

# **Operational Summary**

## **for the Third Quarter of the Fiscal Year Ending March 31, 2025**

February 6, 2025  
Mitsubishi Chemical Group Corporation

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## List of Abbreviations

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

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

## FY2024 3Q (Nine Months) Actual

- The business environment during the third quarter of fiscal 2024 generally remained stable, despite some different levels of strength in demand among regions and industries. Display-related sales continued to be strong in the second half of fiscal 2024 following the first half of fiscal 2024 on the back of subsidy policy in China, and semiconductor-related sales remained on a moderate recovery path, driven by demand related to generative AI. On the other hand, sales were sluggish in some regions and sectors, such as automotive and food-related markets.
- In the chemicals business, there were year-on-year improvements both in price gap, chiefly for MMA and Basic Materials & Polymers, and sales volume for Specialty Materials. In addition, our Group-wide cost reduction efforts, which had reached 87% against the initial target, continued to contribute to income. As a result, sales revenue increased 3% year on year, and core operating income rose 34% year on year.
- Net income attributable to owners of the parent decreased 43% year on year due mainly to the recording of structure reform expenses under special items.

## FY2024 Forecast

- Core operating income for the first three quarters of the fiscal 2024 was 85% against the full-year forecast announced on November 1, 2024, showing a steady progress. On the other hand, deterioration in price gap for MMA monomer is anticipated in the fourth quarter of fiscal 2024, on top of seasonal factors for Specialty Materials and Pharma. Therefore, we reiterate our full-year forecast of 290.0 billion yen.
- Net income attributable to owners of the parent has exceeded our full-year forecast due mainly to the effect of the cheaper yen in the third quarter of fiscal 2024. We also reiterate our initial forecast of 52.0 billion yen for net income attributable to owners of the parent as several business structure reform projects are considered in the fourth quarter of fiscal 2024 and losses under special items are expected to be recorded. Dividend forecast also remains unchanged from our initial forecast of a year-end dividend of 16 yen per share and an annual dividend of 32 yen per share.
- We will continue to relentlessly pursue portfolio transformation and profit improvement based on the “three criteria for business selection” and “three disciplined approaches in business operations” under the guiding principles for our business operations in the New Medium-Term Management Plan 2029.

# Consolidated Statements of Operations

Exchange Rate (¥/\$)	143.8	153.0	9.2	6%
Naphtha Price (¥/kl)	67,900	76,300	8,400	12%
			(Billions of Yen)	
	<b>Nine Months Ended Dec. 31, 2023</b>	<b>Nine Months Ended Dec. 31, 2024</b>	<b>Difference</b>	<b>%</b>
<b>Sales Revenue</b>	3,245.1	3,331.5	86.4	3%
<b>Core Operating Income *1</b>	183.9	247.2	63.3	34%
Special Items	28.6	(57.7)	(86.3)	
<b>Operating Income</b>	212.5	189.5	(23.0)	(11%)
<b>Income before Taxes</b>	191.8	161.5	(30.3)	(16%)
<b>Net Income</b>	144.3	106.8	(37.5)	
<b>Net Income Attributable to Owners of the Parent</b>	103.9	59.4	(44.5)	(43%)
Net Income Attributable to Non-Controlling Interests	40.4	47.4	7.0	
*1 Share of profit of associates and joint ventures included	6.5	7.1	0.6	

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)

	Nine Months Ended Dec. 31, 2023		Nine Months Ended Dec. 31, 2024		Difference			
	Sales Revenue	Core Operating Income	Sales Revenue	Core Operating Income	Sales Revenue	%	Core Operating Income	%
<b>Total Consolidated</b>	<b>3,245.1</b>	<b>183.9</b>	<b>3,331.5</b>	<b>247.2</b>	<b>86.4</b>	3%	<b>63.3</b>	34%
<b>Specialty Materials</b>	<b>776.9</b>	<b>19.4</b>	<b>812.8</b>	<b>34.4</b>	<b>35.9</b>	5%	<b>15.0</b>	77%
Advanced Films & Polymers	347.5	20.8	358.4	29.5	10.9		8.7	
Advanced Solutions	270.1	3.2	267.0	10.7	(3.1)		7.5	
Advanced Composites & Shapes	159.3	(4.6)	187.4	(5.8)	28.1		(1.2)	
<b>MMA &amp; Derivatives</b>	<b>256.6</b>	<b>2.6</b>	<b>308.9</b>	<b>32.6</b>	<b>52.3</b>	20%	<b>30.0</b>	-
MMA	191.6	1.7	238.8	30.3	47.2		28.6	
Coating & Additives	65.0	0.9	70.1	2.3	5.1		1.4	
<b>Basic Materials &amp; Polymers</b>	<b>822.3</b>	<b>(14.9)</b>	<b>773.8</b>	<b>(12.1)</b>	<b>(48.5)</b>	(6%)	<b>2.8</b>	-
Materials & Polymers	594.3	(2.4)	594.9	9.2	0.6		11.6	
Carbon Products	228.0	(12.5)	178.9	(21.3)	(49.1)		(8.8)	
<b>Others</b>	<b>129.0</b>	<b>(1.1)</b>	<b>121.1</b>	<b>0.3</b>	<b>(7.9)</b>	(6%)	<b>1.4</b>	-
<b>Chemicals Business</b>	<b>1,984.8</b>	<b>6.0</b>	<b>2,016.6</b>	<b>55.2</b>	<b>31.8</b>	2%	<b>49.2</b>	820%
Pharma	337.9	55.4	349.1	54.5	11.2	3%	(0.9)	(2%)
Industrial Gases	922.4	122.5	965.8	137.5	43.4	5%	15.0	12%
<b>Group Business</b>	<b>1,260.3</b>	<b>177.9</b>	<b>1,314.9</b>	<b>192.0</b>	<b>54.6</b>	4%	<b>14.1</b>	8%

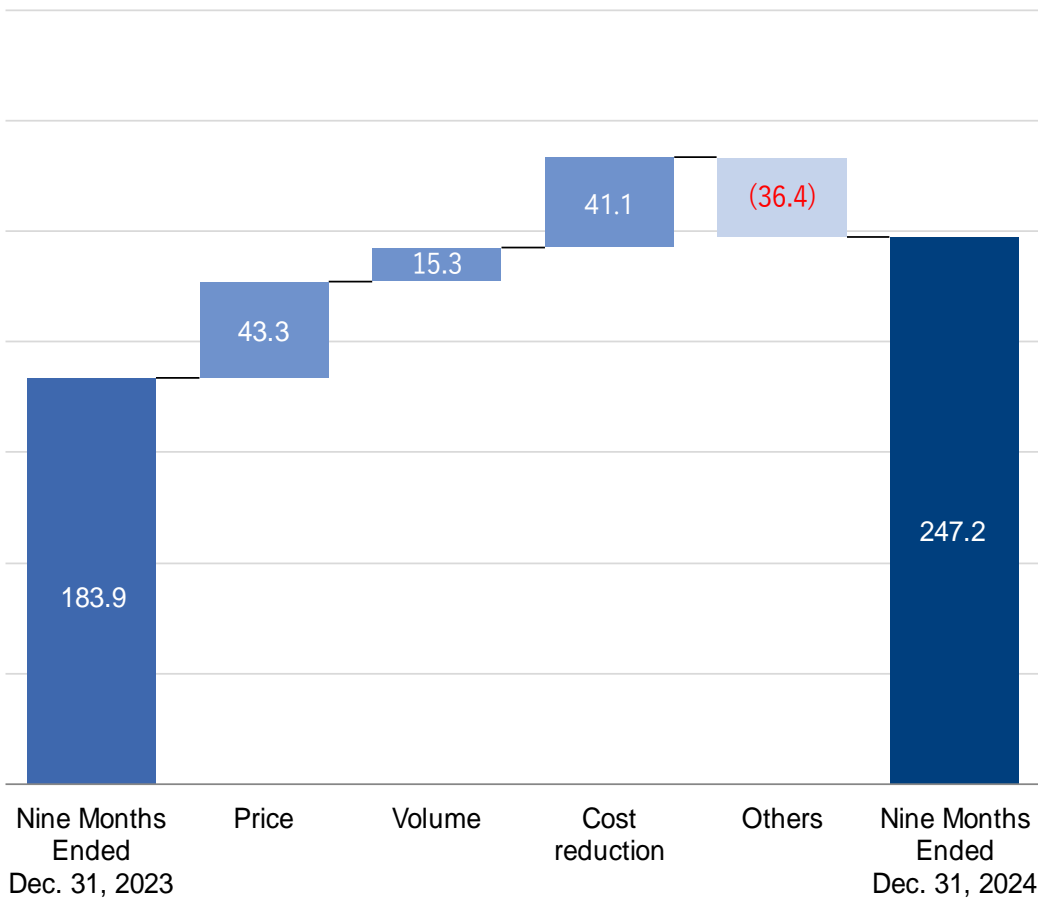
[Inventory valuation gain/loss]	Nine Months Ended Dec. 31, 2023	Nine Months Ended Dec. 31, 2024	Difference
Advanced Films & Polymers	0.1	0.0	(0.1)
Materials & Polymers	1.0	0.8	(0.2)
Carbon Products	0.9	(9.3)	(10.2)
Total	2.0	(8.5)	(10.5)

- From Q1 FY2024, the current financial reporting segments has been reclassified into Specialty Materials, Industrial Gases, Pharma, MMA & Derivatives, Basic Materials & Polymers, 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 FY2023.
- Breakdown figures of segment are approximation for reference purpose only.
- Based on careful examination of results for FY2023 of new business segment basis, the figures has been changed partially from those announced on May 15, 2024.
- In line with the New Medium-Term Management Plan 2029 announced in November 2024, the order of reporting segments has been changed from the third quarter of FY2024.

# Analysis of Core Operating Income

**+63.3 Billion Yen**

(Billions of Yen)

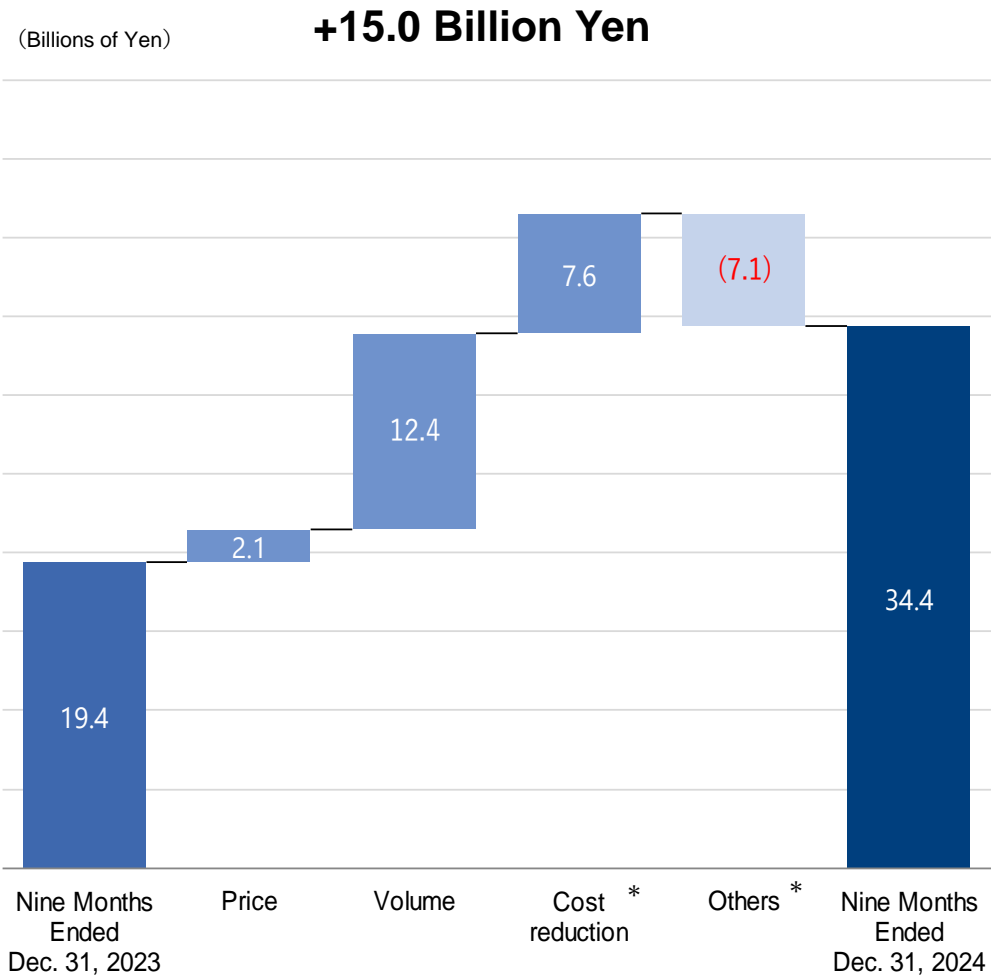


	Nine Months Ended Dec. 31, 2023	Nine Months Ended Dec. 31, 2024	(Billions of Yen)			
			Difference	Price	Volume	Cost reduction Others *1
<b>Total Consolidated</b>	183.9	<b>247.2</b>	<b>63.3</b>	<b>43.3</b>	<b>15.3</b>	<b>41.1</b>
Specialty Materials	19.4	<b>34.4</b>	<b>15.0</b>	<b>2.1</b>	<b>12.4</b>	<b>7.6</b>
MMA & Derivatives	2.6	<b>32.6</b>	<b>30.0</b>	<b>26.5</b>	<b>4.1</b>	<b>2.7</b>
Basic Materials & Polymers	(14.9)	<b>(12.1)</b>	<b>2.8</b>	<b>14.9</b>	<b>0.7</b>	<b>4.2</b>
Others	(1.1)	<b>0.3</b>	<b>1.4</b>	<b>0.4</b>	<b>0.1</b>	<b>2.6</b>
Chemicals Business	6.0	<b>55.2</b>	<b>49.2</b>	<b>43.9</b>	<b>17.3</b>	<b>17.1</b>
Pharma	55.4	<b>54.5</b>	<b>(0.9)</b>	<b>(1.5)</b>	<b>2.5</b>	<b>1.1</b>
Industrial Gases	122.5	<b>137.5</b>	<b>15.0</b>	<b>0.9</b>	<b>(4.5)</b>	<b>22.9</b>
Group Business	177.9	<b>192.0</b>	<b>14.1</b>	<b>(0.6)</b>	<b>(2.0)</b>	<b>24.0</b>

\*1 Items included are impacts from differences of inventory valuation gain/loss (10.5) billion yen and differences of share of profit of associates and joint ventures +0.6 billion yen, etc.

Changes in exchange rates	10.8	13.2	-	-	(2.4)
Changes in foreign currency translation included in above	9.8				

# Analysis of Core Operating Income Specialty Materials Segment



## Advanced Films & Polymers + 8.7

Price  
(-)

- (+) Improvement in price gap for various products as retaining and improving selling price
- (-) Deterioration in price gap for barrier packaging, etc.

Volume

- (+) Increase in sales due to a rise in demand for displays and other applications

## Advanced Solutions + 7.5

Price

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

Volume

- (+) Increase in sales due to a moderate recovery in demand related to semiconductors

## Advanced Composites & Shapes (1.2)

Volume  
(+)

- (+) Increase in sales due to a moderate recovery in demand for high performance engineering plastics
- (-) Decline in sales owing to intensified competitions for some carbon fiber applications

## \* Cost reduction, Others

Cost  
reduction

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

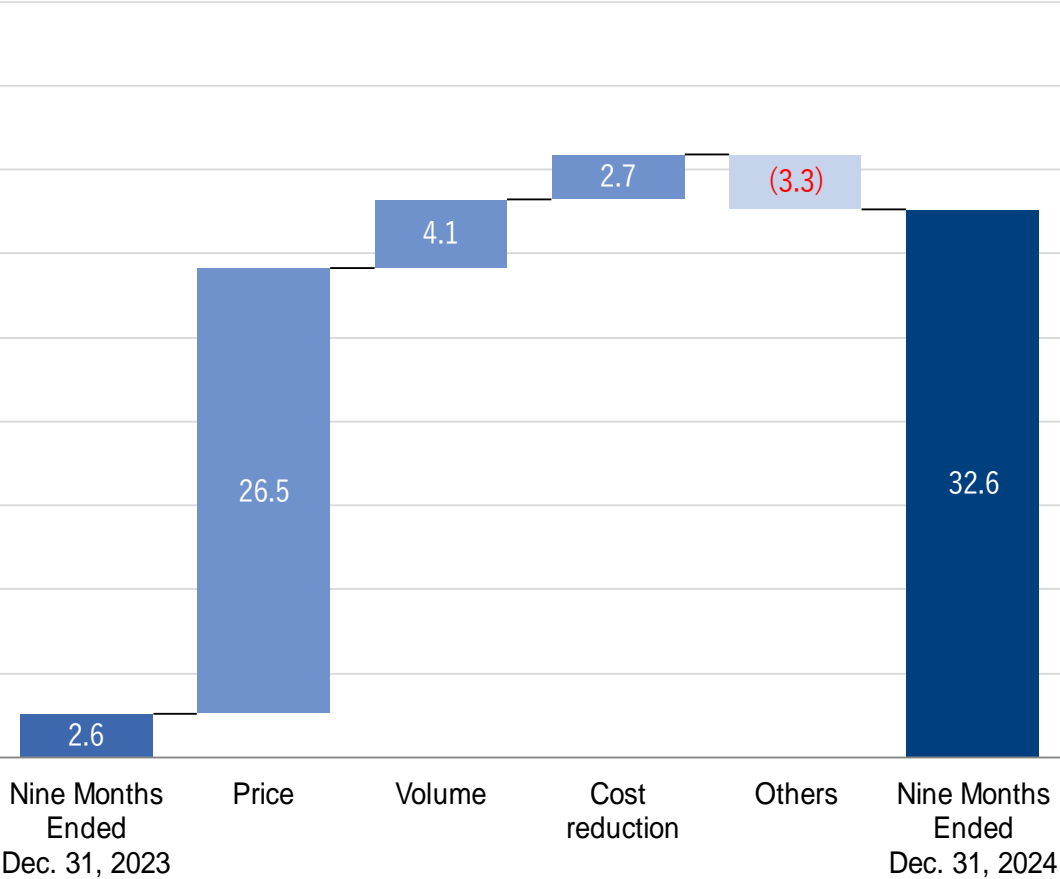
Others

- (-) Increase in labor cost and other fixed expenses, increase in amortization of intangible assets in tandem with acquisition of CPC as a consolidated subsidiary, etc.

# Analysis of Core Operating Income MMA & Derivatives Segment

**+30.0 Billion Yen**

(Billions of Yen)



**MMA +28.6**

Price

(+) Improvement in price gap due to a rise in market prices chiefly for MMA monomer

**Coating & Additives +1.4**

Price  
Volume

(+) Improvement in price gap and a rise in demand for paints / adhesives / inks / additives



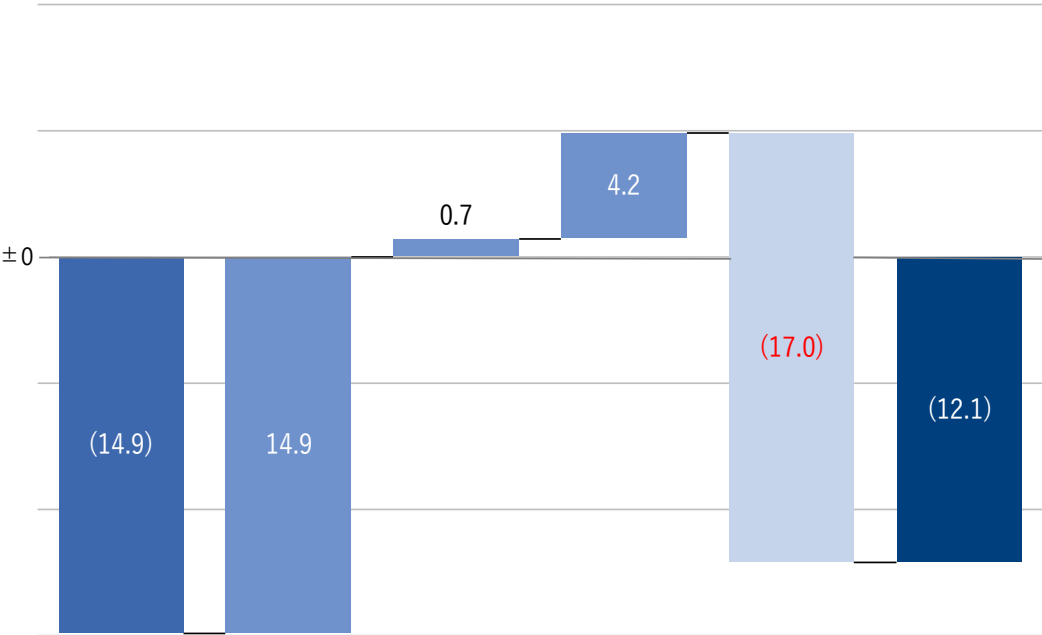
# Analysis of Core Operating Income

## Basic Materials & Polymers Segment



+2.8 Billion Yen

(Billions of Yen)



Nine Months Ended Dec. 31, 2023	Price	Volume	Cost reduction	Others	Nine Months Ended Dec. 31, 2024
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Materials & Polymers + 11.6

**Price** (+) Discrepancy in the timing for revision to polyolefin prices

Carbon Products (8.8)

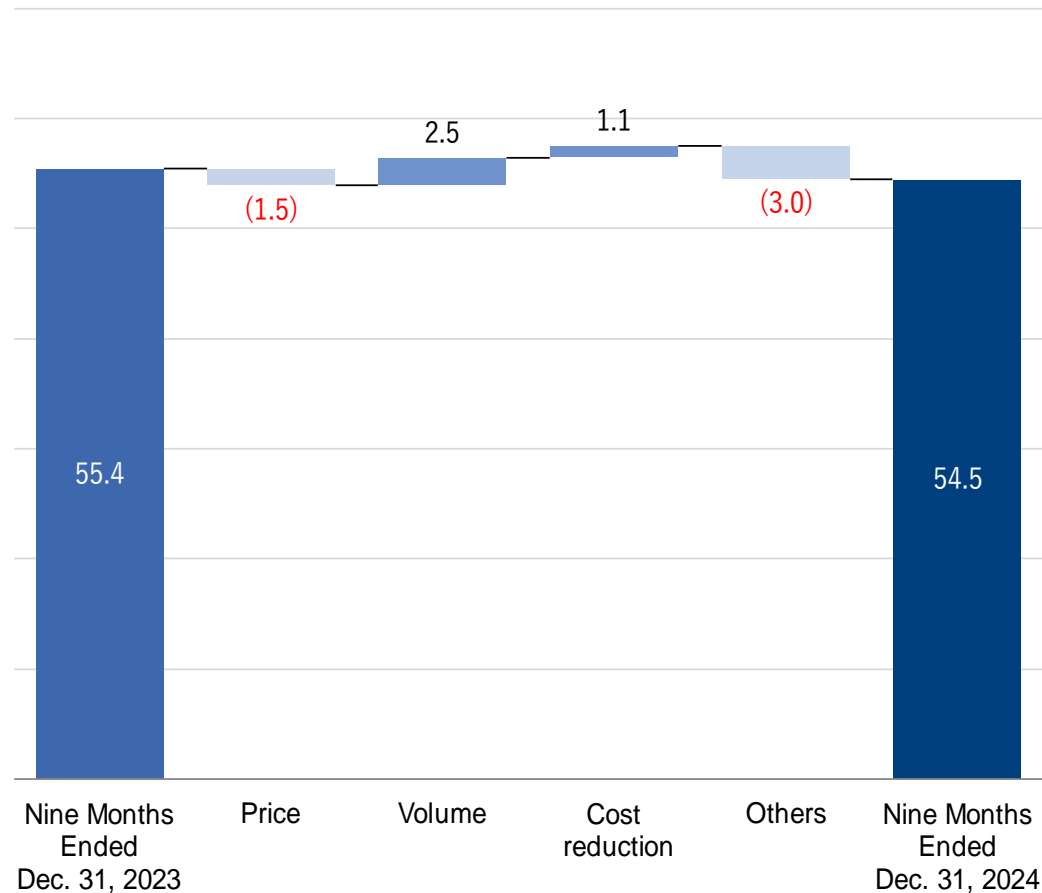
**Price** (+) Improvement in price gap for cokes due mainly to a fall in raw material prices

**Others** (−) Deterioration in inventory valuation in tandem with a decline in raw material prices

# Analysis of Core Operating Income Pharma Segment

**(0.9) Billion Yen**

(Billions of Yen)



## Pharma (0.9)

### Price

- (+) Forex impact on overseas ethical pharmaceuticals, etc.
- (-) 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
- (+) Growth in sales of Mounjaro
- (+) Steady launch of GOBIK combination vaccine for five diseases

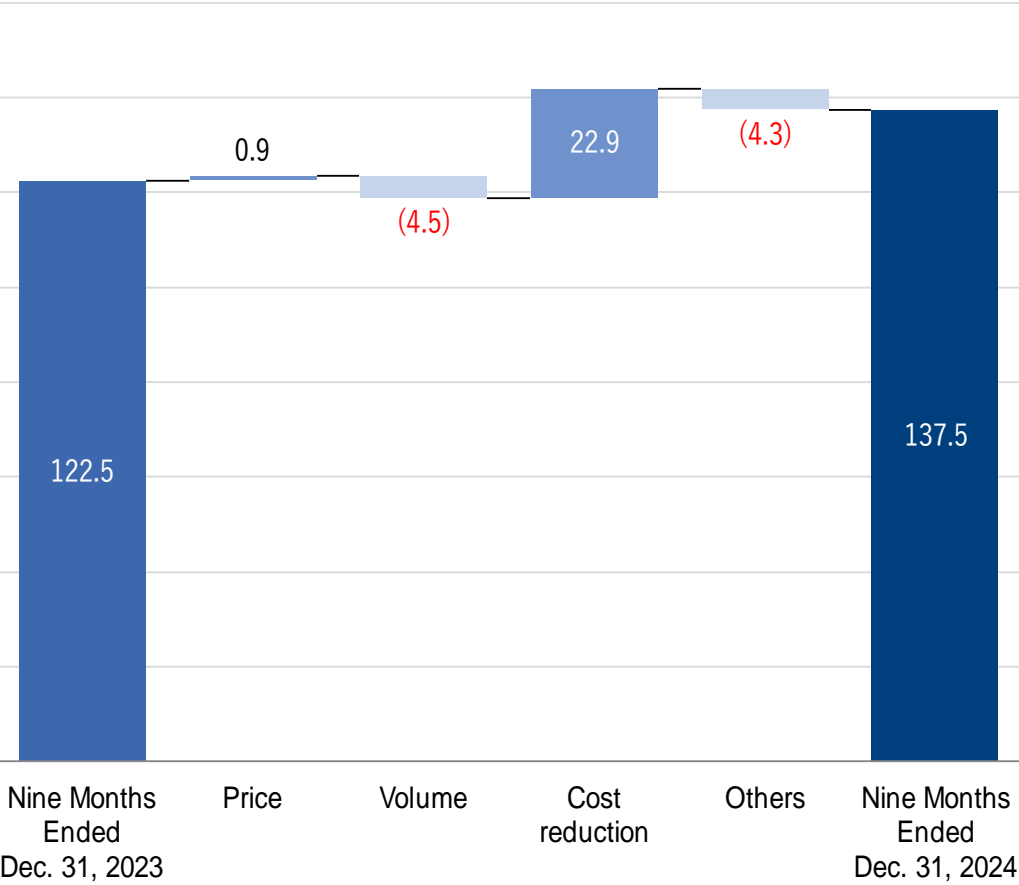
### Others

- (-) Increase in labor cost and other fixed expenses
- (-) Increase in selling expenses

# Analysis of Core Operating Income Industrial Gases Segment

**+15.0 Billion Yen**

(Billions of Yen)



## Industrial Gases + 15.0

### Volume

(－) Sluggish Gases demand mainly in Japan and the U.S.

### Cost reduction

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

### Others

(－) Increase in labor cost and other fixed expenses

# Consolidated Special Items

(Billions of Yen)

	Nine Months Ended Dec. 31, 2023	Nine Months Ended Dec. 31, 2024	Difference
<b>Total Special Items</b>	28.6	(57.7)	(86.3)
Gain on sales of shares of subsidiaries and associates	27.6	11.3	(16.3)
Gain on sale of carbon credit	-	2.7	2.7
Reversal of provision for loss on plant closure	6.4	1.9	(4.5)
Gain on sale of property, plant and equipment	1.6	1.6	(0.0)
Impairment loss	(13.7)	(42.9)	(29.2)
Special retirement expenses	(1.2)	(18.3)	(17.1)
Loss on sale and disposal of fixed assets	(2.4)	(6.4)	(4.0)
Cancellation penalty	(0.2)	(3.3)	(3.1)
Provision for loss on business liquidation	(1.7)	(1.9)	(0.2)
Loss on business liquidation	(4.2)	(0.8)	3.4
Others	16.4	(1.6)	(18.0)

# Consolidated Cash Flows

	Nine Months Ended Dec. 31, 2023	Nine Months Ended Dec. 31, 2024
<b>Net cash provided by (used in) operating activities</b>	<b>285.0</b>	<b>342.8</b>
Income before taxes	191.8	161.5
Depreciation and amortization	204.5	207.5
Change in operating receivables/payables	(18.3)	10.0
Change in Inventories	7.6	(28.2)
Others	(100.6)	(8.0)
<b>Net cash provided by (used in) investment activities</b>	<b>(119.3)</b>	<b>(211.0)</b>
Capital expenditure	(197.5)	(243.8)
Sale of assets	71.5	38.2
Investment and loans receivable, etc.	6.7	(5.4)
<b>Free cash flow</b>	<b>165.7</b>	<b>131.8</b>

	(Billions of Yen)	
	Nine Months Ended Dec. 31, 2023	Nine Months Ended Dec. 31, 2024
<b>Net cash provided by (used in) financing activities</b>	<b>(103.8)</b>	<b>(153.5)</b>
Interest bearing debts	(31.0)	(91.6)
Dividends, etc.	(72.8)	(61.9)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>61.9</b>	<b>(21.7)</b>
Effect of exchange rate changes and changes in scope of consolidation	7.7	10.3
<b>Total</b>	<b>69.6</b>	<b>(11.4)</b>

# Consolidated Statements of Financial Positions

	(Billions of Yen)		
	Mar.31.2024	Dec.31.2024	Difference
Cash & cash equivalents	294.9	283.5	(11.4)
Trade receivables	852.4	823.7	(28.7)
Inventories	799.2	812.4	13.2
Others	245.1	230.6	(14.5)
<b>Current assets</b>	<b>2,191.6</b>	<b>2,150.2</b>	<b>(41.4)</b>
Fixed assets	2,524.4	2,537.8	13.4
Goodwill	832.9	849.4	16.5
Investments & Other	555.6	554.6	(1.0)
<b>Non-current assets</b>	<b>3,912.9</b>	<b>3,941.8</b>	<b>28.9</b>
<b>Total assets</b>	<b>6,104.5</b>	<b>6,092.0</b>	<b>(12.5)</b>

	(Billions of Yen)		
	Mar.31.2024	Dec.31.2024	Difference
Interest-bearing debt	2,338.2	2,283.8	(54.4)
Trade payables	501.5	458.1	(43.4)
Others	989.3	988.7	(0.6)
<b>Liabilities</b>	<b>3,829.0</b>	<b>3,730.6</b>	<b>(98.4)</b>
Share capitals, Retained earnings, etc.,	1,502.9	1,521.0	18.1
Other components of equity	260.6	286.9	26.3
<b>Equity attributable to owners of the parent</b>	<b>1,763.5</b>	<b>1,807.9</b>	<b>44.4</b>
Non-controlling interests	512.0	553.5	41.5
<b>Equity</b>	<b>2,275.5</b>	<b>2,361.4</b>	<b>85.9</b>
<b>Total liabilities &amp; equity</b>	<b>6,104.5</b>	<b>6,092.0</b>	<b>(12.5)</b>
Net Interest-bearing debt *1	2,043.3	2,000.3	(43.0)
Net D/E ratio	1.16	1.11	(0.05)
ROE *2	7.2%	-	-

\*1 Net interest-bearing debt (End of Dec.31, 2024)  
 = interest-bearing debt (2,283.8billion yen)  
 - {cash and cash equivalents (283.5billion 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)

		FY2023					FY2024			
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total
<b>Total Consolidated</b>	Sales Revenue	1,061.2	1,088.7	1,095.2	1,142.1	4,387.2	1,129.4	1,112.7	1,089.4	3,331.5
	Core Operating Income	50.8	68.8	64.3	24.2	208.1	82.6	89.8	74.8	247.2
<b>Specialty Materials</b>	Sales Revenue	262.6	257.6	256.7	266.9	1,043.8	276.9	265.9	270.0	812.8
	Core Operating Income	9.9	8.9	0.6	(12.0)	7.4	11.5	13.0	9.9	34.4
Advanced Films & Polymers	Sales Revenue	118.1	115.8	113.6	111.6	459.1	120.4	118.8	119.2	358.4
	Core Operating Income	8.6	8.0	4.2	(2.5)	18.3	9.2	10.3	10.0	29.5
Advanced Solutions	Sales Revenue	88.7	88.8	92.6	92.8	362.9	88.3	86.9	91.8	267.0
	Core Operating Income	0.5	2.3	0.4	(2.6)	0.6	3.1	4.1	3.5	10.7
Advanced Composites & Shapes	Sales Revenue	55.8	53.0	50.5	62.5	221.8	68.2	60.2	59.0	187.4
	Core Operating Income	0.8	(1.4)	(4.0)	(6.9)	(11.5)	(0.8)	(1.4)	(3.6)	(5.8)
<b>MMA &amp; Derivatives</b>	Sales Revenue	84.4	86.4	85.8	91.4	348.0	108.1	108.5	92.3	308.9
	Core Operating Income	0.1	3.1	(0.6)	2.9	5.5	10.9	15.8	5.9	32.6
MMA	Sales Revenue	63.3	64.6	63.7	69.6	261.2	84.3	85.1	69.4	238.8
	Core Operating Income	(0.1)	2.7	(0.9)	2.4	4.1	9.8	14.9	5.6	30.3
Coating & Additives	Sales Revenue	21.1	21.8	22.1	21.8	86.8	23.8	23.4	22.9	70.1
	Core Operating Income	0.2	0.4	0.3	0.5	1.4	1.1	0.9	0.3	2.3
<b>Basic Materials &amp; Polymers</b>	Sales Revenue	264.9	274.3	283.1	284.2	1,106.5	268.4	263.6	241.8	773.8
	Core Operating Income	(9.6)	(6.1)	0.8	(10.5)	(25.4)	(7.2)	(4.1)	(0.8)	(12.1)
Materials & Polymers	Sales Revenue	179.7	202.9	211.7	208.5	802.8	193.4	196.5	205.0	594.9
	Core Operating Income	(6.0)	0.4	3.2	(3.6)	(6.0)	1.1	3.9	4.2	9.2
Carbon Products	Sales Revenue	85.2	71.4	71.4	75.7	303.7	75.0	67.1	36.8	178.9
	Core Operating Income	(3.6)	(6.5)	(2.4)	(6.9)	(19.4)	(8.3)	(8.0)	(5.0)	(21.3)
<b>Others</b>	Sales Revenue	40.6	51.6	36.8	75.8	204.8	36.0	42.8	42.3	121.1
	Core Operating Income	0.3	0.3	(1.7)	2.4	1.3	1.5	(2.3)	1.1	0.3
<b>Chemicals Business</b>	Sales Revenue	652.5	669.9	662.4	718.3	2,703.1	689.4	680.8	646.4	2,016.6
	Core Operating Income	0.7	6.2	(0.9)	(17.2)	(11.2)	16.7	22.4	16.1	55.2
Pharma	Sales Revenue	101.9	117.4	118.6	99.3	437.2	112.5	120.0	116.6	349.1
	Core Operating Income	10.0	22.4	23.0	0.9	56.3	18.5	22.9	13.1	54.5
<b>Industrial Gases</b>	Sales Revenue	306.8	301.4	314.2	324.5	1,246.9	327.5	311.9	326.4	965.8
	Core Operating Income	40.1	40.2	42.2	40.5	163.0	47.4	44.5	45.6	137.5
<b>Group Business</b>	Sales Revenue	408.7	418.8	432.8	423.8	1,684.1	440.0	431.9	443.0	1,314.9
	Core Operating Income	50.1	62.6	65.2	41.4	219.3	65.9	67.4	58.7	192.0

- From Q1 FY2024, the current financial reporting segments has been reclassified into Specialty Materials, Industrial Gases, Pharma, MMA & Derivatives, Basic Materials & Polymers, 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 FY2023.
- Breakdown figures of segment are approximation for reference purpose only.
- Based on careful examination of results for FY2023 of new business segment basis, the figures has been changed partially from those announced on May 15, 2024.
- In line with the New Medium-Term Management Plan 2029 announced in November 2024, the order of reporting segments has been changed from the third quarter of FY2024.

# References 1



## Specialty Materials

- In response to an anticipated increase in demand for ArF and EUV photoresists in tandem with the miniaturization of semiconductor devices and to strengthen the supply chain, the MCG Group has decided to increase the production capacity of its Lithomax™ photosensitive polymers for photoresists at its Kyushu-Fukuoka Plant. This will more than double the production capacity of Lithomax™ for ArF photoresists, and also signal the start of mass production of Lithomax™ for EUV photoresists. The Plant is scheduled to commence operations in October 2025 for Lithomax™ for ArF photoresists and in September 2025 for Lithomax™ for EUV photoresists.
- As part of its business portfolio reform, the MCG Group reached a deal with GSI Creos Corporation to transfer its triacetate fiber business to this same corporation and signed a share transfer agreement in September 2024. The transfer is scheduled in March 2025.
- The decision was made in October 2024 to increase the production capacity of ion exchange resins used to produce ultrapure water for use in semiconductor manufacturing processes at Kyushu-Fukuoka Plant. The upgraded facilities are scheduled to go into operation in April 2026.
- In order to meet the growing demand and requirements for higher quality with the increase in the size of liquid crystal display screens, the decision was made to expand the production facility for OPL Film™ products, optical polyvinyl alcohol (PVOH) film for polarizing plates, at Central Japan-Ogaki (Kanda) Plant (production capacity: 27 million square meters per year). The upgraded facility is scheduled to go into operation in the second half of FY2027, and after completion, the total production capacity of the MCG Group is expected to be 154 million square meters per year.
- The decision was made to establish a new plant in Fukushima Prefecture and expand the existing Iwate Plant for the semiconductor precision cleaning business. Both plants are scheduled to begin operations in October 2026.
- The decision was made to increase the production capacity of a synthetic silica powder used in the semiconductor manufacturing process by 35% over the current capacity at the Kyushu-Fukuoka Plant. Operations are scheduled to start in September 2028.

## Specialty Materials

- In order to strengthen supply chains of anode material for automotive lithium-ion batteries and enhance efforts to make more carbon-neutral materials, the decision was made in December 2024 to develop a grade of natural graphite that exceeds the performance of synthetic graphite and to increase the production capacity of at its Kagawa Plant (production capacity: 11,000 tons/year). The upgraded facility is scheduled to go into operation in October 2026.

## Basic Materials & Polymers

- With regard to the press release entitled “Asahi Kasei, Mitsui Chemicals, and Mitsubishi Chemical to start joint feasibility study on carbon neutrality of ethylene production facilities in western Japan” announced in May 2024, based on initial assessment of discussions thus far, it was confirmed that coordination across districts would be valuable, and an agreement was reached with Asahi Kasei Corp. (Head office: Chiyoda-ku, Tokyo) and Mitsui Chemicals, Inc. (Head office: Chuo-ku, Tokyo) to perform more in-depth study on production optimization, including carbon neutrality of ethylene production facilities in western Japan and future capacity reductions, premised on the establishment of a joint operating entity.
- In August 2024, it was decided to reduce the number of coke ovens owned by Kagawa Plant from 250 to 150. It is scheduled to discontinue production through the targeted 100 ovens by the end of March 2025. Furthermore, it is planned to review the domestic and overseas sales portfolios and implement additional streamlining measures to transform its coal business structure into one that is not affected by market fluctuations. Along with this structural reform, MCG’s aim is to make its coal business profitable from the fiscal year ending March 31, 2026. It will continue to be reviewed the mid- to long-term positioning of the coal business in the business portfolio of the entire MCG Group while steadily promoting this structural reform.
- In September 2024, it was decided to transfer all shares held by the MCG Group of Kansai Coke and Chemicals Company, Limited, which engages in the production and sale of coke and its byproducts to Kobe Steel, Ltd. as part of the business portfolio reform. The share transfer was completed in October 2024.

## Pharma

- In March 2024, the United States Food and Drug Administration (FDA) recognized seven years of orphan-drug exclusive approval for RADICAVA ORS® (edaravone) for treatment of amyotrophic lateral sclerosis (ALS). The period of exclusive approval is seven years from May 12, 2022, the date of approval of New Drug Application (NDA).
  - In July 2024, Mitsubishi Tanabe Pharma Corporation (MTPC) announced that it will implement a voluntary retirement program To accelerate the review of its human resource portfolio towards developing personnel with the capabilities required to its growth strategies and realizing an organization where highly specialized and diverse human resources can thrive with the aim for growth in the global market.
  - With regard to investigational ND0612 for the treatment of motor fluctuations in people with Parkinson's Disease, a complete response letter (hereinafter "CRL") had been received from the U.S. Food and Drug Administration (hereinafter, "FDA"). The development plan in the United States was updated following a meeting was held with the FDA to discuss the contents of the CRL including additional safety information on the carbidopa ingredient of ND0612, as well as additional information on product quality, device, and manufacturing site inspections and next steps. Resubmission of a new drug application is targeted around mid-2025.
  - In December 2024, Eli Lilly Japan K.K. received manufacturing and marketing authorization in Japan for Zepbound®, a long-acting GIP/GLP-1 receptor agonist, for the treatment of obesity disease\*. In Japan, MTPC is responsible for sales and distribution of Zepbound and Eli Lilly Japan K.K. and MTPC will jointly provide information, in the same way as Mounjaro® with the same molecule, which is indicated for the treatment of type 2 diabetes mellitus and is marketed and distributed by the two companies.
- \* However, its use is limited to people with any of hypertension, dyslipidemia, or type 2 diabetes mellitus and do not adequately respond to diet or exercise therapy and meet any of the following conditions:
- BMI of  $\geq 27$  kg/m<sup>2</sup> in the presence of at least two obesity-related health conditions
  - BMI of  $\geq 35$  kg/m<sup>2</sup>.

## Industrial Gases

- In May 2024, a purchase and sale agreement was signed with Wesfarmers Kleenheat Gas Pty Ltd (hereinafter "Kleenheat"), which handles the LPG business of Wesfarmers Chemicals, Energy and Fertilisers in Australia, to acquire the LPG sales business in Western Australia and Northern Territory of Kleenheat.
- In October 2024, an agreement on investment in Polaris, a plant engineering company renowned for its expertise in process and separation technological solutions, was signed in order to pursue and strengthen engineering capabilities.
- It was agreed with Wesfarmers Limited (hereinafter "Wesfarmers") to acquire Coregas Pty Ltd, Blacksmith Jacks Pty Ltd, and Coregas NZ Limited (hereinafter collectively "Coregas Group"), which is currently owned by Wesfarmers and handles industrial gas businesses in Australia and New Zealand. An agreement on the acquisition of all shares of Coregas Group was signed in December 2024. The acquisition is expected to be completed by mid-calendar year 2025.
- With the aim of strengthening our homecare and respiratory business in Spain, it was agreed with Corporación Químico-Farmacéutica Esteve (hereinafter "CQFE") and Teijin Holdings Europe BV (hereinafter "Teijin") regarding the acquisition of Esteve Teijin Healthcare (hereinafter "ETH"). An agreement on the acquisition of all shares of ETH was signed in December 2024. The acquisition of shares is scheduled to be completed upon obtaining approval from Spain's National Commission on Markets and Competition (Comisión Nacional de los Mercados y de la Competencia).

## Others

- In November 2024, it was decided to transfer the MCG Group's insurance agency business to Aon Japan Ltd. in light of recent changes in the business environment surrounding in-house insurance agencies. The transfer is scheduled for March 2025.
- In December 2024, it was decided to transfer some of the MCG Group's real estate leasing and management business and its real estate assets related to this business to ES-CON JAPAN Ltd. in order to optimize its assets. The transfer is scheduled for April 2025.

# Statements of Operations [Quarterly Data]

Exchange Rate (¥/\$)

Naphtha Price (¥/kl)

139.6 145.6 146.1 149.9 145.3

67,500 63,600 72,800 72,500 69,100

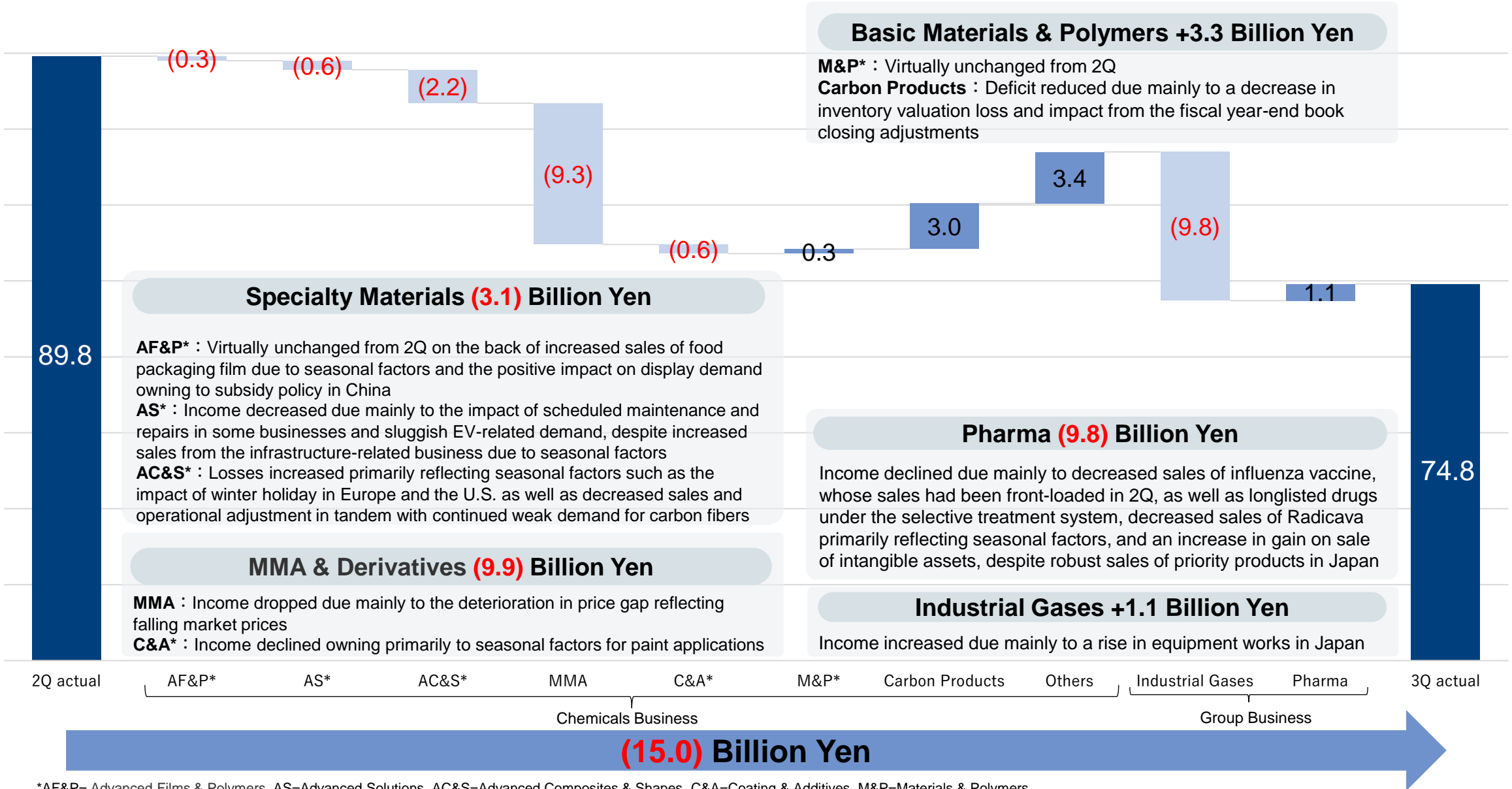
158.2 146.7 154.2 153.0

79,000 76,900 73,200 76,300

(Billions of Yen)

	FY2023					FY2024			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total
<b>Sales Revenue</b>	1,061.2	1,088.7	1,095.2	1,142.1	4,387.2	1,129.4	1,112.7	1,089.4	3,331.5
<b>Core Operating Income *1</b>	50.8	68.8	64.3	24.2	208.1	82.6	89.8	74.8	247.2
Special Items	18.9	0.1	9.6	25.1	53.7	2.4	(38.1)	(22.0)	(57.7)
<b>Operating Income</b>	69.7	68.9	73.9	49.3	261.8	85.0	51.7	52.8	189.5
Financial Income/Expenses	(0.9)	(7.5)	(12.3)	(0.6)	(21.3)	(8.0)	(22.6)	2.6	(28.0)
(Dividend included above)	[4.6]	[0.1]	[1.3]	[0.2]	[6.2]	[2.4]	[0.1]	[1.1]	[3.6]
(Foreign Exchange Gain/Loss included above)	[4.5]	[2.7]	[(4.2)]	[4.5]	[7.5]	[4.2]	[(13.0)]	[10.9]	[2.1]
<b>Income before Taxes</b>	68.8	61.4	61.6	48.7	240.5	77.0	29.1	55.4	161.5
Income Taxes	(13.0)	(23.1)	(11.4)	(14.6)	(62.1)	(20.7)	(14.2)	(19.8)	(54.7)
<b>Net Income</b>	55.8	38.3	50.2	34.1	178.4	56.3	14.9	35.6	106.8
<b>Net Income Attributable to Owners of the Parent</b>	42.5	24.7	36.7	15.7	119.6	39.7	1.2	18.5	59.4
Net Income Attributable to Non-Controlling Interests	13.3	13.6	13.5	18.4	58.8	16.6	13.7	17.1	47.4
<b>*1 Share of profit of associates and joint ventures included</b>	2.7	1.5	2.3	1.1	7.6	1.9	1.2	4.0	7.1

# Analysis of Core Operating Income (2Q→3Q)



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

# Trends in Core Operating Income by Business Segment

(Billions of Yen)

	FY2023 Actual	FY2024 3Q (Nine Months)	FY2024 Forecast (Announced on November 1)	FY2029 Target
<b>Total Consolidated</b>	<b>208.1</b>	<b>247.2</b>	<b>290.0</b>	<b>570.0</b>
<b>Specialty Materials</b>	<b>7.4</b>	<b>34.4</b>	<b>34.0</b>	<b>144.0</b>
Advanced Films & Polymers	18.3	29.5	30.0	56.0
Advanced Solutions	0.6	10.7	8.0	46.0
Advanced Composites & Shapes	(11.5)	(5.8)	(4.0)	42.0
<b>MMA &amp; Derivatives</b>	<b>5.5</b>	<b>32.6</b>	<b>45.0</b>	<b>54.0</b>
MMA	4.1	30.3	43.0	45.0
Coating & Additives	1.4	2.3	2.0	9.0
<b>Basic Materials &amp; Polymers</b>	<b>(25.4)</b>	<b>(12.1)</b>	<b>(21.0)</b>	<b>44.0</b>
Materials & Polymers	(6.0)	9.2	4.0	41.0
Carbon Products	(19.4)	(21.3)	(25.0)	4.0
<b>Others</b>	<b>1.3</b>	<b>0.3</b>	<b>(3.0)</b>	<b>(3.0)</b>
<b>Chemicals Business</b>	<b>(11.2)</b>	<b>55.2</b>	<b>55.0</b>	<b>239.0</b>
<b>Pharma</b>	<b>56.3</b>	<b>54.5</b>	<b>61.0</b>	<b>107.0</b>
<b>Industrial Gases</b>	<b>163.0</b>	<b>137.5</b>	<b>174.0</b>	<b>224.0</b>
<b>Group Business</b>	<b>219.3</b>	<b>192.0</b>	<b>235.0</b>	<b>331.0</b>

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

# Trends in Ratio of Core Operating Income to Sales Revenue by Business Segment

	FY2023 Actual	FY2024 3Q (Nine Months)	FY2024 Forecast (Announced on November 1)	FY2029 Target
<b>Total Consolidated</b>	5%	7%	6%	12%
<b>Specialty Materials</b>	1%	4%	3%	10%
Advanced Films & Polymers	4%	8%	6%	10%
Advanced Solutions	0%	4%	2%	9%
Advanced Composites & Shapes	(5%)	(3%)	(2%)	11%
<b>MMA &amp; Derivatives</b>	2%	11%	11%	12%
MMA	2%	13%	13%	14%
Coating & Additives	2%	3%	2%	8%
<b>Basic Materials &amp; Polymers</b>	(2%)	(2%)	(2%)	4%
Materials & Polymers	(1%)	2%	0%	5%
Carbon Products	(6%)	(12%)	(12%)	3%
<b>Others</b>	1%	0%	(2%)	(2%)
<b>Chemicals Business</b>	(0%)	3%	2%	8%
Pharma	13%	16%	13%	24%
Industrial Gases	13%	14%	13%	15%
<b>Group Business</b>	13%	15%	13%	17%

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



# Special Items [Quarterly Data]

(Billions of Yen)

	FY2023					FY2024			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total
<b>Total Special Items</b>	18.9	0.1	9.6	25.1	53.7	2.4	(38.1)	(22.0)	(57.7)
Gain on sales of shares of subsidiaries and associates	5.6	1.8	20.2	8.9	36.5	-	11.1	0.2	11.3
Gain on sale of carbon credit	-	-	-	-	-	2.7	-	-	2.7
Reversal of provision for loss on plant closure	-	-	6.4	5.6	12.0	1.3	(0.6)	1.2	1.9
Gain on sale of property, plant and equipment	0.7	0.1	0.8	-	1.6	1.5	-	0.1	1.6
Impairment loss	(0.0)	(3.2)	(10.5)	(10.1)	(23.8)	(0.8)	(26.8)	(15.3)	(42.9)
Special retirement expenses	(0.2)	(0.2)	(0.8)	(0.8)	(2.0)	-	(17.9)	(0.4)	(18.3)
Loss on sale and disposal of fixed assets	(1.1)	(0.2)	(1.1)	(7.3)	(9.7)	(1.2)	(1.6)	(3.6)	(6.4)
Cancellation penalty	-	(0.0)	-	(0.3)	(0.3)	-	-	(3.3)	(3.3)
Provision for loss on business liquidation	(0.4)	(0.1)	(1.2)	(0.1)	(1.8)	-	(1.8)	(0.1)	(1.9)
Loss on business liquidation	(2.0)	(0.7)	(1.5)	(0.6)	(4.8)	(0.3)	(0.3)	(0.2)	(0.8)
Others	16.3	2.6	(2.7)	29.8	46.0	(0.8)	(0.2)	(0.6)	(1.6)

# Core Markets Trends

Market	Key Products	3Q FY2024 Summary	Forecast for 4Q FY2024 Onward
<b>EV/Mobility</b>	<b>Electrolytes</b> <b>Fiber reinforced plastics &amp; composites</b> <b>Compounds</b>	Demand growth slowed, except for some regions, due to a negative impact of a decline in production in Japan as well as Europe and the U.S.	Global automobile production expected to weaken in 2025. In the medium/long-term, moderate growth to continue in general
<b>Semiconductors</b>	<b>High functional cleaning agents &amp; Cleaning services</b> <b>Epoxy resins</b> <b>Semicon equipment components</b> <b>Photolithography materials</b>	While AI-related sales were favorable, sales related to industrial machinery, consumer equipment (home appliances) and automobile applications remained weak	Sales related to AI are expected to continue to be strong. Sales related to industrial machinery, consumer equipment (home appliances) and automobile applications to recover moderately from 2H of 2025 and thereafter In the medium/long-term, forecast ongoing market growth owing to further expansion in demand
<b>Electronics</b>	<b>Optical films</b> <b>Display related materials</b>	High operations of panel manufacturers continued on the back of the effect of subsidy policy in China and a rise in demand looking ahead of the U.S. tariff hikes	High operations of panel manufacturers are expected to continue toward 1Q FY2025 Robust demand to continue in the medium to long term in tandem with the trend toward larger TVs
<b>Medical</b>	<b>Resins / shapes for implant</b>	Remained brisk globally, despite inventory adjustments by customers for some products	Inventory adjustments for some products are expected to continue toward 1Q FY2025 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
<b>Food</b>	<b>Emulsifiers</b> <b>Packaging film</b> <b>Packaging materials</b>	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

# References 2

## Pharma Segment, Status of Research and Development etc.

# Major Development Pipeline List



As of Jan. 25, 2025

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 <sup>*1</sup>	Myasthenia gravis					
Immuno-inflammation	MT-7117	Global	Erythropoietic protoporphyria (EPP) X-linked protoporphyria (XLP)					
		Global	Systemic sclerosis					
	MT-0551	Japan <sup>*1</sup>	IgG4-related disease					
		Japan	Systemic sclerosis					
Oncology	MT-2111	Japan	Relapsed/Refractory Diffuse Large B-cell Lymphoma (Monotherapy)					
		Japan <sup>*2</sup>	Relapsed/Refractory Diffuse Large B-cell Lymphoma (with rituximab)					


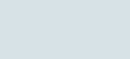

<sup>\*1</sup> Co-development with Amgen  
<sup>\*2</sup> Co-development with ADC Therapeutics

# Launch Plan for Major Development Pipeline



	FY2024	FY2025	FY2026 and beyond
Central Nervous System		<b>ND0612</b> Parkinson's disease (Global)	<b>MT-0551</b> Myasthenia gravis (Japan <sup>*1</sup> )
Immuno-inflammation			<b>MT-0551</b> IgG4-related disease (Japan <sup>*1</sup> )
			<b>MT-7117</b> EPP, XLP (Global)
Diabetes and Kidney	<b>CANAGLU OD tablets</b> Type 2 diabetes mellitus, Chronic kidney disease complicated with type 2 diabetes mellitus <sup>*2</sup> (Japan)	<b>CANALIA combination OD tablets</b> Type 2 diabetes mellitus <sup>*3</sup> (Japan)	
Oncology			<b>MT-2111</b> Relapsed/Refractory Diffuse Large B-cell Lymphoma (Monotherapy) (Japan)
			<b>MT-2111</b> Relapsed/Refractory Diffuse Large B-cell Lymphoma (with rituximab) (Japan <sup>*4</sup> )

<sup>\*1</sup> Co-development with Amgen  
<sup>\*2</sup> Chronic kidney disease complicated with type 2 diabetes mellitus, excluding patients with end-stage renal disease or undergoing dialysis  
<sup>\*3</sup> 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  
<sup>\*4</sup> Co-development with ADC Therapeutics

 : Global (US launch year)     : Japan     : Launched

# Pharmaceuticals Business: Statements of Operations (FY2024 3Q Actual)

(Billions of Yen)					
	3Q	Nine Months Ended Dec.31, 2023	3Q	Nine Months Ended Dec.31, 2024	Difference
<b>Revenue</b>	118.6	338.0	116.6	<b>349.2</b>	<b>11.2</b>
Domestic	83.8	241.3	84.3	<b>245.1</b>	<b>3.9</b>
Overseas	34.8	96.7	32.3	<b>104.0</b>	<b>7.3</b>
Overseas sales ratio	29.3%	28.6%	27.7%	<b>29.8%</b>	
<b>Cost of sales</b>	55.2	164.4	62.5	<b>172.8</b>	<b>8.4</b>
Sales cost ratio	46.5%	48.6%	53.6%	<b>49.5%</b>	
<b>Gross profit</b>	63.4	173.6	54.1	<b>176.4</b>	<b>2.8</b>
<b>SG&amp;A expenses, etc.</b>	40.4	117.8	41.1	<b>121.9</b>	<b>4.1</b>
R&D expenses	15.6	45.5	15.2	<b>45.9</b>	<b>0.4</b>
<b>Core operating profit</b>	23.1	55.8	13.1	<b>54.5</b>	<b>(1.3)</b>
Non-recurring items	(0.9)	11.2	0.7	<b>(13.2)</b>	<b>(24.4)</b>
<b>Operating profit</b>	22.2	66.9	13.7	<b>41.3</b>	<b>(25.6)</b>
<b>Net profit attributable to owners of the Company</b>	14.2	51.6	10.3	<b>27.9</b>	<b>(23.6)</b>

Effect of fluctuations in exchange rate for FY2024: Revenue increased by ¥5.4 bn. and core operating profit increased by ¥3.3 bn.

# Pharmaceuticals: Details of Revenue (FY2024 3Q Actual)

(Billions of Yen)

	3Q	Nine Months Ended Dec.31, 2023	3Q	Nine Months Ended Dec.31, 2024	Difference	%
<b>Domestic ethical drugs</b>	81.3	234.0	81.4	237.4	3.4	1.5%
<b>Priority and New products</b>	46.4	132.5	43.6	124.8	(7.8)	(5.9%)
Stelara	17.5	51.4	15.3	45.6	(5.8)	(11.4%)
Simponi	11.5	34.0	10.9	32.5	(1.5)	(4.4%)
Tenelia	3.7	9.2	3.8	8.7	(0.5)	(5.9%)
Canaglu	3.2	9.3	3.1	9.2	(0.1)	(0.8%)
Canalia	2.7	8.2	2.3	5.8	(2.4)	(28.7%)
Vafseo	0.6	1.8	0.6	1.8	0.0	1.6%
Uplizna	2.0	4.5	3.5	8.2	3.7	81.0%
Rupafin	2.4	6.1	2.4	6.2	0.1	1.7%
Dysval	1.3	3.8	0	1.8	(2.0)	(52.7%)
Radicut	1.6	4.2	1.7	4.9	0.8	18.3%
<b>Vaccines</b>	10.1	28.7	10.4	38.0	9.3	32.2%
Influenza vaccine	4.6	11.3	1.6	13.5	2.2	19.2%
GOBIK	-	-	4.6	11.4	11.4	
Tetrabik	2.3	6.9	0.7	2.2	(4.8)	(68.8%)
JEBIK V	0.8	2.5	0.8	2.6	0.1	3.0%
Mearubik	1.0	3.8	1.4	4.1	0.4	9.8%
Varicella vaccine	1.1	3.1	1.0	3.0	(0.1)	(3.9%)
<b>Long-listed drugs, etc.</b>	24.8	72.7	27.3	74.6	1.9	2.6%
Remicade	7.8	23.6	6.2	18.6	(5.0)	(21.1%)
<b>Overseas ethical drugs</b>	27.9	83.8	29.3	94.9	11.0	13.2%
<b>Radicava</b>	20.0	59.8	22.4	73.1	13.2	22.1%
<b>Royalty revenue, etc.</b>	7.2	13.9	3.1	9.9	(4.0)	(28.6%)
<b>Royalty from INVOKANA</b>	1.4	4.4	1.7	5.3	0.9	20.4%
<b>Royalty from GILENYA</b>	3.4	5.3	0.9	3.0	(2.3)	(42.8%)

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.