

January 7, 2025

Company name:	Mitsubishi Chemical Group Corporation
Representative:	Manabu Chikumoto Representative Corporate Executive Officer, President and Chief Executive Officer Listed on The Prime Market of TSE (stock code: 4188)
Contact:	Media: Communications Div. Media Relations Dept. IR: IR Dept.
Tel:	Media: (+81) (0)3-6748-7140 IR: (+81) (0)3-6748-7120

Notice Concerning Discontinuation of Consideration of New MMA Monomer Plant in Louisiana (US)

As Mitsubishi Chemical Corporation, a consolidated subsidiary of the Mitsubishi Chemical Group, announced in the news release "Mitsubishi Chemical Announces Land Purchase and Feasibility Study to Place a 350 KT MMA Plant in Geismar, Louisiana" dated December 9, 2020, the Group had been considering the construction of a new MMA monomer plant in Geismar, Louisiana (US) that would utilize the Group's proprietary "New Ethylene Process (Alpha Process)" technology (hereinafter, "Investment Plan"), but it hereby announces today that it has resolved to terminate consideration of this Investment Plan.

1. Reason for terminating consideration of Investment Plan

Methyl methacrylate (MMA) monomer is a raw material for acrylic resins used in automobile lamp covers, signboards, aquarium tanks, paints, building materials, etc. Global demand for MMA monomer exceeds three million tons annually, and stable market growth is expected to continue.

In preparation for a final investment decision on an MMA monomer plant that would use ethylene derived from US shale gas and employ the Group's proprietary "New Ethylene Method (Alpha Method)" technology, the Group acquired a construction site in Geismar, Louisiana (US) and has since been working on front engineering design and obtaining the permits and approvals required by various regulations. However, the Group has come to the decision to discontinue consideration of the Investment Plan due in part to the prospect of meeting immediate demand with existing MMA monomer manufacturing facilities in Tennessee (US) and elsewhere and the failure in negotiations with customers to obtain long-term commitments on transactions after the execution of the Investment Plan based on increases in capital investment stemming from inflation and other factors.

The Group will continue to optimize its global production system by establishing new business locations and consolidating existing ones to boost the competitiveness of its MMA business and will pursue such growth strategies as focusing on high value-added applications and developing new applications in accordance with the "New Medium-Term Management Plan 2029" announced on November 13, 2024.

2. Impact on business performance

In connection with the decision to discontinue consideration of the Investment Plan, the Group expects to record a loss of approximately 20 billion yen in the third quarter of the fiscal year ending March 31, 2025, and thereafter due to impairment losses on expenses incurred to date for this Investment Plan. The amount of impact is currently being scrutinized and an announcement will be promptly forthcoming if it becomes necessary to revise the consolidated earnings forecast for the fiscal year ending March 31, 2025.

(Reference) Consolidated earnings forecasts for the current fiscal year (announced on November 1, 2024) and

consolidated results for the previous fiscal year

	Sales revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent	Basic earnings per share
	million yen	million yen	million yen	million yen	million yen	yen
Consolidated earnings forecast for the current fiscal year (term ending March 2025)	4,470,000	290,000	218,000	112,000	52,000	36.54
Consolidated results for the previous fiscal year (term ended March 2024)	4,387,218	208,116	261,831	178,439	119,596	84.07