

Presentation by New CEO

May 15, 2024
Mitsubishi Chemical Group Corporation

KAITEKI

For the well-being of people and the planet



Accelerate reforms aimed at increasing corporate value by leveraging the solid management foundation developed under the Group's management policy "Forging the future"

- Formulate the new management vision "KAITEKI Vision 35"
- Clarify the Group's overall business portfolio policy
- Promote business growth strategies

Continue to promote structural reforms and rationalization and accelerate initiatives for growth investments and green transformation (GX)

Promote the restructuring of the petrochemicals business and the selection and concentration of the specialty materials business

“Transform” into a green specialty chemical company that leads innovations to realize KAITEKI

Operational Summary

for the Fiscal Year Ended March 31, 2024

May 15, 2024
Mitsubishi Chemical Group Corporation

Table of Contents

Consolidated Financial Statements for FY2023		References 1	
Summary	6	Topics for FY2023	26
Statements of Operations	7	Number of Subsidiaries and Affiliates [Historical Data]	29
Sales Revenue and Core Operating Income by Business Segment	8	Overseas Sales Revenue, and Core Operating Income [Historical Data]	30
Analysis of Core Operating Income	9	Statements of Operations [Quarterly Data]	31
Overview of Business Segments	10	New Business Segment Basis / Sales Revenue and Core Operating Income by Business Segment [Quarterly Data]	32
Special Items	15	Analysis of Core Operating Income	33
Cash Flows	16	Special Items [Quarterly Data]	36
Statements of Financial Positions	17	Capital Expenditure, Depreciation & Amortization, R&D Expenses, and Number of Employees by Business Segment	37
Sales Revenue and Core Operating Income by Business Segment [Quarterly Data]	18	Specialty Materials Growth Investment Plan	39
FY2024 Forecast		EBITDA Margin by Business Segment	40
Change of Reporting Segments	20	Trends in Indicators for Profitability and Stability	42
Statements of Operations	21	References 2	
Sales Revenue and Core Operating Income by Business Segment	22	Health Care Segment, Pharmaceuticals Businesses Status of Research and Development etc.	46
Analysis of Core Operating Income	23	References 3	
Dividend Forecast	24	Specialty Materials Core Markets Trends	54

List of Abbreviations

FY2024	April 1, 2024 – March 31, 2025
FY2023	April 1, 2023 – March 31, 2024
FY2022	April 1, 2022 – March 31, 2023

MCG	Mitsubishi Chemical Group Corporation
MCC	Mitsubishi Chemical Corporation
MTPC	Mitsubishi Tanabe Pharma Corporation
NSHD	Nippon Sanso Holdings Corporation

FY2023 Actual

- Sales volume declined significantly on a year-on-year basis in Specialty Materials and Basic Materials as demand in the semiconductor market and for broader industrial materials remained weak and the business environment continued to be severe throughout fiscal 2023. Looking at the Group on the whole, while sales revenue decreased 5% year on year, core operating income increased 4% year on year, excluding the impact of the arbitration related to Gilenya in the previous fiscal year*, reflecting the continued brisk performance of Industrial Gases and RADICAVA in North America in Health Care.
- Core operating income increased as a result of the relentless efforts to promote price management and cost reduction activities, which resulted in the year-on-year improvement in price gap and cost reduction amounting to ¥100.6 billion.
- FCF increased ¥111.5 billion year on year to ¥219.1 billion due to the sale of non-core businesses and steady progress in working capital reduction activities.

FY2024 Forecast

- While the business environment surrounding Specialty Materials and Basic Materials is expected to remain uncertain and full-fledged recovery will likely take longer, there have been signs of rebound in demand for some products. Demand is anticipated to pick up moderately toward the second half of fiscal 2024, despite some different levels of strength in demand among regions and products. Business performance of Industrial Gases and Health Care is projected to remain brisk. We will continue to promote self-help efforts such as business structure reform, price management, and cost reduction.
- Core operating income in fiscal 2024 is forecast at ¥250.0 billion, a rise of 20% compared to fiscal 2023. Net income attributable to owners of the parent is expected to be ¥52.0 billion, down 57% compared to fiscal 2023 when a significant amount of special items profit related to business divestiture was recorded.

* The impact of collectively recognizing revenue in 4Q FY2022 following an arbitration award relating to royalties for Gilenya, a treatment agent for multiple sclerosis in the Health Care segment.
(¥125.9 billion)

Consolidated Statements of Operations

Exchange Rate (¥/\$)	136.0	145.3	9.3	7%
Naphtha Price (¥/kl)	76,600	69,100	(7,500)	(10%)
			(Billions of Yen)	
	FY2022	FY2023	Difference	%
Sales Revenue	4,634.5	4,387.2	(247.3)	(5%)
Core Operating Income *1	325.6	208.1	(117.5)	(36%)
Special Items	(142.9)	53.7	196.6	
Operating Income	182.7	261.8	79.1	43%
Income before Taxes	168.0	240.5	72.5	43%
Net Income	135.5	178.4	42.9	
Net Income Attributable to Owners of the Parent	96.4	119.6	23.2	24%
Net Income Attributable to Non-Controlling Interests	39.1	58.8	19.7	
*1 Share of profit of associates and joint ventures included	11.9	7.6	(4.3)	

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.).

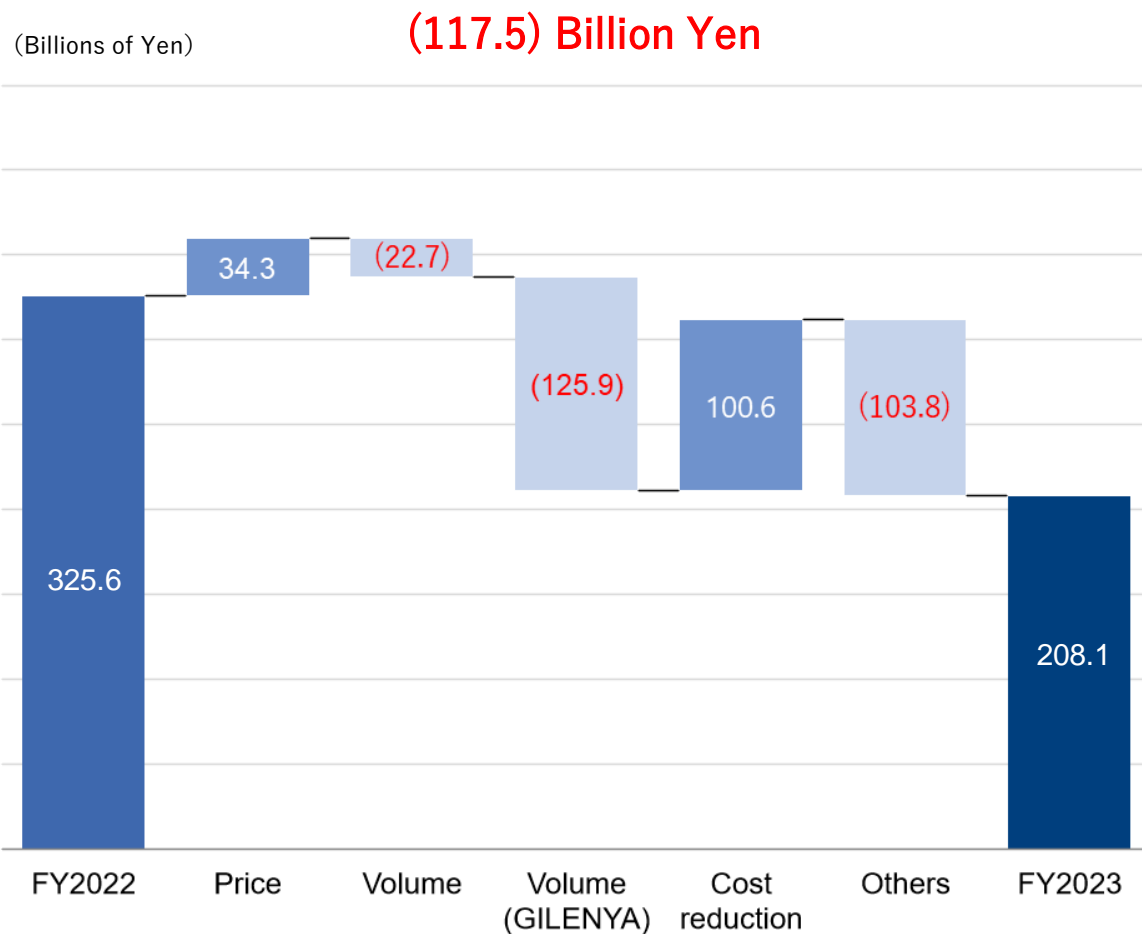
Sales Revenue and Core Operating Income by Business Segment

(Billions of Yen)

	FY2022		FY2023		Difference			
	Sales Revenue	Core Operating Income	Sales Revenue	Core Operating Income	Sales Revenue	%	Core Operating Income	%
Total Consolidated	4,634.5	325.6	4,387.2	208.1	(247.3)	(5%)	(117.5)	(36%)
Specialty Materials	1,233.7	51.5	1,172.9	5.3	(60.8)	(5%)	(46.2)	(90%)
Polymers & Compounds	338.7	26.2	318.8	17.5	(19.9)		(8.7)	
Films & Molding Materials	517.7	18.0	491.3	(13.0)	(26.4)		(31.0)	
Advanced Solutions	377.3	7.3	362.8	0.8	(14.5)		(6.5)	
Industrial Gases	1,177.9	121.0	1,246.9	163.0	69.0	6%	42.0	35%
Health Care	535.4	144.2	437.2	56.3	(98.2)	(18%)	(87.9)	(61%)
MMA	305.2	(4.0)	281.6	0.8	(23.6)	(8%)	4.8	-
Basic Materials	1,121.8	12.1	1,008.6	(19.3)	(113.2)	(10%)	(31.4)	-
Petrochemicals	753.7	2.5	704.9	0.0	(48.8)		(2.5)	
Carbon Products	368.1	9.6	303.7	(19.3)	(64.4)		(28.9)	
Others	260.5	0.8	240.0	2.0	(20.5)	(8%)	1.2	150%

[Inventory valuation gain/loss]	FY2022	FY2023	Difference
Polymers & Compounds	1.4	0.3	(1.1)
Petrochemicals	19.0	3.7	(15.3)
Carbon Products	(0.9)	2.5	3.4
Total	19.5	6.5	(13.0)

Analysis of Core Operating Income



	FY2022	FY2023	Difference	(Billions of Yen)			
				Price	Volume	Cost reduction	Others * ₁
Total Consolidated	325.6	208.1	(117.5)	34.3	(148.6)	100.6	(103.8)
Specialty Materials	51.5	5.3	(46.2)	24.3	(57.4)	16.0	(29.1)
Industrial Gases	121.0	163.0	42.0	24.9	(4.0)	30.8	(9.7)
Health Care	144.2	56.3	(87.9)	(1.3)	(87.6)	33.6	(32.6)
MMA	(4.0)	0.8	4.8	(5.2)	6.1	6.8	(2.9)
Basic Materials	12.1	(19.3)	(31.4)	(8.2)	(6.2)	3.9	(20.9)
Others	0.8	2.0	1.2	(0.2)	0.5	9.5	(8.6)

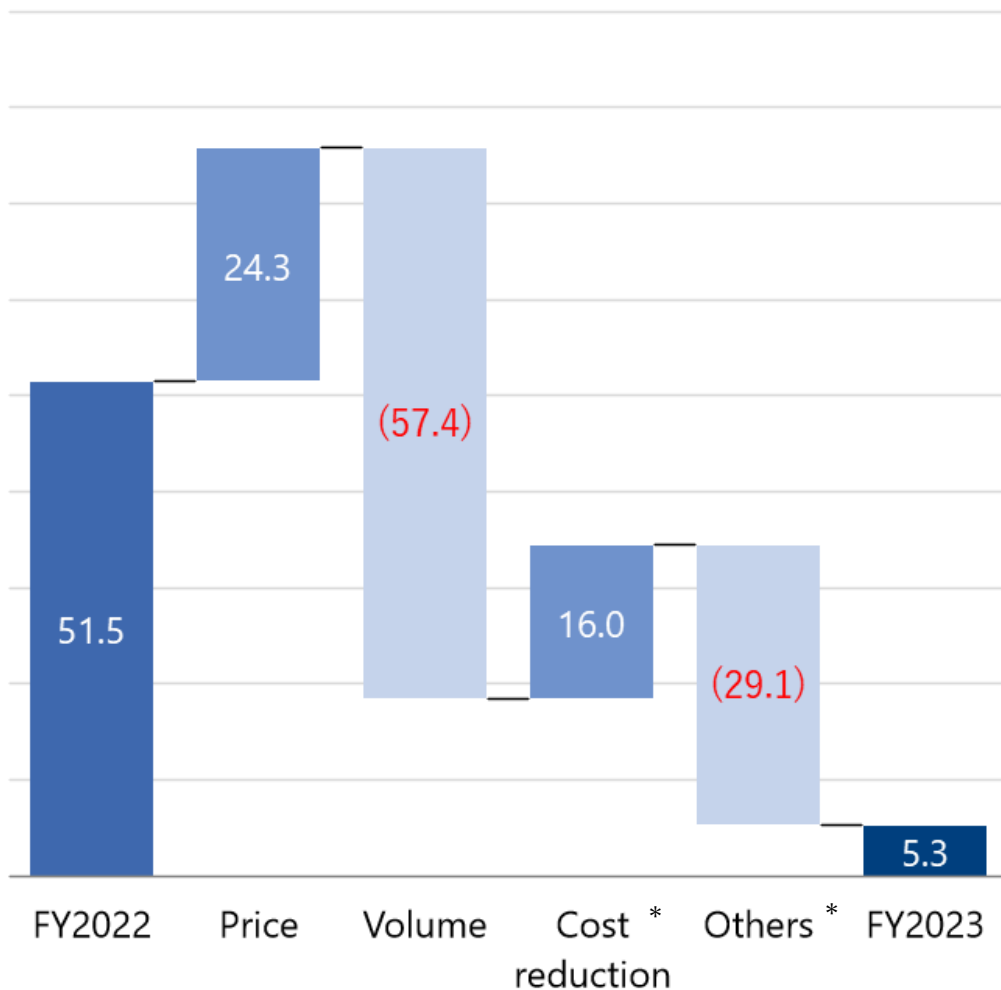
* Items included are impacts from differences of inventory valuation gain/loss (13.0) billion yen and differences of share of profit of associates and joint ventures (4.3) billion yen, etc.

Changes in exchange rates	13.2	17.3	0.0	-	(4.1)
Changes in foreign currency translation included in above		12.6			

Analysis of Core Operating Income Specialty Materials Segment

(Billions of Yen)

(46.2) Billion Yen



Polymers & Compounds (8.7)

Price

(+) Improvement in price gap for various products as retaining and improving selling price

Volume (-)

(+) Expansion of new adoption and increase in sales of bio-polycarbonate for use mainly in automobiles

(-) Sales declined due to retreating demand globally for barrier packaging and coatings / ink / adhesives

Films & Molding Materials (31.0)

Price

(+) Improvement in price gap for various products as retaining and improving selling price

Volume

(-) Drop in sales of carbon fibers, high performance engineering plastic and polyester films for general applications in tandem with a decline in global demand

Advanced Solutions (6.5)

Price

(+) Improvement in price gap for various products as retaining and improving selling price

Volume

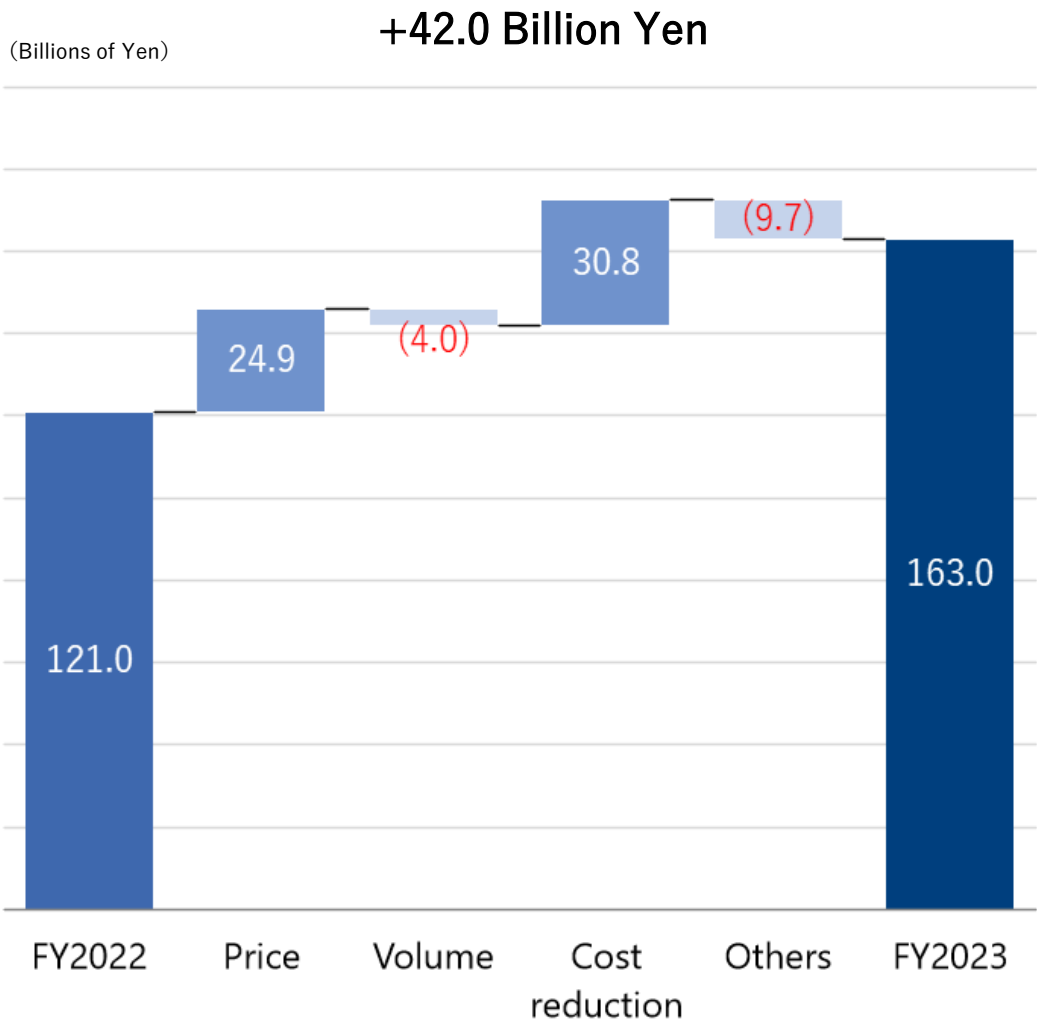
(-) Sluggish overall demand and decline in sales of high performance chemicals and precision cleaning amid the ongoing adjustment phase in the semiconductor market, despite brisk sales related to advanced processing

(※)Cost reduction, Others

(+) Business structure reform, optimization of procurement, productivity enhancement, etc.

(-) Increase in fixed costs in tandem with the ramp up of operations of a new manufacturing line and decline of profit of associates and joint ventures, etc.

Analysis of Core Operating Income Industrial Gases Segment



Industrial Gases + 42.0

Price

(+) Price improvement owing to price management in each region

Cost reduction

(+) Productivity improvement activities, include the use of DX and optimization of plant operations

Others

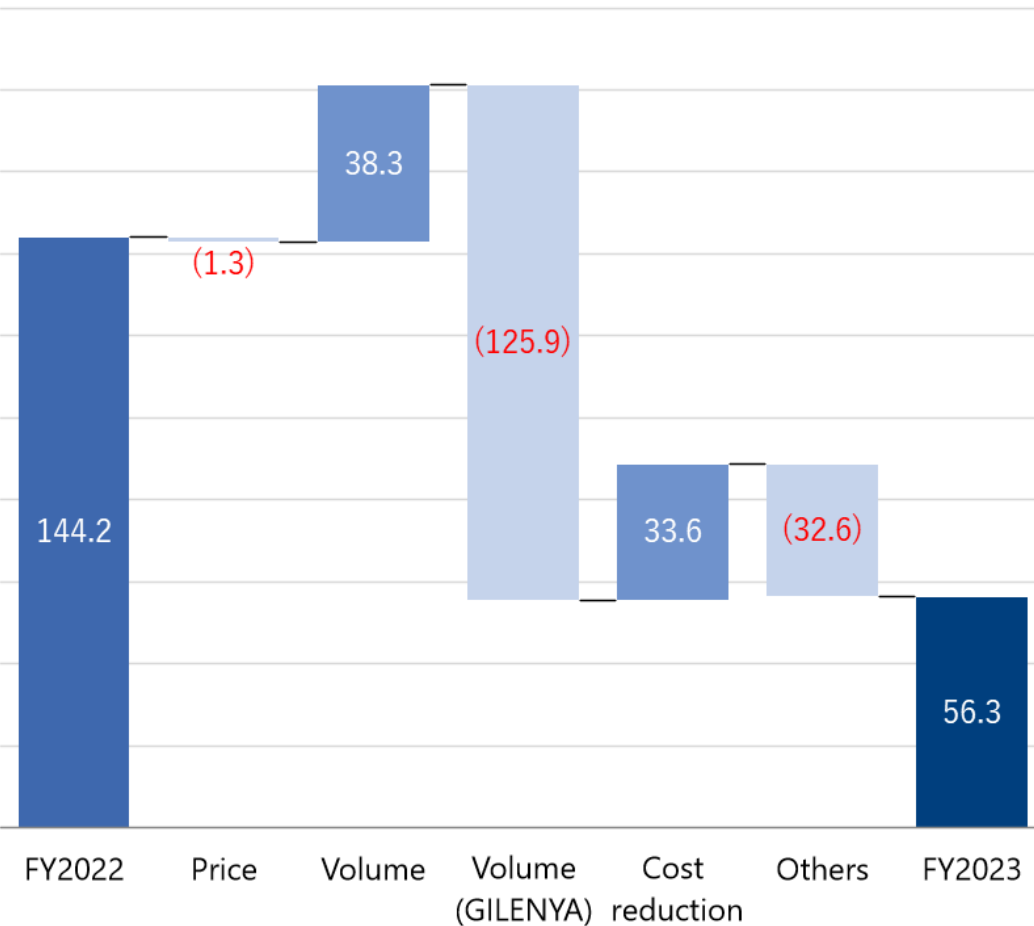
(-) Increase in expenses due to inflation

Analysis of Core Operating Income

Health Care Segment

(87.9) Billion Yen

(Billions of Yen)



Health Care (87.9)

Price

- (-) National Health Insurance drug price revision for domestic ethical pharmaceuticals, etc.

Volume

- (+) In North America, sales grew for RADICAVA ORS®, a therapy to treat ALS
- (+) Brisk sales of priority and new products related to domestic ethical pharmaceuticals

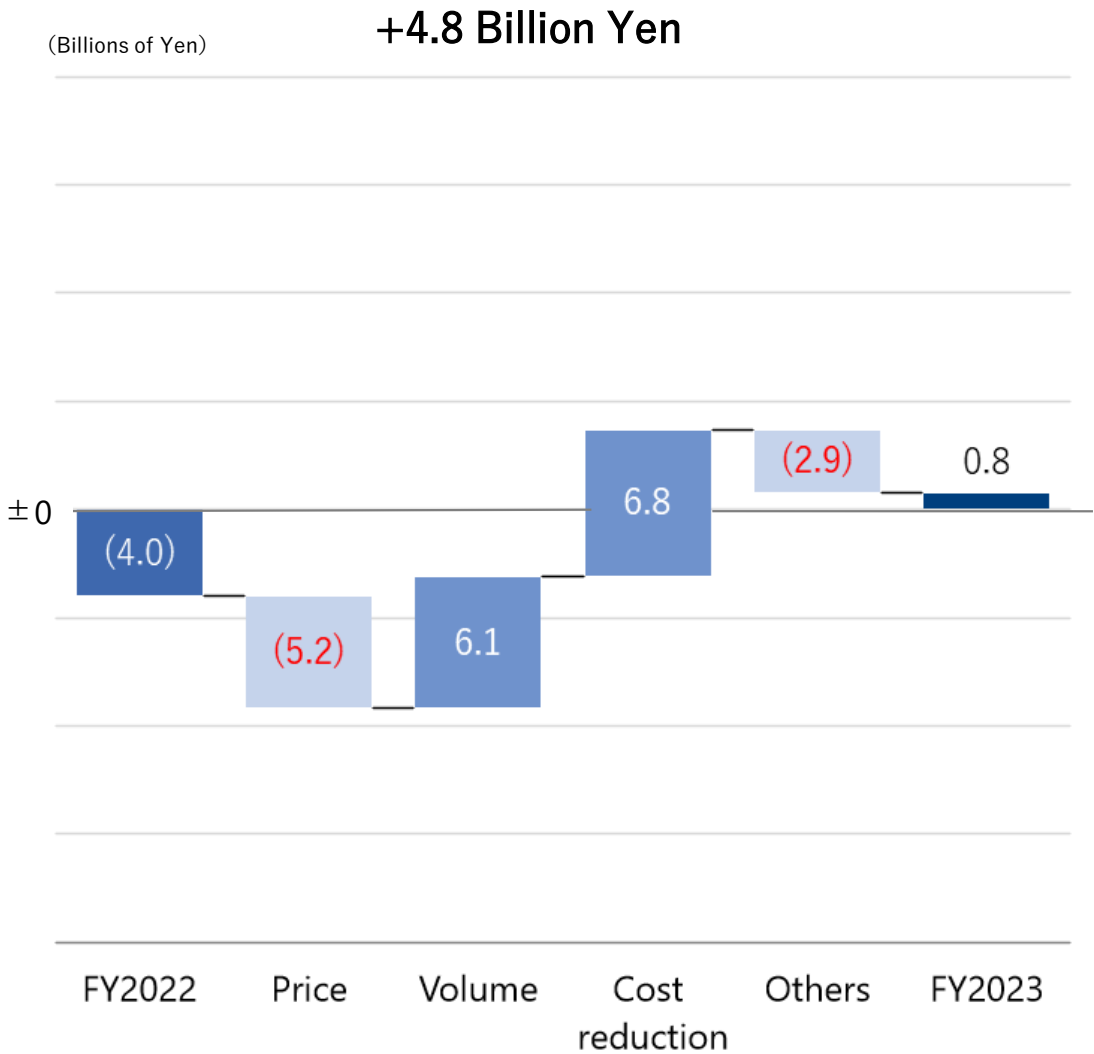
Cost reduction

- (+) Reduced R&D costs reflecting Medicago's exit from its business operations, and progress made in cost structure reforms

Others

- (-) Rise in SG&A expense in tandem with a new drug launch and a decline in profit in tandem with the end of product sales, impact of gain on transfer of intangible assets in FY2022, etc.

Analysis of Core Operating Income MMA Segment



MMA +4.8

Price

(－) Deterioration in price due to a decline in market price for MMA monomer and other products

Volume

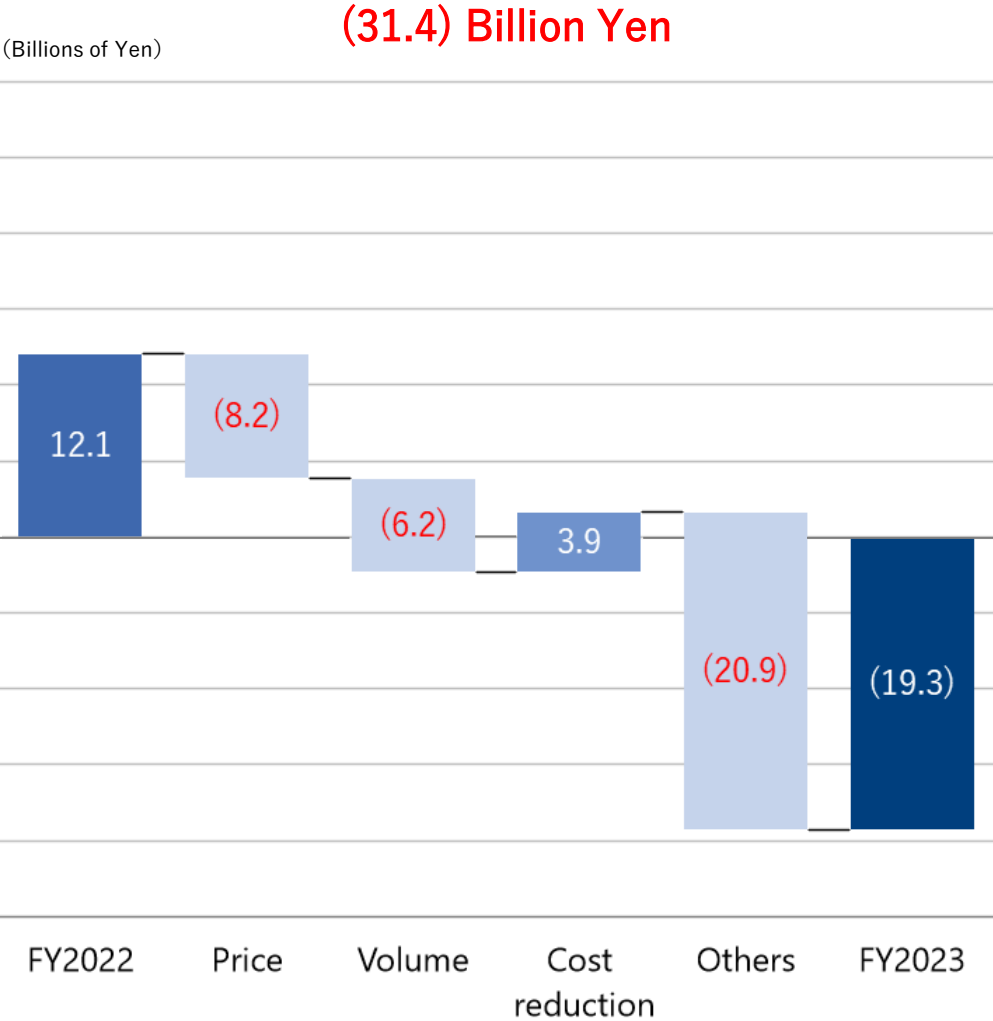
(＋) Curbed the scale of scheduled maintenance and repairs

Cost
reduction

(＋) Cost reduction in tandem with the closure of the UK Cassel site

Analysis of Core Operating Income

Basic Materials Segment



Petrochemicals (2.5)

Price	(+) Discrepancy in the timing for revision to polyolefin prices
Volume (−)	(+) Curbed the scale of scheduled maintenance and repairs (−) Drop in production and sales of products in tandem with a decrease in demand and one-off problems
Others	(−) Contraction in inventory valuation in tandem with a decline in raw material costs

Carbon Products (28.9)

Price	(−) Deterioration in price due to decline in cokes market price etc. in tandem with a retreat in demand for cokes
Volume	(−) Drop in sales of various products in tandem with a decrease in demand

Consolidated Special Items

(Billions of Yen)

	FY2022	FY2023	Difference
Total Special Items	(142.9)	53.7	196.6
Gain on sales of shares of subsidiaries and associates	3.3	36.5	33.2
Gain on step acquisitions	-	27.0	27.0
Reversal of provision for loss on plant closure	-	12.0	12.0
Gain on reversal of asset retirement obligations	-	4.7	4.7
Gain on forgiveness of debts	-	3.8	3.8
Impairment loss	(93.4)	(23.8)	69.6
Loss on sale and disposal of fixed assets	(3.9)	(9.7)	(5.8)
Loss on business liquidation	(3.3)	(4.8)	(1.5)
Special retirement expenses	(10.6)	(2.0)	8.6
Provision for loss on business liquidation	(5.7)	(1.8)	3.9
Loss on arbitration award	(3.5)	(1.1)	2.4
Provision for loss on plant closure	(26.7)	(0.1)	26.6
Others	0.9	13.0	12.1

Consolidated Cash Flows

	FY2022	FY2023
Net cash provided by (used in) operating activities	355.2	465.1
Income before taxes	168.0	240.5
Depreciation and amortization	269.6	275.4
Change in operating receivables/payables	5.8	(16.8)
Change in Inventories	(45.2)	30.3
Others	(43.0)	(64.3)
Net cash provided by (used in) investment activities	(247.6)	(246.1)
Capital expenditure	(281.0)	(274.5)
Sale of assets	42.6	72.3
Investment and loans receivable, etc.	(9.2)	(43.9)
Free cash flow	107.6	219.1

	FY2022	FY2023
Net cash provided by (used in) financing activities	(60.8)	(241.7)
Interest bearing debts	3.1	(166.6)
Dividends, etc.	(63.9)	(75.1)
Net increase (decrease) in cash and cash equivalents	46.8	(22.7)
Effect of exchange rate changes and changes in scope of consolidation	4.6	20.4
Total	51.4	(2.3)

(Billions of Yen)

Consolidated Statements of Financial Positions

	(Billions of Yen)		
	Mar.31.2023	Mar.31.2024	Difference
Cash & cash equivalents	297.2	294.9	(2.3)
Trade receivables	808.8	852.4	43.6
Inventories	797.9	799.2	1.3
Others	245.7	245.1	(0.6)
Current assets	2,149.6	2,191.6	42.0
Fixed assets	2,367.1	2,524.4	157.3
Goodwill	727.7	832.9	105.2
Investments & Other	529.9	555.6	25.7
Non-current assets	3,624.7	3,912.9	288.2
Total assets	5,774.3	6,104.5	330.2

	(Billions of Yen)		
	Mar.31.2023	Mar.31.2024	Difference
Interest-bearing debt	2,375.8	2,338.2	(37.6)
Trade payables	476.3	501.5	25.2
Others	933.8	989.3	55.5
Liabilities	3,785.9	3,829.0	43.1
Share capitals, Retained earnings, etc.,	1,426.2	1,502.9	76.7
Other components of equity	138.4	260.6	122.2
Equity attributable to owners of the parent	1,564.6	1,763.5	198.9
Non-controlling interests	423.8	512.0	88.2
Equity	1,988.4	2,275.5	287.1
Total liabilities & equity	5,774.3	6,104.5	330.2
Net Interest-bearing debt *1	2,078.6	2,043.3	(35.3)
Net D/E ratio	1.33	1.16	(0.17)
ROE *2	6.4%	7.2%	0.8%

*1 Net interest-bearing debt (End of Mar.31, 2024)

= interest-bearing debt (2,338.2billion yen)

- {cash and cash equivalents (294.9 billion yen) + investments of surplus funds-}

Note : Interest-bearing debt includes lease obligations.

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

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

(Billions of Yen)

		FY2022					FY2023				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Total Consolidated	Sales Revenue	1,106.5	1,163.3	1,136.4	1,228.3	4,634.5	1,061.2	1,088.7	1,095.2	1,142.1	4,387.2
	Core Operating Income	72.1	50.5	55.3	147.7	325.6	50.8	68.8	64.3	24.2	208.1
Specialty Materials	Sales Revenue	316.7	310.4	305.6	301.0	1,233.7	290.9	291.8	290.7	299.5	1,172.9
	Core Operating Income	22.3	21.3	11.6	(3.7)	51.5	9.2	7.9	0.2	(12.0)	5.3
Polymers & Compounds	Sales Revenue	87.3	83.3	84.0	84.1	338.7	79.4	81.2	79.8	78.4	318.8
	Core Operating Income	7.2	9.2	5.4	4.4	26.2	7.1	5.8	3.4	1.2	17.5
Films & Molding Materials	Sales Revenue	136.1	131.0	128.5	122.1	517.7	124.2	121.6	117.7	127.8	491.3
	Core Operating Income	11.1	7.4	3.7	(4.2)	18.0	1.6	(0.6)	(3.8)	(10.2)	(13.0)
Advanced Solutions	Sales Revenue	93.3	96.1	93.1	94.8	377.3	87.3	89.0	93.2	93.3	362.8
	Core Operating Income	4.0	4.7	2.5	(3.9)	7.3	0.5	2.7	0.6	(3.0)	0.8
Industrial Gases	Sales Revenue	273.9	295.4	297.1	311.5	1,177.9	306.8	301.4	314.2	324.5	1,246.9
	Core Operating Income	29.5	24.8	30.0	36.7	121.0	39.8	40.5	42.2	40.5	163.0
Health Care	Sales Revenue	98.2	104.9	116.8	215.5	535.4	101.9	117.4	118.6	99.3	437.2
	Core Operating Income	4.0	0.5	15.5	124.2	144.2	10.0	22.4	23.0	0.9	56.3
MMA	Sales Revenue	87.8	79.0	69.3	69.1	305.2	69.0	69.4	68.7	74.5	281.6
	Core Operating Income	2.8	2.0	(4.6)	(4.2)	(4.0)	(0.9)	2.6	(2.0)	1.1	0.8
Basic Materials	Sales Revenue	269.1	307.0	286.2	259.5	1,121.8	242.7	248.6	257.5	259.8	1,008.6
	Core Operating Income	15.2	2.2	0.3	(5.6)	12.1	(8.0)	(4.6)	2.2	(8.9)	(19.3)
Petrochemicals	Sales Revenue	177.5	203.0	196.1	177.1	753.7	157.5	177.2	186.1	184.1	704.9
	Core Operating Income	5.8	3.3	(1.0)	(5.6)	2.5	(4.4)	1.9	4.5	(2.0)	0.0
Carbon Products	Sales Revenue	91.6	104.0	90.1	82.4	368.1	85.2	71.4	71.4	75.7	303.7
	Core Operating Income	9.4	(1.1)	1.3	0.0	9.6	(3.6)	(6.5)	(2.3)	(6.9)	(19.3)
Others	Sales Revenue	60.8	66.6	61.4	71.7	260.5	49.9	60.1	45.5	84.5	240.0
	Core Operating Income	(1.7)	(0.3)	2.5	0.3	0.8	0.7	0.0	(1.3)	2.6	2.0

* From Q1 FY2023, the current financial reporting segments has been reclassified into Specialty Materials, Industrial Gases, Health Care, MMA, Basic Materials, and Others. In addition, the company is reclassifying the managing segments for some of its businesses. Accordingly, for purposes of comparison, we are restated the results for FY2022.

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

Consolidated Financial Results Forecasts for FY2024

Change of Reporting Segments

Following the organizational revision as of April 1, 2024, the reporting segments for fiscal 2024 and thereafter will be changed as follows.

Previous Reporting Segments (~FY2023) (Billions of Yen)

	FY2023	
	Sales Revenue	Core Operating Income
Total Consolidated	4,387.2	208.1
Specialty Materials	1,172.9	5.3
Polymers & Compounds	318.8	17.5
Films & Molding Materials	491.3	(13.0)
Advanced Solutions	362.8	0.8
Industrial Gases	1,246.9	163.0
Health Care	437.2	56.3
MMA	281.6	0.8
Basic Materials	1,008.6	(19.3)
Petrochemicals	704.9	0.0
Carbon Products	303.7	(19.3)
Others	240.0	2.0

- ① Performance Polymers, Soarnol, and Gohsenol
 ② Packaging, Industrial & Medical Films, Acetyl Firms, Polyester Films, and Fiber
 ③ Aqua Solution, Life Solution, Infrastructure Solution, Semiconductor, Electronics, and Battery Materials

New Reporting Segments (FY2024~) (Billions of Yen)

	FY2023	
	Sales Revenue	Core Operating Income
Total Consolidated	4,387.2	208.1
Specialty Materials	1,050.4	7.4
① Advanced Films & Polymers	465.7	17.4
② Advanced Solutions	362.9	2.0
④ Advanced Composites & Shapes	221.8	(12.0)
Industrial Gases	1,246.9	163.0
Pharma	437.2	56.3
MMA & Derivatives	368.4	1.9
MMA	281.6	0.7
⑤ Coating & Additives	86.8	1.2
Basic Materials & Polymers	1,079.5	(21.7)
⑥ Materials & Polymers	775.8	(2.3)
Carbon Products	303.7	(19.4)
Others (*)	204.8	1.2

- ④ Engineering Shapes & Solutions, Carbon Fiber and Composite Materials
 ⑤ Coating Material, Additives & Fine
 ⑥ Sustainable Polymers, and Engineering Plastic
 ⑦ Basic Petrochemicals, Polyolefins, and Basic Chemical Derivatives
 (*) Some trading company functions transferred to individual segments

Consolidated Statements of Operations

Exchange Rate (¥/\$)	145.3	150.0	150.0	150.0	4.7	
Naphtha Price (¥/kl)	69,100	75,000	75,000	75,000	5,900	
					(Billions of Yen)	
	FY2023 Actual	1H	2H	FY2024 Forecast	Difference	%
Sales Revenue	4,387.2	2,251.0	2,372.0	4,623.0	235.8	5%
Core Operating Income	208.1	110.0	140.0	250.0	41.9	20%
Special Items	53.7	(26.0)	(14.0)	(40.0)	(93.7)	
Operating Income	261.8	84.0	126.0	210.0	(51.8)	(20%)
Income before Taxes	240.5	66.0	105.0	171.0	(69.5)	(29%)
Net Income	178.4	42.0	74.0	116.0	(62.4)	(35%)
Net Income Attributable to Owners of the Parent	119.6	10.0	42.0	52.0	(67.6)	(57%)
Net Income Attributable to Non-Controlling Interests	58.8	32.0	32.0	64.0	5.2	

Sales Revenue and Core Operating Income by Business Segment

(Billions of Yen)

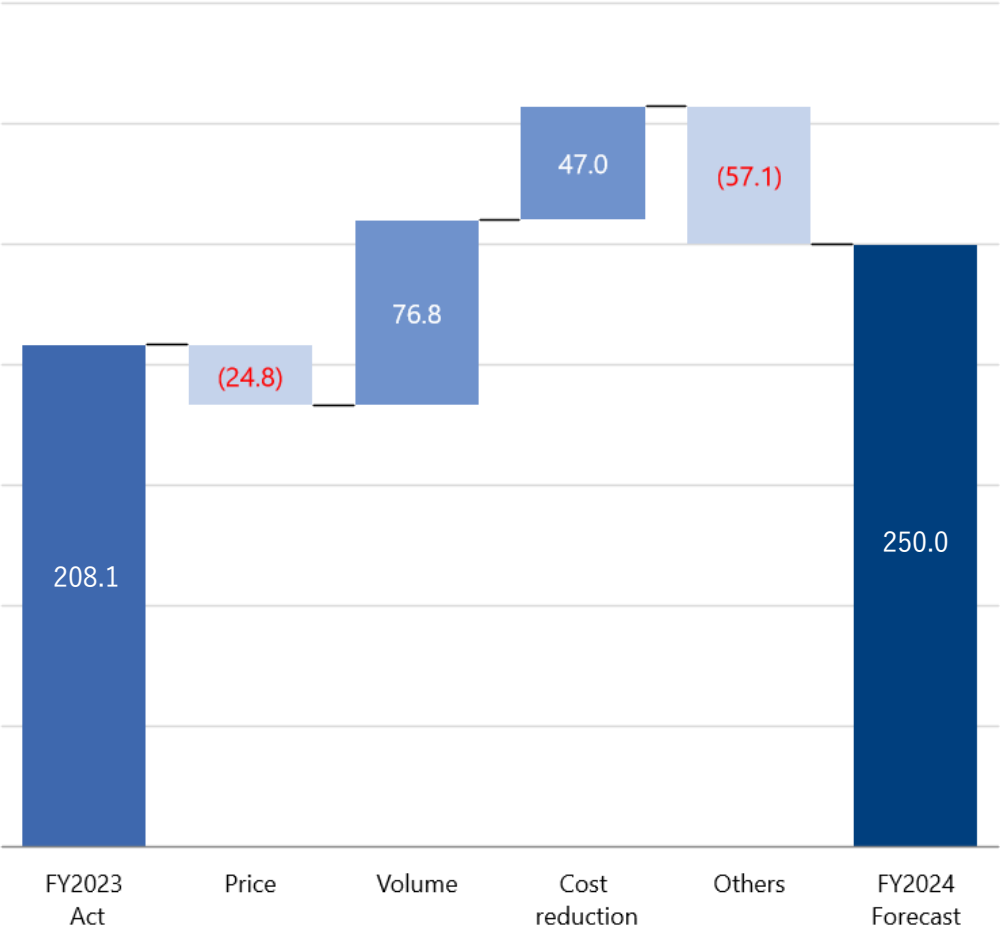
		FY2023 Actual	1H	2H	FY2024 Forecast	Difference
Total Consolidated	Sales Revenue	4,387.2	2,251.0	2,372.0	4,623.0	235.8
	Core Operating Income	208.1	110.0	140.0	250.0	41.9
Specialty Materials	Sales Revenue	1,050.4	551.0	578.0	1,129.0	78.6
	Core Operating Income	7.4	10.0	14.0	24.0	16.6
Advanced Films & Polymers	Sales Revenue	465.7	240.0	248.0	488.0	22.3
	Core Operating Income	17.4	10.0	10.0	20.0	2.6
Advanced Solutions	Sales Revenue	362.9	180.0	192.0	372.0	9.1
	Core Operating Income	2.0	1.0	3.0	4.0	2.0
Advanced Composites & Shapes	Sales Revenue	221.8	131.0	138.0	269.0	47.2
	Core Operating Income	(12.0)	(1.0)	1.0	0.0	12.0
Industrial Gases	Sales Revenue	1,246.9	646.0	646.0	1,292.0	45.1
	Core Operating Income	163.0	87.0	87.0	174.0	11.0
Pharma	Sales Revenue	437.2	220.0	229.0	449.0	11.8
	Core Operating Income	56.3	22.0	20.0	42.0	(14.3)
MMA & Derivatives	Sales Revenue	368.4	194.0	192.0	386.0	17.6
	Core Operating Income	1.9	7.0	9.0	16.0	14.1
MMA	Sales Revenue	281.6	149.0	145.0	294.0	12.4
	Core Operating Income	0.7	6.0	8.0	14.0	13.3
Coating & Additives	Sales Revenue	86.8	45.0	47.0	92.0	5.2
	Core Operating Income	1.2	1.0	1.0	2.0	0.8
Basic Materials & Polymers	Sales Revenue	1,079.5	552.0	621.0	1,173.0	93.5
	Core Operating Income	(21.7)	(13.0)	9.0	(4.0)	17.7
Materials & Polymers	Sales Revenue	775.8	399.0	432.0	831.0	55.2
	Core Operating Income	(2.3)	1.0	8.0	9.0	11.3
Carbon Products	Sales Revenue	303.7	153.0	189.0	342.0	38.3
	Core Operating Income	(19.4)	(14.0)	1.0	(13.0)	6.4
Others	Sales Revenue	204.8	88.0	106.0	194.0	(10.8)
	Core Operating Income	1.2	(3.0)	1.0	(2.0)	(3.2)

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

Analysis of Core Operating Income

Core operating income is forecast to outperform the previous fiscal year's actual results by about ¥40.0 billion owing mainly to an increase in sales and cost reduction

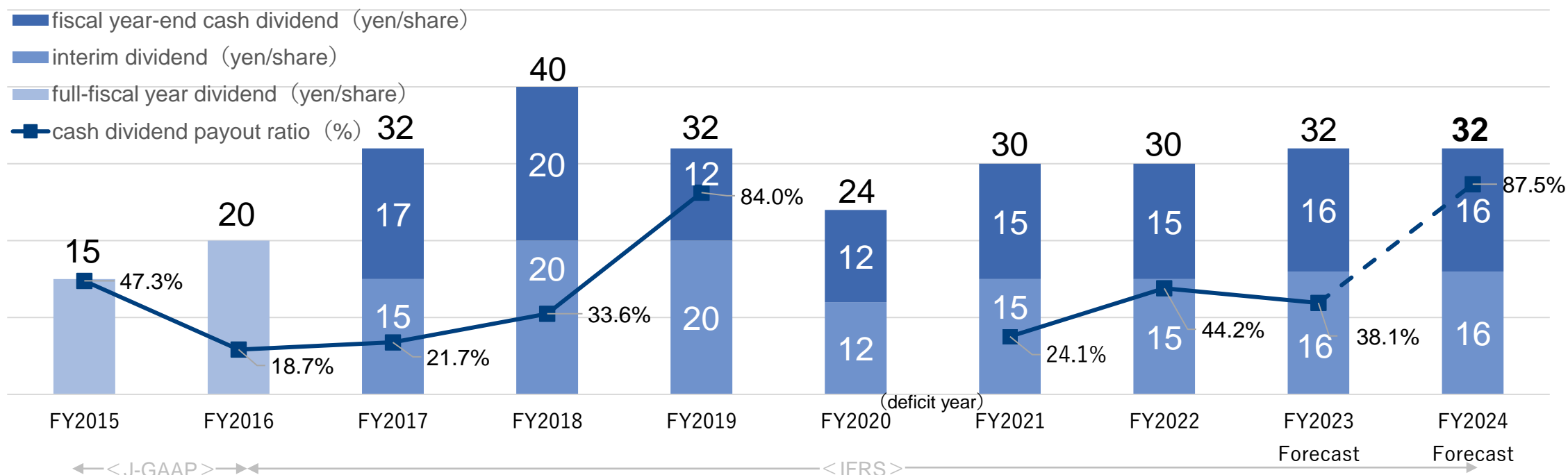
(Billions of Yen)



- | | |
|---------------------------|---|
| <div>Price
(-)</div> | <ul style="list-style-type: none">(+) Improvement in market conditions for MMA/Basic Materials(-) Impact of drug price revision in Pharma(-) Soaring cost mainly due to inflation overseas in Industrial Gases |
| <div>Volume</div> | <ul style="list-style-type: none">(+) Increase in sales in tandem with the recovery in demand related to Specialty Materials |
| <div>Cost reduction</div> | <ul style="list-style-type: none">(+) Realization of results of cost structure reforms mainly in Industrial Gases |
| <div>Others</div> | <ul style="list-style-type: none">(-) Year-on-year contraction in inventory valuation gains(-) Rise in fixed costs including personnel expense(-) Expenses related to preparations for the new products in Pharma |

Dividend Forecast

- MCG's basic policy of returning profits to shareholders emphasizes enhancement of shareholder value by increasing the value of the company.
- While keeping an eye to increasing retained earnings that will fund its future business activities, MCG will aim for y-o-y dividend growth and payout ratio 35% in FY2025 in the action plan based on the management policy "Forging the future" for the period to FY2025.
- Based on this policy, the expected fiscal year-end dividend per share for FY2023 is 16 yen, which is the same as the previously announced forecast. This is scheduled to be approved at the Board of Directors meeting, scheduled for May 20, 2024.
- We forecast an interim and fiscal year-end cash dividend per share in FY2024 of 16 yen, which is equivalent to the fiscal year-end dividend for FY2023. Accordingly, the expected full-fiscal year dividend for FY2024 is 32 yen.
- We plan to implement a review of our dividend policy in accordance with our new growth strategy and capital allocation policy and announce at the presentation to investors this fall.



References 1

Specialty Materials

- In April 2023, the MCG Group signed a contract with Neogen Chemicals Limited regarding the provision of production technology license in India for electrolytes used in lithium-ion batteries (LIB) with the aim of expanding the electrolyte business. In April 2023, the MCG Group also signed a memorandum of understanding with Koura, a producer of fluoroproducts, regarding the collaboration study for various purposes, such as strengthening the supply chain for formulated electrolytes for lithium-ion batteries (LIBs) in North America.
- The MCG Group concluded a memorandum of understanding with Korean company L&F Co., Ltd., a manufacturer of cathode active materials for LIB, to conduct feasibility studies into strengthening the supply chain for anode materials in countries that have concluded a free trade agreement with the U.S with the aim of expanding anode materials for LIB business.
- In October 2023, with the goal of strengthening the carbon fiber business, the MCG Group decided to attain full ownership of its equity-method affiliate C.P.C. S.r.l., which is specialized in the manufacture and distribution of automobile components crafted from carbon fiber reinforced plastic (CFRP), and completed the acquisition in January 2024. This pivotal acquisition will further expand and enhance its vertically integrated carbon fiber supply chain.
- In March 2024, the MCG Group decided to expand its Sugar Ester emulsifier production capacity by adding a new line (production capacity: 1,100 tons/year) to the production facilities which went into full-scale operation in March 2024 (production capacity: 2,000 tons/year) at the Kyushu Plant to help meet the global demand for high-quality food products. Operation of the new line is scheduled to start in March 2026.

Industrial Gases

- In Belgium, A joint venture Terranova Hydrogen NV was established with Terranova nv and Luminus to produce green hydrogen and build and operate a green hydrogen production plant. The production of green hydrogen is scheduled to start in early 2025.
- An oxygen supply contract for Direct Air Capture (DAC) plant to be constructed by 1PointFive in Texas was concluded. The plant is scheduled to commence operations in mid-2025.
- In November 2023, a new Factory was constructed on a site of Taiyo Nippon Sanso Engineering Taiwan, Inc. to double the capacity to produce equipment for the electronics industry.

Health Care

- In May 2023, edaravone oral suspension (Development code: MT-1186) was approved in the Switzerland (RADICAVA ORS®) for the indication of amyotrophic lateral sclerosis (ALS). Edaravone oral suspension has already been approved in the U.S., Canada and Japan.
- In March 2024, an additional dosage form of orally disintegrating (OD) tablets for SGLT2 inhibitor CANAGLU® Tablets 100 mg (generic name: Canagliflozin Hydrate) was approved in Japan.

MMA

- In February 2024, the MCG Group decided to discontinue MMA monomer production by the ACH process (production capacity: 107,000 tons/year) as well as the production of acrylonitrile (production capacity: 90,000 tons/year) and acrylonitrile derivatives at the Hiroshima Plant in order to optimize the supply system and enhance the competitiveness in the MMA and acrylonitrile businesses. Production of applicable products is scheduled to be discontinued in July 2024.

Basic Materials

- Decided to increase the γ -butyrolactone production capacity of Okayama Plant from 18,000 tons/year to 20,000 tons/year in order to respond to an expansion in demand for LIB and semiconductors. The expanded production is scheduled to start in July 2024.
- In December 2023, as part of its portfolio reform, the MCG Group decided to substantially transfer its holding of the shares of PT Mitsubishi Chemical Indonesia (MCCI), which operates the pure terephthalic acid (PTA) business to PT Lintas Citra Pratama. As a result, the ratio of MCCI shares held by the MCG Group will be reduced to 20%. The shares will be sold in stages, and MCCI will become a wholly owned subsidiary of PT Lintas Citra Pratama in the future.
- In order to optimize the supply system for bisphenol A and enhance business competitiveness, production at the Kurosaki Plant (production capacity: 120,000 tons/year) was discontinued at the end of March 2024.

Others

- Agreed with Roquette Frères SA to transfer of all shares of Qualicaps Co., Ltd. held by the MCG Group to the company as part of the portfolio reform. The share transfer agreement was concluded on July 28, 2023 and the share transfer was completed in October 2023.

Number of Subsidiaries and Affiliates [Historical Data]

		(Number of companies)				
		FY2019	FY2020	FY2021	FY2022	FY2023
Number of subsidiaries and affiliates		698	666	625	593	552
Companies in consolidation scope		659	630	590	556	524
Consolidated subsidiaries		510	487	448	422	390
	Japan	174	161	156	144	136
	Overseas	336	326	292	278	254
Joint operation		4	4	4	3	4
Affiliates accounted for by the equity method		145	137	137	131	130
Companies for which the equity method does not apply as they are categorized as assets held for sale		-	2	1	-	-

Overseas Sales Revenue, and Core Operating Income [Historical Data]

(Billions of Yen)

	FY2019	FY2020	FY2021	FY2022		FY2023
Sales revenue and core operating income by geographic area based on location of consolidated subsidiaries						
Sales Revenue	3,580.5	3,257.5	3,976.9	4,634.5	(Excluding impact of Gilenya) 4,508.6	4,387.2
Japan	2,367.8	2,109.5	2,526.5	2,862.6	2,736.7	2,553.7
Overseas	1,212.7	1,148.0	1,450.4	1,771.9	1,771.9	1,833.5
Core Operating Income	194.8	174.7	272.3	325.6	199.7	208.1
Japan	99.5	92.5	159.7	197.3	71.4	18.7
Overseas	95.3	82.2	112.6	128.3	128.3	189.4
Overseas sales revenue based on location of customers						
Overseas Sales Revenue	1,534.4	1,464.9	1,860.6	2,315.3	2,189.4	2,199.7
	42.9%	45.0%	46.8%	50.0%	48.6%	50.1%

Statements of Operations [Quarterly Data]

Exchange Rate (¥/\$)	131.3	139.4	139.9	133.4	136.0	139.6	145.6	146.1	149.9	145.3
Naphtha Price (¥/kl)	86,100	81,400	72,500	66,500	76,600	67,500	63,600	72,800	72,500	69,100
						(Billions of Yen)				
	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales Revenue	1,106.5	1,163.3	1,136.4	1,228.3	4,634.5	1,061.2	1,088.7	1,095.2	1,142.1	4,387.2
Core Operating Income *1	72.1	50.5	55.3	147.7	325.6	50.8	68.8	64.3	24.2	208.1
Special Items	(4.1)	(0.1)	(125.1)	(13.6)	(142.9)	18.9	0.1	9.6	25.1	53.7
Operating Income (Loss)	68.0	50.4	(69.8)	134.1	182.7	69.7	68.9	73.9	49.3	261.8
Financial Income/Expenses	7.1	(3.5)	(13.0)	(5.3)	(14.7)	(0.9)	(7.5)	(12.3)	(0.6)	(21.3)
(Dividend included above)	[7.8]	[0.2]	[1.1]	[3.2]	[12.3]	[4.6]	[0.1]	[1.3]	[0.2]	[6.2]
(Foreign Exchange Gain/Loss included above)	[3.7]	[3.0]	[(6.4)]	[(0.4)]	[(0.1)]	[4.5]	[2.7]	[(4.2)]	[4.5]	[7.5]
Income (Loss) before Taxes	75.1	46.9	(82.8)	128.8	168.0	68.8	61.4	61.6	48.7	240.5
Income Taxes	(21.8)	(8.7)	36.1	(38.1)	(32.5)	(13.0)	(23.1)	(11.4)	(14.6)	(62.1)
Net Income (Loss)	53.3	38.2	(46.7)	90.7	135.5	55.8	38.3	50.2	34.1	178.4
Net Income (Loss) Attributable to Owners of the Parent	44.9	29.0	(56.9)	79.4	96.4	42.5	24.7	36.7	15.7	119.6
Net Income Attributable to Non-Controlling Interests	8.4	9.2	10.2	11.3	39.1	13.3	13.6	13.5	18.4	58.8
*1 Share of profit of associates and joint ventures included	4.0	3.2	2.7	2.0	11.9	2.7	1.5	2.3	1.1	7.6

New Business Segment Basis

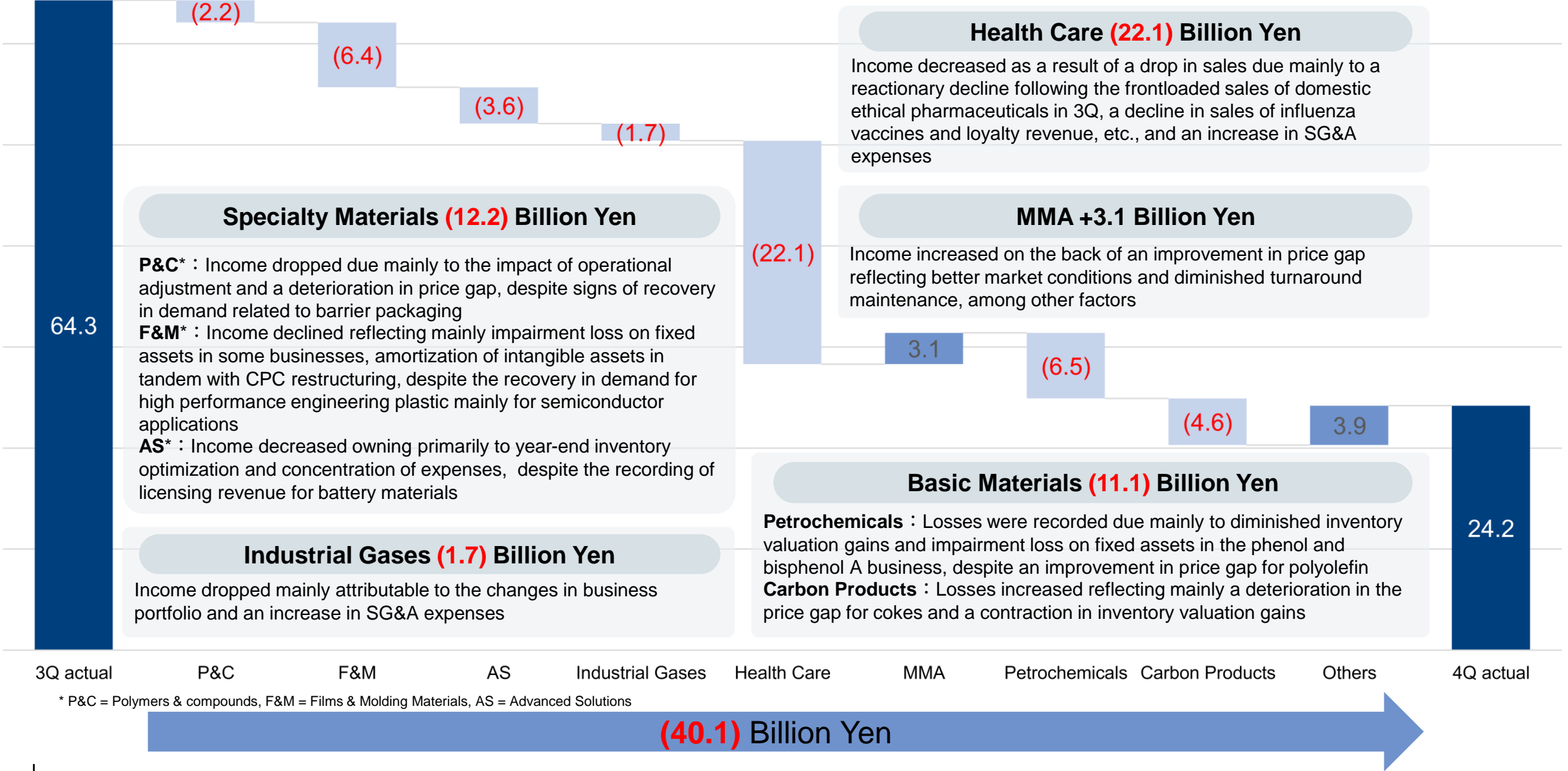
Sales Revenue and Core Operating Income by Business Segment [Quarterly Data]

(Billions of Yen)

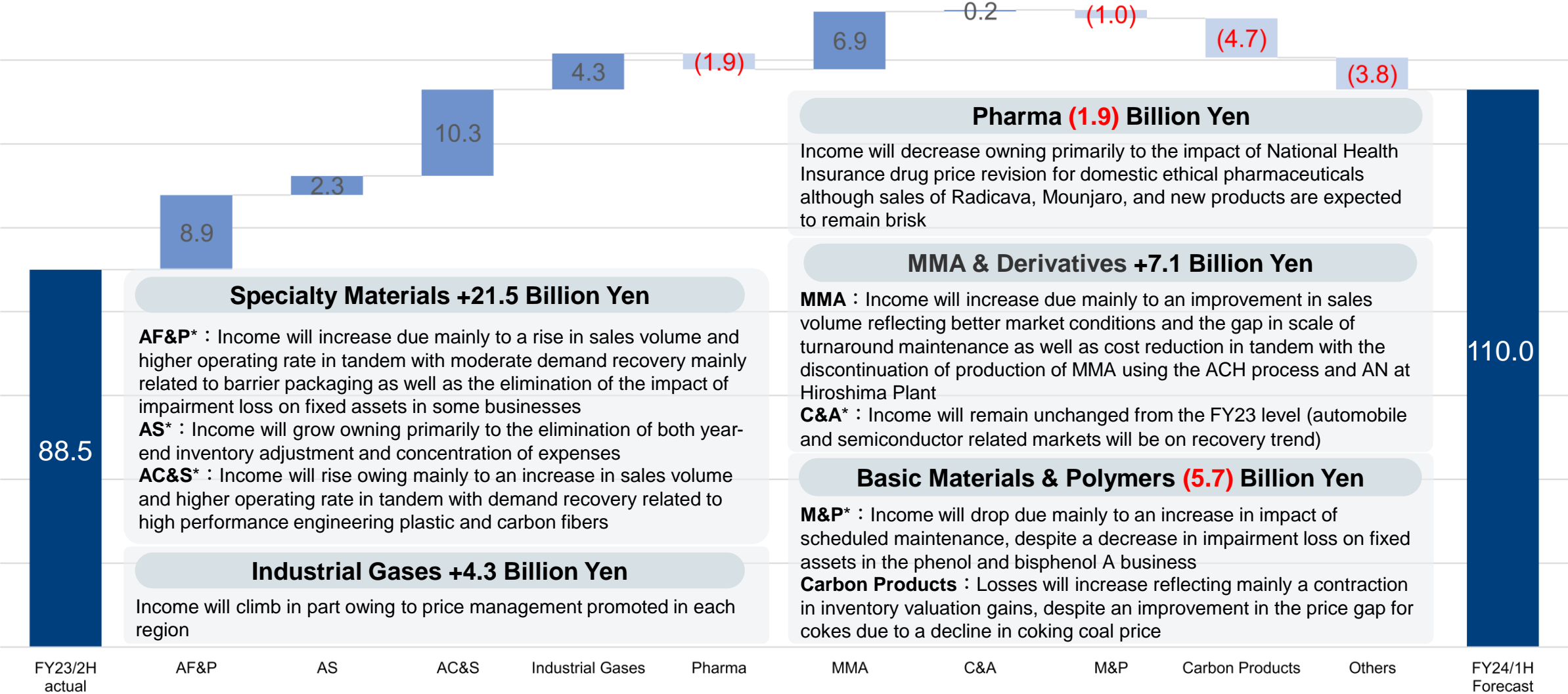
		FY2023				
		1Q	2Q	3Q	4Q	Total
Total Consolidated	Sales Revenue	1,061.2	1,088.7	1,095.2	1,142.1	4,387.2
	Core Operating Income	50.8	68.8	64.3	24.2	208.1
Specialty Materials	Sales Revenue	264.4	259.1	258.4	268.5	1,050.4
	Core Operating Income	10.4	8.5	0.5	(12.0)	7.4
Advanced Films & Polymers	Sales Revenue	119.9	117.3	115.3	113.2	465.7
	Core Operating Income	8.8	7.5	3.8	(2.7)	17.4
Advanced Solutions	Sales Revenue	88.7	88.8	92.6	92.8	362.9
	Core Operating Income	0.9	2.4	0.9	(2.2)	2.0
Advanced Composites & Shapes	Sales Revenue	55.8	53.0	50.5	62.5	221.8
	Core Operating Income	0.7	(1.4)	(4.2)	(7.1)	(12.0)
Industrial Gases	Sales Revenue	306.8	301.4	314.2	324.5	1,246.9
	Core Operating Income	40.1	40.2	42.2	40.5	163.0
Pharma	Sales Revenue	101.9	117.4	118.6	99.3	437.2
	Core Operating Income	10.0	22.4	23.0	0.9	56.3
MMA & Derivatives	Sales Revenue	90.1	91.2	90.8	96.3	368.4
	Core Operating Income	(0.7)	2.7	(1.6)	1.5	1.9
MMA	Sales Revenue	69.0	69.4	68.7	74.5	281.6
	Core Operating Income	(0.9)	2.5	(1.9)	1.0	0.7
Coating & Additives	Sales Revenue	21.1	21.8	22.1	21.8	86.8
	Core Operating Income	0.2	0.2	0.3	0.5	1.2
Basic Materials & Polymers	Sales Revenue	257.4	268.0	276.4	277.7	1,079.5
	Core Operating Income	(9.2)	(5.2)	1.9	(9.2)	(21.7)
Materials & Polymers	Sales Revenue	172.2	196.6	205.0	202.0	775.8
	Core Operating Income	(5.6)	1.3	4.3	(2.3)	(2.3)
Carbon Products	Sales Revenue	85.2	71.4	71.4	75.7	303.7
	Core Operating Income	(3.6)	(6.5)	(2.4)	(6.9)	(19.4)
Others	Sales Revenue	40.6	51.6	36.8	75.8	204.8
	Core Operating Income	0.2	0.2	(1.7)	2.5	1.2

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

Analysis of Core Operating Income (3Q→4Q)

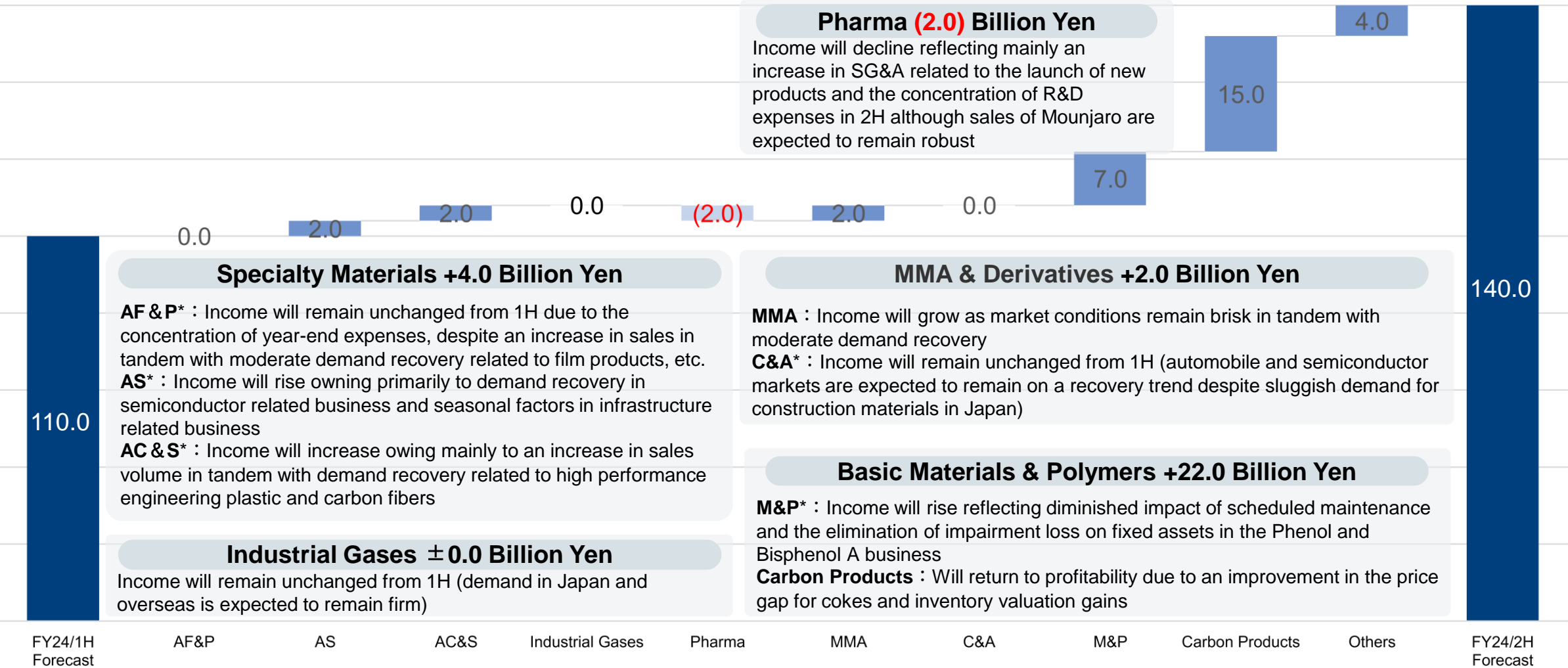


Analysis of Core Operating Income (FY23/2H→FY24/1H)



+21.5 Billion Yen

Analysis of Core Operating Income (FY24/1H→2H)



*AF&P= Advanced Films & Polymers, AS=Advanced Solutions, AC&S=Advanced Composites & Shapes, C&A=Coating & Additives, M&P=Materials & Polymers

+30.0 Billion Yen

Special Items [Quarterly Data]

(Billions of Yen)

	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Total Special Items	(4.1)	(0.1)	(125.1)	(13.6)	(142.9)	18.9	0.1	9.6	25.1	53.7
Gain on sales of shares of subsidiaries and associates	-	-	2.2	1.1	3.3	5.6	1.8	20.2	8.9	36.5
Gain on step acquisitions	-	-	-	-	-	-	-	-	27.0	27.0
Reversal of provision for loss on plant closure	-	-	-	-	-	-	-	6.4	5.6	12.0
Gain on reversal of asset retirement obligations	-	-	-	-	-	-	2.6	-	2.1	4.7
Gain on forgiveness of debts	-	-	-	-	-	-	0.5	-	3.3	3.8
Impairment loss	(0.2)	(1.7)	(85.8)	(5.7)	(93.4)	(0.0)	(3.2)	(10.5)	(10.1)	(23.8)
Loss on sale and disposal of fixed assets	(0.2)	(1.2)	(1.0)	(1.5)	(3.9)	(1.1)	(0.2)	(1.1)	(7.3)	(9.7)
Loss on business liquidation	(0.1)	(0.0)	(0.6)	(2.6)	(3.3)	(2.0)	(0.7)	(1.5)	(0.6)	(4.8)
Special retirement expenses	(0.0)	(0.0)	(4.3)	(6.3)	(10.6)	(0.2)	(0.2)	(0.8)	(0.8)	(2.0)
Provision for loss on business liquidation	-	-	-	(5.7)	(5.7)	(0.4)	(0.1)	(1.2)	(0.1)	(1.8)
Loss on arbitration award	(3.4)	(0.1)	(0.0)	0.0	(3.5)	-	(0.3)	-	(0.8)	(1.1)
Provision for loss on plant closure	-	-	(31.2)	4.5	(26.7)	-	-	-	(0.1)	(0.1)
Others	(0.2)	2.9	(4.4)	2.6	0.9	17.0	(0.1)	(1.9)	(2.0)	13.0

Capital Expenditure, Depreciation & Amortization, R&D Expenses, and Number of Employees by Business segment (FY2023 Actual)

	(Billions of Yen)						Number of Employees
	Capital Expenditure		Depreciation& Amortization		R&D Expenses		
	FY2022 Actual	FY2023 Actual	FY2022 Actual	FY2023 Actual	FY2022 Actual	FY2023 Actual	FY2023 Actual
Specialty Materials	80.3	91.7	65.5	68.2	30.3	31.8	25,127
Industrial Gases	96.6	126.3	108.1	114.8	3.5	4.5	19,540
Health Care	29.2	5.1	13.5	13.8	87.8	62.9	5,577
MMA	22.2	21.0	24.2	23.4	4.1	3.3	2,458
Basic Materials	45.1	32.3	41.5	41.4	6.9	7.9	5,926
Others	8.7	7.5	16.8	13.8	16.9	11.2	7,730
Total	282.1	283.9	269.6	275.4	149.5	121.6	66,358

Capital Expenditure, Depreciation & Amortization, R&D Expenses by Business segment (FY2024 Forecast)

(Billions of Yen)

	Capital Expenditure		Depreciation & Amortization		R&D Expenses	
	FY2023 Actual	FY2024 Forecast	FY2023 Actual	FY2024 Forecast	FY2023 Actual	FY2024 Forecast
Specialty Materials	82.0	101.0	63.1	67.0	28.0	29.0
Industrial Gases	126.3	164.0	114.8	115.0	4.5	5.0
Pharma	5.1	10.0	13.8	16.0	62.9	65.0
MMA & Derivatives	27.2	19.0	27.1	26.0	6.8	7.0
Basic Materials & Polymers	35.8	49.0	42.8	36.0	8.2	10.0
Others	7.5	8.0	13.8	13.0	11.2	13.0
Total	283.9	351.0	275.4	273.0	121.6	129.0

Specialty Materials Growth Investment Plan



	FY2023	FY2024	FY2025 and beyond
Advanced Films and Polymers	Polyester Film capacity expansion, Indonesia (Apr. 2023, 25,000t)	Gohsenol special brand capacity expansion, Japan (Oct. 2024)	Soarnol capacity expansion, UK (FY2026 1H、 21,000t)
		Polyester Film capacity expansion, Germany (Early 2025、 27,000t)	
Advanced Solutions	Low-swelling natural graphite anode materials capacity expansion, China (Sep. 2023, 2,000t)	Specialty epoxy resins for semiconductor encapsulants and electronic materials (Start operations as demand for semiconductors recovers.)	Emulsifier capacity expansion, Japan (Mar. 2026, 1,100t)
	Semiconductor Precision Cleaning capacity expansion, Germany (Nov. 2023)		Electrolyte capacity expansion (US : Complete construction on Jul. 2025, 19,000t)
	Emulsifier capacity expansion, Japan (Mar. 2024, 2,000t)	Electrolyte capacity expansion (Japan : Complete construction on Oct. 2024, 4,000t) (UK : Complete construction on Sep. 2024, 3,750t)	
Advanced Composites & Shapes	Carbon Fiber Composite Components Acquisition of CPC, Italy (Jan. 2024)		Carbon Fiber Composite Components Large press molding machine Expansion, Italy (FY2025)

legend

Project

(Month and year of commencement of commercial production (scheduled), productive capacity)

EBITDA Margin by Business Segment

	FY2022 Actual *1	FY2023 Actual	FY2025 Target *2
Total Consolidated	10.1%	10.8%	15.0%
Specialty Materials	9.0%	6.1%	16.0%
Industrial Gases	19.1%	22.0%	24.0%
Health Care	7.7%	15.9%	15.0%
MMA	6.4%	8.2%	15.0%
Basic Materials	4.6%	2.2%	5.0%

EBITDA : Core Operating Income - Share of profit of associates and joint ventures (included in Core Operating Income)
+ Depreciation / Amortization

*1 EBITDA margin after deduction of an impact equivalent the result of the Gilenya arbitration award
(EBITDA margin before deduction is Total Consolidated 12.6%, Health Care 29.4%, respectively)

*2 Petrochemicals 100% owner case

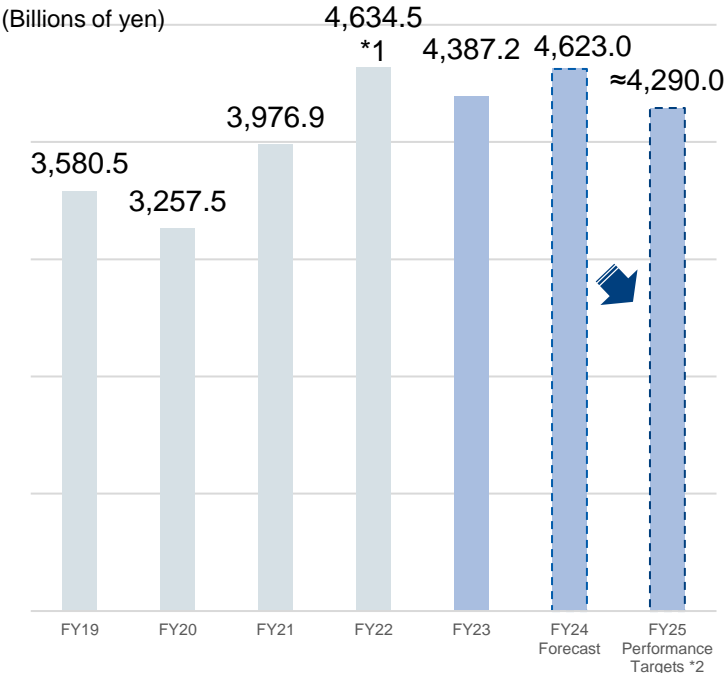
EBITDA Margin by Business Segment

	FY2023 Actual	FY2024 Forecast
Total Consolidated	10.8%	11.2%
Specialty Materials	6.6%	8.0%
Industrial Gases	22.0%	22.1%
Pharma	15.9%	12.9%
MMA & Derivatives	7.4%	10.4%
Basic Materials & Polymers	2.0%	2.7%

EBITDA : Core Operating Income - Share of profit of associates and joint ventures (included in Core Operating Income) + Depreciation / Amortization

Trends in Sales Revenue, Core Operating Income and EBITDA

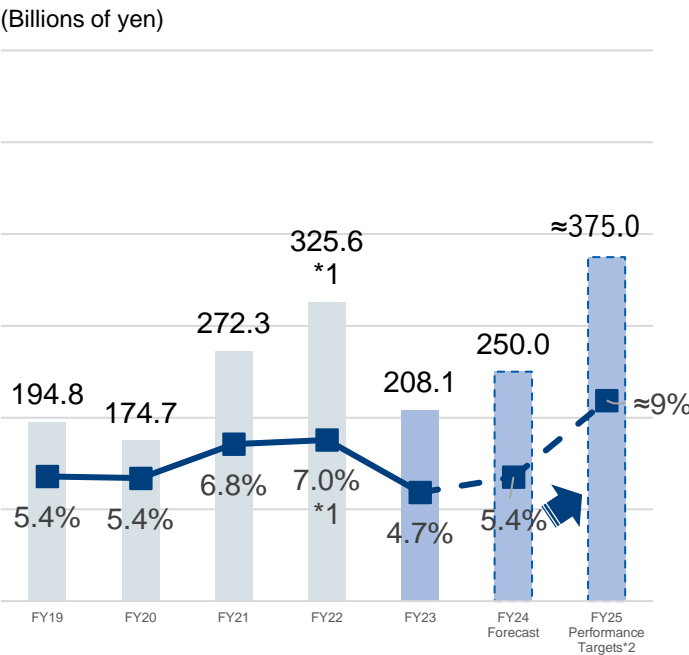
Sales Revenue



^{*1} Sales Revenue is 4,508.6 billions of yen after deduction of an amount related to the result of the Gilenya arbitration award.

^{*2} Petrochemicals 100% owner case

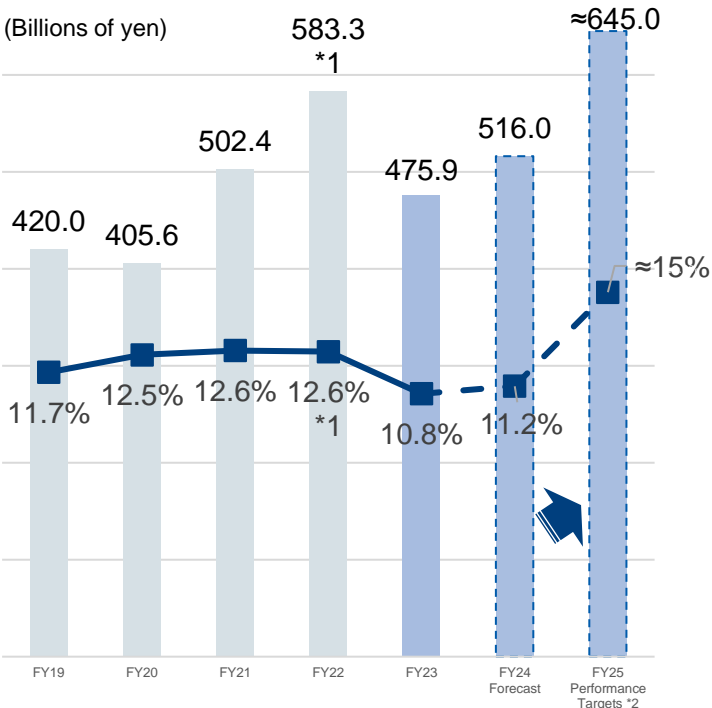
Core Operating Income · Ratio of Core Operating Income to Sales Revenue



^{*1} Core Operating Income is 199.7 billions of yen after deduction of an amount related to the result of the Gilenya arbitration award and Ratio of Core Operating Income to Sales Revenue is 4.4%.

^{*2} Petrochemicals 100% owner case

EBITDA · EBITDA margin

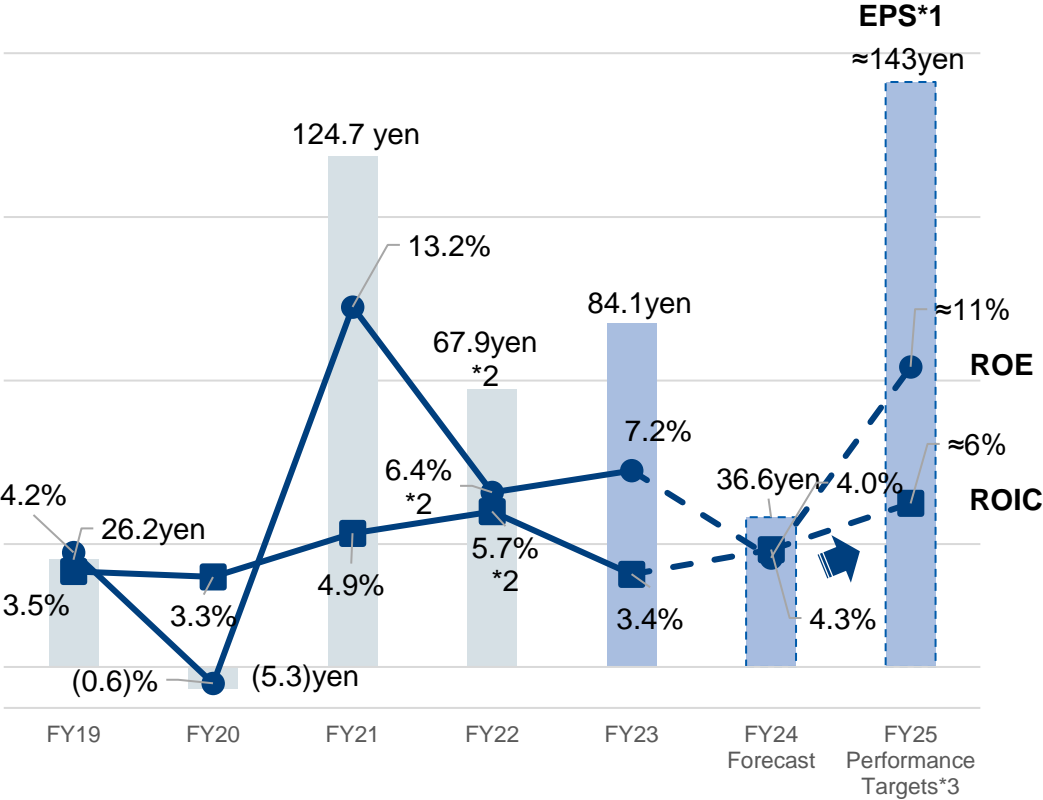


^{*1} EBITDA is 457.4 billions of yen after deduction of an amount related to the result of the Gilenya arbitration award and EBITDA margin is 10.1%.

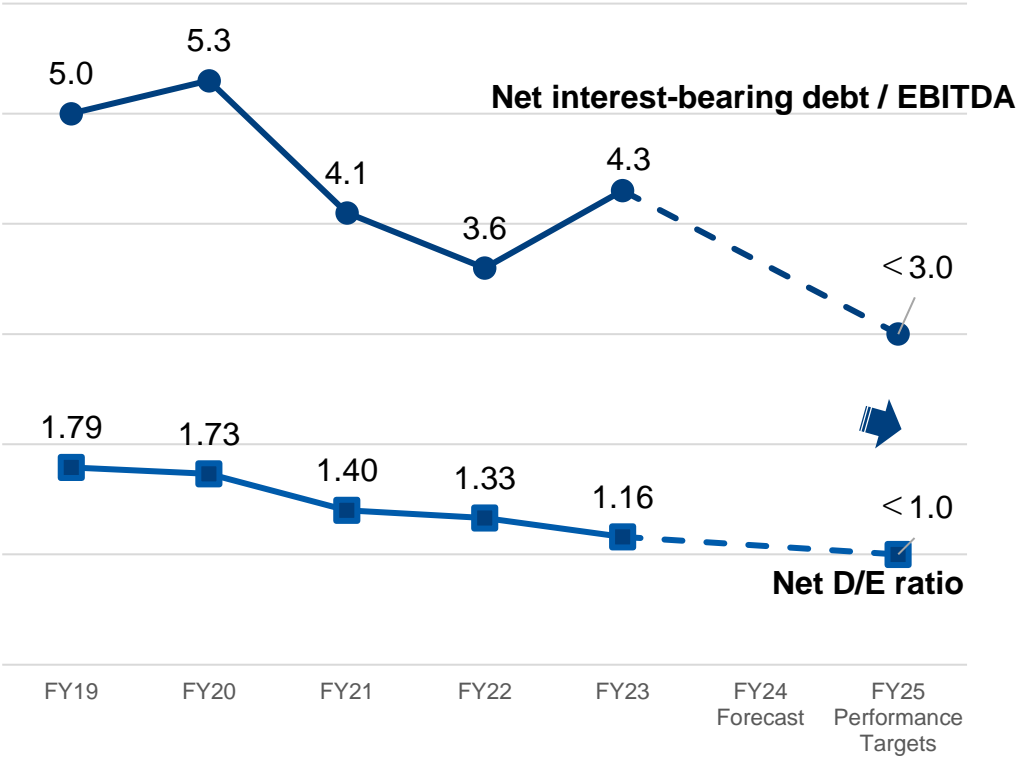
^{*2} Petrochemicals 100% owner case

Trends in Indicators for Profitability and Stability

EPS · ROIC · ROE



Net interest-bearing debt / EBITDA · Net D/E ratio



*1 EPS calculation excludes the profit of discontinued operations.
*2 EPS is 4.9 yen after deduction of an amount related to the result of the Gilenya arbitration award, ROIC is 3.6% and ROE is 0.5%.
*3 Petrochemicals 100% owner case

Calculation formula of indicators

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

References 2

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

Major Development Pipeline List

As of Apr. 25, 2024

Areas	Development code	Region / Country	Indications/Description	P1	P2	P3	Filed	Approved
Central Nervous System	ND0612	Global	Parkinson's disease					
	MT-3921	Global	Spinal cord injury					
	MT-0551	Japan ^{*1}	Myasthenia gravis					
	MT-8554	Japan	Peripheral neuropathic pain					
Immuno-inflammation	MT-7117	Global	Erythropoietic protoporphyria (EPP) X-linked protoporphyria (XLP)					
		Global	Systemic sclerosis					
	MT-2990	Global	Endometriosis					
	MT-0551	Japan ^{*1}	IgG4-related disease					
		Japan	Systemic sclerosis					
Oncology	MT-2111	Japan	Relapsed/Refractory Diffuse Large B-cell Lymphoma (Monotherapy)					
		Japan ^{*2}	Relapsed/Refractory Diffuse Large B-cell Lymphoma (with rituximab)					

^{*1} Co-development with Amgen

^{*2} Co-development with ADC Therapeutics

Launch Plan for Major Development Pipeline

	FY2023	FY2024	FY2025 and beyond
Central Nervous System	MT-1186 ALS (Oral suspension) (Japan ^{*1})	ND0612 Parkinson's disease (Global)	MT-0551 Myasthenia gravis (Japan ^{*2})
Immuno-inflammation			MT-0551 IgG4-related disease (Japan ^{*2})
			MT-7117 EPP, XLP (Global)
Diabetes and kidney		TA-7284 OD tablets Type 2 diabetes mellitus, Chronic kidney disease complicated with type 2 diabetes mellitus ^{*3} (Japan)	MT-2412 OD tablets Type 2 diabetes mellitus ^{*4} (Japan)
Vaccines	MT-2355 Combined vaccine ^{*5} (Japan)		
Oncology			MT-2111 Relapsed/Refractory Diffuse Large B-cell Lymphoma (Monotherapy) (Japan)
			MT-2111 Relapsed/Refractory Diffuse Large B-cell Lymphoma (with rituximab) (Japan ^{*6})

^{*1} Launched in Switzerland

^{*2} Co-development with Amgen


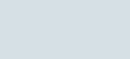

^{*3} Chronic kidney disease complicated with type 2 diabetes mellitus, excluding patients with end-stage renal disease or undergoing dialysis

^{*4} Type 2 diabetes mellitus

However, The drug product should be used only in patients for whom treatment with concomitant teneligliptin hydrobromide hydrate and canagliflozin hydrate is considered appropriate

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

^{*6} Co-development with ADC Therapeutics

 : Global (US launch year)  : Japan/China  : Launched

“GOBIK Aqueous Suspension Syringes”, combination vaccine for five diseases^{*1} launched in Japan (March 2024)

- **Reduce the number of shots of routine vaccinations and the burden on infants and guardians**
 - Jointly developed by Research Foundation for Microbial Diseases of Osaka University and first approved ^{*2} in Japan as the combination vaccine for five diseases
 - Co-promoted^{*3} with Pfizer Japan Inc.
 - Routine vaccinations started from April 2024



^{*1} GOBIK is a vaccine that combined the antigenic components of TETRABIK (adsorbed diphtheria-purified pertussis-tetanus-inactivated polio [Sabin strain] combined vaccine) with those of Haemophilus influenzae type b (Hib).

^{*2} Marketing authorization holder is Research Foundation for Microbial Diseases of Osaka University.

^{*3} Co-promotion of "GOBIK Aqueous Suspension Syringes", Pertussis, Diphtheria, Tetanus, Inactivated Polio and Hib Combined Vaccine (Press release on January 23, 2024).

Pharmaceuticals Business: Statements of Operations (FY2023 Actual)

	(Billions of Yen)			
	FY2022	FY2023	Difference	%
Revenue	535.4	437.4	(98.1)	(18.3%)
Domestic	319.1	310.2	(8.9)	(2.8%)
Overseas	216.4	127.2	(89.2)	(41.2%)
Overseas sales ratio	40.4%	29.1%		
Cost of sales	205.9	210.7	4.8	2.3%
Sales cost ratio	38.5%	48.2%		
Gross profit	329.6	226.7	(102.9)	(31.2%)
SG&A expenses, etc.	185.3	170.4	(14.9)	(8.0%)
R&D expenses	87.8	63.0	(24.8)	(28.3%)
Core operating profit	144.2	56.2	(88.0)	(61.0%)
Non-recurring items	(60.0)	12.7	72.7	
Operating profit	84.3	68.9	(15.3)	(18.2%)
Net profit attributable to owners of the Company	85.3	56.4	(28.9)	(33.9%)

Effect of fluctuations in exchange rate for FY2023: Revenue increased by ¥7.2 bn. and core operating profit increased by ¥0.5 bn.

Pharmaceuticals: Details of Revenue (FY2023 Actual)

(Billions of Yen)

	FY2022	FY2023	Difference	%
Domestic ethical drugs	310.0	300.8	(9.2)	(3.0%)
Priority and New products	166.4	171.7	5.3	3.2%
Stelara	66.2	65.3	(0.9)	(1.3%)
Simponi	43.6	43.3	(0.2)	(0.5%)
Tenelia	15.4	12.0	(3.4)	(22.2%)
Canaglu	11.6	11.8	0.2	1.5%
Canalia	9.7	10.8	1.1	10.8%
Vafseo	2.0	2.2	0.2	12.3%
Uplizna	2.8	6.1	3.3	116.6%
Rupafin	9.8	9.3	(0.5)	(5.0%)
Dysval	3.2	5.4	2.3	71.3%
Radicut	2.2	5.5	3.3	151.0%
Vaccines	35.1	34.3	(0.8)	(2.2%)
Influenza vaccine	11.1	10.6	(0.5)	(4.3%)
Tetrabik	9.3	8.8	(0.6)	(6.2%)
GOBIK	-	1.2	1.2	-
JEBIK V	4.1	3.3	(0.8)	(18.9%)
Mearubik	4.9	5.0	0.1	1.2%
Varicella vaccine	4.6	4.1	(0.4)	(9.7%)
Long-listed drugs, etc.	108.5	94.8	(13.7)	(12.6%)
Remicade	34.6	29.7	(4.9)	(14.2%)
Overseas ethical drugs	79.4	111.7	32.3	40.7%
Radicava	46.2	79.2	33.1	71.6%
Royalty revenue, etc.	138.3	16.9	(121.5)	(87.8%)
Royalty from INVOKANA	6.3	6.6	0.3	5.1%
Royalty from GILENYA	128.5	5.4	(123.1)	(95.8%)

Mounjaro (based on Japanese NHI prices) : ¥7.8bn. (1Q: ¥0.9bn., 2Q: ¥2.3bn., 3Q: ¥2.4bn., 4Q: ¥2.3bn.)

Pharmaceuticals Business: Forecasts of FY2024

(Billions of Yen)					
	FY2023	1H	2H	FY2024	Difference
					%
Revenue	437.4	220.0	229.0	449.0	11.6 2.7%
Domestic	310.2	158.0	168.0	326.0	15.8 5.1%
Overseas	127.2	62.0	61.0	123.0	(4.2) (3.3%)
Overseas sales ratio	29.1%	28.2%	26.6%	27.4%	
Cost of sales	210.7	110.0	118.0	228.0	17.3 8.2%
Sales cost ratio	48.2%	50.0%	51.5%	50.8%	
Gross profit	226.7	110.0	111.0	221.0	(5.7) (2.5%)
SG&A expenses, etc.	170.4	88.0	91.0	179.0	8.6 5.0%
R&D expenses	63.0	31.0	34.0	65.0	2.0 3.2%
Core operating profit	56.2	22.0	20.0	42.0	(14.2) (25.3%)
Non-recurring items	12.7	3.5	2.5	6.0	(6.7)
Operating profit	68.9	25.5	22.5	48.0	(20.9) (30.4%)
Net profit attributable to owners of the Company	56.4	13.0	15.5	28.5	(27.9) (49.5%)

Pharmaceuticals: Details of Revenue (Forecasts of FY2024)

(Billions of Yen)						
	FY2023	1H	2H	FY2024	Difference	%
Domestic ethical drugs	300.8	152.4	163.2	315.6	14.8	4.9%
Priority and New products	171.7	80.9	83.2	164.1	(7.6)	(4.4%)
Stelara	65.3	30.8	27.5	58.3	(7.0)	(10.7%)
Simponi	43.3	21.5	20.9	42.4	(0.9)	(2.1%)
Tenelia	12.0	4.1	7.6	11.7	(0.3)	(2.1%)
Canaglu	11.8	5.9	5.5	11.4	(0.4)	(3.4%)
Canalia	10.8	3.5	4.7	8.2	(2.6)	(24.3%)
Vafseo	2.2	1.2	1.2	2.4	0.2	8.7%
Uplizna	6.1	3.6	4.6	8.2	2.2	35.6%
Rupafin	9.3	3.6	5.2	8.8	(0.5)	(5.6%)
Dysval	5.4	3.6	2.8	6.4	0.9	17.0%
Radicut	5.5	3.2	3.1	6.3	0.8	15.2%
Vaccines	34.3	23.8	20.7	44.5	10.1	29.5%
Influenza vaccine	10.6	7.5	4.9	12.4	1.8	17.0%
Tetrabik	8.8	2.2	1.2	3.4	(5.4)	(61.5%)
GOBIK	1.2	6.8	8.5	15.2	14.0	1,139.0%
JEBIK V	3.3	2.0	1.5	3.5	0.2	4.9%
Mearubik	5.0	2.6	2.0	4.7	(0.3)	(6.6%)
Varicella vaccine	4.1	2.0	2.0	4.0	(0.2)	(3.7%)
Long-listed drugs, etc.	94.8	47.8	59.3	107.1	12.3	13.0%
Remicade	29.7	12.8	11.9	24.7	(5.0)	(16.8%)
Overseas ethical drugs	111.7	55.4	54.2	109.6	(2.0)	(1.8%)
Radicava	79.2	40.8	39.9	80.7	1.5	1.9%
Royalty revenue, etc.	16.9	Undisclosed	Undisclosed	Undisclosed	-	-
Royalty from INVOKANA	6.6	Undisclosed	Undisclosed	Undisclosed	-	-
Royalty from GILENYA	5.4	Undisclosed	Undisclosed	Undisclosed	-	-

References 3

Specialty Materials Priority Strategic Market Trends

Specialty Materials Core Markets Trends

Core Markets		Key Products	4Q FY2023 Summary	Forecast for FY2024 Onward
EV/Mobility		Electrolytes Fiber reinforced plastics & composites Compounds	Recovery trend continued due to the alleviation of impact mainly from the semiconductor shortage, despite negative effect of some automobile production cuts in Japan	Moderate growth to continue in general, despite some variances among regions
Digital	Semiconductors	Semicon cleaning Epoxy resins Semicon equipment components	While the adjustment phase of the semiconductor market had continued since 2H FY2022, there has been a moderate recovery trend mainly related to cutting-edge processing such as AI	Moderate recovery is anticipated to continue toward 2H FY2024 and thereafter In the medium/long-term, forecast ongoing market growth owing to further expansion in demand for use in automobiles and at data centers
	Electronics	Optical films Display related materials	Operations of panel manufacturers have rebounded since February 2024	Operations of panel manufacturers to remain at a higher rate in 1Q FY2024 Robust demand to continue in the medium to long term in tandem with the trend toward larger TVs
Medical		Resins / shapes for implant	Remained brisk globally	Market growth is expected to continue in the medium to long term due to the increase in the aging population and the prevalence of lifestyle-related diseases and chronic diseases
Food		Emulsifiers Packaging film Packaging Materials	Food packaging market remained sluggish globally due mainly to the impact of inflation	Global demand in the food packaging material market to recover moderately In the medium/long term, anticipate an expansion in demand underscored mainly by a reduction in food loss

Sales Revenue and EBITDA by market of Specialty Materials

(Billions of Yen)

	FY2022 Actual		FY2023 Actual		FY2024 Forecast		FY2025 Target	
	Sales Revenue	EBITDA	Sales Revenue	EBITDA	Sales Revenue	EBITDA	Sales Revenue	EBITDA
Specialty Materials	1,230.0	111.0	1,170.0	72.0	1,290.0	88.0	1,370.0	225.0
EV / Mobility	200.0	11.0	210.0	11.0	240.0	16.0	250.0	34.0
Digital	230.0	35.0	240.0	28.0	270.0	28.0	350.0	75.0
Semiconductors	100.0	19.0	100.0	13.0	100.0	15.0	-	-
Electronics	130.0	16.0	140.0	15.0	170.0	13.0	-	-
Medical	60.0	7.0	60.0	6.0	70.0	9.0	160.0	30.0
Food	210.0	34.0	200.0	30.0	210.0	26.0	220.0	39.0
Industrial, Consumer goods, Building & Construction etc	530.0	24.0	460.0	(3.0)	500.0	9.0	390.0	47.0

* Breakdown figures by market are approximation for reference purpose only.

* The figures above are based on the Specialty Materials segment up to FY2023.

For the purpose of this notice, “statements” means this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed by Mitsubishi Chemical Group.

The forward-looking statements are based largely on company expectations and information available as of the date hereof, and are subject to risks and uncertainties, which may be beyond company control.

Actual results could differ materially due to numerous factors, including without limitation, marketing conditions and the effects of industry competition.

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