Corporate Governance Report

CORPORATE GOVERNANCE Mitsubishi Chemical Group Corporation

Last Update: June 30, 2026

Mitsubishi Chemical Group Corporation

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The corporate governance of Mitsubishi Chemical Group Corporation (the "Company" or "MCG") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

For Realizing KAITEKI, MCG shall establish a system to enhance both the soundness and efficiency of business administration, improve the transparency of its business administration through suitable disclosure of information and dialogue with stakeholders, and endeavor to establish a better suitable corporate governance system.

Please refer to our "Mitsubishi Chemical Group Corporate Governance Guidelines" on the Company's website for basic policies concerning corporate governance such as the roles, constitution and appointment criteria of the Board of Directors.
(https://www.mcgc.com/english/group/governance/index.html)

Reasons for Non-compliance with the Principles of the Corporate Governance Code (Updated)

<Supplementary Principle 2.4.1 Ensuring Diversity in the Promotion to Core Human Resources>

(Voluntary and measurable goals for ensuring diversity)

With regard to the "voluntary and measurable goals" related to the promotion of women, foreign nationals and midcareer hires to middle managerial positions, the MCG Group takes measures in accordance with the MCG Group's basic strategy and medium-term management plan. However, the Group's common numerical targets have not been set as each Group company engages in different businesses and conducts recruitment in a different way.

(Concept of ensuring diversity and policies for human resource development and internal environment development to ensure diversity)

For the MCG Group, human resources are the source of value creation and the driving force behind its growth and realization of its Purpose. In FY 2024, the Company formulated a new management vision "KAITEKI Vision 35" and a medium-term management plan "Medium-Term Management Plan 2029." "Medium-Term Management Plan 2029" is an important step to accelerate the realization of "KAITEKI Vision 35." In order to realize this plan, the Company will synchronize its HR strategies with its management strategies to maximize human capital value, drive value creation with a "connect" mindset and realize business transformation to adapt to the changing market environment.

To achieve "KAITEKI Vision 35" and "Medium-Term Management Plan 2029," the Company will develop the optimum environments, organizations and culture, and provide opportunities for taking on challenges and learning new skills. By doing so, the Company and individuals can work towards a common goal, through which each individual can reach their full potential.

The Company has been implementing measures with a focus on achieving “Our Vision for FY2029” based on the following five aspects of the vision:

・“Synchronization of management and business strategies with HR strategies”
・“Optimal global placement and promotion of human resources”
・“Environments that maximize potential”
・“Attractive corporate group”
・“Lean and productive organizations”

For details, please refer to page 15 of the 21st Annual Securities Report (only available in Japanese).
(https://www.mcgc.com/ir/pdf/02351/02627.pdf)

Disclosure Based on each Principle of the Corporate Governance Code (Updated)

As used in this report, the following terms shall have the following meanings:
“senior management” means corporate executive officers.
“officers” means directors and corporate executive officers.

<Principle 1.4 Cross-Shareholdings>
The Company and major subsidiaries shall acquire and hold shares of clients, etc. if the shareholding contributes to medium- to long-term improvement in corporate value. The Board of Directors shall review the adequacy of such cross-shareholdings on a regular basis. Considering the effect on the market, we make effort to sell such cross-shareholdings as assessed insufficient in adequacy.
On February 6 ,2026, the Board of Directors reviewed the adequacy of all cross-shareholdings of Group as of the end of March, 2025, in light of economic rationale as measured by ROIC and necessity for business, etc. As a result of the review, we have found insufficiency in adequacy of a part of cross-shareholdings. Considering the effect on the market, we are proceeding to sell such cross-shareholdings as assessed insufficient. The exercise of voting rights of the cross-shareholdings shall be determined from the perspective of medium- to long-term improvement in corporate value of clients, etc.

<Principle 1.7 Related Party Transactions>
The Company investigates the existence of related party transactions such as transactions involving members of the board or corporate executive officers and their close relatives through methods including seeking direct confirmation from members of the board and corporate executive officers. The Company sets competitive and conflict-of-interest transactions as a matter to be resolved by the Board of Directors, who confirm the adequacy of the transactions. Should the Company have any transaction with a main shareholder, the Company maintains procedures to prevent any detriment to the Company, given the importance and nature of such a transaction.

<Principle 2.6 Roles of Corporate Pension Funds as Asset Owners>
In order for corporate pension funds to perform their roles as asset owner, Mitsubishi Chemical Corporation which is the core business company of the Company group has taken measures based upon the guidelines as published by Ministry of Health, Labor and Welfare.

Specifically, Mitsubishi Chemical Corporation has set guidelines for management of pension assets, established committee for management of pension assets, determined proportion of composition of political assets and implemented the total assessment of asset management companies.
In addition to the foregoing, in cooperation with consultants, Mitsubishi Chemical Corporation has performed measures for proper management of corporate pension funds.

<Principle 3.1 Full Disclosure>
(What the company aims for)
Upholding "We lead with innovative solutions to achieve KAITEKI, the well-being of people and the planet" as its Purpose, the MCG Group aims to become Green Specialty Company that continues to provide optimal solutions to social problems and deliver impressive results to customers with the power of materials.

(Management Policy)
MCG has formulated a management vision "KAITEKI Vision 35" covering the period up to the end of FY2035, and a "Medium-Term Management Plan 2029" covering the period up to the end of FY2029.
For details, please refer to the Company's website.
(https://www.mcgc.com/english/ir/pdf/02120/02415.pdf)

(The Company's view on overall corporate governance)
please refer to the 21st Annual Securities Report (page 66 (only available in Japanese)) for our view on overall corporate governance.
(https://www.mcgc.com/ir/pdf/02351/02627.pdf)

(Policy and procedures for deciding compensations of senior management and directors)
(Mitsubishi Chemical Group Corporate Governance Guidelines [Development of a framework that improves the soundness and efficiency of management]3(3), [Enhancement of management transparency]5)
The Compensation Committee determines the individual amount of compensation for each director and corporate executive officer.
Policy on Determining Remuneration of senior management and directors is described in [Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods]

(Policy and procedures in the appointment/dismissal of the senior management and the nomination of directors)
(Mitsubishi Chemical Group Corporate Governance Guidelines [Development of a framework that improves the soundness and efficiency of management]3(1), [Enhancement of management transparency]4)
The Nominating Committee determines the contents of the proposal for the election and dismissal of Directors to the general meeting of shareholders, and the contents of the proposal to the Board of Directors regarding the selection and dismissal of the President.
Policy on appointment/dismissal of senior management and nomination of directors is described in Exhibit 1 [Policy on appointment/dismissal of senior management and nomination of directors].

(Reason for the Appointment of Officers)

The reason for appointment of officers is described in Exhibit 2 [Reason for appointment of the Director] and [Reason for appointment of the corporate executive officers].

<Supplementary Principle 3.1.3 Sustainability initiatives>

Under the MCG Group's Purpose "We lead with innovative solutions to achieve KAITEKI, the well-being of people and the planet," we engage in business activities by setting sustainability as a core of corporate management.

We will strive to improve sustainability and achieve sustainable growth by strengthening our business base, which includes achieving carbon neutrality and enhancing human capital by improving cultivating and developing human resources and improving the working environment.

For details, please refer to page 10 of the 21st Annual Securities Report (only available in Japanese).

(https://www.mcgc.com/ir/pdf/02351/02627.pdf)

For the impacts that climate change-related risks and opportunities might cause to our business activities and revenues, please refer to page 14 of the 21st Annual Securities Report (only available in Japanese).

(https://www.mcgc.com/ir/pdf/02351/02627.pdf)

<Supplementary Principle 4.1.1 Scope and content of the matters delegated from the Board to the management>

The Company delegates authority to corporate executive officers to make all business execution decisions, with the exception of matters that must be legally resolved by the Board of Directors and important matters in terms of portfolio management.

<Principle 4.9 Independence Standards for Independent Directors>

(Mitsubishi Chemical Group Corporate Governance Guidelines Attachment 2)

Independence Standards for Independent Directors are described at [Matters relating to Independent Directors].

<Supplementary Principle 4.11.1 View on the constitution of the Board of Directors>

(Mitsubishi Chemical Group Corporate Governance Guidelines [Development of a framework that improves the soundness and efficiency of management]2(2))

In order to establish the Group's basic management policies and oversee management appropriately, MCG appoints directors from a multifaceted viewpoint by defining the required skills as corporate management, our industry and related industries, global business, technology, science, digital, and innovation, sustainability, finance and accounting, risk management, and legal affairs, compliance, and governance.

Furthermore, in a bid to enhance oversight functions, a majority of Directors of the Board will not concurrently take on the role of Corporate Executive Officer.

Regarding the skills matrix described above, please refer to the Notice of the General Meeting of Shareholders.

(https://www.mcgc.com/english/ir/stock_info/stock_meeting.html)

<Supplementary Principle 4.11.2 Directors' concurrent positions>

Regarding the Directors of the Board's concurrent positions, please refer to the Notice of the General Meeting of Shareholders.

(https://www.mcgc.com/english/ir/stock_info/stock_meeting.html)

<Principle 4.11.3 Analysis and Evaluation of Effectiveness of the Board of Directors>
(Implementation of the Board of Directors Effectiveness Evaluation)
In accordance with the Mitsubishi Chemical Group Corporate Governance Guidelines, the Board of Directors is evaluated for their effectiveness annually and a summary of the results are disclosed.
Regarding the outline of Results of the Evaluation on the Effectiveness, please refer to [Outline of Results of the Evaluation on the Effectiveness of the Board of Directors in Fiscal Year 2025] in Exhibit 3.

<Supplementary Principle 4.14.2 Training policy for directors>
(Mitsubishi Chemical Group Corporate Governance Guidelines [Development of a framework that improves the soundness and efficiency of management]4(1))
MCG shall explain to outside directors the Group's business contents and organization on a continuing basis, and provide opportunities to visit domestic and overseas business sites as well as opportunities for dialogue with the management on a regular basis.
For internal directors, opportunities to develop qualities suitable for directors shall be provided through external seminars held by various organizations, in addition to trainings on compliance and internal control.

<Principle 5.1 Policy on Dialogue with Shareholders>
(Mitsubishi Chemical Group Corporate Governance Guidelines Attachment 1)
MCG has an active and constructive dialogue with stakeholders such as shareholders and customers through various opportunities, and aims to cooperate for the realization of KAITEKI by sharing issues and goals. The policy on dialogue with shareholders is as follows.

(Policy on Dialogue with Shareholders)
MCG will ensure appropriate disclosure so as to gain the trust of our shareholders and encourage long-term holding of MCG's shares. MCG also intends to engage in active dialogue with shareholders and reflect it in our corporate activities.
Disclosure to and dialogue with shareholders shall be implemented by each relevant department, in cooperation with each other, under the supervision of the President, officer in charge of IR and officer in charge of legal. Opinions obtained through the dialogue will be reported to the Board of Directors, etc., and shared by the management.

(Status of Dialogue with Shareholders)
As for the status of dialogue with shareholders, please refer to Approach to investor relations (IR) activities on the Company's website.
(https://www.mcgc.com/english/ir/management/ir_activities.html)

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	22/12/2025

Explanation of Actions

In order to realize the management with an eye on capital costs and share price, we strive to improve shareholder value by steady profit growth centered on Chemicals Business with improved capital efficiency, and strengthening shareholder returns based on dividends in "Medium-Term Management Plan 2029".

We will continue to communicate our progress with, and results from, the management plan and engage in deeper discussions with shareholders and investors.

For details, please refer to the corporate strategy meeting materials of Mitsubishi Chemical Group IR Day 2025 (page 25).

(https://www.mcgc.com/english/ir/pdf/02500/02740.pdf)

2. Capital Structure

Foreign Shareholding Ratio	30% or more

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. Trust account	212,235,086	15.61
Custody Bank of Japan, Ltd. Trust Account	76,059,150	5.59
STATE STREET BANK AND TRUST COMPANY 505001	68,428,585	5.03
Meiji Yasuda Life Insurance Company	64,388,743	4.73
Nippon Life Insurance Co.	42,509,094	3.13
THE CHASE MANHATTAN BANK, N. A. LONDONSECS LENDING OMNIBUS ACCOUNT	33,334,608	2.45
JPMorgan Securities Japan Co., Ltd.	30,072,075	2.21
JP MORGAN CHASE BANK 385642	25,949,506	1.91
JP MORGAN CHASE BANK 385781	20,051,491	1.47
The Nomura Trust and Banking Co., Ltd. Investment Trust Account	19,749,400	1.45

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	None
Name of Parent Company, if applicable	None

Supplementary Explanation

Although the Company has made the Statements of Large-Volume Holdings (including the Change Report) available for public inspection, since the actual number of shares as of March 31, 2026 cannot be confirmed, such figures have not been listed in the above list of major shareholders (top 10).

Name

Date of public inspection

Number of shares owned (ratio of shares owned)

Nomura Securities Co., Ltd.
July 4, 2025
76,638 thousand shares (5.09%)

Dodge & Cox
July 7, 2025
72,139 thousand shares (4.79%)

Sumitomo Mitsui Trust Asset Management Co., Ltd.
September 19, 2025
84,909 thousand shares (5.64%)

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Chemicals
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	300 or more

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

None

5. Other Special Circumstances which may have a Material Impact on Corporate Governance

We have been promoting, in a smooth and efficient manner, our group’s portfolio management, financial strategy, corporate governance, the enhancement of group strength and branding management, demonstrating our group’s collective strengths, making efforts to maximize the corporate value of our group as a whole.

Also, we are deeply aware of the fact that corporate activities are supported by the general public. When performing group management, we make every effort to enhance governance of our group as a whole so that the group companies will promote compliance, comply with social rules, faith fully meet the demands of society as a good corporate citizen, and perform corporate social responsibilities.

Among our consolidated subsidiaries, Nippon Sanso Holdings Corporation("NSHD") is listed on the Tokyo Stock Exchange. NSHD is a listed subsidiary that supports the Industry Gases Segment, which is our Group's main business. Under the four-pronged business system of Japan, the United States, Europe and Asia/Oceania, NSHD has been working to further expand its business scale and improve profitability by developing its gas utilization technologies globally. We believe that maintaining the listing of NSHD and conducting business independently will serve the interests of NSHD and us. We also believe that working closely with NSHD to achieve its objectives will lead to maximizing the corporate value of our Group.

Pursuant to Master Agreement dated 13 May 2014 (the "Agreement"), NSHD and we have agreed to maintain the listing of NSHD shares.

We have put in place a system to ensure the appropriateness of operations within our Group, and share compliance, risk management and other Group internal control policies with NSHD.

Meanwhile, NSHD and we have agreed to respect the autonomy of NSHD management in the Agreement, and NSHD has established a voluntary Nomination and Compensation Advisory Committee, which advises the Board of Directors on the nomination of candidates for Directors and Statutory Auditors and the election and dismissal of CEOs and other executive officers. The committee consists of six members, the president and five independent outside directors, one of them serving as the chairperson. This ensures NSHD's independence from us regarding the selection of management team members. NSHD seeks to secure the objectivity and transparency of the Board of Directors in deliberations on transactions with the controlling shareholder, by appointing five independent outside directors who are independent of the controlling shareholder so that they make up majority of the nine-member Board of Directors.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Three Committees (Nomination, Audit and Remuneration)

Directors

Number of Directors Stipulated in Articles of Incorporation	20
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairperson (excluding those concurrently serving as President)
Number of Directors **(Updated)**	9

Outside Directors

Number of Outside Directors	6
Number of Independent Directors	6

Outside Directors' Relationship with the Company (1) **(Updated)**

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Akihiro Eto	From another company											
Shuichi Sakamoto	From another company											
Geoffrey W. Coates	Academic											
Seiji Kuraishi	From another company											
Toshihiro Otsuka	CPA								△			
Yuko Chiyoda	Lawyer											

*Categories for "Relationship with the Company".
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

a. Person who executes business for the Company or its subsidiary
b. Person who executes business for or a non-executive director of the Company's parent company
c. Person who executes business for a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
e. Major client of the Company or a person who executes business for said client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
k. Other

Outside Directors’ Relationship with the Company (2) **(Updated)**

Name	Membership of Committee			Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nomination Committee	Remuneration Committee	Audit Committee			
Akihiro Eto	○	○		○		<Reasons for appointment of the Outside Director> The reasons for appointment are described in Exhibit 2 [Reason for appointment of the Director]. <Reasons for designation as independent director> Akihiro Eto satisfies our standards for director independence. We thereby designated him as an independent director in accordance with the regulations stipulated by the Tokyo Stock Exchange.
Shuichi Sakamoto	○	○	○	○		<Reasons for appointment of the Outside Director> The reasons for appointment are described in Exhibit 2 [Reason for appointment of the Director]. <Reasons for designation as independent director> Shuichi Sakamoto satisfies our standards for director independence. We thereby designated him as an independent director in accordance with the regulations stipulated by the Tokyo Stock Exchange.
Geoffrey W. Coates				○		<Reasons for appointment of the Outside Director> The reasons for appointment are described in Exhibit 2 [Reason for appointment of the Director]. <Reasons for designation as independent director> Geoffrey Coates satisfies our standards for director independence. We thereby designated him as an independent director in accordance with the regulations

						stipulated by the Tokyo Stock Exchange.
Seiji Kuraishi	○	○		○		<Reasons for appointment of the Outside Director> The reasons for appointment are described in Exhibit 2 [Reason for appointment of the Director]. <Reasons for designation as independent director> Seiji Kuraishi satisfies our standards for director independence. We thereby designated him as an independent director in accordance with the regulations stipulated by the Tokyo Stock Exchange.
Toshihiro Otsuka			○	○	Toshihiro Otsuka served as Head of Audit at KPMG Japan and as Senior Managing Director and Head of the Research Institute at KPMG AZSA LLC. As the Company has business transactions with the KPMG Japan and KPMG AZSA LLC, he is considered to fall under the category of an “Person who executes business for a client of the Company.”	<Reasons for appointment of the Outside Director> The reasons for appointment are described in Exhibit 2 [Reason for appointment of the Director]. <Reasons for designation as independent director> Toshihiro Otsuka satisfies our standards for director independence. We thereby designated him as an independent director in accordance with the regulations stipulated by the Tokyo Stock Exchange.
Yuko Chiyoda			○	○		<Reasons for appointment of the Outside Director> The reasons for appointment are described in Exhibit 2 [Reason for appointment of the Director]. <Reasons for designation as independent director>

						Yuko Chiyoda satisfies our standards for director independence. We thereby designated her as an independent director in accordance with the regulations stipulated by the Tokyo Stock Exchange.

Supervisory Committees

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Nomination Committee	4	0	1	3	Outside Director
Remuneration Committee	3	0	0	3	Outside Director
Audit Committee	4	1	1	3	Outside Director

Executive Officers

Number of Executive Officers	3

Status of Concurrent Duties

Name	Representative Authority	Concurrent Duties as Director			Concurrent Duties as Employee
			Nomination Committee Member	Remuneration Committee Member	
Manabu Chikumoto	Yes	Yes	No	No	No
Isao Yano	Yes	No	No	No	No
Ken Araki	No	No	No	No	No

Auditing Structure

Appointment of Directors and/or staff to Support the Audit Committee	Appointed

Matters Related to the Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

The Office of Audit Committee was established as an organization to assist the Audit Committee in its duties. This office supports the committee in its duties following the instructions provided by the Audit Committee. In addition, personnel (transfers, evaluations, etc.) decisions on employees in the Audit Committee Secretariat and the office budget must be approved by the Audit Committee.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Department **(Updated)**

The Company has appointed Ernst & Young ShinNihon LLC as our accounting auditor. The Audit Committee exchanges information with the accounting auditor on audit plans and results regularly. In addition, the Audit Committee works with the internal audit department and an internal control-related department to efficiently implement audits.

The internal audit department conducts audits of operations of the Company and its group company including Mitsubishi Chemical Corporation in accordance with an annual audit plan, collaborates with the internal audit departments of Nippon Sanso Holdings Corporation, and improves and administers a system designed to ensure that internal audits of the Group are carried out appropriately.

Moreover, the audit department proposes an annual audit plan in cooperation with the Audit Committee, and then formulates the plan with approval from the President and the Audit Committee. The internal audit department reports to the Audit Committee and, if necessary, to the Board of Directors on internal audit implementation status, and audit results. In addition, the internal audit department also cooperates with audits conducted by the Audit Committee, including reporting on the status of audits by the Audit Committee at meetings attended by the head of the internal audit department. In addition, we are working to strengthen our cooperation with our accounting auditor, including regular information exchanges on mutual audit policies and audit results.

Matters Concerning Independent Directors

Number of Independent Directors	6

Other Matters Concerning Independent Directors

The Company designates all outside directors who satisfy the standards for independent directors as independent directors.

Furthermore, the Company shall have established its own standards for the independence of outside directors as follows and 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.

[Standards for Independence of Outside Directors]

1.Related party of the Company

(1) A Person engaged in execution of operation of the Company Group (executive director, corporate executive officer, executive officer, manager, employee, partner, etc. The same shall apply hereafter.)

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

2.Major shareholder

A person who directly or indirectly holds 10% or more of the Company's total voting rights or a person engaged in execution of operation of a company that directly or indirectly holds 10% or more of the Company'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 the Company and Group Major Subsidiaries (Mitsubishi Chemical Corporation and Nippon Sanso Holdings Corporation. The same shall apply hereafter.)

(2) A person engaged in execution of operation of a major business partner*2 of the Company and Group Major Subsidiaries

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 Group Major Subsidiaries

6.Donation

A person who receives a donation or financial assistance of 10 million yen or more per year from any of MCG and Group Major Subsidiaries 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 Group Major Subsidiaries

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) Close relatives, etc. of a person engaged in execution of important operations of the MCG Group (spouse, relatives within the second degree of relationship or any person who shares the same livelihood. The same shall apply hereafter.)

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

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

*2 If MCG and Group Major Subsidiaries receives 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.

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

Incentives

Implementation Status of Measures related to Incentives Granted to Directors and/or Executive Officers	Introduction of Performance-linked Remuneration Scheme / Other

Supplementary Explanation for Applicable Items **(Updated)**

Incentive Policies for Directors and Executive Officers (Shikkoyaku) are as described in "[Remuneration of Officers], (1) Aggregate Amount of Remuneration of Company's Officers, iii. Method of calculating performance-linked remuneration paid during the fiscal year under review and results of evaluation" in Exhibit 4.

Persons Eligible for Stock Options	None

Supplementary Explanation for Applicable Items

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Remuneration for Directors and Executive Officers

Status of Disclosure of Individual Director's Remuneration	Disclosure for Selected Directors
Status of Disclosure of Individual Executive	Disclosure for Selected Executive Officers

Officers' Remuneration	

Supplementary Explanation for Applicable Items **(Updated)**

The amount of remuneration for Directors and Executive Officers is as described in "[Remuneration of Officers], (1) Aggregate Amount of Remuneration of Company's Officers, i. Aggregate amount of remuneration of officers for the fiscal 2025 and ii. Aggregate amount of remuneration of each officer" in Exhibit 4.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Policies on determining remuneration amounts and calculation methods are as described in "[Remuneration of Officers], (2) Policy on Deciding Remuneration for Directors and Corporate Executive Officers" in Exhibit 4.

Support System for Outside Directors

Secretariats have been set up for the Board of Directors and each of the Company's committees and provide support and assistance to outside directors. When the Board of Directors or one of the committees holds a meeting, the respective secretariat supplies the outside directors with materials and other pertinent information beforehand. In addition, individual explanations are provided to ensure that the outside directors can perform a full review in advance. That being said, the Office of Audit Committee, which was set up as a unit to assist the Audit Committee, has its own independent and exclusive staff.

Furthermore, in addition to the Board of Directors and each committee meetings, a proper environment is being maintained, including the holding of regular meetings that are attended by the outside directors, to ensure the outside directors' oversight functions work effectively.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Hitoshi Ochi	Senior Executive Consultant	Outside activities, etc. at industry associations, etc. on behalf of the company	-Working Arrangement: Part-time -Compensation: No	June 24, 2021	1 Year (renewable)

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc.	1

Other Related Matters

-The table lists former presidents and chairpersons of the Company.

-Senior Executive Consultant does not participate in management.

-The date of retirement as the representative director and chairman of the Company is stated in "Date when former role as president/CEO ended" in the table above.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) (Updated)

(1) Oversight

A. Board of Directors (9 members (of which one member is female); 6 outside directors, chairman; inside director, term of directors; one year)

The Board of Directors determines basic management policies (group philosophy, medium-term management plans, annual budgets, etc.), and supervises the overall management. In principle, the Board of Directors delegates authority to corporate executive officers to make business execution decisions based on the basic management policies.

With a view to strengthen the independence of the Board of Directors and strengthening cooperation between executive officers and outside directors, the Company appoints the Leading Independent Outside Director. The Leading Independent Outside Director collects the opinions of outside directors and holds discussions with the chairman of the Board of Directors and the president of executive officers and presides over a conference body consisting only of outside directors.

In FY 2025, the Board of Directors met 12 times. The attendance of each director is as follows. Ken Fujiwara, Jin Iida and Chikatomo Hodo describe the attendance of the Board of Directors until their retirement in June 2025, and Seiji Kuraishi describes the attendance of the Board of Directors after his assumption of office in June 2025.

・ Nobuo Fukuda: 12/12 (100%)
・ Manabu Chikumoto: 12/12 (100%)
・ Ken Fujiwara: 3/3 (100%)
・ Jin Iida: 3/3 (100%)
・ Kiyomi Kikuchi: 12/12 (100%)
・ Tatsumi Yamada: 12/12 (100%)
・ Akihiro Eto: 12/12 (100%)
・ Shuichi Sakamoto: 12/12 (100%)
・ Geoffrey Coates: 12/12 (100%)
・ Seiji Kuraishi: 9/9 (100%)
・ Chikatomo Hodo: 3/3 (100%)

For FY2025, the Board of Directors set an agenda based on discussions regarding the result of the evaluation on the effectiveness of the Board of Directors in FY2024.

The agenda set for FY2025 is as follows:

- Portfolio strategy
- Annual budget and investment plan
- Operational status of the internal control system
- Situation concerning ERM activities

- Meaningfulness of cross-shareholdings
- Engagement activities with institutional investors
- The results of the evaluation on the effectiveness of the Board of Directors
- Situation regarding sustainability-related activities
- Outcomes of employee awareness surveys
- Regular reports from committees and corporate executive officers, president and CEO

In addition, with the aim of promoting constructive discussions and strengthening management oversight functions at the Board of Directors Meeting, Director Liaison Committee with all directors attended to discuss management issues of the Group, and Outside Director Liaison Committee with outside directors attended to discuss management issues of the Group from the independent perspectives of outside directors, are held.

B. Nominating Committee (4 members; 3 outside directors; an outside director serves as chairman)

The Nominating Committee determines the contents of the proposal for the election and dismissal of Directors to the general meeting of shareholders, and the contents of the proposal to the Board of Directors regarding the selection and dismissal of the President.

The Nominating Committee consists of 4 members, including 3 outside directors as of the date of submission of this report. To enhance the transparency and fairness of the nomination process, the committee is chaired by an outside director.

In FY2025, the Nominating Committee met 12 times. The attendance of each member is as follows. Ken Fujiwara, Chikatomo Hodo and Shuichi Sakamoto describe the attendance of the Nominating Committee until their retirement in June 2025, and Nobuo Fukuda, Akihiro Eto and Seiji Kuraishi describe the attendance of the Nominating Committee after their assumption of office in June 2025.

・ Kiyomi Kikuchi (Chairperson): 12/12 (100%)
・ Akihiro Eto: 9/9 (100%)
・ Shuichi Sakamoto: 3/3 (100%)
・ Seiji Kuraishi: 9/9 (100%)
・ Chikatomo Hodo: 3/3 (100%)
・ Nobuo Fukuda: 9/9 (100%)
・ Ken Fujiwara: 3/3 (100%)

Main agenda items discussed during fiscal 2025 includes the following.

- Determined the results of individual appraisal for the corporate executive officer, president and CEO for FY2024 and received reports and confirmed the results of individual appraisal for other corporate executive officers. In addition, determined the targets set for FY2025 by the corporate executive officer, president and CEO and received reports and confirmed the targets set for FY 2025 by other corporate executive officers.
- Received reports and discussed the results of interim appraisal for corporate executive officers including the corporate executive officer, president and CEO for FY2025 and, shared the understanding regarding initiatives for the second half of the fiscal year to achieve the targets with the corporate executive officer, President and CEO.
- Confirmed proposals including the requirements definition and a roadmap regarding the succession plan for the corporate executive officer, President and CEO, and based on the foregoing, conducted interviews and assessments of candidates by the Nomination Committee members.

- Regarding corporate executive officers to be appointed for FY2026, deliberated the expected roles, aptitude, etc. in the appliable positions, and determined reappointment of the corporate executive officer, President and CEO and submitted recommendation to the proposal received from the corporate executive officer, president and CEO regarding the candidates of other corporate executive officers.
- Formulated a new skill matrix aligned with the medium- to long-term management strategy and vision and included it in the reference materials for the General Meeting of Shareholders for FY2026.
- Determined candidates for director positions for FY2026, including external candidates, following deliberation made based on the skills matrix and their expected roles, aptitudes and others in line with the board succession plan.

C. Audit Committee (4 members; 3 outside directors; an outside director serves as chairman)

The Audit Committee audits the execution of duties by corporate executive officers and directors, and verifies the Group's internal control system. In principle, the Audit Committee meets once a month.

The Audit Committee consists of 4 members, including 3 outside directors, as of the date of submission of this report. In addition, the Audit Committee selects one full-time Audit Committee member and works closely with the Audit Committee, independent auditors, the internal audit department, which conducts internal audits, and the internal control-related department, which formulates and promotes policies for internal control systems. Through these and other means, the Audit Committee is working to enhance the auditing system.

In FY 2025, the Audit Committee met 13 times. The attendance of each committee member is as follows.
Jin Iida, Kiyomi Kikuchi and Akihiro Eto describe the attendance of the Audit Committee until their retirement in June 2025, and Nobuo Fukuda, Shuichi Sakamoto and Seiji Kuraishi describe the attendance of the Audit Committee after their assumption of office in June 2025.

・ Tatsumi Yamada (Chairperson): 13/13 (100%)
・ Shuichi Sakamoto: 10/10 (100%)
・ Seiji Kuraishi: 10/10 (100%)
・ Kiyomi Kikuchi: 3/3 (100%)
・ Akihiro Eto: 3/3 (100%)
・ Nobuo Fukuda: 10/10 (100%)
・ Jin Iida: 3/3 (100%)

With the aim of achieving the MCG Group’s sustainable growth and increasing corporate value over a medium to long term, the Audit Committee focused on the following priority items as its audit policy during the fiscal year under review.
(a) Establishment and operation of group governance
(b) Establishment and operation of internal control system
(c) Progress regarding improving the Effectiveness of the Board of Directors.
(d) Progress of initiatives included in the Medium-Term Management Plan
(e) Strengthening the management foundation

Full-time Audit Committee members attended the Corporate Executive Officers Committees and other meetings to verify the appropriateness of the business execution decisions and the execution thereof. At the same time, they heard the status of business execution from Corporate Executive Officers and other members, enhanced the investigations of the operating companies, and worked closely with the internal audit department and the internal control-related department as well as the MCG Group's corporate auditors and independent auditors, thereby endeavoring to ensure the effectiveness of audits.

Each member of the Audit Committee strived to constantly assess the operational status and verify the soundness through the attendance at the Board of Directors' meetings, etc. and shared the status of the aforementioned activities by full-time Audit Committee members at the Audit Committee while requesting the internal audit department and the internal control-related department to provide explanations such as the reports on their activities, thereby verifying the development and operation of the Group's internal control systems such as compliance and risk management. In addition, the Audit Committee members further collaborated with the independent auditors through mid-term reviews and other regular exchanges of views and information. In these activities, they endeavored to maintain and enhance management soundness and transparency by conducting objective verifications by outside Audit Committee members.

D. Compensation Committee (3 members; 3 outside directors; an outside director services as chairman)

The Compensation Committee determines the amount of remuneration paid to individual directors and corporate executive officers.

The Compensation Committee consists of three members as of the filing date of this report. To enhance the transparency and fairness of the decision-making process, the committee is chaired by an outside director.

The Compensation Committee met 9 times in FY 2025. The attendance of each committee member is as follows. Chikatomo Hodo describes the attendance of the Compensation Committee until his retirement in June 2025, and Akihiro Eto describes the attendance of the Compensation Committee after his assumption of office in June 2025.

- Akihiro Eto (Chairperson): 9/9 (100%)
- Tatsumi Yamada: 9/9 (100%)
- Shuichi Sakamoto: 6/6 (100%)
- Chikatomo Hodo:3/3 (100%)

Main agenda items discussed during FY2025 are as described in "[Remuneration of Officers], (1) Aggregate Amount of Remuneration of Company's Officers, iv. Activities by the Compensation Committee during the fiscal year under review" in Exhibit 4.

(2) Business execution

A. Corporate Executive officers

The corporate executive officers decide the execution based on basic management policies (medium term business strategies and annual budgets, etc.). Regarding important matters in the management of the Group, deliberations are made at the corporate executive officers, which is the council by the corporate executive officers. In addition to determining the division of duties of each corporate executive officer for other matters, we make it appropriate and efficient decision-making by clarifying the authority to decide the corporate executive officer in charge.

B. Corporate Executive Officers Committee

The Corporate Executive Officers Committee is composed of all corporate executive officers, deliberates and decides on important matters concerning the management of the Company and the Company group, and also monitors the Group's business based on the medium-term management plan, annual budget etc. Members of the Audit Committee and management team members including the executive officers designated by the president and CEO can participate in the meetings of this committee to express their opinions. The meetings are held in a way that enables a range of viewpoints to be incorporated into management decisions.

That being said, the Member of the Audit Committee can attend the Corporate Executive Officers Committee at any time to express freely.

(3) Audits

We have appointed Ernst & Young ShinNihon LLC as our accounting auditor. The accounting auditor maintains close ties with the Audit Committee and reports on the audit system, audit plans, audit status, and audit results. In addition, we exchange necessary information and opinions with the accounting auditor to ensure that audits are efficiently and effectively carried out.

In FY2025, the following are the names of the certified public accounts that executed accounting audits and the number of personnel that assisted in accounting audit operations.

-Names of the CPS that executed operations (number of continuous audit years)

Kosuke Kawabata (7 year), Sinya Yamaga (3 year), Takao Yamamoto (2year) and Noriaki Kenmochi (1 year)

-Assistants that worked on the accounting audit

17 certified public accounts, and another 35 personnel

The status of internal audit is described at [Cooperation among Audit Committee, Accounting Auditors and Audit Departments] above.

3. Reasons for Adoption of Current Corporate Governance System

The Company adopts a company with a nominating committee, etc. in a bid to enhance management transparency and openness, strengthen management oversight functions and improve management agility by accelerating decision-making.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights (Updated)

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The convocation notice for the 21st Ordinary General Shareholders Meeting held on June 24, 2026 was sent on June 2 (three weeks before the meeting). And prior to be sent, the notice was disclosed through the Tokyo Stock Exchange and uploaded onto our website on May 26.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The 21st Ordinary General Shareholders Meeting was held on June 24, 2026, thereby avoiding the peak day, and allowing as many shareholders as possible to attend.
Electronic Exercise of Voting Rights	Shareholders are able to exercise their voting rights using a number of electronic devices (including the Internet). The method for doing so is included in the notice of convocation of the general shareholders meeting.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company is participating in the Electronic Voting Platform.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The convocation notice appears in English on our website. It is also available in English over the Electronic Voting Platform.
Other	Livestreaming and preliminary questions only for shareholders using the Internet are implemented. The video of the meeting, the summary of questions and answers are uploaded onto our website.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Disclosure Policy is available on our website https://www.mcgc.com/english/ir/management/policy.html	
Regular Investor Briefings held for Individual Investors	We participate as speakers in investor briefings for individual investors hosted by securities companies and others, and present an overview of our business and future strategy.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	The following briefings are conducted by the president and supervising director -Quarterly and fiscal year-end earnings results online conference -Business briefings, etc. -Individual briefings	Held

Regular Investor Briefings held for Overseas Investors	Throughout the year, we actively engage in dialogue with overseas investors through individual briefings, online conferences, and business briefings, etc.	Held
Online Disclosure of IR Information	Various materials (Japanese and English) are uploaded to our website.	
Establishment of Department and/or Placement of a Manager in Charge of IR	An officer is in charge of IR and we have set up an office to handle IR (IR Office).	
Other	We disclose information in a timely manner through the Integrated Information Hub, a portal page that consolidates links to our financial and non-financial information published on our website. https://www.mcgc.com/english/ir/hub/index.html	

3. Status of Measures to Ensure Due Respect for Stakeholders (Updated)

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company's Purpose is "We lead with innovative solutions to achieve KAITEKI, the well-being of people and the planet." In line with this Purpose, the Mitsubishi Chemical Group Charter of Corporate Behavior sets forth its commitment to respecting the perspectives of a wide range of stakeholders, including customers, suppliers, shareholders, business partners, government agencies, local communities, and employees. For further details, please refer to the our website. https://www.mcgc.com/english/group/charter.html
Implementation of Environmental Preservation Activities and CSR Activities, etc.	To support the achievement of our Purpose, the Company has established the Mitsubishi Chemical Group Corporate Citizenship Activities Policy based on the Mitsubishi Chemical Group Charter of Corporate Behavior in order to put into practice Respect—one of the values embodied in Our Way− which calls on us to care for people, society, and the planet. Under this Policy, in addition to contributing to society through our business activities, the Company engages in initiatives that respond to the needs and expectations of society and local communities as good corporate citizens, thereby advancing the realization of KAITEKI. For details of the corporate citizenship activities conducted by our sites in each country and region around the world, please refer to our website. https://www.mcgc.com/english/sustainability/social/social.html
Formulation of Policies, etc. on Provision of Information to Stakeholders	Mitsubishi Chemical Group Charter of Corporate Behavior also includes rules on proper information disclosure and securing transparency.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

The Company intends to strengthen and thoroughly enforce the internal control system based on the basic policy concerning the internal control system resolved at the Board of Directors. At the end of each fiscal year, the Board of Directors reviews the operational status of the basic policy, and as necessary the Company will review its contents. The contents of the basic policy as of this report present are as follows.

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

(1) 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.

(2) Pursuant to regulations such as the Audit Standard of the Audit Committee, Directors, Corporate Executive Officers, and employees shall inform the Audit Committee of any important management matters to MCG and a corporate group with MCG as a parent company under the Companies Act (the "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).

(3) 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.

(4) 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.

(5) 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

(1) 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.

(2) 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 decided by the President and Corporate Executive Officer after deliberation at the Executive Management Committee, and by defining the authority of responsible Corporate Executive Officers, responsibilities of each department, and authority assigned to subsidiaries on other matters.

(3) 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 Executive Management 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

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

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

(3) 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

The President 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 President 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 Executive Management 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 Group.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

At the MCG Group, fair business practices outlined in the group Charter of Corporate Behavior in the basic policy 3 (1) of the aforementioned internal control system promote the severing of any ties with anti-social forces. To reject any and all unreasonable demands from antisocial forces, the general affairs department, which is in charge of handling these matters, works closely with related administrative organizations, and takes necessary action to ensure that everyone in the group is well-informed.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

The Company implements highly efficient and transparent group management to enhance its competitive and earnings strengths through the optimal allocation of management resources. As a group, we aim to further improve our corporate value to respond to the trust placed in us by our shareholders.

We have not introduced anti-takeover measures. In the event of a major purchase of our shares that would erode the group's corporate value or the profits we share with our shareholders, we will implement measures that we believe to be appropriate for addressing the situation.

2. Other Matters Concerning the Corporate Governance System

The following is a policy for disclosure of company information and summary of timely disclosure system.

1. Policy for disclosure of company information

Under our disclosure policy, MCG has disclosed material information as defined in standards in the Securities Listing Regulations established by the Tokyo Stock Exchange ("timely disclosure standards") and Article 27-36 of the Financial Instruments and Exchange Act (such as information of the MCG Group, including that regarding decisions, incidents, and earnings results that may have an impact on the investment judgement of shareholders and investors, "material information").

Furthermore, we will exert an effort to actively disclose information that is deemed valuable to shareholders and investors, even if it is not material information.

The information for disclosure will be controlled by the cooperation of IR Office and Corporate Communication Office.

2. Summary of timely disclosure system

(1) Decisions on information related to earnings of the listed company, which is among the company information subject to timely disclosure covered under timely disclosure standards, is decided upon in resolutions taken up by the Board of Directors or in discussions by the Corporate Executive Officers Committee. After decisions have been made, IR Office implement timely disclosure.

(2) In information related to decisions of the listed company, which is among the company information subject to timely disclosure covered under timely disclosure standards, matters that require resolutions taken up by the Board of Directors or discussions by the Corporate Executive Officers Committee are decided once approved by the body concerned. For matters that require approval using request forms, are decided once approval is received. In both cases, IR Office and Corporate Communication Office cooperate to conduct a survey to determine whether these are matters that require timely disclosure. The result of this survey is reported to the director in charge of IR (person in charge of managing information). In addition, timely disclosure is implemented should the matter require so.

(3) For information related to an occurring incident in the listed company, which is among the company information subject to timely disclosure covered under timely Disclosure standards, at the time the related department realizes the incident has occurred, it should work with IR Office and Corporate Communication Office and conduct a survey of the incident to determine whether the matter requires timely disclosure. The result of this survey is reported to the director in charge of IR. When

necessary, it should also be reported to the Board of Directors and Corporate Executive Officers Committee. Timely disclosure should be implemented if the matter requires so.

Furthermore, rules prohibiting insider training should be established to govern the handling the unpublished important information up to the moment of timely disclosure and to thoroughly prevent insider training.

Structure for ensuring the appropriateness of operations (conceptual diagram)

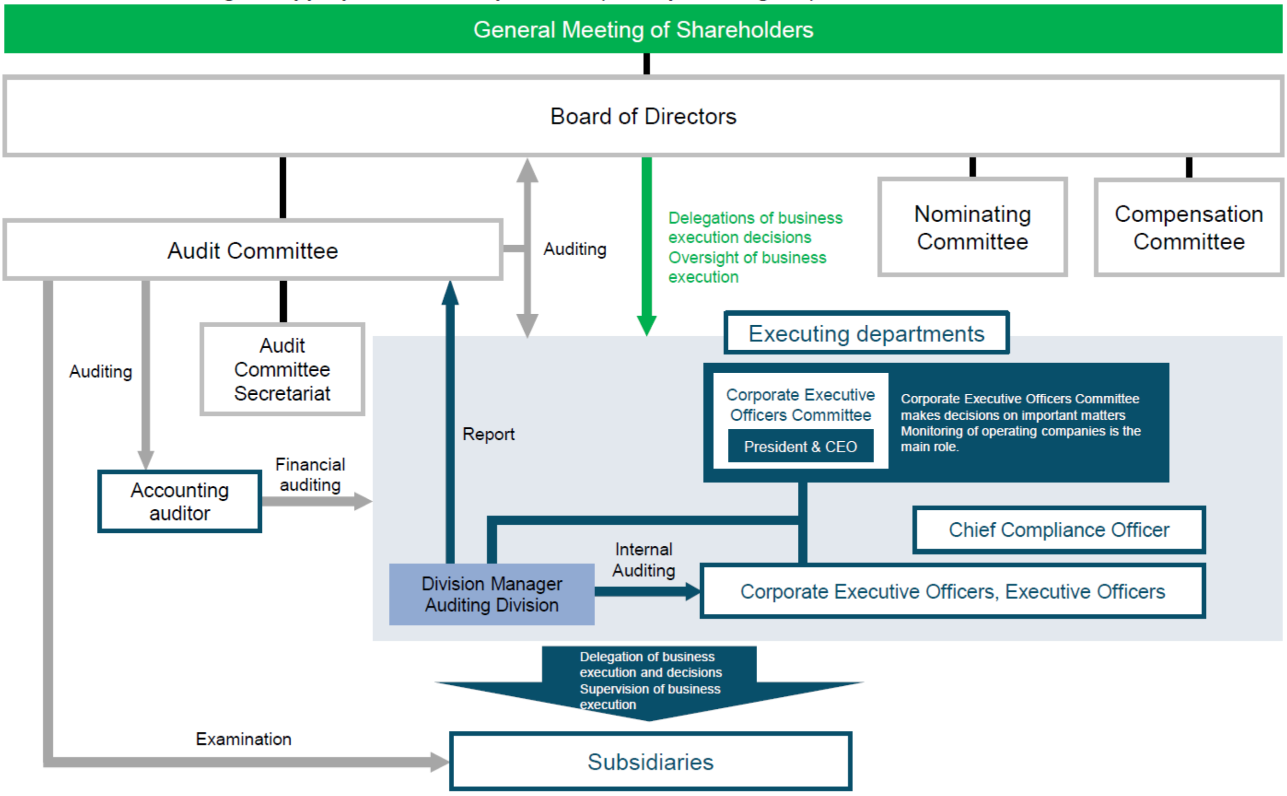


Exhibit 1

[Policy on appointment/dismissal of senior management and nomination of directors]

(Corporate executive officers)

The Board of Directors appoint persons who fulfill the following criteria as corporate executive officers:

・possesses abundant experience, deep expertise and insight in each responsible area, objective and fair judgment and a high level of business management capability.
・possesses high ethical standards and a law-abiding mind.
・healthy enough to fulfill responsibilities as a Corporate Executive Officer.

Meanwhile, the Nominating Committee may dismiss the corporate executive officer who materially violates one of the criteria above.

(Directors)

The Nominating Committee nominates persons who fulfill the following criteria as candidates for directors:

・possesses deep insight as well as objective and fair judgment, which are necessary to fulfill the responsibilities of a director of Company with Nominating Committee, etc.
・possesses high ethical standards and a law-abiding mind.
・healthy enough to fulfill the responsibilities as a director.
・be able to secure diversity (including gender and nationality) among outside directors.
・For outside directors, fulfills independence standards that are separately stipulated and be able to secure enough time to execute business.

Exhibit 2

[Reason for appointment of the Director]

Name	Present position and duty at the Company	Reason for choosing as candidate for Director
Nobuo Fukuda	Director of the Board, Chairperson of the Board of Directors Member of the Nominating Committee	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 reelected him as the Director.
Manabu Chikumoto	Director of the Board President and CEO	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 reelected him as the Director.
Toshiya Katsuragi	Director of the Board Member of the Audit Committee	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 elected him as the Director.

Akihiro Eto	Director of the Board Independent Officer Leading Independent Outside Director Member of the Nominating Committee Member of the Compensation Committee	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 reelected him as the Director.
Shuichi Sakamoto	Director of the Board Independent Officer Member of the Nominating Committee Member of the Audit Committee Member of the Compensation Committee	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 and audits 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 reelected him as the Director.
Geoffrey W. Coates	Director of the Board Independent Officer	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 reelected him as the Director.
Seiji Kuraishi	Director of the Board Independent Officer Member of the Nominating Committee Member of the Compensation Committee	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 reelected him as the Director.
Toshihiro Otsuka	Director of the Board Independent Officer Member of the Audit Committee	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 elected him as the Director.

Yuko Chiyoda	Director of the Board Independent Officer Member of the Audit Committee	Yuko Chiyoda has a wealth of experience and deep insight as a lawyer. In addition to serving as the head of a law firm, she has served as an expert member of the Cabinet Office's Liaison Conference for the Promotion of Gender Equality and as an Executive Director of the Japan Federation of Bar Associations. While she has not been involved in corporate management except for serving as Outside Director, based on the above reasons, she 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 legal affairs, compliance, governance and risk management as an Independent Outside Director. The Board of Directors, therefore, elected her as the Director.

[Reason for appointment of the corporate executive officers]

Name	Present position and duty at the Company	Reason for appointment of the corporate executive officers
Manabu Chikumoto	President, CEO	His experience is based mainly on petrochemical business and has deep insight and wide experience as CEO of oversea group company and head of corporate planning office. He also has wide network in the chemical industry based on his past roles. Regarding to our business challenges about carbon neutral and circular economy, restructuring of the petrochemical industry in Japan, growth of specialty materials business, and portfolio transformation, the company decided that he is the appropriate person as CEO to lead the management, planning and execution of business plan for growth.
Isao Yano	Corporate Executive Officer	Isao Yano is decided by the company that he is the appropriate person in charge of Corporate Administration, Legal and Internal Control from his strong insight into corporate governance in addition of extensive experience in corporate administration and legal.
Ken Araki	Corporate Executive Officer	Ken Araki has extensive experience and deep insight from corporate planning and business strategy formulation to execution gained by serving as head of business development of global business and executive officer in listed companies. Therefore, judged as an appropriate person as Chief Transformation Officer of MCG.

Exhibit 3

May 26, 2026

Mitsubishi Chemical Group Corporation

Outline of Results of the Evaluation on the Effectiveness of the Board of Directors in Fiscal Year 2025

1. Evaluating the effectiveness of the Board of Directors

Under the Mitsubishi Chemical Group Corporate Governance Guidelines, the Board of Directors is required to evaluate its effectiveness and disclose the summary of evaluation results every year. The methods and findings of the effectiveness evaluation conducted in fiscal year 2025 are summarized below.

2. Evaluation methods and processes

In fiscal year 2025, the effectiveness of the Board of Directors was evaluated by the following methods and processes

- The FY 2025 evaluation was conducted by an independent external review organization (Board Advisors Japan, Inc.) in December 2025 to January 2026. The methods used for the evaluation are as follows: collecting responses from all directors through a questionnaire covering the questions (Status of Responses to Issues Identified Last Year, the Board of Directors (Role and Function, Composition, Agenda, Deliberation and Discussions, Operation), Committees, Executive Structure, Directors' Contributions, Gap Analysis Between the Importance of Agenda Items and the Depth of Discussion), conducting interviews with each director, and providing an evaluation based on the reviewer's professional knowledge.
- The Board discussed the current status of the Board of Directors and the policy for further improvement based on the results of the effectiveness evaluation, comparing the results with those from the previous year's evaluation and assessing the progress made in addressing existing issues. (March 2026)
- Regarding future challenges, the chairperson of the Board reported the issues to be addressed to the Board of Directors based on the Board's discussions (April 2026).

3. Outline of the evaluation findings

The findings from the evaluation of the Board of Directors' effectiveness conducted by the independent review organization are summarized as follows.

(1) Summary

- The Board of Directors has been steadily undertaking practical initiatives toward rebuilding an appropriate relationship of mutual trust between the executive side and the supervisory side, while the executive side steadily advances bold management reforms including the selection and concentration of businesses.
- It was confirmed that the Board of Directors is generally functioning effectively. On the other hand, many of the issues presented in last year's self-evaluation remain at a stage that requires continued efforts as fundamental challenges.

- ■ In order to further enhance the effectiveness of the Board of Directors, it is expected that efforts will be made to address the following key issues:
  - ① Building consensus regarding the role of the Board of Directors
  - ② Deepening discussions at the Board of Directors
  - ③ Strengthening coordination between the Nominating Committee and the Board of Directors

(2) Status of Responses to Issues Identified Last Year

As a result of initiatives undertaken to address the issues identified in the previous fiscal year, a certain level of improvement was achieved. To further enhance effectiveness, it is expected that continuous efforts will be made through the following initiatives.

■ Regarding the approach to discussions on management strategy and monitoring of the status of business execution

[Observations]

It was confirmed that steady discussions have been conducted on important matters related to business portfolio strategy, such as structural reforms and individual M&A projects.

Going forward, it is expected that discussions will be further deepened on issues directly linked to enhancing the corporate value of the entire group.

■ Regarding the roles of independent outside directors and executive management

[Observations]

Many voices were heard calling for more substantial opportunities for dialogue that go beyond formal information sharing, in order to foster mutual understanding and trust.

It is expected that opportunities for dialogue regarding the roles expected of the Board of Directors will continue to be created among directors and between the supervisory side and the executive side, thereby further deepening mutual understanding.

■ Regarding the operation and agenda setting of the Board of Directors and coordination with each committee

[Observations]

Through securing discussion time for priority issues and establishing an annual agenda plan, the agenda management of the Board of Directors has been gradually improving.

In terms of coordination between the Nominating Committee and the Board of Directors, significant issues still remain, such as clarifying the scope and level of matters for deliberation and information to be shared.

4. Current issues and the direction of responses

Following discussions at the Board of Directors meeting regarding the above evaluation findings, we will address fiscal year 2026’s challenges based on the following approach.

■ Building consensus regarding the role of the Board of Directors

- ➢ Align on enhancing the Board’s oversight function through advisory input
- ➢ Establish a monitoring approach that contributes to enhancing our corporate value and facilitate forums for discussion

- Deepening discussions at the Board of Directors

ⅰ) Improvement of agenda setting and meeting facilitation

- Design agenda items with Board involvement
- Discuss the group's future vision based on multiple scenarios

ⅱ) Further building trust among directors

- Hold regular off-site meetings and site visits as well as executive sessions composed exclusively of independent outside directors

- Strengthening coordination between the Nominating Committee and the Board of Directors
  - Reviewing the division of responsibilities between the Nomination Committee and the Board of Directors and clarifying operational procedures
  - Reviewing mechanisms for information sharing between the Nomination Committee and the Board of Directors

End

Exhibit 4

[Remuneration of Officers]

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

i. Aggregate amount of remuneration of officers for the fiscal 2025

Category of officer	Aggregate amount of consolidated remuneration, etc. (in millions of yen)					No. of persons
	Basic remuneration, etc.	Annual bonus	Performance share units (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. Aggregate amount of remuneration of each officer

Name	Total (in millions of yen)	Category of officer	Category of company	Aggregate amount of consolidated remuneration, etc. (in millions of yen)				Non-Monetary Remuneration (in millions of yen)	Others (in millions of yen)
				Basic remuneration, etc.	Annual bonus	Performance share unit (PSU)	Shares with restriction of transfer (RS)		
Manabu Chikumoto	171	Corporate Executive Officer	Company	83	44	24	21	—	—

Notes:
1. The above table includes only those whose total of aggregate amount of consolidated remuneration, non-monetary remuneration and others is 100 million yen or more.
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. The amounts of performance share units (PSU) are 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.
5. The amounts of shares with restriction of transfer are 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.

iii. Method of calculating performance-linked remuneration paid during 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 longterm management plan, leadership status, etc.). The amounts paid were between 80.7% and 91.2% of the base amount.

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

Listed below are major indicators, reason of selection, results of evaluation, etc., for the Company-wide performance evaluation for the fiscal 2023 (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. The TSR evaluation period for FY2023 plan, for which stock issuance is scheduled in July 2026, is three years from April 2023 to March 2026, and the evaluation results are as follows. As of present, the TSR evaluation period for FY2024 to FY2026 plans has not yet ended, and the evaluation results have not been finalized. 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.

Targets, Results and Evaluation Coefficients for TSR Indicators in FY2023 plan (TSR Evaluation Period: from April 2023 to March 2026)

TSR Indicators	% of evaluation	Evaluation coefficient range of variation	Target	Results	Evaluation coefficient
The Company TSR ÷ JPX-Nikkei 400 Index growth	50%	0～200%	Maximum: 200% Target: 100% Threshold: 50%	198.55% (Company TSR: 141.75%)	71.4%
Rank of the Company TSR in the peer group (percentile rank)	50%	0～200%	Maximum: 100%ile Target: 50%ile Threshold:25%ile	65.7%ile (13th out of 36 companies)	131.4%
				Relative TSR Evaluation (Weighted Average Evaluation Coefficient)	**101.4%**

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

The Compensation Committee held 9 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.

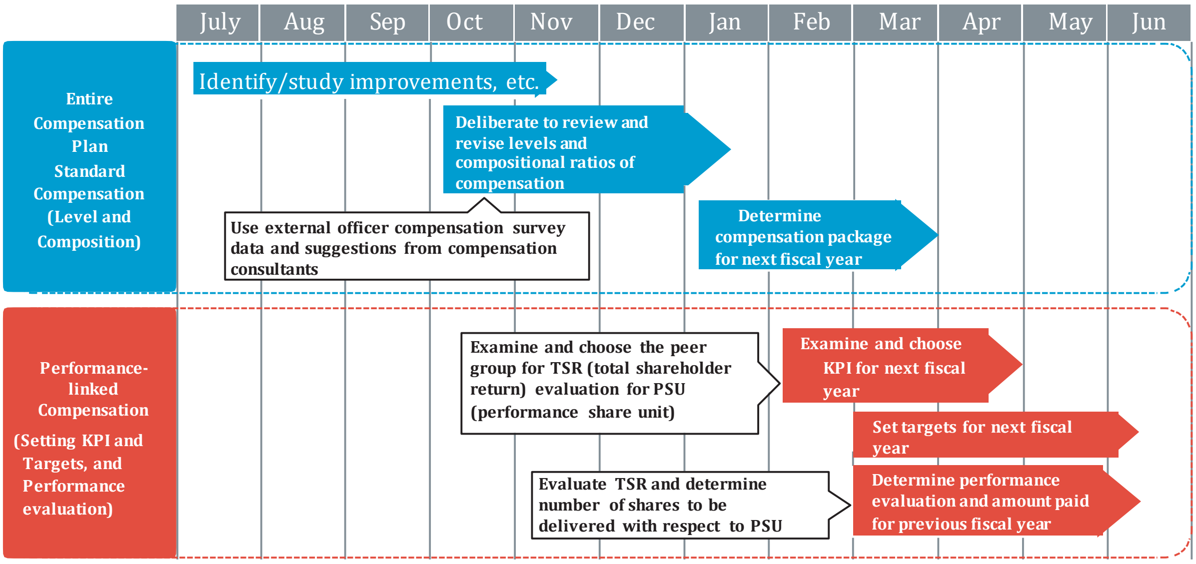
Validity of remuneration, etc., for officers for the fiscal year under review and approach/response for fiscal 2026 and beyond

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]Usual annual schedule



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

i. Method of determining the Policy, and revisions

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

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

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

As described in “(1) (iv) Activities by the Compensation Committee during the fiscal year under review” 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 the 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 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	Short-term / Cash	Basic remuneration	・ Basic remuneration is paid for the execution of responsibilities/duties ・ Defined by roles and the size of responsibilities of each Corporate Executive Officer
Variable		Annual bonus	・ 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)	・ 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)	・ 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%.

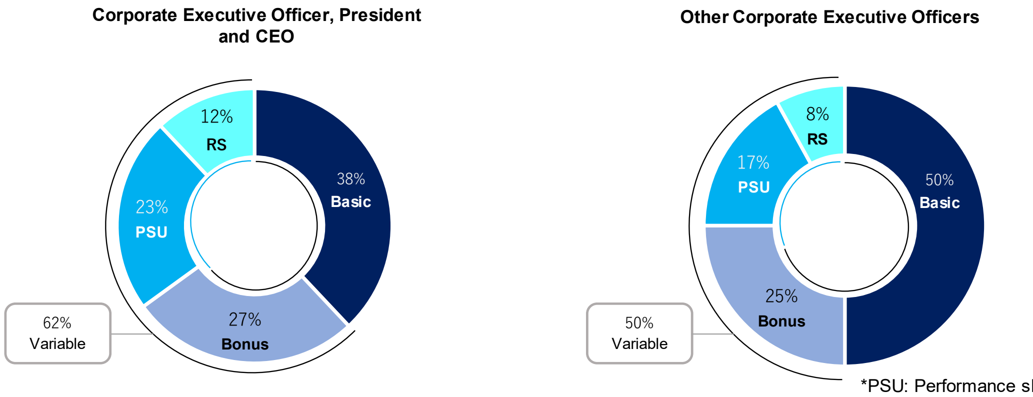
Corporate Executive Officers

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.

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

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



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

d. Annual bonus

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

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

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

[Company-wide performance evaluation]

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

[Individual appraisal]

For targets for the Corporate Executive Officer, President and CEO, those declared by the Corporate Executive Officer, President and CEO at the beginning of the fiscal year are reviewed and determined by the Compensation Committee. 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.

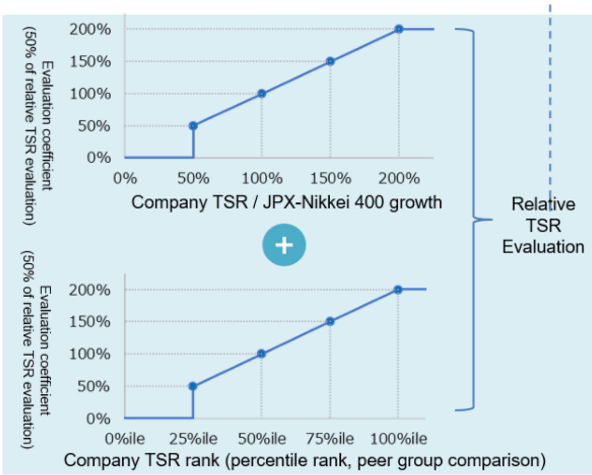
Category of evaluation	% of evaluation	Method of evaluation
Index growth comparison	50%	The coefficient of evaluation is determined by whether the Company TSR is better/worse than JPX-Nikkei 400 Index (including dividends) growth.
Peer group TSR comparison	50%	The coefficient of evaluation is determined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

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