



# Management Overview Presentation

## Progress on the Medium-Term Management Plan

Uniqueness & Presence — Becoming an excellent company with uniqueness and presence

 **mitsubishi GAS CHEMICAL COMPANY, INC.**

June 6, 2025

TSE Prime  
Market  
4182

- 1 We achieved our numerical targets for the first year as planned. External changes\* are raising the bar for achieving the goals set out in our medium-term management plan.  
\* Slow growth of the semiconductor market outside the advanced segment, increasing uncertainty due to new US tariffs, etc.
- 2 We are promoting significant investment in the promising Uniqueness & Presence (U&P) businesses. There are delays and overspending in some investment projects.
- 3 We advanced and reinforced our R&D initiatives, mainly in strategic research areas (ICT, mobility and medical/food) to help make MGC a more R&D-oriented company.
- 4 We've made some progress restructuring businesses requiring intensive management, but the action plan to improve profitability has just reached the halfway point.
- 5 ROE and ROIC fell due to increases in invested capital for advance investment and in depreciation and amortization costs. We are committed to enhancing ROIC-centered management.



- With the bar raised for achieving our goals, we will accelerate initiatives under the medium-term management plan.
- We will focus efforts on strengthening the resiliency of our business portfolio to flexibly respond to external changes.

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Let's start by looking at the five points we plan to discuss today. Please refer to page 2.

First, we'll look at progress on the medium-term management plan. Even though we achieved our numerical targets for the first year more or less as planned, external changes, including the slow growth of the semiconductor market outside the advanced segment, lifted the bar for achieving the goals set forth in the plan.

Second, despite these hurdles, we're promoting significant investment in the promising Uniqueness & Presence (U&P) businesses, in particular in semiconductor-related fields. There are delays and overspending in some investment projects, like the MXDA project in Europe.

Third, we'll review our R&D initiatives. On my appointment, I promised a shift toward making MGC a more R&D-oriented company, and there's been no change in our policy of promoting R&D, mainly in strategic research areas. We'll continue to strengthen coordination between R&D and businesses.

Fourth, although we've made some progress restructuring the businesses requiring intensive management, the action plan to improve profitability has just reached the halfway point, and further initiatives are needed.

Lastly, the fifth topic concerns ROE and ROIC. While ROE and ROIC fell due to increases in invested capital for advance investment, we're committed to enhancing ROIC-centered management.

To summarize:

- With the bar for achieving our goals lifted higher, we will accelerate initiatives under the medium-term management plan.
- We also plan to focus efforts on strengthening the resiliency of our business portfolio to flexibly respond to external changes. That's one goal of the medium-term management plan.

## Introduction

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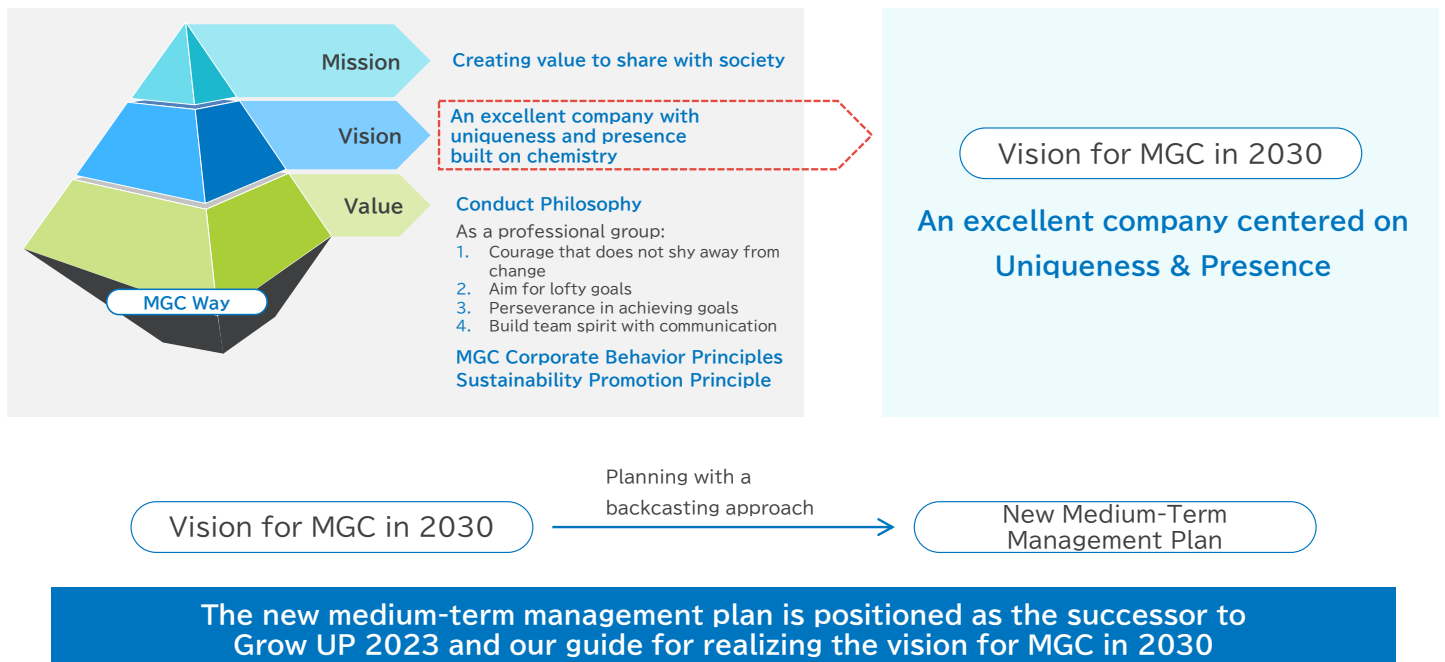
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Let's now go to page 3.

After starting with a summary of the Medium-Term Management Plan announced in May of last year, we'll review progress on the medium-term management plan and our action to implement management conscious of the cost of capital and stock prices.

## Approach under Medium-Term Management Plan Grow UP 2026



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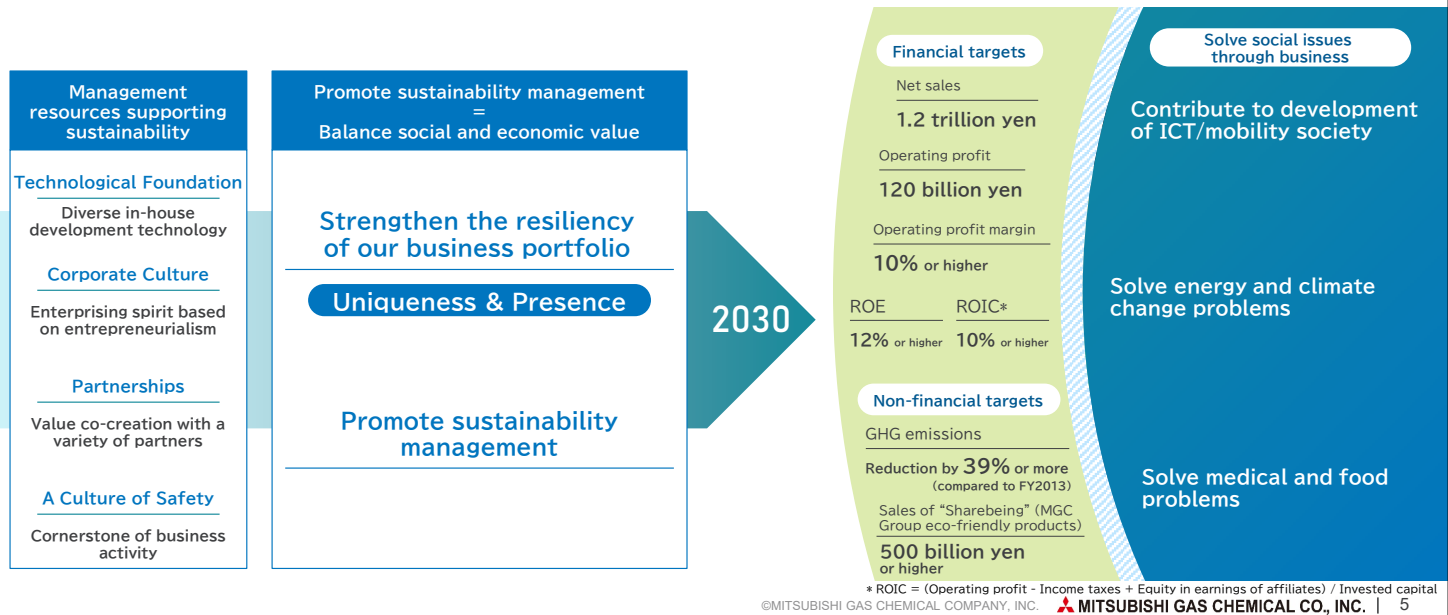
Please turn to page 4.

The new medium-term management plan, Grow UP 2026, is positioned as the successor to the previous medium-term management plan, Grow UP 2023. It's our guide for realizing the vision for MGC in 2030 over the coming three years.

## Vision for MGC in 2030



- Sharpen businesses defined by “Uniqueness & Presence,” and contribute to solving social issues through business
- For 2030, we aim to achieve net sales 1.2 trillion yen, operating profit of 120 billion yen, operating profit margin of 10% or higher, ROE of 12% or higher, and ROIC of 10% or higher



Page 5 describes the vision for MGC in 2030.

By sharpening the businesses defined by “Uniqueness & Presence,” we plan to help solve various social issues through our business activities. For 2030, our goal is to achieve operating profit of 120 billion yen, operating profit margin of 10% or higher, ROE of 12% or higher, and ROIC of 10% or higher, as well as eco-friendly product sales of 500 billion yen or higher.

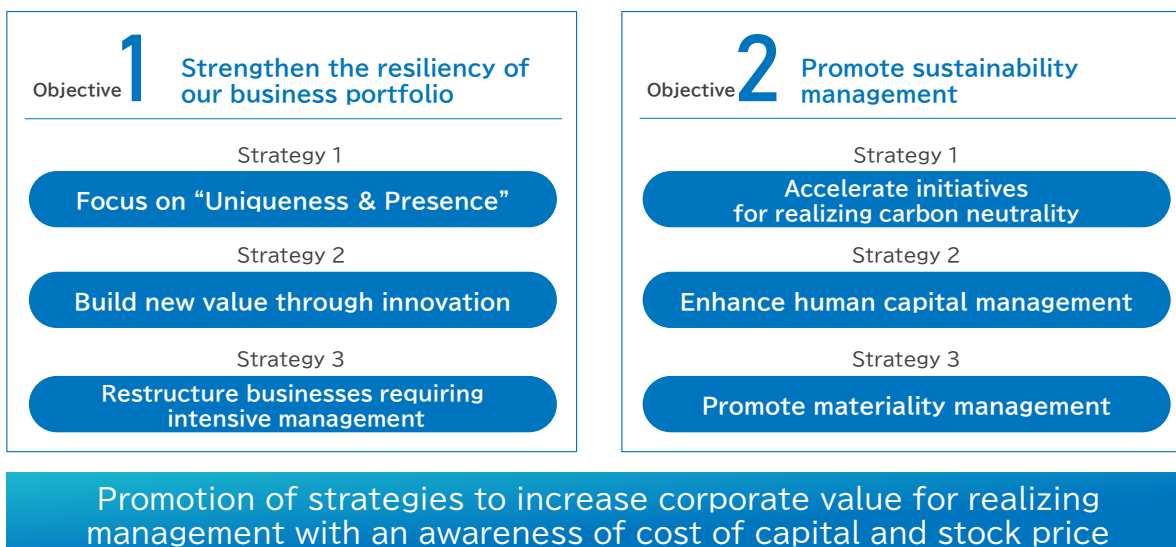
## New Medium-Term Management Plan: Grow UP 2026 — “Growing,” “Winning,” and “Sustainable”



Plan Duration: Three years from FY2024 to FY2026

Positioning: Successor to Grow UP 2023; period that contributes to the realization of the vision for MGC in 2030  
Retackling previous plan targets and aiming for even higher goals as “an excellent company with uniqueness and presence built on chemistry.”

**Keywords: Uniqueness & Presence**



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Page 6 shows the objectives and strategies specified in the medium-term management plan.

Objective 1 is to strengthen the resiliency of our business portfolio. We’re working toward this objective based on three strategies: focusing on Uniqueness & Presence; building new value through innovation; and restructuring businesses that require intensive management.

Objective 2 is to promote sustainability management. Toward this objective, we’re implementing the strategies of accelerating initiatives for realizing carbon neutrality, enhancing human capital management, and promoting materiality management.



## Progress on the Medium-Term Management Plan

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Let's review progress on the current medium-term management plan.

# Progress on Companywide Numerical Targets and Initiatives

We'll start with a look at progress on companywide numerical targets and initiatives.



## Progress on Companywide Numerical Targets



- Results for the first fiscal year were broadly in line with the plan, except for ROE and ROIC. Results are expected to be below plan targets in the second year, mainly due to slow growth in the semiconductor market outside the advanced segment
- The current medium-term management plan calls for significant growth from the second to the third (final) fiscal year. However, due to the delay in the second year, there are higher hurdles to reaching the targets

	FY2023 result	Grow UP 2026		Grow UP 2026 FY2026 target
		FY2024 result	FY2025 forecast	
Net sales	¥813.4 billion	¥773.5 billion	¥730.0 billion	¥850.0 billion
Operating profit	¥47.3 billion	¥50.8 billion	¥46.0 billion	¥85.0 billion
Operating profit margin	5.8%	6.6%	6.3%	10% or higher
Ordinary profit	¥46.0 billion	¥60.3 billion	¥50.0 billion	¥95.0 billion
EBITDA*1	¥84.9 billion	¥97.3 billion	¥93.0 billion	¥150.0 billion
ROE	6.1%	6.9%	5.4%	9% or higher
ROIC*2	3.3%	6.4%	4.2%	8% or higher

\*1 EBITDA = Ordinary profit + Interest paid + Depreciation and amortization  
\*2 ROIC = (Operating profit - Income taxes Equity in earnings of affiliates) / Invested capital  
(Definitions have been revised for the current medium-term management plan)

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Please turn to page 9.

Results for the first fiscal year were broadly in line with the plan, except for ROE and ROIC.

Results are expected to be below plan targets in the second year, mainly due to slow growth in the semiconductor market outside the advanced segment.

The current medium-term management plan calls for significant growth from the second to the third (final) fiscal year. But due to the delay in the second year, there are higher hurdles to reaching the targets.

## Progress on Companywide Numerical Targets — By Division



- Further advancing our action plan for achieving our targets for Green Energy & Chemicals (GEC) and Specialty Chemicals

	FY2023 result	Grow UP 2026		Grow UP 2026 FY2026 target
		FY2024 result	FY2025 forecast	
Net sales				
Green Energy & Chemicals	¥412.8 billion	¥323.1 billion	¥297.0 billion	¥350.0 billion
Specialty Chemicals	¥409.2 billion	¥444.1 billion	¥430.2 billion	¥490.0 billion
Operating profit				
Green Energy & Chemicals	¥17.7 billion	¥12.7 billion	¥11.4 billion	¥22.0 billion
Specialty Chemicals	¥33.0 billion	¥41.3 billion	¥39.9 billion	¥65.0 billion
Ordinary profit				
Green Energy & Chemicals	¥10.1 billion	¥20.5 billion	¥15.7 billion	¥32.0 billion
Specialty Chemicals	¥38.6 billion	¥43.9 billion	¥39.1 billion	¥65.0 billion

\*This slide does not include businesses outside these segments and adjustments

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Page 10 shows progress by division.

We plan to achieve significant growth during the third year of the plan by further advancing our action plan for achieving our targets for Green Energy & Chemicals (GEC) and Specialty Chemicals.

## Influences of US Tariffs



- Minimize risk using price adjustments and supply chain optimization
- Anticipating minor direct effects from US tariffs (less than 1 billion yen)

Green Energy & Chemicals	Methanol	<ul style="list-style-type: none"> <li>• Apply our global sales network to minimize the negative effects of higher tariffs on exports to the US from our Venezuelan site</li> </ul>
	MXDA/ABAL	<ul style="list-style-type: none"> <li>• Sell most of our products to the US under CIP/DAP conditions, so we do not cover US customs duties</li> </ul>
	MX Nylon	<ul style="list-style-type: none"> <li>• Higher tariffs on raw-material MXDA may increase costs, but we plan to shift that into prices</li> </ul>
Specialty Chemicals	EL chemicals	<ul style="list-style-type: none"> <li>• Use our North American base, established in 1995, and our policy favoring production in the area of consumption to avert tariff risk</li> <li>• We will control cost increases from additional tariffs with local procurement of raw materials</li> </ul>
	BT materials, OPET <sup>TM</sup>	<ul style="list-style-type: none"> <li>• Direct exports to the US are nearly nil, so we project minor direct effects from additional tariffs</li> </ul>
	Optical polymers	<ul style="list-style-type: none"> <li>• Projecting minor effects on our products, while smartphone supply chain is expected to be reviewed</li> </ul>
	POM	<ul style="list-style-type: none"> <li>• This product is on the mutual tariff-exemption list, so we project no direct effect</li> </ul>
	PC	<ul style="list-style-type: none"> <li>• Plan to shift costs due to additional tariffs into product prices</li> </ul>

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Please turn to page 11.

This page summarizes the effects of US tariffs. Our policy is to minimize risk using price adjustments and supply chain optimization.

We anticipate minor direct effects of less than 1 billion yen on the Group due to the tariffs.

## Progress on Objective 1: Strengthen the Resiliency of Our Business Portfolio

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Next, we'll look at our progress on Objective 1: Strengthen the Resiliency of Our Business Portfolio.

## Progress on Measures to Strengthen the Resiliency of Our Business Portfolio



- Promoting proactive investment in U&P businesses. However, there are start-up delays and increases in investment amounts for major investment projects
- Although some progress has been made on initiatives for businesses requiring intensive management, we will promote action plans to improve profitability

Strategy 1

Focus on “Uniqueness & Presence”

- Prioritizing allocation of management resources in the three ICT businesses, which are growth drivers
- Start-up delays and increases in investment amounts for major investment projects, such as the MXDA project in Europe
- Further advance initiatives for sales expansion, cost pass-through, and cost reduction

Strategy 2

Build new value through innovation

- Strengthening R&D in line with the plan, centered on MGC’s strategic research areas (mobility, ICT, medical/food) (FY2025 (forecast) R&D expenses 29.5 billion yen)

Strategy 3

Restructure businesses requiring intensive management

- PC-related business: Advancing strategy to add higher value at sites in China. Concentrating sheet film production sites. On the other hand, MEP\* reorganization effect not yet fully realized
- Xylene separators and derivatives business: Withdrawing from OX-related chain (OX/PA/plasticizer chain)

+

Initiatives for improving capital efficiency

- Strengthening shareholder returns based on new shareholder return policy (progressive dividend policy, increase in total payout ratio). Promoting sales of strategic shareholdings and idle assets, including at Group companies

\*Mitsubishi Engineering-Plastics Corporation

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Please turn to page 13.

This page summarizes progress on measures to strengthen the resiliency of our business portfolio.

On Strategy 1—focus on Uniqueness & Presence—we’re prioritizing the allocation of management resources in the three ICT businesses, which are growth drivers. But we’ve encountered start-up delays and increases in investment amounts for major investment projects, like the MXDA project in Europe.

We plan to further advance initiatives that address sales expansion, cost pass-through, and cost reductions.

On Strategy 2—build new value through innovation—we’re strengthening R&D in line with the plan.

On Strategy 3—restructure businesses requiring intensive management—we’ve made progress on certain initiatives. We’re promoting the action plan to improve earnings still further.

## Status of Each Business (Summary)



- Progress on intensive investment in U&P businesses. Some delays, including the MXDA Europe plant and EL chemicals target achievement timing
- Aiming to achieve plan targets, such as through early start-up of large-scale investments and moving early to the investment reaping phase

Business	Main actions, issues, and policies going forward
Electronics materials	<ul style="list-style-type: none"> <li>• BT materials: Thailand <b>plant expansion proceeding as planned</b>. Strengthen the development of applications for next-generation FC-BGA, etc.</li> <li>• OPE™: Demand is <b>growing faster than planned</b> for use as a substrate material for generative AI servers. Currently considering upgrading manufacturing sites</li> </ul>
EL chemicals	<ul style="list-style-type: none"> <li>• <b>Target achievement period expected to be delayed</b> due to slow demand recovery and increase in depreciation expenses caused by upfront investment</li> <li>• No change to medium- to long-term market growth forecast. <b>Currently increasing production capacity looking ahead to market growth</b>. Aim to move early to the investment return phase</li> <li>• Established North American base in 1995. Avoiding US tariff risk through production in the area of consumption</li> </ul>
Optical materials	<ul style="list-style-type: none"> <li>• Optical polymers: <b>Performing favorably, surpassing the plan</b>. Increasing sophistication of smartphone camera functionality, mainly due to an increase in models with periscope lenses. Demand for use in automotive cameras and AR/VR headsets, etc. also expected to grow</li> <li>• Lens monomers: <b>Steady progress toward new lens monomer production facility</b> in 2026</li> </ul>
Methanol	<ul style="list-style-type: none"> <li>• <b>Advancing various initiatives</b> for realization of circular carbon methanol concept Carbopath™ (marine fuel market development initiative, start of biomethanol production utilizing digester gas at a sewage treatment center, etc.)</li> </ul>
MXDA	<ul style="list-style-type: none"> <li>• <b>Construction of a new Europe plant: Slower than the initial plan, capital investment exceeded the plan</b></li> <li>• <b>We will execute a revised plan for early start-up</b> and promote various initiatives to expand sales based in Europe, the largest area of demand</li> </ul>
PC	<ul style="list-style-type: none"> <li>• <b>Advancing strategy to add higher value and reduce costs</b> at sites in China</li> <li>• Meanwhile, <b>rebuilding of production, sales and R&amp;D systems is in progress</b></li> </ul>

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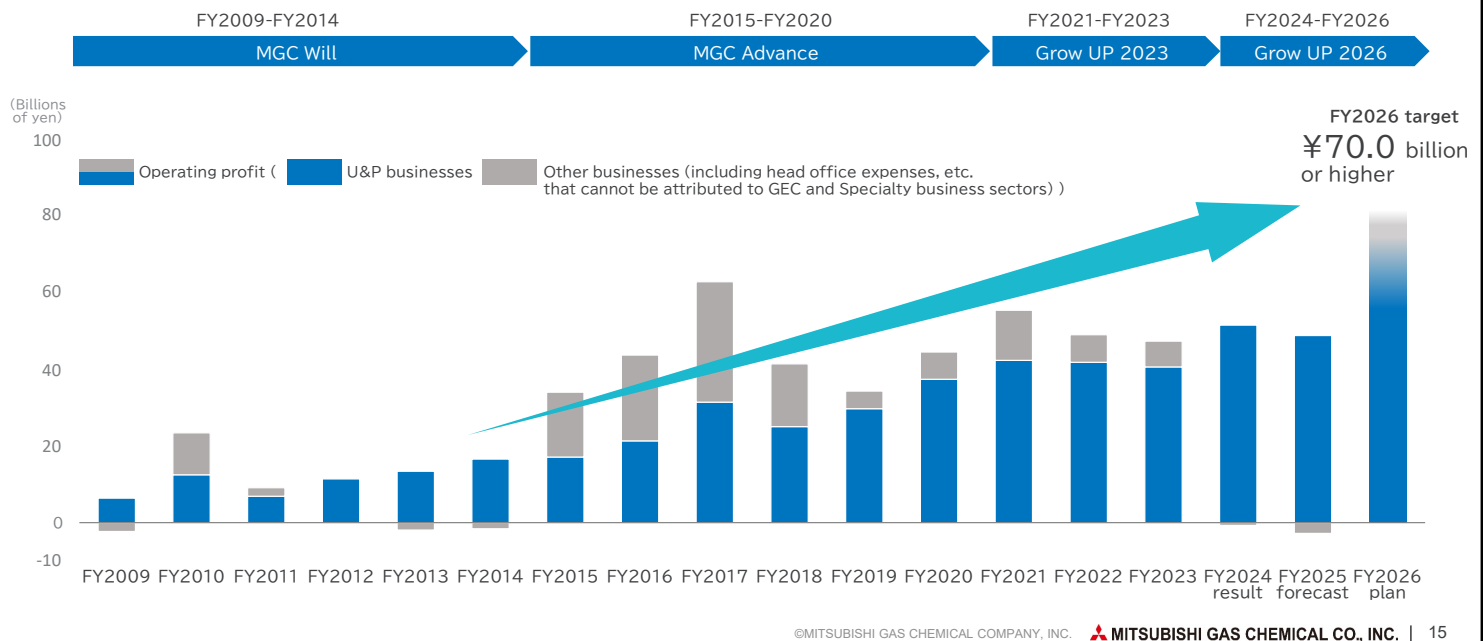
Page 14 summarizes the status of each major business.

We'll skip this summary since we'll discuss each business later.

## Strategy 1: Operating Profit Trend of Uniqueness & Presence (U&P) Businesses



- U&P businesses are currently seeing faltering growth. We aim to quickly realize returns from large-scale investments and get back to a growth trajectory



Page 15 shows the operating profit trend of the Uniqueness & Presence (U&P) businesses.

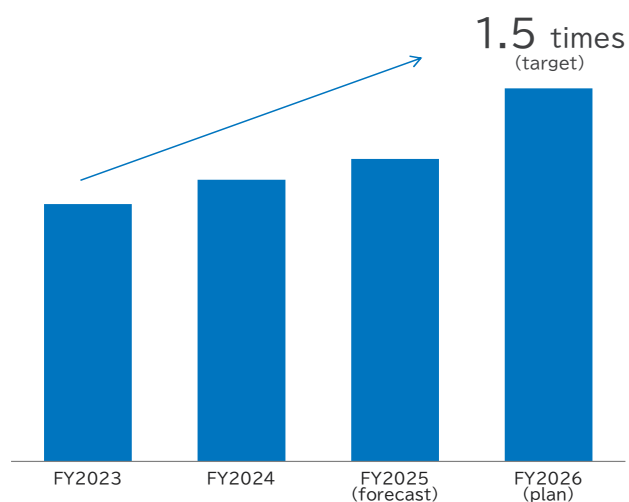
Operating profit of U&P businesses, shown in blue, currently shows faltering growth. We plan to quickly realize returns from large-scale investments and to return to a growth trajectory, chiefly in the three ICT businesses.

## Strategy 1: Strategic focus on U&P Businesses (1) Promoting the Three ICT Businesses



- Progress in electronic materials (Thailand plant expansion), EL chemicals (new construction and expansion in Japan and overseas), and optical materials (new construction in Japan)
- Optical materials and OPE™ outperforming the plan. BT materials and EL chemicals falling behind on the target

■ Net sales of the three ICT businesses



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Page 16 summarizes the status of the three ICT businesses, all growth drivers for the medium-term management plan.

Despite progress on investment in preparation for future market growth, as shown in the graph at right, sales growth in the three ICT businesses is currently faltering. We need to restore the pace to achieve the medium-term management plan's target of 1.5-fold growth in net sales compared to the FY2023 figure.



## Strategy 1: Strategic Focus on U&P Businesses (2) Promoting the Three ICT Businesses — Electronic Materials



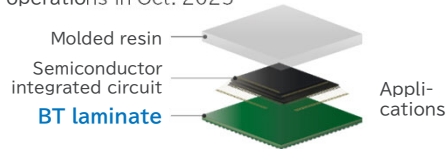
### Electronics materials

**BT materials:** Thailand plant expansion proceeding as planned. Strengthen applications for next-generation FC-BGA, etc.

**OPE™:** Demand is growing faster than planned for use as a substrate material for generative AI servers. Currently considering upgrading manufacturing sites

### Expansion of Thailand plant

- Increase production capacity by approx. 2 times
- Currently progressing as planned toward start of operations in Oct. 2025



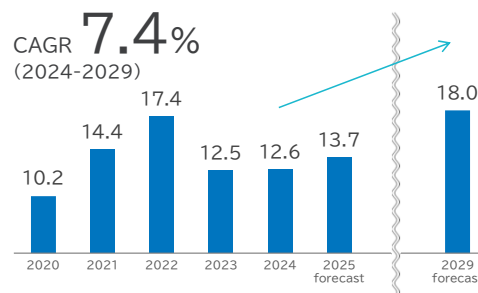
### Future applications development, business strategies, and vision

- Proposing materials for next-generation FC-BGA use
- Proposing materials for next-generation photonics-electronics convergence



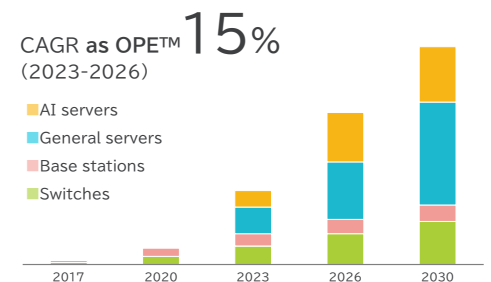
### ■ Outlook for semiconductor packaging substrate market (US\$ billion)

Source: 2024 Prismark Partners LLC



### ■ Changes in domains using OPE™ in the electronic devices market

\*OPE™ is used for laminate materials that require low dielectric properties, particularly PPE



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Let's now look at electronics materials, on page 17.

In BT materials, the Thailand plant expansion is proceeding as planned toward coming online in October 2025.

We're also strengthening applications for next-generation FC-BGA, etc.

In OPE™, demand is growing faster than planned for use as a substrate material for generative AI servers. Currently, we're considering upgrading manufacturing sites, since the market is projected to grow at a CAGR of 15%, as shown in the graph at right.

## Strategy 1: Strategic Focus on U&P Businesses (3) Promoting the Three ICT Businesses — EL Chemicals



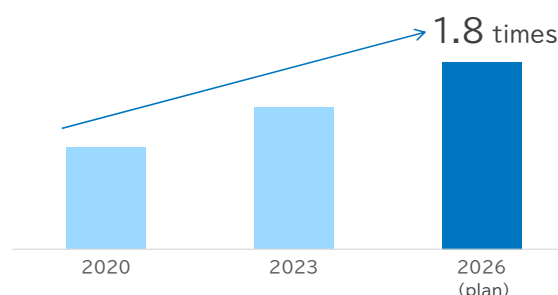
### Electronic Chemicals (EL chemicals)

- Target achievement period expected to be delayed due to slow demand recovery and increase in depreciation expenses (by approx. 5 billion yen between 2024 and 2026) caused by upfront investment
- No change to medium- to long-term market growth forecast. Currently enhancing production capacity looking ahead to market growth. Aiming to move early to the investment return phase
- Established North American base in 1995. Avoiding US tariff risk through production in the area of consumption

### 1 Strengthening global production system

- Market scale expected to expand globally. Aiming to double production capacity by FY2026 versus FY2020.
- Promote customer-oriented strategy. Currently enhancing production capacity through production in the area of consumption in line with plan, looking ahead to market growth.

Total production capacity of EL chemicals



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Please turn to page 18.

For EL Chemicals, achieving the targets is expected to be delayed due to a slow recovery in demand and an increase in depreciation expenses attributable to upfront investment.

However, we expect no changes in the medium- to long-term market growth forecast, and are currently enhancing production capacity, as shown in the graph at lower right.

We aim to early move to the investment return phase.

We entered the North American market in 1995. North American capacity is growing at a steady pace. We expect to be able to avoid the impact of US tariff risks through a strategy of production in the area of consumption.

Strategy 1: Strategic Focus on U&P Businesses (3)  
Promoting the Three ICT Businesses — EL Chemicals

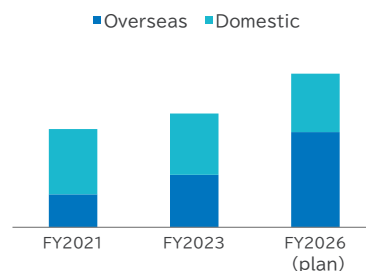


## 2 R&D system to meet the needs of the most technologically advanced customers

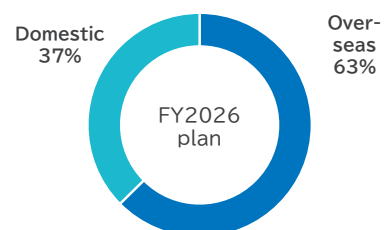
- Promote customer proximity strategies in R&D as well
- Currently increasing R&D personnel at overseas sites. This enables timely feedback to be received, leading to rapid new product development



R&D expenditures of EL chemicals



Ratio of research personnel within EL chemicals



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Please turn to page 19.

For EL Chemicals, we're promoting customer proximity strategies in R&D.

We're currently increasing R&D personnel at overseas sites. This enables timely feedback to be received, leading to new product development.

## Strategy 1: Strategic Focus on U&P Businesses (4)

### Promoting the Three ICT Businesses — Optical Materials



#### Optical materials

##### Optical polymers:

- Increasing sophistication of smartphone camera functionality, mainly due to the trend toward slimmer smartphones and an increase in models with periscope lenses. Performing favorably, surpassing the plan.
- Demand for use in automotive cameras and AR/VR headsets, etc. also expected to grow

##### Lens monomers:

- Steady progress toward new lens monomer production facility in 2026
- Development of Episleaf™ biomass lens monomer; sales launched in 2024

#### Expand applications beyond smartphone lenses



Automotive cameras



AR/VR headsets



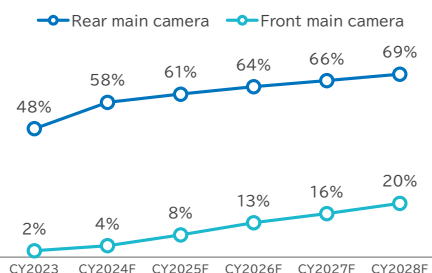
Security cameras

#### Biomass lens monomer



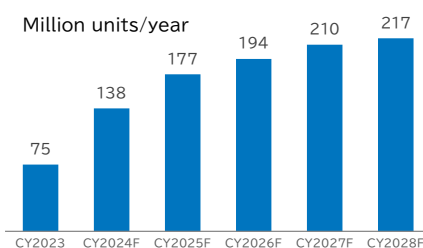
#### Smartphone camera resolution increase trend forecast (ratio of 50 MP+)

Source: Materials by Techno Systems Research Co., Ltd. published in June 2024



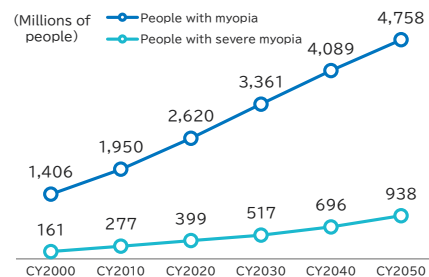
#### Shipments of smartphones with periscope camera modules

Source: Materials by Techno Systems Research Co., Ltd. published in June 2024



#### Global population of people with myopia and severe myopia forecast

Source: American Academy of Ophthalmology, Vol. 123, May 2016



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Page 20 addresses optical materials. Optical polymers are performing favorably, surpassing the plan, mainly due to the trend toward slimmer smartphones and an increase in models with periscope lenses.

In addition, we're making steady progress toward completing a new lens monomer production facility in 2026.

## Strategy 1: Strategic Focus on U&P Businesses (5) Methanol



Road map for realizing

### the circular carbon methanol concept Carbopath™

#### 2024

- Started manufacturing biomethanol at the Niigata Plant. Started manufacturing and supplying ISCC PLUS-certified products.

#### 2025-2030

- Domestic manufacturing plan (up to 50 KT)
- New plan overseas (100 KT)
- Supply expansion through use of overseas JV, etc.
- Secure products to supply to market through procurement of overseas products.
- Secure markets for the advanced marine fuel market.
- Contribute to carbon neutrality of LPG as a supplier of rDME.
- Expand the Carbopath™ brand and collaborate with early movers in various industries to create and stimulate the environmental value market.

Specific initiatives for FY2025 are stated starting from page 31

#### 2030 onward

Promote supply to the growing fuel and chemicals markets and establish a plant of the same scale as conventional methanol production (1 million MT/year).

Aim to further expand the green methanol market as a supplier of carbon neutrality solutions.

### MGC's initiatives to develop the marine fuel market

Further growth in orders for dual-fuel vessels. Amid advances in social implementation of methanol as a next-generation fuel paving the way to carbon neutrality in the future, MGC is also working to build a supply system.

2024/9/18

Bunkering simulation by Maersk's *Alette Maersk* and Kokuka Sangyo's *Eika Maru*



### Start of biomethanol production utilizing digester gas at a sewage treatment center

- Start of production at the Niigata Plant in 2024
- Acquired the international ISCC PLUS certification for the use of sustainable raw materials, and currently supplying to the marine fuel market and the development of new sustainable materials
- Considering scale expansion with new raw material gas
- Jointly received the Green Technology Innovation Awards in Platinum Award (2024) with Niigata Prefecture



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Page 21 reports on the methanol business.

Initiatives are currently underway to realizing Carbopath™. These include initiatives to develop the marine fuel market and biomethanol production utilizing digester gas at a sewage treatment center.

## Strategy 1: Strategic Focus on U&P Businesses (6) MXDA



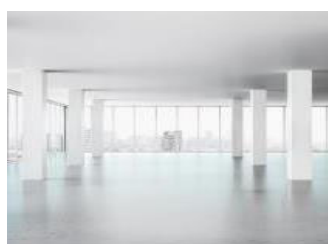
- Construction of the Europe plant has been slower than the initial plan. Capital investment has also surpassed the initial plan, mainly due to soaring construction costs
- We will execute a revised plan for early start-up and promote various initiatives to expand sales based in Europe, the largest area of demand



MXDA Europe plant  
(under construction)

### Europe plant

- Under construction in Europe (Rotterdam industrial area in the Netherlands), the largest market for infrastructure applications (anti-corrosion coatings)
- Planned completion and start of commercial operations in 2H FY2025
- Total CAPEX to FY2024-end: Approx. 41.0 billion yen
- Expected depreciation period: 15-20 years



### Infrastructure applications: Anti-corrosion coatings

- Gradual recovery in demand for epoxy curing agents expected from 2H onward
- Focus on sales expansion in developing countries through strengthening of technical service activities



### Development of new products and applications

- Propose environmentally friendly products and new formulations to create new demand

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Page 22 looks at the MXDA business.

Construction of the Europe plant has been slower than initially planned. Capital investment has also surpassed the initial plan, due mainly to soaring construction costs.

Total CAPEX to the end of FY2024 was roughly 41.0 billion yen.

We plan to implement a revised plan for early start-up and to promote various initiatives to expand sales based in Europe, the most significant demand region for MXDA.

## Strategy 1: Strategic Focus on U&P Businesses (7)

### Energy Resources/POM/Aromatic Aldehydes/Polymer Materials



#### Energy resources

- CCS business: Participated in two advanced CCS businesses selected by JOGMEC. Progress has been made to the point where institutional development for CCS and business model exploration across the entire CCS value chain in Japan and overseas can begin
- Renewable energy business: Promotion of initiatives for renewable energy business centered on geothermal power generation, including the Appi Geothermal Power Plant, which started operation in 2024
- MGC Group's water-dissolved natural gas and iodine business is being expanded

#### POM

- Transfer of main factory functions to Thailand for the next generation and promotion of R&D within Group companies in Japan, Thailand, and South Korea
- Aim to increase the percentage of high-value-added products by expanding sales in the medical field, etc. where future growth is expected and by fully entering the market with homopolymers
- Progress has been made in restructuring the overseas sales structure, including the start-up of new POM production facilities in China in November 2024



#### Aromatic aldehydes

- Demand for transparent nucleating agents for polypropylene (PP) is recovering as downstream inventory adjustment has run its course. Sales for flavors and fragrances continue to be strong
- New equipment at the Mizushima Plant, which started commercial operation in November 2023, is operating smoothly
- Pursue market-oriented product development for enhancing the high-value-added product lineup



#### Polymer materials

- Continue to expand sales for food packaging material applications by expanding regions of use and capturing new demand in the growing barrier packaging materials market
- Maintain and expand the market by appropriately complying with recycling regulations and expanding marketing areas and applications
- Rapidly commercialize products through research on new development products and promotion of market development



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Page 23 introduces the progress currently being made by other U&P businesses. We'll skip a discussion of this page.



## Strategy 2: Build New Value through Innovation — Progress



- Renew the organization for new business creation and development, shifting from an organization based on development stages to an integrated organization aligned by business domain
- Accelerate new business creation with an integrated structure that can execute all steps from strategy formulation to business development

### Restructuring of research organizations

#### Organization based on development stage

Future Strategy  
Group

New Business  
Development Group



#### Integrated organization aligned by business domain

ICT·Mobility·  
Sustainability  
Department

Health Technology &  
Solution Department

### Progress topics

## OXYCAPT™

OXYCAPT™ is a three-layered drug container combining the characteristics of glass and plastic. Market development as a container for use in the recently developing field of cell and gene therapies

Received the Packaging Innovation Award at Pharmapack 2025



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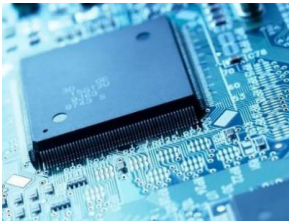
Page 24 reports on Strategy 2: Build New Value through Innovation.

We renewed the organization for new business creation and development, shifting from an organization based on development stages to an integrated organization aligned by business domain.

In this way, we will accelerate new business creation with an integrated structure that enables executing all steps, from strategy formulation to business development.



### New BT laminate materials



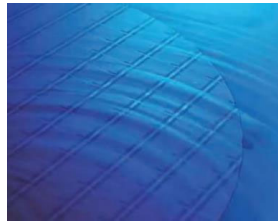
Through further advances in BT resin modification and blending technology, we achieved both low warping and high machinability of laminate materials for high-performance semiconductor packages.

We developed an ultra-thin built-up material with microcircuit formation ability and insulation properties.

We received the 20th JPCA Award for our next-generation low-warpage BT resin laminate material.

We continue to seek feedback on utilizing its wide range of electric properties for high-frequency characteristic applications, such as antennas, and in the edge device field.

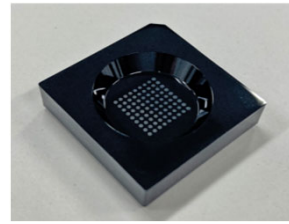
### New semiconductor cleaning solution



We developed a new cleaning solution vital for semiconductor manufacturing front- and back-end processes, contributing to increasing the speed and reducing the power consumption of state-of-the-art semiconductors.

We have developed various chemicals for the advanced packaging field using our knowledge of cleaning solution development, and we are proposing these to customers.

### Allergy test chips

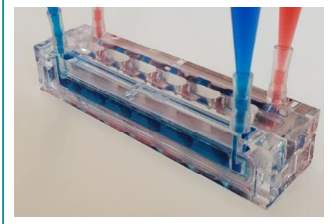


We are currently developing allergy test chips capable of predicting the severity of food allergies. In the future, we aim to sell the chips as in vitro diagnostic pharmaceuticals.

At present, we are building a severity prediction model and manufacturing system for supplying clinical research kits.

We concluded a basic agreement to form a strategic partnership with US company Alerje, Inc. to create food allergy care solutions.

### Microphysiological systems (MPS)



We established the Drug Discovery Platform Development Program with Ehime University in the university's Graduate School of Medicine in April 2025.

The program aims to achieve social implementation of microphysiological system (MPS) drug discovery platforms by promoting development of a human disease model compatible with multimodality\* based on a device developed by the University of Arizona.

\*Modality: Methods or approaches used as technological platforms for drug discovery, as well as the categories of medical equipment or pharmaceutical products developed based on them. Multimodality refers to multiple modalities.

Page 25 discusses new product development topics, including the microphysiological systems announced in April. Please review this page later.

### Strategy 3: Restructure Businesses Requiring Intensive Management — Progress PC-Related (Polycarbonate)



- Progress was made in line with our high-value-added strategy and cost reductions at sites in China. Production, sales, and R&D systems are being rebuilt

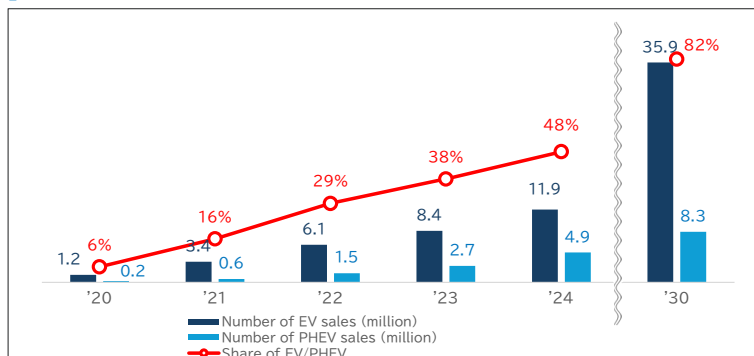
#### Strategy implementation status

- Profitability improved due to progress in line with our high-value-added strategy (increased sales for EVs in China, etc.) and cost reductions at sites in China
- Considering rebuilding production, sales, and R&D systems

#### Future initiatives

- Deliver maximum effect from MEP reorganization. Optimize production capacity in line with the business environment (with a view to reducing capacity by at least 15% within a few years)
- Pursue thorough cost reductions (review raw material procurement, reduce general and administrative expenses and bolster functions through restructuring of overseas sales sites and technical service and R&D systems)
- Increase ratio of high-value-added products such as high-transparency products (from 40% in FY2024 to 45% in FY2026)

#### Trend in sales of EVs/PHEVs in the Chinese market and market share



Source: International Energy Agency (IEA) "Global EV Data Explorer"



For Daytime Running Lights (DRL) (image)



Light guide plates for smartphones

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Starting on page 26, we'll look at Strategy 3: Restructure Businesses Requiring Intensive Management.

Page 26 reports on the status of the Polycarbonate Business.

Despite progress in line with our high value added strategy and cost reductions achieved at plants in China, there's a clear need to accelerate the rebuilding of production, sales, and R&D systems.

At plants in China, which had been struggling, profitability has recovered sharply for various reasons, including growth in sales of products for EVs, driven by the growth of China's EV market, and progress on cost-cutting initiatives.

At the same time, efforts to rebuild production, sales, and R&D systems and to realize the effects of MEP reorganization remain incomplete, and we're promoting various initiatives in these areas.

Specifically, we plan to optimize production capacity to reflect the business environment, with a view to reducing capacity by at least 15% within a few years. We also plan to pursue thorough cost reductions including those related to general and administrative expenses by reviewing raw material procurement, restructuring overseas sales sites, and technical service and R&D systems. Furthermore, we will increase the ratio of high value added products such as high-transparency products, to continue raising profitability.

### Strategy 3: Restructure Businesses Requiring Intensive Management — Progress PC-Related (Sheet Film)



- Reduce costs through consolidation of production sites. Further reduce costs while targeting specific areas to acquire new projects

#### Strategy implementation status

- Reducing costs by consolidating sheet film production sites (withdraw from Osaka Plant of MGC Filsheet Co., Ltd.; scheduled for completion in March 2026) (saved over 1 billion yen between FY2022 and FY2024)
- Acquisition of new customers delayed



#### Future initiatives

- Further reduce costs (narrow down priority themes, reduce R&D expenses and further review various costs)
- Narrow down target areas\*, improve profitability through review of sales prices, grade consolidation, etc.
- Accelerate action plans to win new projects with the collective efforts of the entire Group (development of sales channels and technical support system in China, etc.)

\*Sheets for automobile exteriors, interior decorative films (high hardness), HUD cover materials, anti-reflective materials for displays, etc.

#### Examples of target sectors

##### Sheets for automobile exteriors



##### Decorative films for automobile interiors



##### Polarizing sheets



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Page 27 reports on the PC sheet film business.

In addition to reducing costs by consolidating production sites, we plan to improve earnings by targeting specific areas.

The withdrawal from the Osaka Plant of MGC Filsheet Co., Ltd. is scheduled for completion in March 2026.

By reducing costs through consolidation of production sites, we saved over 1 billion yen between FY2022 and FY2024.

On the other hand, the acquisition of new customers has encountered delays

To improve profitability, we plan to narrow down priority themes to sheets for automobile exteriors and other, and accelerate action plans to win new projects, drawing on the collective efforts of the entire Group on issues like the development of sales channels and technical support system in China.

### Strategy 3: Restructure Businesses Requiring Intensive Management — Progress Xylene separators and derivatives



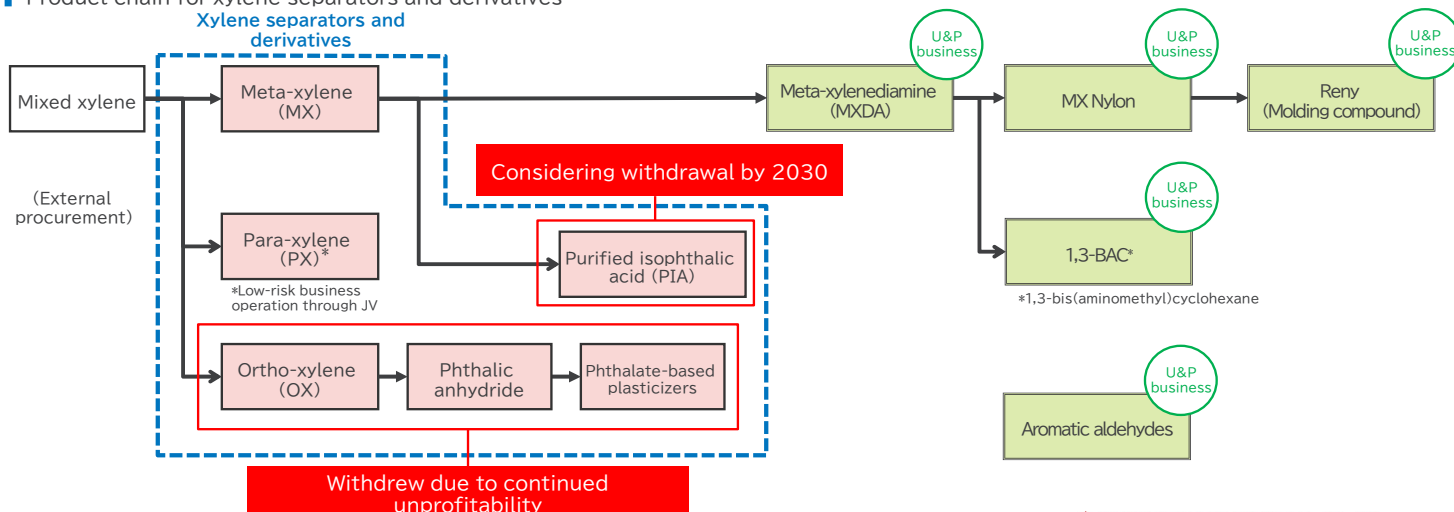
#### Strategy implementation status

- Ceased production of and withdrew from unprofitable OX-related chain (OX/PA/plasticizer chain)

#### Future initiatives

- Consider withdrawal from PIA business by 2030 as downstream business of meta-xylene grows

#### Product chain for xylene separators and derivatives



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Next, turn to page 28.

Here you'll see the progress on xylene separators and derivatives.

Xylene separators and derivatives are positioned as infrastructure supporting downstream U&P businesses like MXDA. Profitability in this business remains a concern.

Last fiscal year, we completed our withdrawal from the long-unprofitable ortho-xylene chain.

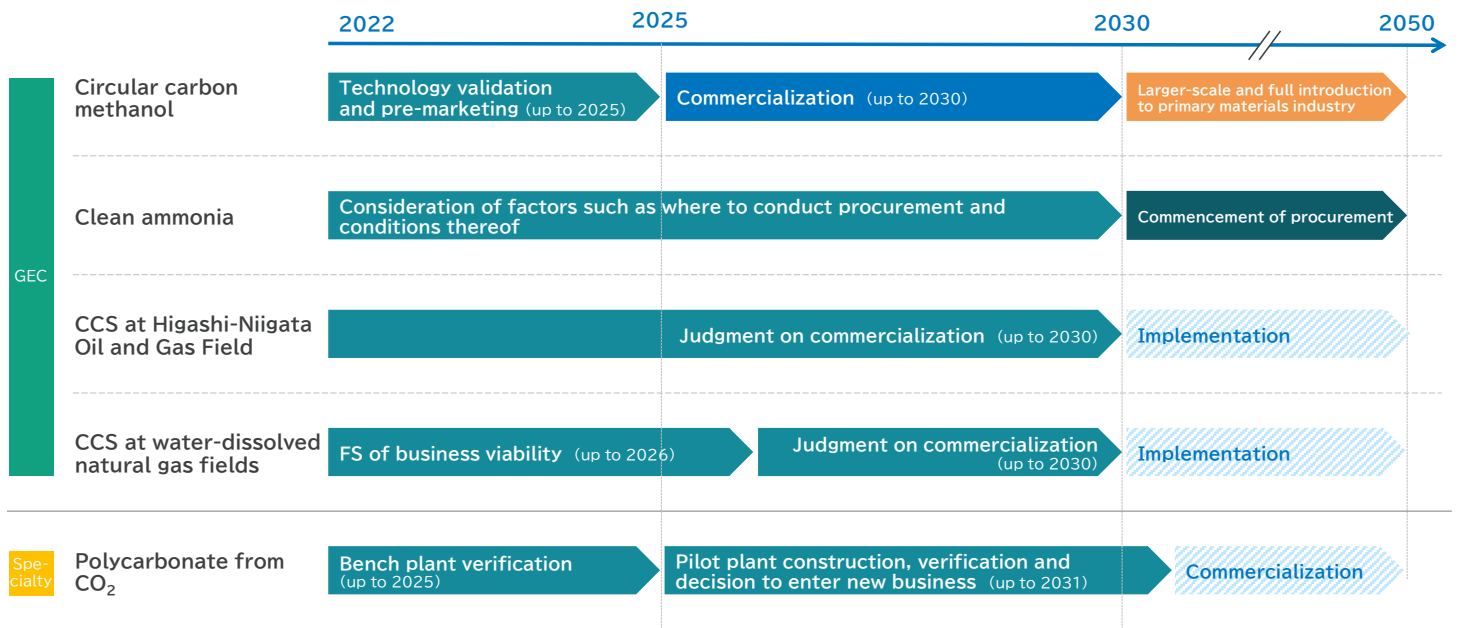
We're also considering withdrawal by 2030 from purified isophthalic acid (PIA), where conditions of oversupply persist.

We plan to accelerate various initiatives to maximize profit across the chain.

## Progress on Objective 2: Promote Sustainability Management

Now let's look at progress on Objective 2: Promote Sustainability Management.

## Roadmap for Implementing Carbon-Neutral Initiatives



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Page 30 shows a roadmap for implementing major carbon-neutral initiatives.

## Attempt toward Social Implementation of Carbopath™ (Supply Chain Creation)



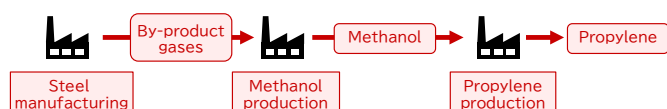
We are conducting activities to create a new form of resource recycling, ranging from the production of methanol from industrial emissions and unused resources to derivatives such as olefins.

### Attempt to build a circular economy by linking industrial complexes (Okayama)

(announced in March 2025)

Started joint verification of synthesis of methanol from by-product gases emitted from the JFE Steel steel production process at its Mizushima Complex, and synthesis of propylene from methanol at Mitsubishi Chemical Corporation.

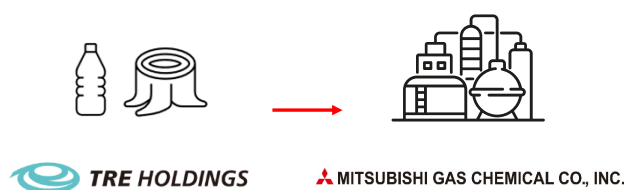
A demonstration plant is under construction at our Mizushima Plant to test the technology for synthesizing methanol from ironmaking by-product gases. Constructed as a mobile plant to be used for a wide range of verification tests as a demonstration device.



### Attempt to utilize unused resources through collaboration with recycling industry (Chiba)

(announced in May 2025)

TRE Holdings, a major waste recycling company aiming to realize an advanced recycling and decarbonized society, and MGC signed a memorandum of understanding regarding a strategic alliance and business feasibility study to produce methanol from wood resources and waste. We are aiming to build a circular economy with methanol by utilizing unused resources.



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Pages 31 through 33 introduce various initiatives related to social implementation of Carbopath™.  
Please review these pages later.

## Attempt toward Social Implementation of Carbopath™ (Market Creation)



### Developed environmentally friendly urea resin made from methanol jointly with Panasonic

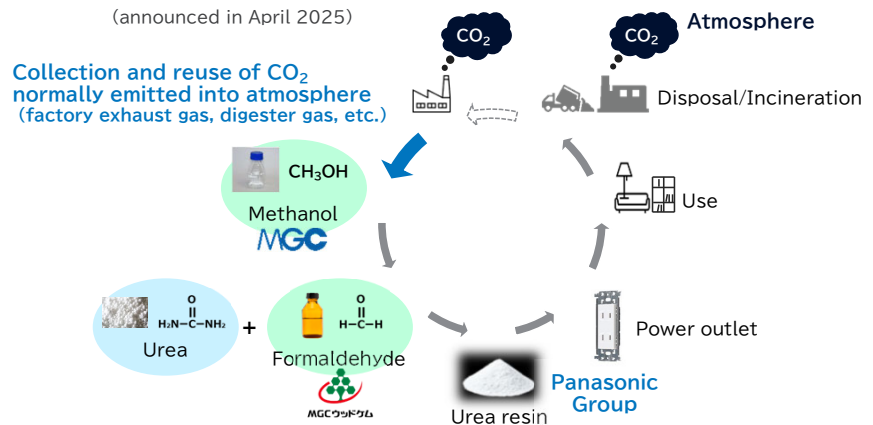
(announced in April 2025)

Developed an environmentally friendly urea resin made from methanol produced from CO<sub>2</sub>, targeting wiring fixtures such as electrical outlets jointly with Panasonic Corporation.

MGC Woodchem produces formaldehyde from methanol produced by MGC and supplies it to the Panasonic Group. This contributes to carbon recycling for thermoset resin that is difficult to recycle as materials.

To promote the Carbopath™ brand and create and activate the environmental value market, we are collaborating with early movers in various industries and working through the value chain to final products.

Collection and reuse of CO<sub>2</sub> normally emitted into atmosphere (factory exhaust gas, digester gas, etc.)



### "Carbon Recycling" that circulates carbon resources

#### MGC Group

Methanol production from CO<sub>2</sub>

Providing circular carbon methanol/formalin

#### Panasonic Group


Promotion of carbon recycling of urea resin

For use in wiring fixtures



## Attempt toward Social Implementation of Carbopath™ (Other Recent Activities)



Case	Progress (as of June 2025)
<b>DME promotion based on the Seventh Strategic Energy Plan</b>	The Seventh Strategic Energy Plan (approved by the Cabinet in February 2025) newly includes the use of renewable DME for low-carbon LP gas. We have a DME production plant at our Niigata Plant. As a producer of methanol and DME, which are used as raw materials, we have joined the Green LP Gas Promotion Public-Private Partnership Council and are working with the Japan LP Gas Association and other related organizations and companies through the Practical Application Study Working Group to evaluate the quality, distribution, and environment in an aim for social implementation.
<b>Alliance for hydrogen solutions with methanol</b> (announced in February 2025)	<p>To respond to a wide range of demand for a hydrogen society, we aim to collaborate with Methanol Reformer and Element 1, both of which have innovative hydrogen production technologies, to provide hydrogen solutions toward carbon neutrality with Carbopath™.</p> <div style="text-align: center;"> <p>Hydrogen production</p> </div>
<b>Chartering of methanol-fueled coastal chemical tankers and expansion of methanol marine fuel supply system</b> (announced in February 2025)	We have reached a basic agreement with Kokuka Sangyo on a long-term time charter contract for one domestic methanol carrier in Japan using methanol as its main fuel and on methanol fuel supply, and in February 2025, Kokuka Sangyo signed a shipbuilding contract with a shipyard. The vessel will be fueled by methanol supplied by MGC and will be used for methanol bunkering and methanol transport in Japan.
<b>Completion of a newly built methanol dual-fuel vessel, <i>Kohzan Maru No. 7</i>, with Mitsui O.S.K. Lines</b> (announced in June 2025)	<p>The methanol dual-fuel vessel <i>Kohzan Maru No. 7</i>, which MGC is chartering long term from Mitsui O.S.K. Lines, has been completed. In the future, the two companies will lead the effort as Japanese companies toward carbon neutrality, with a view to utilizing Carbopath™, the methanol produced by MGC, as a marine fuel.</p> 

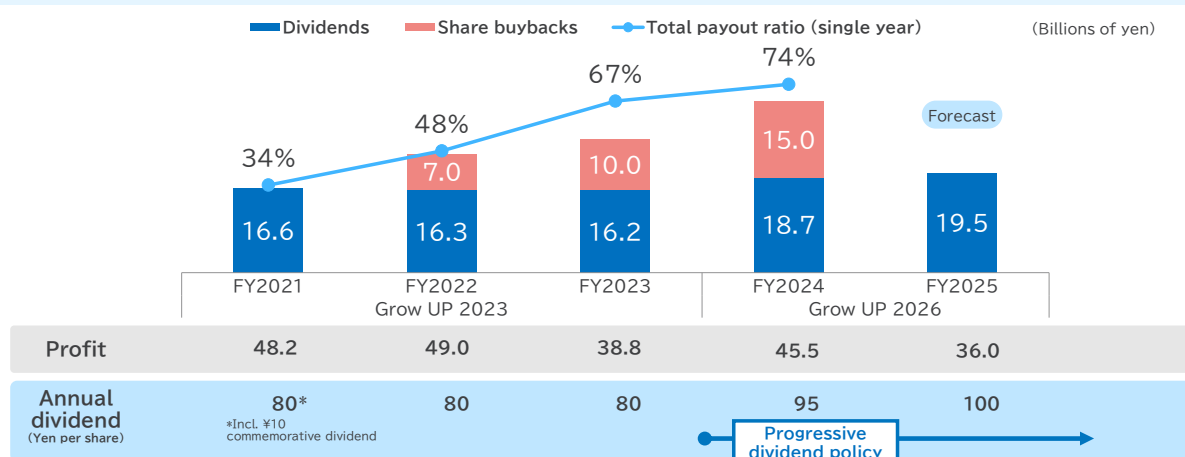
# Capital Policy and Shareholder Returns

## Investment Policy and Shareholder Returns



- Under the current medium-term management plan, shareholder returns have been strengthened with [the adoption of a progressive dividend policy](#) and [lifting of the total payout ratio to 50%](#).
- A new DOE (dividend on equity) of 3% has been set and disclosed newly as the target value for the current medium-term plan period.

Continue to control the balance sheet while further increasing financial leverage, aiming to reduce the cost of capital and improve capital profitability



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Next, I'd like to describe our capital policy and shareholder returns. Please turn to page 35.

Under Grow UP 2026, shareholder returns have been strengthened with the adoption of a progressive dividend policy and lifting of the total payout ratio to 50%.

We have also set and disclosed a new dividend on equity (DOE) target of 3% for the current medium-term plan period.

We will continue to control the balance sheet while further increasing financial leverage, striving to reduce the cost of capital and improve capital profitability.

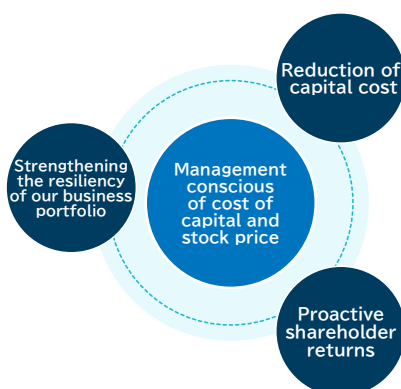
## Action to Implement Management Conscious of Cost of Capital and Stock Price

## Action to Implement Management Conscious of Cost of Capital and Stock Price

- Although FY2024 results are in line with the initial plan for the medium-term management plan, capital profitability is still recognized as not being sufficient
- In FY2025, ROIC and ROE are expected to decline due to an increase in invested capital and depreciation associated with growth investments, while the pace of growth in the semiconductor market, excluding advanced semiconductors, is slower than initial expectations
- We will implement the following measures based on the three pillars of strengthening the resiliency of our business portfolio, reducing cost of capital, and continuing enactment of proactive shareholder returns. We will continue to implement management that is conscious of the cost of capital and stock price in an aim to achieve the ROIC and ROE targets for the final year of the medium-term management plan and 2030 (our Vision for MGC)

### Initiatives to strengthen the resiliency of our business portfolio

- Promotion of measures to improve ROIC and ROE
  - Focused allocation of management resources to U&P businesses with a focus on the three ICT businesses
  - Acceleration of reaping benefits from growth investments
  - Thorough price pass-through leveraging high market share
  - Acceleration of restructuring of businesses requiring intensive management
  - Further thorough cost reduction (not limited to businesses requiring intensive management, but considered across the Group)
- Acceleration of value creation as an R&D-oriented company
  - Acceleration of the development and commercialization of new and next-generation businesses, focusing on strategic research areas (mobility, ICT, medical/food)
- Aggressively pursue strategic M&A



### Initiatives to reduce cost of capital

- Utilization of financial leverage
- Reduction of performance volatility (concentration on U&P businesses, etc.)
- Promotion of asset lightening
- Promotion of sustainability management
- Strengthening dialogue with investors and analysts, etc.

### Initiatives for proactive shareholder returns

- Medium-term target of 50% total payout ratio
- Dividend policy in line with the "progressive dividend policy"
- DOE target of 3.0% (during the period of the current medium-term management plan), etc.

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Let's go to page 37, which shows our understanding of the current status of promotion of management conscious of the cost of capital and stock prices and future measures.

Even though FY2024 results are in line with the initial plan for the medium-term management plan, capital profitability is still recognized as being insufficient in both ROIC and ROE.

In forecasts for FY2025, capital profitability is expected to decline to below its level in FY2024 due to an increase in invested capital and depreciation and R&D costs associated with growth investments, while the pace of growth in the semiconductor market, excluding advanced semiconductors, is slower than in initial expectations.

A look at current market valuation shows that while changing external conditions have impacted the stock market as a whole, our PBR remains below 1.0. We recognize that it's essential to improve it. Under these conditions, based on the three pillars of strengthening the resiliency of our business portfolio, reducing the cost of capital, and continuing the approach of proactive shareholder returns, we plan to implement and promote measures aiming to achieve the ROIC and ROE targets for the final year of the medium-term management plan and 2030.

First, in initiatives to strengthen the resiliency of our business portfolio, as described in the previous pages, we plan to accelerate reaping of benefits from growth investments and restructuring of businesses requiring intensive management, while also promoting thorough cost reductions across the Group.

To achieve further growth, we will accelerate the development and commercialization of new and next-generation businesses, focusing on strategic research areas and aggressively pursuing strategic M&As utilizing the strengths of our business foundations and our robust financial foundations, aiming to increase ROIC and ROE.

Second, on the topic of reducing the cost of capital, when considering factors such as our strong financial foundations and ability to raise funds through debt, we can utilize our financial leverage to an even greater extent in the future.

A target range of the D/E ratio at around 0.3 to 0.55, which was used as an internal management indicator, has been disclosed for controlling the balance sheet during the period of the current medium-term management plan. From now on, we will strive toward further reductions in the cost of capital through putting our financial leverage to further use or other means.

In addition, we will strive to improve and increase capital profitability and increase the expected rate of growth through efforts such as streamlining assets through selling strategic shareholdings and non-business assets, continuing proactive dialogue with investors and analysts through IR activities, and building our name recognition in the markets.

Third, to continue proactive shareholder returns, in addition to the progressive dividend policy and medium-term target of a 50% total payout ratio adopted in the medium-term management plan, we plan to set and disclose a new DOE target of 3.0% during the period of the current medium-term management plan. By adding this DOE target, we intend to strive toward even stabler and more aggressive shareholder returns.

These measures are intended not only to strengthen shareholder returns but also to further raise awareness of capital structure optimization and improving capital efficiency, with consideration for the balance sheet in addition to profit and loss and cash flows.

Detailed measures are described on the following pages, but we won't be discussing them in detail today.

## Analysis of Current Status for Improving Corporate Value (1)



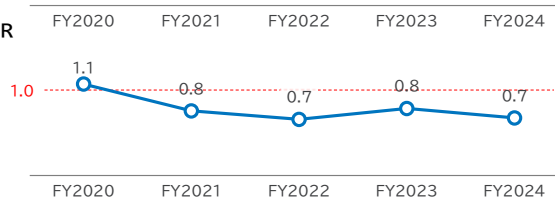
### Market valuation

- Implemented business portfolio reforms centered on U&P businesses and strengthened shareholder returns in accordance with the medium-term management plan announced in May 2024
- Although ROE has increased in FY2024, both PBR and PER decreased. **In particular, PBR is still below 1.0, and we recognize that it is essential to improve ROIC and ROE**

Term-end share price (yen/share)

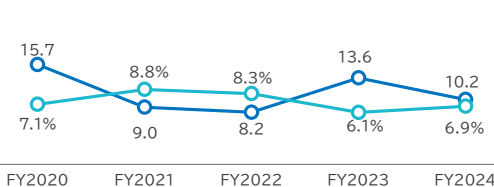


Term-end PBR (times)



Term-end PER (times) and ROE (%)

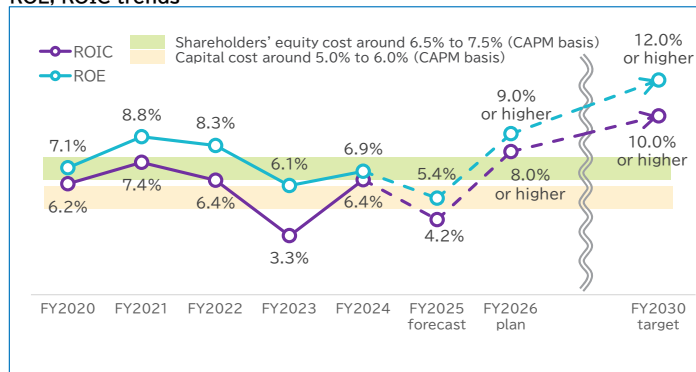
— PER  
— ROE



### Capital profitability

- In FY2024, capital profitability improved from the previous year, mainly due to increased profits from engineering plastics and optical materials. We recognize **ROIC exceeded capital cost, while ROE was in line with shareholders' equity cost**
- In FY2025, while invested capital increases in line with growth investments, profits are expected to decline year on year due to increased depreciation, R&D expenses, and yen appreciation, **resulting in both ROIC and ROE falling below capital cost and shareholders' equity cost**
- Recognizing that **it is essential to improve and enhance capital profitability** by steadily reaping returns from investments to achieve the targets of the medium-term management plan and the Vision for MGC in 2030

#### ROE, ROIC trends



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## Analysis of Current Status for Improving Corporate Value (2)

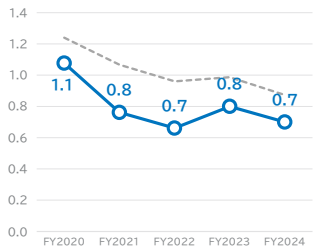


### Breakdown and analysis of PBR and ROE components

—○— MGC

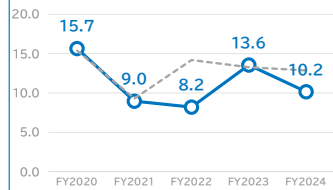
----- Industry peers (15 companies, chosen by MGC)

#### PBR (times)



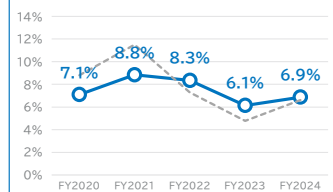
➢ Lower than industry peers

#### PER (times)



➢ FY2024 results lower

#### ROE

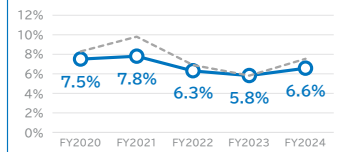


➢ FY2024 results on par with industry peers

#### Shareholders' equity cost

#### Expected growth rate

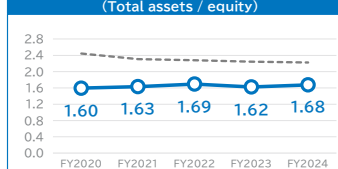
#### Operating profit margin



#### Invested capital turnover rate



#### Financial leverage



#### Main initiatives

- Reduction of performance volatility
- Further expansion of information disclosure
- Active dialogue with investors
- Promoting sustainability management
- Strengthening governance, etc.

➢ FY2024 results slightly lower

#### Main initiatives

- More resilient business portfolio
- Reaping benefits from growth investments
- Reduction of production costs
- Shifting various costs to prices, etc.

➢ Average level

#### Main initiatives

- Promotion of asset lightening
  - Sale of strategic shareholdings
  - Sale of non-business assets, etc.

➢ Below average level due to high equity ratio

#### Main initiatives

- Utilizing financial leverage while maintaining financial discipline

(Source: Prepared by MGC from Factset data)

## Specific Initiatives for Improving Corporate Value (1)

### - More Resilient Business Portfolio (Improvement of Profitability) -



#### ■ More resilient business portfolio

- Three measures outlined in the medium-term management plan:

Focus on “Uniqueness & Presence”

Build new value through innovation

Restructure businesses requiring intensive management

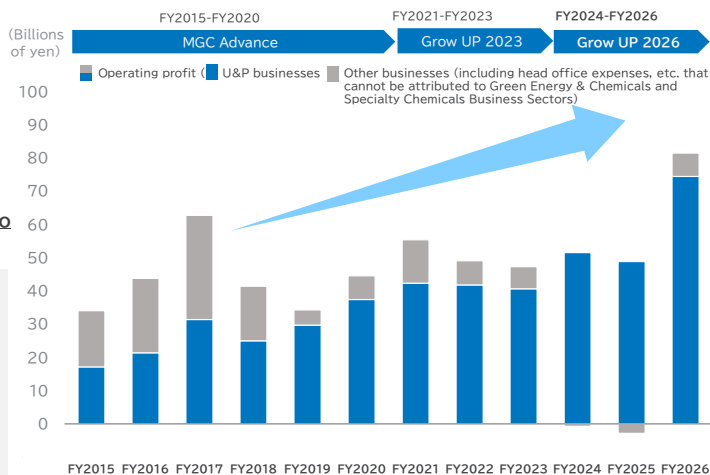
Accelerate efforts through these measures and home in on further improvement in capital profitability

Promote and accelerate various action plans by responding flexibly to changes in the external environment

#### Main action plan (recognition of issues, future policies, etc.)

- Continue aggressive growth investment focused on U&P businesses, staying mindful of capital efficiency
- Steadily reap the benefits of investments carried out since the previous medium-term management plan at an early stage
- Accelerate leverage and profitability improvement of businesses requiring intensive management and unprofitable businesses
- Reexamine operations to achieve the targets of the medium-term management plan, including further thorough cost reductions and more balanced allocation of capital expenditures and R&D expenditures
- Amidst increasing uncertainty in the external environment, including tariff policies in North America, we will also make every effort to maintain profitability through further thorough price pass-through

Focus on “Uniqueness & Presence” (U&P) = Operating profit in U&P businesses





## Specific Initiatives for Improving Corporate Value (2)-1

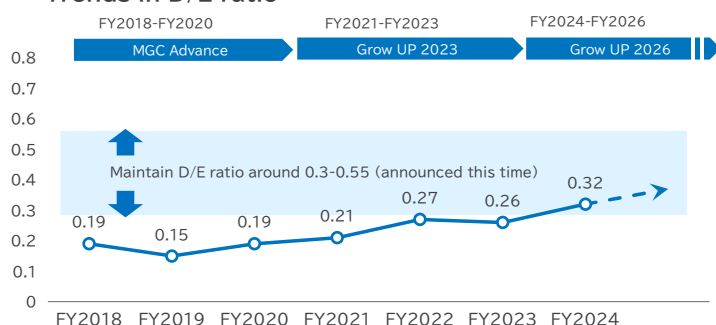
### - Initiatives to Reduce Cost of Capital (Increase Financial Leverage and Improve Turnover Rate) -



#### ■ Utilize financial leverage for optimal capital structure

- Control the balance sheet through the D/E ratio to strengthen ROIC management. With a view to balancing capital efficiency and financial soundness, a range of around 0.3 to 0.55 is assumed during the period of the current medium-term management plan
- Aggressively utilize debt for various types of investments and loans, considering the current D/E ratio
- Conducted a share buyback of 15 billion yen and cancelled the number of shares bought back (5.55 million shares) in FY2024. As a result, the D/E ratio was 0.32
- Continue to maintain financial discipline and aggressive use of debt

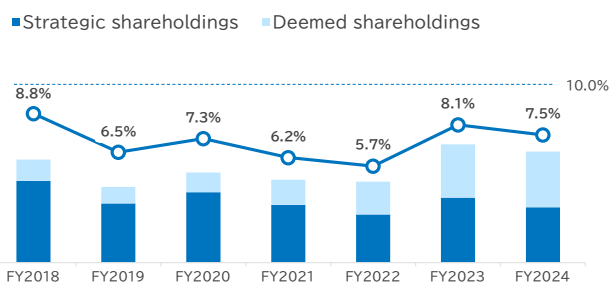
#### Trends in D/E ratio



#### ■ Sell strategic shareholdings

- 5 stocks (full sale of 2 stocks) sold in FY2024, amounting to approximately 5 billion yen
- Despite progress in reducing strategic shareholdings, these occupy a proportion of consolidated net assets that, at the moment, is rising due to increasing market value of publicly traded shares
- Going forward, our policy is to accelerate the sale of stocks that are deemed to exceed reasonable levels of shareholding, following annual examination of the purpose and meaning of holding individual stocks by the Board of Directors

#### Proportion of strategic shareholdings in consolidated net assets (%)



25 stocks sold over the past seven years (full sale of 17 stocks); cumulative sale of roughly 24 billion yen\*

\*Based on actual results. Includes partial sale of some shareholdings and sale of deemed shareholdings

## Specific Initiatives for Improving Corporate Value (2)-2

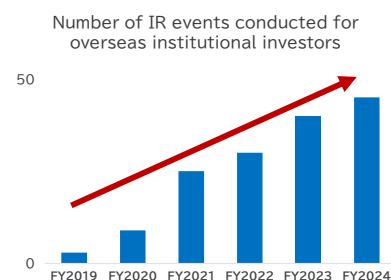
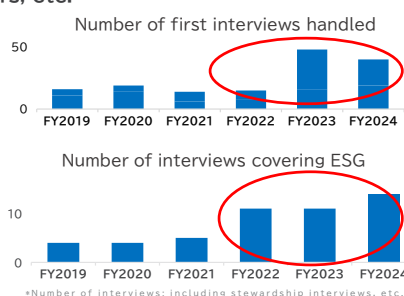
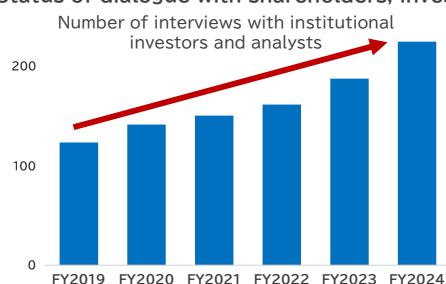
### - Initiatives to Reduce Cost of Capital (Improve Expected Growth Rate and Other Initiatives) -



#### ■ Continue proactive dialogue with investors; further boost market presence

- Increase opportunities for dialogue between investors/analysts and management  
(Proactively provide opportunities for management-level dialogue through overseas IR events, small meetings, etc.)
- Enhancement of various IR events (Management overview briefings, business briefings, facility tours, etc.)
- Improvement and enhancement of various disclosure information (including disclosure in English)
- Promote dialogue through ESG/stewardship code interviews, interviews with outside directors, etc.
- Increase in the number of briefings for individual investors, etc.

#### Status of dialogue with shareholders, investors, etc.



\*Details of the status of dialogue with shareholders and investors are also available on the Company's website.

[https://www.mgc.co.jp/eng/ir/policy/investor\\_engagement.html](https://www.mgc.co.jp/eng/ir/policy/investor_engagement.html)

## Specific Initiatives for Improving Corporate Value (3)

### - Proactive Promotion of Shareholder Returns -



#### Continue enactment of proactive shareholder returns

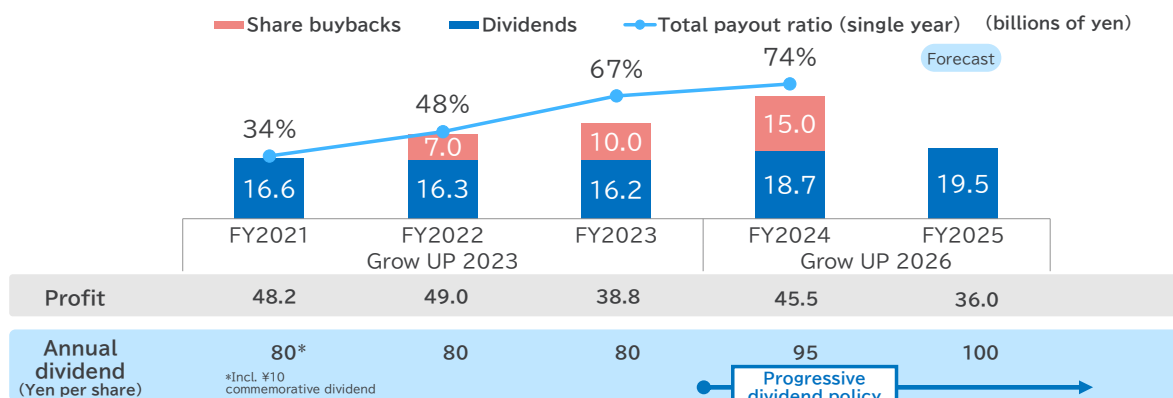
- Strengthen shareholder returns in the current medium-term management plan by adopting a progressive dividend policy\*1 and increasing the total payout ratio\*2
- DOE\*3 target of 3.0%
- In FY2024, we implemented a dividend increase (15 yen increase on an ordinary dividend basis), and also carried out a share buyback and cancellation of the shares acquired\*4
- The annual dividend for FY2025 is expected to be ¥100 per share (an increase of 5 yen per share on an ordinary dividend basis).

\*1 Covers the three-year period of the new medium-term management plan. In principle, no reduction - either increase or maintain

\*2 Increase the medium-term target from 40% to 50%

\*3 2.83% in FY2024 (actual), 2.90% in FY2025 (forecast)

\*4 Increase the annual dividend: Forecasted annual dividend for FY2024 of 95 yen per share (interim dividend: 45 yen, year-end dividend: 50 yen)  
Share buyback (cancellation): Approximately 15 billion yen, 5.55 million shares repurchased, and cancellation of all shares repurchased at this time



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## Initiatives for the Final Year of the Medium-Term Management Plan (FY2026)

Lastly, to wrap up our presentation today, I'd like to describe the initiatives for the final year of the medium-term management plan.

## Initiatives for the Final Year of the Medium-Term Management Plan (FY2026)



- Quickly and nimbly respond to external changes as the world economy gets harder to read. We continue to reinforce R&D to make MGC a more R&D-oriented company.
- Accelerate initiatives under the medium-term management plan as the bar has risen to achieving our targets.
- We will further strengthen efforts to reduce various costs, including production costs, selling, general and administrative expenses, and raw material procurement costs.
- Commit to strengthening the resiliency of our business portfolio by the end of the current medium-term management plan and catching up on our Vision for MGC in 2030.

Accelerate initiatives under the current medium-term management plan to build a more resilient business portfolio

### Medium-Term Management Plan Grow UP 2026

Strengthen the resiliency  
of our business portfolio  
Strategy 1

Focus on  
“Uniqueness & Presence”

Strategy 2

Build new value through  
innovation

Strategy 3

Restructure businesses  
requiring intensive management

Promote sustainability  
management  
Strategy 1

Accelerate initiatives for  
realizing carbon neutrality

Strategy 2

Enhance human capital  
management

Strategy 3

Promote materiality  
management



Vision for MGC in 2030

An excellent company centered on  
Uniqueness & Presence

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Please take a look at page 45.

As the world economy gets harder to read, we will respond quickly and nimbly to external changes.

To demonstrate our focus on Uniqueness & Presence, we continue to reinforce R&D to make MGC a more R&D-oriented company.

We also believe it will be important to do what we can to achieve the medium-term management plan, without changing the basic policies of its goals, targets, and measures, even as the bar has risen to achieving our targets.

We will proceed with various measures with a sense of urgency.

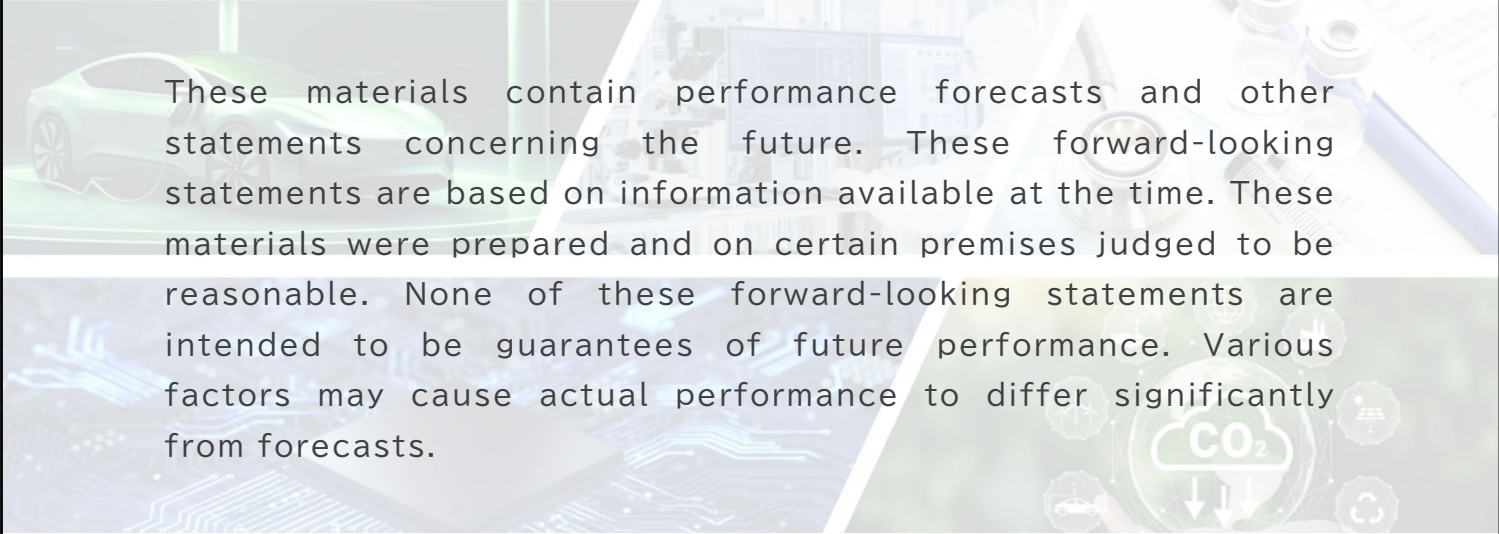
It's also important to strengthen efforts to reduce various costs. Plans for this fiscal year already call for cutting various costs, and we plan to proceed with further actions toward this goal.

My appointment as president came at a time of dramatically changing conditions, in which steering a direct course presents challenges. Nevertheless, I'm committed to proceeding with various measures to achieve the objective of the medium-term management plan—to strengthen the resiliency of our business portfolio—in the time remaining until the end of the current plan.

In these ways, MGC will rally to be an excellent company centered on Uniqueness & Presence as called for in the Vision for MGC in 2030.

This concludes my presentation for today. Thank you.

## Forward-looking Statements



These materials contain performance forecasts and other statements concerning the future. These forward-looking statements are based on information available at the time. These materials were prepared and on certain premises judged to be reasonable. None of these forward-looking statements are intended to be guarantees of future performance. Various factors may cause actual performance to differ significantly from forecasts.

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URL: <https://www.mgc.co.jp/eng/>