

Mitsubishi Chemical Group IR Day 2023 presentation

20th October 2023



What you will hear about today



Updates on MCG's ambition towards 2025



Specialty Materials:
Growth strategy



Key takeaways

Driving the
**Forging the future
transformation**
resiliently despite current
economic headwinds

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1 Updates on MCG's ambition towards 2025

2 Specialty Materials: Growth strategy

3 Key takeaways

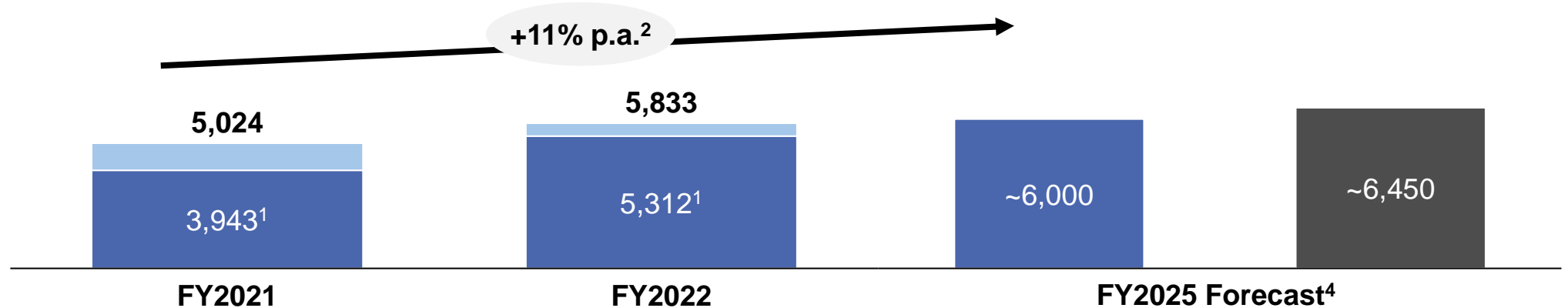


We remain committed to our financial targets ...

- Core business
- Petrochemicals and Carbon Products
- Petrochemicals 100% owner case

MCG financial targets

MCG EBITDA,
oku yen



Revenues, oku yen

	FY2021	FY2022	FY2025 Forecast ⁴	Petrochemicals 100% owner case
Revenues, oku yen	39,769	46,345	~33,750	~42,900
EBITDA margin	13%	13%	18%	15%
COI, oku yen	2,723	3,256	~3,650	~3,750
ROIC	5%	6%	7%	6%
EPS, ³ JPY	125	68	~143	~143

EBITDA margin

COI, oku yen

ROIC

EPS,³ JPY

1. EBITDA excluding Petrochemicals and Carbon Products; 2. Organic EBITDA growth excluding Petrochemicals and Carbon Products; 3. Basic EPS;

4. Core business financial forecast includes ~100 oku yen of profit from Petrochemicals 50:50 JV share in COI line. Petrochemicals 100% owner case financial forecast includes ~200 oku yen of COI from Petrochemicals business

... and we achieved significant progress on GHG emission reduction and other non-financial targets



GHG reduction
Scope 1 and 2



-30%¹

by FY2030 vs. FY2019



-14%

FY2022 vs. FY2019



Customer satisfaction²



6 pp

by FY2025 vs. FY2020



8 pp

FY2022 vs. FY2020



Employee engagement³



15 pp

by FY2025 vs. FY2020



3 pp

FY2022 vs. FY2020



Diversity among management⁴



16 pp

by FY2025 vs. FY2022

24%

FY2022

1. Estimated based on MCG's 29% reduction target (incl. petrochemicals and carbon products) in Japan; 2. Level of customer satisfaction based on annual customer survey; 3. Percentage of favorable responses to set items in the employee awareness survey; 4. Percentage of managerial staff with a diversity attribute. Target 40%.
Note: pp = percentage points

Industry headwinds require further resilience...



Slow demand in automotive, construction, industrials

-1.2% projected drop in GDP growth in 2023 vs. 2022 in advanced economies²



Industry de-stocking

~20% drop in EU chemical production compared to 2021 to weakest level since 2009³

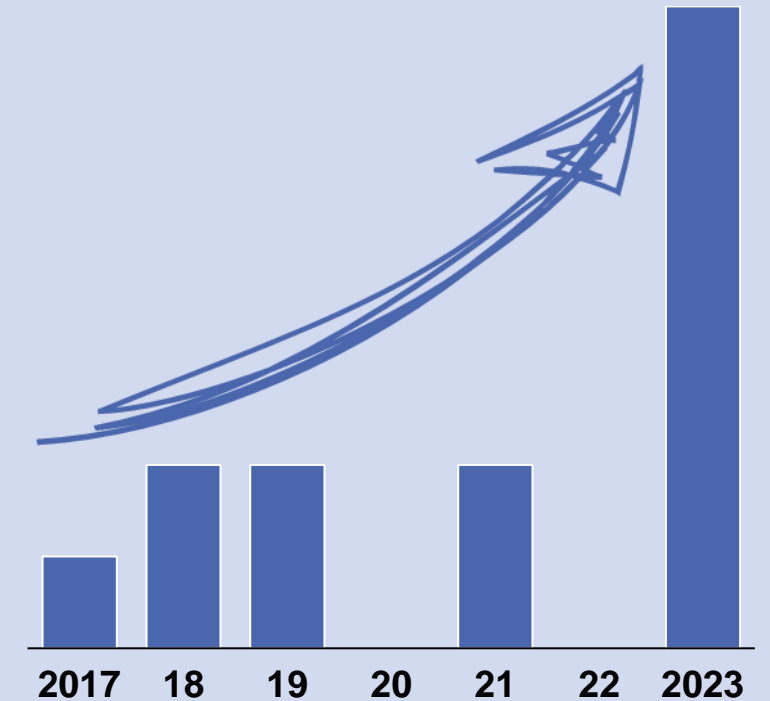


Declining raw material prices

~20% drop in European polymer prices in 2023 year-to-date compared to 2022⁴

Major chemical players globally issuing profit warnings and facing challenges recently¹

profit warnings per year for selected players



1. Selected (specialty) chemicals players including Arkema, DuPont, Solvay, Evonik, Lanxess, Clariant, BASF, Celanese, Henkel, HB Fuller, Sika;

2. According to IMF; 3. According to Bloomberg; 4. Based on Plastixx ST index performance until July 2023

... MCG continues to accelerate its Forging the future transformation to counteract negative business impacts



Growth, performance, sustainability

Shift to global profitable markets

Focus on selected end applications

Become more market-facing

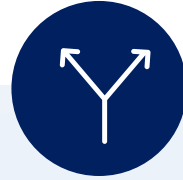
Become a sustainability leader



Strategic cost transformation

Operational excellence

Procurement optimization



Business to exit

Continuation of petrochemicals and carbon products business exit path

Exploration of further strategic portfolio review



Leaner, digital, empowered¹

Shift to a leaner and digital organization and empowered workforce

Digitizing end-to-end processes and optimizing the ERP landscape



Strategic capital allocation

Improvement of balance sheet for funding future growth

1. Formerly named: Leaner structure to execute

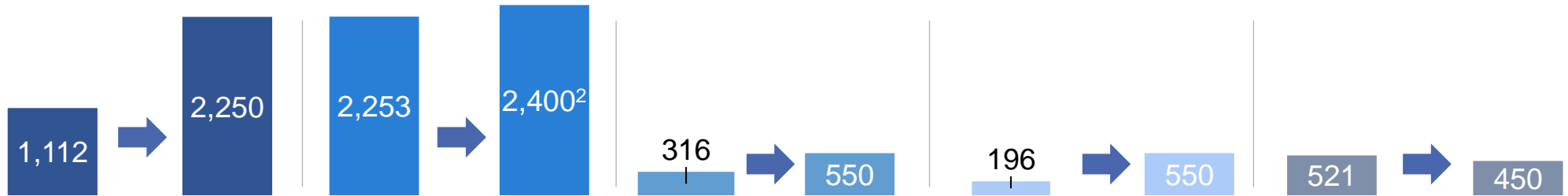
Specialty Materials and Industrial Gases are our growth drivers

FY2022 → FY2025

Business unit¹



EBITDA, oku yen



EBITDA margin



COI margin



ROIC



1. Additional EBITDA from other business units: 175 oku yen in FY2022, ~250 oku yen in FY2025; 2. Midpoint of range as disclosed in Medium-Term Management Plan of Nippon Sanso Holdings rounded up;

3. Excludes Gilenya arbitration impact of 1,259 oku yen; 4. Includes effect of partially complete large investment in US facility, ROIC excl. the investment is 9%; 5. Figures in FY2025 are on an MCG standalone basis

We reconfirm our vision for the future

“A leading supplier of specialty products that delivers innovative solutions globally, bringing superior value to our customers, shareholders, and society”



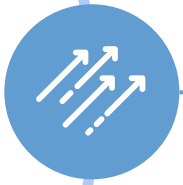
Specialty Materials is the core of MCG and will become even more important in the future



We are the home for the largest share of our employees

~40%

of total MCG employees



We are driving MCG's innovation and bring new technologies and products to our customers

~60%

of MCG patents in last 5 years

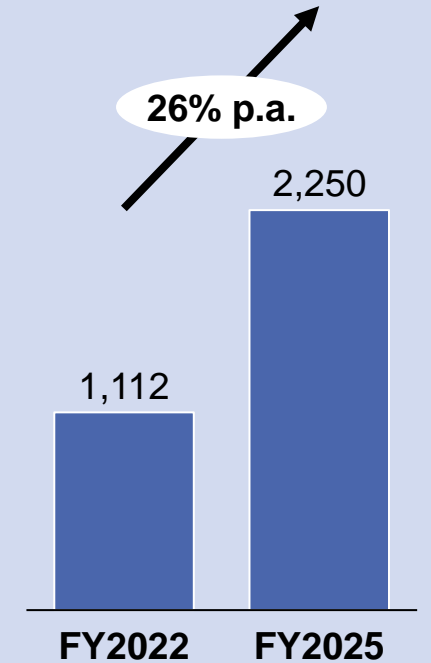


We are most actively reshaping our business portfolio

~60%

of MCG acquisitions in last 5 years¹

Specialty Materials EBITDA, oku yen



EBITDA margin 9% → 16%

ROIC 4% → 10%

1. Publicly announced acquisitions only



Frank Randall (Randy) Queen

Executive Vice President,
Head of Specialty Materials

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Specialty Materials is at the heart of our Forging the future transformation



Growth, performance, sustainability

Portfolio transformation & higher value applications

Optimize value chain position

M&A for further growth

Market-orientation & globalization



Strategic cost transformation

Drive operational excellence across Specialty Materials plants globally

Optimize procurement

Restructure our footprint



Business to Exit

Exit non-strategic businesses

De-emphasize businesses in non-core markets

Exit businesses with limited synergies within portfolio



Leaner, digital, empowered

Digitize processes – piloting key processes in Specialty Materials

Simplify our operating model to foster empowerment

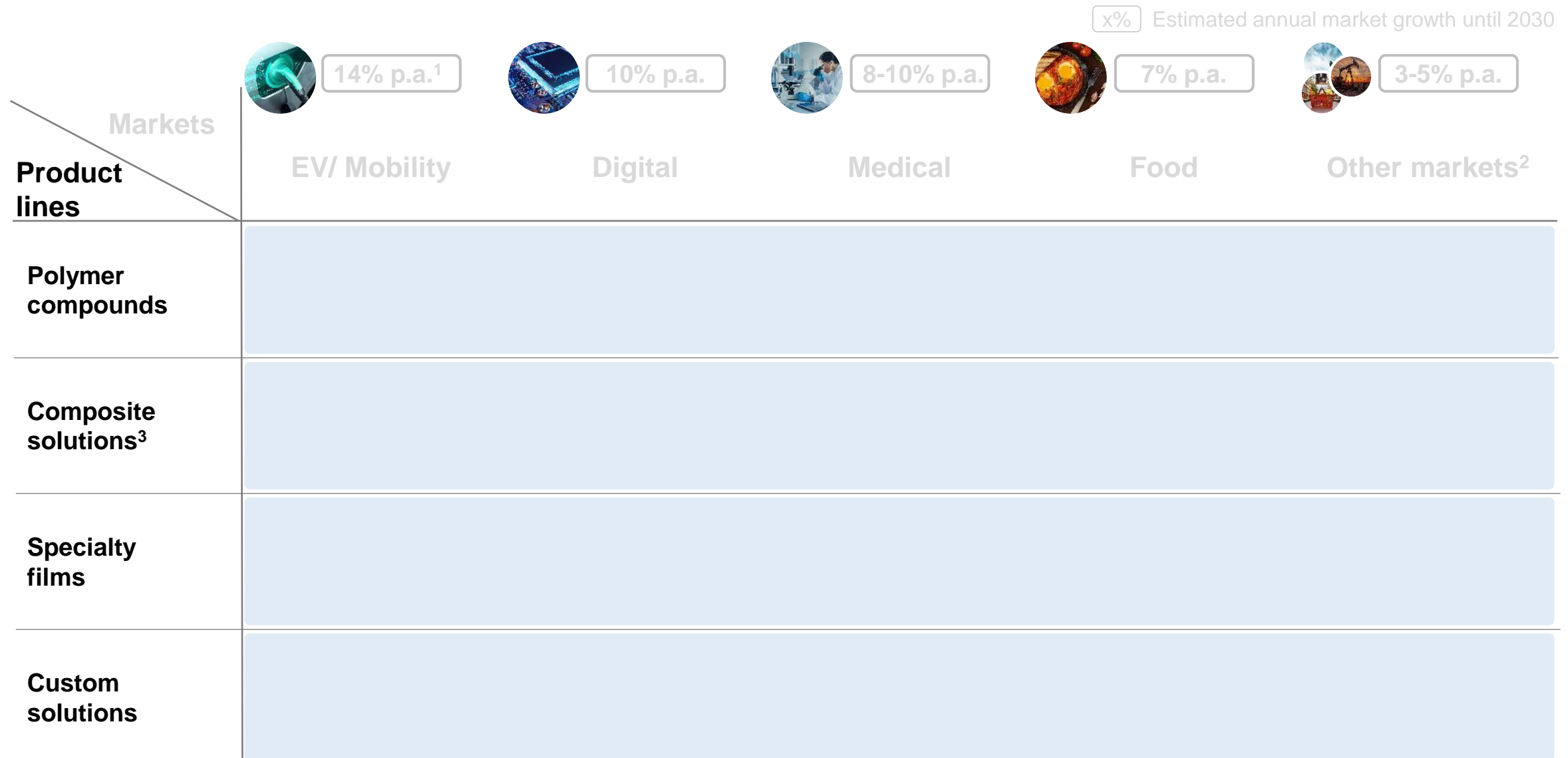


Strategic capital allocation

Commit ambitious financial resources to grow Specialty Materials as the core of MCG

Rigor in capex allocation process






Our portfolio is well positioned across our core markets



1. Addressable market growth rate in EV/ Mobility; 2. Including building/infrastructure, industrial and consumer goods; 3. Including Advanced Materials product line

Our portfolio is well positioned across our core markets

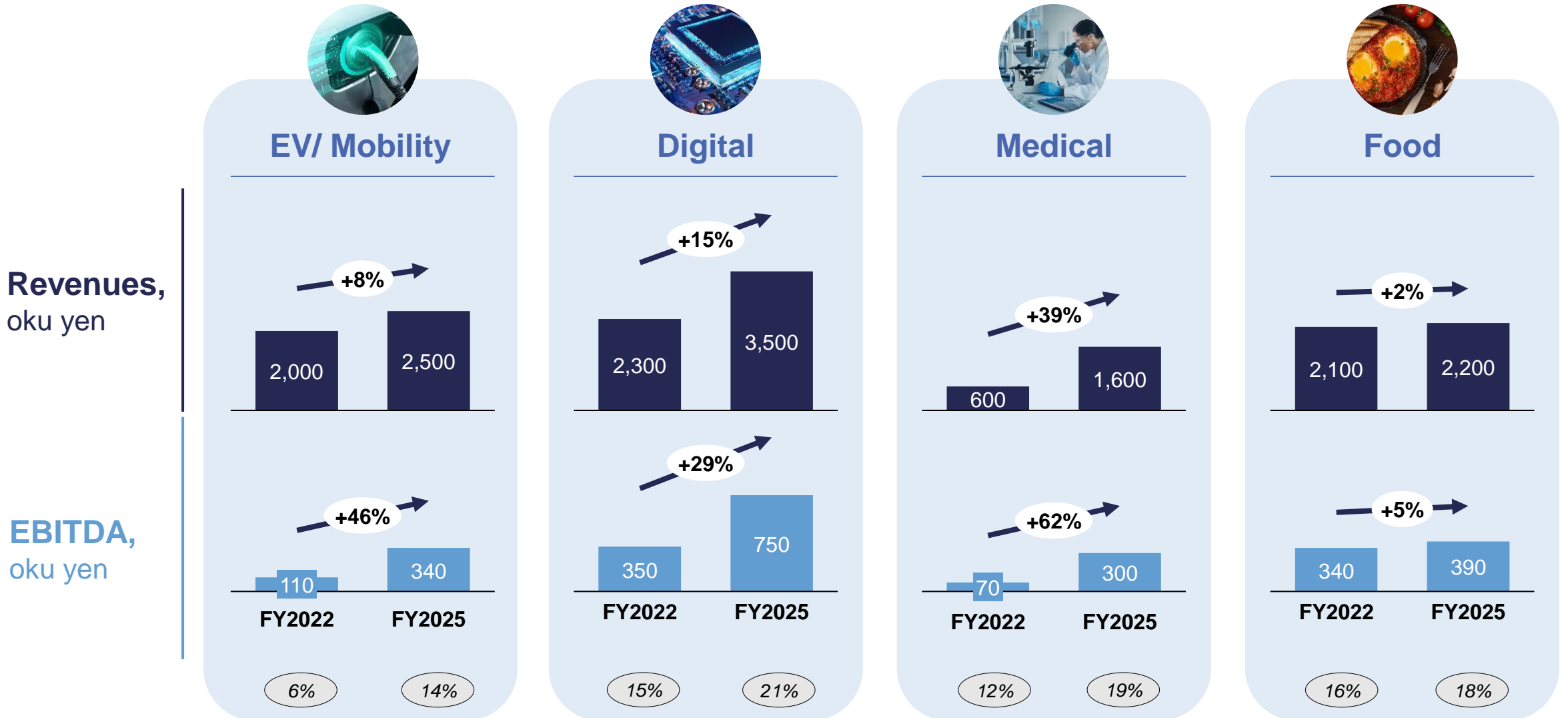
x% Estimated annual market growth until 2030

Markets Product lines	 14% p.a.¹ EV/ Mobility	 10% p.a. Digital	 8-10% p.a. Medical	 7% p.a. Food	 3-5% p.a. Other markets²
	Polymer compounds	✓	✓	✓	✓
Composite solutions³	✓	✓	✓		✓
Specialty films	✓	✓	✓	✓	✓
Custom solutions	✓	✓	✓	✓	✓

1. Addressable market growth rate in EV/ Mobility; 2. Including building/infrastructure, industrial and consumer goods; 3. Including Advanced Materials product line

Portfolio transformation within each market will enable growth and value generation

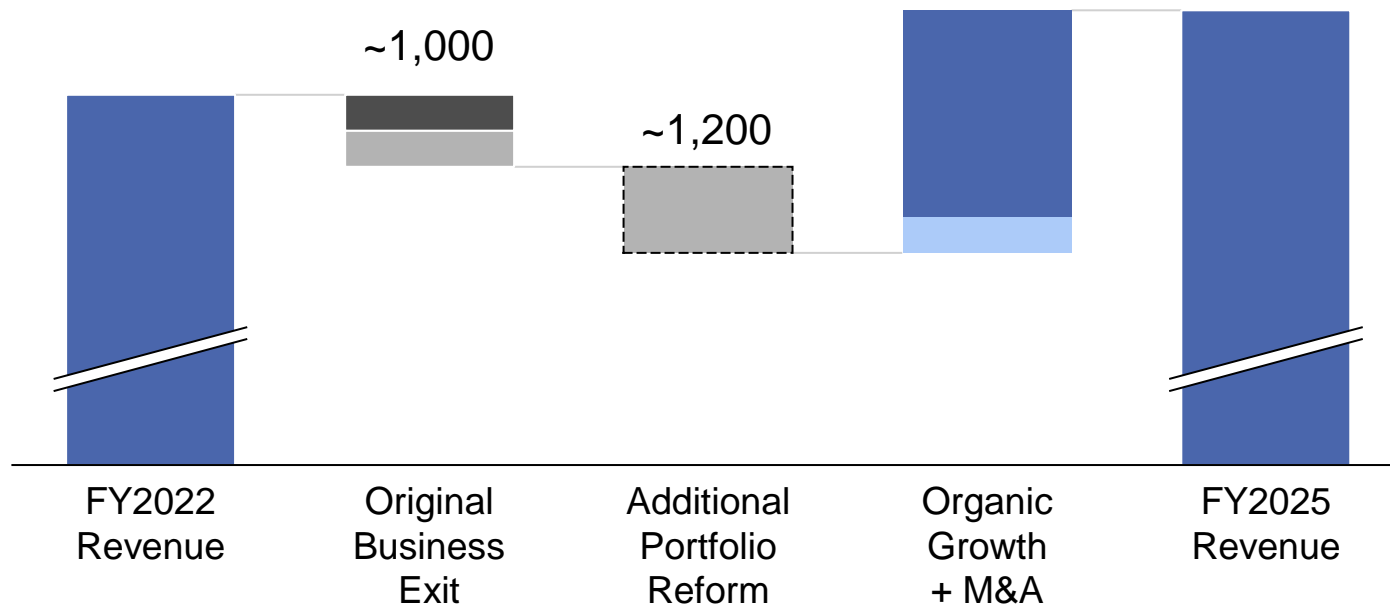
(X) CAGR (X) EBITDA margin



Note: Breakdown figures by market are approximation for reference purpose only.

We are progressing and deepening the reformation of the Specialty Materials portfolio

Portfolio Evolution,
Oku yen



Portfolio objectives



Exiting commoditizing or non-core business



Executing portfolio rationalization



Portfolio synergies

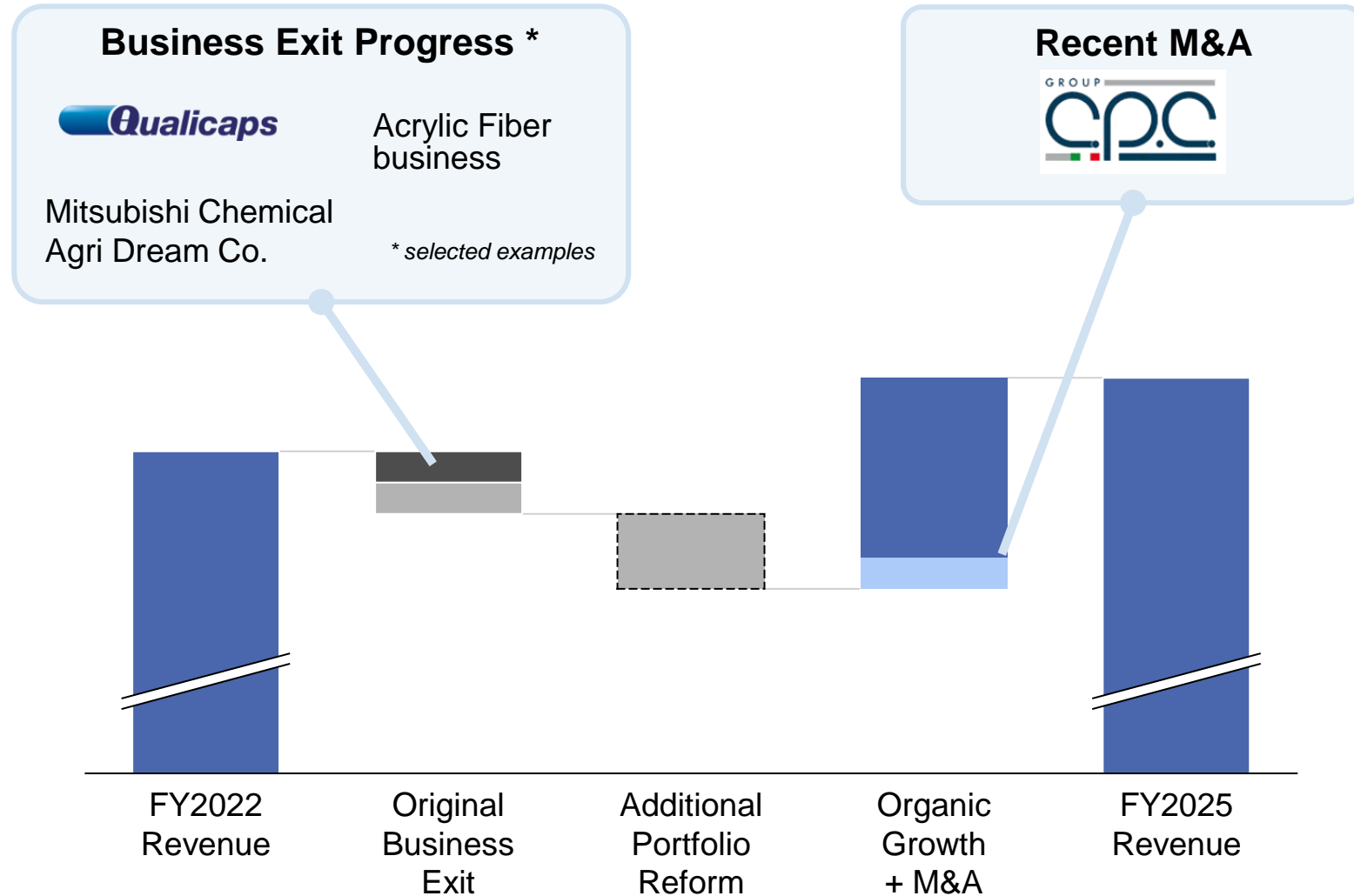


Re-invest in core business



Diversity for market resilience

We are progressing and deepening the reformation of the Specialty Materials portfolio

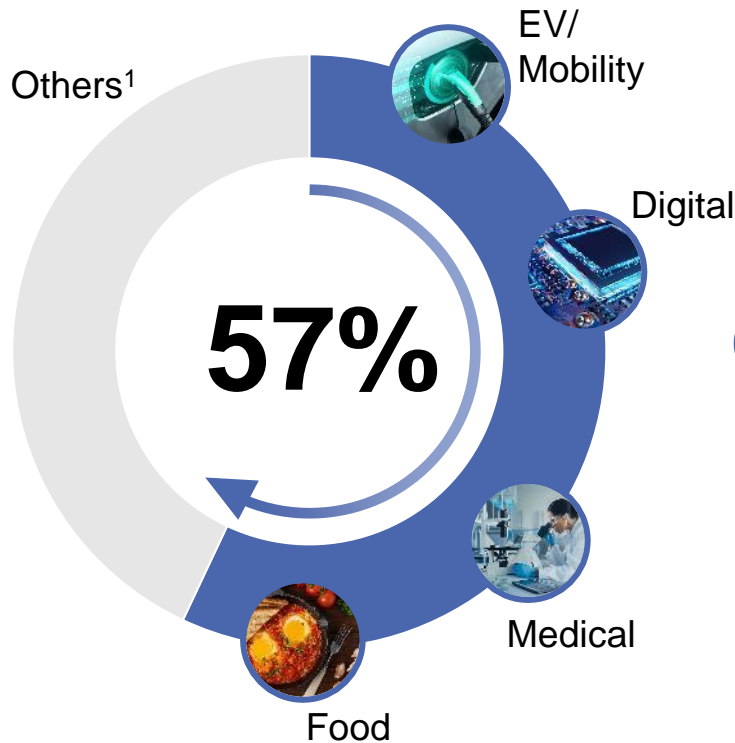


Portfolio objectives

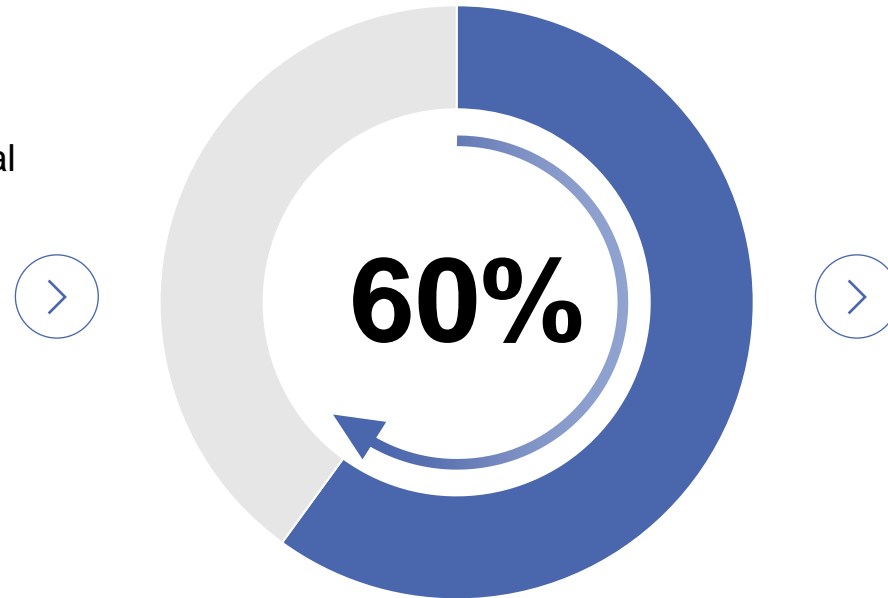
-  Exiting commoditizing or non-core business
-  Executing portfolio rationalization
-  Portfolio synergies
-  Re-invest in core business
-  Diversity for market resilience

Specialty Materials is on track to reach ~70% sales in core markets by FY2025

Revenue split FY2022



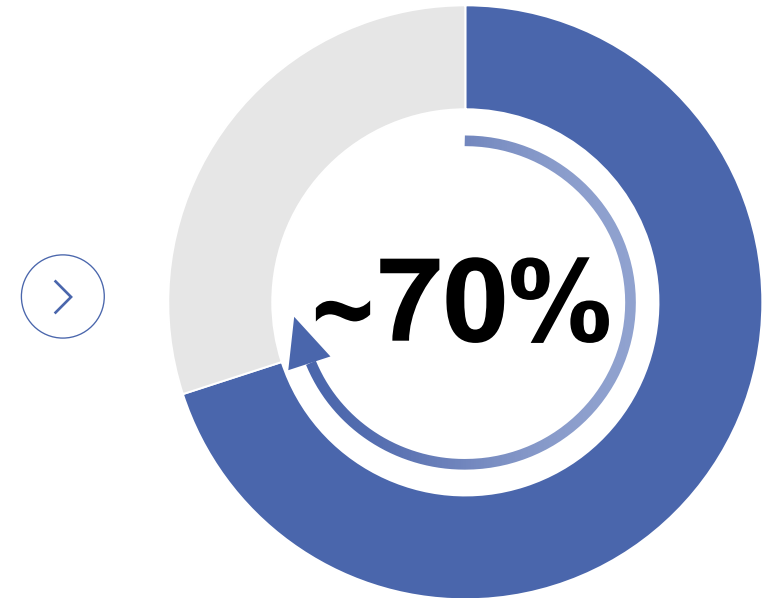
Revenue split FY2023 1Q



+3pp

revenue share of core markets
compared to FY2022

Target revenue split FY2025



+ ~15pp

revenue share of core markets
compared to FY2022

1. Including industrial, consumer goods, building/infrastructure

We focus on high growth sub-segments within our core markets

xx% Estimated segment growth rates until 2030

xx% Estimated market growth rates until 2030



EV/ Mobility

14% p.a.

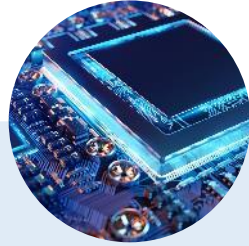
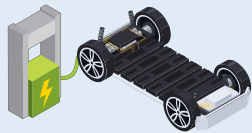
EV battery materials : 15-20%

Engine/ functional : >10%

Structural CF components
for EV : ~10%

Electrical components : 5-10%

Exterior/
Interior : 3-5%



Digital

10% p.a.

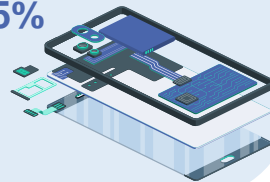
Semiconductor : 11-13%

Sensors : 10-12%

Display : 4-6%

Equipment : 3-5%

Electronics : 3-5%



Medical

8-10% p.a.¹

Implantable resins : 8-10%

Single use : 8-10%

Services : 8-10%

Implantable shapes : 6-8%

Packaging : 5-7%

Specialty silane
& silicone : 3-5%



Food

7% p.a.

Water treatment : 6-8%

Additives : 5-7%

Packaging : 5-7%



1.Growth rate based on medical polymer market growth

EV/ Mobility: We have an extensive line-up of high-value EV and automotive solutions

NON-EXHAUSTIVE

Interior

- Structural interior components (*CF-FMC™*, *KyronMAX™*, *KyronTEX™*, *GMT GMTex™*)
- Cladding, seating and decorative components (*SymaLITE™*, *XANTAR™*, *ACRYPLEN™*, *DURABIO™*, *Marvyflo™*, *Tefabloc™*, *Sunprene™*)
- Display films and frames (*DURABIO™*, *MOSMITE™*)
- Airbag cover (*THERMORUN™*)

Engine

- Electric motor housings and rotors (*CF-FMC™*, *KyronMAX™*)

Exterior

- Body panels (*Prepreg Compression Molding*, *CF-FMC*, *Forged Molding Compound™*)
- Doors and closures (*Dynaflex*, *CF-FMC™*, *KyronMAX™*)
- Sealing materials (*Trexpren™*, *Sunprene™*, *Tefabloc™*)
- Grille, Pillar, Fender Garnish (*DURABIO™*)
- Lighting (*ACRYKING™*, *XANTAR™*, *DIAKON™*)

Electrical components

- High voltage wiring (*Olefista™*, *Tefabloc™*)
- Connectors (*NOVADURAN™*)

EV battery materials

Battery cell materials

- Electrolytes (*Sol-Rite™*)
- Anode materials (*MPG and ICG*)

Battery pack materials

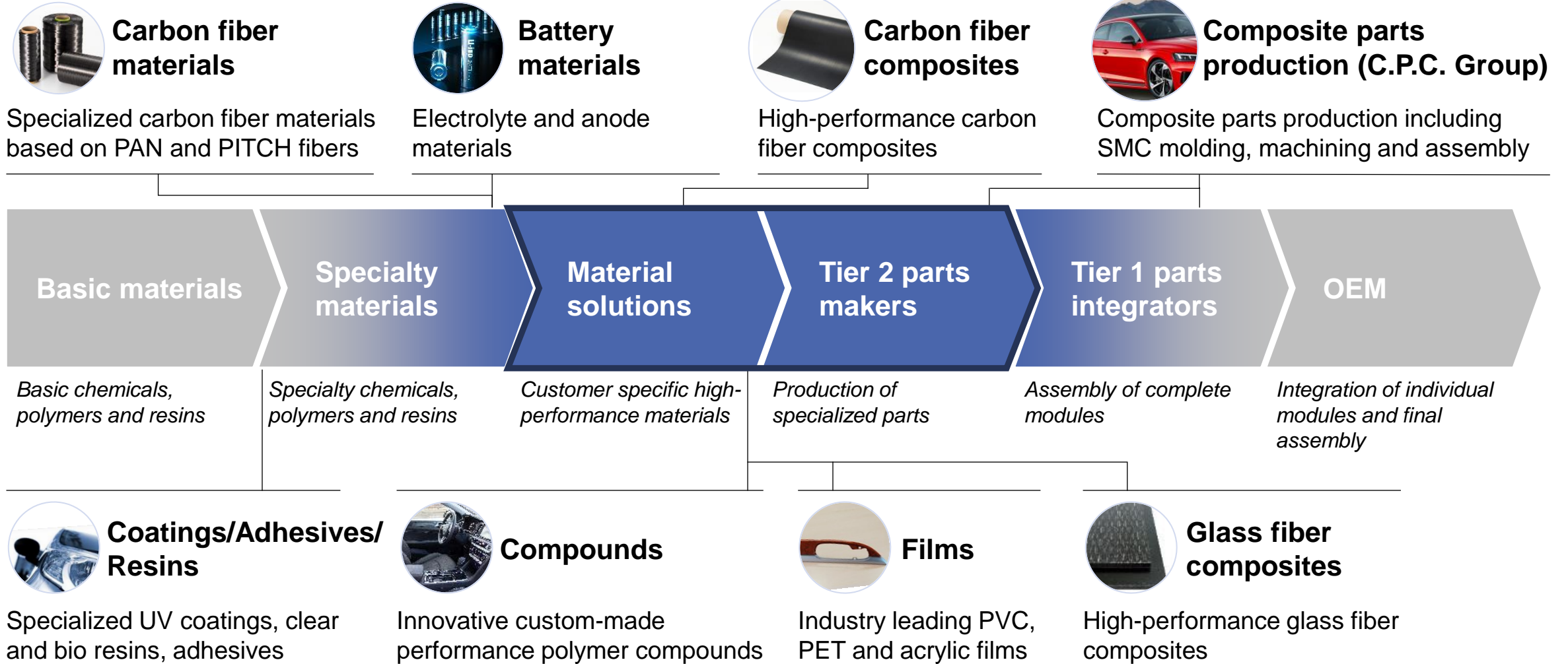
- Structural housing components made of carbon or glass fibers (*GMT*, *KyronTEX™*, *Prepreg*, *rCF*, *GMT eFR*)
- Battery cooling lines/tube (*MODIC™*, *ADTEX™*)
- Battery Spacer

Fuel cell materials

- Pressure vessel and carriers (*GMT eFR*, *Pyrofil™ CF*)
- Adhesive polymers (*ADTEX™*)
- High gas-barrier resin (*SoarnoL™*)
- Gas diffusion layers (*Pyrofil™ GDL*)

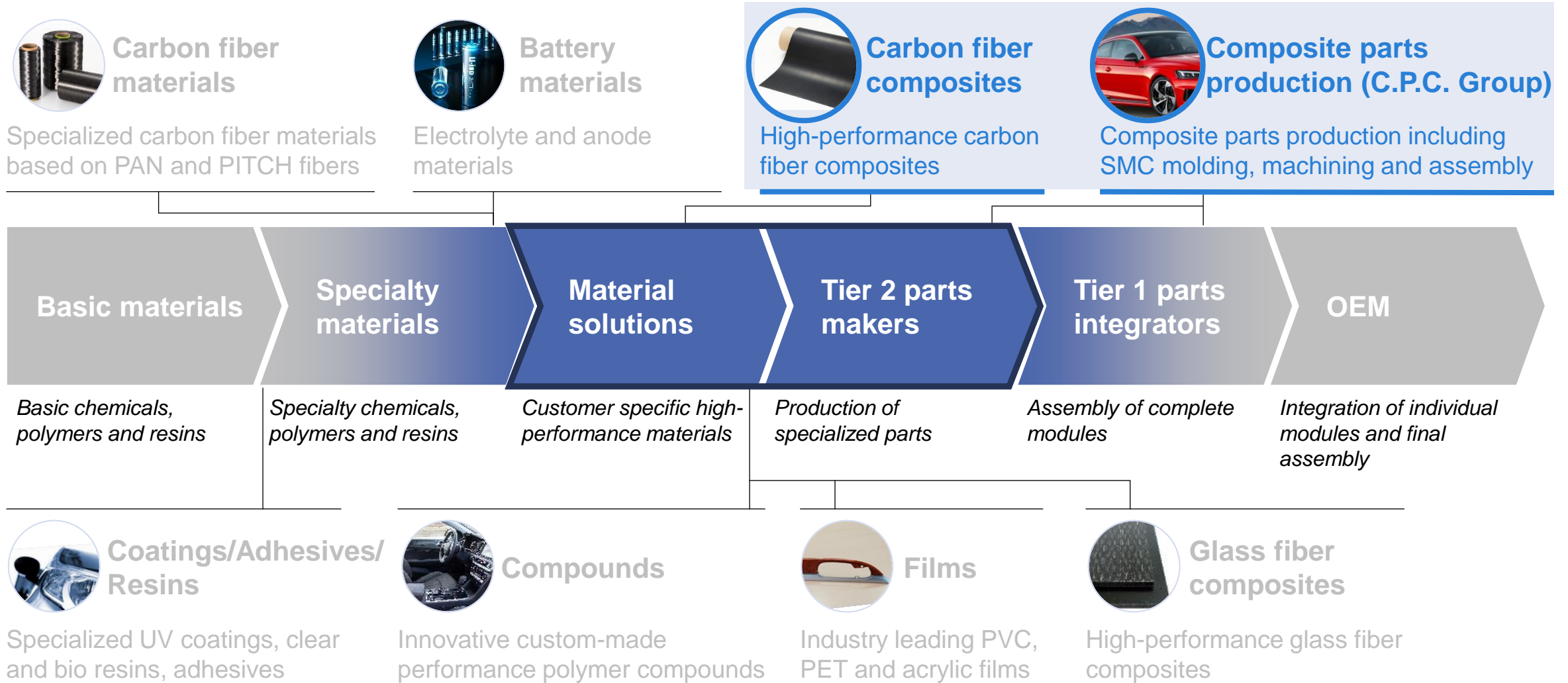
EV/ Mobility: We offer innovative material solutions throughout the value chain ...

NON-EXHAUSTIVE



EV/ Mobility: ... and focus downstream on carbon fiber solutions to drive growth and value

NON-EXHAUSTIVE





EV/ Mobility: We are a global leader in high-end carbon fiber (CF) and large part molding components

NON-EXHAUSTIVE

Our leading CF technologies to win in EV/ Mobility arena



New innovations

Struct. Interior & exterior (Doors, tailgates, panels)

rCF, CF-FMC™, KyronMax™

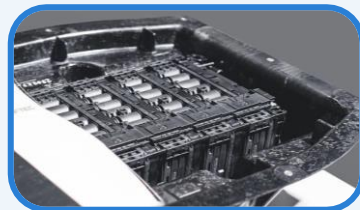
- Growth through industry **leading performance**
- Core competency in **complex composite part design**
- Leverage strong position in CF **recycle technology**
- High stretch **100% recyclable injection moldable plastic**



Powertrain components (Battery housing, Pressure vessels)

rCF, Pyrofil™ CF

- Growth through unique **multi-material integration** capability
- Bring **differentiation based on expansive portfolio**
- Cost effective solutions through material **selection / integration**
- Ability to enhance **functional performance** (ex. fire retardancy)



High-Perf. & Structural Parts

CF-FMC (Forged Molding Compound™)

- **#1 global position** for large part design and molding
- **Vertical integration** of materials, painting, and assembly
- **Solution provider** for the high-performance car market
- Growth through **capacity expansion** of molding/assembly



Emerging Mobility Monocoques & Struct. Parts:

Growth through penetration of emerging markets like **Mobility as a service** and **EV** transport

Unique solution provider of large composite parts with consistent, quality design and production

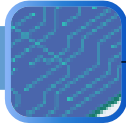




Digital: Our products are integral to the entire electronics ecosystem

NON-EXHAUSTIVE

PCB manufacturing



- ESD materials for reducing static interference in printed circuit board production process (*Semitron™*)

Display materials



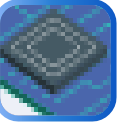
- Bio-based polycarbonate resin for touchscreens (*DURABIO™*)
- Phosphors for LED production
- FPD polyester films
- Display Film material (*GOHSENOL™*)
- Adhesive for Polarizer (*GOHSENX™*)

Device casing

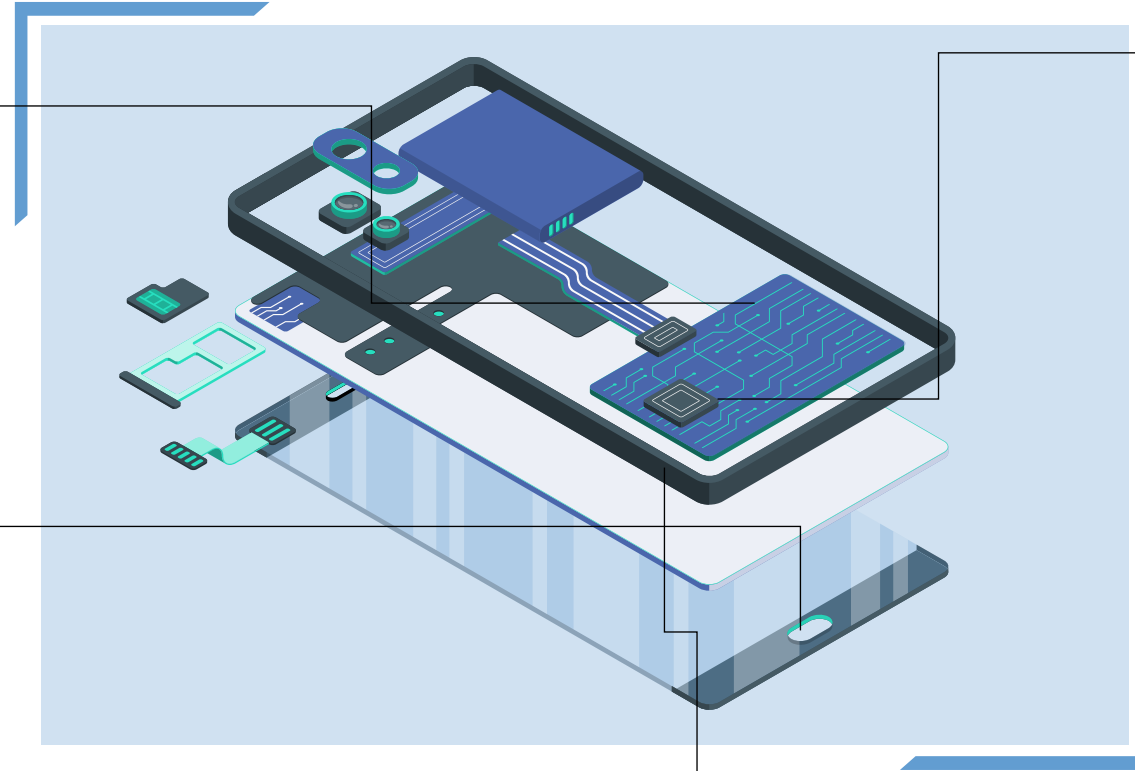


- Bio-based polycarbonate resin for smartphone housing (*DURABIO™*)

Semiconductor manufacturing



- Photolithography materials (*Lithomax™*, *aquaSAVE™*) and EUV dry resist production materials
- Wafer production materials (*Mitsubishi Synthetic Silica*)
- Encapsulant & insulation layer materials (*Epoxy resins jER™*)
- GaN wafers (*GaN substrate*)
- Post CMP cleaner (*MCX-SDR4*)
- High-precision cleaning services
- Wafer cleaning chemicals (*Star series*)
- Production process polymers and plastics (*Semitron™*, *TECHTRON™*, *GOHSENX™*)
- Ion exchange resin for water purification (*DIAION™*)





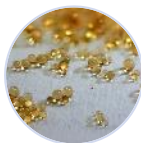
Digital: We innovate along the semiconductor value chain ...

NON-EXHAUSTIVE



Wafer cleaning chemicals

Ultra-high purity chemicals for wafer cleaning processes



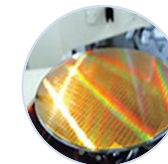
Water purification materials

Ion exchange resin for ultra pure water production



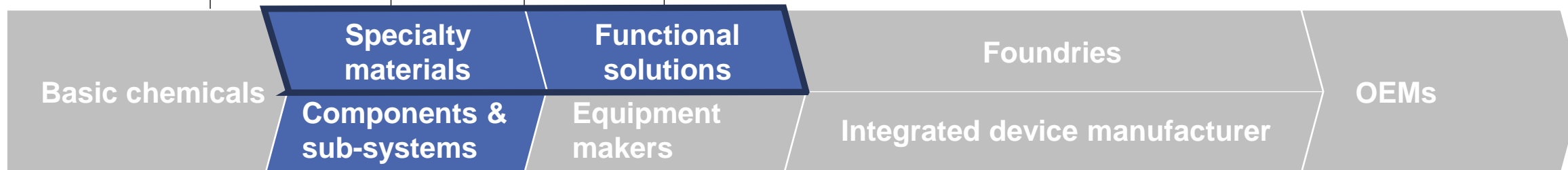
Photolithography materials

Products for resist materials of ArF and EUV (dry) lithography



High functional cleaning agents

Formulated solutions for semiconductor production and cleaning



Semiconductor manufacturing equipment

Polymers and thermoplastic products for semiconductor production processes



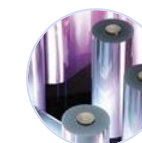
Integrated water treatment systems

Fully integrated water treatment systems



Manufacturing process support services

High-precision cleaning, etching, blasting and coating services

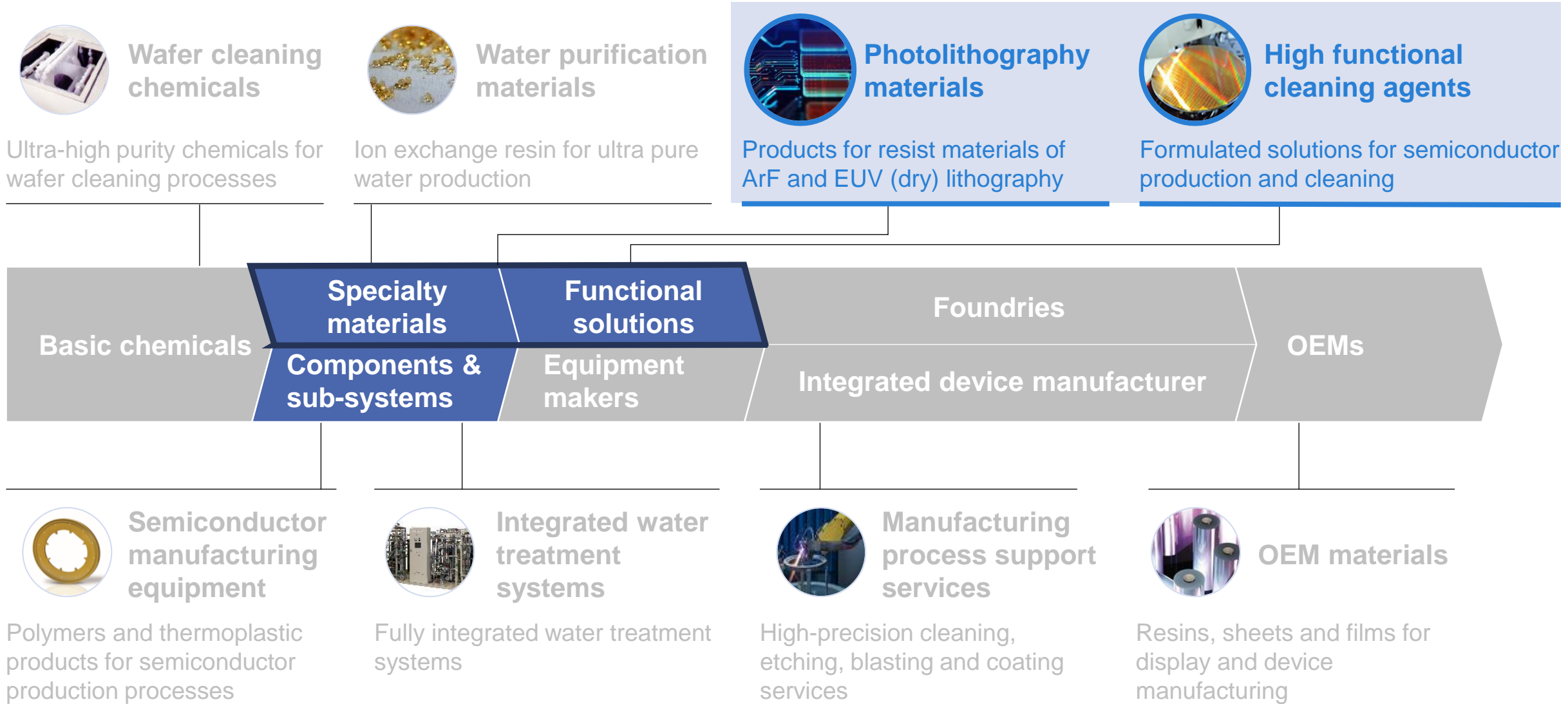


OEM materials

Resins, sheets and films for display and device manufacturing

Digital: ... with a clear plan to move further downstream

NON-EXHAUSTIVE



Digital: We are the leading producer for high-value semiconductor materials

NON-EXHAUSTIVE

Maximizing our portfolio value both through organic growth and M&A

New innovations

Specialty materials

Mitsubishi Synthetic Silica



- **#1 global silica** for crucible lining
- Core competency in **ultra high purity**
- Responding firmly to increasing demand

jER™



- Industry leading epoxy resin
- **Encapsulant & insulation** film applications
- **Expanding capacity** to meet growing demand

aquaSAVE™



- Antistatic agent specialty developed for cutting-edge photomask
- **Necessary for advanced node manufacturing**
- Growth in application as lithography shrinks transistors

Lithomax™



- **Leading photosensitive polymer**
- Key component in wet resist
- **Launching next-generation EUV solution**
- Responding firmly to increasing demand

Functional solutions

Dry-resist EUV lithography

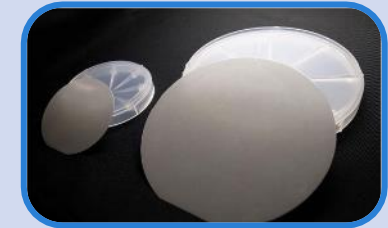
- **Partnering with Lam Research** to commercialize new production process
- Increasing resolution, productivity and yield of EUV lithography

Star Series post CMP cleaning solutions

- Industry leading cleaning chemicals
- Known for **ultra high purity**
- Very well positioned for **advanced node application** as transistor size shrinks

4-inch GaN wafer:

Commercialization of new large 4-inch GaN substrate increasing efficiency and performance of lasers, displays and power devices



Next generation Electronic Materials:

Offering chlorine-free epoxy resins, crafted through pioneering production methods, ideal for state-of-the-art semiconductors



Medical: We provide solutions across a broad spectrum of medical applications

NON-EXHAUSTIVE

Implants



- Resins for long- and short-term implants (*ChronoFlex™*, *ChronoSil™*, *ChronoFlex AR/LT™*, *ChronoThane PTM™*, *ChronoThane T™*)
- Shapes for long- and short-term implants (*Zeniva™*, *Extrulen™*, *Chirulen™*, *LSG PPSU & PEEK*)

Specialty polymers



- Acrylic polymers for denture, tooth and orthodontics (*Colacryl™*, *Acrycon™*)
- Specialty silanes and silicones for contact lenses and diagnostic devices (*Bimax™*)



Single-use



- Medical polymers for single use such as infusion bags, tubes or injection parts (*ZELAS™*, *ChronoPrene™*, *HydroMed™*, *HydroThane™*)

Medical packaging



- PET (*Hostaphan™*)
- PVC (*VINYFOIL™*)
- CPP (*SUPERFOIL™*)
- Bio-based PTP (*Superfoil B™*)
- Specialty resins (*XANTAR™*, *jER™*, *ZELAS™*)
- Tablet coating material (*GOHSENOL™*)



Medical: We are a key player along the medical value chain ...

NON-EXHAUSTIVE



Short-term implantable resins

Polyether materials for catheters, ports and access devices



Long-term implantable resins

Polycarbonate urethanes for use in oncology, neurology and cardiovascular disease management



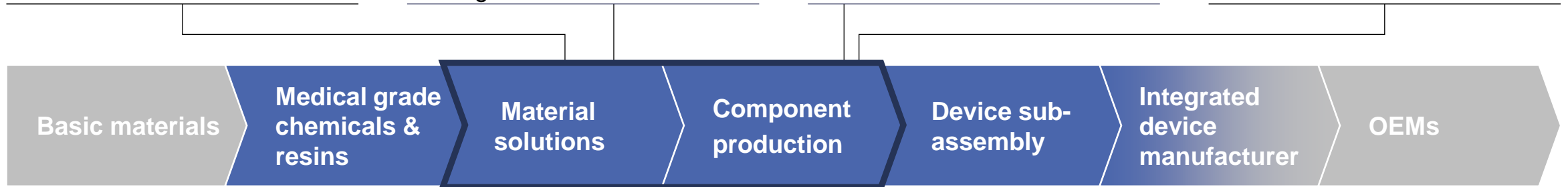
Long-term implantable shapes

Shapes for orthopedic, dental and interbody long-term implants



Short-term implantable shapes

Medical device shapes for surgical equipment and fluid handling systems



Specialty silane & silicone

Acrylate and metal-organic products used in the ophthalmology industry



Single use

Performance polymers and elastomeric & hydrophilic materials for single use



Medical packaging materials

Medical packaging films and polymers



Packaging and sterilization handling

Value added packaging and sterilization services

Medical: ... with a key product category being implantable resins and shapes

NON-EXHAUSTIVE



Short-term implantable resins

Polyether materials for catheters, ports and access devices



Long-term implantable resins

Polycarbonate urethanes for use in oncology, neurology and cardiovascular disease management



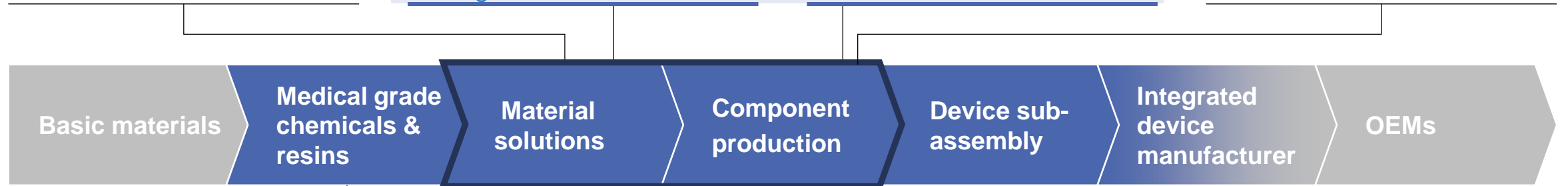
Long-term implantable shapes

Shapes for orthopedic, dental and interbody long-term implants



Short-term implantable shapes

Medical device shapes for surgical equipment and fluid handling systems



Specialty silane & silicone

Acrylate and metal-organic products used in the ophthalmology industry



Single use

Performance polymers and elastomeric & hydrophilic materials for single use



Medical packaging materials

Medical packaging films and polymers



Packaging and sterilization handling

Value added packaging and sterilization services



Medical: We provide leading long-term implantable resins and shapes transforming the medical industry

NON-EXHAUSTIVE

Our leading implantable resins and shapes to win in Medical

Long-term implantable resins

ChronoFlex™



- Custom formulated polycarbonate-based urethane elastomer line
- **Specialize in customizing solutions** for oncology, neurology and cardiovascular applications
- Used in molding, casting, and coating applications

ChronoSil™



- Polycarbonate based silicon elastomer line
- **Custom synthesize** to provide targeted mechanical and physical properties
- Unique line that can be **tailored for applications needing strength yet flexible attributes**

Long-term implantable shapes

Zeniva™



- High-performance biocompatible polymer shapes
- Leader in polymer shapes **for spinal fusion cages**
- Growing demand due to **higher comfort, longevity and stability** than metals

Extrulen™ Chirulen™



- Market leader in **implantable polymer shapes** for hips and knee replacement
- **Superior cleanliness, purity, and consistency**
- Industry leading physical/mechanical properties
- **Innovative formulation** enhancements such as antioxidants and crosslinking to extend wear life



New innovations

Single use culture bags:

Materials for bio-pharmaceuticals and regenerative medicine production utilizing our high-quality multi-layer film production technology cultivated in food packaging

Next generation contact lens materials:

Focus on more value-added offerings downstream through combining our key technology building blocks



Food: We offer leading sustainable food solutions

NON-EXHAUSTIVE

Food additives



- Souring agents (*acetic acid, sodium diacetate*)
- Shelf-life extending agents (*sodium acetate*)
- Emulsifiers (*RYOTO™*)
- Lactic acid bacteria (*LACRIS™*)
- Sweeteners (*Erythritol*)
- Anti-bacterial agents (*Wasaouro™*)

Packaging films



- Multilayer co-extruded films (*DIAMIRON™*)
- Cling and stretch films (*DIAWRAP™*)
- Polyamide films (*SANTNYL™, SUPERNYL™*)
- High gas-barrier resin (*SoarnoL™, Nichigo G-Polymer™*)
- Biodegradable & Compostable Packaging film material (*BioPBS™, FORZEAS™*)

Packaging coatings



- Coating for food packaging films and papers (*TECHBARRIER™*)
- Tie-layer resin (*MODIC™*)
- High gas-barrier resin (*SoarnoL™, Nichigo G-Polymer™*)
- Biodegradable & Compostable coating material (*BioPBS™, FORZEAS™*)

Food solutions

- Ion exchange resins for purification and separation of liquids (*DIAION™*)
- Integrated water purification systems (*Mitsubishi Chemical Aqua Solutions*)
- Greenhouse solutions (*Mitsubishi Chemical Aqua Solutions*)



Food: We are a globally leading supplier of high-value food additives and packaging solutions

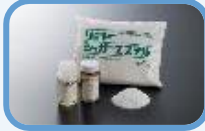
NON-EXHAUSTIVE

Our leading additives and packaging solutions to win in Food

New innovations

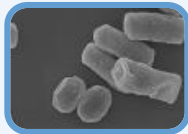
Specialized food additives

RYOTO™



- Highly **specialized emulsifier**
- Unique **ability to customize**
- Planning capacity expansion
- Geographical expansion
- High growth applications

LACRIS™



- **Proprietary lactic acid bacteria**
- Meets need for heat/acid resistance
- **Dosage efficiency** vs competitors

High-performance films

DIAMIRON™



- Strong market position
- Capacity expansion to meet growing demand
- **Proprietary multilayer film**
- Extensive **ability to customize**
- Vacuum & deep-draw packaging

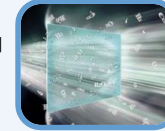
DIAWRAP™



- **Industry leading** food wrap film
- Designed for automation
- Multilayer co-extruded
- Unique **ability to customize**
- All solutions PVC free

High-performance coatings

TECHBARRIER™



- Advanced SiOx barrier layer
- Strong vacuum deposition technology know-how
- **Customized per application**
- Leading oxygen, humidity, aroma barrier

SoarnoL™ MODIC™



- **Market-leading** gas barrier resin and tie layer
- Ability to customize food packaging solutions
- Preserves freshness & flavor
- Reduces food waste

RYOTO™ Compounded Solutions:

Combination of our unique sugar-ester technologies and compounding capabilities offer high value-added solutions for new generation culinary

Innovative & Sustainable Food Packaging Solutions:

BioPBS™-infused emulsions offer heat-sealing and flexibility, gaining market traction

Biomass-Enhanced OPS™ Sheets elevate functionality and eco-friendliness in lunchbox lids via plant-based additives

On top of sustainability enabling materials, we offer breath of recyclable and bio-based products across our core markets

SELECTED EXAMPLES



EV/ Mobility

Thermoplastic Elastomer derived from non-edible and plant-based biomass

Tefabloc™

30% bio-based slush powder with 10% mass reduction potential and excellent mechanical performance

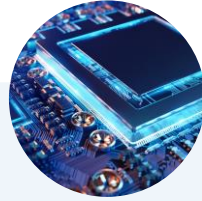
Marvyflo™

100% recyclable, high-performance CF thermoplastic for sustainable, large-scale manufacturing

KyronTEX™

Recyclable TPV (Thermoplastic Vulcanizate) with excellent chemical resistance and processability

Trexprene™



Digital

Bio-based engineering plastic with leading durability and transparency

DURABIO™

Specially modified PVOH resin with superior solvent resistance

GOHSENX™

PFAS-free polycarbonate resin with high-flame resistance

XANTAR™ XF Series






Medical

Award winning **world's first bio-based medical grade sheet for PTP¹**

Superfoil B™

PVOH resin with excellent water solubility, gas barrier properties, and adhesiveness

GOHSENOL™

 *Bio-based / Bio-degradable*
 *Recyclable*
 *Other sustainability enablers*



Food

Highly recyclable EVOH resins with industry leading packaging performance

SoarnoL™

Bio-based stretch film for food packaging with excellent stretchability, transparency, and antifog property

DIAWRAP™ B10 Series

Bio-based adhesive and easy peel sealant for packaging with multi-layer sheet

MODIC™

Bio-based and biodegradable plastic with high printability, heat-resistance, and FDA FCN approved food contact safety

BioPBS™

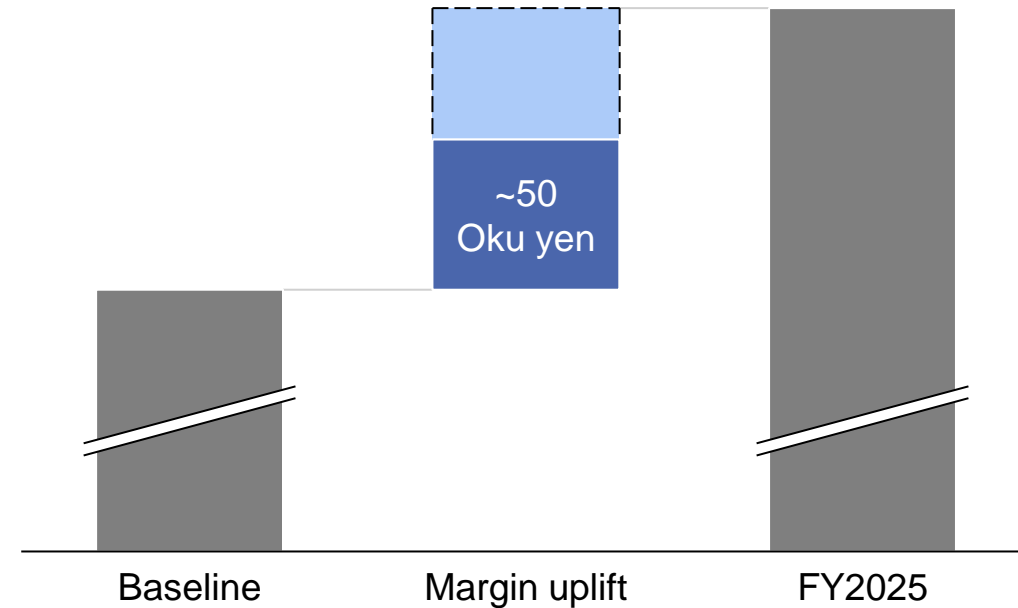
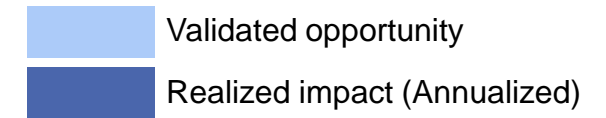
Approach towards valued-based pricing unlocks significant EBITDA uplift while it cultivates value-oriented mindsets and behaviours

Program overview:

- **Data-driven approach** with key drivers
 - **Product-related drivers** such as functional and operational value
 - **Service-related drivers** such as logistics, inventory, and tech support value
- **Common methodology across businesses and centralized value decisions**
 - Margin management and value-based pricing
 - Product mix optimization
- **Enabler for sales teams to articulate differentiation**


Impact for Specialty Materials¹

EBITDA uplift



1. Selected product lines

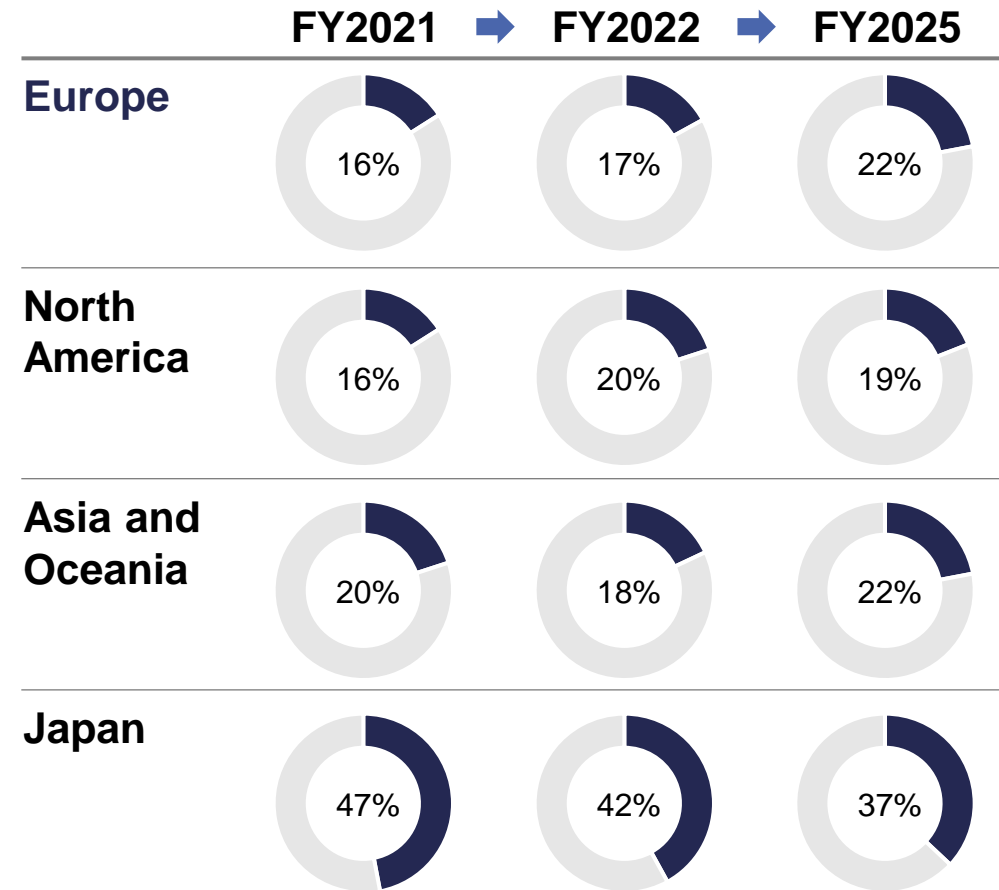
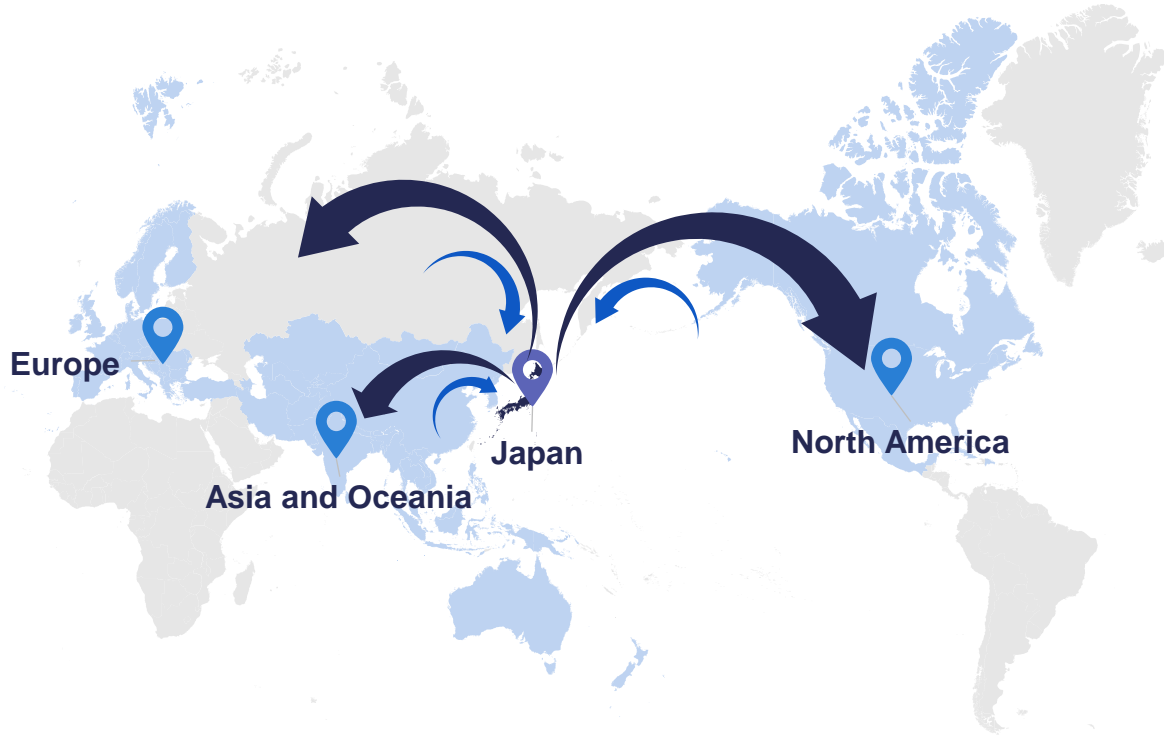
We are growing our global customer base beyond Japan

 Revenue share of geography of total

Increase of Specialty Materials overseas revenues

 Products from Japanese assets sold outside of Japan

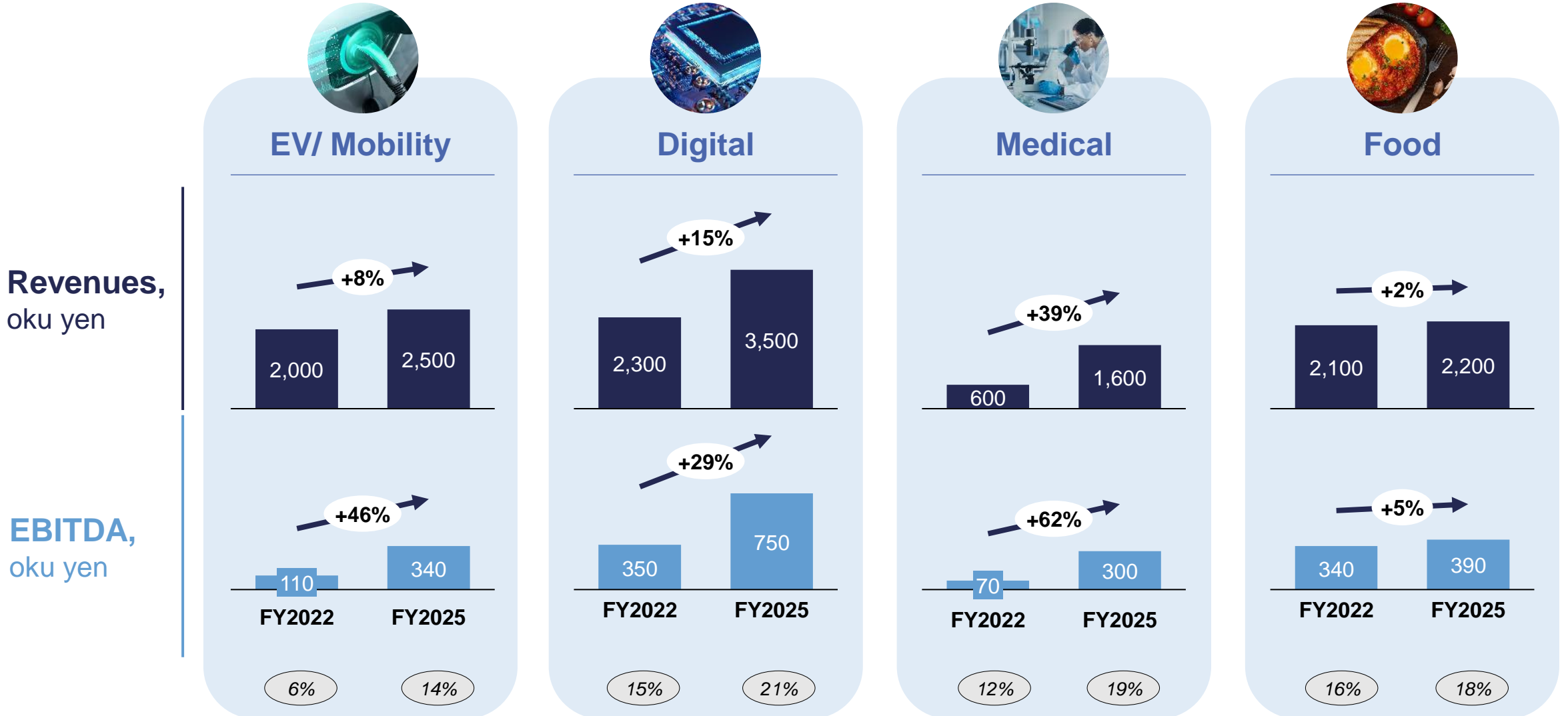
 Products from overseas assets sold on Japanese market



Note: Specialty Materials revenue share not adding up to 100% due to rounding and the inclusion of sales in other regions of 1% in FY2021 and 2% in FY2022

Specialty Materials is a key profit driver and contributor to Forging the future

(X) CAGR (x) EBITDA margin



Note: Breakdown figures by market are approximation for reference purpose only.

Summary: Forging the future will be a transformative journey

Specialty Materials is well on the way ...



Growth, performance, sustainability

- Deeper focus into **core markets**
- Accelerated **growth beyond Japan** market
- **Market facing** organization structure improving our **marketing competencies**



Strategic cost transformation

- Sustained **value delivery** through **structural** cost reforms
- **Leveraging** our size and business scope like never before



Business to exit

- Extensive **portfolio transformation** underway
- Divest/**exit non-core or commoditizing businesses**
- **Re-investing** in high value-added & high growth businesses



Leaner, digital, empowered

- **Digital strategy** is on-track
- **Consolidating** our operations globally and **flattening** our organization structure
- **Diversified** global leadership team



Strategic capital allocation

- **New rigor** in CapEx investment with focus on **ROI**
- Clear SM **growth strategy** to inform strategic capital allocation

What you will hear about today

1 Updates on MCG's ambition towards 2025

2 Specialty Materials: Growth strategy

3 Key takeaways



Summary of key messages

In light of sustained headwinds in specialty materials, MCG is accelerating its *Forging the future* transformation to enhance resilience

MCG is on-track and committed to both financial and non-financial FY2025 targets

Carve-out for Petrochemicals and Carbon Products is progressing as planned as per schedule

Specialty Materials remains at the core of the MCG transformation which results in both growth and EBITDA improvement by:

- Extensive portfolio transformation
- Deeper focus into core markets with high value-added offerings for EV/Mobility, Digital (incl. semiconductors), Medical and Food
- Continuous commercial and operational excellence improvement

Q&A

We are happy to answer your questions



Jean-Marc Gilson

President,
Chief Executive Officer



Frank Randall (Randy) Queen

Executive Vice President,
Head of Specialty Materials



Yuko Nakahira

Executive Vice President,
Chief Financial Officer
Supervising - Finance,
Communication and IR



Manabu Chikumoto

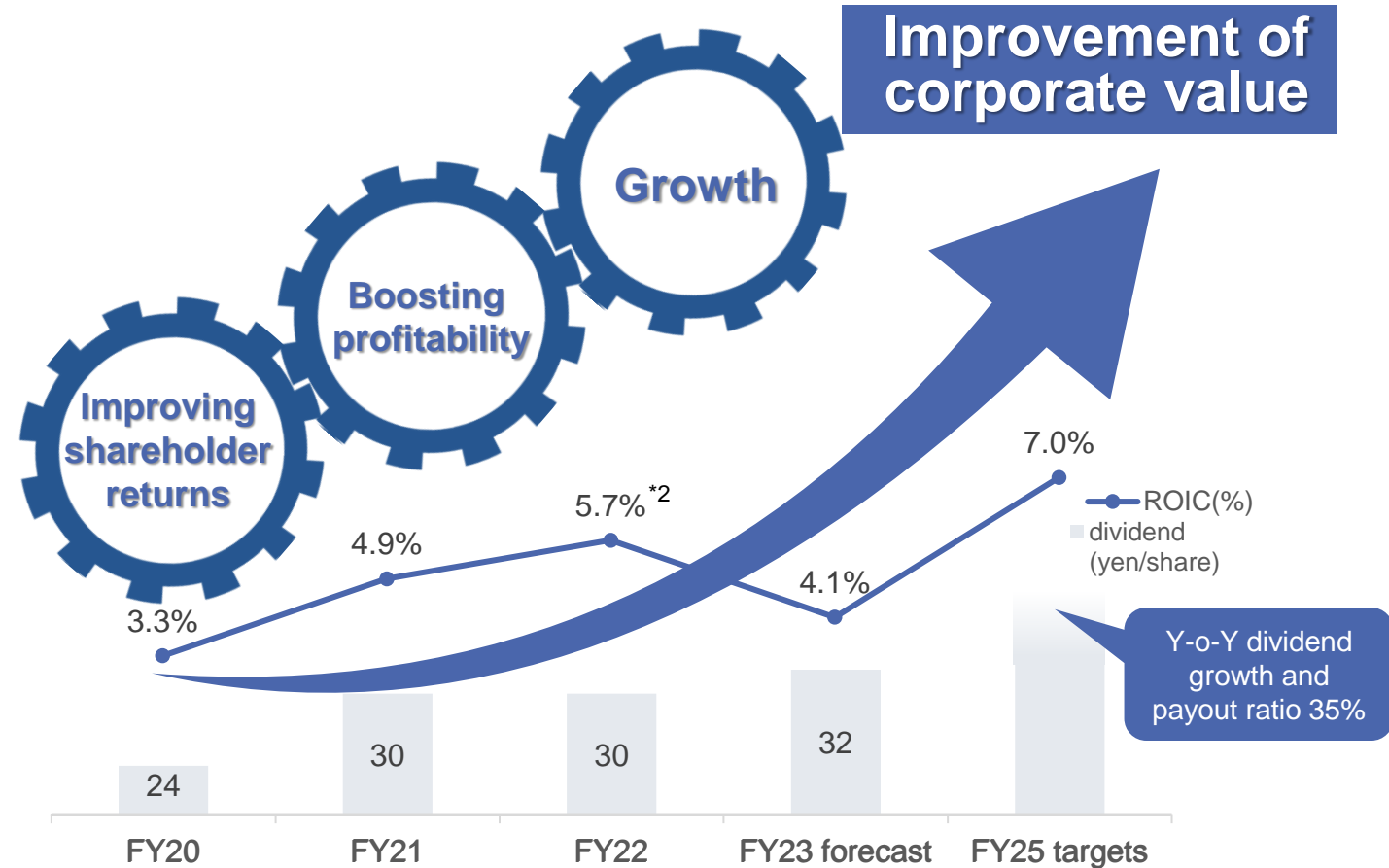
Executive Vice President,
Head of Basic Materials

Enhancing Corporate Value

We pursue the maximization of corporate value through growth, enhancement of profitability, improvement of shareholder return*1 and strengthening of engagement with stakeholders, by steadily implementing the five strategic priorities of our management policy “Forging the future.”

Five key pillars Maximize corporate value

	Growth, performance, and sustainability
	Strategic cost transformation
	Business to exit
	Leaner, digital, empowered (Formerly named: Leaner structure to execute)
	Strategic capital allocation



*1 We will aim for y-o-y dividend growth and payout ratio 35% in FY2025

*2 ROIC after deducting the results of the arbitral award relating to Gilenya is 3.6%.

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.

Note:

In this document, Mitsubishi Chemical Group (MCG) refers to Mitsubishi Chemical Group Corporation and its group companies. All numbers are subject to rounding. All forecast numbers are approximate.