

Greeting

Purpose

To lead with innovative solutions
to achieve KAITEKI,
the well-being of people and the planet.

During fiscal 2025 (April 1, 2025, to March 31, 2026), the business environment was impacted by the spread of U.S. trade policies across various regions of the world. Amidst such changes, the economy maintained solid growth overall, supported by robust U.S. consumer spending and capital investment driven by AI-related demand, as well as a recovery in Japanese consumer spending and robust corporate earnings fueled by improvements in the employment and income environment, in addition to China's economic stimulus measures and stable consumer spending in Europe driven by a strong employment environment. Nevertheless, since March 2026, uncertainty has persisted due to rising geopolitical risks, particularly in the Middle East, which have led to sharp increases in the prices of some raw materials and fuels.

Against this backdrop, the Group posted sales revenue of ¥3,704.0 billion (down ¥243.6 billion year on year), core operating income of ¥225.0 billion (down ¥3.8 billion year on year), operating income of ¥30.1 billion (down ¥111.5 billion year on year), and net income attributable to owners of the parent of ¥11.8 billion (down ¥33.2 billion year on year).

With respect to the year-end dividend for fiscal 2025, the Company has decided to pay ¥16 per share. As the Company has already paid an interim dividend of ¥16 per share, the annual dividend will be ¥32 per share (¥32 per share in the previous fiscal year).

Under our new management policy, "KAITEKI Vision 35," and the "Medium-Term Management Plan 2029" announced in November 2024, we will work together as one Group to enhance our corporate value by boosting our profitability and achieving business growth.

As we move forward, I ask for the continuing support 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 2, 2026

(Start date for providing information in electronic format) May 26, 2026

To Shareholders:

Notice of the 21st 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 21st 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 21st 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 “Notice Regarding the Exercise of Voting Rights in Advance.”

(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 24, 2026, 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 21st fiscal year from April 1, 2025 to March 31, 2026
- Item 2. The contents of the Non-consolidated Financial Statements for the 21st fiscal year from April 1, 2025 to March 31, 2026

Matters to be Resolved

Agenda Election of Nine (9) Directors of the Board

Candidate No.	Name	
1	Nobuo Fukuda	(Reelection) Director of the Board, Chairperson
2	Manabu Chikumoto	(Reelection) Director of the Board, Corporate Executive Officer, President and CEO
3	Toshiya Katsuragi	To be newly elected
4	Akihiro Eto	(Reelection) Outside Director Independent Officer
5	Shuichi Sakamoto	(Reelection) Outside Director Independent Officer
6	Geoffrey Coates	(Reelection) Outside Director Independent Officer
7	Seiji Kuraishi	(Reelection) Outside Director Independent Officer
8	Toshihiro Otsuka	To be newly elected Outside Director Independent Officer
9	Yuko Chiyoda	To be newly elected Outside Director Independent Officer

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- Shareholders attending the General Meeting are requested to submit the enclosed Card for Exercise of Voting Rights to reception at the meeting venue.
 - 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.
 - 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 21st Ordinary General Meeting of Shareholders.

Notice Regarding the Exercise of Voting Rights in Advance

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.

1. Exercising 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 23, 2026

* If there is no indication of approval or disapproval of a proposal, it will be treated as having been approved.

2. 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 23, 2026

* This service will be suspended daily from 2:30 a.m. to 4:30 a.m.

* Shareholders will be responsible for the Internet connection charges and the communication charges, etc. arising from accessing the Voting Website.

[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.

[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.

Reference Materials for the General Meeting of Shareholders

Agenda and References

Agenda Election of Nine (9) Directors of the Board

The terms of office of all eight 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 nine Directors.

The candidates for Directors are as described in No. 1 to 9 below.

Candidate No.	Name	Present position and duty at the Company		Skills Matrix								
				Corporate management	Industry and related business	Global business	Technology, science, digital, and innovation	Sustainability	Finance and accounting	Risk management	Legal, compliance and governance	
1	Nobuo Fukuda	Director of the Board, Chairperson Member of the Nominating Committee, Member of the Audit Committee	Reelection		●				●		●	●
2	Manabu Chikumoto	Director of the Board, Corporate Executive Officer, President and CEO	Reelection	●	●	●			●		●	
3	Toshiya Katsuragi		To be newly elected		●		●		●		●	
4	Akihiro Eto	Director of the Board Member of the Nominating Committee, Member of the Compensation Committee	Reelection Outside Director Independent Officer	●		●				●		●
5	Shuichi Sakamoto	Director of the Board Member of the Audit Committee, Member of the Compensation Committee	Reelection Outside Director Independent Officer		●		●		●		●	
6	Geoffrey Coates	Director of the Board	Reelection Outside Director Independent Officer		●	●	●		●			


Candidate No.	Name	Present position and duty at the Company		Skills Matrix								
				Corporate management	Industry and related business	Global business	Technology, science, digital, and innovation	Sustainability	Finance and accounting	Risk management	Legal, compliance and governance	
7	Seiji Kuraishi	Director of the Board Member of the Nominating Committee, Member of the Audit Committee	Reelection Outside Director Independent Officer	•		•	•					•
8	Toshihiro Otsuka		To be newly elected Outside Director Independent Officer			•		•	•	•		
9	Yuko Chiyoda		To be newly elected Outside Director Independent Officer			•					•	•


* From the skills possessed by each director candidate, we have selected approximately four items in which we particularly expect them to excel.


Skills Matrix Items	Reason for skill selection
Corporate management	The Board of Directors is entrusted by shareholders to oversee the management of the MCG Group with the aim of achieving our Medium-Term Management Plan and KAITEKI Vision 35 (hereinafter, “KV35”) goals. We have selected this item because it requires insight and experience in corporate management.
Industry and related business	We have selected this item because it is necessary to “further deepen discussions on building our business portfolio” to prioritize and focus on the five key business areas outlined in the MCG Group’s Medium-Term Management Plan and KV35, and this requires insight and experience related to our industry and related business.
Global business	The MCG Group generates approximately 50% of its revenue overseas, and both the Medium-Term Management Plan and KV35 aim to strengthen its overseas business operations. We have selected this item because it requires insight and experience gained from companies that operate globally, as we lead our five core business areas on a global scale.
Technology, science, digital, and innovation	The MCG Group aims to lead by combining diverse technologies that deliver innovative solutions in order to achieve KAITEKI, the well-being of people and the planet. We have selected this item because it requires insight and experience in the field of technology, science, digital, and innovation.
Sustainability	The MCG Group aims to become a “green specialty company” that provides optimal solutions to the social challenges identified in the formulation of its Medium-Term Management Plan and KV35, and one that delivers impressive results to customers with the power of materials. We have selected this item because it requires insight and experience in sustainability to achieve a balance between economic, social, and environmental value.
Finance and accounting	In addition to overseeing our business operations, the Board of Directors is responsible for building a business portfolio that prioritizes and focuses our business efforts, as well as ensuring disciplined business operations, in order to achieve our Medium-Term Management Plan and KV35 goals. We have selected this item because, in order to enhance corporate value over the medium to long term, it requires insight and experience in building a robust business portfolio, cash flow management, raising capital, engaging with capital markets, and financial, accounting, and capital policies.
Risk management	When conducting business, the MCG Group must implement sound risk management practices in areas such as manufacturing and quality. We have selected this item because it requires insight and experience in risk management to oversee the major changes affecting the MCG Group, such as those in information security, AI, and the environment, and to respond to various social issues.


Skills Matrix Items	Reason for skill selection
Legal, compliance and governance	As we build our business portfolio to achieve our Medium-Term Management Plan and KV35 goals, we will need to prioritize and focus our business efforts through measures such as business restructuring and divestiture, and M&A. We have selected this item because it requires insight and experience in overseeing legal, compliance, and governance matters as a foundation for managing existing business operations.


* Please refer to the section below for details concerning the constitution of the Board of Directors and our policy on the nomination of Director candidates.

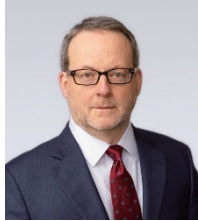
	No. 1 (Reelection)	Nobuo Fukuda	
		Date of birth	December 9, 1958
		Number of the Company's shares held	65,417
		Term of office	3 years
		Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 12/12 (100%) Nominating Committee meetings 9/9 (100%) Audit Committee meetings 10/10 (100%)
		Present position and duty at the Company	Director of the Board, Chairperson, Member of the Nominating Committee, Member of the Audit Committee
[Personal history]			
Apr. 1981	Joined Mitsubishi Chemical Industries Limited	Jun. 2023	Director of the Board of Mitsubishi Chemical Group Corporation
Apr. 2019	Representative Director, Director of the Board, Managing Executive Officer of Mitsubishi Chemical Corporation	Jun. 2024	Director of the Board, Chairperson of Mitsubishi Chemical Group Corporation (to present)
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		
[Significant concurrent positions]			
Director of the Board of Mitsubishi Chemical Corporation			
[Reason for choosing as candidate for Director and expected roles, etc.]			
<p>Nobuo Fukuda has a wealth of experience and deep insight across various facets of the Group's operations, having been widely involved in the Company and Group's business and management. As the Director of the Board not engaged in business execution, he supervises overall management and makes useful suggestions drawing on his wealth of experience as a member of the Audit Committee and Nominating Committee. In addition, he fully fulfills his responsibilities by focusing on enhancing the effectiveness of the Board of Directors as the Chairperson of the Board of Directors meetings, among other duties. 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.</p>			

	No. 2	Manabu Chikumoto	
	(Reelection)	Date of birth	June 26, 1964
		Number of the Company's shares held	128,755
		Term of office	2 years
		Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 12/12 (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. 2023	Executive Vice President of Mitsubishi Chemical Group Corporation
Apr. 2018	Executive Officer of Mitsubishi Chemical Holdings Corporation	Apr. 2024	Corporate Executive Officer, President and CEO of Mitsubishi Chemical Group Corporation (to present)
Apr. 2022	Division General Manager of Carbon Chemicals Div., Basic Materials Domain of Mitsubishi Chemical Corporation	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.]			
<p>Manabu Chikumoto has a wealth of experience and deep insight across various facets of the Group's operations, having been widely involved in the Group's 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.</p>			

	No. 3	Toshiya Katsuragi		
	To be newly elected	Date of birth	February 18, 1963	
		Number of the Company's shares held	38,739	
[Personal history]				
Apr. 1987	Joined Mitsubishi Chemical Industries Limited	Apr. 2024	Senior Vice President of Mitsubishi Chemical Group Corporation	
Apr. 2018	Executive Officer of Mitsubishi Chemical Corporation	Apr. 2025	Director, Managing Executive Officer of Mitsubishi Chemical Corporation	
Apr. 2022	Director, R&D Transformation Division of Mitsubishi Chemical Corporation			
Jul. 2023	Director, Functional Excellence Division of Mitsubishi Chemical Group Corporation			
[Significant concurrent positions]				
(Scheduled to be appointed as Corporate Auditor of Mitsubishi Chemical Corporation on June 22, 2026)				
[Reason for choosing as candidate for Director and expected roles, etc.]				
<p>Toshiya Katsuragi has a wealth of experience and deep insight in the chemical business, having been involved in management at Mitsubishi Chemical Corporation as a Managing Executive Officer and Chief Technology Officer, and after serving as Director of the Corporate Planning Division and Director of the R&D Transformation Division of the Company and the Group. 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 with a focus mainly on technology, science and digital innovation, sustainability, and risk management as an internal Director not engaged in business execution, the Board of Directors requests that he be newly elected as proposed.</p>				

	No. 4	Akihiro Eto	
	(Reelection)	Date of birth	Apr. 7, 1960
	Outside Director	Number of the Company's shares held	3,786
	Independent Officer	Term of office	2 years
		Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 12/12 (100%) Nominating Committee meetings 9/9 (100%) Audit Committee meetings 3/3 (100%) Compensation Committee meetings 9/9 (100%)
		Present position and duty at the Company	Director of the Board, Member of the Nominating Committee, Member of the Compensation Committee
[Personal history]			
Apr. 1986	Joined Bridgestone Corporation	Mar. 2016	Executive Vice President and Executive Officer of Bridgestone Corporation
Jul. 2010	Vice President and Officer of Bridgestone Corporation	Jan. 2019	President, COO and Representative Executive Officer of Bridgestone Corporation
Sep. 2012	Senior Executive Officer of Bridgestone Corporation	Mar. 2019	Member of the Board, President, COO and Representative Executive Officer of Bridgestone Corporation
Sep. 2014	Senior Vice President of Bridgestone Corporation	Jul. 2020	Member of the Board of Bridgestone Corporation
Jan. 2016	Executive Vice President of Bridgestone Corporation	Jun. 2024	Outside Director of Mitsubishi Chemical Group Corporation (to present)
[Significant concurrent positions]			
Director (Audit & Supervisory Committee Member) of ARCHION Corporation, Outside Audit & Supervisory Board Member of Panasonic Holdings Corporation			
[Reason for choosing as candidate for Director and expected roles, etc.]			
<p>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, Chairperson of the Compensation Committee and member of the Nominating Committee, he supervises 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 presiding over 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.</p>			

	No. 5	Shuichi Sakamoto	
	(Reelection)	Date of birth	October 13, 1957
	Outside Director	Number of the Company's shares held	6,178
	Independent Officer	Term of office	2 years
		Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 12/12 (100%) Nominating Committee meetings 3/3 (100%) Audit Committee meetings 10/10 (100%) Compensation Committee meetings 6/6 (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. 1981	Joined Asahi Chemical Industry Co., Ltd.	Apr. 2018	Director, Senior Executive Officer in charge of Health Care sector of Asahi Kasei Corp.
Apr. 2014	Director and Senior Executive Officer of Asahi Kasei Chemicals Corporation	Apr. 2019	Director of the Board, Senior Managing Executive Officer of Asahi Kasei Corp.
Nov. 2014	Lead Executive Officer of Asahi Kasei Corp.	Apr. 2023	Director of Asahi Kasei Corp.
Apr. 2016	Senior Executive Officer, CFO of Asahi Kasei Corp.	Jun. 2023	Advisor of Asahi Kasei Corp.
Jun. 2016	Director, Senior Executive Officer, CFO 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.]			
<p>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 Audit Committee and Compensation 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 by the Board of Directors of MCG through such initiatives, the Board of Directors requests that he be reelected as proposed.</p>			

	No. 6	Geoffrey Coates		
	(Reelection)	Date of birth	October 12, 1966	
	Outside Director	Number of the Company's shares held	0	
	Independent Officer	Term of office	2 years	
		Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 12/12 (100%)	
		Present position and duty at the Company	Director of the Board	

[Personal history]


Jul. 1997	Assistant Professor, Department of Chemistry, Cornell University	Jul. 2007	Betty R. Miller Professor, Department of Chemistry and Chemical Biology, Cornell University
Jul. 2001	Associate Professor, Department of Chemistry and Chemical Biology, Cornell University	Jul. 2008	Tisch University Professor, Department of Chemistry and Chemical Biology, Cornell University (to present)
Jul. 2002	Professor, Department of Chemistry and Chemical Biology, Cornell University	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. 7	Seiji Kuraishi
	(Reelection)	Date of birth July 10, 1958
	Outside Director	Number of the Company's shares held 2,198
	Independent Officer	Term of office 1 year
	Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 9/9 (100%) Nominating Committee meetings 9/9 (100%) Audit Committee meetings 10/10 (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. 1982	Joined Honda Motor Co., Ltd.	Apr. 2017	Chief Operating Officer of Honda Motor Co., Ltd.
Jun. 2010	Director of Honda Motor Co., Ltd.	Jun. 2017	Executive Vice President and Representative Director of Honda Motor Co., Ltd.
Apr. 2011	Director and Operating Officer of Honda Motor Co., Ltd.	Jun. 2021	Director, Executive Vice President and Representative Executive Officer of Honda Motor Co., Ltd.
Jun. 2011	Operating Officer of Honda Motor Co., Ltd.	Apr. 2022	Chairman and Director of Honda Motor Co., Ltd.
Apr. 2014	Managing Officer of Honda Motor Co., Ltd.	Jun. 2024	Special Advisor to Honda Motor Co., Ltd. (to present)
Apr. 2016	Senior Managing Officer of Honda Motor Co., Ltd.	Jun. 2025	Outside Director of Mitsubishi Chemical Holdings Corporation (to present)
Jun. 2016	Executive Vice President, Executive Officer and Representative Director of Honda Motor Co., Ltd.		

[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 an Outside Director and member of the Nominating Committee and Audit Committee, he supervises and audits overall management from an independent standpoint and provides useful advice and recommendations from the heightened perspective of a global corporate manager, 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.

	No. 8	Toshihiro Otsuka	
	(To be newly elected)	Date of birth	December 2, 1960
	Outside Director	Number of the Company's shares held	0
	Independent Officer		
[Personal history]			
Oct. 1987	Joined Minato Audit Corporation	Jul. 2019	Senior Executive Board Member of KPMG AZSA LLC (responsible for Operations, Head of Tokyo Office, and Accounting)
Mar. 1991	Registered as a Certified Public Accountant		
Jul. 2003	Representative Partner of KPMG AZSA & Co. (currently KPMG AZSA LLC)		CFO of KPMG Japan
Nov. 2015	Executive Director of KPMG AZSA LLC	Jul. 2021	Senior Executive Board Member of KPMG AZSA LLC (responsible for Quality, and Risk Management)
Jul. 2017	Senior Executive Board Member of KPMG AZSA LLC (responsible for People, Corporate Governance CoE, Integrated Reporting CoE, and Sports Business CoE) Head of People of KPMG Japan	Jul. 2023	Head of Audit of KPMG Japan Senior Managing Director and Head of the Research Institute of KPMG AZSA LLC
[Significant concurrent positions]			
Certified Public Accountant, Outside Director (Audit & Supervisory Committee Member), Mizuho Bank, Ltd., Outside Audit & Supervisory Board Member, Ricoh Company, Ltd.			
[Reason for choosing as candidate for Director and expected roles, etc.]			
<p>Toshihiro Otsuka has a wealth of experience and deep insight into international accounting and finance as a certified public accountant. In addition to serving as an auditor for leading Japanese companies at a major audit firm, as a Senior Executive Board Member he has held positions such as CFO, as well as head of human resources, corporate governance, quality control, and risk management, and later served as Head of Audit. 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 with a focus mainly on finance and accounting, sustainability and risk management as an Independent Outside Director for the above reasons, the Board of Directors requests that he be newly elected as proposed.</p>			

Notes:

1. There are no special interests between each candidate and MCG.
2. Akihiro Eto, Shuichi Sakamoto, Geoffrey Coates, Seiji Kuraishi, Toshihiro Otsuka, and Yuko Chiyoda are candidates for Outside Directors. The Company has designated Akihiro Eto, Shuichi Sakamoto, Geoffrey Coates, and Seiji Kuraishi 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 Akihiro Eto, Shuichi Sakamoto, Geoffrey Coates, and Seiji Kuraishi are inaugurated as Outside Directors, they are expected to continue serving as independent officers. In addition, Toshihiro Otsuka and Yuko Chiyoda meet the requirements for independent officers as stipulated by the Tokyo Stock Exchange, and if their election is approved, the Company plans to designate them as independent officers. The six candidates for Outside Directors above all meet the “Standards for Independence of Outside Directors” (on pages 22 to 24) stipulated by the Company.
3. In the case of Toshihiro Otsuka, who served as Head of Audit at KPMG Japan until June 2023 and as Senior Managing Director and Head of the Research Institute at KPMG AZSA LLC until June 2024, with which the MCG Group had a very small amount of business transactions in fiscal 2025, amounting to no more than 1% of KPMG Group’s or KPMG AZSA LLC’s operating revenue or of MCG’s consolidated net sales, the Company sees no issue with his independence. In the case of Yuko Chiyoda, who is serving as a Representative of CHIYODA & CHIYODA law firm, considering there are no business transactions between that firm and the MCG Group, the Company sees no issue with her independence.
4. The Company has concluded with Akihiro Eto, Shuichi Sakamoto, Geoffrey Coates, and Seiji Kuraishi 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 Akihiro Eto, Shuichi Sakamoto, Geoffrey Coates, and Seiji Kuraishi, and will also conclude the same agreement with Toshihiro Otsuka and Yuko Chiyoda.
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. The legal name of candidate Yuko Chiyoda is Yuko Nakajima.
7. If this proposal is approved, the Company plans to set up each committee as follows:
Nominating Committee: Seiji Kuraishi, Akihiro Eto, Shuichi Sakamoto, Nobuo Fukuda
Audit Committee: Toshihiro Otsuka, Shuichi Sakamoto, Yuko Chiyoda, Toshiya Katsuragi
Compensation Committee: Shuichi Sakamoto, Akihiro Eto, Seiji Kuraishi

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 required skills as corporate management; industry and related business; global business; technology, science and digital innovation; sustainability; finance and accounting; risk management; and legal, compliance and governance.

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 pages 22 to 24), and be able to secure enough time to execute business.

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, 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, 2025 to March 31, 2026)

1. Group Overview of Operation

(1) Business Development and Performance

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

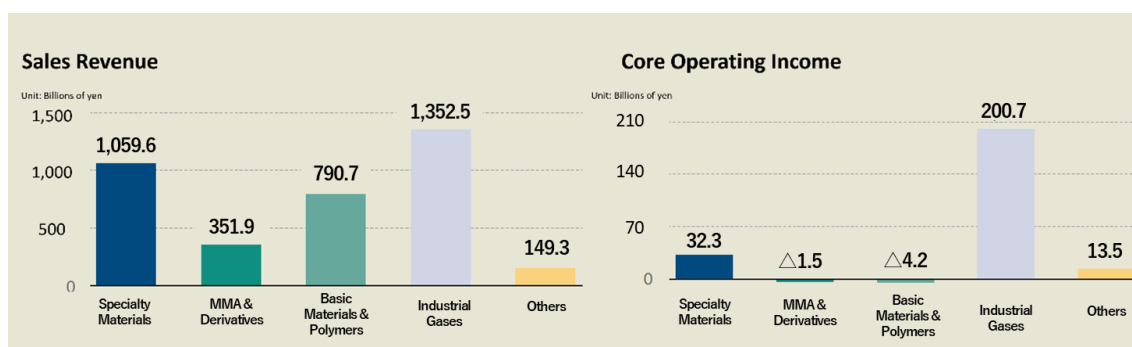
Regarding the business environment surrounding MCG, the business environment was impacted by the spread of U.S. trade policies across various regions of the world. Amidst such changes, the economy maintained solid growth overall, supported by robust U.S. consumer spending and capital investment driven by AI-related demand, as well as a recovery in Japanese consumer spending and robust corporate earnings fueled by improvements in the employment and income environment, in addition to China's economic stimulus measures and stable consumer spending in Europe driven by a strong employment environment. Nevertheless, since March 2026, uncertainty has persisted due to rising geopolitical risks, particularly in the Middle East, which have led to sharp increases in the prices of some raw materials and fuels.

In these circumstances, sales revenue for fiscal 2025 was ¥3,704.0 billion, down ¥243.6 billion compared with a year earlier. Core operating income* decreased ¥3.8 billion year on year to ¥225.0 billion and operating income was ¥30.1 billion, a year-on-year drop of ¥111.5 billion. Net income attributable to owners of parent was ¥11.8 billion, down ¥33.2 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 27 to 29.

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. Due to the transfer of business related to Mitsubishi Tanabe Pharma Corporation (now Tanabe Pharma Corporation) and its subsidiaries, on July 1, 2025, effective this fiscal year, the Company reclassified its reporting segments into the four segments of Specialty Materials, MMA & Derivatives, Basic Materials & Polymers, and Industrial Gases, plus Others. In comparisons with the previous fiscal year, figures for fiscal 2024 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 decreased by ¥11.7 billion year on year to ¥1,059.6 billion, and core operating income amounted to ¥32.3 billion, up ¥8.4 billion year on year.

In Advanced Films & Polymers, selling prices were maintained or increased, but revenue declined due to the transfer of shares in J-Film Corporation and the transfer of the triacetate fiber and other businesses, as well as the impact of customer inventory adjustments reflecting a decline in demand for display applications from the strong demand seen in the previous fiscal year.

In Advanced Solutions, too, although revenue fell due to the transfer of shares in MCC Sports Co., Ltd., a decrease in sales volume resulting from waning demand for EV applications in Europe and the United States, and a decline in sales volume for housing and construction materials, primarily in the domestic market, core operating income increased owing to raising or maintaining selling prices for a variety of products.

In the Advanced Composites & Shapes, sales volume dropped due to the partial suspension of general-purpose firing lines in the carbon fiber business, but revenue was up due to rising demand for high-performance engineering plastics—primarily for semiconductor manufacturing equipment—as well as expanded sales of carbon fiber composite parts and favorable foreign exchange effects.

Core operating income in this segment increased despite the recognition of an impairment loss on Soarnol-related fixed assets in the UK and cost increases due to inflation and other factors. This increase was due to the absence of the impact of the impairment losses on production facilities and intangible assets at Gelest, Inc. in the current fiscal year, which was recognized in the previous fiscal year, an improvement in gross margins resulting from higher selling prices across semiconductor-related and other businesses, greater demand for high-performance engineering plastics—primarily for use in semiconductor manufacturing equipment—and higher sales of carbon fiber composite parts, and rationalization effects resulting from the revamping of production sites across numerous businesses.

MMA & Derivatives Segment

Principal Businesses: MMA, Coatings & Additives

Sales revenue in this segment totaled ¥351.9 billion, a decrease of ¥65.7 billion year on year, while core operating income decreased by ¥37.2 billion year on year resulting in a loss of ¥1.5 billion.

In MMA, revenue dropped primarily due to a downturn in market conditions for MMA monomers and other products.

In Coatings & Additives, selling prices were maintained or increased, but revenue declined due to a decrease in sales volume resulting from weaker demand for applications such as paints, adhesives, inks, and additives.

Core operating income in this segment declined due to a narrowing of trading margins caused by falling market prices for MMA monomers and other products, as well as to a decrease in sales volume resulting from a general decline in demand.

Basic Materials & Polymers Segment

Principal Businesses: Materials & Polymers, Carbon

Sales revenue in this segment totaled ¥790.7 billion, a decrease of ¥195.9 billion year on year, while core operating income improved by ¥10.4 billion year on year resulting in a loss of ¥4.2 billion.

In Materials & Polymers, revenue declined due to the impact of the sale of shares in a specific subsidiary within the high-purity terephthalic acid business, as well as lower selling prices resulting from a decline in raw material prices, a decrease in sales volume of polyolefins and other products, and foreign exchange effects.

In Carbon, revenue dropped due to the impact of the sale of shares in a specific subsidiary within the coke business, a decrease in sales volume resulting from the reduction in coke production capacity, and a decline in coke sales prices caused by falling raw material prices and sluggish demand.

Core operating income in this segment improved, despite a deterioration in inventory valuation gains and losses in the Materials & Polymers sub-segment, cost increases due to inflation and other factors, and the recognition of impairment losses on ethylene oxide and ethylene glycols production facilities. This improvement was driven by a widening spread between raw material and product prices in the polyolefin and other businesses, as well as an improvement in inventory valuation gains and losses in the carbon business, along with improved trading margins resulting from structural reforms in that business and cost reductions.

Industrial Gases Segment

Principal Businesses: Industrial Gases

Sales revenue in this segment increased by ¥51.4 billion year on year to ¥1,352.5 billion, and core operating income amounted to ¥200.7 billion, up ¥14.6 billion year on year.

Sales revenue increased year on year due to the effect of the acquisition and consolidation of

a plant engineering company in Europe and the industrial gas business and other businesses in Australia and New Zealand on top of the forex impact and the positive effect of price management efforts in each region, despite a decline in sales as domestic and overseas demand remained sluggish overall.

Core operating income in this segment rose year on year on the back of the positive effects of price management efforts and cost reduction, despite the rising price of electricity in the United States and a deterioration in sales volume mainly in Europe and the United States.

Other Segment

Principal Businesses: Engineering, transportation and warehousing

Sales revenue for the segment totaled ¥149.3 billion, down ¥21.7 billion year on year, while core operating income was ¥13.5 billion, up ¥1.5 billion year on year.

(2) Outstanding Issues

MCG is working to transform its portfolio and improve profitability in line with the “Three Criteria for Business Selection” and the “Three Disciplined Approaches in Business Operations,” under the “KAITEKI Vision 35” management policy and “Medium-Term Management Plan 2029,” which were announced in November 2024.

To achieve the goals set for fiscal 2029 in our Medium-Term Management Plan, it is imperative that we rigorously implement the “Three Disciplined Approaches in Business Operations,” further grow our Specialty Materials business, and restructure our materials business, which is highly susceptible to market fluctuations. In addition, in response to the deteriorating raw material procurement environment caused by the situation in the Middle East, we are diversifying our suppliers and striving to pass on necessary price increases to maintain profitability.

At the management policy briefing held last December, we classified the various businesses within our portfolio into four categories based on their profitability and growth potential: “Growth Drivers,” “Next Generation,” “Cornerstone,” and “Structural Reform.” We will steadily implement structural reforms, such as withdrawing from the coke and charcoal businesses and consolidating our ethylene production facilities. At the same time, we will use the cash generated from our earnings base to prioritize the allocation of resources in the Growth Drivers and Next Generation categories, thereby further accelerating growth.

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. To achieve our vision for 2035 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, we will actively promote our green chemical strategy.

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]

Please click here to view the materials from the December 2025 management policy briefing.

<https://www.mcgc.com/english/ir/pdf/02500/02740.pdf>

(3) Capital Expenditures

The MCG Group's aggregate capital expenditures for the fiscal year under review stood at ¥307.7 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	131.6 billion yen	—	<p>Mitsubishi Chemical Corporation</p> <ul style="list-style-type: none"> • Production facility for synthetic quartz powder • Production facility for anode materials • Production facility for OPL film <p>C.P.C. Srl (Italy)</p> <ul style="list-style-type: none"> • Production facilities for carbon fiber related products <p>Gelest, Inc. (USA)</p> <ul style="list-style-type: none"> • Production facility for EUV dry resist materials <p>Mitsubishi Chemical UK Limited</p> <ul style="list-style-type: none"> • Production facility for Soarnol <p>Mitsubishi Polyester Film GmbH (Germany)</p> <ul style="list-style-type: none"> • Production facility for polyester film
MMA & Derivatives	23.2 billion yen	—	—
Basic Materials & Polymers	35.7 billion yen	—	—
Industrial Gases	113.2 billion yen	—	<p>Matheson Tri-gas, Inc. (U.S.A.)</p> <ul style="list-style-type: none"> • Supply facilities for hydrogen and water vapor

Notes:

1. Other than the above, there were capital expenditures of ¥3.9 billion in “Others” and “Company-wide (Common).”
2. The figures presented reflect the results of continuing operations, excluding discontinued operations (businesses related to Mitsubishi Tanabe Pharma Corporation (now Tanabe Pharma Corporation) and its subsidiaries, which were transferred on July 1, 2025).

(4) Fund Procurement

Item	Balance at April 1, 2025	Balance at March 31, 2026	Change
Borrowings	1,433.8 billion yen	1,298.3 billion yen	Down 135.5 billion yen
Corporate bonds and commercial paper	607.2 billion yen	592.2 billion yen	Down 15.0 billion yen
Total	2,041.0 billion yen	1,890.5 billion yen	Down 150.5 billion yen

(5) Principal Lenders (as of March 31, 2026)

Lenders	Amount Borrowed
Mizuho Bank, Ltd.	365.7 billion yen
Mizuho Bank, Ltd. (syndicated loan)	174.0 billion yen
MUFG Bank, Ltd. (syndicated loan)	170.3 billion yen

Note: Mizuho Bank, Ltd. (syndicated loan) and MUFG Bank, Ltd. (syndicated loan) are loans from multiple financial institutions with Mizuho Bank, Ltd. and MUFG Bank, Ltd. as the respective lead managers.

(6) Significant Business Realignments

- In April 2025, Mitsubishi Chemical Corporation transferred part of the real estate leasing and management business of its subsidiary, DIA RIX CORPORATION, along with the real estate holdings related to that business, to ES-CON JAPAN Ltd.

(Others)

- In July 2025, the Company transferred all shares and related assets of its subsidiary, Mitsubishi Tanabe Pharma Corporation, to K.K. BCJ-94. Mitsubishi Tanabe Pharma Corporation changed its corporate name to Tanabe Pharma Corporation effective December 1, 2025.

(Former Pharma Segment)

- In December 2025, Mitsubishi Chemical Corporation transferred all shares of its subsidiary J-Film Corporation to Marunouchi Capital Inc.

(Specialty Materials Segment)

(7) Employees of the MCG Group (as of March 31, 2026)

(a) Status of Employees of the MCG Group

Segment	No. of Employees	Year-on-year Increase/Decrease
Specialty Materials	20,127	Down 1,193
MMA & Derivatives	3,972	Down 99
Basic Materials & Polymers	5,564	Down 995
Industrial Gases	20,422	Up 660
Others	6,089	Down 27
Company-wide (Common)	504	Down 436
Total	56,678	Down 2,090

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. A decrease in the number of employees in the Basic Materials & Polymers segment is attributed mainly to implementation of a voluntary retirement program by Mitsubishi Chemical Corporation and changes in a business management structure within the MCG Group.
5. 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.
6. The total year-on-year change figures reflect the number of employees excluding discontinued operations (businesses related to Mitsubishi Tanabe Pharma Corporation (now Tanabe Pharma Corporation) and its subsidiaries, which were transferred on July 1, 2025).

(b) Status of Employees of MCG

No. of Employees (Year-on-year Change)	Average Age	Average Years of Service
31 (down 383)	51 years and 6 months	24 years and 10 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 secondees.
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	18th Term (Fiscal 2022)	19th Term (Fiscal 2023)	20th Term (Fiscal 2024)	21st Term (year under review) (Fiscal 2025)
Sales revenue (in billion yen)	4,634.5	4,387.2	3,947.6	3,704.0
Core operating income (in billion yen)	325.6	208.1	228.8	225.0
ROS (%)	7.0	4.7	5.8	6.1
Net income attributable to owners of parent (in billion yen)	96.5	119.6	45.0	11.8
Basic earnings per share (in yen)	67.85	84.07	31.64	8.63
ROE (%)	6.4	7.2	2.6	0.7
Total equity (in billion yen)	1,988.5	2,275.5	2,284.6	2,414.7
Equity attributable to owners of parent per share (in yen)	1,100.27	1,239.61	1,223.01	1,296.73
Total assets (in billion yen)	5,774.3	6,104.5	5,894.6	5,876.6

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.
7. With regard to the sales revenue and core operating income for the 20th and 21st terms, the figures presented reflect the results of continuing operations, excluding discontinued operations (businesses related to Mitsubishi Tanabe Pharma Corporation (now Tanabe Pharma Corporation) and its subsidiaries, which were transferred on July 1, 2025).

(9) Status of MCG, Major Subsidiaries and Affiliates (as of March 31, 2026)

(a) MCG

Head Office	1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo
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(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
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	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 sale of products for civil engineering, construction, housing, and industrial uses	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 N.V.	7 million euros	100.0	Production of engineering-plastics	Belgium
	Mitsubishi Polyester Film GmbH	160 thousand euros	100.0	Manufacture and sale of PET film and aluminum-resin composite panels	Germany

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
Industrial Gases	TAIYO NIPPON SANSO CORPORATION	1.5 billion yen	100.0	Manufacture and marketing of industrial gas	Tokyo
	Nippon Gases Euro-holding S.L.U.	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

Note: TAIYO NIPPON SANSO CORPORATION, Nippon Gases Euro-holding SI, and Matheson Tri-gas, Inc from the Industrial Gases Segment have each changed their trade names to Nippon Sanso Corporation, Nippon Sanso Euro-Holding S.L.U., and Nippon Sanso Matheson, Inc., effective April 1 of this year.

(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

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 ¥1,589,500 million.

2. Matters Related to Corporate Stocks (as of March 31, 2026)

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

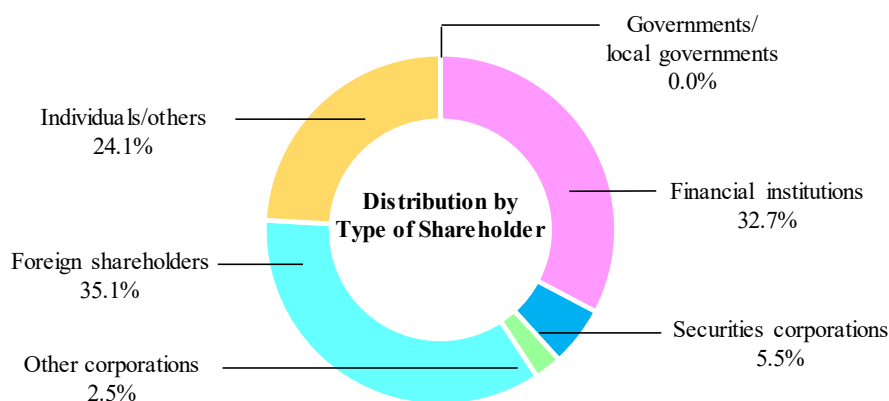
(2) Number of Issued and Outstanding Shares:

1,441.467 million (representing a year-on-year decrease of 64.821 million shares)

Note: On October 28, 2025, 64.821 million shares of treasury stock were cancelled.

(3) Aggregate Number of Shareholders:

286,275 (representing a year-on-year decrease of 7,208 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)	212,235	15.6
Custody Bank of Japan, Ltd. (Trust Account)	76,059	5.6
STATE STREET BANK AND TRUST COMPANY 505001	68,429	5.0
Meiji Yasuda Life Insurance Company	64,389	4.7
Nippon Life Insurance Company	42,509	3.1
THE CHASE MANHATTAN BANK, N. A. LONDONSECS LENDING OMNIBUS ACCOUNT	33,335	2.5
JPMorgan Securities Japan Co., Ltd.	30,072	2.2
JP MORGAN CHASE BANK 385642	25,950	1.9
JP MORGAN CHASE BANK 385781	20,051	1.5
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	19,749	1.5

Notes:

- In addition to the above, MCG holds 81.430 million shares as treasury stocks, but these shares are non-voting pursuant to the provisions of Article 308, paragraph (2) of the Companies Act.
- Equity investment ratios are calculated to the exclusion of the treasury stock (81.430 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 Outside Directors) and Corporate Executive Officers	Common stock of the Company 47,429	5
Outside Directors	Common stock of the Company 10,135	5

3. Matters Related to the Company's Officers

(1) Details of Directors (as of March 31, 2026)

Name	Position and responsibility at the Company	Significant concurrent positions
Nobuo Fukuda	Director of the Board, Chairperson Member of the Nominating Committee Member of the Audit Committee	Director of the Board of Mitsubishi Chemical Corporation
Manabu Chikumoto	Director of the Board President and CEO	Director of the Board, President and CEO of Mitsubishi Chemical Corporation
Kiyomi Kikuchi	Outside Director of the Board Member of the Nominating Committee (Chairperson)	Lawyer of TMI Associates Outside Director (Audit and Supervisory Committee Member) of SMBC Nikko Securities Inc. Outside Director of Hitachi Construction Machinery Co., Ltd.
Tatsumi Yamada	Outside Director of the Board Member of the Audit Committee (Chairperson) Member of the Compensation Committee	Certified Public Accountant Member of the Public Interest Oversight Board (PIOB) Standard-Setting Boards (SSB) Nominations Committee
Akihiro Eto	Outside Director of the Board Member of the Nominating Committee Member of the Compensation Committee (Chairperson)	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 Audit Committee Member of the Compensation 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
Seiji Kuraishi	Outside Director of the Board Member of the Nominating Committee Member of the Audit Committee	Special Advisor to Honda Motor Co., Ltd.

Notes:

1. Six Directors, Kiyomi Kikuchi, Tatsumi Yamada, Akihiro Eto, Shuichi Sakamoto, Geoffrey Coates, and Seiji Kuraishi 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 a Certified Public Accountant. Director Shuichi Sakamoto has considerable knowledge of finance and accounting due to serving as Chief Financial Officer 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 Nobuo Fukuda 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
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 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, leading discussions on board succession plans and the role of the Nominating Committee.	Board of Directors meetings 12/12 (100%) Nominating Committee meetings 12/12 (100%) Audit Committee meetings 3/3 (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 12/12 (100%) Audit Committee meetings 13/13 (100%) Compensation Committee meetings 9/9 (100%)
Akihiro Eto	Drawing on his broad perspective and profound corporate management insight gained through his experience in roles such as Chief Financial Officer and President 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, Nominating Committee, 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. He also leads discussions on the CEO's evaluation and the role of the Compensation Committee as the Chairperson of the Compensation Committee.	Board of Directors meetings 12/12 (100%) Nominating Committee meetings 9/9 (100%) Audit Committee meetings 3/3 (100%) Compensation Committee meetings 9/9 (100%)

Name	Status of activities and summary of duties executed in relation to expected roles	Attendance
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 and Director and Senior Managing Executive officer 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, Nominating Committee, Audit Committee, and Compensation Committee.	Board of Directors meetings 12/12 (100%) Nominating Committee meetings 3/3 (100%) Audit Committee meetings 10/10 (100%) Compensation Committee meetings 6/6 (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 12/12 (100%)
Seiji Kuraishi	Drawing on his broad perspective and profound corporate management insight gained through his experience as Executive Vice President and Representative Director, Chief Operating Officer, and as Chairperson of the Board of Directors, among other roles, at listed companies with global 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, Nominating Committee, and Audit Committee.	Board of Directors meetings 9/9 (100%) Nominating Committee meetings 9/9 (100%) Audit Committee meetings 10/10 (100%)

(3) Details of Corporate Executive Officers (as of March 31, 2026)

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, Internal Control, Administration, and Corporate Secretary	Director of the Board of Mitsubishi Chemical Corporation
Ken Araki	Corporate Executive Officer, Chief Transformation Officer	Sustainability, Strategy, ERM, Digital, Business Development, Communication	Director of the Board of Mitsubishi Chemical Corporation

[For reference] Details of Corporate Executive Officers (as of April 1, 2026)

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	Administration, Legal, Internal Control	Director of the Board of Mitsubishi Chemical Corporation
Ken Araki	Corporate Executive Officer, Chief Transformation Officer	Sustainability, Strategy, Digital, Business Development, Communication	Director of the Board of Mitsubishi Chemical Corporation

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

i. Aggregate amount of remuneration of officers for fiscal 2025

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)	62 (62)	–	–	5 (5)	67 (67)	3
Directors (outside)	138	–	–	8	146	7
Corporate Executive Officers	180 (96)	167 (167)	33 (16)	37 (18)	416 (297)	10
Total	380 (295)	167 (167)	33 (16)	49 (31)	629 (509)	20

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 2025.
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 2025 to Corporate Executive Officers who retired at the end of March 2025.
5. The amount of performance share units (PSU) is the total amount recorded as an expense in fiscal 2025. 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. Starting with the fiscal 2025 plan, the shares granted will be subject to transfer restrictions, which will be lifted upon the recipient's retirement.
6. The amount of shares with restriction of transfer (RS) is the total amount recorded as an expense in fiscal 2025. 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 who resigned at the end of March 2025 (tax adjustments for international transfers, increase in gross fringe benefits, etc.).

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 2024 (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 80.7% and 91.2% of the base amount.

$$\text{Individual bonus amount} = \text{Base amount by title} \times \frac{\text{Company-wide performance evaluation} + \text{Individual appraisal}}{(0-200\%)} \times \frac{\text{Final evaluation adjustment}}{(80-120\%)}$$

Listed below are major indicators, reason of selection, results of evaluation, etc., for the Company-wide performance evaluation for fiscal 2024 (from April 1, 2024 to March 31, 2025).

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 2024 (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. For the FY2022 PSU (evaluation period: April 2022 to March 2025), which concludes in FY2024, the growth rate compared to the JPX-Nikkei 400 Index was 69.8%, the TSR compared to peer group companies was 116.6%, and the payout ratio was 93.2%. With regard to the fiscal 2023 PSU with fiscal 2025 as the evaluation completion fiscal year (evaluation period: April 2023 to March 2026), 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). 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.

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

The Compensation Committee held nine meetings between April 2025 and March 2026 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 company-wide performance and individual evaluation results for fiscal 2024 and determined the annual bonus amount to be paid in June 2025.
- The Committee discussed and determined the company-wide performance evaluation and individual evaluation targets for the fiscal 2025 annual bonus.
- Regarding individual evaluations for annual bonuses, with the aim of directly linking evaluations (performance) to compensation (reward) and increasing the sense of fairness in performance-based pay, the Committee decided that the setting of targets, previously conducted by the Nominating Committee, will be deliberated by the Compensation Committee from fiscal 2026.
- The Committee reviewed the TSR evaluation results for the fiscal 2022 PSU, with fiscal 2024 serving as the evaluation period, and determined the number of shares to be granted to each individual.
- The Committee discussed and determined the peer group companies to be used for the TSR evaluation of the PSU for fiscal years 2025 and 2026.
- The number of PSU shares per individual for fiscal 2025 was determined in accordance with the restricted shares trust rules.
- The number of RS to be delivered to each director and executive officer for fiscal 2025 has been determined in accordance with the restricted shares trust rules.
- 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,” and confirmed that the compensation system and levels for directors and executive officers for the fiscal year 2025 are appropriate.
- We have discussed and determined the compensation for executive officers for fiscal 2026 based on the “Policy on Deciding Remuneration for Directors and Corporate Executive Officers” 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.
- 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 2026 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.

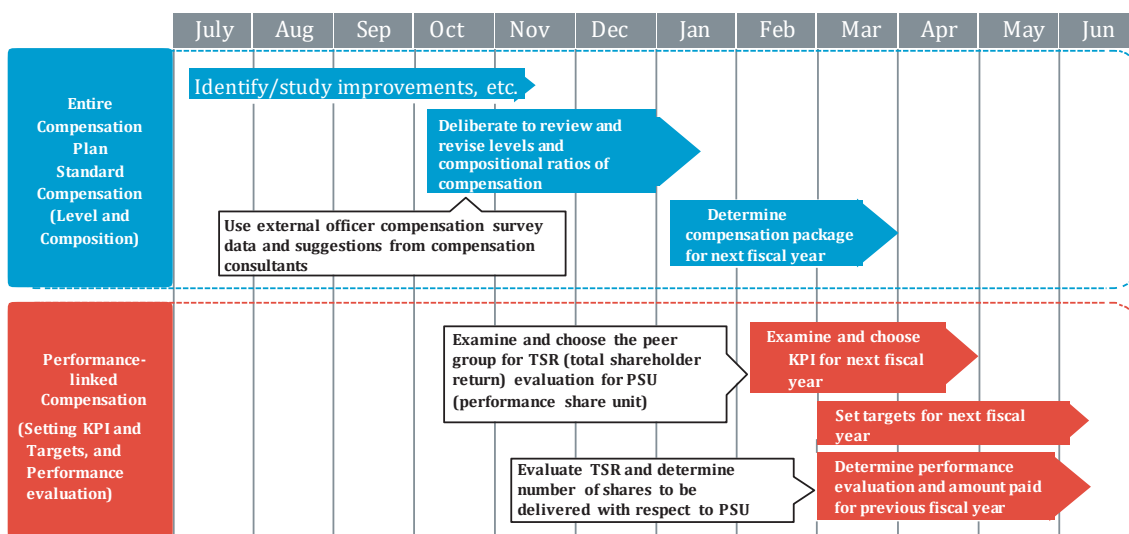
In an effort to carry out this accountability appropriately, the Committee had repeated discussions by reference to objective, expert, and adequate information and in line with the “Policy on Deciding Remuneration for Directors and Corporate Executive Officers,” before concluding that the details of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

In addition, in order to achieve the structure set out in the “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 management team, and set remuneration and other details for fiscal 2026 as fair and reasonable remuneration.

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

Constitution	Chairperson (Outside Director): Akihiro Eto Members (Outside Directors): Tatsumi Yamada, Shuichi Sakamoto <ul style="list-style-type: none"> The Committee consists of three (3) Outside Directors as of March 31, 2026.
Roles	<ul style="list-style-type: none"> 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 2026

As stated in “(4) (iii) Activities by the Compensation Committee during the fiscal year under review” (see page 48) regarding individual evaluations for annual bonuses of corporate executive officers, with the aim of directly linking evaluations (performance) to compensation (reward) and increasing the sense of fairness in performance-based pay, the Committee decided that the setting of targets, previously conducted by the Nominating Committee, will be deliberated by the Compensation Committee from fiscal 2026 (to be paid in June 2027).

ii. Policy on Deciding Remuneration for Directors and Corporate Executive Officers for fiscal 2026

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:

Type of remuneration			Outline
Fixed		Basic remuneration	<ul style="list-style-type: none"> Basic remuneration is paid for the execution of responsibilities/duties Defined by roles and the size of responsibilities of each Corporate Executive Officer
Variable	Short-term / Cash	Annual bonus	<ul style="list-style-type: none"> 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.).
	Long-term / Stock	Performance share unit (PSU)	<ul style="list-style-type: none"> 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)
		Shares with restriction of transfer (RS)	<ul style="list-style-type: none"> 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

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 2026 will be approximately 10%.

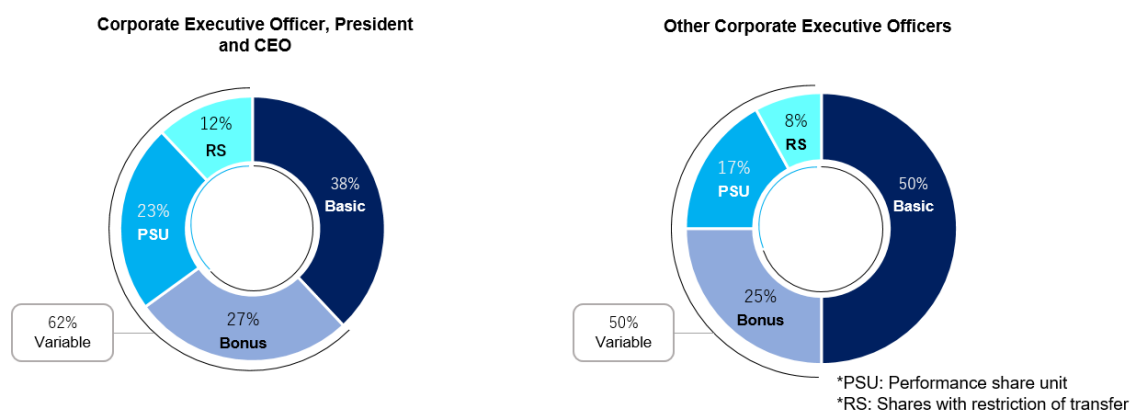
Corporate Executive Officers

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

FY2026 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.



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.).

$$\text{Individual bonus amount} = \text{Base amount by title} \times \begin{matrix} \text{Company-wide} \\ \text{performance evaluation} \\ + \text{Individual appraisal} \\ (0-200\%) \end{matrix} \times \begin{matrix} \text{Final evaluation} \\ \text{adjustment} \\ (80-120\%) \end{matrix}$$

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. As to their evaluation, they are reviewed and determined by the Compensation 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 their fairness and reasonableness is confirmed by the Compensation Committee.

[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 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 FY2026 Plan will be from FY2026 to FY2028.

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
FY 2026 PSU	← TSR Evaluation Period →			Stock issuance		
FY 2027 PSU		← TSR Evaluation Period →			Stock issuance	
FY 2028 PSU			← TSR Evaluation Period →		Stock issuance	

[TSR Evaluation Category]

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

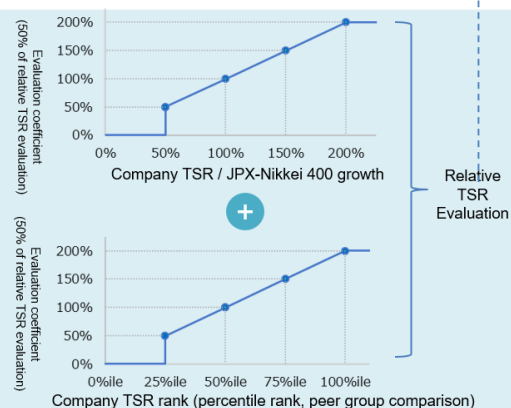
Category of evaluation	% of evaluation	Method of evaluation
Index growth comparison	50%	The coefficient of evaluation is determined by whether the Company TSR is better/worse than JPX-Nikkei 400 Index (including dividends) growth.
Peer group TSR comparison	50%	The coefficient of evaluation is determined 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).

[Method of calculating the number of shares issued]

Number of individual shares issued =

Base number of shares by title x

Relative TSR Evaluation (0-200%) ←



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	142
(ii) Sum total of money and other financial benefits to be paid by MCG and its subsidiaries to the Accounting Auditor	827

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 advisory services regarding sustainability disclosures.

(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

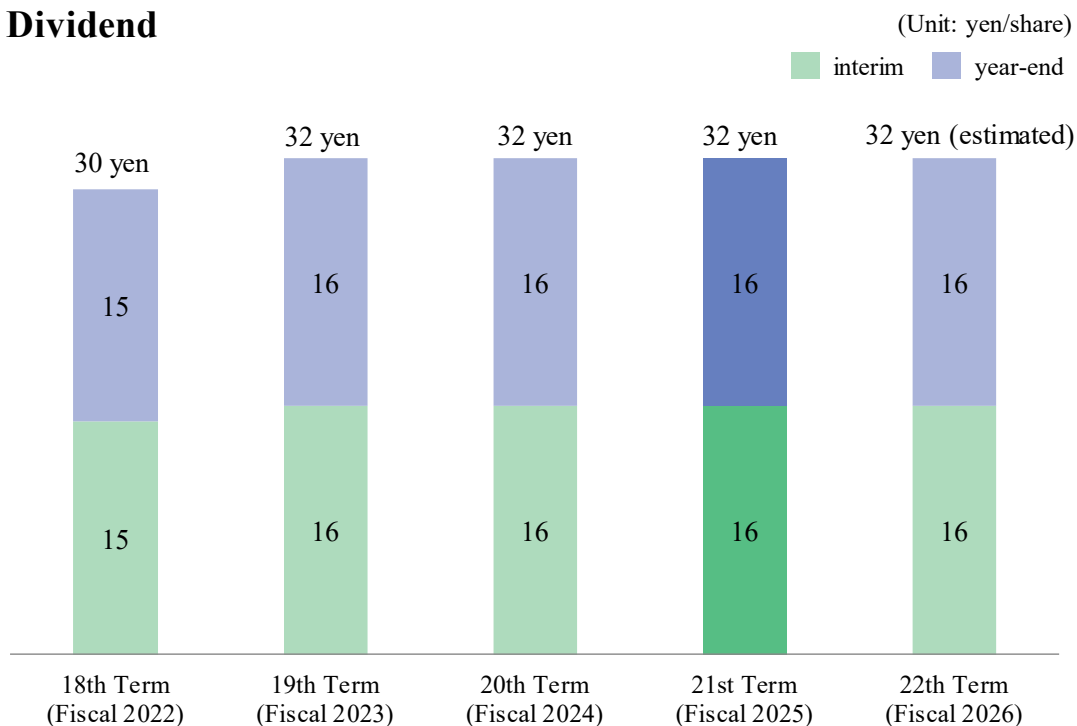
MCG's basic policy for shareholder returns is to enhance its shareholder value by increasing corporate value. While keeping an eye on increasing retained earnings that will fund its future business activities, MCG will aim to increase dividends in line with profit growth, with a target payout ratio of 35% in the "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 370.8%.

Dividend



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 Committee Audit Standards, 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 Audit 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 Office, Corporate Secretary Office, 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.
 - Based on the “Regulations of Board of Directors” and the “Regulations of Corporate Executive Officers,” MCG has established a 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 business management based on their respective “Regulations of Board of Directors.”
 - To achieve MCG’s “KAITEKI Vision 35” management policy and the “Medium-Term Management Plan 2029,” we conduct monitoring through quarterly business reviews and other means.
 - Based on the “Three Criteria for Business Selection” and the “Three Disciplined Approches in Business Operations” established in the “Medium-Term Management Plan 2029,” we are clarifying our business portfolio and proceeding with structural reforms while concentrating management resources on growth areas.
 - 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 by communicating messages to employees.

- The President and CEO and 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 Meetings, Corporate Executive Officers Committee Meetings, and Compliance Meetings.
 - Designs the Compliance System, and operates a group-wide compliance 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 Conference, chaired by the President and CEO and composed of Corporate Executive Officers selects material risks and monitors their status.
 - With regard to economic security, where the external environment is undergoing significant changes, we are working to establish a framework for implementation and are also improving measures to address 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 Management Rules and Information Management Guidelines.
 - Formulate cyber security-related countermeasures, and periodically monitor and review the implementation status on an ongoing basis.
 - With regard to information security education, conducting various training and drills aligned with cyberattack trends 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 management policies (KAITEKI Vision 35 and 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.
 - 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 overseas region.
 - Appropriately operated the system for reporting to the CCO related to compliance violation cases and measures to prevent recurrence.
 - In order to prevent compliance violations, continuously carries out awareness and education activities for employees.
 - With regard to the whistleblower program, established and operate the system in conjunction with our subsidiary, Mitsubishi Chemical 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
21st Fiscal Year (Year ended March 31, 2026)

Unit: Millions of yen

Continuing operations	
Sales revenue	3,703,988
Cost of sales	(2,632,886)
Gross profit	<u>1,071,102</u>
Selling, general and administrative expenses	(813,877)
Other income	31,651
Other expenses	(256,543)
Share of loss of associates and joint ventures	(2,255)
Operating income	<u>30,078</u>
Financial income	9,220
Financial expenses	(38,587)
Earnings before taxes	<u>711</u>
Income taxes	(17,066)
Net loss from continuing operations	<u>(16,355)</u>
Discontinued operations	
Net income from discontinued operations	94,780
Net income	<u>78,425</u>
Net income attributable to	
Owners of the parent	11,829
Non-controlling interests	66,596
Net income	<u>78,425</u>

MITSUBISHI CHEMICAL GROUP CORPORATION
Consolidated Statement of Financial Position
21st Fiscal Year (As of March 31, 2026)

Unit: Millions of yen

Assets	
Current assets:	
Cash and cash equivalents	527,104
Trade receivables	671,912
Inventories	669,126
Other financial assets	94,504
Other current assets	95,050
Subtotal	2,057,696
Assets held for sales	37,551
Total current assets	2,095,247
 Non-current assets	
Property, plant and equipment	2,096,630
Goodwill	891,032
Intangible assets	377,656
Investments accounted for using the equity method	150,396
Other financial assets	152,769
Other non-current assets	24,586
Deferred tax assets	88,293
Total non-current assets	3,781,362
Total assets	5,876,609

MITSUBISHI CHEMICAL GROUP CORPORATION
Consolidated Statement of Financial Position (continued)
21st Fiscal Year (As of March 31, 2026)

Unit: Millions of yen

Liabilities and Equity

Liabilities

Current liabilities:

Trade payables	383,664
Bonds and borrowings	387,064
Income tax payable	27,958
Other financial liabilities	344,290
Provisions	25,841
Other current liabilities	221,856

Subtotal	1,390,673
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Liabilities directly associated with assets held for sales	10,228
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Total current liabilities	1,400,901
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Non-current liabilities

Bonds and borrowings	1,503,457
Other financial liabilities	134,467
Retirement benefit liabilities	95,383
Provisions	90,535
Other non-current liabilities	36,175
Deferred tax liabilities	201,011

Total non-current liabilities	2,061,028
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Total liabilities	3,461,929
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Equity

Common stock	50,000
Additional paid-in capital	116,789
Treasury stock	(67,538)
Retained earnings	1,339,150
Other components of equity	323,274

Equity attributable to owners of the parent	1,761,675
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Non-controlling interests	653,005
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Total equity	2,414,680
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Total liabilities and equity	5,876,609
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Consolidated Statement of Changes in Equity
21st Fiscal Year (Year ended March 31, 2026)

Unit: Millions of yen

	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2025	50,000	160,114	(61,458)	1,363,689
Net income	–	–	–	11,829
Other comprehensive income	–	–	–	–
Total comprehensive income	–	–	–	11,829
Purchase of treasury stock	–	–	(50,025)	–
Disposal of treasury stock	–	(52)	173	–
Cancellation of treasury stock	–	(43,772)	43,772	–
Cash dividends	–	–	–	(44,508)
Share-based payment transactions	–	60	–	–
Changes in interests in subsidiaries	–	439	–	–
Business combinations or divestitures	–	–	–	–
Changes in scope of consolidation	–	–	–	20
Transfer from other components of equity to retained earnings	–	–	–	8,120
Transfer from other components of equity to non-financial assets and others	–	–	–	–
Other changes	–	–	–	–
Total transactions with owners	–	(43,325)	(6,080)	(36,368)
Balance at March 31, 2026	50,000	116,789	(67,538)	1,339,150

	Other components of equity				Total	Equity attributable to owners of the parent	Non-controlling interests	Total 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				
Balance at April 1, 2025	28,645	–	195,369	4,211	228,225	1,740,570	543,999	2,284,569
Net income	–	–	–	–	–	11,829	66,596	78,425
Other comprehensive income	(3,640)	5,768	101,075	1,584	104,787	104,787	68,693	173,480
Total comprehensive income	(3,640)	5,768	101,075	1,584	104,787	116,616	135,289	251,905
Purchase of treasury stock	–	–	–	–	–	(50,025)	–	(50,025)
Disposal of treasury stock	–	–	–	–	–	121	–	121
Cancellation of treasury stock	–	–	–	–	–	–	–	–
Cash dividends	–	–	–	–	–	(44,508)	(21,676)	(66,184)
Share-based payment transactions	–	–	–	–	–	60	–	60
Changes in interests in subsidiaries	–	–	–	–	–	439	(3,704)	(3,265)
Business combinations or divestitures	–	–	–	–	–	–	(2,725)	(2,725)
Changes in scope of consolidation	–	–	–	–	–	20	58	78
Transfer from other components of equity to retained earnings	(2,352)	(5,768)	–	–	(8,120)	–	–	–
Transfer from other components of equity to non-financial assets and others	–	–	–	(1,618)	(1,618)	(1,618)	–	(1,618)
Other changes	–	–	–	–	–	–	1,764	1,764
Total transactions with owners	(2,352)	(5,768)	–	(1,618)	(9,738)	(95,511)	(26,283)	(121,794)
Balance at March 31, 2026	22,653	–	296,444	4,177	323,274	1,761,675	653,005	2,414,680

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: 343

The number above includes three (3) jointly-operating companies.

Names of major consolidated subsidiaries:

Mitsubishi Chemical Corporation, Nippon Sanso Holdings Corporation

In addition, following the sale of all shares in Mitsubishi Tanabe Pharma Corporation effective July 1, 2025, Mitsubishi Tanabe Pharma Corporation and 23 other companies have been excluded from the Company’s scope of consolidation.

Number of associated companies accounted for by the equity method: 125

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:	5–22 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 four business segments (Specialty Materials, MMA & Derivatives, Basic Materials & Polymers, 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 balance sheet 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 MGC 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 ¥2,096,630 million, goodwill of ¥891,032 million, and intangible assets of ¥377,656 million in the consolidated statement of financial position.

For the fiscal year under review, an impairment loss of ¥98,458 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 MCG 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 five 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 the estimated future cash flows in the business plan for a period of up to five 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): ¥88,293 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.

(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: ¥95,383 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): ¥60,299 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.

5. Restructuring provision

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

Provision for restructuring: ¥71,295 million

The above amount is included in “Provisions” in the consolidated statement of financial position.

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

The MCG Group recognizes a restructuring provision by reasonably estimating the costs and other expenses associated with the plan at the time we have a detailed formal restructuring plan and either begin implementing it or announce it to the concerned parties.

Mainly at Mitsubishi Chemical Corporation, in connection with the decision to exit the coke and carbon materials business, we have recorded expenses for facility dismantling and special retirement expenses, etc., in accordance with the said restructuring plan. The costs associated with the removal of facilities, which constitute the major portion of the restructuring provision, are calculated by estimating the future unit cost of removal work based on the weight, area, and number of assets to be removed, and then multiplying these figures. While management believes these key assumptions to be reasonable, they may be affected by future changes in uncertain economic conditions, and the estimated amount of the provision may differ if the underlying circumstances change.

(Assumptions regarding the impact of the situation in the Middle East)

The impact of the situation in the Middle East on the MCG Group will depend on how the situation unfolds and how long it lasts. If the situation is resolved quickly, we expect the impact of rising raw material prices to be limited through measures such as passing on some of the cost increases to prices. On the other hand, should the situation be prolonged, disruptions in the supply of raw materials could hinder production activities, which could have a significant impact on the MCG Group’s financial position and operating results. Although the outlook at this time remains uncertain, we have not made any assumptions based on the premise that this situation will persist for the long term.

Notes to consolidated statement of profit or loss

Other operating expenses

The main breakdown of other operating expenses of ¥256,543 million is as follows:

(i) Special retirement expenses, etc., at Mitsubishi Chemical Corporation

With respect to the decision to implement the Next-stage Support Program for employees of Mitsubishi Chemical Corporation, the MCG Group recorded a special retirement expense of ¥31,885 million and other associated losses of ¥666 million.

(ii) Losses related to Mitsubishi Chemical Corporation's withdrawal from the coke and carbon materials businesses

Following a comprehensive review of the medium- to long-term positioning of Mitsubishi Chemical Corporation's coke and carbon materials (needle coke and pitch coke) businesses (hereinafter, "the Product Group") within the MCG Group's overall business portfolio, we have decided to withdraw from the businesses related to the Product Group. As a result, the MCG Group could no longer expect to recover its investment, therefore, the book value in connection with the relevant production facilities was reduced to the recoverable amount and an impairment loss of ¥16,300 million was recorded. The recoverable amount is based on the utility value, which is assumed to be zero.

In addition, a provision for restructuring expenses of ¥54,085 million, special retirement expenses of ¥7,186 million, a loss on disposal of inventory of ¥2,584 million, and other associated losses of ¥13 million were recorded.

(iii) Impairment of Soarnol production facilities at Mitsubishi Chemical UK Limited

To meet the growing global demand for "Soarnol" - an ethylene-vinyl alcohol copolymer resin developed using our proprietary technology that offers high gas barrier properties, oil resistance, and transparency - the MCG Group has been proceeding with a capital investment project in the United Kingdom with a view to expanding production capacity by 21,000 metric tons per year. However, because this capital investment involved specialized construction work subject to numerous design and construction constraints, the contractual and management frameworks became increasingly complex, leading to delays at various stages as well as the need for additional safety assessments. Compounded by a surge in material and labor costs resulting from recent global inflation, construction-related expenses exceeded initial estimates as we proceeded with detailed design work and on-site cost reviews, leading to delays in the overall construction schedule. In light of these cost overruns and schedule delays compared to the original plan, we took the decision to increase the investment amount.

As a result, the book value of the relevant production facilities was reduced to the recoverable amount of ¥33,237 million and an impairment loss of ¥30,251 million was recorded because profitability is expected to decline due to increased investment.

The recoverable amount is measured by the utility value. The discount rate used in calculating the utility value is a pre-tax discount rate of 9.6% based on the weighted average cost of capital for the relevant cash-generating unit.

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	¥1,244 million
	Other	¥1,344 million
	Debt obligations covered by collateral	¥301 million
2.	Allowance for Doubtful Accounts Directly Deducted From Assets	
	Trade receivables	¥13,467 million
	Other financial assets (non-current)	¥1,793 million
3.	Accumulated Depreciation and Accumulated Impairment Loss on Total Property, Plant and Equipment	
		¥4,149,851 million
4.	Contingent Liabilities	
	Guarantee of loans from financial institutions	
	Guarantees	¥1,174 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 1,441,467 thousand shares

Note: Due to the cancellation of treasury stock on October 28, 2025, the total number of issued shares has decreased by 64,821 thousand shares compared to the end of the previous fiscal year.

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, 2025	Common stock	¥22,798 million	¥16	March 31, 2025	June 4, 2025
Board of Directors meeting October 31, 2025	Common stock	¥21,761 million	¥16	September 30, 2025	December 2, 2025

Note: The aggregate amounts of dividends resolved at the Board of Directors meeting on May 20, 2025 and October 31, 2025 include ¥26 million and ¥24 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, 2026.

Resolution	Share Class	Aggregate Amount of Dividends	Source of Dividend	Dividend per share	Entitlement Date	Effective Date
Board of Directors meeting May 20, 2026	Common stock	¥21,761 million	Retained earnings	¥16	March 31, 2026	June 3, 2026

Note: The aggregate amounts of dividend include ¥24 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 153 thousand shares

Notes on Revenue Recognition

1. Revenue decomposition

The MCG Group operates in wide-ranging overseas businesses in four business domains (Specialty Materials, MMA & Derivatives, Basic Materials & Polymers, 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 four business domains (segments) are as follows.

Fiscal year under review (From April 1, 2025 to March 31, 2026)

Unit: Millions of yen

	Japan	Asia and Oceania		North America	Europe	Other	Total
			(of which, China)				
Specialty Materials	396,663	239,044	(120,337)	197,771	212,403	13,765	1,059,646
MMA & Derivatives	97,153	166,996	(76,637)	47,013	37,098	3,671	351,931
Basic Materials & Polymers	597,706	102,314	(36,420)	41,974	27,783	20,907	790,684
Industrial Gases	409,362	225,879	(38,147)	359,538	355,628	2,091	1,352,498
Other	126,786	14,565	(10,005)	5,752	2,126	—	149,229
Total	1,627,670	748,798	(281,546)	652,048	635,038	40,434	3,703,988

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 of 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

- **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, 2025	Balance at March 31, 2026
Claims arising from contracts with customers	777,561	685,379
Contract assets	35,452	19,260
Contract liabilities	46,877	61,563

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, 2025 was ¥20,641 million. In addition, for the fiscal year under review, the amount of recognized revenue from the satisfaction of performance obligations in previous periods is ¥1,696 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 contract 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, 2026
Within 1 year	73,100
Longer than 1 year	66,164
Total	139,264

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, 2026	Unit: Millions of yen			
	Level 1	Level 2	Level 3	Total
Assets				
Equity securities and investments	45,809	370	60,299	106,478
Equity securities and investments held for sales	—	—	21,486	21,486
Derivative assets	—	8,359	—	8,359
Total	45,809	8,729	81,785	136,323
Liabilities				
Derivative liabilities	—	5,281	—	5,281
Total	—	5,281	—	5,281

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.

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, 2026
Balance as of April 1, 2025	103,876
Profit or loss (Note 1)	(324)
Other comprehensive income (Note 2)	(10,932)
Purchase	2,784
Sales and redemption	(1,978)
Impact of changes to scope of consolidation (Note 3)	(12,005)
Other changes	364
Balance as of March 31, 2026	<u>81,785</u>

(Notes)

1. Included in “Financial income” and “Financial expenses” in consolidated statement of profit or loss.
2. During the fiscal year under review, the MCG Group classified its shares in CHIMEI Corporation as assets held for sale. The decrease includes the impact of changes to the fair value of those shares.
3. During the fiscal year under review, Mitsubishi Tanabe Pharma Corporation (now Tanabe Pharma Corporation) and its subsidiaries were excluded from the scope of consolidation of the MCG Group. The decrease in the amount includes the impact of this change in the scope of consolidation.

(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, 2026		Unit: Millions of yen			
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Liabilities					
Long-term borrowings	1,142,935	–	1,121,146	–	1,121,146
Bonds payable	592,238	–	531,206	–	531,206
Total	<u>1,735,173</u>	–	<u>1,652,352</u>	–	<u>1,652,352</u>

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	¥1,296.73
Basic earnings per share	<u>¥8.63</u>

Discontinued Operations

1. Outline of Discontinued Operations

At the MCG's annual shareholders' meeting held on June 25, 2025, an absorption-type split agreement was approved to transfer all shares and related assets of Mitsubishi Tanabe Pharma Corporation, which had been MCG's consolidated subsidiary, to K.K. BCJ-94, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP. The transfer was completed on July 1, 2025.

Consequently, the operations of Mitsubishi Tanabe Pharma Corporation and its subsidiaries and affiliates have been classified as discontinued operations during the fiscal year under review.

Mitsubishi Tanabe Pharma Corporation changed its corporate name to Tanabe Pharma Corporation as of December 1, 2025.

2. Profit or Loss from Discontinued Operations

	Unit: Millions of yen
	The fiscal year ended March 31, 2026
Revenue	244,321
Cost	(109,994)
Income before taxes from discontinued operations (Note 1)	134,327
Income Taxes (Note 2)	(39,547)
Net income from discontinued operations	94,780

Net income from discontinued operations attributable to	
Owners of the parent company	94,942
Non-controlling interests	(162)

(Notes)

1. This figure includes a gain of ¥128,600 million resulting from the sale of all shares and related assets of Mitsubishi Tanabe Pharma Corporation.
2. This figure includes the income taxes expense of ¥(36,740) million related to the gain on the sale of all shares and related assets of Mitsubishi Tanabe Pharma Corporation.

3. Assets and Liabilities of Subsidiaries

	Unit: Millions of yen
Current assets (including cash and cash equivalents)	273,304
Non-current assets	327,787
Total assets	601,091
Current liabilities	133,895
Non-current liabilities	33,798
Total liabilities	167,693

Notes on Business Combinations

1. Acquisition of Industrial Gas Business by an Australian Subsidiary

On July 1, 2025, the MCG Group acquired a business conducted by Coregas Pty Ltd, etc. in Australia and New Zealand through NSC, the MCG Group's subsidiary in Australia.

(1) Overview of the business acquisition

(i) Name of the acquired company and the content of its business

Name of the acquired company: Coregas Pty Ltd, and three (3) others

Business description: Industrial gas businesses in Australia and New Zealand under the umbrella of Wesfarmers Limited

(ii) Main reasons for the business acquisition

Supagas, a business subsidiary in Australia, operates a stable business supplying a wide range of industrial gases, primarily LPG. The acquired companies, Coregas Pty Ltd, Blacksmith Jacks Pty Ltd, and Coregas NZ Limited (collectively referred to as the "Coregas Group"), have an extensive sales network across Australia and New Zealand. They are engaged in the manufacture and sale of industrial gases, medical gases, specialty gases, and other industrial gases, as well as related services, in addition to welding-related businesses. Through the acquisition of Coregas Group, which has a different customer base and product portfolio than Supagas, the MCG Group will strive to create further value for its customers between its LPG business and industrial gas business, and enhance its presence in Australia and New Zealand

(iii) Acquisition date

July 1, 2025

(iv) Method of acquiring control of the acquired company

This is due to the acquisition of shares of the acquired company by our consolidated subsidiaries, including NSC (Australia) Pty Ltd, with cash as consideration.

(v) Percentage of acquired voting equity interest

100.0%

(2) Fair value of acquisition consideration

	Unit: Millions of yen
	Acquisition date (July 1, 2025)
Cash	71,521
Total acquisition amount	71,521

(3) Acquired assets, assumed liabilities, and goodwill

The net fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date is as follows:

Unit: Millions of yen

	Acquisition date (July 1, 2025)
Acquired assets and assumed liabilities (net amount)	44,035
Goodwill	27,485

2. Acquisition of a Home Therapy Service Company by a European Subsidiary

Through our European subsidiary, Oximesa S.L.U., the MCG Group acquired the home therapy service company operated by Esteve Teijin Healthcare, S.L. in Spain on March 3, 2026.

(1) Overview of the business acquisition

(i) Name of the acquired company and the content of its business

Name of the acquired company: Esteve Teijin Healthcare, S.L.

Business description: Home therapy and respiratory services in Spain

(ii) Main reasons for the business acquisition

Oximesa S.L.U., the MCG Group's European subsidiary in Industrial Gases Segment, provides home healthcare and respiratory services in Spain.

Esteve Teijin Healthcare, S.L. (which changed its name to Nippon Sanso Homecare Espana, S.L.U. effective April 1, 2026), the company acquired in this transaction, provides excellent home healthcare and innovative home therapy services in Spain. Through the acquisition of Esteve Teijin Healthcare, S.L., which possesses a business foundation and services highly compatible with those of Oximesa S.L.U., we will strive to further strengthen our business foundation in Spain, enhance our presence in the home healthcare and respiratory markets, and expand our service network.

(iii) Acquisition date

March 3, 2026

(iv) Method of acquiring control of the acquired company

This is due to the acquisition of shares of the acquired company by our consolidated subsidiaries, including Oximesa S.L.U., with cash as consideration.

(v) Percentage of acquired voting equity interest

100.0%

(2) Fair value of acquisition consideration

Unit: Millions of yen

	Acquisition date (March 3, 2026)
Cash	22,432
Total acquisition amount	22,432

(3) Acquired assets, assumed liabilities, and goodwill

The net fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date is as follows:

	Acquisition date (March 3, 2026)
Acquired assets and assumed liabilities (net amount)	11,602
Goodwill	10,830

Because the accounting treatment for the business combination at the time of acquisition has not been completed, the above amount is a provisional fair value based on the best estimate at the present time, and if additional information regarding facts and circumstances existing as of the acquisition date is obtained and evaluated, the above amount may be adjusted within one year from the acquisition date.

mitsubishi **MITSUBISHI CHEMICAL GROUP CORPORATION**

Non-consolidated Balance Sheet

(As of March 31, 2026)

Unit: Millions of yen

Assets	
Current assets:	600,177
<hr/>	
Cash and deposits	15,164
Income taxes refund receivable	161
Short-term loans receivable from subsidiaries and affiliates	571,234
Others	13,618
Fixed assets:	989,323
<hr/>	
Property, plant and equipment	1,653
Buildings	1,381
Structures	1
Tools, furniture and fixtures	271
Intangible fixed assets:	106
Software	101
Other	5
Investments and other assets:	987,564
Investment securities	1,157
Stocks of subsidiaries and affiliates	603,500
Long-term loans receivable from subsidiaries and affiliates	379,201
Deferred tax assets	812
Other	2,894
Total assets	<hr/> <hr/> 1,589,500

mitsubishi chemical group corporation

Non-consolidated Balance Sheet (continued)

(As of March 31, 2026)

Unit: Millions of yen

Liabilities	
Current liabilities:	198,849
<hr/>	
Short-term borrowings to subsidiaries and affiliates	77,218
Current portion of long-term borrowings	42,898
Current portion of bonds payable	50,000
Accounts payables	26,462
Accrued expenses	1,058
Accrued income taxes	642
Accrued bonuses	116
Provision for bonuses for directors (and other officers)	43
Other	411
Long-term liabilities:	682,198
<hr/>	
Bonds payable	315,000
Long-term borrowings	358,001
Provision for stock benefits	61
Other	9,135
Total liabilities	<u>881,047</u>
Net Assets	
Shareholders' equity:	708,190
<hr/>	
Common stock	50,000
Additional paid-in capital	211,976
Legal capital surplus	12,500
Other capital surplus	199,476
Retained earnings	513,987
Other retained earnings	
Retained earnings brought forward	513,987
Less, Treasury stock at cost	(67,773)
Valuation and translation adjustments:	183
<hr/>	
Net unrealized holding gain on other securities	183
Stock acquisition right	<u>80</u>
Total net assets	<u>708,453</u>
Total liabilities and net assets	<u><u>1,589,500</u></u>

mitsubishi **Chemical Group Corporation**

Non-consolidated Statement of Income

(Year ended March 31, 2026)

Unit: Millions of yen

Operating revenue	
Dividends from subsidiaries and affiliates	49,574
Operating costs receipts	8,047
Total operating revenue	57,621
General and administrative expenses	10,229
Operating income	47,392
Other income	
Interest income	8,707
Interest on securities	116
Gain on foreign exchange	3,509
Other	520
Total other income	12,851
Other expenses	
Interest expenses	4,875
Interest on bonds	2,296
Bond issuance cost	2
Losses on derivative valuation	4,273
Other	420
Total other expenses	11,866
Ordinary income	48,377
Extraordinary income	
Gain on sale of shares in affiliates	138,677
Total extraordinary income	138,677
Extraordinary loss	
Loss on valuation of investment securities	193
Total extraordinary loss	193
Income before income taxes	186,861
Current income taxes	5,491
Deferred income taxes	85,293
Total income taxes	90,784
Profit	96,077

MITSUBISHI CHEMICAL GROUP CORPORATION
Non-consolidated Statement of Changes in Net Assets
(Year ended March 31, 2026)

Unit: Millions of yen

	Shareholders' equity					
	Common stock	Additional paid-in capital			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
					Retained earnings brought forward	
Balance at April 1, 2025	50,000	12,500	252,236	264,736	462,469	462,469
Changes during the fiscal year						
Cash dividends	-	-	-	-	(44,558)	(44,558)
Profit	-	-	-	-	96,077	96,077
Purchase of treasury stock	-	-	-	-	-	-
Disposal of treasury stock	-	-	(3)	(3)	-	-
Cancellation of treasury stock	-	-	(52,756)	(52,756)	-	-
Net change in items other than those in shareholders' equity	-	-	-	-	-	-
Total changes during the fiscal year	-	-	(52,760)	(52,760)	51,519	51,519
Balance at March 31, 2026	50,000	12,500	199,476	211,976	513,987	513,987
	Shareholders' equity		Valuation and translation adjustment		Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gain on other securities	Total valuation and translation adjustment		
Balance at April 1, 2025	(70,715)	706,489	167	167	105	706,761
Changes during the fiscal year						
Cash dividends	-	(44,558)	-	-	-	(44,558)
Profit	-	96,077	-	-	-	96,077
Purchase of treasury stock	(50,025)	(50,025)	-	-	-	(50,025)
Disposal of treasury stock	210	207	-	-	-	207
Cancellation of treasury stock	52,756	-	-	-	-	-
Net change in items other than those in shareholders' equity	-	-	16	16	(25)	(8)
Total changes during the fiscal year	2,942	1,700	16	16	(25)	1,692
Balance at March 31, 2026	(67,773)	708,190	183	183	80	708,453

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	¥3,149 million
2.	Monetary Claims and Liabilities Against Subsidiaries and Affiliates (excluding those sectionally indicated)	
	Short-term monetary claim	¥11,975 million
	Short-term monetary liabilities	¥25,123 million
3.	Contingent Liabilities	
	Liabilities on guarantee	
	Liabilities on guarantee for bank borrowings	¥188,053 million
	Liabilities on guarantee for group finance loans	¥221,328 million
	(This relates to cash pooling among Group companies in Europe).	
	Liabilities similar to guarantee liabilities	
	Balance of debt subject to the Keep Well Agreement	¥45,178 million
	(This relates to cash pooling among Group companies in Europe).	

Notes to the Non-consolidated Statements of Income

1.	Transactions with Subsidiaries and Affiliates	
	Operating revenue	¥57,621 million
	General and administrative expenses	¥2,401 million
	Transactions except for operational transactions	¥14,671 million
2.	Gain on Sale of Shares in Affiliates (Extraordinary Income)	
	This gain resulted from the transfer of all shares and related assets of Mitsubishi Tanabe Pharma Corporation through an absorption-type split. For details, please refer to the "Other Notes" section.	

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	82,920 thousand shares
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Note1 During the current fiscal year, the number of treasury shares increased by 64,821,000 shares as a result of purchase of treasury stock approved by a resolution of the Board of Directors Meeting held on May 13, 2025; however, pursuant to Article 178 of the Companies Act and based on a resolution of the Corporate Executive Officers' Meeting held on October 14, 2025, the same number of shares was cancelled.

Note2 The number of shares of treasury stock at the end of the fiscal year under review includes 1,490 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, and losses carried forward (local tax). Deferred tax assets pertaining to subsidiaries' stocks and losses carried forward (local tax) were accounted for as valuation allowances.

In addition, during the fiscal year under review, the MCG Group reversed the deferred tax assets recognized in the previous fiscal year following the transfer of all shares and related assets of Mitsubishi Tanabe Pharma Corporation through an absorption-type split. The details are described in "Other Notes."

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 and lending of funds	Lending of funds (Note 1)	414,221	Short-term loans receivable from subsidiaries and affiliates	529,863
						Long-term loans receivable from subsidiaries and affiliates	352,676
				Receipts of interest (Note 1)	6,992	Current assets and others	253
				Operating fee income (Note 2)	6,423	Accounts payables	8,434
				Payment of outsourcing fees (Note 3)	1,649	Accounts payables	299
Subsidiary	Mitsubishi Tanabe Pharma Corporation (Note 4)	Direct 100%	Borrowing of funds	Repayment of funds (Note 5)	240,417	—	—
				Payment of interest (Note 5)	404	—	—
				Receipts of dividends (Note 6)	326,592	—	—

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	Borrowing of funds (Note 5)	17,742	Short-term borrowings to subsidiaries and affiliates	35,718
				Payment of interest (Note 5)	133	–	–
Subsidiary	Japan Polypropylene Corporation	Indirect 65%	Lending of funds	Fund collection (Note 1)	3,640	Short-term loans receivable from subsidiaries and affiliates	12,285
						Long-term loans receivable from subsidiaries and affiliates	5,200
				Receipts of interest (Note 1)	232	Current assets and others	0
Subsidiary	Mitsubishi Chemical America, Inc.	Indirect 100%	Debt guarantee	Debt guarantee (Note 7)	61,074	–	–
				Receipts of guarantee commission (Note 7)	136	Current assets and other	69
Subsidiary	Mitsubishi Chemical Europe GmbH	Indirect 100%	Debt guarantee and liabilities similar to guarantee liabilities	Debt guarantee (Note 7,8)	320,386	–	–
				Liabilities similar to guarantee liabilities (Note 9)	45,178	–	–
				Receipts of guarantee commission (Note 7,9)	151	Current assets and others	87
Subsidiary	PT. MC PET Film Indonesia	Indirect 100%	Debt guarantee	Debt guarantee (Note 7)	17,733	–	–
				Receipts of guarantee commission (Note 7)	90	Current assets and others	46

- 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. Outsourcing fees are determined through mutual consultation between the two parties based on the terms of the outsourcing agreement.
4. Effective July 1, 2025, we transferred all shares and related assets of Mitsubishi Tanabe Pharma Corporation through an absorption-type split; therefore, that company is no longer considered a related party. The transaction amount reflects the total transaction volume up to the date of the transfer. For further details, please refer to the “Other Notes” section.
5. Interest rates are reasonably decided reflecting market interest rates.
Transactions relating to borrowings and repayments are presented in net amounts.
6. This includes a dividend in kind of ¥5,846 million. Furthermore, ¥311,492 million of the dividend has been deducted from the book value of shares in affiliated companies in accordance with “Implementation Guidance on Shareholder Accounting for Dividends Arising from Disposal of Other Capital Surplus” (Accounting Standards Board of Japan (ASBJ) Guidance No. 3, December 27, 2005).
7. 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.
8. We have entered into a guarantee agreement with Mitsubishi Chemical Europe GmbH regarding the ¥221,328 million in group finance loans provided by Mitsubishi Chemical Europe GmbH to its subsidiaries.
9. The Company has entered into a Keep Well Agreement with Mitsubishi Chemical Europe GmbH regarding group financing loans provided by its subsidiaries.
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	¥521.42
Earnings per share	¥70.10

Other Notes

(Transfer of Mitsubishi Tanabe Pharma Corporation and its Subsidiaries)

(i) Outline

At the MCG's annual shareholders' meeting held on June 25, 2025, an absorption-type split agreement was approved to transfer all shares and related assets of Mitsubishi Tanabe Pharma Corporation, which had been MCG's consolidated subsidiary, to K.K. BCJ-94, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP. The transfer was completed on July 1, 2025.

Mitsubishi Tanabe Pharma Corporation changed its corporate name to Tanabe Pharma Corporation effective December 1, 2025.

(ii) Effect on the Fiscal Year under Review

During the fiscal year under review, we recognized gain on sale of shares in affiliates (extraordinary income) following the transfer of all shares and related assets of Mitsubishi Tanabe Pharma Corporation through an absorption-type split. In addition, in connection with the transfer of all shares and related assets of Mitsubishi Tanabe Pharma Corporation through an absorption-type split, we reversed the deferred tax asset of ¥84,520 million recognized in the previous fiscal year.

(Note) The amounts shown have been rounded to the nearest million yen.

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

Report of Independent Auditors

May 18, 2026

The Board of Directors
Mitsubishi Chemical Group Corporation

Ernst & Young ShinNihon LLC
Tokyo Office

Noriaki Kenmochi
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, 2025 to March 31, 2026, the consolidated statement of financial position as of March 31, 2026, the consolidated statement of changes in equity for the fiscal year from April 1, 2025 to March 31, 2026, 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, 2026 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 (including requirements applicable to the audit of financial statements of entities with significant social impact), 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 18, 2026

The Board of Directors
Mitsubishi Chemical Group Corporation

Ernst & Young ShinNihon LLC
Tokyo Office

Noriaki Kenmochi
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, 2026, and the statement of income and the statement of changes in net assets for the 21st fiscal year from April 1, 2025 to March 31, 2026, 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, 2026, 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 (including requirements applicable to the audit of financial statements of entities with significant social impact), 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 21st business year from April 1, 2025 to March 31, 2026, 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, 2026

The Audit Committee of
Mitsubishi Chemical Group Corporation

Member of the Audit Committee (chairperson)	Tatsumi Yamada
Member of the Audit Committee	Shuichi Sakamoto
Member of the Audit Committee	Seiji Kuraishi
Member of the Audit Committee (full-time)	Nobuo Fukuda

Note: Member of the Audit Committee (chairperson) Mr. Tatsumi Yamada, Member of the Audit Committee Mr. Shuichi Sakamoto and Mr. Seiji Kuraishi are Outside Directors as stipulated in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.