



MEMBERSHIP

February 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)
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Notice Concerning the Transfer of Mitsubishi Tanabe Pharma Corporation and its Subsidiaries

Mitsubishi Chemical Group Corporation (MCG) hereby announces that it has resolved, at a meeting of the Board of Directors held today, to transfer its consolidated subsidiary, Mitsubishi Tanabe Pharma Corporation (Head Office: Chuo-ku, Osaka, Representative: Akihiro Tsujimura, Hiroaki Ueno, “MTPC”), which engages in the manufacturing and sales of pharmaceutical products, to K.K. BCJ-94, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP (together with its affiliates, “Bain Capital”) (the “Transfer”). Following the Transfer, MTPC and its subsidiaries (sub-subsidiaries of MCG) Medicago Inc., Welfide International Corporation, and Alpha Therapeutic Corporation will no longer be specified subsidiaries of MCG.

The specific method of this Transfer is currently under review and will be announced once a decision is made. The completion of the Transfer is expected in the second quarter of FY 3/2026, subject to certain conditions including approval of the Transfer at MCG's annual shareholders' meeting and Bain Capital's obtainment of necessary clearance and approval pursuant to the competition laws and related laws and regulations of Japan and other relevant jurisdictions.

1. Reason for the transfer

As a core company in MCG's pharmaceutical business, MTPC has contributed to society by creating innovative pharmaceutical products and to the stability and strengthening of MCG's financial base. However, with the advancement of therapeutic drugs and diversification of modalities, the disease areas with unmet needs are gradually shrinking. Moreover, given that possibility of success of drug discovery is not high, continuous additional investments are essential for enhancing MTPC's research and development capabilities and achieving further growth.

Under these circumstances, based on “KAITEKI Vision 35” and “New Medium-Term Management Plan 2029” announced on November 13, 2024, we have been exploring the best partner to achieve future growth in the pharmaceuticals business. Consequently, from a comprehensive perspective including alignment of management policies aimed at MTPC's growth, we have reached an agreement to transfer of MTPC to Bain Capital, which has extensive investment experiences in healthcare sector. MCG believes that it would be the best option for MTPC to execute a growth strategy under multifaceted support from a new partner deeply knowledgeable in the pharmaceuticals business in order to maximize its enterprise value.

We plan to utilize the funds obtained through the Transfer to improve our financial base by reducing debt, to enhance shareholder returns, and to advance our growth strategy centered on the chemicals business by reinvesting in the five business focus areas based on the “KAITEKI Vision 35”.

2. Outline of the specified subsidiary to be transferred

(1)	Name	Mitsubishi Tanabe Pharma Corporation		
(2)	Address	3-2-10, Dosho-machi, Chuo-ku, Osaka 541-8505, Japan		
(3)	Title and name of representative	Representative Director: Akihiro Tsujimura, Hiroaki Ueno		
(4)	Business description	Manufacturing and sales of prescription drugs and other pharmaceutical products		
(5)	Paid-in capital	50,000 million yen		
(6)	Established	December 13, 1933		
(7)	Major shareholders and shareholding ratios	Mitsubishi Chemical Group Corporation: 100.00%		
(8)	Relationship between the listed company and the specified subsidiary	Capital relationship	As of February 7, 2025, MCG owns 100% (Excluding treasury shares) of MTPC's share.	
		Personal relationships	As of February 7, 2025, two of MTPC's directors serve as executive officers of MCG.	
		Business relationships	MCG receives deposits of capital through group financing from MTPC and pays interest.	
(9)	Consolidated financial results and financial position of the specified subsidiary for the past three years			
	Fiscal year end	FY 3/2022	FY 3/2023	FY 3/2024
	Total assets	1,059,684 million Yen	1,051,097 million Yen	962,488 million Yen
	Total equity	789,587 million Yen	870,145 million Yen	799,914 million Yen
	Equity attributable to owners of the parent	1,407.51 Yen	1,551.11 Yen	1,425.92 Yen
	Sales revenue	385,909 million Yen	535,449 million Yen	437,364 million Yen
	Core operating income	(2,982) million Yen	144,226 million Yen	56,208 million Yen
	Net income attributable to owners of the parent	(10,230) million Yen	85,596 million Yen	56,403 million Yen
	Net income per share	(18.24) Yen	152.58 Yen	100.54 Yen
	Dividends per share	21.36 Yen	14.17 Yen	308.33 Yen

3. Outline of sub-subsidiaries to be transferred

(1)	Name	Medicago Inc.
(2)	Address	4100-1155 BLVD René Levesque Montreal, Québec,

	H3B3V2 Canada		
(3)	Title and name of representative	Representative Director: Junya Namba	
(4)	Business description	R&D related to developing vaccines with VLP technology (Under liquidation)	
(5)	Paid-in capital	1,803 million CAD	
(6)	Established		
(7)	Major shareholders and shareholding ratios	Mitsubishi Tanabe Pharma Corporation: 100.00%	
(8)	Relationship between the listed company and the specified subsidiary	Capital relationship	As noted in (7) above, the company is investing through MTPC.
		Personal relationships	
		Business relationships	N/A
(9)	Financial results and financial position of the specified sub-subsidiary for the past three years	These figures are included in the consolidated financial results and financial position of MTPC.	

(1)	Name	Welfide International Corporation	
(2)	Address	525 Washington Blvd #1100, Jersey City, NJ 07310, United States	
(3)	Title and name of representative	Representative Director: Yasutoshi Kawakami	
(4)	Business description	A holding company of Alpha Therapeutic Corporation (Dormant Company)	
(5)	Paid-in capital	37 million USD	
(6)	Established	March 1, 1994	
(7)	Major shareholders and shareholding ratios	Mitsubishi Tanabe Pharma Corporation: 100.00%	
(8)	Relationship between the listed company and the specified subsidiary	Capital relationship	As noted in (7) above, the company is investing through MTPC.
		Personal relationships	N/A
		Business relationships	N/A
(9)	Financial results and financial position of the specified sub-subsidiary for the past three years	These figures are included in the consolidated financial results and financial position of MTPC.	

(1) Name	Alpha Therapeutic Corporation
(2) Address	525 Washington Blvd #1100, Jersey City, NJ 07310, United States
(3) Title and name of representative	Representative Director: Yasutoshi Kawakami
(4) Business description	Development of the plasma-derived biopharmaceuticals (Dormant Company)
(5) Paid-in capital	50 million USD
(6) Established	June 19, 1978
(7) Major shareholders and shareholding ratios	Welfide International Corporation: 100.00%

(8)	Relationship between the listed company and the specified subsidiary	Capital relationship	As noted in (7) above, the company is investing through Welfide International Corporation (wholly owned by MTPC).
		Personal relationships	N/A
		Business relationships	N/A
(9)	Financial results and financial position of the specified subsidiary for the past three years	These figures are included in the consolidated financial results and financial position of MTPC.	

4. Outline of the assignee of the transfer

(1)	Name	K.K. BCJ-94	
(2)	Address	5F, Palace Building, 1-1-1 Marunouchi, Chiyoda-ku, Tokyo	
(3)	Title and name of representative	Representative Director: Yuji Sugimoto	
(4)	Business description	1. To control and manage the business activities of companies by owning shares or equities of such companies; and 2. Any business incidental or related to Item 1 above.	
(5)	Paid-in capital	JPY5,000	
(6)	Established	January 17, 2025	
(7)	Major shareholders and shareholding ratios	K.K. BCJ-93 100% (Excluding treasury shares)	
(8)	Relationship between the listed company and the specified company	Capital relationship	N/A
		Personal relationships	N/A
		Business relationships	N/A
		Status of relationship with related parties	N/A

5. Number of shares to be transferred, transfer price, and shares owned before and after transfer

(1)	Number of shares held before transfer	560,982,826 shares (Number of voting rights: 5,609,828) (Voting rights ownership ratio: 100%)
(2)	Number of shares to be transferred	560,982,826 shares (Number of voting rights: 5,609,828)
(3)	Transfer price	Approximately 510 billion yen
(4)	Number of shares held after transfer	0 shares (Number of voting rights: 0) (Voting rights ownership ratio: 0%)

(Note) The method of this Transfer will not affect the transfer price. The final transfer price will be determined after a price adjustment specified in the purchase agreement.

6. Transaction schedule

(1)	Date of resolution for the Transfer	February 7, 2025
(2)	Date of conclusion of the purchase agreement	February 7, 2025

(3)	Annual shareholders' meeting	Late June 2025 (Schedule)
(4)	Execution date of the Transfer	Second quarter of FY 3/2026 (Schedule)

(Note) The execution of the Transfer is conditioned upon approval of the Transfer at MCG's annual shareholders' meeting and Bain Capital's obtainment of necessary clearance and approval pursuant to the competition laws and related laws and regulations of Japan and other relevant jurisdictions. The above schedule may be affected by the timing of such approvals.

7. Future outlook

Following approval of the Transfer at MCG's annual shareholders' meeting, MTPC and its subsidiaries and affiliate will be categorized as discontinued operations. MCG expects to record pre-tax income from discontinued operations of approximately 95 billion yen in the second quarter of FY 3/2026 in relation to the Transfer. However, this number may differ from the final result although it is predicted based on the financial results as of end of December 2024. We will promptly announce if any matters that should be disclosed arise in the future.

The impact of the Transfer on MCG's consolidated performance in FY 3/2025 is expected to be minor.

Reference: Consolidated performance forecast 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 net income per share
	Million yen	Million yen	Million yen	Million yen	Million yen	Yen
Consolidated earnings forecast for the current fiscal year (FY 3/2025)	4,470,000	290,000	218,000	112,000	52,000	36.54
Consolidated results for the previous fiscal year (FY 3/2024)	4,387,218	208,116	261,831	178,439	119,596	84.07