

July 14th, 2025

Mitsubishi Chemical Group Corporation

**The 20th Ordinary General Meeting of Shareholders: Summary of Questions and
Answers at the Meeting and Answers to Pre-submitted Questions**

**1. Summary of Questions and Answers at the Meeting (including pre-submitted
questions addressed during the meeting)**

Q1: Reorganization of the petrochemical business

A1: The mission of the petrochemical industry is to provide green, high-value chemical products to Japan's broad downstream industries, and to make the necessary investments in facilities and R&D to achieve this, as we pursue carbon neutrality. Given the decline in domestic demand, it is difficult for a single company to fulfill this mission alone. We believe that industry-wide reorganization is inevitable. Like our peers, we are actively considering restructuring options to create a stronger petrochemical business. As a first step, we are working with Asahi Kasei and Mitsui Chemicals to form a joint operating entity in the upstream ethylene segment. Together, we are studying how to green ethylene production facilities in western Japan and optimize production. We expect to announce specific plans within this fiscal year. We will also continue to examine restructuring options for downstream businesses, including derivatives.

Q2: Innovation strategy

A2: There are three key points in our innovation strategy.

First, we are shifting from a product-oriented approach to a solution-oriented one. We identify specific challenges for each of our "five business focus areas" and develop technologies with the goal of solving them. This approach ensures that our innovations directly address the real issues our customers face.

Second, we are strategically combining the extensive technologies and business assets we possess. This enables us to deliver solutions to our customers more quickly and effectively. It also shows how we bring our key word, "*TSUNAGU*" — connecting, to life.

Third, we are actively leveraging digital technologies. Advances in computational science have dramatically accelerated the pace of technological development. We will continue to



harness the power of digital tools to further speed up our innovation process.

Through these initiatives, we will further enhance both the effectiveness and speed of our innovation strategy.

Q3: Reason for the transfer of MTPC

A3: The Pharma Business has made a significant contribution to our Group's profitability. However, as the focus of R&D has shifted from conventional chemical synthesis-based drug discovery to biopharmaceuticals and gene therapies, it has become less likely that we can create synergies within our Group. Furthermore, considering the fact that ever-increasing, massive R&D investments are necessary to enable the growth of the Pharma Business, and that the difference in business models between the Pharma and Chemicals Businesses has become more noticeable, we made the decision to transfer the Pharma Business to the best owner who can drive its future growth, while our Group will make more targeted investments in the Chemicals Business.

Q4: The company to which MTPC is to be transferred

A4: Bain Capital has ample financial resources and strong expertise in life sciences, with a high appreciation for MTPC's technologies. Therefore, we expect that the new owner will provide strong support to MTPC on various fronts. MTPC will be well positioned to make a greater contribution to society by leveraging Bain Capital's know-how and synergies with other portfolio companies in the life sciences sector.

Q5: Treatment of MTPC employees

A5: We have agreed with Bain Capital that the current terms and conditions of employment for MTPC employees will be maintained.

Q6: Impact of the MTPC transfer on business performance

A6: The guidance for core operating income for FY2025 is 265 billion yen, which does not include contributions from MTPC. On the other hand, our outlook for net income attributable



to owners of the parent for FY2025 is 145 billion yen, and it reflects income from discontinued operations of 94 billion yen, including gain and loss on MTPC transfer and MTPC's operating income for the first quarter.

Q7: History of the Group's Pharmaceutical Business

A7: Our Group began focusing on the Pharmaceutical Business in the 1980s. In 1999, we merged our pharmaceutical operations with Tokyo Tanabe Co., Ltd. to form Mitsubishi-Tokyo Pharmaceuticals, Inc. This was followed by a merger with Welfide Corporation in 2001 to create Mitsubishi Pharma Corporation, and a subsequent merger with Tanabe Seiyaku Co., Ltd. in 2005, resulting in the current Mitsubishi Tanabe Pharma Corporation. The company became a wholly owned subsidiary in 2020 and has consistently contributed to the Group's profitability.

Q8: Recovery of profitability in the Basic Materials

A8: As for the petrochemical business, while we will continue to optimize our capacity, we will take action to transform our business model to focus more on domestic demand, and shift to higher-value products in order to improve our profitability.

In Carbon Products, the inventory valuation losses on coking coal, which recently pressured earnings, started to decline this year. To regain profitability earlier, we will benefit from restructuring through capacity reduction, terminate uneconomic exports, and shift to a sales portfolio less impacted by market price fluctuations.

Q9: Portfolio strategy

A9: Our imminent challenge is that the Chemicals Business has failed to demonstrate strong earnings growth and improved profitability, while the Industrial Gases business achieves stable profit growth. To address this issue, we have identified "five business focus areas" in "KAITEKI Vision 35" and clarified our growth strategy of prioritizing resource allocation to those areas. We will invest actively in growth areas such as mobility, food, and medical, as well as in greening our petrochemical business.

2. Answers to Pre-submitted Questions (key questions only)

Q1: Relationship with Nippon Sanso Holdings Corporation (NSHD)

A1: The Industrial Gases business has achieved stable profit growth, driven by improved productivity, and continues to make a significant contribution to our overall performance. We expect NSHD to further expand its highly profitable business model in global operations. In addition, we will continue to pursue greater synergies with our Chemicals Business, particularly in areas such as the semiconductor sector.

Based on the “three criteria for business selection” set forth in our “new Medium-Term Management Plan 2029”, we are continuously reviewing the optimal portfolio across all of our businesses. While the Industrial Gases business is no exception, we have no plans at this time to change our ownership stake in NSHD.

Q2: Initiatives to improve price-to-book ratio (P/B ratio)

A2: To address the urgent issue of turning around our Chemicals Business—a key challenge in improving our P/B ratio—we have established the “three criteria for business selection” and the “three disciplined approaches in business operations” in our “new Medium-Term Management Plan 2029.” Under the three criteria—consistency with our vision, competitive advantage, and potential for growth—we are accelerating portfolio transformation. At the same time, we will implement a value-based pricing policy, make strict and timely investment decisions, and optimize assets such as facilities and human resources.

We are also continuously monitoring and executing actions to improve ROIC at the business unit level. Through these initiatives, we aim to enhance profitability and strengthen shareholder returns.

Q3: Response to whistleblowing

A3: Our company and its Group companies have already established and operate internal whistleblowing systems. In responding to whistleblower reports, we take great care to protect the confidentiality of information and safeguard the identity of the whistleblower. Where necessary, we also seek advice from external experts, such as legal counsel, to ensure appropriate handling. There have been cases where whistleblower reports have led to



corrective action, as well as improvements in workplace management and communication. Based on such outcomes, we believe that the whistleblowing systems across our Group are functioning effectively.