Environmental Initiatives

Creation of "Sharebeing" Eco-Friendly Products

The MGC Group's series of eco-friendly products bear the title of "Sharebeing," a designation given to products and businesses that offer value by helping reduce environmental impact made by society across a product's entire life cycle, from raw material production to disposal and recycling.

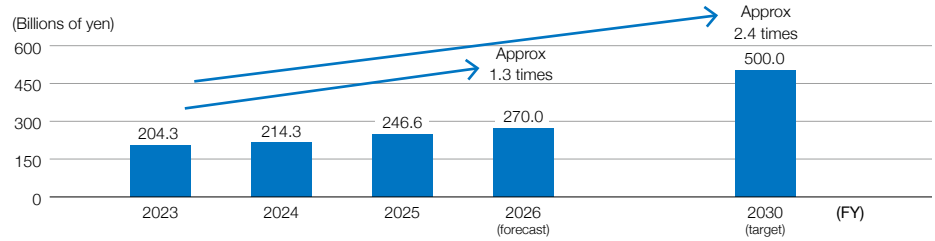
Accordingly, we will accelerate our efforts to realize carbon neutrality, having set "Sharebeing" eco-friendly product sales as a KPI for our material issue "contribution to solving social issues through business."

We also calculate and avoided emissions as a result of "Sharebeing," a metric that quantitatively assesses its contribution to reducing GHG emissions across society relative to conventional products, with reference to various guidelines. By objectively demonstrating the contributions of "Sharebeing" products to the environment and society, we promote transparent disclosure while increasing corporate value. In fiscal 2025, we calculated the contributions of our environmentally circular carbon platform Carbopath™, geothermal power generation, and chemical blowing agents toward avoided emissions.

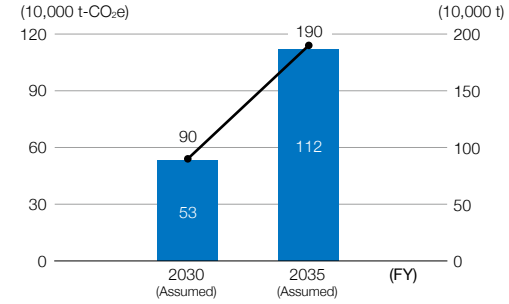
Sharebeing
MITSUBISHI GAS CHEMICAL GROUP

For details on "Sharebeing" eco-friendly products, please refer to the section "MGC Group Eco-Friendly Products" on the MGC website.
https://www.mgc.co.jp/eng/sustainability/eco-friendly/

Sales of "Sharebeing" Products and Quantitative Targets

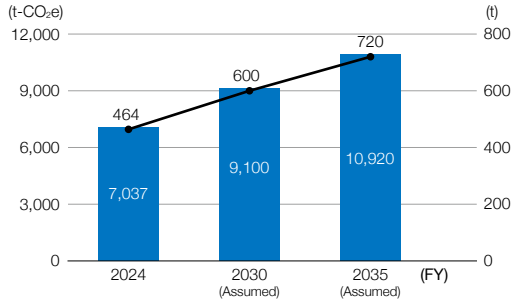


Avoided Emissions as a Result of Carbopath™ (Blue Methanol for Chemical Products)



■ Avoided emissions (left axis) — Adoption volume (right axis)
Products covered: Methanol is used as a chemical product, produced from natural gas, green hydrogen, and other raw materials. Contributes to reducing GHG emissions during methanol production compared with conventional methanol raw materials
Baseline (reference for comparison): MGC's conventional fossil-derived methanol

Avoided Emissions as a Result of Chemical Blowing Agents



■ Avoided emissions (left axis) — Adoption volume (right axis)
Products covered: Door trims (automobile interior door panels). The addition of a chemical blowing agent to door-trim resins reduces resin consumption.
Baseline: Conventional door trim (made of PP (polypropylene resin) without a blowing agent
Guidelines referenced: Ministry of Economy, Trade and Industry, Guidelines for Quantifying GHG emission reductions of goods or services through Global Value Chain (March 2018); Japan Chemical Industry Association, Guidelines for Calculating CO_2 Emissions Reduction Contributions; Institute of Life Cycle Assessment, Japan, Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions; and other relevant guidelines

In Focus

Calculating Our Carbon Footprint of Products (CFP)

CFP quantifies the amount of GHG emissions generated during the manufacturing process of a product. As companies endeavor to reduce said emissions, greater emphasis is being placed on the disclosure of CFP as a means of measuring the environmental impact of individual products across the supply chain. In recent years, attention has shifted beyond just disclosure to encompass the credibility of CFP calculation methodologies. For our in-Company CFP calculation rules, we obtained approval under the Internal-PCR (Product Category Rule) approval program provided by the Sustainable Management Promotion Organization (SuMPO), thereby ensuring the reliability and validity of said rules. Going forward, we will conduct ongoing monitoring based on these rules, which will bolster our efforts to further reduce GHG emissions throughout the supply chain.

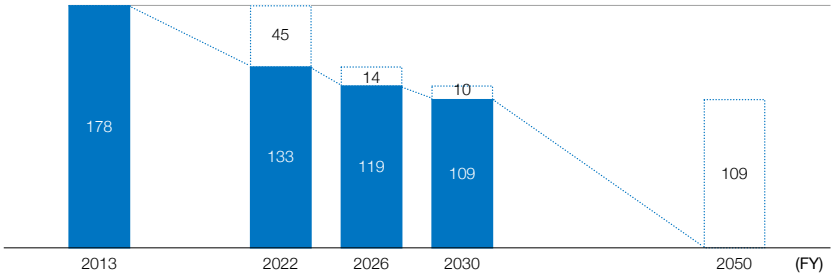
Approach to Climate Change and Natural Capital

MGC recognizes climate change, natural capital, and biodiversity as important management issues with the potential to adversely impact its corporate value over the medium to long term. Accordingly, with the involvement of the Sustainability Promotion Council, the Board of Directors, and the Sustainability Promotion Committee, we engage in comprehensive deliberations and decision-making regarding the risks and opportunities the above issues present to the MGC Group. In addition, we have established the Carbon Neutrality Promotion Technical Committee, a Companywide and cross-departmental committee aimed at addressing climate change.

In 2019, MGC announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and it has since been working to address climate change from the perspectives of both mitigation and adaptation. As part of our TCFD metrics and targets, we have presented a quantitative road map for achieving carbon neutrality by 2050, outlining the pathway to GHG emissions reductions through the expansion of the MGC Group's eco-friendly products and business portfolio reform. In tandem, we are also advancing the assessment and disclosure of nature-related risks and opportunities in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), in light of dependencies and impacts related to natural capital. The Company's aims in this effort is to achieve sustainable growth and realize a nature-positive society.

MGC's Road Map to Carbon Neutrality (The MGC Group)

▸ GHG emissions and factors behind increases and decreases (10,000 t-CO_2e/year)



For details regarding disclosures based on the TCFD recommendations, please refer to the section "Response to Climate Change (Disclosure Based on the TCFD Recommendations)" on the MGC website.
https://www.mgc.co.jp/eng/sustainability/environment/tcfd.html

Disclosure Based on the TNFD Recommendations

MGC recognizes that its business activities are made possible by the benefits derived from natural capital and biodiversity and that they also have an impact on them. For example, overdependence on the resources essential to our business activities, such as water and natural gas, may have a negative impact on the natural capital that is their source. Therefore, we believe that reducing negative impacts on natural capital and biodiversity and promoting positive impacts are important for our business activities and the sustainable development of society.

Risk and Impact Management

The Company conducts analyses and assessments of nature-related issues regarding product manufacturing conducted within the Specialty Chemicals Business Sector and the Green Energy & Chemicals Business Sector, in accordance with the LEAP approach*1 recommended by the TNFD. We have established a Companywide management framework under which we manage any nature-related dependencies and impacts identified at each business site, while important matters related to risks and opportunities are reviewed and resolved upon thorough deliberations by the Sustainability Promotion Committee and the Sustainability Promotion Council.

*1 An acronym for "leap, evaluate, assess, and prepare." It is an integrated approach for assessing nature-related issues that entails identifying points of interaction with nature, diagnosing dependencies and impacts on nature, and assessing risks and opportunities.

For details regarding disclosure based on the TNFD recommendations, please refer to the section "Response to Natural Capital (Disclosure Based on the TNFD Recommendations)" on the MGC website.
https://www.mgc.co.jp/eng/sustainability/environment/tnfd.html

Strategies

Taking into consideration the characteristics of the MGC Group's businesses, we used ENCORE*2 to identify dependencies and impacts on nature through a heat map analysis. Water resources are of particular importance to our business, as the stable availability and use of freshwater are indispensable to the continuity of our chemical manufacturing processes.

*2 A tool used to visualize how economic activities depend on and impact nature

	Indicators of high importance
Dependencies	Water supply, natural gas supply, supply of other resources
Impacts	Land-use change, water use, other resource use, soil pollution

Identification and Analysis of Priority Locations

To identify locations with significant dependencies and impacts on nature that warrant prioritized analysis and action, we conducted analyses and assessments of business sites across the MGC Group, including of sites of consolidated subsidiaries. In addition to the Niigata Plant of Mitsubishi Gas Chemical Company, Inc., we have identified four sites of MGC Group companies across the United States and Asia as Priority Locations. At each location, we note dependencies and impacts on the natural environment arising from business activities and contribute to environmental conservation by appropriately managing environmental risks and ensuring business continuity.

Nature-Related Risks and Opportunities

Based on the results of our assessment of dependencies and impacts on nature, we identified nature-related risks and opportunities and evaluated their potential financial impacts.

		Nature-related risks and opportunities	Time frame	Degree of impact
Risks	Changes in ecosystem services the organization depends on	• Decline in natural gas supply capacity from gas fields • Increase in procurement costs for natural gas due to supply shortages	Medium- to long-term	Low
		• Increase in costs associated with maintaining water quality and establishing water supply infrastructure	Long-term	Medium
	Strengthening of regulations on chemical substances, etc.	• Reduced market demand resulting from bans on the use of PFAS	Short- to medium-term	Medium
Opportunities	Strengthening of regulations governing impacts on nature	• Expansion of markets for chemicals that contribute to CO_2 emissions reductions	Medium-term	High
		• Increase in demand for bioplastics and other alternative chemical substances	Medium-term	Medium
	Stricter regulations on chemicals and related materials	• Expansion of the market through the development of materials using chemical alternatives to PFAS	Short- to medium-term	High

Leveraging our "Sharebeing" brand in tandem with activities carried out at our locations, we aim to reduce nature-related risks and create new business opportunities. We will continue to strengthen these initiatives going forward.

Metrics and Targets

MGC has established the following long-term targets under its medium-term management plan and responsible care medium-term plan. In addition, we compile and disclose data regarding our environmental impacts and biodiversity conservation initiatives in our annual Sustainability Data Book. Going forward, we will consider establishing metrics and targets aligned with the disclosure metrics recommended under the TNFD framework while continuing our efforts to reduce our environmental impacts.

Category	Metrics	Scope	FY2026 targets	FY2030 targets
Water resources	Ratio of water recycled for use*3	Non-consolidated	95% or higher	—
Waste	Zero waste emission rate*4	Non-consolidated / Domestic	1.2%	1.0%
	Emissions from plastic waste*3	Non-consolidated	10.0% reduction	—

*3 Compared with fiscal 2023

*4 Amount of final disposal ÷ Total amount of waste generated x 100

Social Initiatives

Socially Responsible Sourcing

The MGC Group strives to take society and the environment into consideration throughout its supply chain, from raw material procurement through to manufacturing and sales.

We refer to our initiatives for raw material procurement as “socially responsible sourcing.” Committed to the ongoing advancement of such sourcing, we ask all our business partners to understand and comply with our Basic Concepts Related to Raw Material Procurement Activities and the Mitsubishi Gas Chemical CSR Procurement Guidelines.

For details, please visit the “Socially Responsible Sourcing” section on the MGC website.
https://www.mgc.co.jp/eng/sustainability/society/procurement.html

Promotion of Human Rights Due Diligence

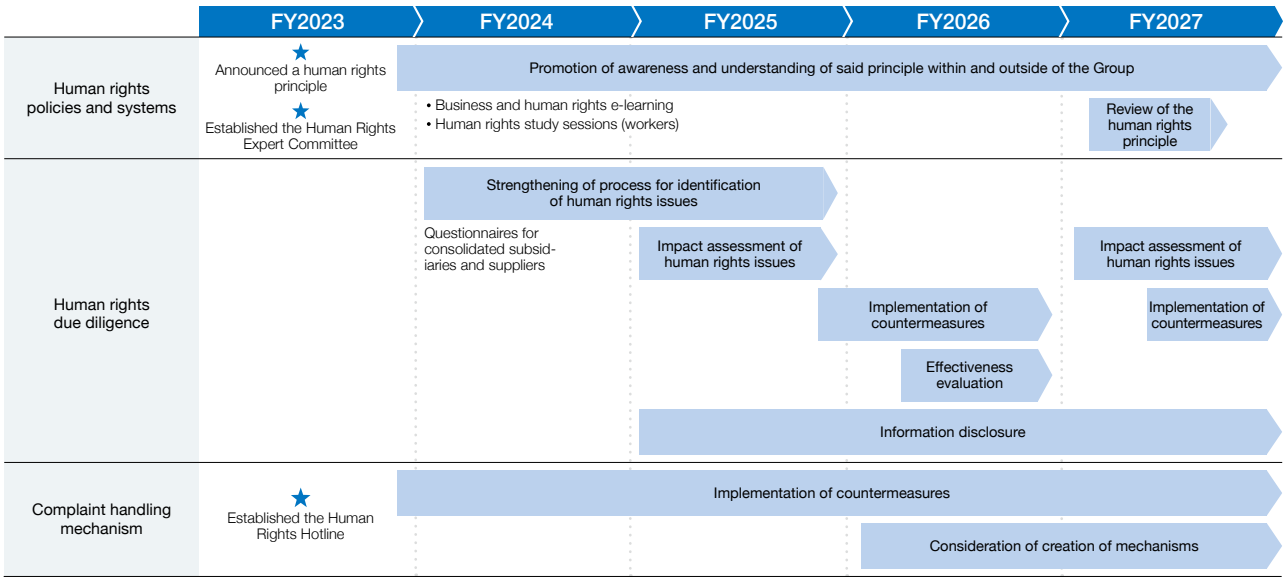
The MGC Group has established the MGC Corporate Behavior Principles and the Mitsubishi Gas Chemical Group Human Rights Principle, which clearly state the intention to be mindful of the impact that the Group’s corporate activities have on human rights, respect the individuality and human rights of all people, and refrain from any form of discrimination. Further, the MGC Group Code of Conduct prohibits harassment. In fiscal 2023, we established the Human Rights Expert Committee. In addition to instituting the Human Rights Hotline, we have advanced human rights due diligence initiatives to identify and analyze negative impacts (risks) in relation to human rights arising from our own operations and those of our supply chain.

In fiscal 2025, we organized and analyzed information from both external and internal perspectives to identify areas of value chain business activities in which the potential for human rights issues is a concern.

From among the potential issues identified, we decided to conduct a human rights assessment of a domestic Group company’s manufacturing base in relation to the working conditions of non-Japanese workers at the Group’s manufacturing sites. We chose this particular issue due to its high importance from an external perspective, the current status of the management of said issue, and the strong likelihood of being able to address any issues in this regard through direct engagement and dialogue. In assessing the working conditions of the workers, a third-party organization conducted interviews with the foreign national workers and their supervisors based on a questionnaire pursuant to the Dhaka Principles for Migration with Dignity.* The assessment did not detect any serious incidents constituting human rights violations. As well as being provided to supervisors, the feedback gathered from the non-Japanese workers interviewed will be shared with the Company and its subsidiaries so that the MGC Group can move forward with initiatives aimed at establishing even greater respect for human rights.

* These are international principles for the responsible recruitment and employment of migrant workers, which were formulated by the Institute for Human Rights and Business.

Road Map of the MGC Group’s Initiatives to Respect Human Rights



Promotion of Digital Transformation

For us at the MGC Group, a chemical manufacturer, production is the engine of value creation, while safety assurance is our main responsibility to society. Furthermore, the pursuit of quality that meets customer expectations is essential to realizing sustainable growth under our “Uniqueness & Presence” concept. To ensure that improvements made in these areas become a competitive advantage for the Group, we are advancing frontline-driven initiatives throughout the value chain while building a Companywide platform to consolidate and manage data.

Higher-Level Production Management

Realization of the SMART-FACTORY Concept

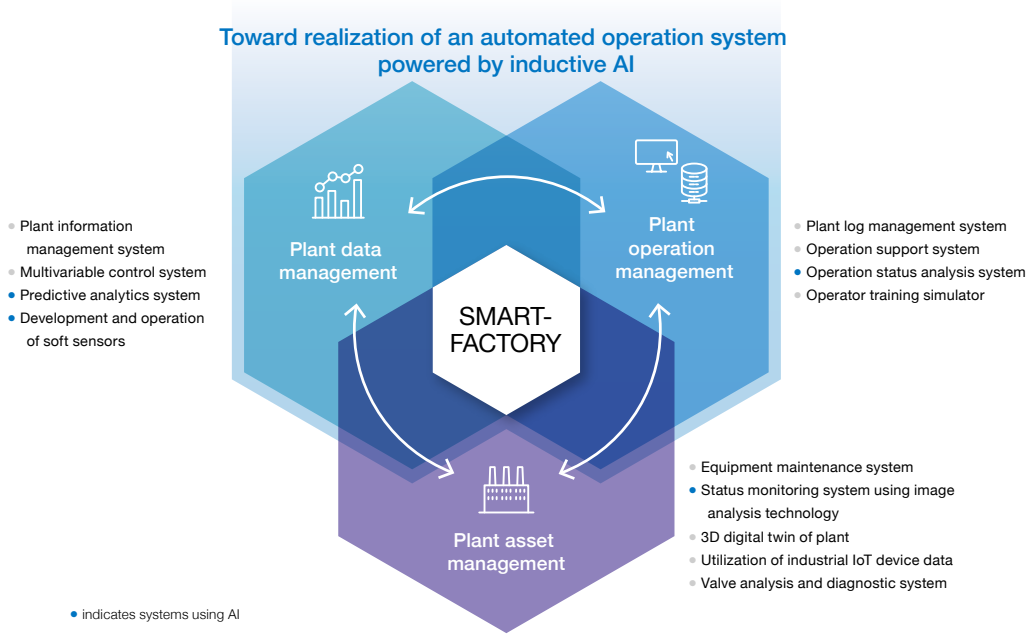
In light of the accelerating decline in Japan’s working-age population, in production activities, we are focusing on realizing the SMART-FACTORY concept, which enables both efficient production with fewer employees and helps ensure safety and protect the environment.

Specifically, we are advancing initiatives in three areas: plant data management, in which we securely collect, analyze, and process plant information for use in operations and controls; plant operation management, in which we collect and manage information related to manual operations to standardize human decision-making; and plant asset management, in which we conduct comprehensive and systematic management based on accumulated equipment management information.

We have thus established a Companywide common infrastructure for systems that acquire and aggregate plant data and asset data, and we use the acquired data to formulate efficient operational management and equipment maintenance strategies. We are also advancing efforts to model plant conditions in coordination with data analyses conducted by research divisions and to implement the models at multiple production sites.

Moreover, we are currently working to develop a next-generation system to assist operations in our plant infrastructure, combining the world model, in which AI can learn the operational processes of experienced workers, and the large language model, through which AI can amass operational expertise via large volumes of explicit knowledge. By combining various data and systems, we will expand our activities with the aims of working toward automating plant-related operations, formulating solutions to issues, and ultimately contributing to enhanced management decision-making.

Digital Transformation Management for the Realization of the SMART-FACTORY



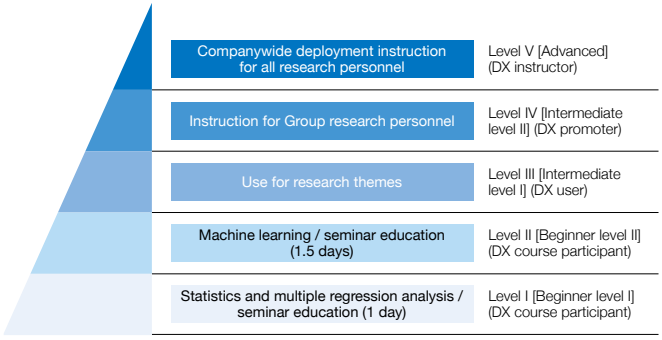
Acceleration of Research and Development

Data-Driven Research and Development

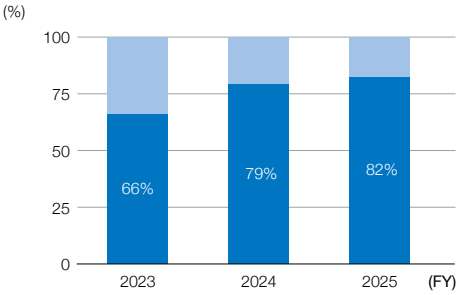
In our research activities, we are advancing initiatives led by our specialist team for digital transformation (DX) analysis. Through these initiatives, we have been able to predict material properties using computational chemistry and analyze synthetic reactions. Furthermore, through our in-house developed machine learning tool, MLAB, we have been able to dramatically speed up research activities by estimating optimal molecular structures, raw material compositions, and manufacturing conditions and by customizing machine learning models. In addition, we are working to further accelerate research and development by combining these technologies with our in-house-developed high-throughput automated experimentation equipment. In addition, we have succeeded in developing in-house a quality prediction model in collaboration with the Manufacturing Division. Going forward, we will expand its application to operational condition optimization and automated plant control.

To ensure all researchers utilize these technologies, including personnel at our plants and Group companies, we are promoting level-specific education and practical application of said technologies through on-the-job training. We have categorized DX personnel into five levels and, as a KPI supporting the achievement of the material issue of "promotion of innovative research and development," we have set a target of having 80% of all research personnel reach at least Level 1 DX personnel status by fiscal 2030.

DX Technology Levels Within the Group



Percentage of DX Human Resources Among Research Personnel (Level I Equivalent)



Digitalization of Quality Assurance

LIMS Quality Data Aggregation System

The Group has established Q-MGC, a Companywide collaborative system for maintaining and pursuing the quality demanded by its customers. To further strengthen this system, we have introduced LIMS, a quality data aggregation system. LIMS eliminates recording errors of test results by importing data directly from inspection equipment and reduces risk by ensuring data traceability. The system was initially introduced at the Saga Plant in 2021, where it also demonstrated improvements in employee productivity. As a result, we initiated the deployment of LIMS to all plants, completing its introduction to all plants and factories in Japan in March 2025. Moving forward, we will further advance statistical analysis of data and linking that data with other systems.

Evolution of Our Culture of Safety

Initiatives Related to KY Activities

The Environment Safety Group has built the KY Suggestion System (MGC-KYAS) to prevent decreases in employees' KY (*kiken yochi*, or "hazard prediction") levels resulting from a reduction in opportunities for employees to carry out safety and disaster preparedness activities amid the advance of DX-driven automation. MGC-KYAS combs through an enormous database of near-misses compiled through past near-miss reporting activities* to extract the cases that relate to the work tasks to be carried out on-site on the day in question. By effectively presenting this information to users, the system not only prevents human error but also increases employees' sensitivity to sources of danger. We are currently working on implementing RAG (generative AI) into MGC-KYAS with the aim of further enhancing the quality and efficiency of KY activities.

* An activity that encourages organizational disaster prevention by having employees report and share near-miss incidents that, while alarming, left the employee feeling relieved that they did not end in accident or disaster

Research and Development

Review by the Director in Charge

We will strive to further instill research and development that begins with identifying latent needs while ensuring both “leeway for creation” and social implementation.



Tomoyuki Azuma

Director, Managing Executive Officer, in Charge of Research & Development and Intellectual Infrastructure

Promoting R&D from a Starting Point of Identifying Latent Needs

In research and development (R&D), it is vital to remain highly attuned to future changes and, while evaluating such changes against current businesses and past achievements, develop a future vision through backcasting. For upstream raw materials, one of the Company’s strengths, the risk of owning large, single-purpose facilities is increasing amid rapid changes downstream, requiring us to identify which technologies should be retained and to review the role of our factories and our business structure.

Against this backdrop, we are shifting our focus from conventional seeds-oriented R&D rooted in existing technologies and know-how to a “market-out” approach whose starting point is the identification of the latent needs of society and customers, thereby creating new businesses and products together with customers through testing hypotheses. In parallel, we are also advancing resource allocation, intellectual property strategies, and digital transformation (DX) in an integrated manner. In our existing businesses, we are already seeing several achievements of this market-out approach. While creating new businesses takes time, we are laying the groundwork through initiatives such as rolling out the OXYCAPT™ drug container, strengthening external collaboration in the field of oligonucleotide drugs, and developing distinctive in-house technologies. Thanks to these endeavors, sales have begun to gain traction in certain markets. We will fuse market-out and seeds-oriented approaches into a unified process, as opposed to treating them as contrasting methodologies, ensuring the firm social implementation of innovative technologies and material properties that originated from efforts to identify latent needs.

Maintaining a Corporate Culture That Enables the Taking On of Challenges

While exploring new research themes targeting high-growth, large-scale markets is a valid direction to take, we believe that if a viable path to commercialization and profitability can be envisioned, there is no need to stick rigidly to target areas. R&D fundamentally concerns the continuous creation of new businesses and products. Hence, we respect the proactive pursuit of pioneering technologies during the exploration phase and grant researchers the degree of freedom possible to fulfill their mission. However, we make strict decisions on the allocation of resources, such as labor and time, according to market conditions and target timelines. In fast-cycle fields such as those related to customers’ manufacturing processes, we sometimes discontinue R&D after a set period of time. However, for themes of high social and technological value that require long-term commitment, we furnish small teams of researchers with the leeway needed to pursue their R&D activities. To ensure and maintain this “leeway for creation” among researchers, we established the Venture Builder Team within the Research & Development Division in April 2026. The team works alongside researchers to amass and organize information on the uncertainties surrounding research themes and appropriately communicate this information to the management team, creating an environment where the management team can make flexible decisions based on a deeper understanding of the difficulties faced when creating a new business and the related efforts of researchers.

The Intellectual Infrastructure Center leverages DX to support both information gathering during the research exploration stage and patent strategy to protect created technologies. As an entry point for co-creation with external parties, we actively leverage patents as “open technologies and rights” while managing detailed manufacturing processes and technologies whose usage is difficult to prove on a closed basis. To achieve the social implementation of the materials we develop, we will actively utilize external technologies rather than relying solely on our own. However, our core approach is to keep our in-house-developed technologies at the center and thoroughly assimilate external technologies into our internal capabilities.

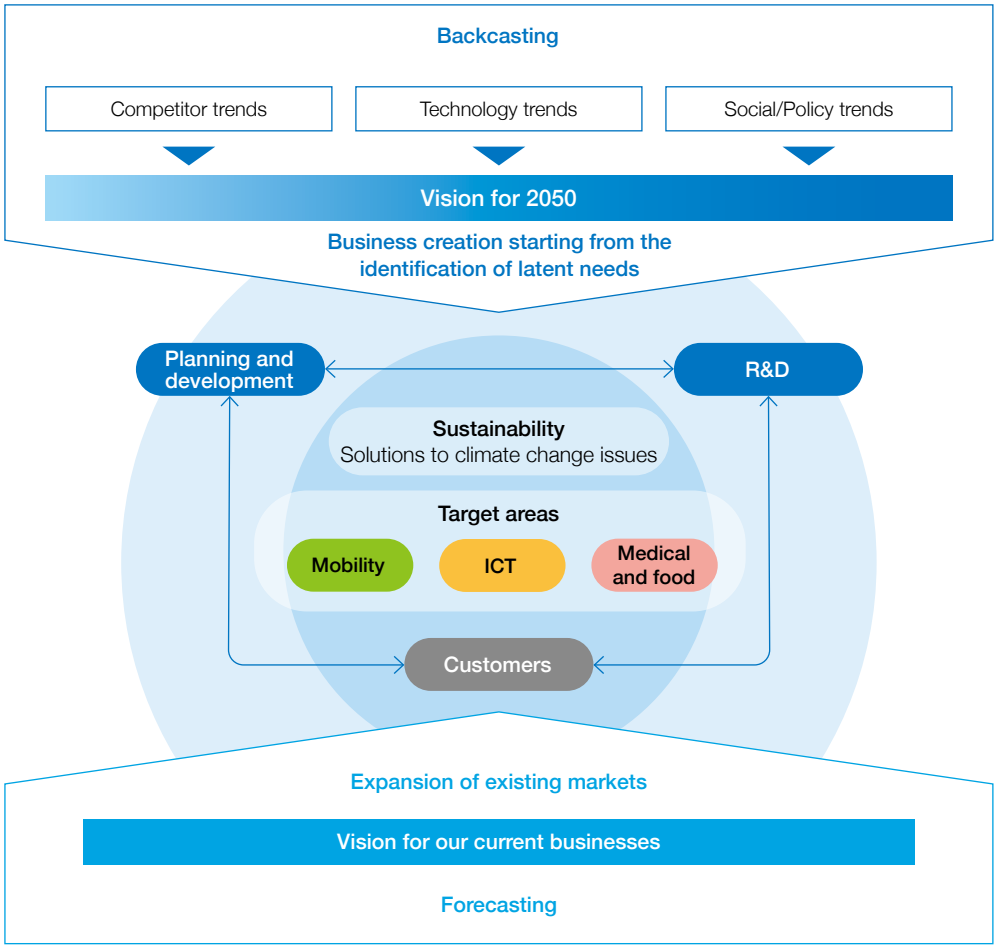
We will continue to maintain and enhance the distinctive, advantageous aspects of our organizational culture not readily replicable by other companies, such as the cross-organizational function of the Research & Development Division in organizing and identifying overlapping and complementary research themes across our research laboratories. The Research & Development Division and the Intellectual Infrastructure Center will work together as one to support researchers who have a strong awareness of future issues and a passion for contributing to society through chemistry, so as to ensure they can focus on R&D with the freedom to think freely and a sense of security. We kindly ask for the continued interest and support of our stakeholders as the MGC Group endeavors to realize the R&D outcomes it expects to materialize in the near future.

Supporting Sustainable Value Creation Through R&D

Our mission is “creating value to share with society,” and we position R&D at the heart of efforts to realize our future vision of becoming “an excellent company with uniqueness and presence built on chemistry.”

We aim to evolve into a truly R&D-oriented company that conducts R&D and business development that begins with the identification of the latent needs of society and customers, thereby creating new markets together with customers. To achieve this goal, we will not only make backcasting, working backward from our future vision, the starting point for research themes but also promote Companywide discontinuous innovation that goes beyond incremental improvements to existing businesses. Moreover, we are currently focusing on the three target areas of ICT, mobility, and medical and food while advancing R&D that contributes to solving climate change issues.

Rather than limiting ourselves to in-house technologies, we will incorporate externally available businesses and technologies that add to and complement our capabilities, thereby enhancing our core technologies and creating innovation. Additionally, we are improving operational efficiency through DX, materials informatics (MI), and the automation of research, creating an environment where researchers can devote more time to customer dialogue and hypothesis building. Furthermore, alongside the deepening of expertise in specialized domains, we are enhancing cross-disciplinary “knowledge exploration,” gathering information from various perspectives and rapidly cycling through hypothesis testing to increase the success rate of research themes. Through these initiatives, we will enhance R&D as the foundation supporting sustainable value creation.



R&D Structure

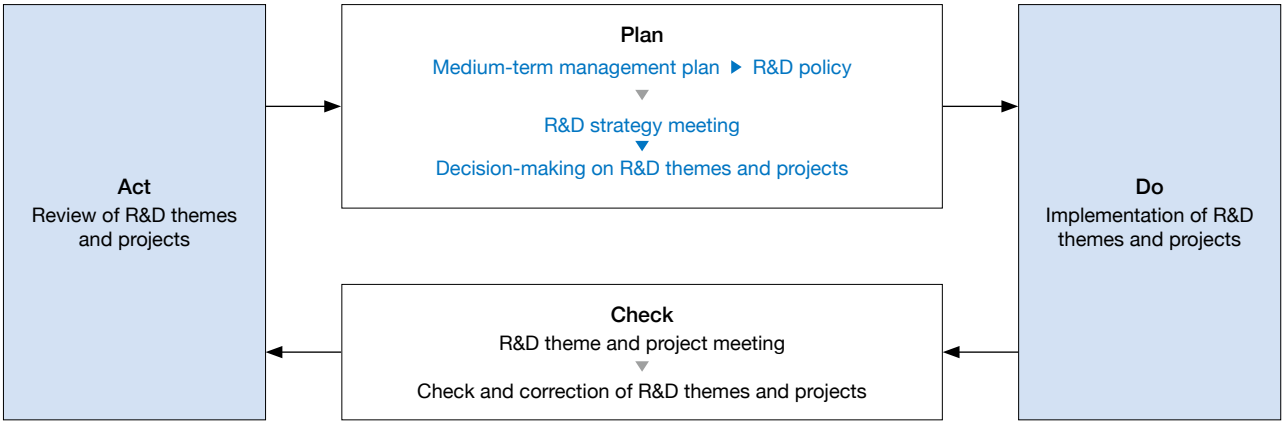
The Company operates three research laboratories under the Research & Development Division, as well as overseeing research and technology departments at each of its plants. The research laboratories are responsible for strengthening competitively advantageous businesses, developing new products based on existing products and technologies, and creating future core businesses with a medium- to long-term outlook. The research and technology departments, meanwhile, improve manufacturing technologies and conduct applied research, fostering collaboration between research and production sites. In January 2025, we reorganized the new business development function within the Research & Development Division into two groups, the ICT, Mobility, and Sustainability Department and the Health Technology & Solution Department. Through this reorganization, we transitioned to a system that takes a Companywide view of growth areas centered on ICT/Mobility, sustainability, and healthcare, as well as themes that contribute to climate change countermeasures, enabling seamless execution from strategy formulation through to business development. Furthermore, the Intellectual Infrastructure Center integrates intellectual property strategies, the IP landscape, and analysis and assessment functions.

Through our R&D promotion system, which objectively assesses and prioritizes all research themes, concentrates resources on priority themes, and manages R&D progress via the PDCA cycle, we are enhancing the efficiency and quality of R&D Companywide.

R&D Organizations

Research & Development Division	• Promoting Companywide R&D and digital transformation of R&D activities • Selecting suitable business domains for expansion and proposing commercialization concepts while overseeing exploratory activities across MGC • Directing the advancement of new product lines through to commercialization • Providing back-office functions for research activities in general
Intellectual Infrastructure Center	• Formulating and promoting intellectual property strategies • Advancing the Intellectual property landscape (IP landscape) and aggregating technological research • Conducting various analyses and evaluations of products and products under development
Green Energy & Chemicals Business Sector	
Specialty Chemicals Business Sector	

The R&D PDCA Cycle



In Focus

Accelerating Co-Creation Through the New Research Building PR-SHIPS.

In November 2025, the new research building PR-SHIPS was completed at the Hiratsuka Research Laboratory. This building is designed to accelerate the creation of new businesses and products by strengthening communication between researchers and nearby Group companies and by promoting collaborative research activities. Featuring an Innovation Lounge and shared laboratories that deepen and increase the frequency of interactions, the building will accelerate collaboration across the Group and strengthen relationships with partner companies and customers.



Focused Allocation of Research Resources

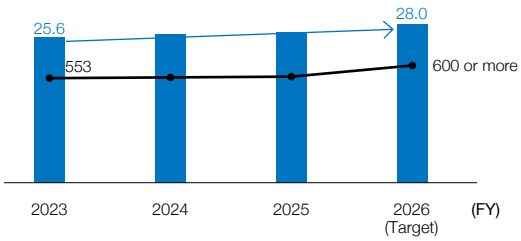
The MGC Group's sustainable growth is predicated upon not only the strengthening of existing businesses but also the creation of new ones. Accordingly, to secure diverse profit generators, we are focusing on ICT and mobility, based on their substantial growth in recent years, and on the area of medical and food, in reflection of its resilience to economic fluctuations, as the three focus areas for our R&D activities.

Moreover, we have established scoring-based research evaluation indicators for all of our research themes and focus research resources on themes that receive high evaluations. Furthermore, utilizing a business field map that visualizes the relationships among market trends, proprietary basic technologies, progress, and human capital and intellectual property, we also consider synergies through the combination of multiple businesses and possibilities for external collaborations. Based on the business field map, we are working to supplement gaps in technology, personnel, and intellectual property while cultivating new businesses that will lead the next generation.

Key Points for Setting Research Themes

	1. Business portfolio target area	2. High suitability to the Company	3. Future growth areas
Type A: Theme based on growth areas of existing businesses Priority allocation of resources driving future growth	←	→	→
Type B: Theme focusing on growth areas outside existing businesses Development of new markets, such as contributions to realizing a sustainable society	→		→
Type C: Theme targeting commensurate returns on investments in existing businesses Expansion of existing businesses through detailed proposals for products	→	→	

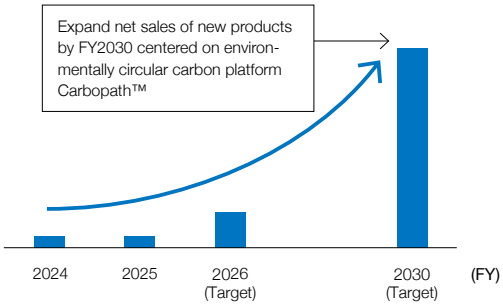
Research and Development Costs and Research Personnel*1 (Billions of yen, number of personnel)



■ Research and development costs — Number of personnel

*1 Excluding Group companies

Net New-Product Sales*2



*2 Net sales of products launched within the past five fiscal years beginning fiscal 2024 and products scheduled for launch in fiscal 2024 onward

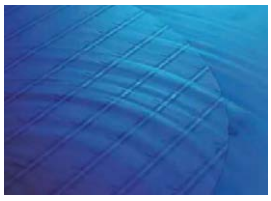
Main New Product Developments

ICT



BT materials for FC-BGA substrates

- FC-BGA substrates are used in AI processors, data centers, autonomous vehicles, and 5G/6G communications equipment, which require high-speed, high-capacity processing.
- Our new RS material product, with a revised resin composition, can use both low CTE glass and E-glass as raw materials. Even when using the latter, it realizes a lower coefficient of thermal expansion than conventional products.
- We are currently expanding sales targeting FC-BGA substrates.



New semiconductor cleaning solution

- We have developed a new cleaning solution vital for semiconductor manufacturing front- and back-end processes, contributing to increases in the speed of and reductions in the power consumption of state-of-the-art semiconductors.
- We have also developed various chemicals for the advanced packaging field using our knowledge of cleaning solution development, and we are proposing these chemicals to customers.
- HBC (Hybrid Chemicals) was adopted for a specific process of a major Taiwanese foundry company.

Mobility



Continuous carbon-fiber composite materials

- We developed prepreg with an advanced combination of carbon fiber and resin fiber (brand name: XBRAID™). The flexibility of this prepreg enables a braided form of intermediate material that can be used to form components with complex shapes in a short time.
- We established NEXX Technologies Inc. in the United States. We will expand sales of prepreg products, mainly thermoset resin and fabric prepreg (product name: ENDUREDGE®).

Medical and food



OXYCAPT™

- OXYCAPT™ is a three-layered drug container combining the characteristics of glass and plastic.
- Market development is underway for its use as a container in the recently developing field of cell and gene therapies. We are promoting its use with oxygen- and carbon dioxide-sensitive drugs.

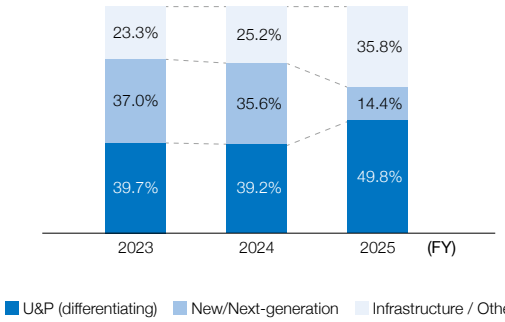
Intellectual Property Strategies

Intellectual property strategy is particularly important for chemical manufacturers pursuing sustainable growth. Acquiring patents, trademarks, and other intellectual property rights for new compounds, materials, manufacturing processes, and applications and analyzing information are core functions supporting the innovation and growth of chemical manufacturers. As one such manufacturer, the MGC Group positions its Intellectual Infrastructure Center, an arm of the corporate sector, as a hub bringing together business divisions, human resources, and businesses.

We work to formulate intellectual property strategies that are aligned to the external operating environment and which are based on research themes and their development stage. We also file patent applications and acquire patents based on the above strategies and promote the strategic creation and utilization of intellectual properties through information analysis using an IP landscape.

The share of patent applications related to U&P businesses has expanded to approximately 50%, steadily translating R&D results in our focus areas into a competitive advantage. Furthermore, using an IP landscape, we combine external patents, literature, and public information collected via AI with internal intellectual property, R&D, and sales information to analyze technology trends and competition, understand and cater to customer needs, and explore new applications. In recent years, the objective of our surveys has evolved from simple trend monitoring to R&D, business, and intellectual property strategy proposals. In tandem, we are also advancing cross-divisional initiatives to explore new themes. Moving forward, we will further accelerate our transition to data-driven intellectual property operations utilizing digital technologies.

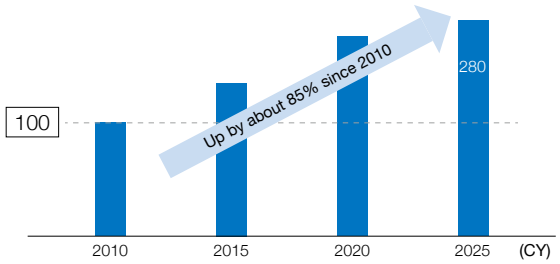
Ratio of Patent Applications



Approximately 50% of patent applications are related to U&P (differentiating) businesses.

- The results of R&D in the Company's focus areas are being fed into the creation of a myriad of intellectual properties, strengthening our competitive advantage.

Trend in Total Patent Value of the Group Patent Asset Index*3 (2010 = 100)

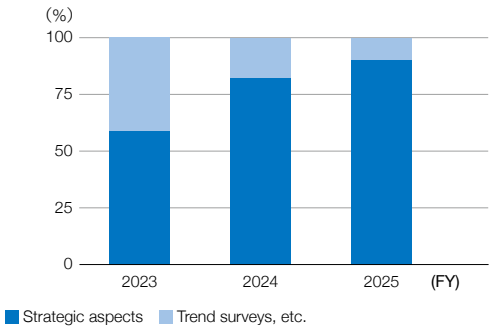


*3 An index that visualizes the technological strength and influence of an applied patent in global terms, obtained by objectively evaluating quality (value based on how often the subject patent is cited worldwide) and quantity (number of applications)

Source: H. Ernst and N. Omland, World Patent Information, vol. 33, pp. 34-41 (2011)

IP Landscape Survey Objectives

▸ Ratio by survey objective



The use of surveys for strategic objectives, such as proposing R&D, business, and intellectual property strategies, is on the rise.

- Expanded utilization of the IP landscape in business divisions: analysis of technology trends in the field, potential competition and likely customers, and discovery of new applications for existing products
- Project exploring new R&D themes with members from other divisions: incorporation of fresh perspectives transcending business sites and divisions into the proposal of R&D strategies

Carrying Out R&D and Value Creation That Embody MGC and Which Leverage Its Strengths

Employee Comments



Shunto Itani
Health Technology & Solution Department, Research & Development Division

Aiming to objectively identify gaps between our R&D and market needs early on to commercialize new sources of value

MPS (MicroPhysiological Systems), a technology that I am responsible for developing into a business, is a platform that replicates human organ functions and disease states on a chip, enabling the evaluation of the safety and efficacy of drug candidates under near-physiological conditions. This technology is expected to improve clinical trial success rates and reduce animal testing, which is facing increasing regulatory restrictions. Through interviews with prospective customers, I objectively identify market needs, including future needs, and feed this information back into technology development for repeatedly testing hypotheses. This process reminds me daily of the importance of flexibly changing direction rather than adhering rigidly to initial assumptions. Looking ahead, to add new value to our existing drug discovery support operations, we will utilize MPS to accelerate the commercialization of our evaluation services. Furthermore, the Research & Development Division has launched and is promoting AXELPHEX™, a CRDMO (contract research, development, and manufacturing organization) service that provides comprehensive support for the development and manufacturing of oligonucleotide drugs.

AXELPHEX™



Kentaro Ishihara
Business Development Department, Optical Materials Division, Specialty Chemicals Business Sector

Creating new value through the world's first material featuring a medium Abbe number, developed through dialogues with customers

In the development of the optical resin Iupizeta™ EP, we were pursuing a higher refractive index to enable thinner cameras. However, dialogues with customers revealed a design-side concern: as a refractive index increases, the optical performance gap between high-refractive-index lenses and their low counterparts used in tandem widens, which will likely make color-specific (wavelength-specific) adjustment difficult. Recognizing that the resulting deterioration of image quality could stall the advancement of high-refractive-index materials and also, by extension, possibly hinder the evolution of compact cameras, we immediately began developing a new material. Focusing on the Abbe number, an indicator of the change in refractive index by wavelength, we transcended departmental boundaries and mobilized MGC's full capabilities to succeed in commercializing a material with an optimal medium Abbe number for precisely controlling wavelength dispersion. This breakthrough has not only led to dramatic improvements in image quality for compact cameras but also enabled the use of more lens elements, thereby increasing adoption of the material and driving the expansion of the entire market.

Iupizeta EP



Michihiro Yuri
Product Innovation Department, Planning & Development Division, Green Energy & Chemicals Business Sector

Creating a cycle in which we adopt the customer's perspective, identify latent needs, and customize our offerings accordingly

Strong and lightweight composite materials are typically consolidated by layering up sheets called thermoset prepreg; however, these materials require frozen storage, and consolidation requires expensive autoclave equipment. Against this backdrop, we developed ENDUREDGE® based on the idea that enabling room-temperature storage and out-of-autoclave consolidation would help users reduce costs. While we were unable to reach the product evaluation stage with molding companies that already owned the equipment necessary for working with thermoset prepreg, extending our proposals to their customers increased sales. Additionally, dialogues with these new customers revealed additional value in the form of enhanced flexibility in work processes. We are currently seeing an increase in inquiries about products with modified shapes or newly added functions, and we are working with our research laboratories to provide samples in an effort to drive forward further business expansion.

ENDUREDGE

For details regarding each product, please refer to their respective websites.

AXELPHEX™ https://axelphex.com/
Iupizeta™ EP https://iupizeta.mgc.co.jp/en/
ENDUREDGE® https://www.mgc.co.jp/eng/products/ac/enduredge/

Human Resource Strategy

Review by the Director in Charge

While taking pride in our culture, we will continue to pursue a unique human resource strategy that incorporates individual growth into corporate growth.



Yasumoto Aoki

Executive Officer
In Charge of Administrative & Personnel Division
Division Director of Administrative & Personnel Division

Advancing a System That Incorporates Individual Growth into Corporate Growth

Since its founding, the MGC Group has viewed people as the foundation of sustained corporate value enhancement. We have not only codified this belief in our management philosophy but also embedded it in our basic human resource development policy.

MGC operates in a wide range of fields spanning the entire supply chain, from upstream to downstream. Through innovative value creation that leverages technologies and a range of other differentiating factors, we have flexibly adjusted the weighting of our business portfolio to meet society's emerging needs. This is our universal approach to value creation for sustainably enhancing our corporate value over the long term. We are advancing our human resource strategy in clear alignment with this approach.

Our foundation is a corporate culture that fosters an open workplace environment, embraces diversity to bring out each individual's full potential, and encourages ambitious initiatives at all levels of the organization, including the entrusting of junior employees with important responsibilities from an early stage. Building on this foundation, we will develop key personnel—individuals who are capable of adapting to change and growing—to sustain the enhancement of corporate value over the long term. One of our main initiatives in this regard is strategic job rotation. We support career development that enables employees to demonstrate their skills in a range of different fields by encouraging transfers across divisional and job-type boundaries, such as those between research and development, business operations, and corporate functions, and by combining on-the-job training with off-the-job training. The focused assignment of personnel is important in optimizing the allocation of management resources. At the same time, however, we endeavor to maintain a balanced approach to assignment in order to ensure we can continue refining the differentiating factors that give us competitive advantages while sowing the seeds of future growth in the diverse fields underpinning long-term corporate value enhancement.

Further, in developing each employee, we value individuality and avoid pigeonholing people, viewing their potential from a long-term, broad perspective. We are particularly mindful of allowing junior personnel to gain a wide variety of experience, rather than predetermining their aptitudes from the outset. By providing job rotation-based experience, facilitating personnel exchanges, and actively engaging in mid-career hiring, we encourage personnel to interact with a diverse range of people so that they inspire each other, mutually cultivate broad viewpoints that help with the acquisition of varying insight and skills, make fresh discoveries, and develop new ways of thinking. These efforts contribute to individual growth, organizational growth, and, ultimately, the growth of the Group.

Simultaneously Realizing a Culture of Boldness and a Reassuring Workplace Environment

A strength of the MGC Group is its ability to simultaneously realize a culture of boldness and a reassuring workplace environment. We have established a system whereby talented individuals, regardless of gender, are given opportunities to excel and are evaluated fairly. Moreover, we are actively recruiting women for career-track positions while steadily building a talent pool of female candidates for management roles. Further, our gender-equality initiatives are steadily progressing thanks to a growing understanding thereof among employees. For example, parental leave is now taken by nearly all eligible male employees, and a high percentage of our employees also use their annual paid leave. In addition, we have established a comprehensive benefits package that includes newly introduced programs such as a system for the granting of restricted stock and the Life Support Leave system. These measures help us create a workplace environment where employees can work with peace of mind and without being unduly affected by life events.

Our human resource strategy is aligned with our management policy of seeking the long-term, sustained enhancement of corporate value. We thus constantly update and upgrade this strategy by implementing measures such as the development of an IT infrastructure for the integration of human resource data. While retaining pride in its corporate culture, the MGC Group will evolve its distinctive human resource strategy even further to realize the continuous creation of Uniqueness & Presence (U&P) businesses.

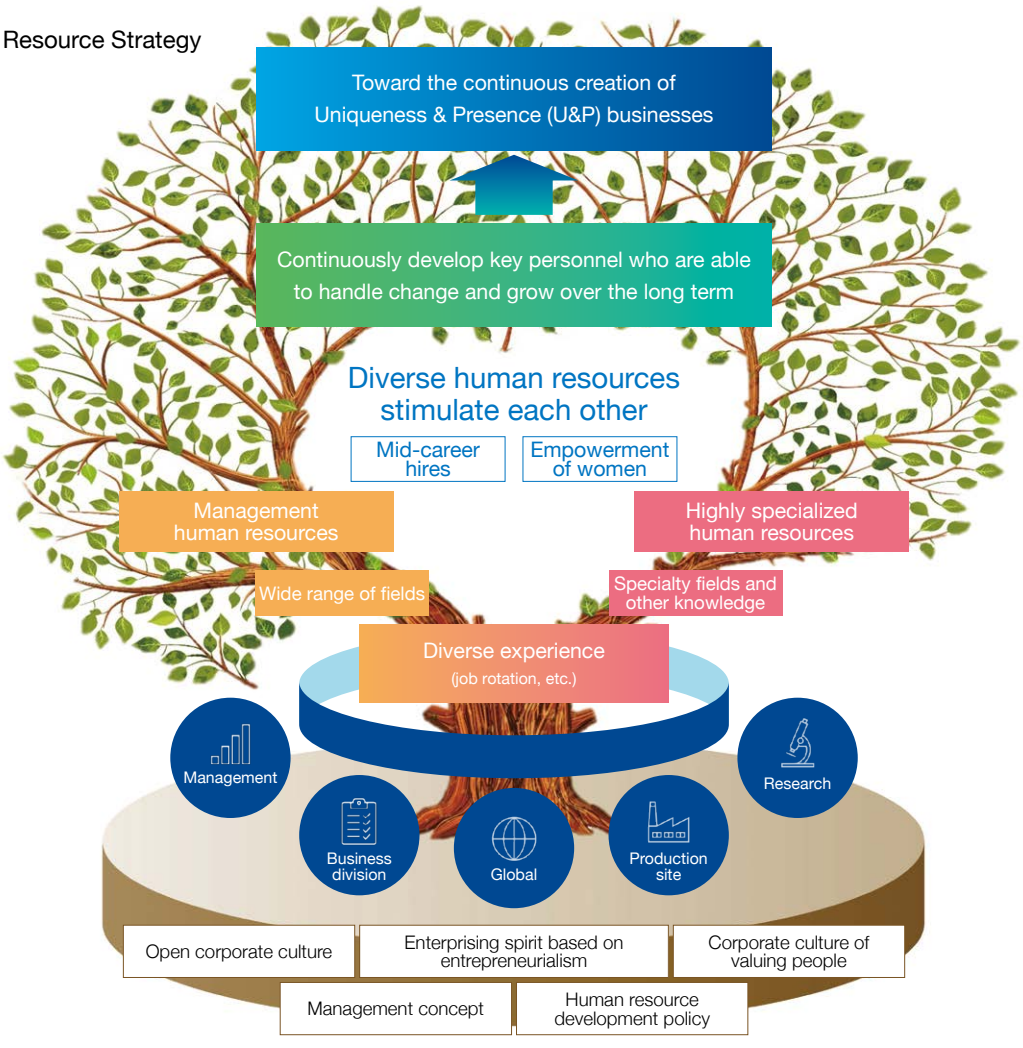
Advancing a Human Resource Strategy That Enhances Corporate Value

MGC's corporate philosophy begins with "MGC management strives to create job satisfaction in the context of a dynamic group of exceptional individuals in which motivations and abilities are respected." The Company's management approach is to view people as the most important capital for creating value. The human resource vision articulated in our basic human resource development policy is one of "autonomous and highly motivated employees," "warmhearted and sensitive employees," and "employees that think and learn through work.

In line with our management strategy of focusing on the continuous creation of U&P businesses, we are advancing a strategy of securing key personnel by helping employees optimally develop their careers and skills. "Key personnel" refers to managers and experts who, based on Groupwide policies and the strategies of their businesses, can achieve long-term personal growth by driving their divisions forward while adapting to the increased pace of social change.

Our human resource strategy is guided by the belief that autonomous personnel and organizations ensure resilience when facing changes in the business environment. In addition, the strategy reflects the Group's long-cultivated principles, namely, an open corporate culture, an enterprising spirit based on entrepreneurialism, and a corporate culture of valuing people. We will hire a diverse range of personnel; create a workplace environment where employees benefit from a variety of experience, inspire one another, and grow; and enable each individual to fully realize their potential. In this way, the Group will continuously produce key personnel, heighten its capabilities as an organization, and increase corporate value over the medium to long term.

Overview of Human Resource Strategy



Developing Key Personnel Through Diverse People and Experience

The defining characteristics of the MGC Group are the broad scope of its business domains and its business expansion in the global market. Until now, we have focused on increasing the number of research personnel. Going forward, however, we will also facilitate medium- to long-term business expansion by securing diverse personnel through the continued recruitment of new graduates and mid-career hires.

Depending on the experience of candidates, we flexibly hire mid-career personnel year-round. Further, in fiscal 2024 we began operating an alumni recruitment*1 portal system, through which we have already hired personnel. In addition, with the aim of empowering women, we are forming a pool of future female managerial candidates by continuing to actively recruit women as new graduates and mid-career hires. In conjunction with these efforts, we have reformed our personnel system so that life events do not impact promotion opportunities, thereby creating a workplace environment where diverse personnel can thrive.

To broaden the horizons of junior employees and help them cultivate an elevated perspective, we combine off-the-job training with a variety of other trainees and on-the-job training in diverse workplaces, which is achieved through strategic job rotations. In off-the-job training, we offer educational and training programs tailored to each employee's growth and role, including grade-specific and job- specific education, as well as self-development programs designed to support voluntary skill enhancement. Meanwhile, in grade-specific education, employees learn the fundamental approach appropriate for their work and rank, while job-specific education enables them to acquire a wide range of skills—from basic to specialized—needed for engaging others and achieving results. Through these initiatives, we promote skills development and foster motivation.

By forming careers through the abovementioned diverse training and experience-focused initiatives, we have created a system for continuously developing key personnel.

*1 A method of recruitment that involves approaching people who have retired from the Company and re-hiring them as a member of the workforce ready for immediate deployment

MGC Education System

	Grade-specific education	Job-specific and specialist education	Self-development and other education
Management level	· Organizational management training · Middle-rank manager training · New manager training	**Business skills:** Logical communication, problem-solving skills, negotiation strategy, facilitation, coaching skills, design thinking, and GLOBIS Management School **Specialized education:** Digital transformation (DX) education, marketing education; engineer development; patent study sessions; education related to environmental management, quality management, and health and safety; HAZOP education;*2 and placements at research institutions, such as universities **Exchanges with other industries:** MGC Learning Circle, MGC Group cross-industry social events, and Mitsubishi Marketing Association	**Self-development:** Language skills, business skills, management, technology and skills, and online training **Other education:** Compliance and internal control education; education raising awareness of human rights; sustainability education; diversity, equity, and inclusion (DEI) promotion education; and other programs
Middle-rank employees	· Manager candidate training · Middle-rank employee training		
Junior employees	· Junior employee training · Mid-career hire training · Follow-up training · New employee basic training · New employee training		

*2 An acronym for Hazard and Operability Studies, a technique for identifying risks for complex processes and equipment

Providing a Reassuring Environment Where Employees Can Utilize Their Skills

Aiming to be a company where employees have a sense of well-being, we simultaneously promote sustained corporate growth and individual employees' sense of achievement and growth in their work. By offering opportunities and an environment where people can refine their individuality and capabilities and build on their strengths and by enabling employees to engage in diverse workstyles, we aim to become a highly productive organization over the medium to long term. In addition, we assign personnel according to their individual skills and type of work to enhance our education and training programs to encourage autonomous career formation.

In terms of helping employees achieve a work–life balance, MGC endeavors to create systems and a workplace environment in which each employee can maintain their motivation for work, taking an active role over the long term in ways befitting their individual circumstances. Previously, we focused on reducing working hours by reviewing workflows and shortening meeting times to enable workstyles that are diverse, flexible, and do not rely on long working hours. In recent times, however, we have been accelerating improvements in operational efficiency through measures such as the digitalization of our business processes and research and development activities.

At the same time, the Company is constantly confirming the degree to which said measures are being entrenched while working to reduce employees' total working hours and improve productivity.

A feature of the Company is its full range of employee benefits, such as a housing allowance to relieve the economic burden on employees, creating a workplace environment where they are able to work with peace of mind. Since fiscal 2023, we have annually increased base salaries, including for employees rehired after retirement. In particular, we are focusing on improving the compensation of junior employees to better reflect the roles expected of them.

To identify tasks for the creation of an organization and workplace environment that foster a sense of job satisfaction, we conduct surveys on workplace conditions and job satisfaction that target all employees and include questionnaires administered by an external organization. In fiscal 2025, 59%*3 of employees responded that they have a sense of job satisfaction. In light of the survey results, we are implementing a variety of measures for employees in specific age groups or types of jobs with the aim of maintaining and further enhancing job satisfaction.

We will promote the above measures for increasing employee well-being in conjunction with our diversity, equity, and inclusion (DEI) initiatives designed to leverage the individuality and diverse approaches, experience, and abilities of each employee.

*3 Percentage of all survey respondents who made clearly positive responses

Union and Labor–Management Relations

The MGC Group and its employees have built a positive relationship between labor and management based on mutual trust and respect. We hold regular management council meetings with the aim of sharing our understanding of management policies and the business environment, including such key topics as workstyles, employee benefits, and treatment, and arrange meetings of the Personnel System Review Committee for joint labor–management discussions on various programs throughout the year. Through these meetings, we have revised the human resource system and the welfare system and endeavored to provide a reassuring workplace environment where employees can utilize their skills as they work. Other issues such as wages and bonuses are determined through yearly collective bargaining and administrative negotiations.

There were 1,883 labor union members as of the end of March 2026. Further, the average employee tenure was 18.3 years (19.0 years for men, 12.8 years for women).*4

*4 Including employees seconded to subsidiaries

In Focus

Granting of Restricted Stock Through an Employee Shareholding Association

Through an employee shareholding association, the Company granted employees 251,020 restricted shares of its common stock in April 2026. As part of our measures to enhance employee benefits, this initiative is aimed at helping employees build their wealth. We also hope that ownership of our stock and the accompanying interest in its value will motivate employees to act with a greater awareness of corporate value enhancement.

Encouraging Male Employees to Take Parental Leave

We encourage male employees to take parental leave because we believe that it has a positive impact on employees and their families and heightens job satisfaction. In fiscal 2025, an impressive 98.6% of eligible male employees took parental leave. Moreover, the average period of leave was 66 days, more than two months. Furthermore, to create a workplace culture that supports the balancing of work and family responsibilities, we are engaged in providing a range of pamphlets, and other materials introducing systems and carrying out activities in order to raise awareness regarding the taking of parental leave among all employees.

Percentage of eligible male employees taking parental leave in fiscal 2025 (non–consolidated): **98.6%**

Development Leveraging the Characteristics of All Employees

The MGC Group has established a basic human resource development policy with the aim of realizing the Group Mission of "creating value to share with society." To this end, we are establishing vibrant workplaces where employees achieve self-fulfillment by refining their individuality, improving their knowledge and capabilities, and setting and achieving ambitious goals.

Our basic human resource development policy calls for development leveraging the characteristics of all employees. We believe that we should leverage and utilize the strengths of all employees, focusing on each person's characteristics through the development process. For career-track employees in particular, one of the distinctive programs of MGC is job rotations for long-term career formation. Employees can grow to become key personnel such as managers or experts by broadening their horizons through the accumulation of diverse experience in the many different business fields of the MGC Group, one of its strengths. Moreover, mutual inspiration among employees who have accumulated such experience helps increase organizational capabilities over the long term.

Strategic Job Rotations Tailored to Each Person's Individuality

The Company intentionally conducts job rotations in a manner that helps the medium- to long-term career development of employees by enabling them to accumulate wide-ranging experience in multiple business locations and divisions. Depending on an individual's aspirations and characteristics, there are various job rotation paths available for broadening horizons and cultivating an elevated perspective, such experiencing different types of jobs or taking on the challenge of corporate-level jobs. We utilize the markedly wide range of fields in which we operate to provide employees with opportunities

Messages from Employees

A variety of experience has improved my coordination skills, which help me deliver the quality our customers demand.

When first assigned to the Electronics Chemicals R&D Center, I learned the importance of communication as I reflected customer feedback in further improvements to our products. Later, when transferred to the Yokkaichi Plant, I felt that my communication skills were further refined as I endeavored to secure cooperation from various divisions to ensure that our developed products reached customers. I also became more conscious of the need for coordination skills, in other words, the ability to understand the standpoints of everyone involved in order to arrive at the best possible solution. This experience proved extremely valuable when I was transferred to our subsidiary in Taiwan. Through interactions with world-leading semiconductor manufacturers, I was able to cultivate an objective understanding both of the MGC Group and the industry. As a leader involved in establishing local research infrastructure for super-pure hydrogen peroxide and launching research activities, I was able to further my coordination skills by working with an even broader range of involved parties than before.

Since returning to Japan, I have served as a group leader in the department responsible for developing hydrogen peroxide-manufacturing technologies at the Kashima Plant. I manage personnel training and the development of technologies that enhance the quality of super-pure hydrogen peroxide. I intend to draw on my experience to help further enhance the MGC Group's international competitiveness and corporate value.



Yoshihiro Honmo
Section Manager, Chemicals Section,
Research & Development Department,
Kashima Plant

1. Electronics Chemicals R&D Center, Tokyo Research Laboratory (3 years)
Responsible for hybrid chemicals (HBC) product development and customer support, gaining practical experience through a development cycle that involved developing new products and improving existing ones in the laboratory, proposing solutions to customers, and implementing further improvements based on the feedback received

2. Research & Development Department, Yokkaichi Plant (3 years)
Responsible for the development of production technology for HBC, working with the numerous divisions involved—such as the plant's manufacturing and quality assurance divisions as well as business divisions—to tackle issues that arose at various stages, from the development of new products through to their commercialization and stable production for sale to customers

3. Overseas assignment, MGC Pure Chemicals Taiwan, Inc. (6 years)
Responsible for the development of HBC products for semiconductor manufacturers at a Taiwanese subsidiary, subsequently serving as the leader of local research on improving the quality and increasing the production of super-pure hydrogen peroxide as well as working with local personnel and MGC to achieve goals by advancing technological development

4. Chemicals Section, Research & Development Department, Kashima Plant (1 year)
Leader of a group in the department responsible for the development of manufacturing technologies for hydrogen peroxide—which is a raw material for super-pure hydrogen peroxide—engaging in the management of a wide range of operations, including the development of technologies for the manufacture of high-quality hydrogen peroxide and the provision of support to hydrogen peroxide-related companies both in Japan and overseas

to gain a variety of experience. For example, there are cases of young employees gaining experience via overseas assignments or projects and technical employees working not only in laboratories and plants but also in sales, corporate planning, and management divisions. MGC is one of only a few companies in the chemical industry to conduct such cross-divisional human resource transfers.

By conducting diverse job rotations, we enable personnel to gain a wide range of experience without becoming pigeonholed. Doing so helps draw out their individual qualities and potential, leading them to be active in various fields in the future while confirming their own career aspirations. The Company also provides one or more opportunities each year for employees to consider career formation through consultation with their supervisor, during which they set personal targets and confirm the degree of attainment thereof. In the setting of work targets, there is an emphasis on both taking on new challenges and promoting personal growth while staying conscious of the long-term goals of the Company. Managers who conduct consultations as supervisors undergo training to give them the awareness and management skills needed to guide the growth of their subordinates.

While conducting strategic personnel rotations, we also enhance our human capital by continuing to increase the diversity of our human resources. Rather than seeking candidates with specific attributes, we actively recruit many different types of personnel, including new graduates, people with experience at other companies, women, and non-Japanese people.

Financial accounting skills and knowledge of product lines acquired by working at a plant help when talking with shareholders and investors.

I have worked in the head office's Finance & Accounting Division, where I was first assigned, and the Mizushima Plant Accounting Department. These roles revolved around interaction with various divisions in the Company, enabling me to acquire a deeper knowledge of the Company's general activities. After moving to the Corporate Communications Division, I experienced a marked increase in contact outside the Company through interviews with institutional investors and analysts and the planning and operation of IR events. I often encountered people outside the Company who had objective views and piercing questions. As a result, I naturally developed an ability to grasp the issues and main points in the process of explaining the Company's business strategies, growth scenarios, and other aspects in a clear manner. Furthermore, the financial accounting skills and knowledge of product lines and manufacturing sites that I acquired working at a plant are of tremendous help in my current division when analyzing business performance and giving external explanations.

Looking ahead, I aim to help build even stronger relationships of trust by helping shareholders and investors gain a deeper understanding of the Group's value creation objectives, such as U&P businesses, while increasing opportunities for constructive two-way dialogue.



Naomi Kano

Manager, Investor Relations Department,
CSR & IR Division

1. Head office Finance & Accounting Division (3 years)
This was my first assignment after joining the Company. I acquired a general knowledge of accounting, centering on financial accounting, through my work in preparing various materials. I was responsible for fixed assets, labor costs, and technology sales, and I also gained experience in introducing new systems for my own role.

2. Mizushima Plant Accounting Department (3 years)
I was mainly responsible for calculating costs for product lines made at the plant. Through my role in estimating running costs and cost of goods, I was involved in various projects such as new product launches and production process changes. Another important job I had was to act as a bridge for passing information between the head office and the manufacturing front lines.

3. Head office Corporate Communications Division (2 years)
In this role, I was mainly responsible for investor relations (IR) operations and updating the Company's website and intranet. Using the knowledge I acquired in accounting, I took on challenges that were new to me, such as selecting information to communicate to external stakeholders and exploring optimal communication methods.

4. Head office Investor Relations Department, CSR & IR Division (6 years)
In this position, my role expanded with responsibility for dealing with shareholders and investors, publishing information such as integrated reports and shareholder communications, and planning and operating IR events, in addition to developing junior team members as a manager. I am constantly alert to new information and searching every day for ways to disseminate information about the Company and our growth strategies. I also took leave during this period for childbirth and childcare.

Production Technology, Environmental Safety, and Quality Assurance

Review by the Director in Charge

We will pursue improvements in environmental safety and quality assurance across the entire Group, making full use of advanced technologies.



Ko Kedo

Director, Managing Executive Officer
Responsible for Production Technology,
In Charge of Environment Safety & Quality Assurance Division and Purchasing & Logistics Division

The Two Pillars of Organic Coordination and Utilization of AI and Digital Technologies

With an organizational structure not so vast and the number of its business sites not excessively large, the MGC Group is of a scale at which all employees can not only work closely and effectively together but also get to know each other on a personal level. As a result, we have long established a culture in which people proactively collaborate with one another across departmental boundaries, giving rise to our strength of executing a full range of operations swiftly and smoothly, from research and development to production and sales. Close, bidirectional coordination between upstream and downstream operations serves as the foundation for not only our products, which are packed with technologies that differentiate us from other companies, but also our market-out-oriented business model itself.

Likewise, to support stable production, the foundation of our business, we continue to refine our production technologies through the seamless coordination of research and development, unit operation technologies, and mass-production equipment. Alongside such organic coordination, we are also utilizing AI and other digital technologies to enhance production and quality control. Simultaneously, the centralized management of quality data has improved accuracy and operational efficiency, while the introduction and operation of an AI-assisted predictive analytics system and an image recognition system have substantially raised the level of information management. Furthermore, the SMART-FACTORY concept utilizes AI and other digital technologies in its aims to achieve efficient production beyond the constraints of human resources, ensure environmental safety, and pass on technical capabilities and skills to the next generation of employees. The SMART-FACTORY concept consists of three areas of plant management (▸page 55) : plant data management, plant operation management, and plant asset management, and we have accordingly introduced new tools to digitize, analyze, process, and link information related thereto. Looking one step further ahead, we are developing next-generation plant operation support systems powered by AI that inductively learn the operation methods of seasoned operators, which we will link to automated plant operation in the future. Going forward, we intend to further accelerate the integrated utilization of data at a higher level for improving productivity, stabilizing plant operations, and ensuring safety.

Further Enhancement of Responsible Care and Quality Assurance

We at the MGC Group, a chemical manufacturer, consider it essential to simultaneously establish environmental safety and quality assurance and achieve stable production in order to realize sustainable value creation. We have therefore been building systems to make ongoing improvements in these areas and deploying said systems across the Group.

Regarding environmental and safety activities, we have established the MGC Group Environment and Safety Council with the aim of sharing information among Group companies and standardizing and enhancing relevant activities. Following the council's alignment of perspectives on the responsible care (RC) medium-term plan, a shared Groupwide policy that has been formulated along the same vector as the current medium-term management plan (MTMP 2026), each Group company has reflected the RC medium-term plan in environmental and safety activities rooted in its own frontline operations.

As for quality assurance, which represents the cornerstone of customer trust, we are promoting our Q-MGC quality management system. Q-MGC quality assurance improvement activities encompass all divisions, extending beyond the Quality Assurance and Quality Control divisions to include the R&D, Manufacturing, Purchasing & Logistics, and Sales & Marketing divisions. As a steppingstone toward the deployment of Q-MGC across the entire Group, we have organized the MGC Group Quality Management Council, which promotes information sharing and aligns activity levels.

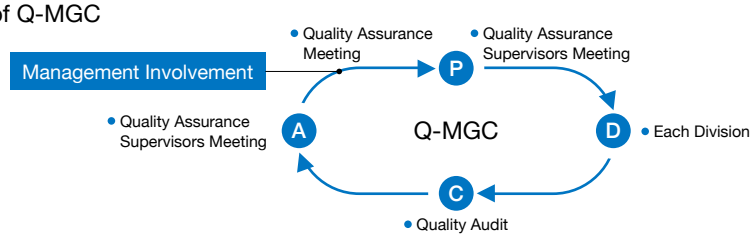
Such ongoing promotion efforts have borne fruit, in the form of heightened awareness across the Group of environmental safety and quality assurance and increased standardization of the associated activities. We will continue our unceasing efforts to further enhance the effectiveness of management so that every employee can maintain a high level of awareness and pursue continuous improvement.

CompanyWide Quality Assurance Activities (Q-MGC)

The MGC Group is promoting Groupwide quality assurance activities (Q-MGC) across all divisions to provide products and services with a high degree of safety and reliability.

At Quality Assurance Meetings, chaired by the president, participants deliberate and decide upon basic policies, while at Quality Assurance Supervisors Meetings, participants examine implementation plans. Furthermore, all plants have acquired ISO 9001 certification, and, depending on the field or category, we also have products with FSSC 22000 or ISO 13485 certification. Moreover, quality audits are conducted annually in accordance with priority audit items, through which the Q-MGC activity status of each division is evaluated and examples of best practices are shared.

Promotion of Q-MGC



Continuation of Responsible Care Activities

Responsible care (RC) refers to voluntary control activities that harmonize business activities with global environmental preservation by ensuring care for the environment, people's health, and safety at all stages of chemical substance life cycles, from development to disposal. The MGC Group has been engaging in RC initiatives for over 30 years since1995. We are promoting RC initiatives so as to achieve the goals set out in our RC medium-term plan and annual RC plans. Furthermore, under MTMP 2026, we are continuing our Companywide safety program, LINK, which started in fiscal 2021, and engaging in dialogue with Group companies to resolve issues facing each workplace.

Please refer to "RC medium-term plan 2026 (2024–2026)" on the corporate website for details on responsible care activities.
https://www.mgc.co.jp/eng/sustainability/environment/rc_plan.html

RC Medium-term Plan 2026 (the MGC Group*1)

	Qualitative and Quantitative Targets
Occupational Health and Safety	Serious occupational injuries*2: 0 Lost-time injuries and non-lost-time injuries requiring three or more doctor visits: 0 Frequency rate: 0.3 or lower; Severity rate: 0.003 or lower (MGC partner companies) Ascertain the feasibility of setting quantitative targets for occupational injuries (MGC Group partner companies in Japan)
Process Safety and Accident Prevention	Serious accidents*3: 0 ICCA annual score: 0 (for MGC Group and partner companies)
Environmental Conservation	(1) Reduce GHG emissions in fiscal 2026 by 33% compared with fiscal 2013 Energy conservation improvement rate in fiscal 2026 compared with the reference year: 3.0% (2) Waste zero emission rate*4: 1.2% or less; Waste zero emission rate*4: 0.2% or less (non-consolidated basis) (3) Reduce waste plastic releases in fiscal 2026 by 10% compared with fiscal 2023 (non-consolidated basis) (4) Water reuse rate: 95% or higher (Non-consolidated basis) (5) Implement measures for the establishment of actual sites of biodiversity (non-consolidated basis)
Chemical and Product Safety	(1) Conduct phased safety evaluations in product development (ongoing) Review new product launches and market development: 100% (percentage of number of products) (2) Ensure that applications and registrations are carried out in accordance with the chemical substance management laws and regulations of each country of operation (ongoing) Chemical substance registrations under the systems for management of chemical substances in each country of operation: 100% (percentage of number of products) (3) Reliably provide safety information (such as SDS) Preparation and disclosure of safety information (such as SDS): 100% (percentage of number of products) (4) Respond to amendments of the chemical substance management laws and regulations of each country, standards, etc.
Safe Transport and Storage of Chemicals	(1) Regularly analyze issues that occur at business sites when transporting and storing chemicals and disclose results to all relevant workplaces (2) Share information on the safe transportation and storage of chemicals with the logistics departments of each Group company (3) Closely monitor shipments of chemicals to final destinations and make improvements when necessary
Stakeholder Relations	Strive to improve reputation among stakeholders and thereby heighten trust therewith
Responsible Care Initiatives and Management	Strive to promote environmental and safety activities across the MGC Group Enhance and increase frequency of communication among Group companies and promote occupational safety, process safety and accident prevention, and environmental management Make continuous improvements to responsible care management systems

*1 MGC and consolidated subsidiaries
*2 Disability eligible for, or possibly eligible for, disability compensation involving lost-work accidents, fatal accidents and accidents resulting in permanent inability to work, and those involving four or more lost working days
*3 Accidents and major workplace accidents that threaten third parties, including localized environmental pollution and accidents affecting local residents
*4 Waste zero emission rate: Final disposal of waste ÷ Waste generated x 100