Dear Shareholders,

Becoming a “Green Specialty Company”
that delivers impressive results to customers with the power of materials

Mitsubishi Chemical Group Corporation (hereinafter the “Company” or “MCG”) cordially invites you to attend the 20th Ordinary General Meeting of Shareholders to be held on June 25, 2025.

We would also like to report on the current status of our Group for the fiscal year under review (April 1, 2024 to March 31, 2025).

In November 2024, we announced our new management policy “KAITEKI Vision 35” and “New Medium-Term Management Plan 2029.” Our vision for 2035 is to become a “Green Specialty Company” that continues to provide optimal solutions to social problems and deliver impressive results to customers with the power of materials, and we set out to achieve both the realization of KAITEKI and sustainable corporate growth. We will work together as one Group to enhance our corporate value by boosting our profitability and achieving business growth.

I sincerely appreciate the continued support and encouragement of our shareholders.

Manabu Chikumoto
Director of the Board, Corporate Executive Officer, President and CEO
Mitsubishi Chemical Group Corporation

NOTE:
Please note that this is a summary translation of the Notice of Meeting in Japanese only for the reference of foreign investors and is not an official text, and the Card for Exercise of Voting Rights is not attached. The official Notice has been mailed to the custodian in Japan of each foreign shareholder. The Company is not responsible for the accuracy or completeness of the translation.

June 3, 2025
(Start date for providing information in electronic format) May 27, 2025

To Shareholders:

Notice of the 20th Ordinary General Meeting of Shareholders

On behalf of the company, I would like to thank you for your continued support.

Mitsubishi Chemical Group Corporation (hereinafter the "Company" or "MCG") cordially invites you to attend the 20th Ordinary General Meeting of Shareholders to be held on the date and at the venue specified below.

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information as "Notice of the 20th Ordinary General Meeting of Shareholders" on the Company's website. Please access the Company's website by using the Internet address shown below to review the information.

MCG's website: https://www.mcgc.com/english/ir/stock_info/stock_meeting.html

In addition to the above, the information is also posted on the website of the Tokyo Stock Exchange, Inc. (TSE). Please access the following website, enter the issue name (Mitsubishi Chemical Group) or securities code (4188), search for the company, and select "Basic Information" and then "Documents for Public Inspection/PR Information."

TSE website: https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

In addition, the General Meeting of Shareholders will be broadcast live over the Internet and questions will be accepted in advance.

If you are not attending the meeting in person, please exercise your voting rights in advance, by postal mail or the Internet, by following the instructions on "Exercise of Voting Rights"

(Supplemental Note: Foreign investors may not vote by mail or the Internet. The official Notice and the Card for Exercise of Voting Rights have been mailed to each custodian in Japan. The Company asks foreign investors to indicate their agreement or disagreement on the proposals to the custodians. However, in case they have participated in the Electronic

Platform to Exercise Voting Rights for Institutional Investors operated by ICJ, Inc., they can exercise their rights via the said platform.)

Sincerely yours,
Manabu Chikumoto
Director of the Board, Corporate Executive Officer, President and CEO
Mitsubishi Chemical Group Corporation
1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo

1. Date Wednesday, June 25, 2025, from 10:00 a.m. (Reception starts at 9:00 a.m.)

2. Venue Royal Park Hotel, 3rd Floor, Royal Hall
1-1, Nihonbashi Kakigara-cho 2-chome, Chuo-ku, Tokyo

3. Agenda

Matters to be Reported

Item 1. The contents of the Business Report, the Consolidated Financial Statements, and results of audit by the Accounting Auditor and the Audit Committee of the Consolidated Financial Statements for the 20th fiscal year from April 1, 2024 to March 31, 2025

Item 2. The contents of the Non-consolidated Financial Statements for the 20th fiscal year from April 1, 2024 to March 31, 2025

Matters to be Resolved

Agendum 1. Approval of Absorption-type Split Agreement

Agendum 2. Election of Eight (8) Directors of the Board

- In the event of any modification to the information provided in electronic format, the modification will be posted on each of the above websites.
- Pursuant to the relevant laws and regulations and Article 18 of MCG’s Articles of Incorporation, the Matters Related to Stock Acquisition Rights, the System to Ensure that the Company Operates in an Appropriate Manner and Overview of its Implementation, the Basic Policy on Control of the Company, the Consolidated Statement of Changes in Equity and the Notes to the Consolidated Financial Statements, and the Non-consolidated Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements are posted on MCG’s website (https://www.mcgc.com/english/), and thus they are not presented as attachments to this Notice of the 20th Ordinary General Meeting of Shareholders.

Exercise of Voting Rights

Voting rights are principal rights of shareholders. Please exercise your voting rights after reading the Reference Materials for the General Meeting of Shareholders of this notice.
There are three ways to exercise your voting rights as described below:

1. **By submitting the Card for Exercise of Voting Rights by mail**
   Please indicate your approval or disapproval of the proposals on the Card for Exercise of Voting Rights and return it to the Company.
   Exercise due date: To be received no later than 5:45 p.m. on Tuesday, June 24, 2025

2. **By exercising voting rights via the Internet**
   Please access our Internet voting website through a computer, a smartphone or other devices and enter your approval or disapproval of the proposals. Please read further instructions given on the next page.
   Exercise due date: No later than 5:45 p.m. on Tuesday, June 24, 2025
   * Shareholders will be responsible for the Internet connection charges and the communication charges, etc. arising from accessing the Voting Website.

3. **By attending the General Meeting of Shareholders**
   Please submit the Card for Exercise of Voting Rights to reception at the meeting venue.
   Date and Time: Wednesday, June 25, 2025, from 10:00 a.m. (Reception starts at 9:00 a.m.)

[Exercising Voting Rights via the Internet]

Scanning QR code®

You can simply login to the website for exercising voting rights without entering your login ID and temporary password printed on the Voting Instructions Form.

1. Please scan the QR code® located on the right side of the Voting Instructions Form.
   * "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

Entering login ID and temporary password

Voting Website:
https://evote.tr.mufg.jp/

1. Please access the Voting Website.

2. Enter your "login ID" and "temporary password" printed on the Voting Instructions Form.

3. Indicate your approval or disapproval by following the instructions on the screen.
   * The operation screens shown in Japanese version of this notice are for reference purposes only.

[System Support]
Mitsubishi UFJ Trust and Banking Corporation
Stock Transfer Agency Division (Help Desk)
0120-173-027 (toll-free, within Japan only / 9:00 a.m. to 9:00 p.m.)

[Handling of Redundant Voting]
In the case where the Card for Exercise of Voting Rights is submitted by mail and voting rights are exercised via the Internet, votes exercised via the Internet will be considered effective. If voting rights are exercised multiple times via the Internet, the final vote cast will be considered effective.

[For Institutional Investors]
Shareholders who have participated in the Electronic Platform to Exercise Voting Rights for Institutional Investors operated by ICJ, Inc. can exercise their rights via the said platform.

[Exercising Voting Rights by Proxy]
If you are unable to attend the General Meeting of Shareholders, you may exercise voting rights by a proxy who is also a shareholder with voting rights. Please be aware that a written statement attesting to the right of proxy must be submitted.

Reference Materials for the General Meeting of Shareholders

Agenda and References

Agendum 1. Approval of Absorption-type Split Agreement

1. Reason for Proposal

As the core company in the Group's pharma business, Mitsubishi Tanabe Pharma Corporation ("MTPC") has contributed to society through the creation of innovative pharmaceutical products and has helped to stabilize and strengthen the Group's financial base. However, with the evolution of therapeutics and the diversification of modalities, the number of disease areas with unmet needs is shrinking and the probability of success in drug discovery is by no means high. Thus, continued additional investment is essential to improve MTPC's R&D capabilities and achieve further growth.

Under these circumstances, in accordance with "KAITEKI Vision 35" and "New Medium-Term Management Plan 2029" announced on November 13, 2024, the Company has been searching for the best partner for its pharma business to facilitate the future growth of this business. As a result, from a holistic perspective, including the fact that the management policies for MTPC's future re-growth are in line with those of Bain Capital Private Equity, LP (including its group, hereinafter referred to as "Bain Capital"), which boasts a proven investment track record in the healthcare sector, we decided that the best course of action would be to transfer MTPC under the umbrella of Bain Capital.

The transfer will take effect on July 1, 2025, through an absorption-type split in which the Company will be the splitting company and K.K. BCJ-94 ("BCJ-94"), a special purpose company indirectly owned by funds advised by Bain Capital, will be the successor company, and all shares of MTPC and related assets held by the Company will be transferred to BCJ-94 (this method is hereinafter referred to as the "Absorption-type Split").

On March 28, 2025, the Company entered into an Absorption-type Split agreement with BCJ-94 regarding this Absorption-type Split.

This proposal requests the approval of the Absorption-type Split agreement.

2. Outline of the content of the Absorption-type Split agreement

Absorption-type Split Agreement

Mitsubishi Chemical Group Corporation ("MCG") and K.K. BCJ-94 ("BCJ-94") entered into an Absorption-type Split agreement (the "Agreement") on March 28, 2025 (the "Date of Execution") with regard to an Absorption-type Split in which BCJ-94 would succeed to certain rights and obligations held by MCG with respect to its business (the "Absorption-type Split"), as described below.

Article 1 (Trade name and address of the company splitting in the Absorption-type Split)

The trade name and address of MCG, the company splitting in the Absorption-type Split, and BCJ-94, the successor company in the Absorption-type Split, are as follows.

(1) Company Splitting in the Absorption-type Split
Trade Name: Mitsubishi Chemical Group Corporation
Address: 1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo

(2) Successor company in Absorption-type Split
Trade Name: K.K. BCJ-94
Address: Palace Bldg. 5F, 1-1-1 Marunouchi, Chiyoda-ku, Tokyo

Article 2 (Absorption-type Split)

MCG shall, in accordance with the provisions of the Agreement, cause BCJ-94 to succeed to the rights and obligations specified in the following Article that MCG holds as of the effective date (defined in Article 6; the same shall apply hereinafter) by means of an Absorption-type Split, and BCJ-94 shall succeed to such rights and obligations.

Article 3 (Rights and Obligations to Be Succeeded)

The rights and obligations to be succeeded by BCJ-94 from MCG through the Absorption-type Split shall be as described in Attachment 1, "Schedule of Succeeding Rights and Obligations."

Article 4 (Cash, etc. to Be Paid at the Time of the Absorption-type Split)

1. Upon the Absorption-type Split, BCJ-94 shall pay to MCG ¥515,261,130,100 in cash as of the effective date as consideration for the rights and obligations to be succeeded to in accordance with the preceding Article.

2. With respect to the consideration described in the preceding paragraph, if the difference calculated in accordance with the formula described in Attachment 2, "Adjustment of Consideration for the Absorption-type Split" (hereinafter referred to as the "Difference") is positive, the absolute value of the Difference shall be increased, and if the Difference is negative, the absolute value of the Difference shall be decreased, and both parties shall settle in a manner separately agreed upon by them.

Article 5 (General Meeting of Shareholders)

Both MCG and BCJ-94 shall obtain approval to the Agreement by a resolution of their respective general meetings of shareholders by the day prior to the effective date of the Agreement.

Article 6 (Effective Date of the Absorption-type Split)

The effective date of the Absorption-type Split (the "Effective Date") shall be July 1, 2025. However, if necessary due to the progress of the procedures for the Absorption-type Split or for any other reason, MCG and BCJ-94 may change this date upon mutual consultation and agreement.

Article 7 (Obligation to Avoid Competition)

Except for matters separately agreed upon by MCG and BCJ-94, MCG shall not be obligated to refrain from competition with respect to the Absorption-type Split.

Article 8 (Modification of Terms and Conditions of the Absorption-type Split and Termination of the Agreement)

If, during the period from the Date of Execution to the day before the Effective Date, there is a significant change in the assets or business condition of either MCG or BCJ-94 due to a natural disaster or any other reason, or in the event that the Company is unable to obtain approval from the relevant authorities, etc. as required by law for the implementation of the Absorption-type Split, or in the event of any other circumstances that would materially hinder the implementation of the Absorption-type Split, MCG and BCJ-94 may, upon consultation and agreement, change the conditions of the Absorption-type Split or other provisions of the Agreement, or terminate the Agreement.

Article 9 (Governing Law and Court of Jurisdiction)

The Agreement shall be governed by the laws of Japan, and the Tokyo District Court shall have exclusive jurisdiction in the first instance over any disputes related to the Agreement.

Article 10 (Agenda)

In addition to the matters stipulated in the Agreement, any other matters not stipulated in the Agreement and any other matters necessary in connection with the Absorption-type Split shall be determined upon consultation and agreement between MCG and BCJ-94 in accordance with the intent of the Agreement.

In witness whereof, MCG and BCJ-94 have signed or affixed their names and seals as follows.

March 28, 2025

MCG: Manabu Chikumoto, Representative Corporate Executive Officer, President and CEO
Mitsubishi Chemical Group Corporation
1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo

BCJ-94: Authorized Signatory John Connaughton
K.K. BCJ-94
Palace Bldg. 5F, 1-1-1 Marunouchi, Chiyoda-ku, Tokyo

Attachment 1

Schedule of Succeeding Rights and Obligations

1. All of the shares of Mitsubishi Tanabe Pharma Corporation ("MTPC") held by MCG.
2. Registered or pending patent and registered trademark rights in the U.S. for Radicava, a treatment for amyotrophic lateral sclerosis (ALS)
   i) The above patent rights shall include any divided, continuing or partially continuing application claiming priority or benefit thereof, any patent in the U.S. in lieu of such patent or application and any patent related to such patent (including, but not limited to, modifications and extensions of such patent by reissue, reexamination, or other post-grant proceedings), and all rights under international treaties for the protection of industrial property rights (including past, present, and future rights to bring suit and claim damages for infringement).
   ii) The above trademark rights shall include all related goodwill and all related registrations and applications for registration (including all rights to bring suit and claim damages for past, present, and future infringement and to claim priority rights under the aforementioned).
3. U.S. new drug application for INN Edaravone (No. 215446)
4. Trust beneficiary interests in land and building located at 2-10 Dosho-machi 3-chome, Chuo-ku, Osaka, where MTPC's head office is located

Attachment 2

Adjustment of Consideration for the Absorption-type Split

The Difference =

+) MTPC's net working capital as of 11:59 p.m. of the last day of the month preceding the month in which the Effective Date falls ("Adjustment Base Time") minus ¥132,963,000,000

−) MTPC's net debt at the time of the Adjustment Base Time minus (−¥5,261,130,100) (If net debt results in a net cash position, the net cash position will be treated as a negative amount of net debt)

−) Radicava EBITDA adjustment (*1)

−) Transaction-related expenses (*2)

*1 The Radicava EBITDA adjustment shall be as follows.

1. ¥0 if the Effective Date falls before July 1, 2025.
2. If the Effective Date falls on or after July 2, 2025, it shall be determined by the following formula. (Net sales of MTPC and its subsidiaries related to INN Edaravone for the period from 11:59 p.m. on June 30, 2025 to the Adjustment Base Time) × 55.2%.

*2 Transaction-related expenses refers to any amount not paid by MCG or MTPC and its subsidiaries prior to the effective date of the Absorption-type Split (excluding amounts included in MTPC's net working capital or net interest-bearing liabilities as of the Adjustment Base Date, and adjusted to reflect the tax effects related to such expenses) with respect to all severance, retention, change of control bonuses or similar payments (including the employer's share of payroll taxes related thereto) that MTPC and its subsidiaries may become obligated to pay or may become obligated to pay in advance in connection with the Absorption-type Split or any related transaction or the effectuation of the Absorption-type Split or any related transaction.

3. Summary of contents stipulated in Article 183 of the Regulations for Enforcement of the Companies Act

(1) Matters concerning reasonableness of consideration for split

Upon the Absorption-type Split, BCJ-94 will pay the Company the consideration for the rights and obligations to be succeeded to through the Absorption-type Split in cash in accordance with the provisions of Article 4 of the Absorption-type Split Agreement mentioned in 2.

In order to ensure fairness and appropriateness in determining the Absorption-type Split, the Company requested its financial advisor, Goldman Sachs Japan Co.,Ltd. (“Goldman Sachs”), to perform a financial analysis of the value of MTPC, and obtained a share valuation report dated March 24, 2025 (the “GS Valuation Report”).

Goldman Sachs is not a related party of Bain Capital, which indirectly owns shares of the Company, MTPC and BCJ-94, and does not have a material interest in the Absorption-type Split.

In the aforementioned GS Valuation Report, Goldman Sachs conducted its analysis using the discounted cash flow method (“DCF Method”). The DCF Method is based on financial projections (the “Financial Projections”) that have been reasonably prepared based on the best projections and judgments currently available to the Company’s management. The range of values of MTPC calculated under the DCF Method is as follows.

	Calculation Result
DCF Method	¥451.8 billion - ¥545.1 billion

Under the DCF Method, Goldman Sachs analyzed the value of MTPC by discounting MTPC’s future free cash flows to present value based on certain assumptions incorporated in the Financial Projections. The Financial Projections used by Goldman Sachs for the DCF Method consists of nine fiscal years, covering the fiscal years ending March 31, 2025 through March 31, 2033. The Financial Projections covering the fiscal years ending March 31, 2025 through March 31, 2033, which Goldman Sachs used in the DCF Method, includes fiscal years in which significant increases or decreases in earning are expected. Specifically, for the fiscal year ending March 31, 2025, we expect to incur approximately ¥15.0 billion in severance payments as a result of the implementation of the voluntary retirement program. Furthermore, in the fiscal years ending March 31, 2030 and 2031, MTPC’s product portfolio is expected to change due to changes in the business environment in one of MTPC’s main product areas, which is expected to reduce profits by approximately 40% from the previous fiscal year on a core operating income basis. In the fiscal year ending March 31, 2032, we expect to increase core operating income by approximately 40% compared to the previous fiscal year due to expanded sales of a Parkinson's disease drug currently under development. The Financial Projections are based on MTPC alone and do not incorporate the synergies expected to be realized from the Absorption-type Split and related transactions, as it is difficult to estimate such synergies in detail at this point in time.

(2) Matters relating to financial statements, etc.

1) Balance sheet as of the date of incorporation of the successor company in absorption-type split

BCJ-94 does not have a final fiscal year because it was formed on January 17, 2025 and its fiscal year is from January 1 to December 31. The balance sheet as of the date of formation of BCJ-94 is as follows

(Unit: Yen)

Assets		Net Assets	
Accounts	Amount	Accounts	Amount
Cash and deposits	10,000	Capital	5,000
		Legal capital surplus	5,000
Total	10,000	Total	10,000

2) Matters related to the disposal of significant assets, incurrence of significant liabilities, or other events that materially affect the status of company assets that occurred after the end of the Company's last fiscal year

i) Year-end dividend

The Company paid a year-end dividend of ¥16 per share, totaling ¥22,793 million, effective June 4, 2024, for fiscal 2023.

ii) Interim dividend

The Company paid an interim dividend of ¥16 per share, totaling ¥22,797 million, effective December 3, 2024, for fiscal 2024.

iii) Acquisition and cancellation of treasury shares

The Company resolved at the Board of Directors held on May 13, 2025 on matters pertaining to the acquisition of treasury shares pursuant to Article 459, paragraph (1) of the Companies Act and Article 40 of the Company's Articles of Incorporation, and at the Corporate Executive Officers Committee held on the same day to cancel the treasury shares pursuant to Article 178 of the Companies Act.

A. Reason for acquisition and cancellation of treasury shares

   Having passed a resolution on matters pertaining to the acquisition of treasury shares in order to strengthen shareholder returns and improve capital efficiency by utilizing the funds obtained from the Absorption-type Split. The Company will cancel all such treasury shares acquired to improve shareholder value over the medium to long term.

B. Contents of the matters pertaining to the acquisition of treasury shares

   a. The class and aggregate number of shares to be acquired: MCG common shares up to 100,000,000 shares
   b. Total acquisition price for shares: Up to ¥50 billion
   c. Acquisition period: May 14, 2025 - May 13, 2026

C. Contents of the matters pertaining to the cancellation of treasury shares

   a. The class and aggregate number of shares to be canceled:
      MCG common shares
      All treasury shares acquired in accordance with "B. Contents of the matters pertaining to the acquisition of treasury shares"
   b. Scheduled date of cancellation: June 30, 2026

Agendum 2. Election of Eight (8) Directors of the Board

The terms of office of all ten Directors will expire at the conclusion of this General Meeting of Shareholders. Based on the decision by the Nominating Committee, the Board of Directors proposes the election of eight Directors.

The candidates for Directors are as described in No. 1 to 8 below.

Candidate No.	Name	Present position and duty at the Company		Skills Matrix						
				Corporate management	Global business	Risk manage-ment	Legal and compliance	Finance	Industry and related business	Technology, science and digital
1	Nobuo Fukuda	Director of the Board, Chairperson	Reelection		●	●			●	
2	Manabu Chikumoto	Director of the Board, Corporate Executive Officer, President and CEO	Reelection	●	●	●			●	
3	Kiyomi Kikuchi	Director of the Board Member of the Nominating Committee, Member of the Audit Committee	Reelection Outside Director Independent Officer		●	●	●			
4	Tatsumi Yamada	Director of the Board Member of the Audit Committee, Member of the Compensation Committee	Reelection Outside Director Independent Officer		●	●		●		
5	Akihiro Eto	Director of the Board Member of the Audit Committee, Member of the Compensation Committee	Reelection Outside Director Independent Officer	●	●	●		●	●	
6	Shuichi Sakamoto	Director of the Board Member of the Nominating Committee	Reelection Outside Director Independent Officer		●	●		●	●	
7	Geoffrey Coates	Director of the Board	Reelection Outside Director Independent Officer		●	●			●	●
8	Seiji Kuraishi		To be newly elected Outside Director Independent Officer	●	●	●			●	

General skills*1: Corporate management*3, Global business, Risk management
Specialty skills*2: Legal and compliance, Finance, Industry and related business, Technology, science and digital

*1 General skills are skills universally required of our directors, and we consider "Global business" and "Risk management" to be common skills required of all directors.
*2 Specialty skills are skills that are required from a medium- to long-term perspective, and are professional skills in which each Director of the Board has particular strengths.
*3 The "Corporate management" category is for individuals who have served as an executive manager (President, CEO, etc.) in a private company of a certain size or larger. Within the Group, it is for individuals who have served as an executive manager (President, CEO, etc.) in the Company or in the Group's major subsidiaries.

MCG has established the "Corporate Governance Guidelines," which set down the constitution of the Board of Directors and the policy on nomination of Director candidates, etc. An overview of the guidelines is as follows.

Constitution of the Board of Directors

In order to formulate the basic management policy of the Group and appropriately supervise management, the Company appoints Directors of the Board from a multifaceted perspective by defining universally required skills as corporate management, global business, and risk management and skills required from a medium- to long-term perspective as legal and compliance, finance, industry and related business, and technology, science and digital.

Furthermore, in a bid to enhance oversight functions, a majority of the Board of Directors shall not concurrently serve as Corporate Executive Officers.

Policy on nomination of Director candidates

The Nominating Committee nominates persons who fulfill the following criteria as candidates for Directors.

– possess deep insight, as well as objective and fair judgment, which are necessary to fulfill the responsibilities of a director of a company with Nominating Committee, etc.
– possess high ethical standards and a law-abiding mind.
– healthy enough to fulfill the responsibilities as a Director.
– secures diversity (including genders and nationalities) among Directors.
– For Outside Directors, fulfill independence standards that are separately stipulated (on page 27 to 28), and be able to secure enough time to execute business.

No. 1 (Reelection)	Nobuo Fukuda	
	Date of birth	December 9, 1958
	Number of the Company's shares held	56,188
	Term of office	2 years
	Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 13/13 (100%) Audit Committee meetings 3/3 (100%)
	Present position and duty at the Company	Director of the Board, Chairperson

[Personal history]

Apr. 1981	Joined Mitsubishi Chemical Industries Limited
Apr. 2019	Representative Director, Director of the Board, Managing Executive Officer of Mitsubishi Chemical Corporation
Apr. 2022	Representative Corporate Executive Officer and Executive Vice President of Mitsubishi Chemical Holdings Corporation Representative Director, Director of the Board of Mitsubishi Chemical Corporation
Jun. 2023	Director of the Board of Mitsubishi Chemical Group Corporation
Jun. 2024	Director of the Board, Chairperson of Mitsubishi Chemical Group Corporation (to present)

[Significant concurrent positions]

Director of the Board of Mitsubishi Chemical Corporation

[Reason for choosing as candidate for Director and expected roles, etc.]

Nobuo Fukuda has a wealth of experience and deep insight across various facets of the Group's operations, having worked in the business and manufacturing divisions of the Company and Group's chemical business. As an internal Director not engaged in business execution, he fully fulfills his responsibilities by supervising overall management and making useful suggestions drawing on his wealth of experience. As he is expected to continue making contributions to establishing basic management policies and ensuring proper oversight of management by the Board of Directors of MCG through such initiatives, the Board of Directors requests that he be reelected as proposed.

No. 2

(Reelection)

Manabu Chikumoto	
Date of birth	June 26, 1964
Number of the Company's shares held	96,754
Term of office	1 year
Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 9/9 (100%)
Present position and duty at the Company	Director of the Board, Corporate Executive Officer, President and CEO

[Personal history]

Apr. 1988	Joined Mitsubishi Chemical Industries Limited
Apr. 2018	Executive Officer of Mitsubishi Chemical Holdings Corporation
Apr. 2022	Division General Manager of Carbon Chemicals Div., Basic Materials Domain of Mitsubishi Chemical Corporation
Apr. 2023	Executive Vice President of Mitsubishi Chemical Group Corporation
Apr. 2024	Corporate Executive Officer, President and CEO of Mitsubishi Chemical Group Corporation (to present)
Jun. 2024	Director of the Board of Mitsubishi Chemical Group Corporation (to present)

[Significant concurrent positions]

Director of the Board, President and CEO of Mitsubishi Chemical Corporation

[Reason for choosing as candidate for Director and expected roles, etc.]

Manabu Chikumoto has a wealth of experience and deep insight across various facets of the Group's operations, having been involved in the Group's petrochemical sector of the business and management. Since assuming the role of President and CEO in April 2024, he has overseen the management of the entire group and has fully fulfilled his responsibilities by providing sufficient explanations of important management issues at the Board of Directors meetings and striving to improve the effectiveness of the decision-making and supervisory functions of the Board of Directors. As he is expected to continue making contributions to establishing basic management policies and ensuring proper oversight of management by the Board of Directors of MCG through such initiatives, the Board of Directors requests that he be reelected as proposed.

No. 3 (Reelection) Outside Director Independent Officer	Kiyomi Kikuchi	
	Date of birth	February 2, 1963
	Number of the Company's shares held	3,625
	Term of office	6 years
	Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 13/13 (100%) Nominating Committee meetings 16/16 (100%) Audit Committee meetings 13/13 (100%)
	Present position and duty at the Company	Director of the Board, Member of the Nominating Committee, Member of the Audit Committee

[Personal history]

Apr. 1986	Joined The Dai-Ichi Kangyo Bank, Limited	Oct. 2003	Asahi Law Offices
Apr. 1999	Registered as a lawyer Asahi Law Offices	Sep. 2004	Taiyo Law Office
Sep. 2002	Allen & Overy LLP (London)	Sep. 2006	JPMorgan Securities Japan Co., Ltd.
May 2003	Admitted to the bar of the State of New York	Apr. 2008	TMI Associates (to present)
		Jun. 2019	Outside Director of Mitsubishi Chemical Holdings Corporation (to present)

[Significant concurrent positions]

Lawyer of TMI Associates, External Auditor of Nissay Asset Management Corporation
(Scheduled to be appointed as Outside Director of SMBC Nikko Securities Inc. on June 16, 2025)
(Scheduled to be appointed as Outside Director of Hitachi Construction Machinery Co., Ltd. on June 23, 2025)
(Scheduled to resign position as External Auditor of Nissay Asset Management Corporation on June 27, 2025)

[Reason for choosing as candidate for Director and expected roles, etc.]

Kiyomi Kikuchi has abundant experience working at financial institutions in addition to her profound insight as a lawyer specialized in corporate legal affairs. As an Outside Director, Chairperson of the Nominating Committee and member of the Audit Committee, she supervises and audits overall management from an independent standpoint and provides useful advice and recommendations from a professional and heightened perspective, thereby fulfilling her responsibilities. As she is expected to continue making contributions to establishing basic management policies and ensuring proper oversight of management by the Board of Directors of MCG through such initiatives, the Board of Directors requests that she be reelected as proposed. While she has not been involved in corporate management except for serving as Outside Director, the Board of Directors believes that she will properly execute her duties as an Outside Director of the Company based on the above reasons.

<table>
<tr><td rowspan="7"></td><td rowspan="7">No. 4
(Reelection)
Outside Director
Independent Officer</td><td colspan="2">Tatsumi Yamada</td></tr>
<tr><td>Date of birth</td><td>June 7, 1953</td></tr>
<tr><td>Number of the Company’s shares held</td><td>19,891</td></tr>
<tr><td>Term of office</td><td>5 years</td></tr>
<tr><td>Attendance at meetings of the Board of Directors, etc.</td><td>Board of Directors meetings
13/13 (100%)
Audit Committee meetings
13/13 (100%)
Compensation Committee meetings
10/10 (100%)</td></tr>
<tr><td>Present position and duty at the Company</td><td>Director of the Board, Member of the Audit Committee, Member of the Compensation Committee</td></tr>
</table>

[Personal history]

Apr. 1976	Joined Sumitomo Corporation
Mar. 1980	Registered as a Certified Public Accountant
Jul. 1993	Chuo Audit Corporation
Apr. 2001	Board member of The International Accounting Standards Board
Sep. 2011	KPMG AZSA LLC
Jan. 2012	Board Member of KPMG AZSA LLC
Feb. 2014	International Integrated Reporting Council Ambassador
Oct. 2014	Trustee of International Valuation Standards Council
Sep. 2015	Specially appointed professor of Faculty of Commerce, Chuo University
Apr. 2016	Member of the Certified Public Accountants and Auditing Oversight Board for FSA
Jun. 2020	Outside Director of Mitsubishi Chemical Holdings Corporation (to present)

[Significant concurrent positions]

Certified Public Accountant, Outside Director (Audit & Supervisory Committee Member) of Nippon Yusen Kabushiki Kaisha, Member of the Public Interest Oversight Board (PIOB) Standard-Setting Boards (SSB) Nominations Committee

[Reason for choosing as candidate for Director and expected roles, etc.]

Tatsumi Yamada has profound insight as an international accounting expert, in addition to abundant experience as a certified public accountant. As an Outside Director, Chairperson of the Audit Committee, and member of the Compensation Committee, he supervises and audits overall management from an independent standpoint and provides useful advice and recommendations from a professional and heightened perspective, thereby fulfilling his responsibilities. As he is expected to continue making contributions to establishing basic management policies and ensuring proper oversight of management by the Board of Directors of MCG through such initiatives, the Board of Directors requests that he be reelected as proposed. While he has not been involved in corporate management except for serving as Outside Director, the Board of Directors believes that he will properly execute his duties as an Outside Director of the Company based on the above reasons.

	No. 5 (Reelection) Outside Director Independent Officer	Akihiro Eto	
		Date of birth	Apr. 7, 1960
		Number of the Company's shares held	1,759
		Term of office	1 year
		Attendance at meetings of the Board of Directors, etc.	Board of Directors meeting 9/9 (100%) Audit Committee meetings 10/10 (100%) Compensation Committee meetings 7/7 (100%)
		Present position and duty at the Company	Director of the Board, Member of the Audit Committee, Member of the Compensation Committee

[Personal history]

Apr. 1986	Joined Bridgestone Corporation
Jul. 2010	Vice President and Officer of Bridgestone Corporation
Sep. 2012	Senior Executive Officer of Bridgestone Corporation
Sep. 2014	Senior Vice President of Bridgestone Corporation
Jan. 2016	Executive Vice President of Bridgestone Corporation
Mar. 2016	Executive Vice President and Executive Officer of Bridgestone Corporation
Jan. 2019	President, COO and Representative Executive Officer of Bridgestone Corporation
Mar. 2019	Member of the Board, President, COO and Representative Executive Officer of Bridgestone Corporation
Jul. 2020	Member of the Board of Bridgestone Corporation
Jun. 2024	Outside Director of Mitsubishi Chemical Group Corporation (to present)

[Significant concurrent positions]

Member of the Supervisory Board of Daimler Truck Holding AG, Member of the Supervisory Board of Daimler Truck AG, Outside Audit & Supervisory Board Member of Panasonic Holdings Corporation

[Reason for choosing as candidate for Director and expected roles, etc.]

Akihiro Eto has abundant experience and profound insight in corporate management and finance, having served successively as a chief financial officer and a president of a listed company with global operational presence. As an Outside Director, and member of the Audit Committee and Compensation Committee, he supervises and audits overall management from an independent standpoint and provides useful advice and recommendations from a heightened perspective as the manager of a global corporation. In addition, as the leader of Independent Outside Directors, he fully fulfills his responsibilities by holding regular discussions with the Chairperson of the Board of Directors and the President and CEO, as well as hosting meetings consisting solely of outside directors where he leads discussions on management supervision and other matters. As he is expected to continue making contributions to establishing basic management policies and ensuring proper oversight of management by the Board of Directors of MCG through such initiatives, the Board of Directors requests that he be reelected as proposed.

No. 6 (Reelection) Outside Director Independent Officer	Shuichi Sakamoto		
	Date of birth	October 13, 1957	
	Number of the Company’s shares held	2,719	
	Term of office	1 year	
	Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 9/9 (100%) Nominating Committee meetings 12/12 (100%)	
	Present position and duty at the Company	Director of the Board, Member of the Nominating Committee	

[Personal history]

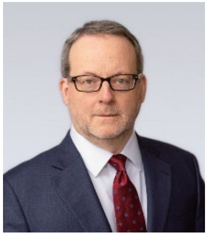
Apr. 1981	Joined Asahi Chemical Industry Co., Ltd.
Apr. 2014	Director and Senior Executive Officer of Asahi Kasei Chemicals Corporation
Nov. 2014	Lead Executive Officer of Asahi Kasei Corp.
Apr. 2016	Senior Executive Officer, CFO of Asahi Kasei Corp.
Jun. 2016	Director, Senior Executive Officer, CFO of Asahi Kasei Corp.
Apr. 2018	Director, Senior Executive Officer in charge of Health Care sector of Asahi Kasei Corp.
Apr. 2019	Director of the Board, Senior Managing Executive Officer of Asahi Kasei Corp.
Apr. 2023	Director of Asahi Kasei Corp.
Jun. 2023	Advisor of Asahi Kasei Corp.
Jun. 2024	Outside Director of Mitsubishi Chemical Group Corporation (to present)

[Significant concurrent positions]

Outside Director (Audit and Supervisory Committee Member) of Takashima & Co., Ltd., Outside Director of NICCA CHEMICAL CO., LTD.

[Reason for choosing as candidate for Director and expected roles, etc.]

Shuichi Sakamoto has abundant experience and profound insight in the chemical business, management strategy, and finance, having served successively as head of the corporate strategy office, chief financial officer, and director, senior managing executive officer of a listed company that operates a diversified chemical business on a global scale. As an Outside Director and member of the Nominating Committee, he supervises overall management from an independent standpoint and provides useful advice and recommendations from a global management perspective and drawing on a high level of expertise in the chemicals business, thereby fully fulfilling his responsibilities. As he is expected to continue making contributions to establishing basic management policies and ensuring proper oversight of management of MCG through such initiatives, the Board of Directors requests that he be reelected as proposed.

	No. 7 (Reelection) Outside Director Independent Officer	Geoffrey Coates	
		Date of birth	October 12, 1966
		Number of the Company's shares held	0
		Term of office	1 year
		Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 9/9 (100%)
		Present position and duty at the Company	Director of the Board

[Personal history]

Jul. 1997	Assistant Professor, Department of Chemistry, Cornell University
Jul. 2001	Associate Professor, Department of Chemistry, Cornell University
Jul. 2002	Professor, Department of Chemistry and Chemical Biology, Cornell University
Jul. 2007	Betty R. Miller Professor, Department of Chemistry and Chemical Biology, Cornell University
Jul. 2008	Tisch University Professor, Department of Chemistry and Chemical Biology, Cornell University (to present)
Jun. 2024	Outside Director of Mitsubishi Chemical Group Corporation (to present)

[Significant concurrent positions]

Tisch University Professor, Department of Chemistry and Chemical Biology, Cornell University, Member of the Board of Intermix Performance Materials, Inc., Member of the Board of Imperion Coatings, Inc.

[Reason for choosing as candidate for Director and expected roles, etc.]

Geoffrey Coates is a university professor in the U.S. and has profound insight as a world authority in the polymer chemistry domain. In addition, he also has abundant experience in business as the founder of several companies. As an Outside Director, he supervises overall management from an independent standpoint and provides useful advice and recommendations from a global perspective and drawing on a high level of expertise in cutting-edge technology, thereby fully fulfilling his responsibilities. As he is expected to continue making contributions to establishing basic management policies and ensuring proper oversight of management by the Board of Directors of MCG through such initiatives, the Board of Directors requests that he be reelected as proposed.

	No. 8 (To be newly elected) Outside Director Independent Officer	Seiji Kuraishi	
		Date of birth	July 10, 1958
		Number of the Company's shares held	0

[Personal history]

Apr. 1982	Joined Honda Motor Co., Ltd.
Jun. 2010	Director of Honda Motor Co., Ltd.
Apr. 2011	Director and Operating Officer of Honda Motor Co., Ltd.
Jun. 2011	Operating Officer of Honda Motor Co., Ltd.
Apr. 2014	Managing Officer of Honda Motor Co., Ltd.
Apr. 2016	Senior Managing Officer of Honda Motor Co., Ltd.
Jun. 2016	Executive Vice President, Executive Officer and Representative Director of Honda Motor Co., Ltd.
Apr. 2017	Chief Operating Officer of Honda Motor Co., Ltd.
Jun. 2017	Executive Vice President and Representative Director of Honda Motor Co., Ltd.
Jun. 2021	Director, Executive Vice President and Representative Executive Officer of Honda Motor Co., Ltd.
Apr. 2022	Chairman and Director of Honda Motor Co., Ltd.
Jun. 2024	Special Advisor to Honda Motor Co., Ltd. (to present)

[Significant concurrent positions]

Special Advisor to Honda Motor Co., Ltd.

[Reason for choosing as candidate for Director and expected roles, etc.]

Seiji Kuraishi has a wealth of experience and deep insight into the overall management of global companies, having served as President, etc. of an overseas subsidiary of a listed company with global operations, and then as Executive Vice President and Representative Director, Chief Operating Officer, Chairman and Director, and Chairperson of the Board of Directors of the listed company. As he is expected to contribute to the formulation of basic management policies and appropriate supervision of management by the Company's Board of Directors, mainly from a global management and corporate governance perspective as an Independent Outside Director, the Board of Directors requests that he be newly elected as proposed.

Notes:

1. There are no special interests between each candidate and MCG.
2. Kiyomi Kikuchi, Tatsumi Yamada, Akihiro Eto, Shuichi Sakamoto, Geoffrey Coates, and Seiji Kuraishi are candidates for Outside Directors. The Company has designated Kiyomi Kikuchi, Tatsumi Yamada, Akihiro Eto, Shuichi Sakamoto, and Geoffrey Coates as independent officers pursuant to the rules and regulations of the Tokyo Stock Exchange, and has notified the stock exchange accordingly. If this proposal is approved and Kiyomi Kikuchi, Tatsumi Yamada, Akihiro Eto, Shuichi Sakamoto, and Geoffrey Coates are inaugurated as Outside Directors, they are expected to continue serving as independent officers. In addition, Seiji Kuraishi meets the requirements for independent officers as stipulated by the Tokyo Stock Exchange, and if his election is approved, the Company plans to designate him as an independent officer. The six candidates for Outside Directors above all meet the "Standards for Independence of Outside Directors" (on following page) stipulated by the Company.
3. For Kiyomi Kikuchi, a lawyer with TMI Associates, with which the MCG Group had a very small amount of business transactions in fiscal 2024, no more than 1% of the firm's revenue or MCG's consolidated net sales, the Company sees no issue with her independence. There is no advisory agreement between TMI Associates and the Group. For Tatsumi Yamada, a specially-appointed professor of the Faculty of Commerce, Chuo University until March 2024, with which the MCG Group had a very small amount of business transactions in fiscal 2024, no more than 1% of the university's income or MCG's consolidated net sales, the Company sees no issue with his independence. For Shuichi Sakamoto, Director of the Board and Senior Managing Executive Officer of Asahi Kasei Corp. until March 2023, with which the MCG Group had a very small amount of business transactions in fiscal 2024, no more than 1% of its consolidated net sales or MCG's consolidated net sales, the Company sees no issue with his independence. For Seiji Kuraishi, Special Advisor to Honda Motor Co., Ltd., with which the MCG Group had a very small amount of business transactions in fiscal 2024, no more than 1% of its consolidated net sales or MCG's consolidated net sales, the Company sees no issue with his independence.
4. The Company has concluded with Kiyomi Kikuchi, Tatsumi Yamada, Akihiro Eto, Shuichi Sakamoto and Geoffrey Coates, an agreement to limit the liability for damages under Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of said Act, and set an upper limit of the liability for damages under said agreement to be the minimum amount of liability for damages set forth in Article 425, paragraph (1) of said Act. If this proposal is approved, the Company will renew the agreement with Kiyomi Kikuchi, Tatsumi Yamada, Akihiro Eto, Shuichi Sakamoto and Geoffrey Coates, and will also conclude the same agreement with Seiji Kuraishi.
5. The Company has arranged a directors and officers liability insurance policy with an insurance company to cover legal damages and expenses, etc. to be borne by the insured. The candidates will be included as the insured of the policy.
6. If this proposal is approved, the Company plans to set up each committee as follows:

   Nominating Committee: Kiyomi Kikuchi, Akihiro Eto, Seiji Kuraishi, Nobuo Fukuda

   Audit Committee: Tatsumi Yamada, Shuichi Sakamoto, Seiji Kuraishi, Nobuo Fukuda

   Compensation Committee: Akihiro Eto, Tatsumi Yamada, Shuichi Sakamoto

Standards for Independence of Outside Directors

The Company shall elect those as Outside Directors who do not fall under any of the following and are capable of overseeing the Company's management from a fair and neutral standpoint, free of a conflict of interest with general shareholders.

1. Related party of the Company

(1) Executive Director, Corporate Executive Officer, Executive Officer, Manager, employee, partner, etc. of the MCG Group (hereinafter referred to as a "person engaged in execution of operation")

(2) A person who has been engaged in execution of operation of the MCG Group in the past 10 years

2. Major shareholder

A person who directly or indirectly holds 10% or more of MCG's total voting rights or a person engaged in execution of operation of a company that directly or indirectly holds 10% or more of MCG's total voting rights

3. Major business partner

(1) A person engaged in execution of operation of a company*1 whose major business partner includes MCG, and Mitsubishi Chemical Corporation, Mitsubishi Tanabe Pharma Corporation and Nippon Sanso Holdings Corporation (hereinafter referred to as "major subsidiaries of the MCG Group")

(2) A person engaged in execution of operation of a major business partner*2 of MCG and major subsidiaries of the MCG Group

4. Accounting Auditor

Accounting Auditor of the MCG Group or an employee thereof

5. Transaction as an individual

A person who receives money and other financial benefits of 10 million yen or more per year from any of MCG and major subsidiaries of the MCG Group

6. Donation

A person who receives a donation or financial assistance of 10 million yen or more per year from any of MCG and major subsidiaries of the MCG Group or a person engaged in execution of operation of a company that receives a donation or financial assistance of 10 million yen or more per year from any of MCG and major subsidiaries of the MCG Group

7. Reciprocal assumption of the position of Director

A person engaged in execution of operation of a company that has elected any of the Directors and employees of the MCG Group as its Director

8. Close relatives, etc.

(1) Spouse, relatives within the second degree of kinship or any person who shares the same livelihood of a person engaged in execution of important operations of the MCG Group (hereinafter referred to as “close relatives”)

(2) Close relatives of any person who meets the definition of items 3 through 7 above

*1 If the said business partner receives from MCG and major subsidiaries of the MCG Group an amount equivalent to 2% or more of its annual consolidated net sales in the latest fiscal year, this company shall be considered as one whose major business partner includes MCG.

*2 If MCG and major subsidiaries of the MCG Group receive from the said business partner an amount equivalent to 2% or more of MCG’s annual consolidated net sales in the latest fiscal year or the said business partner loans to the MCG Group an amount equivalent to 2% or more of MCG’s total consolidated assets, the said business partner shall be considered as a major business partner of MCG.

*3 The party is deemed to fall under the items 3 to 7 when the relevant conditions were met any time in the past three years.

Business Report

(From April 1, 2024 to March 31, 2025)

1. Group Overview of Operation

(1) Business Development and Performance

The Group operates in five segments: Specialty Materials, MMA & Derivatives, Basic Materials & Polymers, Pharma, and Industrial Gases.

With regard to the business environment surrounding our Group, in Japan, the economy recovered gradually due to an increase in capital investment and expansion of inbound demand. In the U.S., the economy continued to grow solidly as the favorable employment climate sustained consumer spending and Europe showed signs of recovery on the back of inflation stabilization and monetary policy. In China, on the other hand, growth slowed due to sluggish real estate market conditions and other factors, and the situation continued to vary by region and industry sector.

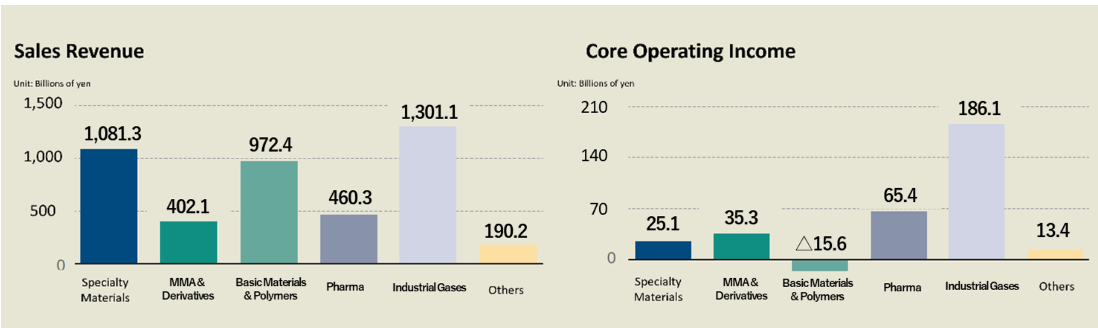
In these circumstances, sales revenue for fiscal 2024 was ¥4,407.4 billion, up ¥20.2 billion compared with a year earlier. Core operating income* increased ¥90.3 billion year on year to ¥298.4 billion and operating income was ¥196.7 billion, a year-on-year drop of ¥65.1 billion.

Net income attributable to owners of parent was ¥45.0 billion, down ¥74.6 billion year on year.

(*) Core operating income is operating income excluding profit/loss arising from extraordinary factors (extraordinary items).

Performance by segments is shown from pages 32 to 34.

Performance Overview by Segment



Notes:

1. MCG Group adopted International Financial Reporting Standard (“IFRS”).
2. Core operating income by segment does not include company-wide expenses not allocated to each segment and inter-segment eliminations.

3. From fiscal 2024, the Company has reclassified the previous five reporting segments of Specialty Materials, Industrial Gases, Health Care, MMA, and Basic Materials, plus Others into the five reporting segments of Specialty Materials, MMA & Derivatives, Basic Materials & Polymers, Pharma, and Industrial Gases, plus Others. In comparisons with the previous fiscal year, figures for fiscal 2023 have been adjusted to reflect the new segment classifications.

Specialty Materials Segment

Principal Businesses: Advanced Films & Polymers
Advanced Solutions
Advanced Composites & Shapes

Sales revenue in this segment increased by ¥37.5 billion year on year to ¥1,081.3 billion, and core operating income amounted to ¥25.1 billion, up ¥17.7 billion year on year.

In Advanced Films & Polymers, despite the impact of the business transfer and withdrawal, sales revenue increased due to the impact of favorable foreign exchange rates, increased sales volume owing to a gradual recovery in demand for display and barrier packaging applications, and efforts to maintain and improve selling prices for various products.

In Advanced Solutions, despite increased sales due to higher demand for semiconductor and display applications, in addition to the impact of favorable foreign exchange rates, sales revenue decreased due to lower sales volume in Europe and the U.S. for EV applications as well as lower sales prices in certain businesses.

In Advanced Composites & Shapes, sales revenue increased due to the effect of acquiring C.P.C. as a wholly owned subsidiary; an upturn in demand for high-performance engineering plastics leading to an increase in sales volume; and the impact of favorable foreign exchange rates.

Despite the impact of impairment losses on production facilities and intangible assets at Gelest, Inc., core operating income in this segment increased due to an upswing in sales volume resulting from a rebound in demand for display, semiconductor, and barrier packaging applications, as well as an improvement in trading margins owing to the maintenance and improvement of the sales prices of various products.

MMA & Derivatives Segment

Principal Businesses: MMA, Coatings & Additives

Sales revenue for the segment totaled ¥402.1 billion, up ¥54.1 billion year on year, while core operating income was ¥35.3 billion, up ¥29.8 billion year on year.

In MMA, despite a decrease in demand for MMA monomer and other products, sales revenue increased due to higher market prices for MMA monomer and other products, as well as the impact of favorable foreign exchange rates.

In Coatings & Additives, sales revenue increased due to a rise in sales volume stemming from a gradual recovery in demand for paints, adhesives, inks, and additive applications, as well as the maintenance and improvement of selling prices.

Core operating income in this segment increased mainly due to improved trading margins resulting from higher market prices for MMA monomer and other products.

Basic Materials & Polymers Segment

Principal Businesses: Materials & Polymers, Carbon

Sales revenue in this segment totaled ¥972.4 billion, a decrease of ¥134.1 billion year on year, while core operating income improved by ¥9.8 billion year on year resulting in a loss of ¥15.6 billion.

In Materials & Polymers, despite higher selling prices due to the impact of foreign exchange rates and higher raw material prices, sales revenue decreased partly owing to the transfer of shares of PT Mitsubishi Chemical Indonesia operating in the purified terephthalic acid business, and a reduction in sales volume caused by declining demand for various products.

In carbon, sales revenue declined due to the transfer of shares of Kansai Coke and Chemicals Co., Ltd. in the coke business, a drop in sales volume brought on by sluggish demand, and lower sales prices of coke as a result of a drop in raw material prices, and other factors.

Despite a deterioration in inventory valuation gains/losses primarily in the carbon business, core operating income in this segment improved mainly due to an increase in the price differential between raw materials and products in polyolefins and other products.

Pharma Segment

Principal Businesses: Pharmaceuticals

Sales revenue for the segment totaled ¥460.3 billion, up ¥23.1 billion year on year, while core operating income was ¥65.4 billion, up ¥9.1 billion year on year.

Despite the impact of NHI drug price revisions and other factors in the domestic prescription drug market together with the effects caused by the increasing penetration of generic drugs, including the elective care scheme, sales revenue and core operating income both rose due to the major success of RADICAVA® Oral Suspension, an amyotrophic lateral sclerosis (ALS) treatment launched in the U.S., and the steady launch of Mounjaro, treatment of type 2 diabetes mellitus, and Govic Aqueous Suspension Injection Syringe, a combination vaccine for five diseases.

Industrial Gases Segment

Principal Businesses: Industrial Gases

Sales revenue in this segment increased by ¥54.2 billion year on year to ¥1,301.1 billion, and core operating income amounted to ¥186.1 billion, up ¥23.1 billion year on year.

Despite a decrease in the sales volume of products other than air separation gases, impacted by domestic business restructuring and weak demand for gases in the U.S., sales revenue increased due to region-based price management and the impact of favorable exchange rates.

Core operating income increased due largely to sales revenue growth, as well as the impact of cost reductions.

Other Segment

Principal Businesses: Engineering, transportation and warehousing

Sales revenue in this segment decreased by ¥14.6 billion year on year to ¥190.2 billion, and core operating income declined by ¥0.2 billion year on year to ¥13.4 billion.

(2) Outstanding Issues

The Purpose of our Group is to lead with innovative solutions to achieve KAITEKI, the well-being of people and the planet. Our Group, which has its roots in the field of chemistry, is required to play a role in realizing a sustainable society by addressing carbon neutrality and the circular economy.

In November last year, we announced our new management policy "KAITEKI Vision 35" and "New Medium-Term Management Plan 2029." Our vision for 2035 is to be a "Green Specialty Company" that continues to provide optimal solutions to social problems and deliver impressive results to customers with the power of materials, and we have articulated our vision of growth in five focused business areas by connecting and leveraging the wide range of resources cultivated to date.

- Stable supply platform for green chemicals: Lead the green transformation of chemical industry globally
- Eco-conscious mobility: Leveraging materials to accelerate the shift to sustainable mobility
- Enable advanced data processing and telecommunications: Supporting the advancement of semiconductor ecosystem
- Food quality preservation: Extending shelf-life of food products to support distributing and processing
- Technology and equipment for new therapeutics: Enabling new therapeutics through high-performance medical-grade materials

In order to realize our vision, turning around our sluggish Chemicals business has become a pressing issue. The "New Medium-Term Management Plan 2029" sets out "Three Criteria for Business Selection" and "Three Principles for Disciplined Business Management," and under these rules, we will achieve portfolio transformation and profit improvement. We will further accelerate the consolidation and divestiture of non-core businesses and increase core operating income through a rigorous pricing policy, disciplined investment in growth, and across-the-board cost reduction and asset optimization.

A keyword in the implementation of these measures in anticipation of 2035 is *Tsunagu* (to connect). By sharing technology and knowledge across organizations and domains and by leveraging diverse perspectives, we will expedite innovation through new ideas. In order to respond promptly to increasingly complex social issues and diverse customer needs, it is essential to have connections with external partners. Through strategic alliances, we will provide optimal solutions to social issues.

In addition to the above, we will also continue to implement rigorous safety management and compliance, conduct the proper management of an internal control system, and bolster group governance.
The Group will address these business challenges with its collective strength and further improve corporate and shareholder value.

[Reference]
For more information on “KAITEKI Vision 35” and “New Medium-Term Management Plan 2029,” please click here.
https://www.mcgc.com/english/group/strategy/index.html

(3) Capital Expenditures

The MCG Group's aggregate capital expenditures for the fiscal year under review stood at ¥339.2 billion yen. The amount by each segment includes the following:

Segment	Capital expenditures	Major facilities completed during the fiscal year under review	Major facilities under construction
Specialty Materials	114.6 billion yen	—	Mitsubishi Chemical Corporation ・Production facility for synthetic quartz powder ・Production facility for anode materials ・Production facility for OPL film C.P.C. Srl (Italy) ・Production facilities for carbon fiber related products Mitsubishi Chemical UK Limited ・Production facility for Soarnol Mitsubishi Polyester Film GmbH (Germany) ・Production facility for polyester film
MMA & Derivatives	23.4 billion yen	—	—
Basic Materials & Polymers	46.8 billion yen	—	—
Pharma	7.9 billion yen	—	—
Industrial Gases	142.4 billion yen	—	Matheson Tri-gas, Inc. (U.S.A.) ・Supply facilities for hydrogen and water vapor ・Supply facilities for hydrogen

Note: Other than the above, there were capital expenditures of ¥4.2 billion in "Others" and "Company-wide (Common)."

(4) Fund Procurement

Item	Balance at April 1, 2024	Balance at March 31, 2025	Change
Borrowings	1,481.8 billion yen	1,433.8 billion yen	Down 48.1 billion yen
Corporate bonds and commercial paper	719.2 billion yen	607.2 billion yen	Down 111.9 billion yen
Total	2,201.0 billion yen	2,041.0 billion yen	Down 160.0 billion yen

(5) Principal Lenders (as of March 31, 2025)

Lenders	Amount Borrowed
Mizuho Bank, Ltd.	378.5 billion yen
MUFG Bank, Ltd.	206.4 billion yen
Mizuho Bank, Ltd. (syndicated loan)	204.0 billion yen

Note: Mizuho Bank, Ltd. (syndicated loan) is a loan from multiple financial institutions with Mizuho Bank, Ltd. as the lead manager.

(6) Significant Business Realignments

- In August 2024, Mitsubishi Chemical Corporation transferred part of the shares of its subsidiary PT Mitsubishi Chemical Indonesia to PT Lintas Citra Pratama.

  (Basic Materials & Polymers Segment)

- In October 2024, Mitsubishi Chemical Corporation transferred all shares of its subsidiary Kansai Coke and Chemicals Co., Ltd. to Kobe Steel, Ltd.

  (Basic Materials & Polymers Segment)

In March 2025, the Company entered into an absorption-type split agreement with K.K. BCJ-94 to transfer all shares and related assets of its subsidiary, Mitsubishi Tanabe Pharma Corporation, to K.K. BCJ-94 on July 1, 2025.

(7) Employees of the MCG Group (as of March 31, 2025)

(a) Status of Employees of the MCG Group

Segment	No. of Employees	Year-on-year Increase/Decrease
Specialty Materials	21,260	Down 554
MMA & Derivatives	3,995	Down 154
Basic Materials & Polymers	6,572	Down 1,080
Pharma	4,490	Down 1,087
Industrial Gases	19,762	Up 222
Others	6,257	Down 274
Company-wide (Common)	922	Down 173
Total	63,258	Down 3,100

Notes:

1. Those employees who are engaged in activities such as basic R&D, which cannot be definitively sorted into any specific segment, are included in Company-wide (Common).
2. Executive Officers are included.
3. Employees loaned to entities outside of the MCG Group are not included.
4. The decrease in the number of employees in the Basic Materials & Polymers segment is attributed mainly to the exclusion of Kansai Coke and Chemicals Co., Ltd. from the scope of consolidation.
5. The decrease in the number of employees in the Pharma segment is attributed mainly to voluntary retirements taken at Mitsubishi Tanabe Pharma Corporation.
6. The decrease in the number of employees in Company-wide (Common) is attributed mainly to changes in a business management structure within the MCG Group.

(b) Status of Employees of MCG

No. of Employees (Year-on-year Change)	Average Age	Average Years of Service
414 (down 87)	47 years and 7 months	19 years and 4 months

Notes:

1. The employees are seconded mainly from MCG's subsidiaries, and their average years of service include the years of service spent at the companies dispatching them as secondee.
2. Executive Officers are included.
3. The decrease in the number of employees is attributed mainly to changes in the business management structure within the MCG Group.

(8) Changes in the Conditions of Assets and Profit/Loss

Category	17th Term (Fiscal 2021)	18th Term (Fiscal 2022)	19th Term (Fiscal 2023)	20th Term (Year under review, Fiscal 2024)
Sales revenue (in billion yen)	3,976.9	4,634.5	4,387.2	4,407.4
Core operating income (in billion yen)	272.3	325.6	208.1	298.4
ROS (%)	6.8	7.0	4.7	6.8
Net income attributable to owners of parent (in billion yen)	177.2	96.5	119.6	45.0
Basic earnings per share (in yen)	124.68	67.85	84.07	31.64
ROE (%)	13.2	6.4	7.2	2.6
Total equity (in billion yen)	1,844.3	1,988.5	2,275.5	2,284.6
Equity attributable to owners of parent per share (in yen)	1,026.03	1,100.27	1,239.61	1,223.01
Total assets (in billion yen)	5,573.9	5,774.3	6,104.5	5,894.6

Notes:

1. MCG has adopted IFRS.
2. ROS has been calculated as follows.
   Core operating income / Sales revenue
3. Basic earnings per share are calculated on the basis of the average aggregate number of issued and outstanding shares during the fiscal year excluding treasury stocks (including the Company's shares held by the board incentive plan (BIP) trust).
4. Equity attributable to owners of parent per share is calculated on the basis of the aggregate number of issued and outstanding shares as of the end of fiscal year excluding treasury stocks (including the Company's shares held by the BIP trust).
5. ROE has been calculated as follows.
   Net income attributable to owners of parent / Equity attributable to owners of parent (Yearly Average)
6. Figures for the relevant major management indicators for the 18th term have been retroactively adjusted to reflect the application of IAS 12 "Income Taxes" (amended in May 2021) from the 19th term.

(9) Status of MCG, Major Subsidiaries and Affiliates (as of March 31, 2025)

(a) MCG

Head Office	1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo

(b) Major Subsidiaries

[Direct Investees]

Company Name	Capital	Equity Investment Ratio of the Company (%)	Principal Business	Location
Mitsubishi Chemical Corporation	53.2 billion yen	100.0	Manufacture and marketing of chemical products	Tokyo
Mitsubishi Tanabe Pharma Corporation	50.0 billion yen	100.0	Manufacture and marketing of pharmaceuticals	Osaka
Nippon Sanso Holdings Corporation	37.3 billion yen	50.6	Management of subsidiaries and manufacture and marketing of industrial gas through group management	Tokyo

[Indirect Investees]

Segment	Company Name	Capital	Equity Investment Ratio of the Company (%)	Principal Business	Location
Specialty Materials	J-Film Corporation	1.2 billion yen	100.0	Manufacture and marketing of plastic films	Tokyo
	Mitsubishi Chemical Aqua Solutions, Co., Ltd.	400 million yen	100.0	Manufacture and sale of water treatment equipment and various chemicals for water treatment	Tokyo
	Mitsubishi Chemical Infratec Co., Ltd.	400 million yen	100.0	Manufacture and marketing of cooling pipe materials, building materials, waterproofing materials, reinforcement materials, logistics materials, functional materials, design materials, and construction materials	Tokyo
	Soarus L.L.C.	200 thousand U.S. dollars	83.9	Marketing of ethylene vinyl alcohol copolymer etc.	U.S.A.
	Mitsubishi Chemical Advanced Materials Inc.	44 million U.S. dollars	100.0	Production of engineering-plastics	U.S.A.
	Mitsubishi Chemical Advanced Materials NV	7 million euros	100.0	Production of engineering-plastics	Belgium

Segment	Company Name	Capital	Equity Investment Ratio of the Company (%)	Principal Business	Location
MMA & Derivatives	Mitsubishi Chemical Methacrylates Ltd.	111 million sterling pounds	100.0	Management of subsidiaries that engage in MMA business	U.K.
Basic Materials & Polymers	Japan Polyethylene Corporation	7.5 billion yen	58.0	Manufacture and marketing of polyethylene	Tokyo
	Japan Polypropylene Corporation	3.8 billion yen	65.0	Manufacture and marketing of polypropylene	Tokyo
Pharma	Mitsubishi Tanabe Pharma Factory Ltd.	1.1 billion yen	100.0	Manufacture and marketing of pharmaceuticals	Osaka
	Mitsubishi Tanabe Pharma America, Inc.	100 U.S. dollars	100.0	Manufacture and marketing of pharmaceuticals	U.S.A.
Industrial Gases	TAIYO NIPPON SANSO CORPORATION	1.5 billion yen	100.0	Manufacture and marketing of industrial gas	Tokyo
	Nippon Gases Euro-holding Sl.	100 million euros	100.0	Management of subsidiaries that engage in the industrial gas business	Spain
	Matheson Tri-gas, Inc.	56 U.S. dollars	100.0	Manufacture and marketing of industrial gas	U.S.A.
Others	Mitsubishi Chemical Engineering Corporation	1.4 billion yen	100.0	Engineering and construction services	Tokyo
	Mitsubishi Chemical Logistics Corporation	1.5 billion yen	100.0	Logistics and warehouse services	Tokyo

(c) Matters Related to Specified Wholly-Owned Subsidiaries

Name of specified wholly-owned subsidiary	Address of specified wholly-owned subsidiary	Total amount of book value as of the end of the fiscal year under review of shares of specified wholly-owned subsidiary owned by MCG
Mitsubishi Chemical Corporation	1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo	432,052 million yen
Mitsubishi Tanabe Pharma Corporation	2-10 Dosho-machi 3-chome, Chuo-ku, Osaka	703,819 million yen

Note: The total amount recorded in the asset section of MCG's balance sheet as of the end of the fiscal year under review is ¥1,972,132 million.

2. Matters Related to Corporate Stocks (as of March 31, 2025)

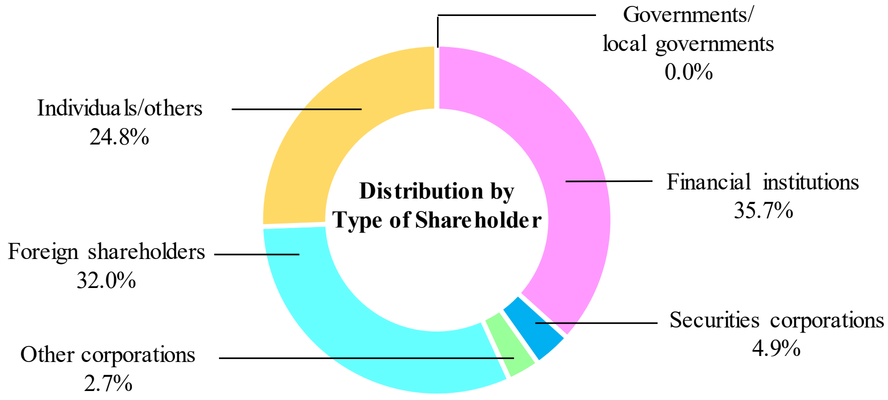
(1) Number of Authorized Shares: 6,000 million

(2) Number of Issued and Outstanding Shares:

1,506.288 million (representing no changes from the previous fiscal year)

(3) Aggregate Number of Shareholders:

293,483 (representing a year-on-year increase of 15,391 shareholders)



(4) Major Shareholders

Name of Shareholders	Equity Investments in MCG	
	No. of Shares Held (thousand)	Equity Investment Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	234,748	16.5
STATE STREET BANK AND TRUST COMPANY 505001	103,914	7.3
Custody Bank of Japan, Ltd. (Trust Account)	91,001	6.4
Meiji Yasuda Life Insurance Company	64,389	4.5
Nippon Life Insurance Company	42,509	3.0
STATE STREET BANK WEST CLIENT - TREATY 505234	28,241	2.0
JPMorgan Securities Japan Co., Ltd.	23,237	1.6
TAIYO LIFE INSURANCE COMPANY	18,838	1.3
JP MORGAN CHASE BANK 385781	18,169	1.3
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	16,545	1.2

Notes:

1. In addition to the above, MCG holds 81.432 million shares as treasury stocks, but these shares are non-voting pursuant to the provisions of Article 308, paragraph (2) of the Companies Act.
2. Equity investment ratios are calculated to the exclusion of the treasury stock (81.432 million shares).

(5) Corporate Stock Issued to Company's Officers during the Fiscal Year Under Review as Consideration for Execution of Duties

Category of officer	Class of stock/number of stocks	Number of persons
Directors (excluding persons concurrently serving as Corporate Executive Officers)	Common stock of the Company 17,535	7
Corporate Executive Officers	Common stock of the Company 215,662	9

3. Matters Related to the Company's Officers

(1) Details of Directors (as of March 31, 2025)

Name	Position and responsibility at the Company	Significant concurrent positions
Nobuo Fukuda	Director of the Board, Chairperson	Representative Director, Director of the Board of Mitsubishi Chemical Corporation
Manabu Chikumoto	Director of the Board President and CEO	
Ken Fujiwara	Director of the Board Member of the Nominating Committee Executive Vice President	Director of the Board of Mitsubishi Chemical Corporation Director of Mitsubishi Tanabe Pharma Corporation
Jin Iida	Director of the Board Member of the Audit Committee	
Chikatomo Hodo	Outside Director of the Board Member of the Nominating Committee Member of the Compensation Committee (Chairperson)	Outside Director of ORIX CORPORATION Outside Director of Konica Minolta, Inc. Outside Director of Mynavi Corporation Outside Director of Sumitomo Mitsui Banking Corporation
Kiyomi Kikuchi	Outside Director of the Board Member of the Nominating Committee (Chairperson) Member of the Audit Committee	Lawyer of TMI Associates External Auditor of Nissay Asset Management Corporation
Tatsumi Yamada	Outside Director of the Board Member of the Audit Committee (Chairperson) Member of the Compensation Committee	Certified Public Accountant Outside Director (Audit & Supervisory Committee Member) of Nippon Yusen Kabushiki Kaisha Member of the Public Interest Oversight Board (PIOB) Standard-Setting Boards (SSB) Nominations Committee
Akihiro Eto	Outside Director of the Board Member of the Audit Committee Member of the Compensation Committee	Member of the Supervisory Board of Daimler Truck Holding AG Member of the Supervisory Board of Daimler Truck AG Outside Audit & Supervisory Board Member of Panasonic Holdings Corporation
Shuichi Sakamoto	Outside Director of the Board Member of the Nominating Committee	Outside Director (Audit and Supervisory Committee Member) of Takashima & Co., Ltd. Outside Director of NICCA CHEMICAL CO., LTD.
Geoffrey Coates	Outside Director of the Board	Tisch University Professor, Department of Chemistry and Chemical Biology, Cornell University Member of the Board of Intermix Performance Materials Member of the Board of Imperion Coatings

Notes:

1. Six Directors, Chikatomo Hodo, Kiyomi Kikuchi, Tatsumi Yamada, Akihiro Eto, Shuichi Sakamoto, and Geoffrey Coates are Outside Directors as prescribed in Article 2, item (xv) of the Companies Act. The Company has designated these six Outside Directors as independent officers pursuant to the rules and regulations of the Tokyo Stock Exchange and notified the Stock Exchange accordingly.
2. Director Tatsumi Yamada has considerable knowledge of finance and accounting, as he is qualified as Certified Public Accountant. Director Akihiro Eto has considerable knowledge of finance and accounting due to serving successively as Chief Financial Officer and President of a listed company.
3. There is no special relationship between other corporations, where the Company's Outside Directors hold concurrent positions and the Company.
4. Director Jin Iida is the full-time member of the Audit Committee. The Company appoints full-time members for the Audit Committee in order to increase the effectiveness of audits by the Committee.
5. In accordance with Article 427, paragraph (1) of the Companies Act, the Company and its Outside Directors have entered into an agreement to limit the liability for damages under Article 423, paragraph (1) of the Act. The maximum limit of damage compensation liability under the agreement is set to the extent of the minimum limit of liability as prescribed in Article 425, paragraph (1) of the Act.
6. The Company has arranged a directors and officers liability insurance policy as prescribed in Article 430-3, paragraph (1) of the Companies Act with an insurance company, where the insured are Directors, Corporate Executive Officers, Corporate Auditors, Executive Officers, etc. of the Company and its named subsidiaries. The premiums are borne in full by the Company and its named subsidiaries, and the policy covers damages and litigation expenses in the event that the insured has incurred liability for damages as result of acts they have performed in the course of their work. However, liability arising from criminal acts or intentional unlawful acts by the insured are not covered.

(2) Main Activities and Attendance at Board of Directors Meetings and Committee Meetings by Outside Officers

Name	Status of activities and summary of duties executed in relation to expected roles	Attendance
Chikatomo Hodo	Drawing on his abundant experience and profound management insight gained through his experience of management at global companies, including management consulting, he oversaw management and provided useful advice and recommendations from an objective and heightened perspective at meetings of the Board of Directors, Nominating Committee, and Compensation Committee. In addition, as chairperson of the Compensation Committee, he fully fulfilled his duties by, among other things, playing a leading role in ensuring the fairness and transparency of the compensation decision-making process for directors and executive officers.	Board of Directors meetings 13/13 (100%) Nominating Committee meetings 16/16 (100%) Compensation Committee meetings 10/10 (100%)
Kiyomi Kikuchi	Drawing on her broad perspective and deep insight gained through her work experience as a lawyer, as well as her advanced expertise in the areas of legal affairs and corporate governance, she oversaw management in an appropriate manner and provided useful advice and recommendations from an objective and heightened perspective at meetings of the Board of Directors, Nominating Committee, and Audit Committee. In addition, as chairperson of the Nominating Committee, she fully fulfilled her duties by, for example, playing a leading role in ensuring the transparency and objectivity of the candidate decision-making process and the CEO Succession Plan	Board of Directors meetings 13/13 (100%) Nominating Committee meetings 16/16 (100%) Audit Committee meetings 13/13 (100%)
Tatsumi Yamada	Drawing on his broad perspective and deep insight gained through his work experience at certified public accountants and auditing firms, as well as his advanced expertise in the areas of international accounting and disclosure, he oversaw management in an appropriate manner and provided useful advice and recommendations from an objective and heightened perspective at meetings of the Board of Directors, Audit Committee, and Compensation Committee. In addition, as chairperson of the Audit Committee, he fully fulfilled his duties by, for example, playing a leading role in ensuring the fairness and transparency of audits and selection of priority audit items.	Board of Directors meetings 13/13 (100%) Audit Committee meetings 13/13 (100%) Compensation Committee meetings 10/10 (100%)

Name	Status of activities and summary of duties executed in relation to expected roles	Attendance
Akihiro Eto	Drawing on his broad perspective and profound corporate management insight gained through his experience of management at listed companies with global operations, he oversaw management in an appropriate manner and provided useful advice and recommendations from an objective and heightened perspective at meetings of the Board of Directors, Audit Committee, and Compensation Committee. In addition, as the leader of Independent Outside Directors, he fully fulfills his responsibilities by holding regular discussions with the Chairperson of the Board of Directors and the President and CEO, as well as hosting meetings consisting solely of Outside Directors where he leads discussions on management supervision and other matters.	Board of Directors meetings 9/9 (100%) Audit Committee meetings 10/10 (100%) Compensation Committee meetings 7/7 (100%)
Shuichi Sakamoto	Drawing on his broad perspective and profound corporate management insight gained through his experience as head of the corporate strategy office and as a Chief Financial Officer, among other roles, at listed companies with global integrated chemical business, he fulfilled his duties by, among other things, overseeing management in an appropriate manner and providing useful advice and recommendations from an objective and heightened perspective at meetings of the Board of Directors and Nominating Committee.	Board of Directors meetings 9/9 (100%) Nominating Committee meetings 12/12 (100%)
Geoffrey Coates	Drawing on his broad and global perspectives cultivated through his work experience as a university professor and entrepreneur of several companies, as well as his high level of expertise in cutting-edge technological fields, he fulfilled his duties by, among other things, overseeing management in an appropriate manner and providing useful advice and recommendations from an objective and heightened perspective at meetings of the Board of Directors.	Board of Directors meetings 9/9 (100%)

(3) Details of Corporate Executive Officers (as of March 31, 2025)

Name	Position	Responsibility at the Company	Significant concurrent positions
Manabu Chikumoto	Representative Corporate Executive Officer President and CEO		
Yasuo Shimodaira	Representative Corporate Executive Officer and Executive Vice President	Basic Materials & Polymers	Representative Director, Director of the Board of Mitsubishi Chemical Corporation Member of the Board of Chairperson of SPDC Ltd. Managing Director of Asahi Kasei Mitsubishi Chemical Ethylene Corporation
Ken Fujiwara	Executive Vice President General Counsel	Legal, Human Resources, Administration, Communication, Public Relation, Corporate Secretary	Director of the Board of Mitsubishi Chemical Corporation Director of Mitsubishi Tanabe Pharma Corporation
Frank Randall (Randy) Queen	Executive Vice President	Specialty Materials	Director of the Board, President of Mitsubishi Chemical America, Inc.
Satoshi Kurokawa	Executive Vice President	MMA & Derivatives	Director of the Board of Mitsubishi Chemical Methacrylates Ltd. (UK)
Akihiro Tsujimura	Executive Vice President	Pharma	Representative Director of Mitsubishi Tanabe Pharma Corporation
Isao Yano	Senior Vice President Chief Compliance Officer	Internal Control and Risk Management, Audit	
Toshiya Katsuragi	Senior Vice President Chief Technology Officer		
Yuji Ichimura	Senior Vice President Chief Digital Officer		

Notes:

1. Corporate Executive Officers Manabu Chikumoto and Ken Fujiwara also serve as Directors as of March 31, 2025.
2. Yasuo Shimodaira, Ken Fujiwara, Frank Randall (Randy) Queen, Satoshi Kurokawa, Akihiro Tsujimura, Toshiya Katsuragi, and Yuji Ichimura retired as Corporate Executive Officers as of April 1, 2025.

[For reference] Details of Corporate Executive Officers (as of April 1, 2025)

Name	Position	Responsibility at the Company	Significant concurrent positions
Manabu Chikumoto	Representative Corporate Executive Officer President and CEO		Director of the Board, President and CEO of Mitsubishi Chemical Corporation
Isao Yano	Representative Corporate Executive Officer Chief Compliance Officer	Legal, Compliance, Administration, Communication, Public Relation, Corporate Secretary	Director of the Board of Mitsubishi Chemical Corporation Director of Mitsubishi Tanabe Pharma Corporation
Ken Araki	Corporate Executive Officer, Chief Transformation Officer	Sustainability, Strategy, ERM, Digital, Business Development	Director of the Board of Mitsubishi Chemical Corporation Director of Mitsubishi Tanabe Pharma Corporation

(4) Aggregate Amount of Remuneration of Company's Officers

i. Aggregate amount of remuneration of officers for fiscal 2024

Category of officer	Aggregate amount of consolidated remuneration, etc. (in million yen)					No. of persons
	Basic remuneration, etc.	Annual bonus	Performance share unit (PSU)	Shares with restriction of transfer (RS)	Total	
Directors (inside)	120 (120)	–	–	8 (8)	128 (128)	4
Directors (outside)	123	–	–	8	131	7
Corporate Executive Officers	585 (585)	311 (304)	49 (49)	196 (196)	1,141 (1,135)	17
Total	828 (828)	311 (304)	49 (49)	211 (211)	1,400 (1,394)	28

Notes:

1. The aggregate amount of remuneration, etc., above is stated as consolidated remuneration, etc. (the sum of remuneration paid or to be paid, or expenses, etc., borne by the Company and its subsidiaries). The amounts in brackets are the sum of remuneration, etc., paid by the Company for Directors (inside) and Corporate Executive Officers. For Outside Directors, the aggregate amount of consolidated remuneration, etc., is paid fully by the Company. Remuneration paid or to be paid, or expenses, etc., borne by overseas subsidiaries in local currencies, which are included in consolidated remuneration, etc., are converted into yen using the average exchange rate during fiscal 2024.
2. MCG remunerates Directors who concurrently serve as Corporate Executive Officers for their services as Corporate Executive Officers.
3. The amounts of basic remuneration, etc. and cash bonus are the sum of remuneration, etc., paid during the fiscal year under review (all monetary remuneration).
4. Annual bonus for Corporate Executive Officers includes the amount paid in June 2024 to Corporate Executive Officers who retired at the end of March 2024.
5. The amount of performance share units (PSU) is the total amount recorded as an expense in fiscal 2024. Under the Company's PSU system, as a rule, stock of the Company is issued in the number calculated every year in proportion to TSR (total shareholder return) of the Company's during a period of three years.
6. The amount of shares with restriction of transfer (RS) is the total amount recorded as an expense in fiscal 2024. Under the Company's RS system, shares with restriction of transfer worth the base value defined by title are issued every year and the restriction of transfer will be removed when an officer retires.
7. Basic remuneration, etc. includes the amounts of fringe benefits for foreign Corporate Executive Officers (expenses for returning to their countries, education expenses for their children, tax adjustments for international transfers, increase in gross fringe benefits, etc.). Furthermore, in the case of foreign Corporate Executive Officers, MCG bears expenses of 13 million yen for housing allowances, medical insurance etc. as fringe benefits, i.e., non-monetary remuneration, in addition to the above remuneration.
8. In addition to the above remuneration, 13 million yen was paid to two of the Corporate Executive Officers who retired on March 31, 2025 based on the contract with each Corporate Executive Officer at the time of their retirement.

ii. Method of calculating performance-linked remuneration related to the fiscal year under review and results of evaluation

a. Annual bonus

Annual bonus paid to Corporate Executive Officers in the fiscal year under review was determined based mainly on the results of the evaluation of the Company's performance in fiscal 2023 (three axes for achieving the Group's Purpose: sustainability axis (Management of Sustainability: MOS); innovation axis (Management of Technology: MOT); and economic efficiency axis (Management of Economics: MOE)) and also individual appraisal (on the achievement of initiative targets under the medium and long-term management plan, leadership status, etc.). The amounts paid were between 76.7% and 98.2% of the base amount.

Individual bonus amount	=	Base amount by title	×	[Company-wide performance evaluation + Individual appraisal] (0-200%)	×	Final evaluation adjustment (80-120%)

Listed below are major indicators, reason of selection, results of evaluation, etc., for the Company-wide performance evaluation for fiscal 2023 (from April 1, 2023 to March 31, 2024).

Major indicators		Reason of selection	% of evaluation
MOS	Safety Indicators	To ensure the safety of employees and other stakeholders	20%
	Indicators for reduction of environmental impact	To achieve carbon neutrality	
	Employee Engagement Indicators	To promote creation of society and workplace where diverse people can work enthusiastically and actively	
MOT	New Product/Service Contribution	To measure the ability to create business through innovation	10%
	Patent competitiveness	To enhance technological edge	
	Digital Maturity	To promote digital transformation (DX)	
MOE	Core operating income	To boost earning power in principal business	70%
	ROE	To aim for sustainable improvement in corporate value	
	ROIC	To increase efficiency with the aim of improving core business profits relative to invested capital	
Results of Company-wide performance evaluation for fiscal 2023 (achievement rate)			80.9%

b. Performance share unit (PSU)

Under the Company's PSU system, common stock of the Company is issued in the number calculated in proportion to growth in the Company's share price (TSR: total shareholder return) during a period of three years. With regard to the fiscal 2022 PSU with fiscal 2024 as the evaluation completion fiscal year (evaluation period: April 2022 to March 2025), the results of the evaluation and the number of shares to be delivered have not been determined as of the time of preparation of this business report (once determined, this information will be disclosed in the annual securities report, among other means).

iii. Activities by the Compensation Committee during the fiscal year under review

The Compensation Committee held 14 meetings between April 2024 and March 2025 to decide remuneration, etc., for Directors and Corporate Executive Officers. Major matters discussed and determined during the fiscal year under review are as outlined below:

- The Committee discussed the evaluation of performance, etc., for fiscal 2023 and determined the amount of performance-linked remuneration to be paid in June 2024.
- The Committee discussed and determined the remuneration base amount and performance targets for performance-linked remuneration for the fiscal year under review including those for newly elected Corporate Executive Officers.
- The number of shares to be delivered to each Corporate Executive Officer was determined in accordance with the share delivery rules concerning shares with restriction of transfer.
- Based on the Compensation Committee's resolution regarding PSUs, the number of base shares for each position under the 2024 Plan was determined.
- Regarding remuneration systems and levels for Directors and Corporate Executive Officers, the Committee compared and reviewed market trends and verified their validity, as well as their compatibility with the "Policy on Deciding Remuneration for Directors and Corporate Executive Officers."
- Through these reviews and discussions, the Committee confirmed that the remuneration systems and levels for Directors and Corporate Executive Officers in fiscal 2024 were appropriate.
- Under the "New Medium-Term Management Plan 2029," MCG has shifted to a new structure in which we, as a holding company, are responsible for formulating strategies for the entire group, optimally allocating management resources, and overseeing business management, while the operating companies under our umbrella are each responsible for their own business management. In line with this change, we have held a number of discussions on the remuneration system to realize our commitment in the Medium-Term Management Plan to strongly link shareholder value to the remuneration structure of the management team and respond to shareholder entrustment with results. In considering the level of compensation, we organized the role of each Corporate Executive Officer under the new management structure, benchmarked remuneration against peer groups (manufacturing companies of similar size), and discussed the suitable remuneration levels for the Company's Corporate Executive Officers. The Committee also discussed the expansion of the performance-linked ratio (annual bonus and PSU) and performance indicators according to roles with the aim of better linking Corporate Executive Officers' remuneration to business and stock price performance, and making it work as a more effective incentive.

- Based on the above discussions, we decided on a new remuneration level and structure for Corporate Executive Officers as well as a performance-linked remuneration system starting from fiscal 2025.
- Regarding the disclosure of remuneration for officers, the Committee discussed its basic policy and specific details.

Validity of remuneration, etc., for officers for the fiscal year under review and approach/response for fiscal 2025 and beyond

The Compensation Committee of the Company discusses how the remuneration plan for Directors and Corporate Executive Officers should be in order to realize the Purpose and makes decisions. When making its decisions, the Committee always ensures a fair and reasonable process that allows it to fulfill its accountability for all stakeholders including shareholders, customers, and employees, and reflects such in disclosures as well.

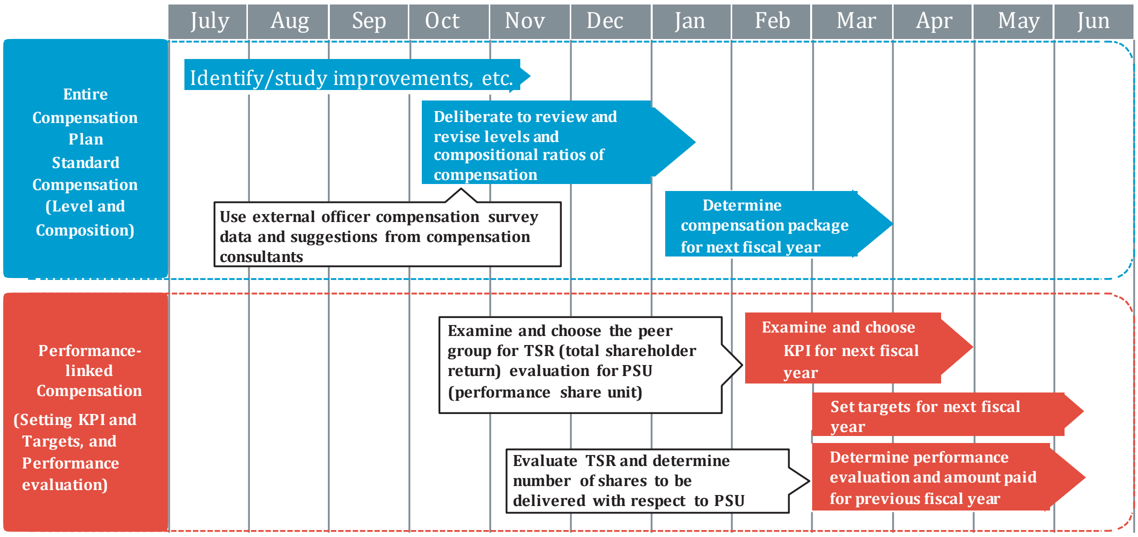
In an effort to carry out this accountability appropriately, the Committee had repeated discussions by reference to objective, expert, and adequate information and in line with the "Policy on Deciding Remuneration for Directors and Corporate Executive Officers," before concluding that the details of individual remuneration, etc., for the fiscal year under review are valid.

In addition, in order to achieve the structure set out in the "New Medium-Term Management Plan 2029" with Manabu Chikumoto as President, the Compensation Committee held a number of discussions regarding a remuneration system appropriate to the roles and responsibilities of the new management team, and set remuneration and other details for fiscal 2025 as fair and reasonable remuneration.

[Reference] Members (constitution), roles, and annual schedule of the Compensation Committee

Constitution	Chairperson (Outside Director): Chikatomo Hodo Members (Outside Directors): Tatsumi Yamada, Akihiro Eto ● The Committee consists of three (3) Outside Directors as of March 31, 2025.
Roles	● The Committee determines the amount of individual remuneration for Directors and Corporate Executive Officers.

Usual annual schedule



(5) Policy on Deciding Remuneration for Directors and Corporate Executive Officers

i. Method of determining the Policy, and revisions

a. Method of determining Policy on Deciding Remuneration for Directors and Corporate Executive Officers

The policy on deciding individual remuneration, etc., for officers of the Company is determined by the Compensation Committee every fiscal year, after reviewing its validity. Changes in business environment, opinion from shareholders and investors are weighed in the Compensation Committee meetings, and information necessary for discussions are obtained from outside remuneration consultants at Towers Watson (WTW), who are replete with global experience and knowledge.

b. Main revisions in Policy on Deciding Remuneration for Directors and Corporate Executive Officers, effective from fiscal 2025

As described in "(4) (iii) Activities by the Compensation Committee during the fiscal year under review" (see page 54 to 55), under the new executive structure, the Company decided to partially revise the remuneration constitution ratio and the details of the performance-linked remuneration system in order to strongly link shareholder value to the remuneration structure of the management team and respond to shareholder entrustment with results.

Item	Before revision	After revision	Aims of revision
Remuneration constitution ratio	Newly established	• Performance-linked remuneration shall account for at least 50% of total remuneration (60% or more for the President), with higher percentages for officers with greater roles and responsibilities. • Stock remuneration has a higher proportion of PSU as compared to RS	• Enhanced incentives for improved business and stock price performance
Annual bonus (evaluation metrics and constitution)	• MOS: MOT: MOE: Individual evaluation ＝15%: 7.5%: 52.5%: 25% • MOE Key Indicators Core operating income, ROE, ROIC, free cash flow, (consolidated financial results of MCG)	• MOS: MOT: MOE: Individual appraisal ＝15%: 7.5%: 62.5%: 15% • MOE Key Indicators Core operating income, ROIC, etc. (Consolidated financial results of MCG and Mitsubishi Chemical Corporation)	• Strengthen incentives to achieve financial performance targets and improve capital efficiency, with Chemicals business as the core
PSU	• Shares to be delivered in accordance with the 3-year TSR valuation: Common stock • TSR peer groups: Domestic and international chemical and health care companies	• Shares to be delivered based on 3-year TSR evaluation: Shares with restriction of transfer (transfer restrictions removed upon retirement) • TSR peer groups: Domestic and international chemical companies	• Strengthen links with long-term shareholder value • Response to the transfer of Mitsubishi Tanabe Pharma Corporation (planned)

*1 Performance share unit (PSU)

*2 RS: Shares with restriction of transfer

ii. Policy on Deciding Remuneration for Directors and Corporate Executive Officers for fiscal 2025

a. Principle of remuneration

Systems for Directors and for Corporate Executive Officers are separate, and remuneration is determined by the Compensation Committee based on the following concepts:

Basic policy on deciding remuneration, etc., for Directors

・ Given their role of overseeing and auditing management of the Company from an independent and objective standpoint, remuneration for Directors shall be mainly consist of basic remuneration (fixed remuneration). In order to encourage supervising and providing advice on management from the viewpoint of shareholders and investors with an eye to enhancing corporate and shareholder value, stock remuneration not linked to performance shall be paid in addition to basic remuneration.

・ In order to secure personnel suitable for executing the responsibilities of Directors of the Company with a Nominating Committee, etc., the level of remuneration shall be determined by considering the levels of other companies, expected roles/functions, hours required to execute their duties, and other factors.

Basic policy on deciding remuneration, etc., for Corporate Executive Officers

・ A remuneration plan shall be the one that makes officers conscious of the integrated practice of the three axes (MOS/MOT/MOE) for realizing the MCG Group's Purpose.
・ A remuneration plan shall be the one that effectively functions as an incentive to enhance short-term and medium and long-term performance and improve sustainable corporate value and shareholder value.
・ The level of remuneration shall be a level competitive enough to acquire and keep good management personnel who lead the sustainable growth of the MCG Group.
・ Remuneration shall be determined through a fair and reasonable decision-making process that can fulfill accountability for all stakeholders including shareholders, customers, and employees.

Basic policy on deciding remuneration, etc., for officers recruited from outside

・ Remuneration, etc., for officers recruited from outside shall be determined on a case-by-case basis, by considering the levels and customs of remuneration expected in the place/country of birth or residence of the officer recruited under the above basic policies.

b. Remuneration system

Directors

Remuneration for Directors shall be consist of basic remuneration (fixed remuneration) and stock remuneration (shares with restriction of transfer). However, the remuneration system for Corporate Executive Officers shall apply to internal Directors who concurrently serve as Corporate Executive Officers.

Corporate Executive Officers

Remuneration for Corporate Executive Officers shall be comprised of the following:

<table>
<tr><th colspan="3">Type of remuneration</th><th>Outline</th></tr>
<tr><td>Fixed</td><td rowspan="2">Short-term / Cash</td><td>Basic remuneration</td><td>・ Basic remuneration is paid for the execution of responsibilities/duties
・ Defined by roles and the size of responsibilities of each Corporate Executive Officer</td></tr>
<tr><td rowspan="3">Variable</td><td>Annual bonus</td><td>・ Each fiscal year, monetary remuneration is paid based on company-wide performance evaluations (evaluations of the three axes for realizing the Group's Purpose) and individual appraisal (on the achievement of initiative targets under the medium and long-term management plan, leadership status, etc.).</td></tr>
<tr><td rowspan="2">Long-term / Stock</td><td>Performance share unit (PSU)</td><td>・ Stocks are issued based on growth in the Company's share price in a period of three years (TSR evaluation*)
(*) In comparison to JPX-Nikkei 400 Index and peer group (domestic or foreign chemical companies with global operational presence)</td></tr>
<tr><td>Shares with restriction of transfer (RS)</td><td>・ Shares with restriction of transfer worth the base value defined by title are issued every fiscal year and the restriction of transfer will be removed when an officer retires</td></tr>
</table>

Note: For foreign national officers, fringe benefits and severance pay may be paid in addition to the above, to the extent appropriate, by considering the levels and customs of remuneration expected in the place/country of birth or residence of the officer recruited.

c. Method of setting the levels / percentage of remuneration

Directors

The levels of remuneration for Directors shall be determined by considering the levels of remuneration for non-executive directors or outside directors at other companies of similar size in domestic sales and market capitalization, roles and functions expected of each Director (the leader of the Independent Outside Directors and Member/Chairperson of the Nominating/Compensation/Audit Committees), and hours required to execute their duties (full-time/part-time classification).

The ratio of stock remuneration to Directors will be set in consideration of the expected roles of each Director and trends at other companies. The ratio of stock remuneration to basic remuneration in fiscal 2025 will be approximately 10% or less.

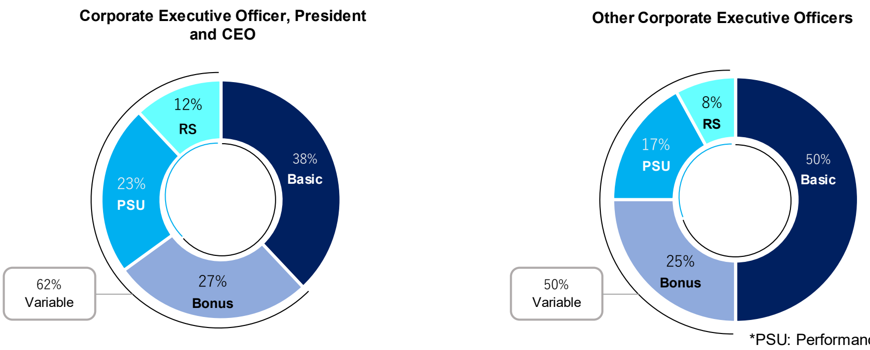
Corporate Executive Officers

Remuneration, etc., for Corporate Executive Officers shall be set at a competitive level with appropriate percentage of remuneration, after comparing the levels of remuneration and performance linkage with peer groups (manufacturing companies of similar size) in Japan (for foreign national officers, however, sales in certain regions shall be considered in order to acquire the talent, such as the place/country of birth or residence of an officer) and market capitalization.

Emphasizing the role of incentives in improving business and stock price performance, the percentage of performance-linked remuneration (annual bonus and PSU base amount) will be set at roughly 50% or more of total remuneration (60% or more for the President). The greater the role and responsibility of executives in terms of performance, the higher the percentage of performance-linked remuneration should be set. Stock remuneration has a higher proportion of PSU as compared to RS

FY2025 Composition of Standard Remuneration for Corporate Executive Officers (Illustration)

[Basic remuneration : bonus : stock remuneration]ratios for FY2025 are set at [1 : 0.7 : 0.9] for Corporate Executive Officer, President and CEO, and for other Corporate Executive Officers as following President and CEO, for the higher title to earn the greater ratio of variable remuneration.



*PSU: Performance share unit
*RS: Shares with restriction of transfer

d. Annual bonus

The amount of individual bonus for Corporate Executive Officers is determined based on company-wide performance evaluation (on the achievement of annual targets in the three axes for realizing the Group's Purpose) and individual appraisal (on the achievement of initiative targets set individually under the medium and long-term management plan, leadership status, etc.).

Individual bonus amount	=	Base amount by title	×	Company-wide performance evaluation + Individual appraisal	×	Final evaluation adjustment
				(0-200%)		(80-120%)

Company-wide performance evaluation (Three axes for realizing the Group's Purpose)	MOS	Selected mainly on the basis of indicators related to the prevention of lost time injuries and security incidents, etc., reduction of greenhouse gas emissions, and improvement of employee engagement.	15.0%
	MOT	Selected mainly on the basis of indicators related to R&D, IP activities, DX, and other efforts to realize the management plan	7.5%
	MOE	Core operating income, ROIC, etc. *In addition to the consolidated results of the Company, the consolidated results of MCG are also evaluated.	62.5%
Individual appraisal		Set individual targets for achievement of goals in the Medium-Term Management Plan and demonstration of leadership, etc.	15.0%

[Company-wide performance evaluation]
Management indicators in each of the three axes (MOS, MOT, MOE) for the realization of the Group's Purpose will be used as direct metrics of bonus evaluation. Specific evaluation metrics are described above.

[Individual appraisal]
For targets for the Corporate Executive Officer, President and CEO, those declared by the Corporate Executive Officer, President and CEO at the beginning of the fiscal year are reviewed and determined by the Compensation Committee and Nominating Committee. As to their evaluation, they are reviewed and determined by the Compensation Committee and Nominating Committee at the end of the fiscal year, based on self-assessment by the Corporate Executive Officer, President and CEO.
For targets and evaluation for Corporate Executive Officers other than the Corporate Executive Officer, President and CEO, they are determined through an interview held between each Corporate Executive Officer and the Corporate Executive Officer, President and CEO, then reviewed and approved by the Compensation Committee and Nominating Committee. In cooperation with the Nominating Committee, the Compensation Committee verifies the fairness and reasonableness of the targets and evaluations for the respective Corporate Executive Officers.

[Final evaluation adjustment]
Only in cases that resulted in notable achievements or significant losses that were unforeseen at the beginning of the fiscal year, the Compensation Committee and Nominating Committee deliberate on the details and the need to take them into consideration, and such details and need will be added to or subtracted from the final evaluation.

e. Performance share unit (PSU)

Under the Company's PSU system, which is intended to make officers conscious of sustainable improvement in corporate value and shareholder value, common stock of the Company is issued every year, in principle, in the number calculated in proportion to growth in the Company's share price (TSR: total shareholder return) during a period of three years. The method of calculating the number of stocks to be issued individually under the Company's PSU system is as follows: Effective from the 2025 Plan, the shares delivered shall be subject to restrictions on transfer, and the period of restriction on transfer shall be the period from the date of delivery of the shares to the date of retirement from the position of Director or Corporate Executive Officer, etc. of the Company or its wholly owned domestic subsidiary.

[TSR Evaluation Period]

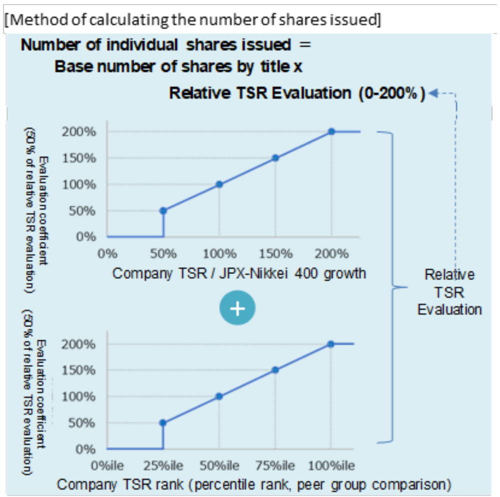
TSR evaluation period for the FY2025 Plan will be from FY2025 to FY2027.

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
FY 2025 PSU	TSR Evaluation Period			Stock issuance		
FY 2026 PSU		TSR Evaluation Period			Stock issuance	
FY 2027 PSU			TSR Evaluation Period			Stock issuance

[TSR Evaluation Category]

The Company TSR is compared to the index growth and the peer group TSR.

Category of evaluation	% of evaluation	Method of evaluation
Index growth comparison	50%	The coefficient of evaluation is determined by whether the Company TSR is better/worse than JPX-Nikkei 400 Index (including dividends) growth.
Peer group TSR comparison	50%	The coefficient of evaluation is determined by the rank of the Company TSR in the peer group (domestic or foreign chemical/health care companies of similar size to the Company in domestic sales and market capital).



f. Stock remuneration with restriction of transfer (RS)

Each year, the Company shall deliver shares of the Company's common stock equivalent to the base amount determined by position or office in accordance with the share delivery rules concerning stock remuneration with restriction of transfer to the Director and Corporate Executive Officer. In order to share shareholder value and increase the share price over the medium to long term, the restricted transfer period shall be the period from the date of delivery of shares to the date of retirement as the Director or Corporate Executive Officer of the Company or its wholly owned domestic subsidiary.

g. Remuneration clawback and other important matters

The Company may use other special remuneration and benefits, where necessary, after a case-by-case review by the Compensation Committee. In addition, in the event of subsequent revisions to financial statements due to material accounting errors, etc. or, if any gross misconduct/violation, etc., is found with a Director or a Corporate Executive Officer, the Company may make a claim for seizing one's right to receive remuneration ("malus clause") or getting back one's remuneration ("clawback clause") against this Director or Corporate Executive Officer through a review by the Compensation Committee.

4. Matters Related to Accounting Auditor

(1) Name

Ernst & Young ShinNihon LLC

(2) Amount of Remuneration, etc.

	Amount Paid (in million yen)
(i) Amount of audit remuneration to be paid by MCG to the Accounting Auditor	138
(ii) Sum total of money and other financial benefits to be paid by MCG and its subsidiaries to the Accounting Auditor	884

Notes:

1. As the amount of remuneration under the Companies Act and the amount of remuneration under the Financial Instruments and Exchange Act are not distinguished in the audit agreement between MCG and the Accounting Auditor, a sum total of these amounts is reported in (i) above.
2. The Audit Committee checked the details of the audit plans of the Accounting Auditor, execution status of duties of accounting audits, calculation basis for remuneration estimates and reviewed their validity before approving of the amount of remuneration for the Accounting Auditor.

(3) Content of Non-auditing Affairs

With respect to services that are not stipulated in Article 2, paragraph (1) of the Certified Public Accountants Act (services other than audit attest services), MCG asks the Accounting Auditor to provide training support services.

(4) Policy on Decision to Dismiss or Not Reappoint Accounting Auditor

If the Accounting Auditor is deemed to fall under any of the items prescribed in Article 340, paragraph (1) of the Companies Act, the Audit Committee will dismiss the Accounting Auditor subject to the unanimous consent of all members.

In addition, if the Accounting Auditor is deemed to be incapable of performing the audit service in a proper manner, MCG will, based on the resolution of the Audit Committee, propose at the General Shareholders' Meeting that the Accounting Auditor should be dismissed or not be reappointed.

(5) Status of Audit of Financial Statements of MCG's Subsidiaries by Certified Public Accountants or Audit Corporations other than the Accounting Auditor

Of MCG's major subsidiaries, the overseas subsidiaries are audited by certified public accountants or audit corporations (including those locally certified) other than the Accounting Auditor, within the scope of the provisions of the Companies Act or the Financial Instruments and Exchange Act (or similar foreign laws and regulations).

5. Policy on Decisions on Appropriation of Retained Earnings, etc.

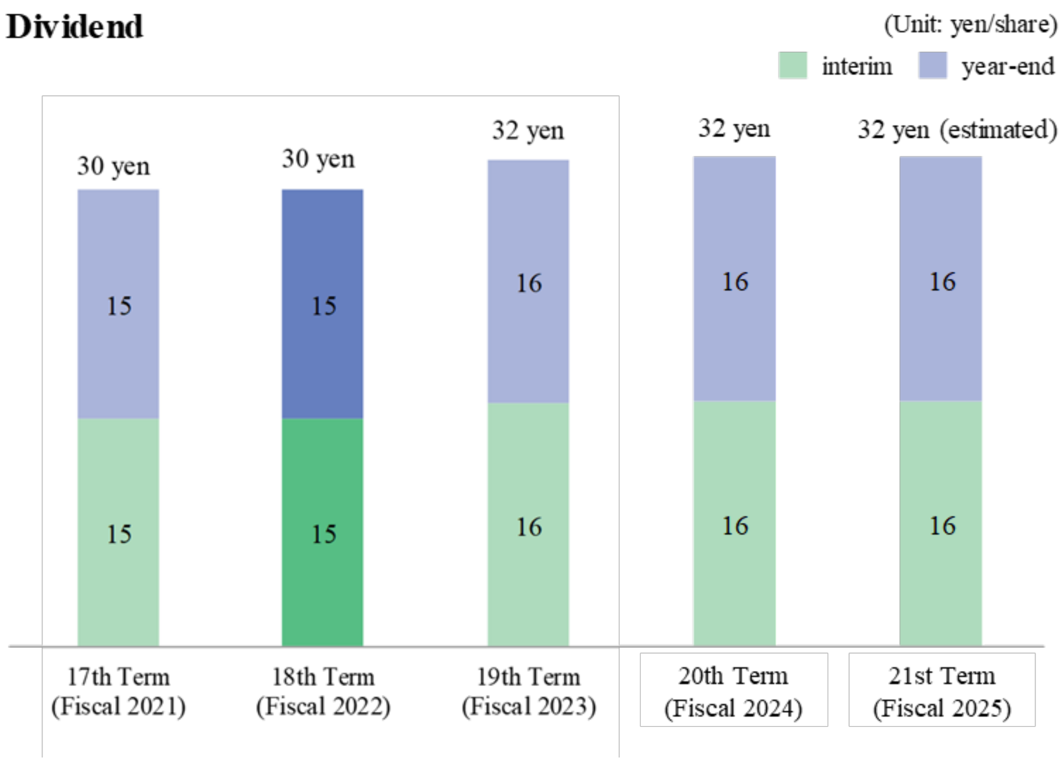
(1) Medium- to Long-term Policy

MCG's basic policy for shareholder returns is to enhance its shareholder value by increasing corporate value. While keeping an eye on increasing retained earnings that will fund its future business activities, MCG will aim to increase dividends in line with profit growth, with a target payout ratio of 35% in the "New Medium-Term Management Plan 2029."

(2) Factors Affecting the Dividend Distribution for the Fiscal Year under Review

After comprehensively considering the policy in (1) above as well as business development going forward, the Company set the year-end dividend at ¥16 per common share of the Company.

Moreover, as the Company has already paid an interim dividend of ¥16 per share, the annual dividend will be ¥32 per share, and the consolidated dividend payout ratio for the fiscal year under review will be 101.2%.



Matters Related to Stock Acquisition Rights

(1) Overview of Stock Acquisition Rights Held by MCG's Officers (as of March 31, 2025)

Date of resolution for issue	Amount Paid in per Stock Acquisition Right	Exercise Period	Status of Stock Acquisition Rights Held by Officers	Type and number of stock as objects
July 1, 2016	Gratis	From July 20, 2016 to July 19, 2036	Director of the Board (excluding Outside Directors and including Corporate Executive Officers) 1 person 210 units	10,500 shares of MCG's common stock
July 10, 2017	Gratis	From July 26, 2017 to July 25, 2037	Director of the Board (excluding Outside Directors and including Corporate Executive Officers) 1 person 210 units	10,500 shares of MCG's common stock
July 9, 2018	¥41,700	From July 25, 2018 to July 24, 2038	Director of the Board (excluding Outside Directors and including Corporate Executive Officers) 1 person 144 units	7,200 shares of MCG's common stock

Notes:

1. The number of stocks as object of the aforementioned stock acquisition rights is 50 per stock acquisition right. However, if MCG's common stocks are split, the number of stocks per stock acquisition right will be adjusted.
2. The value of assets to be invested on the occasion of exercise of the aforementioned stock acquisition rights would be ¥1 per share.
3. In principle, the grantees may exercise the aforementioned stock acquisition rights only if they lose all of their positions as Director, Corporate Executive Officer, Corporate Auditor, or Executive Officer of MCG and its subsidiaries during the respective Exercise Periods.
4. MCG does not issue any stock acquisition rights to its Outside Director in compensation for performance of their duties.
5. The above table includes stock acquisition rights issued to the Company's Officers as remuneration for the execution of their duties as Executive Officers prior to their appointment as Officers.

(2) Stock Acquisition Rights Issued for Executive Officers, etc. during the Fiscal Year under Review

No stock acquisition rights issued for Executive Officers, etc. during the fiscal year under review.

(3) Aggregate Number of Stock Acquisition Rights (as of March 31, 2025)

The aggregate number of stock acquisition rights issued by MCG and the type and the number of stock as objects of stock acquisition right as of the end of the fiscal year under review are as follows.

a. Stock acquisition rights issued for Officers and Executive Officers, etc. of MCG:

Aggregate number	4,030 units	
Type and number of stock as objects	Common stock of the Company	201,500

System to Ensure that the Company Operates in an Appropriate Manner and Overview of its Implementation

(1) System to Ensure that the Company Operates in an Appropriate Manner

The Company's basic policy on development of systems for assuring the operational legitimacy for which the Board of Directors has passed a resolution is as follows.

1) System required for execution of duties of the Audit Committee

i) Management shall set the Office of Audit Committee as a body to assist the Audit Committee's duties and have it assist in auditing based on the instructions thereof. The appointment (transfer, evaluation, etc.) of employees of the Office of Audit Committee and the development of the budget of the Office of Audit Committee shall be subject to approval of the Audit Committee.

ii) Pursuant to regulations such as the Audit Standard of the Audit Committee, Directors, Corporate Executive Officers, and employees shall inform the Audit Committee of any important management matters to MCG and a corporate group with MCG as a parent company under the Companies Act ("MCG Group") (including any fact or fraudulent act that might do material harm to MCG or any important fact in violation of laws, regulations or Articles of Incorporation).

iii) Management stipulates that any Director, Corporate Executive Officer, Corporate Auditor, or employee of the MCG Group who has made a report to the Audit Committee shall not be treated unfavorably because of the report.

iv) Of expenses incurred by the Audit Committee or members of the Audit Committee, those deemed necessary for the execution of their duties shall be borne by MCG.

v) In order to ensure that Audit Committee's audits are conducted in an effective manner, Management shall appoint full-time members of the Audit Committee as well as facilitate the Audit Committee's regular meetings with senior executives, including the President, and coordination and information exchange between the Audit Committee and the Internal Audit Office.

2) System for ensuring that Corporate Executive Officers execute their duties efficiently

i) Except matters that significantly affect the MCG Group's portfolio management and matters to be resolved by the Board of Directors as required by law (basic management policy, etc.), the Board of Directors allows Corporate Executive Officers to make swift decisions by delegating all the business execution decisions to them in principle.

ii) To make decisions on business execution delegated to Corporate Executive Officers, Management shall develop a system in which the MCG Group's decisions and execution of business are made properly and efficiently by setting a rule that the MCG Group's important management matters are deliberated and decided at the Corporate Executive Officers Committee, and by defining the authority of responsible Corporate Executive Officers, responsibilities of each department, and authority assigned to subsidiaries on other matters.

iii) Corporate Executive Officers shall conduct management administration of subsidiaries in accordance with the basic management policy formulated by the Board of Directors (the Group's medium-term management plan, annual budgets, etc.) in an effort to achieve them. In addition, Corporate Executive Officers shall develop a system in which important management matters of subsidiaries are reported to the Company through the Corporate Executive Officers Committee and medium-term management plans, annual budget control, etc.

3) System for ensuring that Corporate Executive Officers' and employees' execution of their duties conform to laws, regulations, and Articles of Incorporation

i) The MCG Group shall treat the Group Charter of Corporate Behavior as the basic regulations on compliance matters within the MCG Group.

ii) Management shall develop, properly operate and manage internal control systems in order to ensure the reliability of financial reporting.

iii) In accordance with the Group Compliance Promotion Regulations and other relevant rules and regulations, Management shall develop a promoting framework for compliance, training and education programs, audit/monitoring systems, hotlines, and other compliance promotion programs of the MCG Group and properly operate and manage these programs by appointing a Corporate Executive Officer in charge of compliance promotion (Chief Compliance Officer).

4) Regulations, structure and systems for managing risks of loss

Corporate Executive Officer, President and CEO shall be the Chief Risk Management Officer. In accordance with the Group's Basic Regulations on Risk Management and other relevant rules and regulations, the Corporate Executive Officer, President and CEO shall be responsible for preventing serious risks from occurring in connection with or arising from the MCG Group's business activities, and for developing, properly operating and managing risk management systems for minimizing damage if any risk occurs.

5) System for preserving and managing information related to Corporate Executive Officers' execution of their duties

In accordance with the Information Security Policy, Information Management Rules, and other relevant rules and regulations of the MCG Group, Management shall preserve and manage the minutes of the Corporate Executive Officers Committee, approval documents, and other documents and electromagnetic records related to Corporate Executive Officers' execution of their duties and develop a system that allows Corporate Executive Officers and Directors to inspect them.

6) System for assuring operational legitimacy within the corporate group

In accordance with the above policy and the Group's Management Regulations and other relevant rules and regulations, Management shall implement the management of the MCG Group (management of business objectives, reporting and approval of important matters and the Group's internal audits, etc.) and ensure operational legitimacy within the MCG Group by sharing the Group's internal control policies and systems covering compliance and risk management within the MCG Group.

(2) Overview of Implementation of System to Ensure that the Company Operates in an Appropriate Manner

In accordance with the above basic policy to develop a system to ensure that the Company operates in an appropriate manner, the Company has strived for the development of the system and its appropriate implementation. The overview of the implementation of the system to ensure operational legitimacy during the fiscal year under review is as follows.

1) System required for execution of duties of the Audit Committee

– Directors, executive officers and employees report important management matters to the Audit Committee and circulate important approval documents to the Audit Committee in accordance with the "Audit Committee Auditing Standards."
– The President and CEO, Chief Compliance Officer, Corporate Executive Officers and executives actively exchange opinions with the Audit Committee members, as well as having them at the Corporate Executive Officers Committee and other important meetings.
– An audit committee hotline was set up as a whistleblower contact independent of the Business execution line, and it was stipulated in operation that any directors / executive officers/ executive directors/ employees who reported to the Audit Committee including via this hotline would not be treated unfavorably because of the report.
– The Audit Committee is working more closely with the Audit Division, Internal Control Division, ERM Division, and the Accounting Auditor by receiving regular reports from

them, and also working with the auditors of Group companies to enhance the effectiveness of audits.
– With the prior consent of the Audit Committee, a secretariat has been assigned to assist the Audit Committee in its duties.

2) System for ensuring that Corporate Executive Officers execute their duties efficiently
– The Board of Directors delegated business execution decisions to the Corporate Executive Officers, enabling them to make swift and appropriate decisions.
– Corporate Executive Officers deliberate and decide important matters of the Group at the Corporate Executive Officers Committee Meetings.
– As a new management policy for the MCG Group, we have formulated "KAITEKI Vision 35" and "New Medium-Term Management Plan 2029" to realize this vision.
– "KAITEKI Vision 35" sets out "Five Focused Business Areas," "Three Criteria for Business Selection," and "Three Principles for Disciplined Business Management," based on which the company will achieve portfolio transformation and profit improvement.
– Standardization of operations and streamlining of costs through unification of ERP (Enterprise Resource Planning) were promoted, and the effectiveness targets for fiscal 2029 (compared to fiscal 2024) were set at: reduction of annual fixed costs - approx. ¥50.0 billion, and reduction of working capital - approx. ¥50.0 billion.
– The President and CEO, Corporate Executive Officers, Executive Officers, and executives communicated, as necessary, the status of management and policies related to management. Through these measures, the Company promoted mutual understandings between management and employees, and shared the direction the Company was aiming for.

3) System for ensuring that Corporate Executive Officers' and employees' execution of their duties conform to laws, regulations, and Articles of Incorporation
– In addition to the Group Charter of Corporate Behavior and implementation of various policies on the global basis, the President and CEO, Corporate Executive Officers, and Executive Officers are continuing activities to communicate the policies for ensuring safety, preventing harassment, and ensuring compliance to the front line of the organization through direct dialogue and Tone from the top.
– The President and CEO / Chief Compliance Officer (CCO) receive periodic reports on the status of compliance and other matters to keep their track.
– Reports the status of compliance and other matters, as necessary, to the Board of Directors, Corporate Executive Officers Committee Meetings, and Compliance Promotion Meetings.

– Designs the Compliance Promotion System, and operates a group-wide compliance promotion program.
– Develops a culture of speaking up through in-house compliance awareness-raising and education.
– In accordance with the standards for the evaluation of internal controls to ensure the reliability of financial reporting, confirmed that internal controls were effective by performing an evaluation of the status of the design/ operation of internal controls.

4) Regulations, structure and systems for managing risks of loss
– Based on the ERM (Enterprise Risk Management) related regulations, conducts centralized risk management activities as a group.
– The ERM Committee, chaired by the President and CEO and composed of Corporate Executive Officers, identified the selection of material risks and matters to be prioritized to monitor the status of risk management implementation.
– Builds a mechanism for assessing opportunities and threats in strategic risks and reflects them in management decisions, and strengthens the function of collecting information on economic security and geopolitical risks.

5) System for preserving and managing information related to Corporate Executive Officers' execution of their duties
– The agenda items and deliberation results of the Board of Directors Meetings and Corporate Executive Officers Committee Meetings are shared with Directors, Corporate Executive Officers, and Executive Officers in a timely manner through the use of databases and other means.
– Appropriately manages information assets based on Information Asset Management Rules and Information Management Guidelines.
– Formulate countermeasures against cyber risks, information leakage, and unauthorized acquisition of information, and periodically monitor and review the implementation status on an ongoing basis.
– With regard to information security education, conducting various training and drills on an ongoing basis under the Group-wide education system.

6) System for assuring operational legitimacy within the corporate group
– Promoted employee understanding and implementation of new management policies (KAITEKI Vision 35 and New Medium-Term Management Plan 2029).

– Monitored the progress and effectiveness of profit management and cost reduction activities for each group organization’s annual goals.

– In order to improve its financial position, monitored working capital and strived to reduce working capital.

–Further enhanced tax governance, strengthened tax compliance, and properly managed tax risks.

– Continued to monitor overall status of the MCG Group’s internal control.

– Designed systems to manage risks appropriately according to the actual business conditions and operational structure in each region.

– Appropriately operated the reporting system for compliance violation cases to the CCO.

– In order to prevent compliance violations, continuously carries out awareness and education activities for employees.

– With regard to the whistleblower systems, continues to operate the integrated system including Mitsubishi Chemical Corporation, and Mitsubishi Tanabe Pharma Corporation.

Basic Policy on Control of the Company

We have not specifically written down a basic policy on the modality of the persons exerting controlling influences over the Company's financial and management policy decisions, but are pleased to present our basic ideas below.

We believe that we will be able to live up to the expectations of our shareholders by running the MCG Group in a highly efficient and transparent manner, by bolstering our competitive edge and earning capabilities through optimal allocation of management resources and ultimately by enhancing our Group's corporate value.

Although we have not introduced the so-called "takeover defense" measures, we do stand ready to take whatever measures we consider appropriate if we detect a company is attempting to make a massive purchase of MCG's shares that might harm the MCG Group's corporate value or undermine the common interests of our shareholders.

MITSUBISHI CHEMICAL GROUP CORPORATION

Consolidated Statement of Profit or Loss

20th Fiscal Year (Year ended March 31, 2025)

Unit: Millions of yen

Sales revenue	4,407,405
Cost of sales	(3,127,811)
Gross profit	1,279,594
Selling, general and administrative expenses	(970,021)
Other income	48,392
Other expenses	(169,338)
Equity income	8,067
Operating income	196,694
Financial income	8,988
Financial expenses	(54,987)
Earnings before taxes	150,695
Income taxes	(45,059)
Net income	105,636
Net income attributable to	
Owners of the parent	45,020
Non-controlling interests	60,616

MITSUBISHI CHEMICAL GROUP CORPORATION

Consolidated Statement of Financial Position

20th Fiscal Year (As of March 31, 2025)

Unit: Millions of yen

Assets	
Current assets:	
Cash and cash equivalents	326,144
Trade receivables	764,814
Inventories	759,423
Other financial assets	66,103
Other current assets	128,973
Subtotal	2,045,457
Assets held for sales	16,103
Total current assets	2,061,560
Non-current assets	
Property, plant and equipment	2,004,447
Goodwill	827,604
Intangible assets	442,039
Investments accounted for using the equity method	166,753
Other financial assets	203,645
Other non-current assets	70,324
Deferred tax assets	118,247
Total non-current assets	3,833,059
Total assets	5,894,619

MITSUBISHI CHEMICAL GROUP CORPORATION

Consolidated Statement of Financial Position (continued)

20th Fiscal Year (As of March 31, 2025)

Unit: Millions of yen

Liabilities and Equity	
Liabilities	
Current liabilities:	
Trade payables	424,635
Bonds and borrowings	428,067
Income tax payable	39,441
Other financial liabilities	351,480
Provisions	38,227
Other current liabilities	217,563
Subtotal	1,499,413
Liabilities directly associated with assets held for sales	745
Total current liabilities	1,500,158
Non-current liabilities	
Bonds and borrowings	1,612,920
Other financial liabilities	135,356
Retirement benefit liabilities	99,050
Provisions	25,160
Other non-current liabilities	37,287
Deferred tax liabilities	200,119
Total non-current liabilities	2,109,892
Total liabilities	3,610,050
Equity	
Common stock	50,000
Additional paid-in capital	160,114
Treasury stock	(61,458)
Retained earnings	1,363,689
Other components of equity	228,225
Equity attributable to owners of the parent	1,740,570
Non-controlling interests	543,999
Total equity	2,284,569
Total liabilities and equity	5,894,619

Consolidated Statement of Changes in Equity

20th Fiscal Year (Year ended March 31, 2025)

Unit: Millions of yen

	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2024	50,000	159,602	(61,857)	1,355,131
Net income	–	–	–	45,020
Other comprehensive income	–	–	–	–
Total comprehensive income	–	–	–	45,020
Purchase of treasury stock	–	–	(26)	–
Disposal of treasury stock	–	(144)	425	–
Cash dividends	–	–	–	(45,533)
Share–based payment transactions	–	(13)	–	–
Changes in interests in subsidiaries	–	669	–	–
Business combinations or divestitures	–	–	–	–
Changes in scope of consolidation	–	–	–	(29)
Transfer from other components of equity to retained earnings	–	–	–	9,100
Total transactions with owners	–	512	399	(36,462)
Balance at March 31, 2025	50,000	160,114	(61,458)	1,363,689

	Other components of equity							
	Net gain (loss) on revaluation of financial assets measured at fair value	Remeasurements of defined benefit pensions plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges	Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2024	37,941	–	217,484	5,146	260,571	1,763,447	512,048	2,275,495
Net income	–	–	–	–	–	45,020	60,616	105,636
Other comprehensive income	(5,840)	5,644	(22,115)	(935)	(23,246)	(23,246)	(4,926)	(28,172)
Total comprehensive income	(5,840)	5,644	(22,115)	(935)	(23,246)	21,774	55,690	77,464
Purchase of treasury stock	–	–	–	–	–	(26)	–	(26)
Disposal of treasury stock	–	–	–	–	–	281	–	281
Cash dividends	–	–	–	–	–	(45,533)	(18,866)	(64,399)
Share–based payment transactions	–	–	–	–	–	(13)	–	(13)
Changes in interests in subsidiaries	–	–	–	–	–	669	(1,265)	(596)
Business combinations or divestitures	–	–	–	–	–	–	(3,579)	(3,579)
Changes in scope of consolidation	–	–	–	–	–	(29)	(29)	(58)
Transfer from other components of equity to retained earnings	(3,456)	(5,644)	–	–	(9,100)	–	–	–
Total transactions with owners	(3,456)	(5,644)	–	–	(9,100)	(44,651)	(23,739)	(68,390)
Balance at March 31, 2025	28,645	–	195,369	4,211	228,225	1,740,570	543,999	2,284,569

Notes to the Consolidated Financial Statements

Basis of Preparation of Consolidated Financial Statements

1. Basis of Presenting Consolidated Financial Statements

   The consolidated financial statements of the Company and its subsidiaries (hereinafter the "MCG Group") are prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") under the provision of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies. In the consolidated financial statements, some items required to be disclosed in IFRS are omitted under the provision of the second sentence of the same Paragraph.

2. Scope of Consolidation and Equity Method

   Number of consolidated subsidiaries: 377

   The number above includes four (4) jointly-operating companies.

   Names of major consolidated subsidiaries:
   Mitsubishi Chemical Corporation, Mitsubishi Tanabe Pharma Corporation, Nippon Sanso Holdings Corporation

   Number of associated companies accounted for by the equity method: 127

   Name of major associated companies accounted for by the equity method:
   LOTTE MCC Corp., Thermos (China) Housewares Co., Ltd.

3. Accounting Policies

(1) Financial instruments

(i) Financial assets (other than derivatives)

(a) Initial recognition and measurement

The MCG Group initially recognizes trade receivables when it satisfies its performance obligations and acquires unconditional rights to consideration in accordance with IFRS 15 "Revenue from Contracts with Customers." All other financial assets are initially recognized on the transaction date when the MCG Group becomes a contractual party to the assets.

Financial assets are classified into financial assets measured at fair value through profit or loss, fair value through other comprehensive income, and amortized cost. The MCG Group determines the classification at initial recognition.

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met.

- The financial asset is held in order to collect contractual cash flows.
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting both of the following conditions are classified as financial assets measured at fair value through other comprehensive income. The other debt instruments are classified as financial assets measured at fair value through profit or loss.

- The financial asset is held in order to collect contractual cash flows and sales of financial assets.

- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

With regard to equity instruments, a designation is made to individually measure at fair value through profit or loss or measure at fair value through other comprehensive income, and such designation is continuously applied.

Financial assets are measured at fair value plus transaction costs that are attributable to the financial assets, except for financial assets measured at fair value through profit or loss.

(b) Subsequent measurement

After initial recognition, financial assets are measured based on the classification as follows:

- Financial assets at amortized cost

  Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

- Other financial assets

  Financial assets other than those measured at amortized cost are measured at fair value.

  Changes in the fair values of financial assets measured at fair value are recognized as profit or loss or as other comprehensive income.

  Accumulated changes in the fair value are transferred to retained earnings when equity instruments measured at fair value through other comprehensive income are derecognized or the decline in fair value is significant.

  In addition, dividends from equity instruments are recognized as profit or loss.

(c) Derecognition

The MCG Group derecognizes a financial asset only when the contractual right to receive the cash flows from the asset expires or when the MCG Group transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(d) Impairment

The MCG Group recognizes impairment of financial assets based on whether or not credit risks of financial assets have experienced significant increase compared to their initial recognition.

The MCG Group estimates expected credit losses of financial assets measured at amortized cost on each balance sheet date and recognizes an allowance for doubtful receivables.

The allowance for doubtful receivables is measured by expected credit losses for 12-months when there has been no significant increase of credit risk in financial assets or other assets since their initial recognition, and is measured by expected credit losses for the remaining period when there has been a significant change in credit risk. Trade receivables are measured by expected credit losses for the entire period from their initial recognition.

Whether the increase in credit risk is significant or not is determined based on changes in default risks; to determine whether there is a change in default risk, we primarily consider overdue (past due information).

Expected credit losses are measured based on a discounted present value, which is the difference between the amount receivable under the contract, and the amount expected to receive taking into consideration past credit losses, etc.

(ii) Financial liabilities (other than derivatives)

(a) Recognition and measurement

Financial liabilities (other than derivatives) are mainly classified into financial liabilities measured at amortized cost.

Financial liabilities measured at amortized cost are initially recognized at fair value less transaction costs directly attributable to the financial liabilities when the MCG Group becomes a contractual party. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Amortization amounts under the effective interest method and gains or losses when derecognized are recognized as profit or losses.

(b) Derecognition

The MCG Group derecognizes financial liabilities when obligations are fulfilled, discharged or forfeited and exchanged on substantially different terms or changed to substantially different terms.

(iii) Derivatives and hedge accounting

The MCG Group utilizes derivatives, including forward foreign exchange contracts and interest rate swap contracts, to hedge foreign exchange and interest rate risks. These derivatives are initially measured at fair value when the contract is entered into, and are subsequently remeasured at fair value.

Changes in the fair value of derivatives are recognized as profit or loss in the consolidated statement of income. However, the gains or losses on the hedging instrument relating to the effective portion of cash flow hedges and hedges of net investment in foreign operations (foreign subsidiaries) are recognized as other comprehensive income.

At the inception of the hedging relationships, the MCG Group formally designates and documents the hedging relationship to which hedge accounting is applied and the objectives and strategies of risk management for undertaking the hedge. The MCG Group also assesses whether a derivative used in the hedge transaction is effective in offsetting fair value of the hedged item or changes in cash flows, at the designating hedging relationships or on an ongoing basis. Specifically, the MCG Group deems hedge transaction as effective when such hedge offsets economic relations between the hedged item and the hedge instrument.

Hedges that meet the requirements for hedge accounting are classified in the following categories and accounted for in accordance with IFRS 9 "Financial Instruments."

(a) Fair value hedges

Changes in the fair value of derivatives are recognized as profit or loss. Changes in fair value of the hedged item attributable to hedged risks are recognized in profit or loss by modifying the carrying amount of the hedged item.

(b) Cash flow hedges

The effective portion of gains or losses on hedging instruments is recognized as other comprehensive income in the consolidated statement of comprehensive income, while the ineffective portion is recognized immediately as profit or loss.

The amounts of hedging instruments recognized in other comprehensive income are reclassified to profit or loss when the transactions of the hedged items affect profit or loss. In cases where hedged items result in the recognition of non-financial assets or liabilities, the amounts recognized as other comprehensive income are accounted for as adjustments to the original carrying amount of non-financial assets or liabilities.

(c) Hedges of a net investment in foreign operations

Hedges of a net investment in foreign operations, are accounted for similarly to a cash flow hedge. The effective portion of gains or losses on hedging instruments is recognized as other comprehensive income, while the ineffective portion is recognized as profit or loss. At the time of the disposal of the foreign operations, any related cumulative gain or loss that has been recognized in equity as other comprehensive income is reclassified to profit or loss.

(iv) Fair value of financial instruments

The fair value of financial instruments traded in active financial markets on balance sheet date is determined with reference to published prices in markets or dealer prices.

The fair value of financial instruments for which there is no active market is estimated with reference to appropriate valuation techniques or prices quoted by correspondent financial institutions.

(2) Inventories

Inventories are measured at acquisition cost, or if lower, at net realizable value. The costs are determined by mainly using the weighted-average method. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

(3) Property, plant and equipment (other than right-of-use assets)

The MCG Group uses the cost model for measuring property, plant and equipment.

Property, plant and equipment are presented in values that are calculated as acquisition cost less accumulated depreciation and accumulated impairment loss.

Except land and construction in progress, all of the property, plant and equipment applied depreciation on a straight-line basis to regularly allocate depreciable amount, which is calculated by subtracting the remaining value on balance sheet date from its acquisition cost.

The estimated useful lives of major property, plant and equipment are as follows:

Buildings and structures: 3–50 years

Machinery and equipment: 2–22 years

Vehicles, tools, furniture and fixtures: 2–25 years

(4) Intangible assets

The MCG Group uses the cost model for measuring intangible assets.

An intangible asset is presented in values that are calculated as acquisition cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets acquired separately are measured as acquisition cost at the initial recognition, and the costs of intangible assets acquired through business combinations are recognized at fair value at the acquisition date. Expenditures on internally generated intangible assets are recognized as expense in the period when incurred, except for development expenses that satisfy the capitalization criteria.

Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful lives.

The estimated useful lives of major intangible assets are as follows:

Technology-related intangible assets:	4–22 years
Customer-related intangible assets:	5–30 years
Software:	3–5 years

Intangible assets with indefinite useful lives and intangible assets that are not ready to use are not amortized.

(5) Leases

A lease transaction is recognized when a right to control the use of an asset under a particular agreement is transferred in return for consideration over a certain period of time, with a right-of-use asset and lease liability in the lease transaction recognized on the date of the inception of the lease.

A lease liability is measured as the discounted present value of total lease payments outstanding as of the date of inception of the lease. A right-of-use asset is initially measured as an aggregate of the initial measurement value of the lease liability after being adjusted with initial direct costs, prepaid lease payments, etc., and costs for restoration obligations, etc., required by the lease agreement.

Lease payments are allocated in finance cost or payments for outstanding lease liability, both at a consistent interest rate to outstanding lease liability, and the finance cost is recognized as profit or loss.

A right-of-use asset is amortized over the useful life of the asset where the ownership of an underlying asset is to be transferred to a lessee by the expiration of the lease term or the exercise of a purchase option is reflected in the acquisition cost of the right-of-use asset, otherwise over the shorter of the useful life or the lease term regularly.

For leases expiring within 12 months or whose underlying asset is small, relevant lease payments are recognized as finance cost regularly over the lease term.

(6) Business combinations

Business combinations are accounted for using the acquisition method.

The cost of acquisition is measured as the total of the consideration transferred and any non-controlling interest in the acquiree measured at fair value on the date of acquisition.

When the MCG Group acquires a business, the assets acquired and liabilities assumed are classified and designated based on contractual terms, economic conditions, and related conditions on the date of acquisition. In addition, in principle, identifiable assets acquired and liabilities assumed are measured at fair value on the acquisition date.

When a business combination is conducted in stages, the interest held in the acquiree prior to acquiring control is reevaluated at fair value on the acquisition date, and the difference is recognized as profit or loss. The amount of interest in the acquiree recorded in other comprehensive income prior to the acquisition date is accounted for using the same method as if the acquiree had disposed of its interest.

Goodwill is measured as the excess of the total of consideration transferred and the amount recognized as non-controlling interest over the net amount of identifiable assets acquired and liabilities assumed. The difference is recognized as profit or loss when the total of consideration transferred and the amount recognized as non-controlling interest is below the net amount of identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill acquired in business combinations is not amortized.

(7) Impairment of assets

(i) Impairment of non-financial assets

The MCG Group determines whether there is any indication that an asset may be impaired on balance sheet date. The MCG Group estimates the recoverable amount of assets when there are indications of impairment and when an asset requires annual impairment testing. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. If the recoverable amount cannot be estimated for an individual asset, the recoverable amount is estimated for each cash-generating unit or group of cash-generating units to which the asset belongs. An impairment loss is recognized for that asset and the asset is written down to its recoverable amount when the carrying amount of a cash-generating unit or group of cash-generating units exceeds its recoverable amount. In estimating utility value, the discounted present value of estimated future cash flows is calculated using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks inherent in the asset.

In calculating fair value less cost of disposal, the MCG Group uses appropriate valuation models supported by available fair value indicators.

Goodwill is allocated to each of the cash-generating units, or groups of cash-generating units, which are expected to benefit from synergies of the business combination after the acquisition date.

Goodwill or intangible assets with indefinite useful lives and intangible assets that are not yet available for use are tested for impairment annually and whenever there is an indication that an impairment exists.

(ii) Reversal of impairment loss

Impairments recognized in the past are reversed to the recoverable amount when there is an indication of impairment reversal and the estimates used to determine the recoverable amount have changed, and the amount of the reversal of the impairment loss is recognized as profit or loss. However, impairment losses on goodwill are not reversed. The amount of the reversal of impairment loss is limited to the carrying amount at the time of the reversal of the impairment loss if impairment loss was not recognized in the previous period.

(8) Provisions

Allowances and provisions are recognized when the MCG Group has a present (legal or constructive) obligation as a result of a past event when it is more likely than not that an outflow of resources having economic benefits will be required to settle the obligation and the amount of obligation has been reliably estimated.

Allowances and provisions are measured by the amount of expenditure expected to be required to settle the obligation and are discounted to the present value when the effect of the time value of money is material.

(9) Retirement benefits

The MCG Group sponsors defined benefit plans and defined contribution plans as employee retirement benefit plans.

- Defined benefit plans

The MCG Group calculates the present value of defined benefit obligations, related current service cost and past service cost using the projected unit credit method.

The discount rate is calculated based on yields of high-quality corporate bonds on balance sheet date.

Liability or asset recognized in respect of the defined benefit plan are presented in net amounts of the present value of the defined benefit obligation and the fair value of plan assets. When there is a surplus in defined benefit plans, in terms of the fair value of plan assets, the asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Remeasured liability or asset value in respect of the defined benefit plan is recognized comprehensively as other comprehensive income in the period as incurred, and immediately reflected retained earnings. In addition, past service cost is recognized as expenses in the period as incurred.

- Defined contribution plans

Cost of defined contribution plan is recognized in the period in which the employee provides the related service.

(10) Revenue

The MCG Group recognizes revenue, based on the following 5-step model, in an amount that reflects the consideration to which the Group expects to be entitled in exchange for goods or services transferred to customers.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The MCG Group conducts business activities in five business segments (Specialty Materials, MMA & Derivatives, Basic Materials & Polymers, Pharma, and Industrial Gases) and provides a wide variety of products, etc. to customers in Japan and overseas.

For the sales of such products, because the customer obtains control over the products upon delivery, the performance obligation is judged to have been satisfied and revenue is therefore recognized upon delivery of the products.

Revenue is measured at the consideration promised in a contract with a customer, less discounts, rebates, returned products and other items.

(11) Translation of foreign currencies

Each company in the MCG Group specifies its own functional currency and measures transactions based on it.

Foreign currency transactions are translated into the functional currency at the rates of exchange prevailing at the dates of transactions or an approximation of the rate.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing on balance sheet date. Differences arising from the translation and settlement are recognized as profit or loss. However, the exchange gain or loss difference is recognized in other comprehensive income, when the gain or loss on such asset or liability is recognized in other comprehensive income.

The assets and liabilities of foreign operations are translated into Japanese yen at the rates of exchange prevailing at the fiscal year end date, while income and expenses of foreign operations are translated into Japanese yen at the rates of exchange prevailing at the dates of transactions or an approximation to the rate (average exchange rate during the fiscal year in principle). The resulting translation differences are recognized in other comprehensive income.

In cases where foreign operations are disposed of, the cumulative amount of translation differences related to the foreign operations is recognized as profit or loss in the period of disposition.

(12) Assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale if their carrying amount expected to be recovered principally through a sale transaction rather than through continued use. This condition is regarded as met only when the sale within one year is highly probable and the non-current asset (or disposal groups) is available for immediate sale in its present condition. Non-current assets (or disposal groups) classified as assets held for sale are measured as carrying amount or if lowered, as fair value less costs to sell.

Property, plant and equipment and Intangible assets classified as assets held for sale are not depreciated or amortized.

Discontinued operations include an operation that has been already disposed of or a component of the MCG Group that is classified as an asset held for sale and represents one line of the MCG Group's business, which is recognized when the Company has a plan to dispose of such a business line.

(Accounting treatment for deferred taxes under the global minimum tax rules)

The MSG Group applies the temporary exception under IAS 12 Income Taxes, "International Tax Reform - Pillar Two Model Rules" and has not recognized or disclosed any deferred tax assets or liabilities for income taxes arising from global minimum taxation.

Notes on Accounting Estimates

Key information regarding estimates that may have a significant impact on the consolidated financial statements of the Group is as follows.

1. Impairment of non-financial assets

(1) Amount recorded in the consolidated financial statements for the fiscal year under review

The MCG Group recorded property, plant and equipment of ¥2,004,447 million, goodwill of ¥827,604 million, and intangible assets of ¥442,039 million (including intangible assets with indefinite useful lives and intangible assets that are not yet available for use of ¥67,831 million) in the consolidated statement of financial position.

For the fiscal year under review, an impairment loss of ¥94,576 million was recorded and included under other expenses in the consolidated statement of profit or loss.

(2) Other information that contributes to the understanding of users of consolidated financial statements

(i) Calculation method

When there is an indication that property, plant and equipment, goodwill and intangible assets may be impaired, or when an asset requires annual impairment testing, the MCHD Group calculates the utility value or fair value less costs of disposal of the asset.

In determining utility value, the discounted present value of estimated future cash flows is calculated using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks inherent in the asset. In principle, the business plan used to estimate future cash flows is limited to 5 years, and future cash flows beyond the period of the business plan projections are calculated based on long-term average growth rates for periods longer than five years according to individual circumstances.

(ii) Key assumptions

The key assumptions used in the calculation of utility value are as follows:

(Intangible assets related to technology (in-process research and development expenses, rights acquired through licensing contracts in the development stage))

The likelihood of obtaining regulatory approval for marketing, projected sales revenue after launch, and discount rate

(Property, plant and equipment, intangible assets other than the above, goodwill)

Estimated future cash flows in the business plan for a period of up to 5 years in principle, discount rate, and long-term average growth rates for periods longer than five years.

Estimated future cash flows are primarily affected by projected sales revenue and market growth rates.

(iii) Effect on the consolidated financial statements for the following fiscal year

Although management believes that the key assumptions are reasonable, they may be affected by the results of changes in uncertain future economic conditions, and if the assumed circumstances change, the results of the calculation of the recoverable amount may differ.

2. Recoverability of deferred tax assets

(1) Amount recorded in the consolidated financial statements for the fiscal year under review

Deferred tax assets (net): ¥118,247 million

(2) Other information that contributes to the understanding of users of consolidated financial statements

(i) Calculation method

The MCG Group recognizes deferred tax assets for deductible temporary differences and tax loss carryforwards based on the expected reversal of deferred tax liabilities, projected future taxable income and tax planning.

In addition, the MCG Group recognizes deferred tax assets for temporary differences arising from investments in Mitsubishi Tanabe Pharma Corporation. The details are described in “Other Notes”.

Furthermore, the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and the “special defense corporation tax” will be imposed from fiscal years beginning on or after April 1, 2026. As a result, the deferred tax assets and deferred tax liabilities associated with temporary differences expected to be eliminated in the fiscal years beginning on or after April 1, 2026, have been calculated using the effective statutory tax rate based on the revised tax rate. The impact of this change will be immaterial.

(ii) Key assumptions

The key assumption in the future business plan that forms the basis for future taxable income is projected sales.

(iii) Effect on the consolidated financial statements for the following fiscal year

MCG believes that it is probable that the deferred tax assets recognized will be recovered based on historical taxable income levels and projections of future taxable income in the period during which deductible temporary differences and tax loss carryforwards are forecast to be reversed. Although management believes that projections of future taxable income and the key assumptions are reasonable, they may be affected by the results of changes in uncertain future economic conditions, and if the assumed circumstances change, the calculation results of the estimated recoverable amount may differ.

3. Measurement of defined benefit plan obligations

(1) Amount recorded in the consolidated financial statements for the fiscal year under review

Retirement benefit liabilities: ¥99,050 million

(2) Other information that contributes to the understanding of users of consolidated financial statements

Liability or asset recognized in respect of the defined benefit plan is the present value of the defined benefit plan obligations less the fair value of plan assets. When there is a surplus in defined benefit plans, in terms of the fair value of plan assets, the asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Defined benefit plan obligations are calculated using actuarial calculations, and the assumptions used include estimates of discount rates and other factors. Although management believes that the key assumptions are reasonable, they may be affected by the results of changes in uncertain future economic conditions, and if the assumed circumstances change, the calculation results of the estimated defined benefit plan obligations may differ.

4. Fair value of financial instruments

(1) Amount recorded in the consolidated financial statements for the fiscal year under review

Equity securities and investments classified as Level 3 of the fair value hierarchy (excluding assets held for sale): ¥103,486 million

The above amount is included under other financial assets in the consolidated statement of financial position.

(2) Other information that contributes to the understanding of users of consolidated financial statements

The fair values of unlisted equity securities and investments for which quoted prices in active markets are not available to the MCG Group are estimated using reasonably available inputs, using the comparable companies method or other appropriate valuation techniques. Management believes that the valuation techniques selected and the key assumptions are appropriate in assessing the fair value of financial instruments. However, they may be affected by the results of changes in uncertain future economic conditions, and if the assumed circumstances change, the calculation results of the estimated fair value may differ.

Notes to consolidated statement of profit or loss

Other operating expenses

The main breakdown of other operating expenses of ¥169,338 million is as follows:

(i) Impairment losses recorded in connection with the supply facilities for hydrogen under construction by Matheson Tri-Gas, Inc.

Regarding the supply facilities for hydrogen under construction by Matheson Tri-Gas, Inc., the book value was reduced to the recoverable amount and the impairment loss of ¥25,843 million was recorded in tandem with the decision to discontinue construction plans. The recoverable amount was measured at the fair value less disposal cost. Since the asset was not available for sale, the fair value less disposal cost was zero, and the fair value hierarchy was Level 3.

(ii) Impairment losses recorded in connection with MMA manufacturing facility of Mitsubishi Chemical America, Inc.

The MCG Group considered the construction of a new MMA monomer plant in Louisiana, United States that would utilize the Group's proprietary "New Ethylene Process (Alpha Process)" technology. However, the MCG Group has come to the decision to discontinue consideration of this investment plan due in part to the prospect of meeting immediate demand with existing MMA monomer manufacturing facilities in Tennessee, United States and elsewhere and the failure in negotiations with customers to obtain long-term commitments on transactions after the execution of this investment plan based on the increase in capital investment stemming from inflation and other factors.

As a result, the MCG Group could no longer expect to recover its investment, therefore, the book value in connection with the facility was reduced to the recoverable amount and an impairment loss of ¥12,612 million was recorded. In addition, a cancellation penalty of ¥3,323 million, a special retirement expense of ¥209 million and other associated losses of ¥367 million were recorded.

The recoverable amount was measured at the fair value less disposal cost. The fair value less disposal cost was the available for sale value or zero for those that are not available for sale, and the fair value hierarchy was Level 3.

(iii) Impairment losses recorded in connection with production facilities of Gelest, Inc.

Since it became clear that the launch of a new business of Gelest, Inc. would be delayed compared to the initial expectations, we reviewed business plans of Gelest, Inc. considering the current profit and loss situation. As a result, the book value of production facilities and intangible assets was reduced to the recoverable amount of ¥40,901 million and an impairment loss of ¥12,853 million was recorded because recovery of the investment is no longer expected.

The recoverable amount is measured by the utility value. The key assumptions used in calculating the utility value is the discount rate. The discount rate reflects the risks inherent to the cash generating unit and is a pre-tax discount rate of 32.6% for businesses currently in the start-up phase and a pre-tax discount rate of 13.9% based on weighted average cost of capital for all other businesses.

(iv) Special retirement expense, etc. at Mitsubishi Tanabe Pharma Corporation

With respect to the decision to implement a voluntary retirement program at Mitsubishi Tanabe Pharma Corporation, a special retirement expense of ¥16,632 million and other associated losses of ¥304 million were recorded.

Notes to consolidated statement of financial position

1. Assets Pledged as Collateral and Debt Obligations Covered by Collateral

   Assets pledged as collateral

Property, plant and equipment	¥1,169 million
Other	¥1,123 million
Debt obligations covered by collateral	¥331 million

2. Allowance for Doubtful Accounts Directly Deducted From Assets

Trade receivables	¥12,747 million
Other non-current assets	¥1,793 million

3. Accumulated Depreciation and Accumulated Impairment Loss on Total Property, Plant and Equipment

   ¥4,009,700 million

4. Contingent Liabilities

   Guarantee of loans from financial institutions

Guarantees	¥5,771 million

Notes to consolidated statement of changes in equity

1. Matters Related to Class and Number of Issued Shares

   Class and total number of issued shares as of the close of the fiscal year under review:

   Common stock 1,506,288 thousand shares

2. Matters Related to Dividends

(1) Dividends paid to shareholders

Resolution	Share Class	Aggregate Amount of Dividends	Dividend per share	Entitlement Date	Effective Date
Board of Directors meeting May 20, 2024	Common stock	¥22,793 million	¥16	March 31, 2024	June 4, 2024
Board of Directors meeting November 1, 2024	Common stock	¥22,797 million	¥16	September 30, 2024	December 3, 2024

Note: The aggregate amounts of dividends resolved at the Board of Directors meeting on May 20, 2024 and November 1, 2024 include ¥31 million and ¥26 million of cash dividends paid to the MCG shares held by the BIP trust (excluding the number of shares equivalent to the accumulated points granted), respectively.

(2) Dividends whose base date arrives within the fiscal year under review but whose effective date arrives after the close of the fiscal year under review

   The following matters related to payout of dividends of the common stock are being proposed as one of the agenda for the Board of Directors meeting scheduled for May 20, 2025.

Resolution	Share Class	Aggregate Amount of Dividends	Source of Dividend	Dividend per share	Entitlement Date	Effective Date
Board of Directors meeting May 20, 2025	Common stock	¥22,798 million	Retained earnings	¥16	March 31, 2025	June 4, 2025

Note: The aggregate amounts of dividend include ¥26 million of cash dividends paid to the Company's shares held by the BIP trust (excluding the number of shares equivalent to the accumulated points granted).

3. Class and Number of Shares Being the Object of Stock Acquisition Right (Excluding Stock Acquisition Rights for Which the First Day of the Exercising Period Has Not Yet Arrived) as of the Close of the Fiscal Year Under Review:

   Common stock 187 thousand shares

Notes on Revenue Recognition

1. Revenue decomposition

The MCG Group operates in wide-ranging overseas businesses in five business domains (Specialty Materials, MMA & Derivatives, Basic Materials & Polymers, Pharma, and Industrial Gases) and regularly reports categorized sales revenues according to the location of the sales destination to management. The details of the categorized sales revenues according to the location of the sales destination and the sales revenue for the five business domains (segments) are as follows.

Fiscal year under review (From April 1, 2024 to March 31, 2025) Unit: Millions of yen

	Japan	Asia and Oceania		North America	Europe	Other	Total
			(of which, China)				
Specialty Materials	430,475	234,773	(119,158)	204,619	196,792	14,679	1,081,338
MMA& Derivatives	83,035	202,709	(91,799)	62,732	46,757	6,886	402,119
Basic Materials & Polymers	737,278	133,255	(39,149)	44,089	33,530	24,296	972,448
Pharma	319,740	27,876	(2,793)	105,955	6,722	35	460,328
Industrial Gases	412,339	192,910	(35,656)	356,958	336,277	2,621	1,301,105
Other	154,780	18,662	(13,684)	11,330	5,290	5	190,067
Total	2,137,647	810,185	(302,239)	785,683	625,368	48,522	4,407,405

Notes: 1 The amounts are presented as sales revenue from external customers.
2 Sales revenue is substantially the revenue that is recognized from the contract with customers, while revenue recognized from other sources is immaterial.

・ Specialty Materials Segment

The Specialty Materials Segment covers the Advanced Films & Polymers Business, the Advanced Solutions Business and the Advanced Composite & Shapes Business, with sales to customers in Japan and overseas.

For sales of products, when the ownership of the products is transferred to the customer, which refers to transfer of the legal ownership and physical possession of the products, and the transfer or serious risks and rewards associated with the ownership of products upon the delivery of the products to the venue designated by the customer, the performance obligation is deemed to be satisfied and revenue is recognized at such time. The revenue from the sale of these products is measured by the transaction price in the contract with the customer.

Revenue is measured at the consideration promised in a contract with a customer, less discounts, rebates, returned products and other items. Estimates of rebates, etc. are only recognized as revenue when there is a very high probability that there will be no significant reversal using the mode method based on past performance, etc. Consideration for products under sales contracts is mainly received within one year of the delivery of the product, which is the time when the performance obligation is satisfied, and therefore the consideration includes no significant financial elements.

・ MMA & Derivatives Segment

The MMA & Derivatives Segment covers the MMA Business and the Coating & Additives Business, with sales to customers in Japan and overseas.

Upon satisfaction of the performance obligations for the sale of products in these businesses, the calculation of the transaction price and the payment conditions, etc. are the same as for the Specialty Materials segment

- Basic Materials & Polymers Segment

  The Basic Materials & Polymers Segment covers the Materials & Polymers Business and Carbon Products Business, with sales to customers in Japan and overseas.

  Upon satisfaction of the performance obligations for the sale of products in these businesses, the calculation of the transaction price and the payment conditions, etc. are the same as for the Specialty Materials segment

- Pharma Segment

  The Pharma Segment covers the Pharmaceuticals Business (research & development and manufacture of pharmaceuticals), with sales to customers in Japan and overseas.

  Upon satisfaction of the performance obligations for the sale of products in these businesses, the calculation of the transaction price and the payment conditions, etc. are the same as for the Specialty Materials segment.

  In addition, royalty income in the Pharmaceuticals Business is income from contracts recognized by the MCG Group for the manufacture and sale of third party products, and the use of technology, etc. Lump sum contract payments recognize revenue upon permission of use, etc. if the performance obligation is satisfied at a point in time, and is recorded as deferred revenue if the performance obligation is not satisfied at a point in time, with revenue recognized over a certain period of time according to the satisfaction of performance obligation. Milestone payments are only recognized as revenue upon contractual milestones being achieved when there is a very high probability that there will be no significant reversal. Running royalties are measured on the calculation basis of contractor sales, etc. with revenue recognized with consideration to the timing of such occurrence. Further, royalty income is generally received within one year from the time of confirmation based on the contract and does not include any significant interest rate elements.

- Industrial Gases Segment

  The Industrial Gases Segment covers Gases Business such as for the steel, chemicals and electronics industry and businesses for the manufacture of household articles such as stainless steel thermos flasks, with sales to customers in Japan and overseas.

  Upon satisfaction of the performance obligations for the sale of products in these businesses, the calculation of the transaction price and the payment conditions, etc. are the same as for the Specialty Materials segment.

2. Balance of contracts

Claims arising from contracts with customers and contract assets and liabilities are as follows.

Unit: Millions of yen

	Balance at April 1, 2024	Balance at March 31, 2025
Claims arising from contracts with customers	867,117	777,561
Contract assets	32,886	35,452
Contract liabilities	37,247	46,877

The MCG Group mainly records consideration for works in progress as contract assets and advances received and deferred revenue from customers and deferred revenue from licensing out transactions as contract liabilities.

For the fiscal year under review, the amount of recognized revenue that included the balance of contract liabilities as of April 1, 2024 was ¥23,661 million. In addition, for the fiscal year under review, the amount of recognized revenue from the satisfaction of performance obligations in previous periods is ¥13,801 million. There is no significant movement in the balance of contract assets and liabilities for the fiscal year under review.

3. Transaction price allocated to remaining performance obligation

The total amount of transaction price allocated to remaining performance obligation and the forecast periods for recognizing revenue are as follows. Further, there are no individual transactions for which the forecast contact period is within one year. In addition, no significant amounts of the consideration that arise from contracts with customers have been excluded from the transaction price.

Unit: Millions of yen

	The fiscal year ended March 31, 2025
Within 1 year	77,876
Longer than 1 year	43,645
Total	121,521

4. Assets recognized from the costs of acquisition or fulfillment of the contracts with the customers

There were no assets recognized from the costs of acquisition or fulfillment of the contracts with the customers in the fiscal year under review. In the event that the amortization period for assets that should be recognized is within one year, for practical expediency, they are recognized as an expense when incurred.

Notes on Financial Instruments

1. Matters Related to Status of Financial Instruments

   The MCG Group is exposed to financial risks during the course of business activities in a wide range of fields in various countries and regions. To reduce or avoid said risks, it manages risks based on a specific policy. With regard to derivative transactions, its policy limits derivatives within the actual demand and prohibits transactions for speculation purposes. In addition, in accordance with the internal rules that define the authority to do transactions, the upper limit to transactions, etc., the balance of contracts, fair values, etc. with regard to derivatives transactions are reported on a regular basis to the responsible Director.

2. Matters Related to Fair Value of Financial Instruments

   The hierarchy of fair value of financial instruments is classified from Level 1 to Level 3 as follows.

   Level 1: fair value based on unadjusted published prices in active markets for identical assets or liabilities

   Level 2: fair value calculated directly or indirectly using observable values other than Level 1

   Level 3: fair value calculated from valuation techniques that include inputs not based on key observable market data

   The transfer between levels in the hierarchy of fair value of financial instruments is determined on the closing day of each quarter.

   For the fiscal year under review, there were no significant transfers between levels in financial instruments.

(i) Financial instruments recurrently measured at fair value

Financial assets and financial liabilities measured at fair value are as follows.

As of March 31, 2025 Unit: Millions of yen

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities and investments	47,978	370	103,486	151,834
Equity securities and investments held for sales	2,270	–	–	2,270
Financial assets concerning contingent consideration arrangement	–	–	390	390
Derivative assets	–	5,699	–	5,699
Total	50,248	6,069	103,876	160,193
Liabilities				
Derivative liabilities	–	728	–	728
Total	–	728	–	728

Equity securities and investments

The fair values of marketable equity securities classified as Level 1 are measured at fair value based on unadjusted published prices in active markets for identical assets or liabilities.

The fair values of equity securities classified as Level 2 are measured using quoted prices for identical or similar assets or liabilities in markets that are not active.

The fair values of unlisted equity securities and investments for which quoted prices in active markets are not available and classified as Level 3 are estimated using reasonably available inputs, using the comparable companies method or other appropriate valuation techniques. Note that certain non-liquidity discounts, etc. are incorporated as necessary.

Financial assets concerning contingent consideration arrangement

The financial assets concerning contingent consideration arrangement in Level 3 are mainly financial assets that were recognized in association with the transfer of the polycrystalline alumina fibers business. Their fair value is calculated on the basis of a computational model that uses the Black-Scholes model, considering the future performance of such business.

Derivative assets and derivative liabilities

The fair value of derivative assets and derivative liabilities classified as Level 2 is calculated based on prices indicated by correspondent financial institutions and observable inputs such as foreign exchange rates and interest rates.

The fair value of financial instruments classified as Level 3 is calculated in accordance with the evaluation policies and procedures, including the evaluation methods for measuring fair value approved by appropriate authorities, with the evaluator determining the evaluation method for each relevant financial instrument. The results are reviewed and approved by the appropriate authorities.

The change in financial instruments classified as Level 3 is as follows.

Unit: Millions of yen

	The fiscal year ended March 31, 2025
Balance as of April 1, 2024	109,149
Profit or loss (Note)	(6,529)
Other comprehensive income	(567)
Purchase	1,923
Sales and redemption	(1,738)
Other changes	1,638
Balance as of March 31, 2025	103,876

(Note)
Included in "Financial income" and "Financial expenses" in consolidated statement of profit or loss.

(ii) Financial instruments measured at amortized cost

The carrying amount and fair value of financial assets and financial liabilities measured at amortized cost are as follows.

As of March 31, 2025

Unit: Millions of yen

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Liabilities					
Long-term borrowings	1,172,147	–	1,158,961	–	1,158,961
Bonds payable	607,223	–	561,435	–	561,435
Total	1,779,370	–	1,720,396	–	1,720,396

For the financial assets and financial liabilities measured at amortized cost, the fair value is a reasonable approximation to the carrying amount, except for long-term borrowings and bonds payable.

Long-term borrowings

The fair value of long-term borrowings classified as Level 2 is measured based on the present value which is obtained by discounting the total of the principal and interest by the interest rate assumed in a case where the same loan is newly made.

Bonds payable

The fair value of bonds classified as Level 2 is measured mainly based on market price.

Notes on Per Share Information

Equity attributable to owners of the parent company per share	¥1,223.01
Basic earnings per share	¥31.64

Other Notes

(Transfer of Mitsubishi Tanabe Pharma Corporation and its Subsidiaries)

(i) Outline

The Group resolved, at a meeting of the Board of Directors held in February 2025, to transfer its consolidated subsidiary, Mitsubishi Tanabe Pharma Corporation (hereinafter "MTPC") to be affiliated with K.K. BCJ-94, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP (hereinafter the "Transfer"), and signed an agreement related to the Transfer.

The completion of the Transfer is expected in the second quarter of the fiscal year ending March 31, 2026, subject to certain conditions including approval of the Transfer at the Company's General Meeting of Shareholders and obtainment of necessary clearance and approval pursuant to the competition laws, other related laws and regulations of Japan and overseas.

(ii) Effect on the Fiscal Year under Review

As of the close of the fiscal year under review, the Company recognizes a deferred tax asset of ¥16,626 million for temporary differences arising from investments in MTPC, based on the judgment that it is more likely to meet both of the following conditions.

(a) the temporary difference will reverse in the foreseeable future; and

(b) taxable income will be available against which the temporary difference can be utilized.

Furthermore, since the resolution in respect of the Transfer was not made at the Company's General Meeting of Shareholders as of the close of the fiscal year under review, the Company has determined that MTPC and its subsidiaries and others are not classified as discontinued operations based on the judgment that it does not meet the criteria for classification as discontinued operations, "the sale within one year is highly probable and the non-current asset (or disposal groups) is available for immediate sale in its present condition".

Notes to Material Subsequent Events

(Acquisition and cancellation of treasury shares)

The Company resolved at the Board of Directors held on May 13, 2025 on matters pertaining to the acquisition of treasury shares pursuant to Article 459, paragraph (1) of the Companies Act and Article 40 of the Company's Articles of Incorporation, and at the Corporate Executive Officers Committee held on the same day to cancel the treasury shares pursuant to Article 178 of the Companies Act.

1. Reason for acquisition and cancellation of treasury shares

In the timely disclosure "Notice Concerning the Transfer of Mitsubishi Tanabe Pharma Corporation and its Subsidiaries" dated February 7, 2025, the Company announced that control of Mitsubishi Tanabe Pharma Corporation (Head Office: Chuo-ku, Osaka; Representative Directors: Akihiro Tsujimura and Hiroaki Ueno), a consolidated subsidiary of the Company, would be transferred to K.K. BCJ-94, a special purpose company indirectly owned by an investment fund advised by Bain Capital Private Equity, LP (together with its corporate group, "Bain Capital") (hereinafter referred to as the "Transfer"). Upon making the Transfer, the Company shall receive from Bain Capital a cash consideration equivalent to approximately ¥510 billion. Having passed a resolution on matters pertaining to the acquisition of treasures shares in order to utilize the funds obtained from the Transfer to strengthen shareholder returns and improve capital efficiency, the Company shall cancel all such treasury shares acquired to improve shareholder value over the medium to long term.

2. Acquisition of treasury shares

(1) The class and number of shares to be acquired

MCG common share Up to 200,000,000 shares

(2) Total acquisition price for shares

Up to ¥100 billion

(3) Acquisition period

May 14, 2025 – May 13, 2026

(4) Method of acquisition

On-market share purchase transaction on the Tokyo Stock Exchange on a discretionary trading contract.

3. Cancellation of treasury shares

(1) The class and number of shares to be canceled

MCG common shares

All treasury shares acquired in accordance with “2. Acquisition of treasury shares” described above
(2) Date of cancellation
June 30, 2026

MITSUBISHI CHEMICAL GROUP CORPORATION

Non-consolidated Balance Sheet

(As of March 31, 2025)

Unit: Millions of yen

Assets	
Current assets:	
Cash and deposits	22,763
Income taxes refund receivable	42
Short-term loans receivable from subsidiaries and affiliates	371,667
Others	12,361
Total current assets	406,833
Fixed assets:	
Property, plant and equipment	
Buildings	1,590
Structures	2
Tools, furniture and fixtures	400
Total property, plant and equipment	1,991
Intangible fixed assets:	
Software	360
Total intangible fixed assets	360
Investments and other assets:	
Investment securities	1,549
Stocks of subsidiaries and affiliates	1,305,653
Long-term loans receivable from subsidiaries and affiliates	166,724
Deferred tax assets	86,115
Other	2,906
Total investments and other assets	1,562,948
Total fixed assets	1,565,299
Total assets	1,972,132

MITSUBISHI CHEMICAL GROUP CORPORATION

Non-consolidated Balance Sheet (continued)

(As of March 31, 2025)

Unit: Millions of yen

Liabilities	
Current liabilities:	
Short-term borrowings	79,674
Short-term borrowings to subsidiaries and affiliates	303,048
Current portion of long-term borrowings	51,833
Current portion of bonds payable	45,000
Accounts payables	13,992
Accrued expenses	1,270
Accrued income taxes	67
Accrued bonuses	1,315
Provision for bonuses for directors (and other officers)	272
Other	447
Total current liabilities	496,918
Long-term liabilities:	
Bonds payable	365,000
Long-term borrowings	398,084
Provision for stock benefits	54
Other	5,315
Total long-term liabilities	768,453
Total liabilities	1,265,371
Net Assets	
Shareholders' equity:	
Common stock	50,000
Additional paid-in capital	264,736
Legal capital surplus	12,500
Other capital surplus	252,236
Retained earnings	462,469
Other retained earnings	
Retained earnings brought forward	462,469
Less, Treasury stock at cost	(70,715)
Total shareholders' equity	706,489
Valuation and translation adjustments:	
Net unrealized holding gain on other securities	167
Total valuation and translation adjustments	167
Stock acquisition right	105
Total net assets	706,761
Total liabilities and net assets	1,972,132

MITSUBISHI CHEMICAL GROUP CORPORATION

Non-consolidated Statement of Income

(Year ended March 31, 2025)

Unit: Millions of yen

Operating revenue	
Dividends from subsidiaries and affiliates	56,751
Operating costs receipts	19,068
Total operating revenue	75,819
General and administrative expenses	20,245
Operating income	55,574
Other income	
Interest income	7,180
Interest on securities	11
Dividend income	31
Other	474
Total other income	7,697
Other expenses	
Interest expenses	7,958
Interest on bonds	2,445
Bond issuance cost	3
Other	1,215
Total other expenses	11,621
Ordinary income	51,650
Extraordinary loss	
Loss on valuation of investment securities	66
Total extraordinary loss	66
Income before income taxes	51,583
Current income taxes	(784)
Deferred income taxes	(85,292)
Total income taxes	(86,076)
Profit	137,659

MITSUBISHI CHEMICAL GROUP CORPORATION

Non-consolidated Statement of Changes in Net Assets

(Year ended March 31, 2025)

Unit: Millions of yen

	Shareholders' equity					
		Additional paid-in capital			Retained earnings	
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings
Balance at April 1, 2024	50,000	12,500	252,263	264,763	370,400	370,400
Changes during the fiscal year						
Cash dividends	–	–	–	–	(45,590)	(45,590)
Profit	–	–	–	–	137,659	137,659
Purchase of treasury stock	–	–	–	–	–	–
Disposal of treasury stock	–	–	(28)	(28)	–	–
Net change in items other than those in shareholders' equity	–	–	–	–	–	–
Total changes during the fiscal year	–	–	(28)	(28)	92,069	92,069
Balance at March 31, 2025	50,000	12,500	252,236	264,736	462,469	462,469

	Shareholders' equity		Valuation and translation adjustment				
	Treasury stock	Total shareholders' equity	Net unrealized holding gain on other securities	Total valuation and translation adjustment	Stock award rights	Stock acquisition rights	Total net assets
Balance at April 1, 2024	(71,277)	613,886	194	194	162	216	614,457
Changes during the fiscal year							
Cash dividends	–	(45,590)	–	–	–	–	(45,590)
Profit	–	137,659	–	–	–	–	137,659
Purchase of treasury stock	(26)	(26)	–	–	–	–	(26)
Disposal of treasury stock	587	560	–	–	–	–	560
Net change in items other than those in shareholders' equity	–	–	(27)	(27)	(162)	(111)	(299)
Total changes during the fiscal year	562	92,603	(27)	(27)	(162)	(111)	92,304
Balance at March 31, 2025	(70,715)	706,489	167	167	–	105	706,761

Notes to the Non-consolidated Financial Statements

Matters Concerning Significant Accounting Policies

1. Valuation Methods of Securities

   Subsidiaries' and affiliates' stocks

   Stated at cost based on the moving average method

   Other than equity securities, etc. without a market price

   Stated at fair value based on market price at the closing date, or calculated by other means. The difference between the acquisition cost and the carrying value of other securities, including unrealized gain and loss, net of the applicable income taxes, is recognized as a component of net assets, and the cost of other securities sold is principally computed by the moving average method.

   Equity securities, etc. without a market price

   Stated at cost based on the moving average method

2. Method of Depreciation of Property, Plant and Equipment

   By the straight-line method

3. Method of Amortization of Intangible Fixed Assets

   By the straight-line method

4. Basis for Reserves

   Accrued bonuses to employees

   To provide for payments of bonuses to its employees, estimates of those accrued bonuses and social insurance costs corresponding thereto, which MCG should bear during the fiscal year under review, are recorded.

   Provision for bonuses for directors (and other officers)

   To provide for payments of bonuses to its corporate executive officers and executive officers, estimates of those accrued bonuses and social insurance costs corresponding thereto pertaining to the fiscal year under review, are recorded.

   Provision for stock benefits

   In order to prepare for the granting of stock benefit to corporate executive officers and executive officers of the Company in accordance with the share benefit rules or contract, the projected amount of stock benefit obligations at the end of the fiscal year under review, is recorded.

5. Basis of revenue recognition

   Apart from dividends income and interest income, etc., the amount of consideration forecast to be received for exchange of goods or service is recorded as revenue upon the transfer of the promised goods or service to the customer.

   MCG mainly formulates the MCG Group's management policy, corporate strategy and management resource allocation policy and provides the necessary guidance to subsidiaries for their implementation while implementing various measures to increase the MCG Group's comprehensive brand value and collective capabilities. We identify the provision to subsidiaries of management guidance and benefits that rely on the MCG Group's brand value and collective capabilities as performance obligations.

Such performance obligations are judged to be satisfied with the passage of time, and this is mainly recognized as revenue evenly over the contract period. MCG and subsidiaries determine the consideration each fiscal year.

In addition, such consideration is recovered within one year and does not include any significant financial elements.

Notes to the Non-consolidated Balance Sheets

1. Accumulated Depreciation of Total Property, Plant and Equipment

   ¥3,251 million

2. Monetary Claims and Liabilities Against Subsidiaries and Affiliates (excluding those sectionally indicated)

Short-term monetary claim	¥11,605 million
Short-term monetary liabilities	¥10,485 million

3. Contingent Liabilities

Liabilities on guarantee

Liabilities on guarantee for bank borrowings	¥201,837 million

Liabilities similar to guarantee liabilities

Balance of debt subject to the Keep Well Agreement	¥41,963 million

(This relates to cash pooling among Group companies in Europe).

Notes to the Non-consolidated Statements of Income

Transactions with Subsidiaries and Affiliates

Operating revenue	¥75,819 million
General and administrative expenses	¥6,594 million
Transactions except for operational transactions	¥10,860 million

Notes to the Non-consolidated Statement of Changes in Net Assets

Class and Number of Treasury Stocks at the End of the Fiscal Year Under Review

Common stock	83,102 thousand shares

Note: The number of shares of treasury stock at the end of the fiscal year under review includes 1,670 thousand shares of MCG held by the board incentive plan (BIP) trust.

Notes on Tax Effect Accounting

1. Breakdown of Deferred Tax Assets

   Deferred tax assets mainly consist of subsidiaries' stocks, losses carried forward (local tax) and provisions for bonuses. Deferred tax assets pertaining to subsidiaries' stocks and losses carried forward (local tax) were accounted for as valuation allowances.

   In addition, the MCG Group recognizes deferred tax assets for deductible temporary differences arising from investments in Mitsubishi Tanabe Pharma Corporation. The details are described in "Other Notes".

   Furthermore, the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and the "special defense corporation tax" will be imposed from fiscal years beginning on or after April 1, 2026. As a result, the deferred tax assets and deferred tax liabilities associated with temporary differences expected to be eliminated in the fiscal years beginning on or after April 1, 2026, have been calculated using the effective statutory tax rate based on the revised tax rate. The impact of this change will be immaterial.

2. Accounting Treatment of Corporation Income Tax, Local Tax, and Tax Effect Accounting Related to These Taxes

   MCG has applied a group tax sharing system, and adhered to the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Practical Solution No. 42, August 12, 2021) in its accounting for and presentation of corporation income tax, local tax, and tax-effect accounting when applying the group tax sharing system.

Notes on Related Party Transactions

Subsidiaries, etc.

Attribute	Name of related party	Equity ownership (or possession) percentage (%)	Description of the business relationship	Transactions	Trading amount (in million yen)	Accounts	Balance at year-end (in million yen)
Subsidiary	Mitsubishi Chemical Corporation	Direct 100%	Interlocking of officers, lending of funds and management guidance	Fund lending (Note 1)	75,631	Short-term loans receivable from subsidiaries and affiliates	318,320
						Long-term loans receivable from subsidiaries and affiliates	140,948
				Receipts of interest (Note 1)	6,429	Current assets and others	266
				Operating fee income (Note 2)	14,172	–	–
Subsidiary	Mitsubishi Tanabe Pharma Corporation	Direct 100%	Interlocking of officers and borrowing of funds	Repayment of funds (Note 3)	17,033	Short-term borrowings to subsidiaries and affiliates	240,417
				Payment of interest (Note 3)	1,396	–	–

Attribute	Name of related party	Equity ownership (or possession) percentage (%)	Description of the business relationship	Transactions	Trading amount (in million yen)	Accounts	Balance at year-end (in million yen)
Subsidiary	Mitsubishi Chemical Engineering Corporation	Indirect 100%	Borrowing of funds	Repayment of funds (Note 3)	3,883	Short-term borrowings to subsidiaries and affiliates	17,977
				Payment of interest (Note 3)	54	–	–

Attribute	Name of related party	Equity ownership (or possession) percentage (%)	Description of the business relationship	Transactions	Trading amount (in million yen)	Accounts	Balance at year-end (in million yen)
Subsidiary	Japan Polypropylene Corporation	Indirect 65%	Interlocking of officers and lending of funds	Fund collection (Note 1)	5,240	Short-term loans receivable from subsidiaries and affiliates	15,925
						Long-term loans receivable from subsidiaries and affiliates	5,200
				Receipts of interest (Note 1)	176	Current assets and others	0
Subsidiary	Mitsubishi Chemical America, Inc.	Indirect 100%	Interlocking of officers and debt guarantee	Debt guarantee (Note 4)	65,041	–	–
				Receipts of guarantee commission (Note 4)	137	Current assets and other	70
Subsidiary	Mitsubishi Chemical Europe GmbH	Indirect 100%	Debt guarantee and liabilities similar to guarantee liabilities	Debt guarantee (Note 4)	90,969	–	–
				Liabilities similar to guarantee liabilities (Note 5)	41,963	–	–
				Receipts of guarantee commission (Note 4,5)	73	Current assets and others	42
Affiliate	PT. MC PET Film Indonesia	Indirect 100%	Debt guarantee	Debt guarantee (Note 4)	20,120	–	–
				Receipts of guarantee commission (Note 4)	105	Current assets and others	52

・ Trading amount above does not include consumption taxes. The balance at year-end includes consumption taxes.

・ MCG has conducted the MCG Group’s group financing operations in Japan and Asia.

Term of transactions and policy of decision-making thereof

Notes:

1. Interest rates are reasonably decided based on procurement interest rates.
   Transactions relating to lending of funds and recovery are presented in net amounts.
2. Operating fee income is as described in “Matters Concerning Significant Accounting Policies, 5. Basis of revenue recognition.”
3. Interests rates are reasonably decided reflecting market interest rates.
   Transactions relating to borrowings and repayments are presented in net amounts.
4. The Company acts as jointly and severally liable guarantor with respect to borrowings from a commercial bank.
   The guarantee commission is decided according to what is considered reasonable when considering the financial position of the debtor.
5. The Company has entered into a Keep Well Agreement regarding cash pooling among the Group companies.
   The guarantee commission is decided according to what is considered reasonable when considering the financial position of the subsidiary.

Notes on Per Share Information

Net assets per share	¥496.53
Earnings per share	¥96.73

(Note) Amounts of less than one million yen are rounded to the nearest unit.

Other Notes

(Transfer of Mitsubishi Tanabe Pharma Corporation and its Subsidiaries)

(i) Outline

The Company resolved, at a meeting of the Board of Directors held in February 2025, to transfer its consolidated subsidiary, Mitsubishi Tanabe Pharma Corporation (hereinafter "MTPC") to be affiliated with K.K. BCJ-94, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP (hereinafter the "Transfer"), and signed an agreement related to the Transfer.

The completion of the Transfer is expected in the second quarter of the fiscal year ending March 31, 2026, subject to certain conditions including approval of the Transfer at the Company's General Meeting of Shareholders and obtainment of necessary clearance and approval pursuant to the competition laws, other related laws and regulations of Japan and overseas.

(ii) Effect on the Fiscal Year under Review

As of the close of the fiscal year under review, the Company recognizes deferred tax assets of ¥84,520 million for deductible temporary differences arising from investments in MTPC, based on the judgment that it is more likely to meet both of the following conditions.

(a) Existence of decision or plan to sell shares of total subsidiaries, etc. in the foreseeable future,

(b) Deferred tax assets for the deductible temporary differences are considered to be recoverable.

Notes to Material Subsequent Events (Acquisition and cancellation of treasury shares)

The descriptions are omitted because the same descriptions are stated in the "Notes to Material Subsequent Events" in the Notes to Consolidated Financial Statements in the Consolidated Financial Statements.

[English Translation of Report of Independent Auditors Originally Issued in the Japanese Language]

Report of Independent Auditors

May 16, 2025

The Board of Directors
Mitsubishi Chemical Group Corporation

Ernst & Young ShinNihon LLC
Tokyo Office

Takayuki Ueki
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Kosuke Kawabata
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Shinya Yamaga
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Takao Yamamoto
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Audit Opinion

Pursuant to the provisions of Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of Mitsubishi Chemical Group Corporation (the "Company"), which comprise the consolidated statement of profit or loss for the fiscal year from April 1, 2024 to March 31, 2025, the consolidated statement of financial position as of March 31, 2025, the consolidated statement of changes in equity for the fiscal year from April 1, 2024 to March 31, 2025, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with auditing standards that omit some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the second sentence of first paragraph of Article 120 of the Corporate Calculation Regulations, present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2025 and the results of their operations for the period then ended.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information refers to the business report and the annexed specifications thereto. Management is responsible for the preparation and disclosure of other information. The Audit Committee is responsible for overseeing the performance of duties by the Directors and Corporate Executive Officers within the maintenance and operation of the reporting process for other information.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report concerning other information.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with auditing standards that omit some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the second sentence of first paragraph of Article 120 of the Corporate Calculation Regulations. This includes the development and maintenance of internal control deemed necessary by management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to injustice or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern and disclosing, and in the event that it is necessary to disclose matters related to the Group's ability to continue as a going concern based on auditing standards that omit some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the second sentence of first paragraph of Article 120 of the Corporate Calculation Regulations, to disclose such matters.

The Audit Committee is responsible for overseeing the performance of duties by the Directors and Corporate Executive Officers within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・ Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・ In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.

・ Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.

・ Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with auditing standards that omit some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the second sentence of first paragraph of Article 120 of the Corporate Calculation Regulations, as well as evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.
- Plan and conduct audits of consolidated financial statements in order to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its subsidiaries, which will form the basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision and examination of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit Committee with a report that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, as well as cases where countermeasures have been established to eliminate obstruction factors to our independence or cases where safeguards have been applied to reduce these obstructions to allowable levels.

Interests in the Company

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries that should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

[English Translation of Report of Independent Auditors Originally Issued in the Japanese Language]

Report of Independent Auditors

May 16, 2025

The Board of Directors
Mitsubishi Chemical Group Corporation

Ernst & Young ShinNihon LLC
Tokyo Office

Takayuki Ueki
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Kosuke Kawabata
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Shinya Yamaga
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Takao Yamamoto
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Audit Opinion

Pursuant to the provisions of Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements of Mitsubishi Chemical Group Corporation (the "Company"), which comprise the balance sheet as of March 31, 2025, and the statement of income and the statement of changes in net assets for the 20th fiscal year from April 1, 2024 to March 31, 2025, and the related notes to non-consolidated financial statements as well as the related supplementary schedules thereto (hereafter referred to as "non-consolidated financial statements and others").

In our opinion, the non-consolidated financial statements and others referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and the results of its operations for the period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Others section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information refers to the business report and the annexed specifications thereto. Management is responsible for the preparation and disclosure of other information. The Audit Committee is responsible for overseeing the performance of duties by the Directors and Corporate Executive Officers within the maintenance and operation of the reporting process for other information.

Our audit opinion on the non-consolidated financial statements, etc. does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the non-consolidated financial statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report concerning other information.

Responsibilities of Management and the Audit Committee for the Non-consolidated Financial Statements and Others

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the development, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of non-consolidated financial statements and others that are free from material misstatement, whether due to injustice or error.

In preparing the non-consolidated financial statements and others, management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements and others with the assumption of the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the performance of duties by the Directors and Corporate Executive Officers within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Others

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc., based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if the notes to the non-

consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly represent the underlying transactions and accounting events.

We communicate with the Audit Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit Committee with a report that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, as well as cases where countermeasures have been established to eliminate obstruction factors to our independence or cases where safeguards have been applied to reduce these obstructions to allowable levels.

Interests in the Company

Our firm and engagement partners have no interest in the Company that should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(TRANSLATION PURPOSE ONLY)

Copy of the Audit Committee's Report

AUDIT REPORT

With respect to the Directors' and Corporate Executive Officers' performance of their duties during the 20th business year from April 1, 2024 to March 31, 2025, the Audit Committee has carried out the audit. We hereby report the method and the results of the audit as follows:

1. Method and Contents of Audit

Concerning the content of the Board of Directors resolution relating to matters raised in Article 416, paragraph (1) item i, sub-items (b) and (e) of the Companies Act and the system that has been established pursuant to that resolution (internal control system), the Audit Committee periodically received reports from the Directors, Corporate Executive Officers and employees and other relevant personnel on its establishment and operational status, sought explanations as necessary and made opinions. In addition to this, the Audit Committee implemented the audit using the following method.

(1) The Audit Committee attended important meetings, received reports from Directors, Corporate Executive Officers and other relevant personnel on matters relating to their performance of duties, sought explanations as necessary, reviewed important written decisions and other documents, and investigated the status of operations and assets in compliance with the Audit Committee Audit Standard set forth by the Audit Committee, in line with the Audit Policy and the allocation of duties, etc., and in cooperation with the internal audit departments of the Company. Also, with respect to the subsidiaries, the Audit Committee maintained good communications and exchanged information with the Directors, Corporate Auditors and other relevant personnel of the subsidiaries and received reports from the subsidiaries on their business as necessary.

(2) The Audit Committee oversaw and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of their performance of duties, and requested explanations as necessary. The Audit Committee was notified by the Accounting Auditor that it had established "a system for the maintenance of appropriate execution of duties" (included in each paragraph of Article 131 of the Corporate Calculation Regulations) in accordance with the "Quality Control Standards for Audits," (Business Accounting Council) and requested explanations as necessary.

Based on the above-described methods, each Corporate Auditor examined the business report and the annexed specifications, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and their annexed specifications thereto, as well as the consolidated financial statements (consolidated statement of profit or loss, the consolidated statement of financial position, consolidated statement of changes in equity, and notes to consolidated financial statements) for this business year.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

i) We acknowledge that the business report and the annexed specifications thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

ii) We acknowledge that no misconduct or violations of laws and regulations, or the Articles of Incorporation was found with respect to the Directors' and Corporate Executive Officers' performance of their duties.

iii) We acknowledge that the Board of Directors' resolutions with respect to the Internal Control Systems are appropriate. We did not find any matter to be mentioned with respect to the descriptions of the business report and the Director's and Corporate Executive Officers' performance of their duties regarding the internal control system.

(2) Results of Audit of Non-consolidated Financial Statements and their Annexed Specifications
We acknowledge that the methods and results of audit performed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements
We acknowledge that the methods and results of audit performed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 19, 2025

The Audit Committee of
Mitsubishi Chemical Group Corporation

Member of the Audit Committee (chairperson)	Tatsumi Yamada
Member of the Audit Committee (full-time)	Jin Iida
Member of the Audit Committee	Kiyomi Kikuchi
Member of the Audit Committee	Akihiro Eto

Note: Member of the Audit Committee (chairperson) Mr. Tatsumi Yamada, Member of the Audit Committee Ms. Kiyomi Kikuchi and Mr. Akihiro Eto are Outside Directors as stipulated in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.