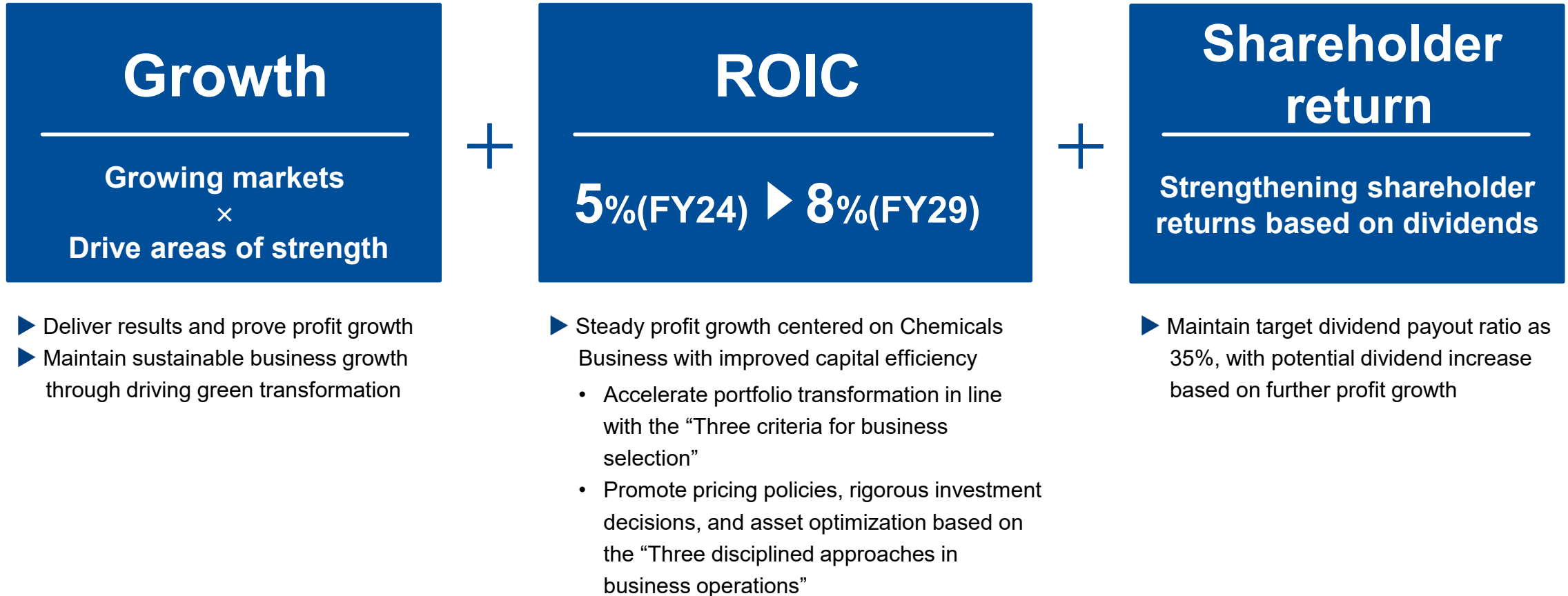
1. Operating CF = Pre-Tax Profit (After R&D Expense deduction) + Depreciation + Other Operating CF(Corporate Tax etc.)

2. Working Capital compression and Income from Business Sales (Divestiture)

3. With regard to Industrial Gases Business, Mitsubishi Chemical Group Corporation has made its own estimates based on "NS Vision 2026", which was formulated by Nippon Sanso Holdings Corporation in 2022, and incorporates the effects of continuous demand growth, price management, productivity improvements, etc.

# Shareholder value | Enhancement of shareholder value

Improve profitability through the “Three disciplined approaches in business operations” and deliver sustainable shareholder value



## Outline of New Medium-Term Management Plan

Business portfolio management

Business strategies / Rationalization

Social value / Human capital / Shareholder value

**Management commitment**

**New  
Medium-Term  
Management  
Plan 2029**

# Management commitment

- ▶ **Instill management policies and maximize the contribution of all employees**
- ▶ **Build the best management team based on experience, a proven track record, and the ability to execute, with mutual trust**
- ▶ **Demonstrate clear trajectory over the three-year period beginning April 2024**
- ▶ **Secure the trust of shareholders with results; link shareholder value with management team compensation**

**We lead with innovative solutions  
to achieve KAITEKI,  
the well-being of people and the planet.**



MITSUBISHI  
CHEMICAL  
GROUP



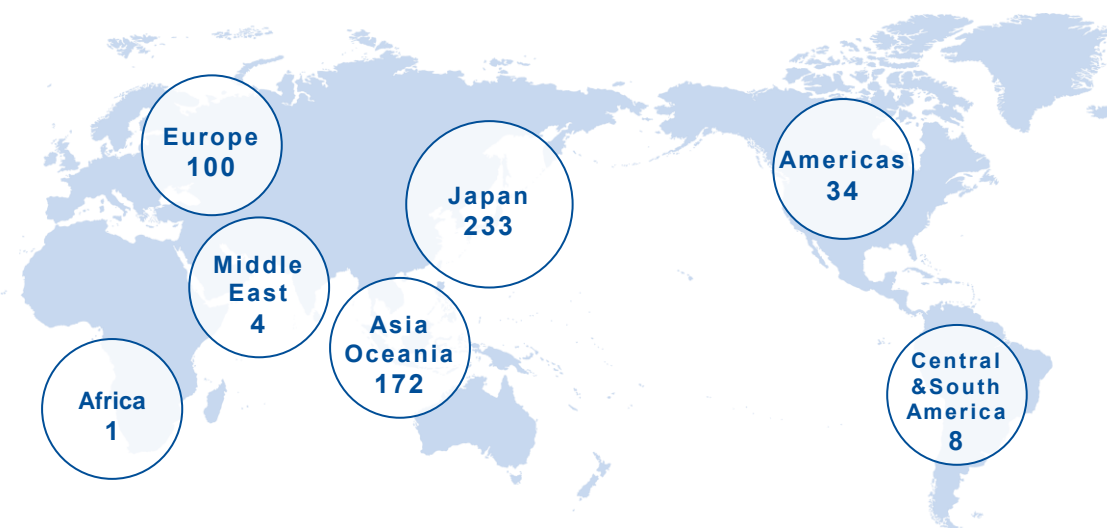
- **Profile of Mitsubishi Chemical Group**
- **5 focus areas and business segments / existing products**
- **New Medium-Term Management Plan 2029**
  - **Sales revenue and COI by business segment (FY24, FY29)**
  - **COI improvement plan in Specialty Materials**
  - **Accelerating global business growth**

# Profile of Mitsubishi Chemical Group

Company name	Mitsubishi Chemical Group Corporation
Representative	Representative Corporate Executive Officer, President & Chief Executive Officer, Manabu Chikumoto
Paid-in capital	50 billion yen
Number of employees	66,358 <sup>1</sup> (Consolidated)
Subsidiaries and affiliates	552 <sup>1</sup>
Fiscal year end	March 31

1. As of March 31, 2024

## Global network (number of subsidiaries and affiliates)

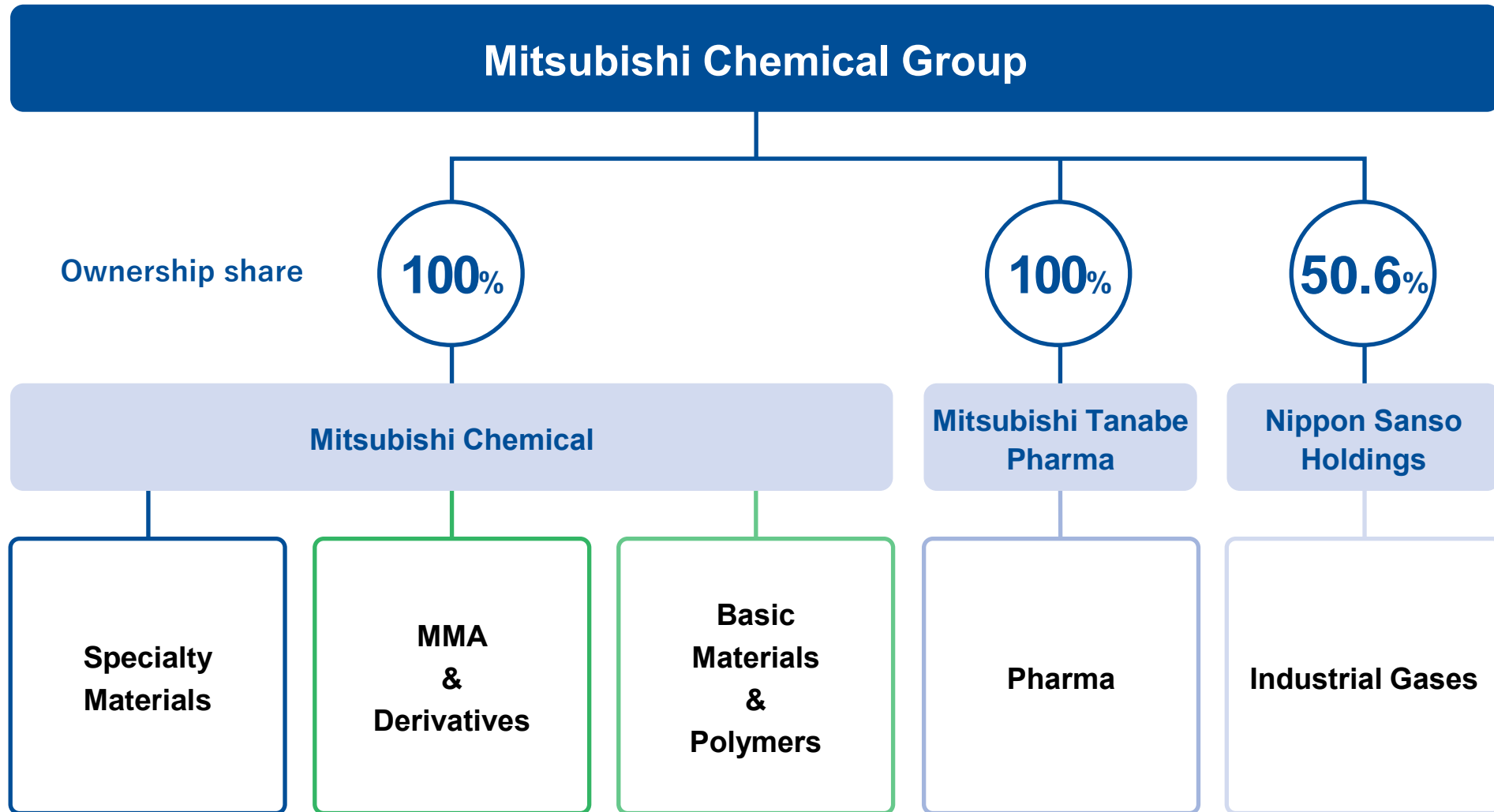


FY2023  
Sales revenue ratio  
by geography

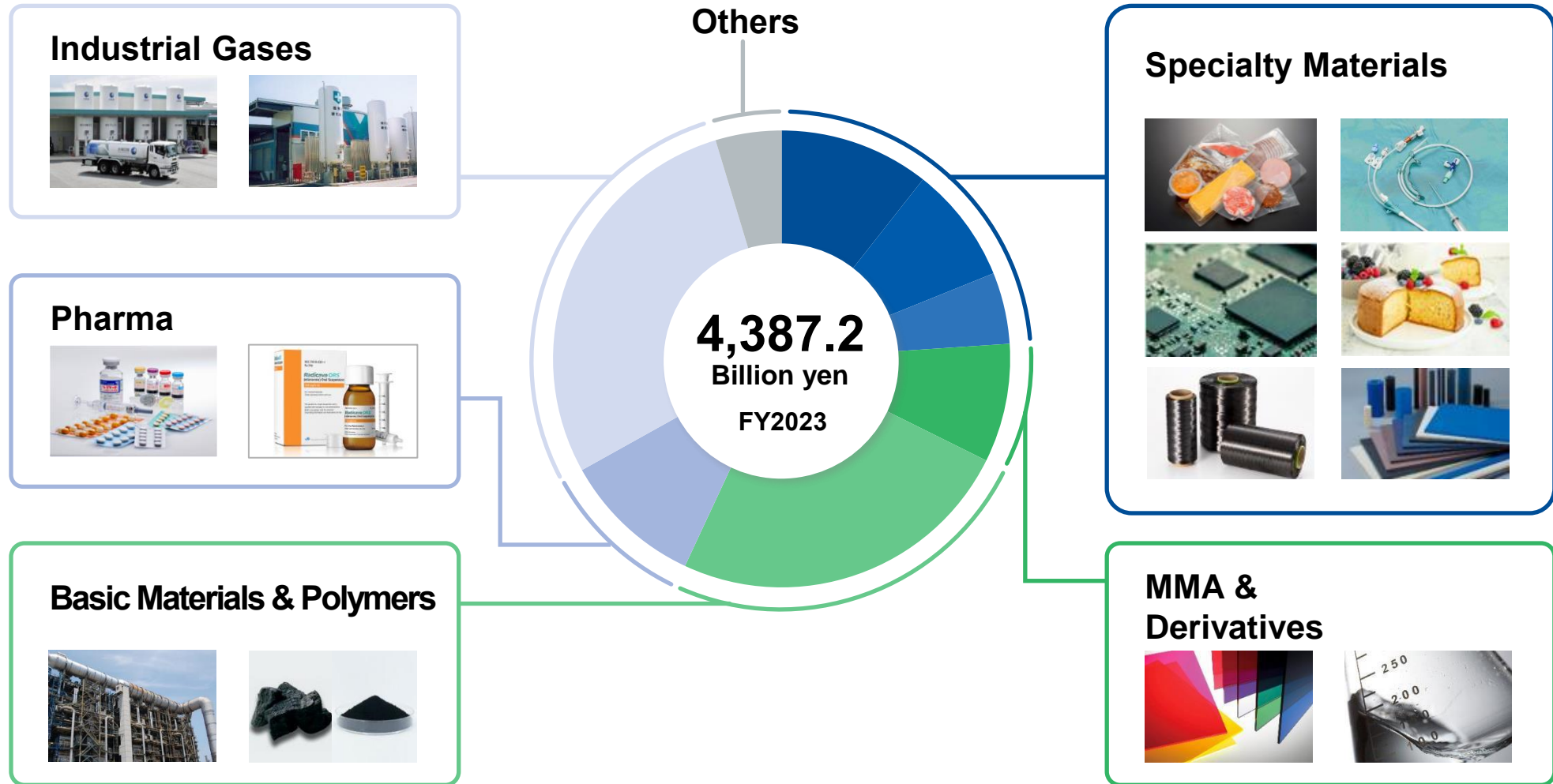
Domestic  
**50%**

Overseas  
**50%**

# Business management structure








# Sales revenue by business segments



- Advanced Films & Polymers
- Advanced Solutions
- Advanced Composite & Shapes
- MMA & Derivatives
- Basic Materials & Polymers
- Pharma
- Industrial Gases
- Others

# Five business focus areas and business segments / existing products

	 Stable supply platform for green chemicals	 Eco-conscious mobility	 Enable advanced data processing and telecommunications	 Food quality preservation	 Technology and equipment for new therapeutics
Advanced Films & Polymers		<ul style="list-style-type: none"> <li>• Performance Polymers</li> <li>• Polyester Films</li> </ul>	<ul style="list-style-type: none"> <li>• Polyester Films</li> </ul>	<ul style="list-style-type: none"> <li>• SoarnoL™</li> <li>• GOHSENOL™</li> <li>• Packaging</li> <li>• Polyester Films</li> </ul>	<ul style="list-style-type: none"> <li>• Performance Polymers</li> <li>• Medical Films</li> <li>• Polyester Films</li> </ul>
Advanced Solutions		<ul style="list-style-type: none"> <li>• Battery Materials</li> <li>• Electronics</li> </ul>	<ul style="list-style-type: none"> <li>• Semiconductor</li> <li>• Aqua Solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Life Solutions</li> <li>• Aqua Solutions</li> </ul>	
Advanced Composite & Shapes		<ul style="list-style-type: none"> <li>• Carbon Fibers / Composites</li> <li>• ESS</li> </ul>	<ul style="list-style-type: none"> <li>• ESS</li> </ul>		<ul style="list-style-type: none"> <li>• ESS</li> </ul>
MMA & Derivatives	<ul style="list-style-type: none"> <li>• MMA</li> </ul>	<ul style="list-style-type: none"> <li>• PMMA</li> <li>• Coating Material</li> <li>• Additives / fines</li> </ul>			<ul style="list-style-type: none"> <li>• PMMA</li> </ul>
Basic Materials & Polymers	<ul style="list-style-type: none"> <li>• Basic Chemicals</li> <li>• Polyolefin</li> <li>• Sustainable polymer</li> </ul>	<ul style="list-style-type: none"> <li>• Polyolefins</li> <li>• Engineering Plastics</li> </ul>		<ul style="list-style-type: none"> <li>• Polyolefins</li> </ul>	<ul style="list-style-type: none"> <li>• Polyolefins</li> </ul>

ESS: Engineering Shapes & Solutions

# New Medium-Term Management Plan 2029 |

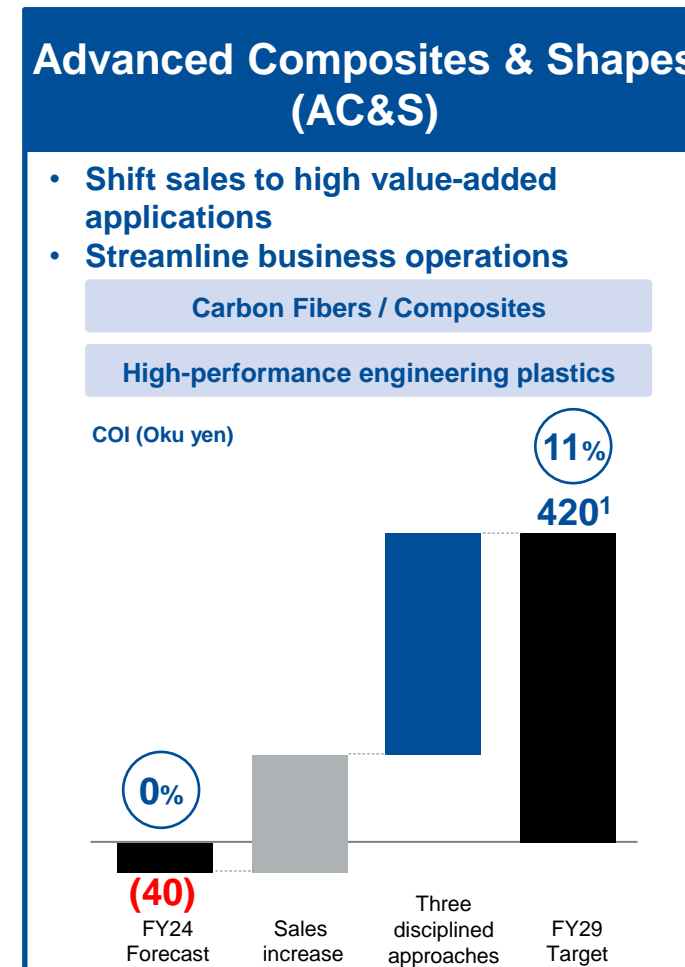
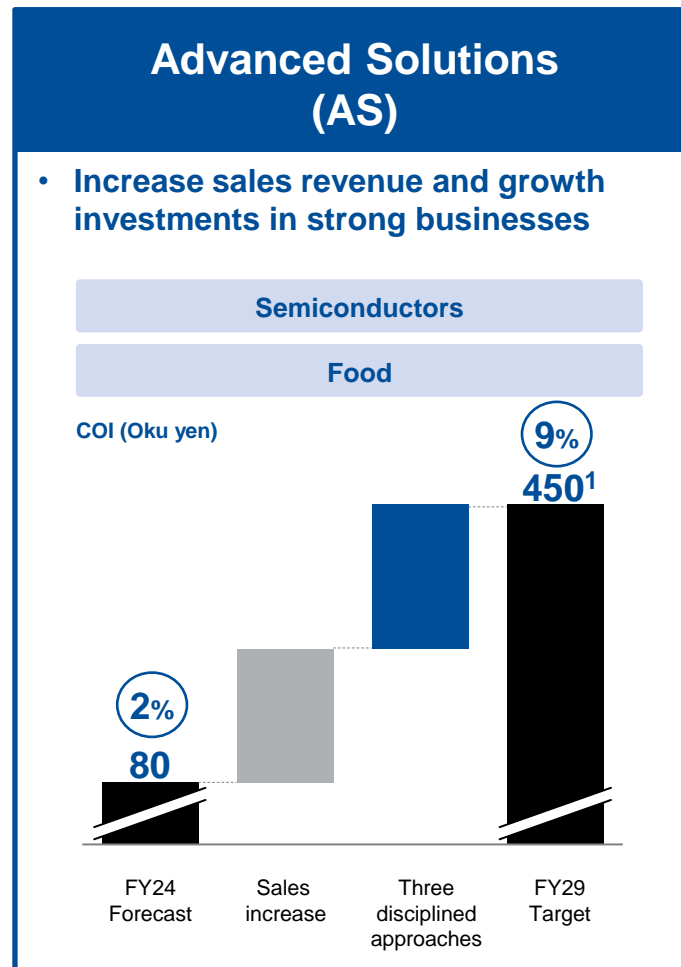
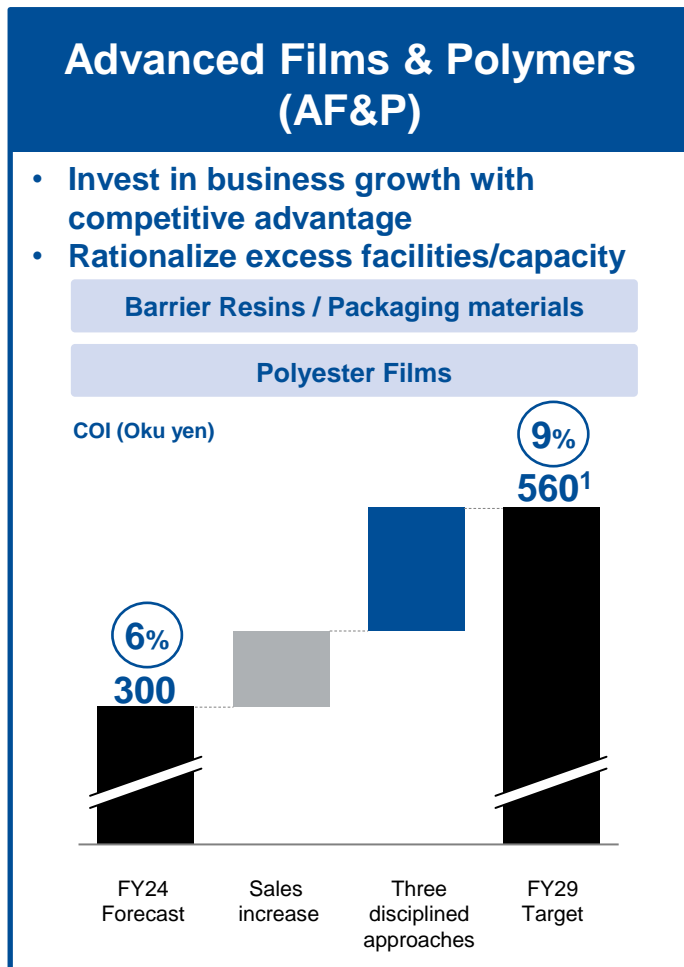
## Sales revenue and COI by business segment (FY24, FY29)



	FY2024 Forecast			FY2029 Target		
	Sales revenue (Oku yen)	COI (Oku yen)	COI	Sales revenue (Oku yen)	COI (Oku yen)	COI
<b>Whole company</b>	44,700	2,900	6%	49,500	5,700	12%
Specialty Materials	10,930	340	3%	14,080	1,440	10%
Advanced Films & Polymers	4,800	300	6%	5,340	560	10%
Advanced Solutions	3,520	80	2%	5,020	460	9%
Advanced Composites & Shapes	2,610	(40)	(2%)	3,720	420	11%
MMA & Derivatives	4,170	450	11%	4,380	540	12%
MMA	3,250	430	13%	3,280	450	14%
Coatings & Additives	920	20	2%	1,100	90	8%
Basic Materials & Polymers	10,140	(210)	(2%)	9,850	440	4%
Materials & Polymers	8,070	40	0%	8,440	410	5%
Coke	2,070	(250)	(12%)	1,410	40	3%
Pharma	4,650	610	13%	4,440	1,070	24%
Industrial Gases <sup>1</sup>	12,920	1,740	13%	14,600	2,240	15%
Other	1,890	(30)	(2%)	2,150	(30)	(2%)

1. With regard to Industrial Gases Business, Mitsubishi Chemical Group Corporation has made its own estimates based on "NS Vision 2026", which was formulated by Nippon Sanso Holdings Corporation in 2022, and incorporates the effects of continuous demand growth, price management, productivity improvements, etc.

# New Medium-Term Management Plan 2029 | COI improvement plan in Specialty Materials



1. Improvement measures by divestment or withdrawal are separately implemented

○ Core operating income margin



# New Medium-Term Management Plan 2029 | Accelerating global business growth

Expand business based on regional strategy to meet local customer needs

## Sales revenue growth outlook by region (FY24→FY29, excluding Industrial Gases segment)

