MGC

FY2023

Consolidated Financial Results

MITSUBISHI GAS CHEMICAL COMPANY, INC.

May 10, 2024

TSE 4182



INDEX

1 | FY2023 Results

2 | FY2024 Forecast

3 | Results and Forecast by Segment

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

1 | FY2023 Results

2 | FY2024 Forecast

3 | Results and Forecast by Segment

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

FY2023 Results

- Operating profit decreased, despite improvement in the profitability of polycarbonates, recovery in demand for electronic materials and other positive factors. The decrease was due mainly to stagnant polyacetal market prices, as well as stagnation in demand of aromatic chemicals.
- Ordinary profit declined, reflecting impairment losses recorded at overseas methanol producing companies.

[JPY in billions]	FY2022	FY2023	Changes		FY2023 Previous Forecast*	Changes
			Amount	%		
Net sales	781.2	813.4	+32.2	+4.1	800.0	+13.4
Operating profit	49.0	47.3	-1.6	-3.5	46.0	+1.3
Ordinary profit	69.7	46.0	-23.7	-34.0	49.0	-2.9
Profit attributable to owners of parent	49.0	38.8	-10.2	-20.9	47.0	-8.1
E P S (JPY)	239.08	190.97			231.25	
R O E (%)	8.3	6.1			7.5	
R O I C** (%)	8.8	5.4			5.7	
FX (JPY/USD)	135	145			142	

*Announced on Feb. 9, 2024

(Note) Figures shown on this and the following pages are rounded down to the closest 0.1 billion. Percentage figures, per-share indicators, and performance assumptions are rounded off to the closest whole number.

**ROIC=Ordinary profit/invested capital

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

FY2023 Results Summary

(YoY) Net sales+￥32.2 bn, Operating profit-￥1.6 bn, Ordinary profit-￥23.7 bn, Profit attributable to owners of parent-￥10.2 bn.

- Net sales: (+) Inclusion of Mitsubishi Engineering-Plastics Corporation into the scope of consolidation
  (+) Depreciation of the yen
  (−) Exclusion of JSP Corporation from the scope of consolidation
  (−) Downturns in methanol and ammonia market prices

- Operating profit: (+) Depreciation of the yen
  (+) Recovery in demand for electronic materials
  (+) Improvement in the profitability of polycarbonates
  (−) Stagnant polyacetal market price
  (−) lower sales volumes of meta-xylenediamine, aromatic aldehydes, and other offerings

- Ordinary profit: declined, reflecting a decrease in equity in earnings of affiliates due to downturns in methanol market prices, impairment losses recorded at overseas methanol producing companies in the Republic of Trinidad and Tobago, and the absence of non-operating income recorded in the previous fiscal year through the reversal of deferred tax liabilities at an overseas methanol producing company in Venezuela.

- Equity in earnings of affiliates: decreased due primarily to lower ordinary profit, despite the positive impact on profit arising from the recording of gain on step acquisitions in connection with the inclusion of Mitsubishi Engineering-Plastics Corporation into the scope of consolidation.

- DPS: ¥80 (Interim ¥40, year-end ¥40*)(Same as previous year's results and previous forecast)
  *Scheduled to be formally authorized by Board of Directors on May 27, 2024

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Quarterly Results by Segment

[JPY in billions]	FY2022 Results					FY2023 Results				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Net sales	193.9	200.9	204.4	181.8	781.2	187.0	212.6	222.0	191.6	813.4
Green Energy & Chemicals(GEC)* (former Basic Chemicals)	117.1	119.2	129.3	113.2	478.9	101.9	107.4	115.5	87.8	412.8
Specialty Chemicals	78.8	82.9	77.2	69.9	309.0	87.2	106.9	108.7	106.2	409.2
Other/Adjustment	(2.0)	(1.3)	(2.1)	(1.2)	(6.7)	(2.1)	(1.7)	(2.2)	(2.4)	(8.6)
Operating profit	18.8	14.6	11.8	3.6	49.0	6.2	15.8	16.5	8.6	47.3
GEC	7.6	6.8	4.4	(0.1)	18.8	3.2	6.2	6.9	1.2	17.7
Specialty Chemicals	12.0	8.3	8.0	4.2	32.6	3.5	10.6	10.7	8.1	33.0
Other/Adjustment	(0.9)	(0.4)	(0.6)	(0.4)	(2.4)	(0.5)	(1.0)	(1.1)	(0.7)	(3.5)
Ordinary profit	24.8	25.0	13.8	5.9	69.7	7.0	17.9	18.4	2.6	46.0
GEC	8.4	12.4	8.1	1.5	30.5	2.0	5.4	9.0	(6.3)	10.1
Specialty Chemicals	14.5	10.7	8.1	5.2	38.7	4.7	13.1	11.4	9.3	38.6
Other/Adjustment	1.9	1.8	(2.5)	(0.7)	0.4	0.2	(0.6)	(2.0)	(0.3)	(2.7)

*April 1 2024, the former Basic Chemicals Business Unit has been reorganized into the Green Energy & Chemicals Business Unit (GEC).

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Reference: Quarterly Results by Major Product Groups*

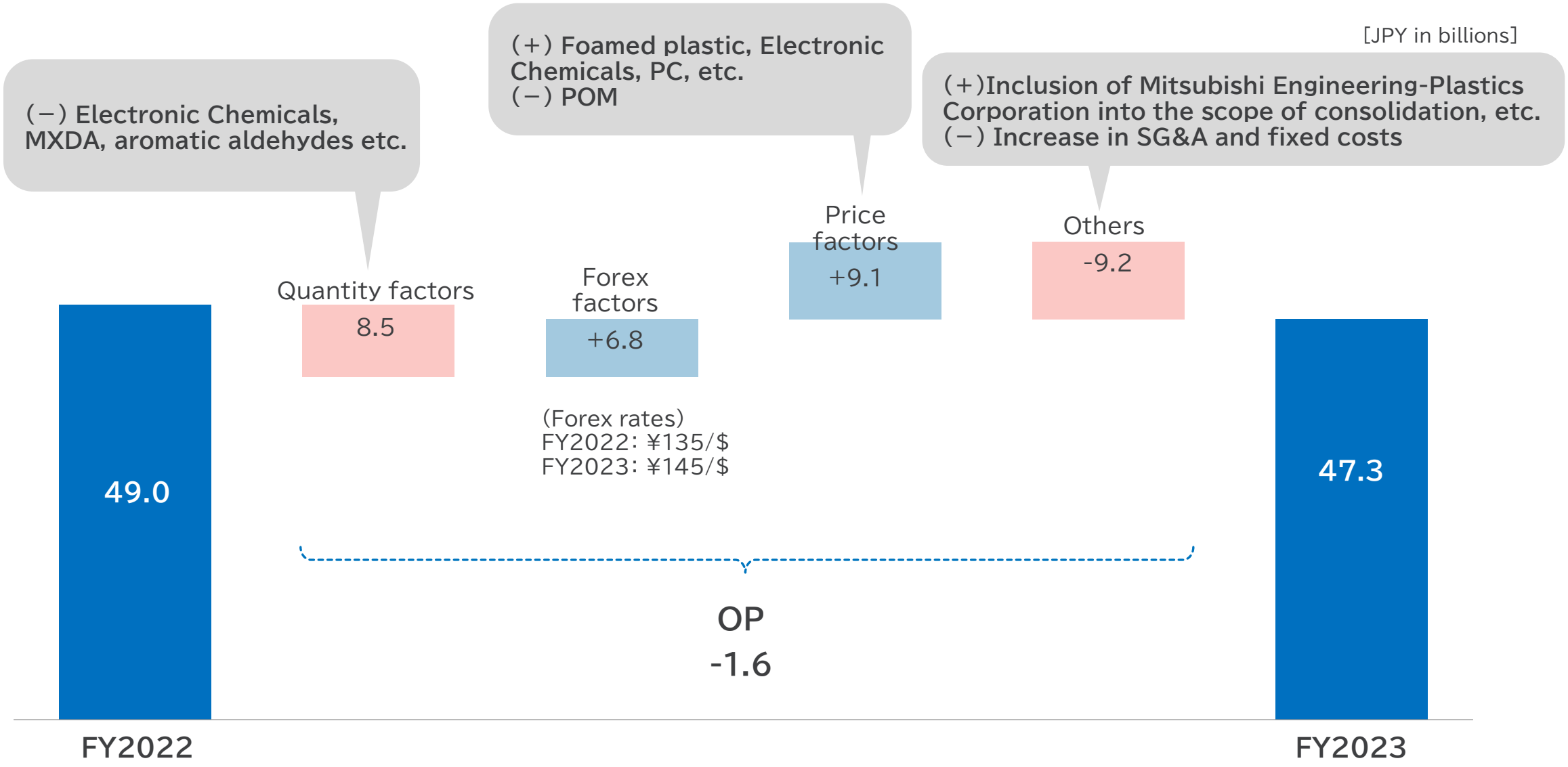
[JPY in billions]	FY2022 1Q	2Q	3Q	4Q	FY	FY2023 1Q	2Q	3Q	4Q	FY
Net sales	193.9	200.9	204.4	181.8	781.2	187.0	212.6	222.0	191.6	813.4
Natural Gas	61.6	57.7	67.7	60.0	247.1	49.2	48.3	54.5	63.4	215.5
Aromatic	56.5	62.4	62.6	54.0	235.7	53.5	59.8	61.9	25.3	200.6
Specialty	59.6	66.4	64.2	58.5	248.9	73.5	91.3	91.2	89.0	345.2
Information & Advanced Materials	19.2	16.5	12.9	11.4	60.2	13.6	15.6	17.5	17.1	64.0
Other/Adjustment	(3.1)	(2.3)	(3.2)	(2.1)	(10.8)	(2.9)	(2.5)	(3.1)	(3.4)	(12.0)
Operating profit	18.8	14.6	11.8	3.6	49.0	6.2	15.8	16.5	8.6	47.3
Natural Gas	3.8	2.7	1.7	0.5	8.8	1.8	2.2	1.6	2.8	8.5
Aromatic	3.8	4.0	2.7	(0.7)	9.8	1.3	3.9	5.3	(1.5)	9.1
Specialty	7.5	5.4	7.2	3.9	24.1	1.6	7.2	6.3	4.1	19.4
Information & Advanced Materials	4.5	2.9	0.8	0.2	8.4	1.8	3.4	4.3	3.9	13.6
Other/Adjustment	(0.9)	(0.4)	(0.6)	(0.4)	(2.3)	(0.6)	(1.0)	(1.1)	(0.7)	(3.5)
Ordinary profit	24.8	25.0	13.8	5.9	69.7	7.0	17.9	18.4	2.6	46.0
Natural Gas	3.9	8.1	5.3	2.6	20.1	0.5	1.2	3.3	(5.1)	0.0
Aromatic	4.4	4.2	2.8	(1.1)	10.3	1.5	4.1	5.7	(1.2)	10.1
Specialty	9.0	7.3	6.6	5.0	28.1	2.4	9.2	6.5	5.2	23.4
Information & Advanced Materials	5.4	3.4	1.5	0.1	10.6	2.2	3.9	4.8	4.1	15.1
Other/Adjustment	1.9	1.8	(2.5)	(0.7)	0.5	0.2	(0.6)	(2.0)	(0.3)	(2.8)

*Segments by major product group (These are reference values calculated according to past segments. Please refer to page 29.)

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

FY2023 Increase and Decrease Factors of Operating Profit (YoY)

[JPY in billions]



©MITSUBISHI GAS CHEMICAL COMPANY, INC.

FY2023 Non-Operating & Extraordinary Items

[JPY in billions]	FY2022	FY2023	Changes
Non-operating items	**20.7**	**(1.2)**	**-22.0**
Equity in earnings of affiliates	17.5	(5.6)	-23.2
Financial income or losses	2.4	2.4	-0.0
Foreign exchange gains or losses	2.6	3.4	+0.7
Others	(1.9)	(1.4)	+0.4
Extraordinary income	**4.8**	**20.3**	**+15.6**
Gains on sales of investment securities	3.7	2.8	-0.9
Insurance claim income	0.1	1.4	+1.2
Gain on step acquisitions	-	15.0	+15.0
Others	0.9	1.1	+0.2
Extraordinary losses	**(4.4)**	**(5.7)**	**-1.3**
Loss on sales of shares of subsidiaries and affiliates	-	(2.8)	-2.8
Impairment losses	(1.1)	(1.4)	-0.3
Loss on tax purpose reduction entry of non-current assets	-	(0.7)	-0.7
Loss on disposal of non-current assets	(0.8)	(0.3)	+0.5
Provision for business restructuring	(0.8)	-	+0.8
Loss on valuation of shares of subsidiaries and associates	(0.8)	-	+0.8
Provision allowance for doubtful accounts	(0.4)	(0.2)	+0.2
Others	(0.2)	(0.1)	+0.0
Total extraordinary income and losses	**0.4**	**14.8**	**+14.3**

- **Equity in earnings of affiliates**
  Downturns in methanol market prices, impairment losses* recorded at overseas methanol producing companies.
  * Impairment loss of 7.4 billion at methanol production company (Caribbean Gas Chemical Limited) in Trinidad and Tobago.

- **Gain on step acquisitions**
  Gain on step acquisitions in connection with the inclusion of Mitsubishi Engineering-Plastics Corporation into the scope of consolidation in FY2023.

- **Loss on sale of shares of subsidiaries and affiliates**
  Loss on sales of JSP shares (consolidated),etc.

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

FY2023 Balance Sheets

[JPY in billions]	Mar. 31, 2023	Mar. 31, 2024	Changes
Current assets	483.2	**463.1**	-20.1
Cash and deposits	108.3	**71.4**	-36.9
Trade notes and Accounts receivable	176.6	**165.6**	-10.9
Inventories	178.1	**200.5**	+22.3
Others	20.1	**25.5**	+5.4
Non-current assets	546.0	**604.8**	+58.7
Tangible assets	313.7	**314.6**	+0.8
Intangible assets	11.9	**24.8**	+12.8
Investments and other assets	220.3	**265.3**	+45.0
Total assets	1,029.3	**1,068.0**	+38.6

[JPY in billions]	Mar. 31, 2023	Mar. 31, 2024	Changes
Liabilities	358.0	**383.1**	+25.1
Trade note and accounts payable	88.3	**109.0**	+20.6
Interest-bearing debt	166.9	**173.0**	+6.0
Others	102.7	**101.1**	-1.6
Net assets	671.2	**684.8**	+13.5
Shareholders' equity	573.8	**587.6**	+13.7
Accumulated other comprehensive income	33.7	**70.1**	+36.3
Non controlling interest	63.6	**27.0**	-36.5
Total liabilities and net assets	1,029.3	**1,068.0**	+38.6

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

FY2023 Cash Flows

[JPY in billions]	FY2022	FY2023	Changes
Operating activity cash flow	55.2	73.4	+18.2
Investing activity cash flows	(64.0)	(76.1)	-12.1
Free cash flows	(8.8)	(2.6)	+6.1
Financing activity cash flows	7.9	(40.6)	-48.6
Effect of exchange rate change on cash and cash equivalents	7.7	7.6	-0.1
Net increase (decrease) in cash and cash equivalents	6.8	(35.7)	-42.6
Cash and cash equivalents at beginning of period	92.2	101.1	+8.9
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	2.0	-	-2.0
Cash and cash equivalents at end of period	101.1	65.3	-35.7

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

1 | FY2023 Results

2 | FY2024 Forecast

3 | Results and Forecast by Segment

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

FY2024 Forecast

- Operating profit is likely to increase year on year due primarily to expected growth in the sales volume of semiconductor-related products, despite the negative impact of the exclusion of JSP from the scope of consolidation and fixed costs will increase.
- Ordinary profit and Profit attributable to owners of the parent are expected to increase year on year due mainly to higher methanol market prices and the absence of impairment losses recorded in the fiscal year ended March 31, 2024, which will, in turn, cause equity in earnings of affiliates to improve.

	FY2023	FY2024	Changes Amount	Changes %
Net sales	813.4	780.0	-33.4	-4.1
Operating profit	47.3	52.0	+4.6	+9.8
(Operating profit margin(%))	5.8	6.7		
Ordinary profit	46.0	59.0	+12.9	+28.8
Profit attributable to owners of parent	38.8	46.0	+7.1	+18.5
EBITDA	84.9	97.0		
(EBITDA margin) (%)	10.4	12.4		
E P S (JPY)				
R O E (%)	6.1	6.9		
R O I C(new definition)* (%)	3.3	6.4		
R O I C(Former Definition)* (%)	5.4	6.7		
FX (JPY/USD)	145	145		

*Definitions have been revised in new medium-term management plan published on May 10, 2024.
ROIC(new definition)= (Operating profit - Income taxes + Equity in earnings of affiliates) / invested capital
ROIC(former Definition) = Ordinary profit / invested capital

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

FY2024 Earnings Forecast

(YoY) Net sales −¥33.4 bn, operating profit +¥4.6 bn, ordinary profit +¥13.1bn, net profit +¥7.1bn

- Net sales: Decrease due to the impact of JSP's deconsolidation
- Operating profit: (+) Increase in sales volumes of BT materials and inorganic chemicals (EL chemicals), etc.
  (−) Deconsolidation of JSP
  (−) Increase in repair expenses, R&D expenses, and fixed costs such as depreciation costs
- Ordinary profit: Increase due mainly to expectation for improved equity in earnings of affiliates pertaining to an overseas methanol producing company, which is based on a rise in methanol market prices and a rebound after recording impairment losses in the previous fiscal year
- Net profit: Increase due to increase in ordinary profit, despite the absence of gain on step acquisitions in connection with the consolidation of MEP
- DPS: Dividend forecast for FY2024 is ¥90 (¥10 increase based on ordinary dividend)

■Assumed exchange rate (FY): $1=¥145, €1=¥155
(Sensitivity (USD, rough estimate): with a depreciation (appreciation) of ¥1 against the USD, annual operating profit increases (falls) by ¥0.6 bn, while annual ordinary profit increases (falls) by ¥0.6 bn.)

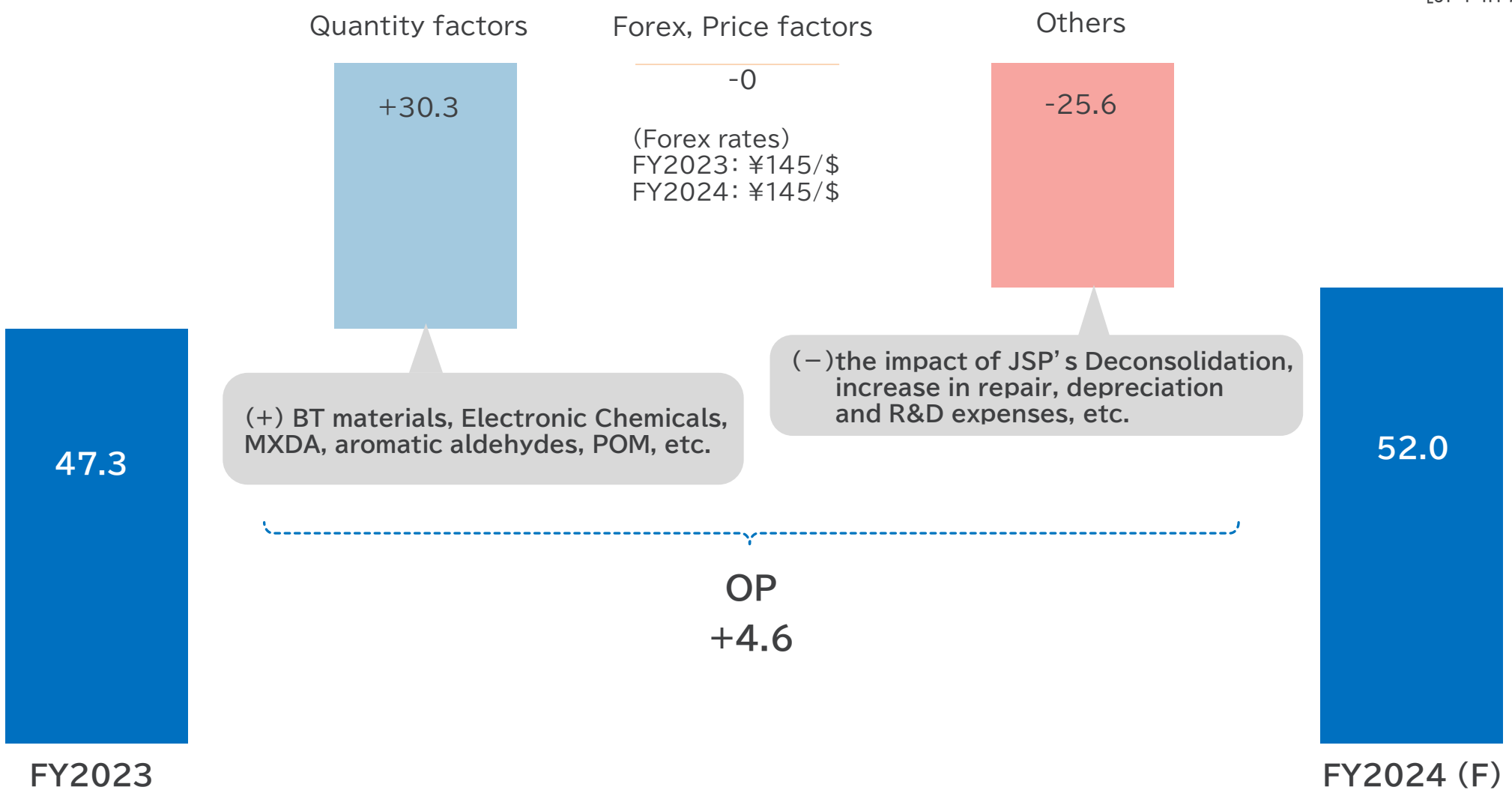
■Assumed crude oil prices (FY): $80/bbl.
(Sensitivity (USD, rough estimate): $1/bbl. drop (increase) in crude oil raises (reduces) income by ¥0.25 bn (excluding effect on methanol).)

■Methanol: Market price forecast at $345. ($1/MT increase (drop) in market price raises (reduces) equity in earnings of affiliates by ¥0.1 bn.)

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

FY2024 Increase and Decrease Factors of Operating Profit (YoY)

[JPY in billions]

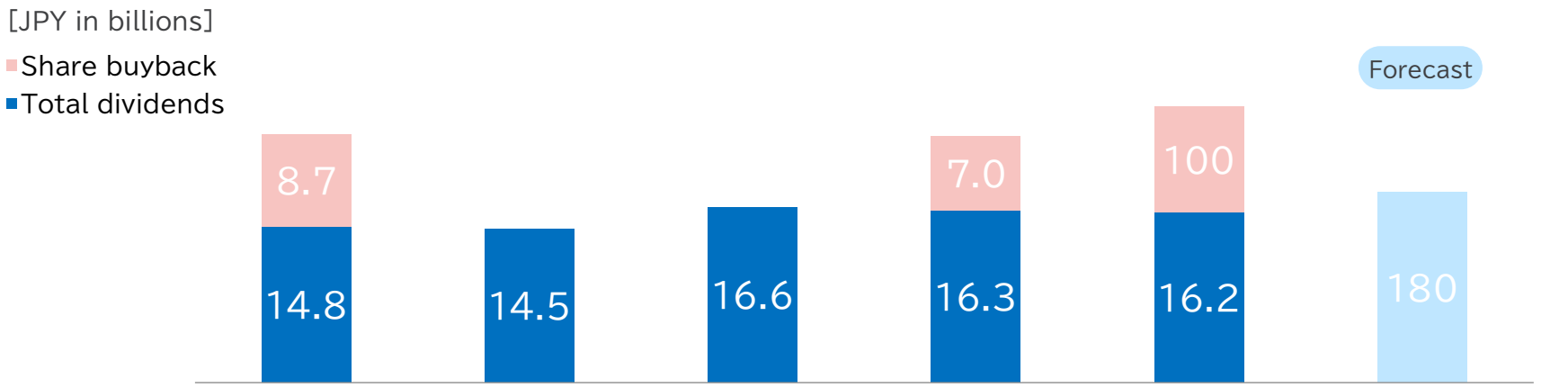


©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Shareholder Return Policy / Shareholder Return

- MGC places topmost management priority on enhancing corporate value. The Company will continuously provide stable dividends, while taking operating performance and other factors into account when determining the distribution amount.
- Enhance shareholder returns through the new medium-term management plan. Introduce progressive dividends* and raise the total payout ratio
  - ① Adopt a progressive dividend policy (in principle, no reduction – either increase or maintain)
    *Covers the 3-year period of the new medium-term management plan. Annual dividends will be maintained or increased from a minimum of 90 yen per share.
  - ② Raise the total payout ratio from about 40% under the previous medium-term management plan to roughly 50%

- **Annual dividend for FY2024 expected to be ¥90 per share (10 yen increase on an ordinary dividend basis)**



	2019	2020	2021	2022	2023	2024
Net profit (JPY in billions)	21.1	36.0	48.2	49.0	38.8	46.0
Annual dividend (Yen/share)	70	70	80*	80	80	90

*Interim ¥45 (commemorative ¥10), year-end ¥35

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

1 | FY2023 Results

2 | FY2024 Forecast

3 | Results and Forecast by Segment

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Results and Forecast by Segment

[JPY in billions]	FY2022 Results			FY2023 Results			FY2024 Forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	394.9	386.3	781.2	399.6	413.7	813.4	**370.0**	**410.0**	**780.0**
GEC	236.3	242.5	478.9	209.4	203.4	412.8	**155.2**	**170.9**	**326.1**
Specialty Chemicals	161.8	147.1	309.0	194.1	215.0	409.2	**206.1**	**230.0**	**436.1**
Other/Adjustment	(3.3)	(3.4)	(6.7)	(3.9)	(4.7)	(8.6)	**8.6**	**9.0**	**17.7**
Operating profit	33.5	15.5	49.0	22.1	25.2	47.3	**26.0**	**26.0**	**52.0**
GEC	14.4	4.3	18.8	9.4	8.2	17.7	**5.9**	**5.7**	**11.7**
Specialty Chemicals	20.3	12.2	32.6	14.2	18.8	33.0	**22.0**	**22.2**	**44.2**
Other/Adjustment	(1.3)	(1.1)	(2.4)	(1.6)	(1.9)	(3.5)	**(1.9)**	**(2.0)**	**(4.0)**
Ordinary profit	49.9	19.8	69.7	24.9	21.0	46.0	**30.0**	**29.0**	**59.0**
GEC	20.8	9.6	30.5	7.4	2.6	10.1	**10.4**	**9.4**	**19.9**
Specialty Chemicals	25.3	13.4	38.7	17.8	20.7	38.6	**21.6**	**21.6**	**43.3**
Other/Adjustment	3.7	(3.2)	0.4	(0.4)	(2.3)	(2.7)	**(2.1)**	**(2.1)**	**(4.3)**

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Reference: Results and Forecast by Major Product Groups*

[JPY in billions]	FY2022 Results			FY2023 Results			FY2024 Forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	394.9	386.3	781.2	399.6	413.7	813.4	**370.0**	**410.0**	**780.0**
Natural Gas	119.4	127.7	247.1	97.5	118.0	215.5	**112.5**	**122.2**	**234.7**
Aromatic	119.0	116.7	235.7	113.3	87.2	200.6	**43.1**	**49.1**	**92.2**
Specialty	126.1	122.8	248.9	164.8	180.3	345.2	**169.5**	**188.8**	**358.3**
Information & Advanced Materials	35.8	24.4	60.2	29.3	34.7	64.0	**37.7**	**42.3**	**80.1**
Other/Adjustment	(5.4)	(5.3)	(10.8)	(5.5)	(6.5)	(12.0)	**7.0**	**7.4**	**14.4**
Operating profit	33.5	15.5	49.0	22.1	25.2	47.3	**26.0**	**26.0**	**52.0**
Natural Gas	6.5	2.3	8.8	4.1	4.4	8.5	**3.5**	**3.1**	**6.6**
Aromatic	7.9	1.9	9.8	5.3	3.7	9.1	**2.4**	**2.5**	**5.0**
Specialty	12.9	11.1	24.1	8.8	10.5	19.4	**11.9**	**11.9**	**23.8**
Information & Advanced Materials	7.4	1.0	8.4	5.3	8.3	13.6	**10.0**	**10.3**	**20.4**
Other/Adjustment	(1.3)	(1.0)	(2.3)	(1.6)	(1.8)	(3.5)	**(1.9)**	**(2.0)**	**(4.0)**
Ordinary profit	49.9	19.8	69.7	24.9	21.0	46.0	**30.0**	**29.0**	**59.0**
Natural Gas	12.1	7.9	20.1	1.8	(1.8)	0.0	**6.6**	**6.5**	**13.1**
Aromatic	8.7	1.6	10.3	5.6	4.4	10.1	**3.8**	**2.9**	**6.7**
Specialty	16.4	11.7	28.1	11.6	11.8	23.4	**11.2**	**10.8**	**22.1**
Information & Advanced Materials	8.8	1.7	10.6	6.1	8.9	15.1	**10.4**	**10.8**	**21.2**
Other/Adjustment	3.7	(3.2)	(0.5)	(0.4)	(2.3)	(2.8)	**(2.1)**	**(2.1)**	**(4.3)**

*Segments by major product group (These are reference values calculated according to past segments. Please refer to page 29.)

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

FY2023 Results

Operating profit decreased due to lower sales volumes of meta-xylenediamine, aromatic aldehydes, and other offerings, downturns in basic chemicals market prices.

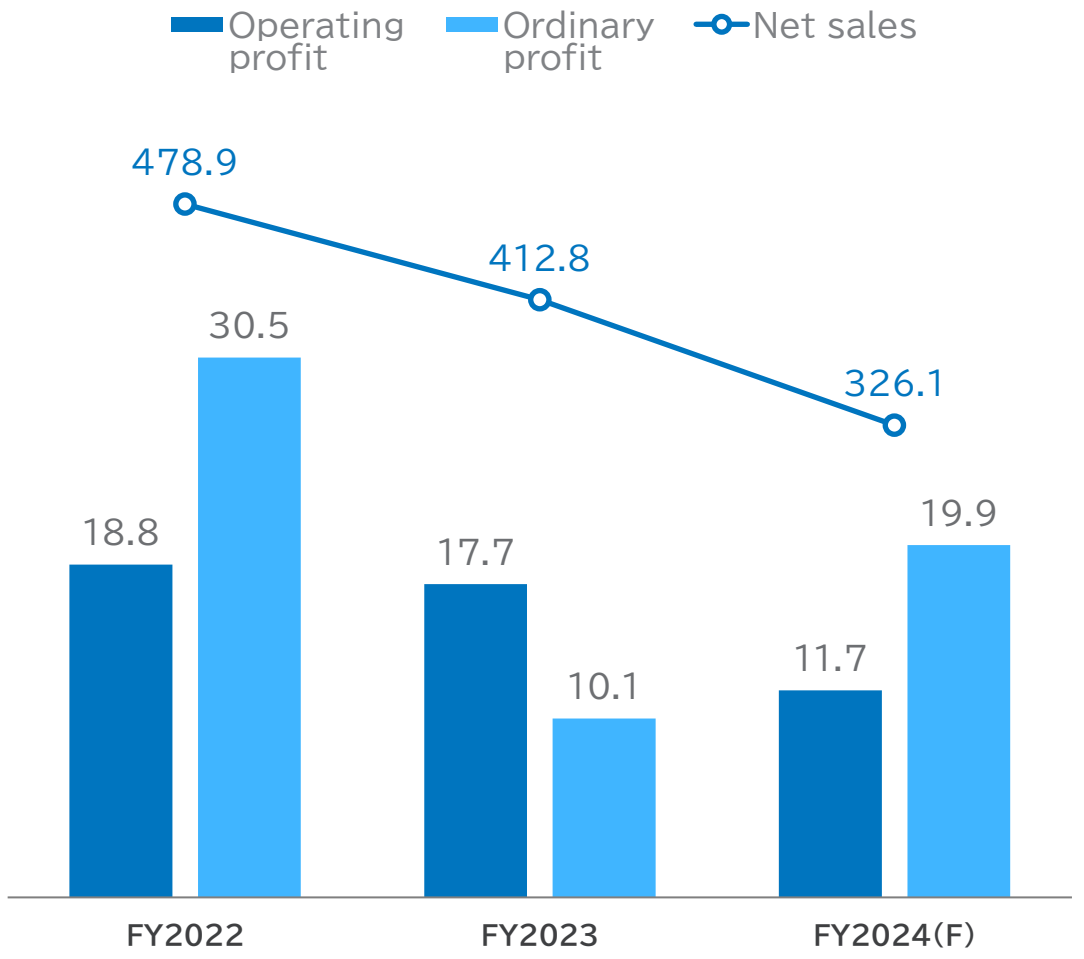
Ordinary profit decreased due to reflecting downturns in methanol market prices, impairment losses recorded at overseas methanol producing companies in the Republic of Trinidad and Tobago, and the absence of non-operating income recorded in the previous fiscal year through the reversal of deferred tax liabilities at an overseas methanol producing company in Venezuela.

FY2024 Forecast

Operating profit is expected to decrease due to the exclusion of JSP Corporation (JSP) from the scope of consolidation and a projection that repair and other fixed costs will increase.

Ordinary profit is expected to increase due mainly to expectation for improved equity in earnings of affiliates pertaining to an overseas methanol producing company, which is based on a rise in methanol market prices and a rebound after recording impairment losses in the previous fiscal year.

[JPY in billions]



©MITSUBISHI GAS CHEMICAL COMPANY, INC.

GEC

[JPY in billions]	FY2023 Results	2024 Forecast	Changes
Net sales	412.8	326.1	-86.7
Natural Gas	215.5	234.7	+19.1
Aromatic	200.6	92.2	-108.3
Adjustment	(3.3)	(0.8)	+2.4
Operating profit	17.7	11.7	-6.0
Natural Gas	8.5	6.6	-1.9
Aromatic	9.1	5.0	-4.1
Adjustment	0.0	0.0	+0.0
Ordinary profit	10.1	19.9	+9.8
Natural Gas	0.0	13.1	+13.1
Aromatic	10.1	6.7	-3.3
Adjustment	(0.0)	0.0	+0.0

		FY2023 Results (Compared with FY2022 Results)		FY2024 Forecast (Compared with FY2023 Results)
Natural Gas	Methanol	↘	Both net sales and earnings decreased due primarily to lower market prices compared with the previous fiscal year. (FY2022 $363→FY2023 $310)	↗	Market price forecast at $345. Increase in gain on equity in earnings of affiliates is expected due to methanol price rise and rebound from FY2023 impairment loss.
	Methanol and ammonia-based chemicals	↗	Net sales decreased due mainly to downturns in market prices for ammonia and other offerings, but recorded an increase in earnings thanks to the successful structural reform of formalin-related operations and a resulting improvement in their profitability.	→	Earnings are expected on par with the previous fiscal year due to recovery in demand for ammonia, amine and MMA products largely offset by higher repair costs for major shut-downs.
	The energy resources and environmental business	→	Net sales decreased due mainly to the lower sales volume of LNG for power generation use, but posted earnings on par with the previous fiscal year due to the higher sales volume of iodine and rising market prices for this offering.	↘	Earnings are expected to decrease, mainly due to higher depreciation costs for investment for iodine production expansion, despite forecast for higher sales from increase in sales volume of LNG for power generation.
Aromatic	MXDA, aromatic aldehydes, polymer materials	↘	Both net sales and earnings decreased due mainly to lower sales volumes of meta-xylenediamine and aromatic aldehydes, which reflected stagnant demand among overseas customers.	↗	Earnings are expected to increase with expected recovery in sales volumes of MXDA, MX-Nylon, etc., despite profit decreasing factors such as increase in repair costs for major shut-downs and recording of opening costs for MXDA manufacturing subsidiary in the Netherlands.
	Xylene separators and derivatives	↘	Both net sales and earning decreased due primarily to downturns in sales prices of purified isophthalic acid (PIA), phthalic anhydride and other offerings in general.	↗	Demand is expected to grow steadily, but projection for continued weakness in PIA market prices.

(Note) Breakdown shows segments by major product group

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Specialty Chemicals

FY2023 Results

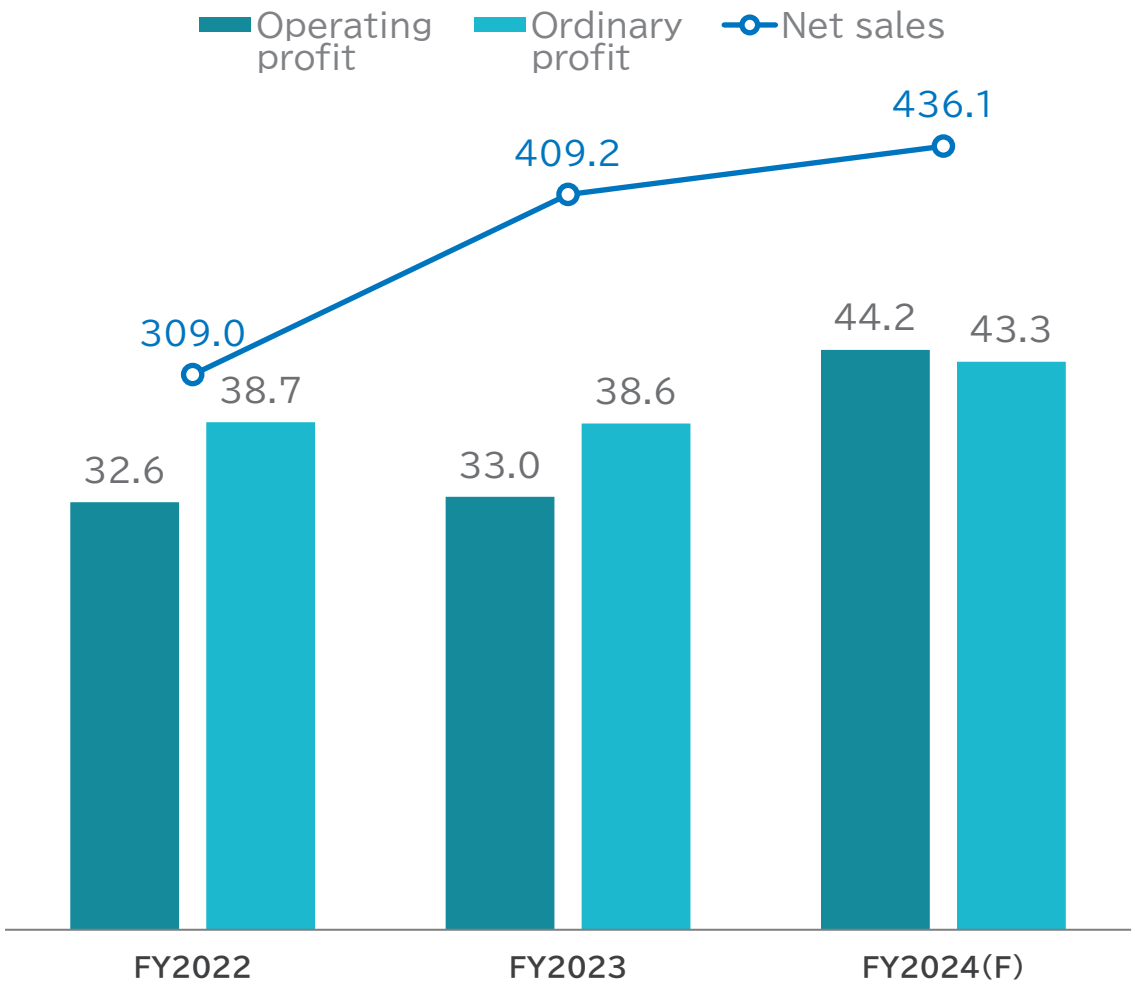
Net sales increased due to inclusion of Mitsubishi Engineering-Plastics Corporation into the scope of consolidation.

Operating profit was on par with the previous fiscal year, due to stagnant polyacetal market prices, despite improvement in the profitability of polycarbonates, recovery in demand for electronic materials and other positive factors.

FY2024 Forecast

Operating profit is expected to increase due to increase in sales volumes of BT materials and inorganic chemicals (EL chemicals).

[JPY in billions]



©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Specialty Chemicals

[JPY in billions]	FY2023 Results	2024 Forecast	Changes
Net sales	409.2	436.1	+26.9
Specialty	345.2	358.3	+13.1
Information & Advanced Materials	64.0	80.1	+16.0
Adjustment	(0.0)	(2.3)	-2.2
Operating profit	33.0	44.2	+11.1
Specialty	19.4	23.8	+4.4
Information & Advanced Materials	13.6	20.4	+6.7
Adjustment	0.0	0.0	-0.0
Ordinary profit	38.6	43.3	+4.6
Specialty	23.4	22.1	-1.3
Information & Advanced Materials	15.1	21.2	+6.0
Adjustment	0.0	0.0	-0.0

(Note) Breakdown shows segments by major product group

		FY2023 Results (Compared with FY2022 Results)		FY2024 Forecast (Compared with FY2023 Results)	
Specialty	Inorganic chemicals	→	Both net sales and earnings increased due mainly to the successful upward revision of sales prices of chemicals for use in semiconductor manufacturing in order to reflect higher raw material and fuel prices as well as growing transportation costs.	→	Earnings are expected to increase for chemicals for semiconductors atop higher sales volume to major customers, supported by recovery in demand, including for memory.
	Engineering plastics	↘	Overall earnings declined due to downturns in polyacetal market prices, despite the inclusion of Mitsubishi Engineering-Plastics Corporation into the scope of consolidation led to sales growth, while the profitability of polycarbonates improved due primarily to growing sales for high-value-added products.	→	Earnings are expected to increase for PC, mainly due to higher sales volumes of high-value-added products and structural improvements in the sheet film business, despite a continued adverse business environment. Earnings are also forecast to increase for POM, with expectation of a gradual recovery in demand in the automotive and other fields.
	Optical materials	→	Both sales and earnings increased due to demand for smartphones, a primary application of optical polymers, remained on an ongoing recovery track from the second quarter onward on the back of the commencement of production of new models in that quarter.	→	Smartphone demand is expected to continue a gradual recovery. The trend towards higher smartphone functionality is also expected to boost product sales and increase profits.
Information & Advanced Materials	Electronic materials	→	Net sales and earnings increased due mainly to recovery in demand for smartphone- and PC-related.	→	Sales and earnings are expected to increase for BT materials with higher sales volumes across all applications following growth in the semiconductor market. OPE is also expected to continue growing with expansion of the AI server market.
	oxygen absorbers	→	Earnings on par with the previous fiscal year, with the depreciation of the yen and the resulting improvement of export prices offsetting such negative factors as a recoil from the temporary surge (due to stay-at-home demand) for products marketed in Japan for food applications and higher raw material prices.	→	Demand for food applications expected to increase with growth in foreign and domestic tourists in Japan. Earnings are forecast to increase, factoring in efforts to pass on costs to sales prices.

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Appendix

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Appendix: Key Indicators (1)

[JPY in billions]	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024(F)
Capital expenditure	30.5	35.0	30.9	39.2	42.3	40.2	54.7	64.6	81.7	**94.0**
[1H]	[14.9]	[13.7]	[13.9]	[18.6]	[22.4]	[15.8]	[22.0]	[31.2]	[38.0]	**[44.0]**
Depreciation& Amortization	26.7	25.6	27.0	27.4	29.5	30.6	31.9	33.5	36.3	**35.0**
[1H]	[13.1]	[12.2]	[13.1]	[13.5]	[14.4]	[15.1]	[15.8]	[16.1]	[18.3]	**[16.0]**
R&D expenditure	18.9	19.2	18.9	18.6	19.6	19.9	21.0	23.5	25.6	**28.5**
[1H]	[9.2]	[9.6]	[9.5]	[9.1]	[9.4]	[9.8]	[10.1]	[11.1]	[12.6]	**[15.5]**
Employees (as of Mar. 31)	8,176	8,034	8,009	8,276	8,954	8,998	9,888	10,050	7,918	**8,166**
EPS (Yen)	154	222	281	257	101	173	232	239	191	**230**
ROA(%)	5.9	8.4	10.6	8.7	3.9	6.2	8.4	7.1	4.4	**5.4**
ROE (%)	9.0	12.0	13.6	11.3	4.3	7.1	8.8	8.3	6.1	**6.9**
ROIC(new definition)*1 (%)	7.0	9.6	12.1	9.5	3.6	6.2	7.4	6.4	3.3	**6.4**
ROIC(Former Definition)*1 (%)	7.3	10.4	13.2	10.9	4.9	7.7	10.4	8.8	5.4	**6.7**
Operating profit margin (%)	5.7	7.9	9.9	6.4	5.6	7.5	7.8	6.3	5.8	**6.7**
EBITDA*2	74.6	89.3	108.8	97.6	61.6	81.7	107.0	105.0	84.9	**97.0**
Dividend (yen)*3	32.0	38.0	59.0	70.0	70.0	70.0	80.0*4	80.0	80.0	**90.0**
[of which, Interim dividend]	[16.0]	[16.0]	[24.0]	[35.0]	[35.0]	[35.0]	[45.0*4]	[40.0]	[40.0]	**[45.0]**

*1 Definitions have been revised in new Medium-Term Management Plan published on May 10, 2024.
ROIC(new definition)= (Operating profit - Income taxes + Equity in earnings of affiliates) / invested capital ROIC(former Definition) = Ordinary profit / invested capital

*2 EBITDA = Ordinary profit + Interest paid _+ Depreciation and amortization

*3 The Company conducted a consolidation of shares at a ratio of one share for every two shares effective October1,2016. EPS and dividends have been calculated by retroactive adjustment applying the above share consolidation to preceding periods as well.

*4 Commemorative dividend 10yen

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Appendix: Key Indicator (2) Capex, depreciation and amortization by segment

	[JPY in billions]	2015	2016	2017	2018	2019		2020	2021	2022	2023
Capex	Natural Gas	5.3	9.0	6.0	5.7	7.2	Basic Chemicals	19.7	19.2	32.0	37.0
	Aromatic	10.6	10.5	11.3	14.6	15.0					
	Specialty	9.9	8.1	11.0	14.4	14.6	Specialty Chemicals	18.6	32.6	28.6	41.9
	Information & Advanced Materials	3.8	6.6	1.9	2.3	2.6					
	Other	0.7	0.5	0.6	2.1	2.7	Other	1.8	2.9	3.9	2.7
	Total	**30.5**	**35.0**	**30.9**	**39.2**	**42.3**	**Total**	40.2	54.7	64.6	81.7
Depreciation	Natural Gas	6.1	5.0	5.1	5.5	6.3	Basic Chemicals	16.4	17.1	17.9	17.3
	Aromatic	8.2	8.5	8.5	8.7	9.5					
	Specialty	8.8	8.6	9.1	8.7	8.7	Specialty Chemicals	13.0	13.0	13.7	16.8
	Information & Advanced Materials	3.0	3.0	3.5	3.6	3.8					
	Other	0.3	0.3	0.5	0.8	1.0	Other	1.1	1.7	1.8	2.0
	Total	**26.7**	**25.6**	**27.0**	**27.4**	**29.5**	**Total**	30.6	31.9	33.5	36.3

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Appendix: Key Indicator (3)

	FY2020		FY2021		FY2022		FY2023		FY2024 Forecast
	1H	2H	1H	2H	1H	2H	1H	2H	
FX(JPY/USD)	107	105	110	115	134	137	141	148	145
FX(JPY/EUR)	121	126	131	130	139	143	153	160	155
Crude Oil (Dubai) (USD/bbl.)	37	52	69	87	102	83	82	82	80
Methanol (USD/MT)	194	319	370	428	375	351	297	324	345
Mixed Xylene (USD/MT)	420	560	780	875	1,105	925	960	910	880
Bisphenol A (USD/MT)*	900 ~1,450	1,400 ~3,300	2,750 ~3,700	2,100 ~3,150	1,450 ~2,200	1,250 ~1,700	1,150 ~1,400	1,250 ~1,350	1,200 ~1,350
Polycarbonate (USD/MT)*	1,500 ~2,150	2,100 ~4,000	3,100 ~4,050	2,650 ~3,650	1,950 ~2,900	1,800 ~2,200	1,650 ~1,900	1,700 ~1,900	1,700 ~1,850

*Describe the minimum and maximum values during the period

Sensitivity (rough estimates)

FX (USD): with an appreciation (depreciation) of ¥1 against the USD, annual operating profit falls (increases) by ¥0.6 bn, while annual ordinary profit falls (increases) by ¥0.6 bn.
FX (EUR): with an appreciation (depreciation) of ¥1 against the EUR, annual operating profit falls (increases) by ¥0.10 bn, while annual ordinary profit falls (increases) by ¥0.10 bn.
Crude oil (Dubai): $1/bbl. increase (drop) in crude oil reduces (raises) profit by ¥0.25 bn (exclude methanol affect).
Methanol: $1/MT increase (drop) in market price raises (reduces) equity in earnings of affiliates by ¥0.1 bn.

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Reference: Main products of Each Reportable Segment

Reportable Segments	Former Segments	Main Products
Green Energy & Chemicals (former Basic Chemicals)	Natural Gas Chemicals	・Methanol ・Methanol and ammonia-based chemicals (ammonia and amines, MMA products, formalin and polyol products, etc.) ・Energy resources and environmental businesses
	Aromatic Chemicals	・MXDA, aromatic aldehydes, polymer materials(MX nylon, etc.) ・Xylene separators and derivatives (Meta-xylene, purified isophthalic acid (PIA), etc.)
Specialty Chemicals	Specialty Chemicals	・Inorganic chemicals (electronic chemicals (super-pure hydrogen peroxide, hybrid chemicals), hydrogen peroxide, etc.) ・Engineering plastics (polycarbonate/sheet film, polyacetal, etc.) ・Optical materials (optical polymers, ultra-high refractive lens monomer, etc.)
	Information and Advanced Materials	・Electronic materials (BT materials for IC plastic packaging, etc.) ・Oxygen absorbers (AGELESS™, etc.)

©MITSUBISHI GAS CHEMICAL COMPANY, INC.

Disclaimer

This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

This document contains 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.

