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Approach to Realize KAITEKI

Science. Value. Life.

**What we create is Value.
We will deliver value to
all stakeholders by tirelessly
driving portfolio reform.**

To maximize value for customers, shareholders, and all other stakeholders, we will emphasize economic efficiency by practicing Management of Economics (MOE). In addition to building a sound financial position by tirelessly driving portfolio reform, we will focus management resources on markets with high growth potential based on key global trends and exercise sound managerial judgment in the conduct of our business, thus strengthening profitability.

Business Strategy ▶ Page 34



Net sales (sales revenue) and (core) operating income



Pursuit of business scale through M&A and integrations, and restructuring of unprofitable businesses

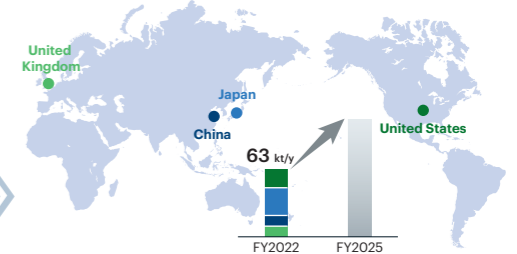
Become a corporate group with high growth and a profitable business through Performance Products, Industrial Materials, and Health Care

With a clearer strategy to drive operational excellence and unlock business potential, we can deliver more value to our stakeholders

Lithium-Ion Battery Electrolyte

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Expanding production capacity to match growth in the lithium-ion battery (LiB) market

Amid continuing rapid change in the LiB market, we have identified automotive applications sector as a target market and aim to secure a 25% share of the total market by fiscal 2025. To increase market share, we will work on a global basis to establish a production system able to adapt to rapidly expanding demand and to secure a stable supply of raw materials.



Approach to Realize KAITEKI

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Tirelessly driving portfolio reform for sustainable increase in corporate value

Medium-term management plans and portfolio reforms ● Growth measures ▲ Restructuring

<p>FY2005–2007 KAKUSHIN Plan - Phase 2</p>	<p>Operating income Target ¥140 billion or more Result ¥125 billion</p>	<p>Raised the ratio of the pharmaceutical business and strengthened earnings less susceptible to the economy</p>	<ul style="list-style-type: none"> ● 2005 Establishment of MCHC ● 2007 Establishment of MTPC 	<p>Composition of (core) operating income</p> <p>Performance Products 33% Industrial Materials 18% Health Care 46% Other 3%</p>
<p>FY2008–2010 APTSIS 10</p>	<p>Operating income Target ¥190 billion Result ¥226.4 billion</p>	<p>Expanded Performance Products domain Shifted to a higher value-added business portfolio</p>	<ul style="list-style-type: none"> ● 2008 Integrated MPI, MCC's functional products business, and three affiliate companies ● 2009 Conversion of Quadrant AG, the world's largest manufacturer of engineering plastic products, into a consolidated subsidiary ● 2010 Conversion of MRC into a consolidated subsidiary ▲ 2010 Withdrawal from the nylon chain business ▲ 2011 Withdrawal from the PVC chain business ▲ 2011 Withdrawal from the SM chain business 	<p>Performance Products 16% Industrial Materials 47% Health Care 37%</p>
<p>FY2011–2015 APTSIS 15</p>	<p>Operating income Target ¥280 billion Result ¥280 billion</p>	<p>Stabilized profitability through structural reform in the Industrial Materials domain and the conversion of an industrial gas company into a subsidiary</p>	<ul style="list-style-type: none"> ● 2014–2015 Production optimization of polyolefin ● 2014 Conversion of TNSC into a consolidated subsidiary ▲ 2014 Retained a single naphtha cracker at the Kashima Plant (now Ibaraki Plant) ▲ 2016 Formed a joint venture to operate the naphtha cracker at the Mizushima Plant (now Okayama Plant) ▲ 2016 Decided on the equity interest transfer of the terephthalic acid business in India and China 	<p>Performance Products 27% Industrial Materials 36% Health Care 37%</p>
<p>FY2016–2020 APTSIS 20</p>	<p>Core operating income Target ¥410 billion Result ¥174.7 billion</p>	<p>Accelerated growth of the Performance Products domain Strengthened management through business restructuring and invested in growth areas</p>	<ul style="list-style-type: none"> ● 2017 Established the New-MCC through integration of the three chemical operating companies ● 2018 Full operational start of new plant in the Middle East ● 2018–2019 Expanded the global market share of the industrial gases through M&A activities ▲ 2019 Strategic capital alliance with PHC Holdings Corporation through share exchange with LSI Medience Corporation ▲ 2019 Withdrew from the storage media business ● 2020 Converted MTPC into a wholly owned subsidiary 	<p>Performance Products 35% Industrial Materials 57% Health Care 10% Other -2%</p>
<p>FY2021–2025 Management policy "Forging the future"</p>	<p>EBITDA Target Approx. ¥600 billion</p> <p>Core operating income Target Approx. ¥365 billion</p>	<p>More focused approach to maximize our value Developing a portfolio focused on market growth potential, competitive capabilities, and sustainability</p>	<ul style="list-style-type: none"> ▲ 2022 Transfer of the alumina fiber business ● 2022 Changed company name to Mitsubishi Chemical Group Corporation ▲ 2023 Discontinued MMA production in United Kingdom ▲ 2023 Discontinued development of regenerative medicine-related products using Muse cells ▲ 2023 Withdrew from business of Medicago Inc. 	<p>Breakdown of EBITDA target</p> <p>Specialty Materials 39% Industrial Gases 41% Health Care 10% MMA 10%</p>

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With sustainability as a keyword, we will focus management resources on seven markets identified based on key global trends.

							
Focus markets	 EV/Mobility	 Digital	 Food	 Medical	 Building/ Infrastructure	 Consumer goods	 Industrial
Key trends	<ul style="list-style-type: none"> • Electric vehicles • Autonomous driving 	<ul style="list-style-type: none"> • Semiconductors • High-speed communication 	<ul style="list-style-type: none"> • Conservation of water resources and reduction of food waste • Recyclable packaging 	<ul style="list-style-type: none"> • Increase in healthcare expenditures • Aging population 	<ul style="list-style-type: none"> • Growing population • Energy efficiency 	<ul style="list-style-type: none"> • Growing middle class • Product longevity 	<ul style="list-style-type: none"> • Circular economy • Carbon capture, utilization, and storage (CCUS)

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