



MEMBERSHIP

March 28, 2025

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
code: 4188)
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**Notice Concerning the Company Split of Mitsubishi Chemical
Group Corporation in Relation to the Transfer of Mitsubishi Tanabe
Pharma Corporation**

Mitsubishi Chemical Group Corporation ("MCG" or the "Company") announced on February 7, 2025 in the timely disclosure "Notice Concerning the Transfer of Mitsubishi Tanabe Pharma Corporation and its Subsidiaries" that Mitsubishi Tanabe Pharma Corporation (Head Office: Chuo-ku, Osaka; Representative Directors: Akihiro Tsujimura, Hiroaki Ueno, "MTPC"), a consolidated subsidiary of the Company, would be transferred to a special purpose company indirectly owned by an investment fund advised by Bain Capital Private Equity, LP (together with its affiliates, "Bain Capital"), under the umbrella of K.K. BCJ-94. The Company hereby announces that its Board of Directors has resolved at a meeting held today to implement the transfer through the method of a company split (hereinafter referred to as the "Company Split").

The implementation of the Company Split is subject to the resolution at the Company's annual shareholders' meeting and to the clearances, approvals and/or permissions required under competition and other laws and regulations in the relevant jurisdictions including Japan.

1. Purpose of the Company Split

As announced in the timely disclosure "Notice Concerning the Transfer of Mitsubishi Tanabe Pharma Corporation and its Subsidiaries" dated February 7, 2025, we have decided to transfer MTPC to Bain Capital.

The purpose of this Company Split is to implement such a transfer and to transfer all shares of MTPC and related assets to K.K. BCJ-94.

2. Summary of the Company Split

(1) Schedule of the Company Split

Date of resolution of the Board of Directors concerning the execution of the absorption split agreement	March 28, 2025
Signing date for the absorption split agreement	March 28, 2025
Record date of the annual shareholders' meeting	March 31, 2025 (Schedule)

Date of annual shareholders' meeting	Late June 2025 (Schedule)
Effective date of the Company Split	Second quarter of FY 3/3026 (Schedule)

(2) Method of the Company Split

The Company Split is an absorption-type company split where MCG will be the splitting company and K.K. BCJ-94 will be the successor company.

(3) Details of Allocations for the Company Split

At the time of the Company Split, MCG will receive a cash payment equivalent to approximately 510 billion yen from Bain Capital. However, the final amount of consideration will be determined after a price adjustment specified in the agreement.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights as a Result of the Company Split

Stock acquisition rights and bonds with stock acquisition rights issued by MCG remain unchanged as a result of the Company Split.

(5) Change in Capital Due to the Company Split

The capital amount of MCG will remain unchanged as a result of the Company Split.

(6) Rights and Obligations Assumed by the Successor Company

K.K. BCJ-94 will succeed all shares of MTPC, related assets and other rights and obligations in accordance with the absorption split agreement concluded between K.K. BCJ-94 and MCG.

(7) Expected Fulfillment of Obligations

It is deemed that there will be no problem with the fulfillment of obligations to be assumed by K.K. BCJ-94 after the effective date of the Company Split.

3. Basis of the Allocations Related to Company Split

(1) Basis and Reason for Allotment of Shares

In order to ensure the fairness and appropriateness of the decision to conduct the Company Split, the Company requested its financial advisor, Goldman Sachs Japan Co., Ltd. ("Goldman Sachs"), to conduct a financial analysis of the value of MTPC, and obtained a valuation report dated as of March 24, 2025 (the "GS Report").

(2) Matters Related to Valuation

① Name of the Valuation Institution and Relationship with the Listed Company and the Counterparty

Goldman Sachs is not a related party of the Company, MTPC or Bain Capital, and does not have any material interest in the Company Split.

② Summary of Valuation

Goldman Sachs conducted its analysis for the GS Report using a discount cash flow analysis ("DCF Analysis"). The DCF Analysis was based on the Forecasts (as defined below). The range of values of MTPC based on the DCF Analysis is as follows:

	Valuation Result
DCF Analysis	4,518 Oku yen ~5,451 Oku yen

In the DCF Analysis, Goldman Sachs analyzed the value of MTPC by discounting MTPC's future free cash flows based on certain assumptions reflected in the Forecasts to present value. The Forecasts used for Goldman Sachs' DCF Analysis are composed of the nine fiscal years from the fiscal year ending March 2025 to the fiscal year ending March 2033. The Forecasts used for Goldman Sachs' DCF analysis from the fiscal year ending March 2025 to the fiscal year ending March 2033 include fiscal years with substantial

increases or decreases in profit. Specifically, in the fiscal year ending March 31, 2025, about 15 billion yen in severance payments are expected to be incurred as a result of the implementation of the voluntary retirement program. Furthermore, the fiscal years ending March 2030 and 2031 are expected to include a decrease in core operating income by around 40 per cent as compared to the previous fiscal year because of the change of business environment in one field of MTPC's main products and MTPC's change of its product portfolio. In addition, the fiscal year ending March 2032 includes an increase in core operating income by around 40 per cent as compared to the previous fiscal years because of the expansion of sales of the Parkinson's disease drug currently under development. This Forecast is on a stand-alone basis and does not incorporate such synergies because it is difficult to estimate the specific synergy effects that are expected to be realized by the Company Split and related transactions (the "Transactions") at the present time.

(Note) The following is a supplemental explanation of the assumptions made, procedures followed, matters considered and limitations on Goldman Sachs' financial analyses of MTPC and preparation of the GS Report.

Goldman Sachs and its affiliates (collectively, "Goldman Sachs Group") are engaged in advisory, underwriting, lending and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs Group and its employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of the Company, K.K. BCJ-94, any of their respective affiliates and third parties, including Bain Capital, an affiliate of K.K. BCJ-94, and any of their respective affiliates and, as applicable, portfolio companies, or any currency or commodity that may be involved in the Transaction. Goldman Sachs has acted as financial advisor to the Company in connection with, and has participated in certain of the negotiations leading to, the Transaction. Goldman Sachs expects to receive fees for its services in connection with the Transaction, a portion of which is contingent upon the execution of the Agreement and a substantial portion of which is contingent upon the consummation of the Transaction, and the Company has agreed to reimburse certain of Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. Goldman Sachs Group has provided certain financial advisory and/or underwriting services to the Company, MTPC, K.K. BCJ-94, Bain Capital and/or their affiliates and, as applicable, portfolio companies from time to time for which Goldman Sachs Investment Banking has received, and may receive, compensation. Goldman Sachs Group may also in the future provide financial advisory and/or underwriting services to the Company, MTPC, K.K. BCJ-94, Bain Capital and their respective affiliates and, as applicable, portfolio companies, for which Goldman Sachs Investment Banking may receive compensation. Affiliates of Goldman Sachs also may have co-invested with Bain Capital and its affiliates and, as applicable, portfolio companies, from time to time and may have invested in limited partnership units of affiliates of Bain Capital from time to time and may do so in the future.

In connection with preparing the GS Report, Goldman Sachs has reviewed, among other things, the Agreement; audited financial statements for MTPC for the five fiscal years ended March 31, 2024; unaudited quarterly financial statements for MTPC for the most recent three fiscal years and the nine-month period ended December 31, 2024; and certain internal financial analyses and forecasts for MTPC prepared by the management of MTPC, as approved for Goldman Sachs' use by the Company (the "Forecasts"). Goldman Sachs has also held discussions with members of the senior managements of the Company and MTPC regarding their assessment of the past and current business operations, financial condition and future prospects of MTPC; compared certain financial information for MTPC with similar financial and stock market information for certain other companies the securities of which are publicly traded; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

In conducting its financial analysis and preparing the GS Report, Goldman Sachs has, with the Company's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard,

Goldman Sachs has assumed with the Company's consent that the Forecasts have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company. Goldman Sachs has not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of the Company or MTPC or any of their respective subsidiaries, and Goldman Sachs has not been furnished with any such evaluation or appraisal.

The GS Report does not address the underlying business decision of the Company to engage in the Transaction, or the relative merits of the Transaction as compared to any strategic alternatives that may be available to the Company; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs does not express any view on any other term or aspect of the Agreement or Transaction or any term or aspect of any other agreement or instrument contemplated by the Agreement or entered into or amended in connection with the Transaction, including the Company Split, the choice of the Company Split structure compared to other possible transaction structures, any ongoing obligations of the Company or the fairness of the Transaction to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of the Company or MTPC; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of the Company or MTPC, or any class of such persons in connection with the Transaction, whether relative to the consideration to be paid to the Company in the Transaction pursuant to the Agreement or otherwise. Goldman Sachs is not expressing any opinion as to the prices at which the shares of the Company will trade at any time, as to the potential effects of volatility in the credit, financial and stock markets on the Company, MTPC, K.K. BCJ-94 or the Transaction, or as to the impact of the Transaction on the solvency or viability of the Company, MTPC or K.K. BCJ-94 or the ability of the Company, MTPC or K.K. BCJ-94 to pay their respective obligations when they come due. The GS Report is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, the date of the GS Report and Goldman Sachs assumes no responsibility for updating or revising the GS Report based on circumstances, developments or events occurring after such date. Goldman Sachs' advisory services and the GS Report expressed herein are provided solely for the information and assistance of the Board of the Company in connection with its consideration of the Transaction and the GS Report does not constitute a recommendation as to how any holder of shares of the Company should vote with respect to such Transaction. The GS Report is not necessarily susceptible to partial analysis or summary description. Selecting portions of the GS Report or the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying the GS Report. Goldman Sachs did not attribute any particular weight to any factor or any analysis it performed. The GS Report does not constitute any opinion, nor does the GS Report constitute a recommendation to the Board of the Company, any security holder of the Company or any other person as to how to vote or act with respect to any transaction or any other matter.

(3) Expectation of Delisting and Reasons Thereof

There are no expectations of a delisting of MCG due to the Company Split.

4. Outline of the Parties Involved in the Company Split

【Splitting company】

(1) Name	Mitsubishi Chemical Group Corporation
(2) Address	1-1-1 Marunouchi, Chiyoda-ku, Tokyo
(3) Title and name of representative	Representative Director: Manabu Chikumoto
(4) Business description	Management of group companies (including establishment of overall group strategies, allocation of capital, etc.)
(5) Paid-in capital	50,000 million yen
(6) Established	October 3, 2005
(7) Number of shares outstanding	1,506,288,107 shares

	Bank, Ltd.		
(13)	Financial results and financial position of the specified subsidiary for the past three years		
Fiscal year end	FY 3/2022	FY 3/2023	FY 3/2024
Total assets	5,573,871 million Yen	5,774,348 million Yen	6,104,513 million Yen
Total equity	1,844,319 million Yen	1,988,469 million Yen	2,275,495 million Yen
Equity attributable to owners of the parent	1,026.03 Yen	1,100.27 Yen	1,239.61 Yen
Sales revenue	3,976,948 million Yen	4,634,532 million Yen	4,387,218 million Yen
Core operating income	272,342 million Yen	325,558 million Yen	208,116 million Yen
Operating income	303,194 million Yen	182,718 million Yen	261,831 million Yen
Earnings before tax	290,370 million Yen	167,964 million Yen	240,547 million Yen
Net income attributable to owners of the parent	177,162 million Yen	96,461 million Yen	119,596 million Yen
Net income per share	124.68 Yen	67.85 Yen	84.07 Yen
Dividends per share	30.00 Yen	30.00 Yen	32.00 Yen

【Successor company】

(1)	Name	K.K. BCJ-94	
(2)	Address	5F, Palace Building, 1-1-1 Marunouchi, Chiyoda-ku, Tokyo	
(3)	Title and name of representative	Representative Director: Yuji Sugimoto	
(4)	Business description	1. To control and manage the business activities of companies by owning shares or equities of such companies; and 2. Any business incidental or related to Item 1 above.	
(5)	Paid-in capital	5,000 yen	
(6)	Established	January 17, 2025	
(7)	Number of shares outstanding	10,000 shares	
(8)	Fiscal year end	December 31	
(9)	Number of employees	N/A	
(10)	Major clients	N/A	
(11)	Main banks	N/A	
(12)	Major shareholders and shareholding ratios	K.K. BCJ-93 100% (Excluding treasury shares)	
(13)	Relationship between the splitting company and the specified company	Capital relationship	N/A
		Personal relationships	N/A
		Business relationships	N/A

	Status of relationship with related parties	N/A
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5. Overview of Splitting Businesses

(1) Description of the business division to be split off

Manufacture and sale of pharmaceutical products, mainly ethical drugs

(2) Sales Result of Splitting Business Departments (for the fiscal year ending March 31, 2024)

Sales revenue 437,364 million yen

Core operating income 56,208 million yen

Net income attributable to owners of the parent company 56,403 million yen

(3) Splitting Assets, Debts and Book Values (as of March 31, 2024)

Asset		Liabilities	
Item	Book value	Item	Book value
Current assets	580,610 million yen	Current liabilities	122,968 million yen
Non-current assets	381,878 million yen	Non-current liabilities	34,813 million yen
Total	962,488 million yen	Total	157,781 million yen

(Note) The amounts of assets and liabilities to be split will be determined after adding or subtracting any increase or decrease up to the day before the effective date of the Company Split to the above amounts.

6. Status after the Company Split

After the Company Split, there is expected to be no change in the name, address, name and title of representative, business activities, capital stock and fiscal year.

7. Outline of Accounting Treatment

The accounting treatment for this Company Split falls under the category of "transfer" under the accounting standards for business combinations.

8. Future Outlook

Following approval of the Company Split at MCG's annual shareholders' meeting, MTPC and its subsidiaries and affiliate will be categorized as discontinued operations. MCG expects to record pre-tax income from discontinued operations of approximately 95 billion yen in the second quarter of FY 3/2026 in relation to the Company Split. However, this number may differ from the final result although it is predicted based on the financial results as of end of December 2024. We will promptly announce if any matters that should be disclosed arise in the future.

The impact of the Company Split on MCG's consolidated performance in FY 3/2025 is expected to be minor.

Reference: Consolidated performance forecast for the current fiscal year (announced on November 1, 2024) and consolidated results for the previous fiscal year

	Sales revenue	Core operating income	Operating income	Net income	Net Income attributable to owners of the parent	Basic net income per share
Consolidated earnings forecast for the current fiscal year (FY 3/2025)	Million yen 4,470,000	Million yen 290,000	Million yen 218,000	Million yen 112,000	Million yen 52,000	Yen 36.54
Consolidated results for the previous fiscal year (FY 3/2024)	4,387,218	208,116	261,831	178,439	119,596	84.07