

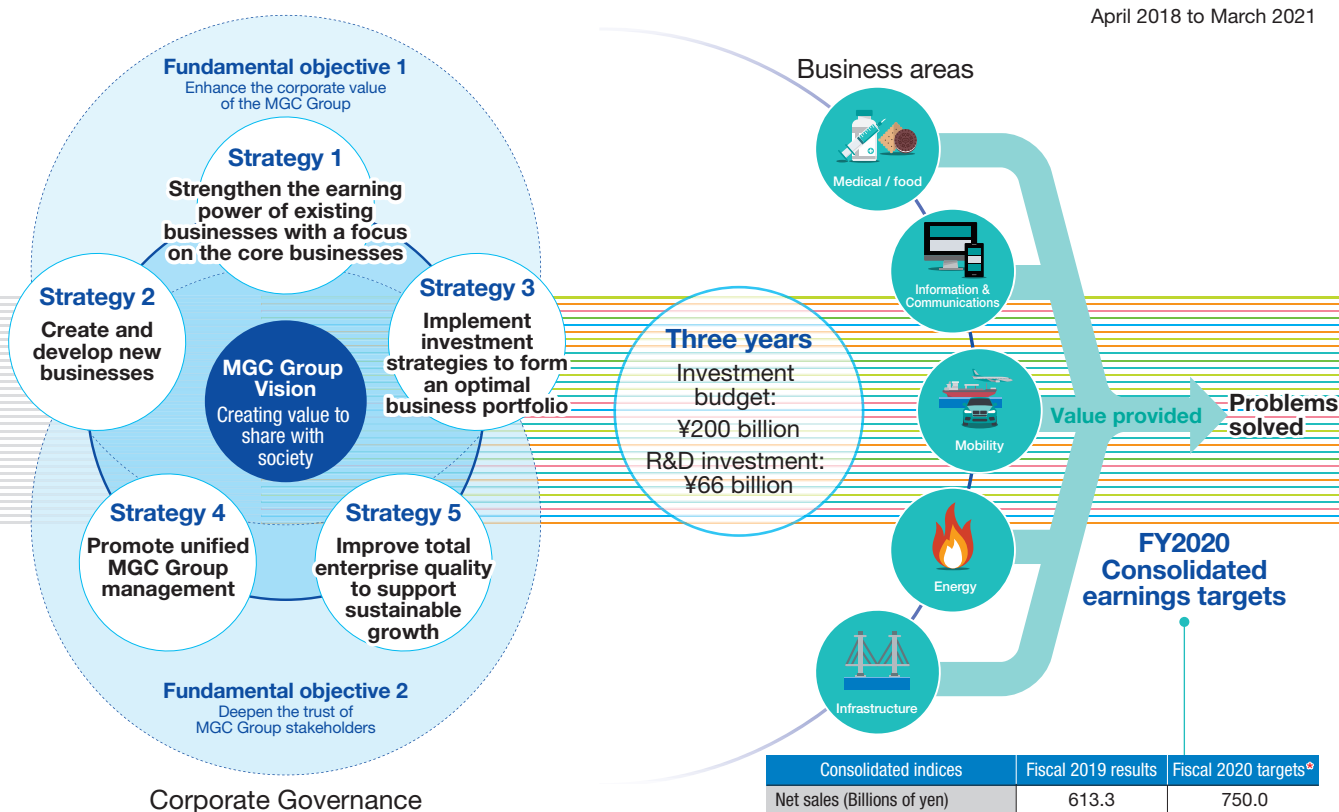
# Progress of the Medium-term Management Plan

## Five Strategies for Continuing Growth

The MGC Advance 2020 three-year medium-term management plan launched in April 2018 specifies two fundamental objectives of “enhancing the corporate value of the MGC Group” and “deepening the trust of our stakeholders” to realize the Group vision to “create value to share with society.” We are currently executing five strategies to fulfill these objectives and generate future growth for the Group.

## Medium-term Management Plan **MGC Advance 2020** A brighter future from bigger dreams!

April 2018 to March 2021



\*Revised on May 13, 2019

## Response to business environment trends and business results

Our business results in fiscal 2019, the second year of the medium-term management plan, have diverged substantially from the target values we set for the plan’s final year. The divergence was primarily caused by the major impact from changes in the external environment, which includes the markets for methanol, polycarbonate, and other general-purpose products becoming more sluggish than anticipated when forming the plan. We certainly expect fluctuations in the economic and market conditions, including the impact from the COVID-19 pandemic, to significantly affect our results going forward; however, we have several businesses that should be relatively unaffected by the pandemic, and we will harness them to help us recover and deliver us as close to our targets as possible.

We are therefore maintaining intact the three-year investment budget of ¥200 billion, R&D investment plan of ¥66 billion, the two fundamental objectives, and the five strategies of the medium-term management plan. Specific initiatives will include aggressively investing to strategically fortify our business base and leveraging our modified R&D structure to accelerate the creation of new businesses by taking full advantage of the technologies and human resources inside and outside the Group and engaging in cross and open innovation.

## Business progress and performance results

### Strategies 1 and 3 | Strategically invest for growth centered on specialty chemicals

We are focusing our strategic investment for growth in specialty chemicals while taking into account the changing markets and the speed of change under the current megatrends. To date, we have invested in launching operations at two super-pure hydrogen peroxide plants in North America and expanding the production capacity for optical polymer at the Kashima Plant in Japan. In the basic chemicals field, the new factory for the methanol project in Trinidad and Tobago is advancing to the trial-run stage. We are also taking steps to enhance the profitability of our existing businesses by continuing to improve our technologies, substantiating our competitive advantages, and diligently developing markets for our products.

To expand and strengthen our business foundation, we are increasing production capacity of bismaleimide triazine (BT) materials at the plant in Thailand and preparing plans to launch operations at a meta-xylenediamine (MXDA) plant and for upfront investment in aromatic aldehydes.

### Strategy 2 | Develop new products and businesses centered on the medical & food, information & communications, and mobility business domains

We are pursuing new management approaches capable of aggressively incorporating a full range of management resources, including through collaborations with other companies, to develop new products and business in the promising growth domains of medical & food, information & communications, and mobility.

Specific initiatives are focused on antibody drugs, bioproducts, medical packaging materials, and factory-produced vegetables in the medical & food domain, Neopulim™ heat-resistant polyimide resin in the information & communications domain, and solid electrolytes in the mobility domain.

### Strategy 4 | Promoting unified MGC Group management

- The MGC Group's three trading companies were merged into MGC Trading\*, and Toho Earthtech and Japan U-PiCA were made into consolidated subsidiaries.
- To accurately manage MGC Group information and improve Group management efficiency, we are incorporating a Business Management Unit (BMU) structure for consolidated business management and integrated and standardized Group accounting systems.

\*Changed name to Mitsubishi Gas Chemical Trading on October 1, 2020



Super-pure hydrogen peroxide plant in North America  
Constructed two new plants



Constructed an optical polymer manufacturing plant



Methanol project in Trinidad and Tobago



Expanded capacity at the electronic materials plant in Thailand is planned to come online in April 2022



OXYCAPT™ non-glass syringes adopted for practical use



Produce shipments have begun of factory-produced vegetables



Advancing development of the Neopulim™ flexible, transparent film resin and varnish



Developing solid electrolyte for all-solid-state lithium-ion batteries

### Strategy 5 | Improving total enterprise quality to support sustainable growth

- The organization has been reformed to optimize the overall management efficiency and speed.
- CSR management was further enhanced with a new department and identification of issues of materiality.
- We are aiming to create an effectively operated, robust, and fully developed corporate governance system.