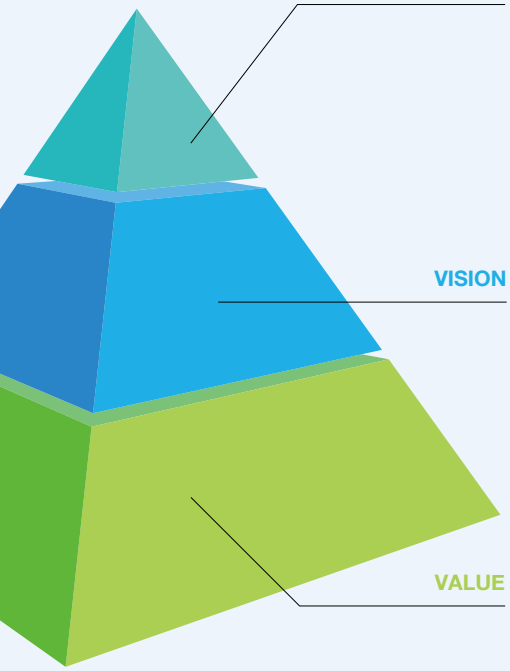
MITSUBISHI GAS CHEMICAL

Uniqueness & Presence

MGC REPORT 2026
Integrated Report

The MGC Way

We are an R&D-oriented chemical manufacturer that contributes to positive social change with original materials and technologies. Our Mission, “creating value to share with society,” is also our reason for existence. To realize this Mission, we aim to be an excellent corporate group that continues to be a preferred choice around the world by embodying our Value and demonstrating the uniqueness and presence articulated in our Vision.



Creating value to share with society

For advanced electronic devices, communication systems, fossil-alternative energy, advanced medicine, food management, and other industries that hold the keys to achieving the Sustainable Development Goals (SDGs), the evolution of materials and technologies to process ingredients is essential. Guided by our Mission of “creating value to share with society,” we will continue to be deeply involved in both industrial and social innovation through our chemical ingredients and materials. Furthermore, we will keep pursuing new materials, ingredients, and technologies that can help to transform society.

An excellent company with uniqueness and presence built on chemistry

The chemical industry has limitless potential for application to, human life, environmental preservation, and social infrastructure. In our modern world of accelerating social change, we will leverage Uniqueness & Presence and dynamically transform ourselves in line with our ideal Vision for the future while pursuing sustainable growth.

The MGC Group’s diverse businesses are supported by its technological foundation, corporate culture, strategic partnerships, and a culture of safety. We will utilize these management resources and put our Value into practice as we take on the challenge of creating new value that anticipates the future beyond the changes that are unfolding.

Conduct Philosophy

As a professional group:

A professional is someone who has a high level of trustworthy knowledge and ability and a strong sense of responsibility. Our aim is to assemble a group in which each member is a reliable professional.

1. **Courage that does not shy away from change:** Do not be content with the status quo, try new things, and have the courage to break with convention. When the situation changes, don’t merely adapt yourself to it but have the courage to try to change your environment toward creating a better state of affairs
2. **Aim for lofty goals:** Always set goals that are above where you are now and be motivated to tackle these goals
3. **Perseverance in achieving goals:** Overcome anything that confronts you with strong perseverance until you have reached your goal and gotten results
4. **Build team spirit with communication:** Expand your circle of communication in order to cooperate, build mutual trust, and share goals

MGC Corporate Behavior Principles

Sustainabillity Promotion Principle

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Editorial Policy
MGC Report 2026 focuses on stories describing how we have been creating value in pursuit of sustainable growth based on the theme of "Uniqueness & Presence." We established a Companywide system under the leadership of the CSR & IR Division to compile and share information and worked to provide a broad variety of quality contents that we hope will help our diverse stakeholders deepen their understanding of the MGC Group.

Guidelines Referenced
- International Integrated Reporting Council (IIRC) Integrated Reporting <IR>
- Ministry of Economy, Trade and Industry Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- Taskforce on Nature-related Financial Disclosures (TNFD) recommendations
- Sustainability Accounting Standards Board (SASB) standards

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Note: Some activities taking place before or immediately after the fiscal year under review are also noted.

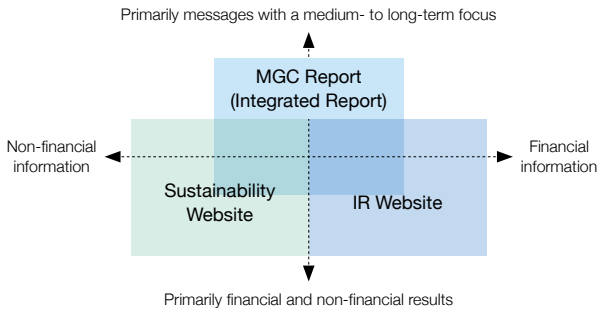
Report Scope
Mitsubishi Gas Chemical Company, Inc. and the MGC Group
Note: Where the scope of reporting differs, it is noted in the data.

In Charge of Publication
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Plans, goals, and other forward-looking statements included in this report are determined based on information available as of the end of the consolidated fiscal year under review as well as on certain assumptions MGC has judged to be reasonable, and may include uncertainties. Actual results may differ significantly from these forward-looking statements due to a variety of factors.

Information Disclosure System



IR Website
Investors | MITSUBISHI GAS CHEMICAL COMPANY, INC.

- Securities Reports
- Medium-Term Management Plan Materials
- Quarterly Financial Reports
- Presentation Materials

Sustainability Website
Sustainability | MITSUBISHI GAS CHEMICAL COMPANY, INC.

- Sustainability Data Books
- Corporate Governance Reports

Please refer to our website for details.

01



Yoshinori Isahaya
President and
Representative Director

Message from

Shifting toward a “market-out” approach, we are determined to promote substantive structural reforms by breaking away from overreliance on the simple extension of existing operations.

Progress Made in My First Year in Office and Measures Reflecting Hard Truths

A year ago, I became the first MGC president with a background in research. I can leverage the advantage my background provides by taking a bird’s-eye view of the Green Energy & Chemicals Business and the Specialty Chemicals Business while addressing both areas without bias because, in addition to having firsthand experience as a researcher of entire processes from research through to commercialization and manufacturing, I have experience in corporate planning. In response to rapid changes in society, we must transform our existing templates for R&D processes and customer relationships. Mindful of this, I have not merely set out policies but also driven reforms by drawing on my accumulated experience and firsthand knowledge and by proactively engaging with frontline operations, which has given me a definite sense of progress.

That said, in fiscal 2025 the MGC Group recorded a net loss for the first time in 13 years, due to the recognition of a substantial impairment loss arising from the discontinuation of plant construction by a subsidiary engaged in manufacturing meta-xylenediamine (MXDA) in the Netherlands. As president, I take this outcome very seriously. With a determination to learn lessons from this substantial impairment loss, we have not only strengthened our investment discipline but also partially reformed our governance structure. Through the exclusion of executive officers in charge of business sectors from the Board of Directors, we have further separated business execution and management oversight. We are also expediting the construction of systems aimed at ensuring management decision-making is based on objective information.

Although achieving our targets is likely to take longer than originally planned, the reform of our business portfolio is progressing steadily as a result of measures such as the discontinuation of plant construction in the Netherlands and the discontinuation of polycarbonate production at the Kashima Plant. Depending on which course of action best suits the business environment, we will decisively hit the brakes or step on the gas. Moreover, we are resolved to undertake even more far-reaching reforms during the next medium-term management plan.

Substantive Structural Reforms by Shifting to a Market-Out Approach

In an era of steady market growth and gradual technological and environmental change, our structural reforms entailed business division-led improvements aimed at achieving the efficient, organic growth of existing businesses. However, in today’s brittle, anxious, non-linear, and incomprehensible (BANI) environment, solely relying on a traditional, straightforward growth vision of improving existing businesses would make it easier for competitors to catch up. Our Chinese rivals, for example, are advancing their technological development and business expansion at a faster-than-expected rate by accelerating research and development, pursuing overcapacity strategies, and implementing strategies aimed at meeting all types of market demand. Although the direction of our research is not in itself mistaken, I have a strong sense of crisis because as long as we remain in the same race as Chinese and Indian rivals, they will ultimately catch up with and overtake us. Going forward, therefore, we must pursue substantive structural reforms by backcasting from our vision and identifying the value we want to offer society. With a focus on realizing said value, we must then determine the businesses required and reassess the technologies to be strengthened or newly incorporated from a Groupwide perspective.

Particularly with respect to basic chemicals, we have benefited from having a product chain created by marketing various derivatives from single products. However, the breakage of even a single link in the chain brings entire operations to a halt. In other words, the business has an inherent structural risk. Irreversible changes to market structures are proceeding at a faster-than-expected pace. With respect to certain

technologies and products for which we enjoyed competitive advantages just a few years ago, competitors are realizing technological improvements or introducing rival products. What is more, competitors' successive increases in production capacity have led to an oversupply of certain products. We do not need to be constrained by product chains or feel obliged to participate in fields where the realization or maintenance of our competitive advantages is challenging. Instead, we will focus on a market-out approach, transitioning to a solutions-based business model whose starting point is customers' issues.

The "market-in" approach, whereby products are launched to meet specific customer needs, tends to lead to competitor convergence and price competition. By contrast, the market-out approach identifies customers' latent issues at an early development stage and begins research and development accordingly. This approach allows us to work with customers to create markets around products. Consequently, the Group can build markets that are well-suited to it but pose a high barrier to entry for competitors. In putting the market-out approach into practice, we must adopt the perspective of chemistry to articulate the unspecified concerns and issues of customers and establish relationships of trust that encourage customers to think, "Let's consult with MGC first." In fact, by becoming involved in customers' design processes, the optical materials and electronics materials businesses have already achieved positive development outcomes. To encourage a Groupwide transition to a business structure that is based on this type of market-out approach, I repeatedly engage in dialogue with research and development and business divisions.

In determining business and product solutions, the correct answers can be found through interactions with customers, not through internal discussions. While changing existing corporate structures and culture is not an easy task, I regularly tour our organization and directly encourage personnel to visit customers so that we become more involved in the early stages of their development efforts. Further, to free up time for researchers to engage with customers, we are increasing the automation and autonomy of experiments through the introduction of digital transformation and robot transformation initiatives enabled by AI and statistical analysis technology. In addition, the Corporate Planning Division is leading efforts to build a foundation for data-driven business management that integrates data from all businesses and functions. This foundation will ensure that decisions on projects and business management are objective, prompt, and based on evidence, rather than solely influenced by the convictions of individual business divisions.

The simple extension of existing operations is not evolutionary or exciting. At university, my mentor once told me not to follow in the footsteps of my predecessors as this would only result in repetition. After joining the Group, I was put in charge of polymer chemistry, a field I had never encountered during my undergraduate and graduate studies. As I threw myself into the work despite my lack of knowledge, I developed a method of incorporating computational chemistry, which I had originally studied, into my new field. Just as the method I developed led to the growth of our current optical materials business, I want our employees to boldly shift their thinking and actions, view things from a different angle than others, and leverage their unique strengths and skills to take on the challenge of opening up new fields.

Resource Allocation and Commitment to Technology

During my time as the general manager of the Tokyo Research Laboratory, I would occasionally suggest to researchers that they might benefit from venturing into industries beyond the chemistry field. My aim was to have them return to the commitment to technological development that is the source of our competitive advantage by deliberately turning their attention to fields where we have limited expertise. Even as we push forward with bold reforms, I intend to continue cherishing and preserving the pioneering spirit and commitment to technological development that have defined us since our founding. While differentiated technologies and products will remain our strength, we must assess the significance of commercializing them in terms of whether they solve customers' issues or benefit society. In deciding on the acquisition of core technologies through M&A, we must have the ability to evaluate technologies and determine whether they can become in-house technologies and be integrated into our operations.

We do not have to cling onto the same businesses indefinitely. Business structures and portfolios should evolve in response to changing customer needs. To meet society's many different needs, we will continue to hone our commitment to technological development while maintaining a diverse range of competencies—even if some of them are minor. If another company requires a particular technology, we have the option of exploring the best ownership structure, either based on patents or on business matching. In line with our return in investment (ROI)-based philosophy, we will ensure the focused allocation of resources as we continue research and development in fields where the realization of returns takes time. We will also concentrate our resources on responding to emerging social needs, considering collaborations with other companies as needed.

A Portfolio Built on Short-, Medium-, and Long-Term Business Areas

We will undertake the selection and concentration of businesses, focusing on three key strategic areas: ICT/mobility, which calls for rapid development; medical and food, where we plan to grow over the medium term; and energy and climate change, which we will address together with society over the long term.



The ICT/mobility area will continue to be our main source of earnings. While we need to adjust our up-front investments in electronic chemicals to reflect variations in the pace of customers' growth, the semiconductor-related sector as a whole is performing well, and we expect the market to continue growing. In areas such as BT materials and optical polymers, we already possess target materials for the next and subsequent generations of ICT applications thanks to our long-standing market-out approach to development. We are now at the stage of evaluating manufacturing processes and seeking feedback. The Group will proceed with investments and market launches in line with society's emerging needs. Given the fast-paced competitive cycle of this area, however, we will retain the courage to move on to the next objective before latecomers catch up with us.

The medical and food area, which has significant social importance, is expected to see stable demand growth driven by demographic trends. Through investments and external partnerships, we will expand the scope of our current core technologies and cultivate this area as a mainstay alongside the Specialty Chemicals and Green Energy & Chemicals businesses.

As for the energy and climate change area, although the achievement of profitability will take some time, we will continue to invest in technologies with concrete potential and increase the number of partners we have while establishing the required social infrastructure to sustain momentum.

In carbon neutrality-related efforts, as well as geothermal power generation, we aim to advance the full-fledged rollout of Carbopath™, a unique environmentally circular carbon platform that generates energy and materials through the use of methanol produced from CO_2 and waste. If we can use circular carbon methanol, which contains a single carbon atom as a starting point and extend our operations so that they encompass carbon recycling and become the lifeblood of a carbon-recycling society (a methanol economy), we will establish a business that is efficient and impactful—both in terms of economic and social value. Through process demonstration tests at the Mizushima Complex and other initiatives, we will provide society with actual examples of recycling and show the uses of the process. At the same time, we will expand collaboration with upstream and downstream partners to establish a circular carbon platform. Further, amid rising geopolitical risks due to conflicts and other factors, we are seeing a gradual move away from the global paradigm of simply seeking the most inexpensive raw materials and production locations. We ourselves are addressing supply constraints through the restructuring of our supply chain, which is centered on Asia, where we have strengths. We also want to convince society of methanol's value as an alternative to naphtha that has the potential to underpin society's infrastructure.

Resolute Implementation of Structural Reforms with Our Vision as the North Star

We take criticism about the complexity and efficiency of our conglomerate business model seriously. Nonetheless, our portfolio of businesses in areas with three different growth rates and time horizons—namely, specialty chemicals; carbon neutrality; and life sciences, medicine, and food— plays a significant role in stabilizing business management by mitigating the impact of economic fluctuations and enhancing resilience to unpredictable geopolitical risks. We will keep this in mind as we continue reforming and replacing the businesses in our portfolio.

Going forward, we must reap the rewards of investments and maximize their effectiveness. While further evolving return on investment capital (ROIC) management, our vision will be the North Star of efforts to resolutely implement Groupwide structural reforms. Moreover, we will establish data-driven business management that enables us to make decisions on business continuation or withdrawal in light of numerical data. The MGC Group will sustain growth by simultaneously pursuing short-term profitability and advancing long-term initiatives that support society. As we forge ahead with reforms in earnest, I would like to ask our shareholders and investors for their understanding and continued support.

Yoshinori Isahaya
President and Representative Director

The Origins of MGC

MGC has inherited the DNA of its two predecessor companies—which utilized innovative technologies to achieve numerous firsts. While integrating and deepening their strengths, we have continued to evolve with the aim of solving social issues and creating new value through our two core businesses.

Founding of Mitsubishi Edogawa Chemical Co., Ltd.

1918

Mitsubishi Edogawa Chemical Co., Ltd. became the first company in Japan to successfully manufacture formalin in 1927 and began producing hydrogen peroxide by electrolysis in 1933. Continuing to grow as a leader in formalin derivatives and engineering plastics, the company launched the country's first production of laminate materials for printed circuit boards in 1937 and leveraged a proprietary interfacial polymerization method to start up production of polycarbonate (PC) in 1961.

Incorporation of Japan Gas Chemical Co., Inc.

1951

Japan Gas Chemical Co., Inc. was founded as Japan's first manufacturer of natural gas-based chemicals. Since methanol derived from natural gas was more competitive and of higher quality than existing products, at a stroke the company became a leading manufacturer of methanol. It launched Japan's first operations for the production of ammonia from natural gas in 1957. The 1960s saw the company using a proprietary technology to develop xylene separation and isomerization technology and advancing the development of meta-xylenediamine (MXDA), a raw material of MX-Nylon.

Establishment of Mitsubishi Gas Chemical Company, Inc.

1971

The merger of Japan Gas Chemical and Mitsubishi Edogawa Chemical, both of which emphasized the in-house development of technologies, gave rise to Mitsubishi Gas Chemical Company, Inc. as a chemical manufacturer with a distinctive technological orientation. We have since built competitive advantages by utilizing mutually complementary technologies and establishing an expansive business field that extends from upstream raw materials such as methanol through to specialty chemicals and other downstream products.

Management Resources Supporting MGC's Distinctive Character
Page 15

- Enterprising spirit based on entrepreneurialism
- Diverse in-house development technology
- Value co-creation with a variety of partners
- A Culture of safety

A Track Record Established by a Pioneering Spirit

Thanks to a corporate culture rich in originality and innovativeness, the MGC Group has created numerous groundbreaking Japan- and world-first products and technologies.

Mitsubishi Edogawa Chemical Co., Ltd.

Japan firsts 1927 Manufacture of formalin
Japan firsts 1933 Manufacture of hydrogen peroxide by electrolysis



Japan Gas Chemical Co., Inc.

Japan firsts 1952 Production of methanol
World firsts 1968 Xylene separation technology using superacid



Specialty Chemicals Business

Providing products that are close to end users and conducting operations that directly reflect market demand

Green Energy & Chemicals Business

Marketing a chain of products based on natural gas and mixed xylene

Mitsubishi Gas Chemical Company, Inc.

World firsts 1976 Development of BT laminate

World firsts 2015 Development of plastic pre-filled syringes



Awards 2016 The Ichimura Prize in Industry for Outstanding Achievement:
Development of a special polycarbonate resin with a high refractive index and low birefringence





Social Value Provided by MGC

Page 11

Contribute to the development of an ICT/mobility society

Solve medical and food problems

Solve energy and climate change problems

Business Operations and Main Products

The MGC Group operates two businesses: the Specialty Chemicals Business, which develops leading-edge products that meet market demand, and the Green Energy & Chemicals Business, providing stable supplies of natural gas-based products essential to society.

Specialty Chemicals

Inorganic Chemicals
Primarily focused on cleaning agents for semiconductors

Electronics Materials
Top manufacturer of substrate materials for IC plastic packaging

Optical Materials
Contributes to higher performance of smartphones with world-leading refractive index

Engineering Plastics
Develops engineering plastics

LivingTech and Hygiene Solutions
Supports general industries related to food, pharmaceutical applications, manufacturing, and daily life

The MGC Group

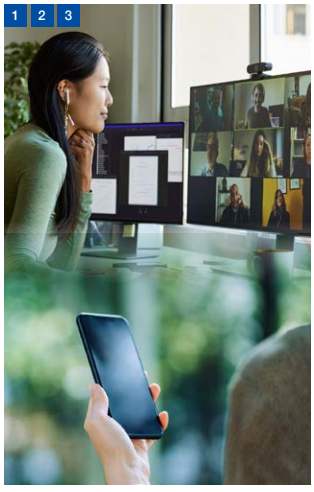
- Hydrogen peroxide
  - Super-pure hydrogen peroxide
  - Hybrid chemicals
  - Electronic Chemicals (EL Chemicals)
- Cyanate monomers
  - BT resin
    - Copper-clad laminates (CCL)
    - Prepreg
    - BT Products
- OPE™ derivatives
- Raw material monomers
  - Optical polymers
  - Eyeglass lens monomers
- Methanol
  - Formalin
    - Iupital™ (Polyacetal resin) (POM)
- MX-Nylon (MXD6)
  - Reny™ (High-performance polyamide resin)
- Bisphenol A (External procurement)
  - Polycarbonate resin (PC)
    - PC sheet
    - PC film
- AGELESS™
- RP System™ PharmaKeep™ Anaero Pack™
- Environmental and hygiene chemicals

Customers

- Semiconductor manufacturers
- Electronic component manufacturers
- Paper manufacturers
- Printed circuit board manufacturers
- Chemical manufacturers
- Optical equipment manufacturers
- Automotive component manufacturers
- Smartphone manufacturers
- Eyeglass lens manufacturers
- Automotive manufacturers
- Electronics and consumer electronics manufacturers
- Office equipment manufacturers
- Food manufacturers
- Pharmaceutical and medical device manufacturers

Social value provided by MGC

ICT area





Mobility area



Certain of the raw materials used by the Specialty Chemicals Business are manufactured at plants under the management of the Green Energy & Chemicals Business. This in-house manufacturing and the Group's quality assurance, technology development, and procurement processes are difficult to replicate, which helps strengthen the competitiveness of the entire Group.

Green Energy & Chemicals

Energy Resources and Environment
Application of technologies for exploration and development of domestic natural gas fields

Resource development technology

Natural Gas

Domestic gas field development
- Higashi-Niigata Oil and Gas Field
- Water-dissolved natural gas field
- Iwafune-Oki Oil and Gas Field

Methanol/ Ammonia production

Iodine

Geothermal Power Generation
- Sumikawa Geothermal Power Station
- Wasabizawa Geothermal Power Station
- Appi Geothermal Power Station

Clean Power Business

Biomass power generation
- Abashiri Biomass Power Plant

Natural gas power generation
- Fukushima Natural Gas Power Station

C1 Chemicals, Life Science
First in Japan to produce methanol using natural gas as a raw material

Methanol production using overseas natural gas
- Saudi Arabia
- Venezuela
- Brunei
- Trinidad and Tobago

Methanol

Ammonia

Methanol protein research

Formalin

Dimethyl ether (DME)

Methyl methacrylate (MMA)

Methylamines

Cyanate ester monomers

Life science-related products

Iupital™ (Polyacetal)

BT resin

High-Performance Products
Manufactures competitive products and derivatives using proprietary technology

Superacid technology

Aromatic aldehydes

Meta-xylene

Purified isophthalic acid (PIA)

Meta-xylenediamine (MXDA)

MX-Nylon (MXD6)

Power producers

Fuel-related companies

Pharmaceutical and medical device manufacturers

Chemical manufacturers

Food packaging manufacturers

Environment-related companies

Engineering plastic manufacturers

Health food manufacturers

Paint and adhesive manufacturers

Chemical manufacturers

Medical and food area

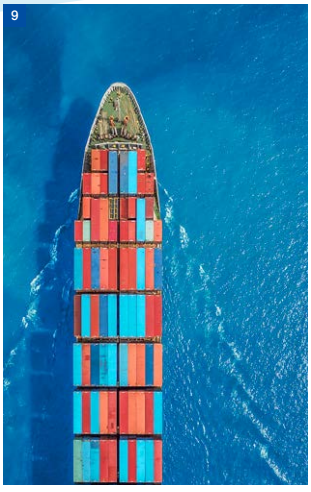



6


7


8

Energy and infrastructure area


9


10


11

Note: For details on products that create social value (items 1 to 11), please see page 11.

Social Value Provided by MGC

Contribute to the Development of an ICT/Mobility Society

Chemical ingredients and raw materials are becoming increasingly important for supporting the development of an ICT/mobility society in areas such as ICT, AI, robotics, blockchain, and CASE. We will respond by strengthening our development of materials and proposal of solutions.



1 BT products

Proprietary materials with superior low-warpage and electrical properties, able to keep pace with the evolution of the semiconductor market



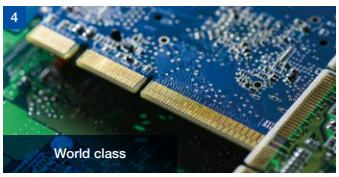
2 Super-pure hydrogen peroxide

Global production capability ensures a stable supply of high-quality products to meet the needs of the most technologically advanced customers



3 Optical polymers

Balances high refractive index with low birefringence, contributing to enhanced camera functionality



4 OPE™ derivatives

Contributes to technological advancement by meeting market demand for excellent resin fillability between wiring traces and high heat resistance and reliability while minimizing electrical signal loss



5 Polyacetal resin (POM)

Promotes efficient base operations and strengthening of sales capabilities through a globally integrated management system for production, sales, and development

Solve Medical and Food Problems

In response to accelerating global population growth and aging, we are expediting development of product groups that will contribute to sustainable food management and lead directly to the enhancement of preventive and predictive medicine and the improvement of medical productivity.



6 Oxygen absorbers (AGELESS™)

Contributes to the reduction of food loss and waste and improvement of distribution quality

7 Oxygen absorbing desiccant (PharmaKeep™)

Contributes to the preservation of the quality of pharmaceuticals and medical devices through integrated oxygen absorption and desiccant functions



8 Aromatic aldehydes

Tailored to customers' requirements using proprietary and efficient production methods



8 MX-Nylon (MXD6)

High gas barrier properties help lengthen shelf lives and reduce food wastage

Solve Energy and Climate Change Problems

The MGC Group is unique as a chemical company with a history of resource development. We are working to achieve a carbon-neutral society by deploying our own distinctive capabilities.



9 Methanol

Promotes an environmentally circular carbon platform as the world's only integrated methanol manufacturer



10 Geothermal power generation

Contributes to GHG emissions reductions through the supply of clean electricity



11 Meta-xylenediamine (MXDA)

Boasts superior rapid curing, anticorrosion, and chemical resistance



02 Value Creation Section

CONTENTS

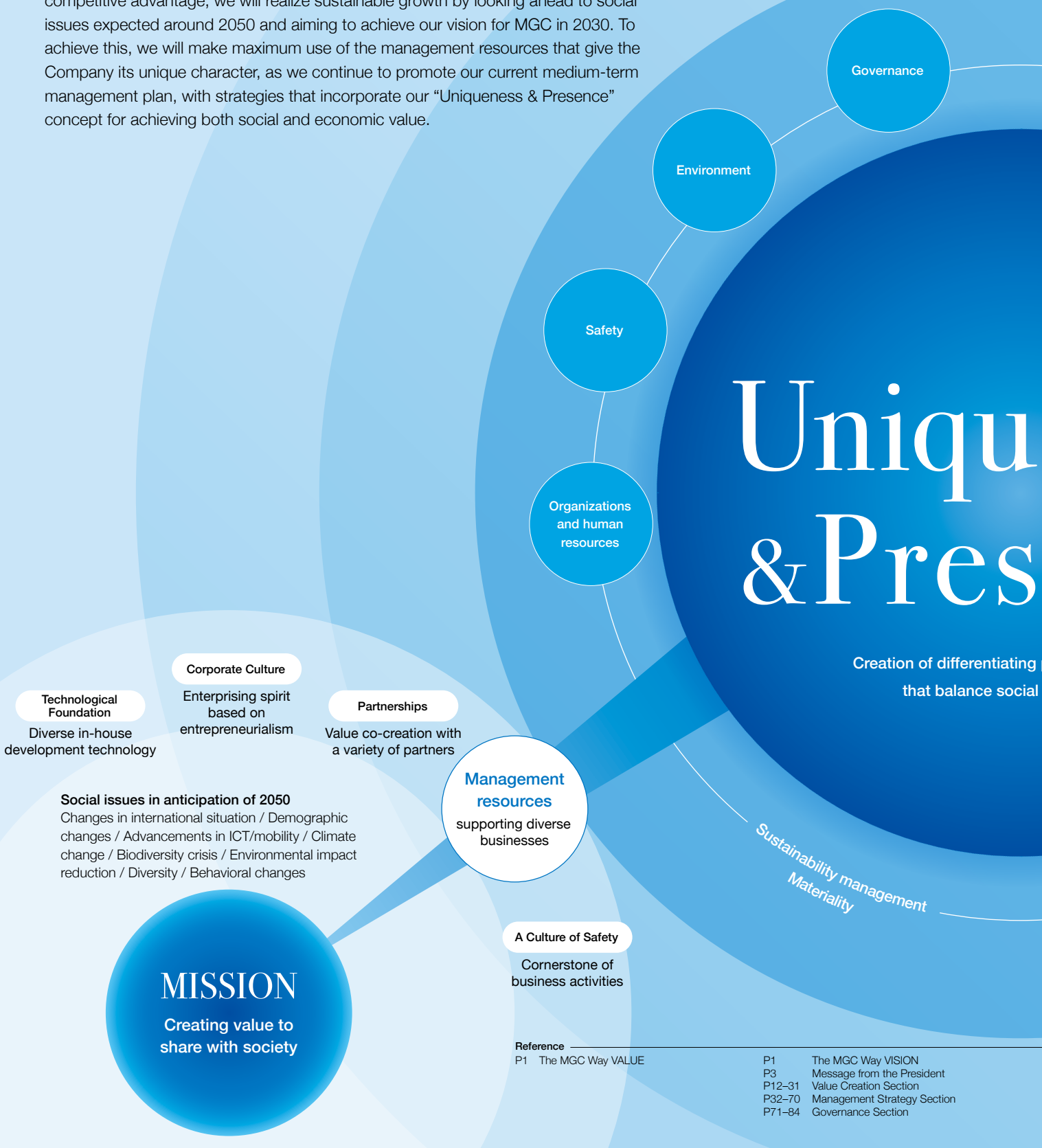
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25 Toward the Realization of Our Vision






Value Creation Process

The MGC Group's Mission is fundamentally about creating products and businesses that contribute to the development of society and the resolution of its issues. We aim to become the "excellent company" described in our Vision. To acquire a sustainable competitive advantage, we will realize sustainable growth by looking ahead to social issues expected around 2050 and aiming to achieve our vision for MGC in 2030. To achieve this, we will make maximum use of the management resources that give the Company its unique character, as we continue to promote our current medium-term management plan, with strategies that incorporate our "Uniqueness & Presence" concept for achieving both social and economic value.



Reference
P1 The MGC Way VALUE

P1 The MGC Way VISION
P3 Message from the President
P12–31 Value Creation Section
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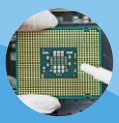
Electronic chemicals (EL chemicals)



Optical polymers



Engineering plastics



BT materials



Oxygen absorbers

Contribute to development of an ICT/mobility society

Solve medical and food problems

VISION

An excellent company with uniqueness and presence built on chemistry

Solve energy and climate change problems

Outcomes
addressing social issues through business

Output
leading to a new era

Management strategies
for accelerating selection and concentration

eness

ence

products and businesses

and economic value

Research and development

Human rights



Methanol



Energy resources and environmental businesses



MXDA



Antibody drugs



MX-Nylon (MXD6)



Aromatic aldehydes

Vision for MGC in 2030

Financial targets

Net sales
¥1.2 trillion

Operating profit
¥120.0 billion

Operating profit margin
10% or higher

ROE
12% or higher

ROIC*
10% or higher

Non-financial targets

GHG emissions reduction of
39% or higher
(compared with fiscal 2013)

Sales of "Sharebeing" Products
¥500.0 billion or more
(Sales of eco-friendly products)

* ROIC = (Operating profit - Income taxes + Equity in earnings of affiliates) ÷ Invested capital

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P48–50 Green Energy & Chemicals Business Strategy

P1 The MGC Way MISSION

Management Resources Supporting MGC's Distinctive Character

The base supporting MGC's distinctive character comprises a technological foundation built up over more than half a century, a corporate culture that supports this, strategic partnerships, and a culture of safety, which is fundamental in the manufacturing industry. By taking maximum advantage of these business resources, we will promote sustained innovation.



Technological Foundation

Diverse in-house development technology

Products based on technologies developed in-house

90% or more
(by product category)

Percentage of mainstay MGC products that hold the largest share of their respective global markets

About **40**%



Corporate Culture

Enterprising spirit based on entrepreneurialism

Number of countries and regions with business locations

16

Percentage of employees who feel job satisfaction*1

59%



Partnerships

Value co-creation with a variety of partners

Number of projects related to carbon neutrality

About **60**

Number of Group companies

116



A Culture of Safety

Cornerstone of business activities

Lost-time injury frequency rate*2 (non-consolidated)

0.00%

ISO 9001 and ISO 14001 acquisition rate (non-consolidated)

100%

*1 Percentage of all survey respondents who made clearly positive responses
*2 Total number of deaths and injuries caused by labor accidents per one million actual hours worked

We possess broad foundation technologies capable of expanding our business domain from upstream to downstream. Diverse original technologies are the primary source of our competitive advantage, and there is limitless potential in their combinations. Starting with our own technologies that have an unrivaled advantage over those of other companies, we will focus on developing them to a deeper level and on expanding their applications.

Related Capital and Strengthening Measures

Intellectual capital	• Creation of new businesses for entering new growth markets • Identification of gaps in technologies, human resources, and intellectual property that need to be filled to expand and enhance intellectual capital
Natural capital	• Application of natural gas exploration and development technology to other businesses • Creation of environmentally friendly products that contribute to the conservation of natural capital

MGC has been practicing management with the view that people are the most important capital for value creation. This historical approach has led to the creation of a healthy corporate culture in which individuals are given discretion and matters are discussed openly on a daily basis.

Related Capital and Strengthening Measures

Human capital	• Career development through various experiences • Further increase in job satisfaction
Intellectual capital	• Development of digital transformation (DX) human resources and enhanced use of DX in research and development • Research theme scoring and internal visualization of research information

Frameworks for coordination and co-creation with various partners are a unique management resource found only in the MGC Group. Strong partnerships with overseas local subsidiaries and companies from other industries not only optimize the use of limited in-house resources but also lead to the creation of innovation in the chemistry field and the provision of growth opportunities for employees.

Related Capital and Strengthening Measures

Social and relationship capital	• Promotion of cross-industry cooperation through Carbopath™ • Strengthening of collaboration with stakeholders to achieve carbon neutrality
Intellectual capital	• Promotion of open innovation with universities and companies • Creation of business schemes in collaboration with local governments

In the manufacturing industry, developing a culture of safety is a social mission. Upholding the philosophy that ensuring safety is the top priority of our business activities, we have established safety guidelines, and we are promoting responsible care (RC) activities aimed at achieving zero accidents and zero disasters. All of our employees participate in activities to identify risks and prevent accidents and disasters.

Related Capital and Strengthening Measures

Manufactured capital	• Promotion of the SMART-FACTORY • Establishment and renewal of production infrastructure to enhance safety
Human capital	• Enhanced group management of RC activities • Development of personnel who give first priority to safety and continuous production of key personnel

The Source of MGC's Distinctive Character

An Innovative Chemical Manufacturer Developing New Value

Rather than relying on technologies introduced from overseas, the MGC Group's predecessor companies, Mitsubishi Edogawa Chemical Co., Ltd. and Japan Gas Chemical Co., Inc., pioneered world- and Japan-first businesses based on in-house development technology. Since the merger, the originality and pioneering mindset that differentiated the corporate cultures of both companies have been passed down through the generations. Our determination to create unprecedented new materials and technologies and refine our unique businesses has made us an innovative, R&D-driven corporate group that breaks the mold of the typical chemical manufacturer. We are engaged in everything from the manufacture of leading-edge semiconductor-related materials through to the construction of an environmentally circular carbon platform.

In pursuit of uniqueness, we capitalize on the advanced technical capabilities we have developed to continuously create innovative, high-value-added products that meet the needs of customers and society in niche areas not covered by other companies.

Technologies and Product Lineups That Enable Innovation and High Added Value



Market Creation Based on a Differentiation Strategy

The MGC Group has created numerous products and technologies that have won high acclaim in the global markets, including methanol synthesis technology and BT materials. However, the road to achieving these goals has by no means been an easy one.

The reverse oil shock and strong yen of 1985 virtually eliminated the benefits of using natural gas extracted by the Company in Japan as a raw material for methanol. Hydrogen peroxide, another source of revenue, also became subject to increasing international competition from around this time. We used the changes in the business environment as an opportunity to pivot our businesses toward high-value-added products with advanced functionality. In the 1990s, we reinforced businesses with competitive advantages and expanded our overseas production sites.

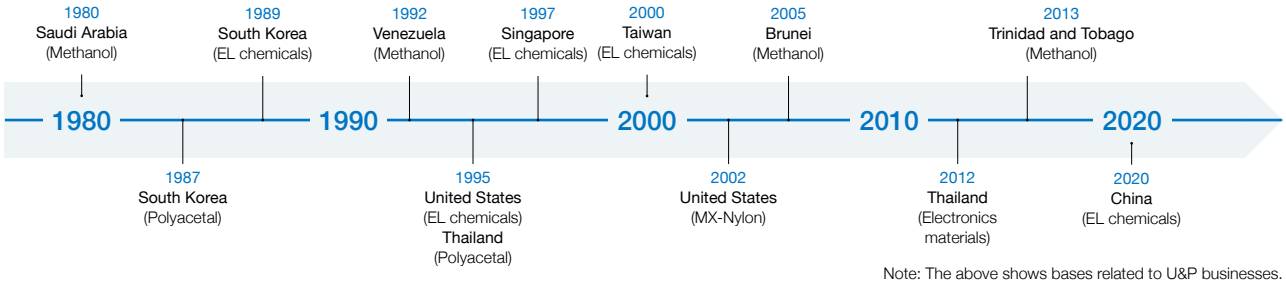
Since 2000, we have rigorously implemented a differentiation strategy focused on distinctive, competitive products that cannot be easily imitated by other companies and developed new markets and applications. At the same time, we have built a market portfolio that reflects location-based strategies, such as a “raw material location strategy” for methanol and a “consumption location strategy” for super-pure hydrogen peroxide. Through this diversification of businesses and regions, we have maintained competitive advantages and earnings stability even in an uncertain business environment.

Adding Functionality and Value to Our Product Lineups

Share of sales: Large / Medium / Small

	Decade	–1950	1960	1970	1980	1990	2000	2010	2020
Hydrogen peroxide	Paper pulp, fiber, and industrial applications								
	Cleaning semiconductors, etching								
	Disinfection and sterilization								
Electronics materials	Decade	–1950	1960	1970	1980	1990	2000	2010	2020
	Printed circuit board for calculators and clocks, etc.								
	IC plastic packaging substrate materials								
	Telecommunication substrate materials								
	High-frequency applications								
Optical materials	Decade	–1950	1960	1970	1980	1990	2000	2010	2020
	Organic photoconductors (OPCs)								
	Spectacle lenses								
	Camera lenses for smartphones, etc.								
	Automotive camera lenses								

History of Overseas Operations



Note: The above shows bases related to U&P businesses.

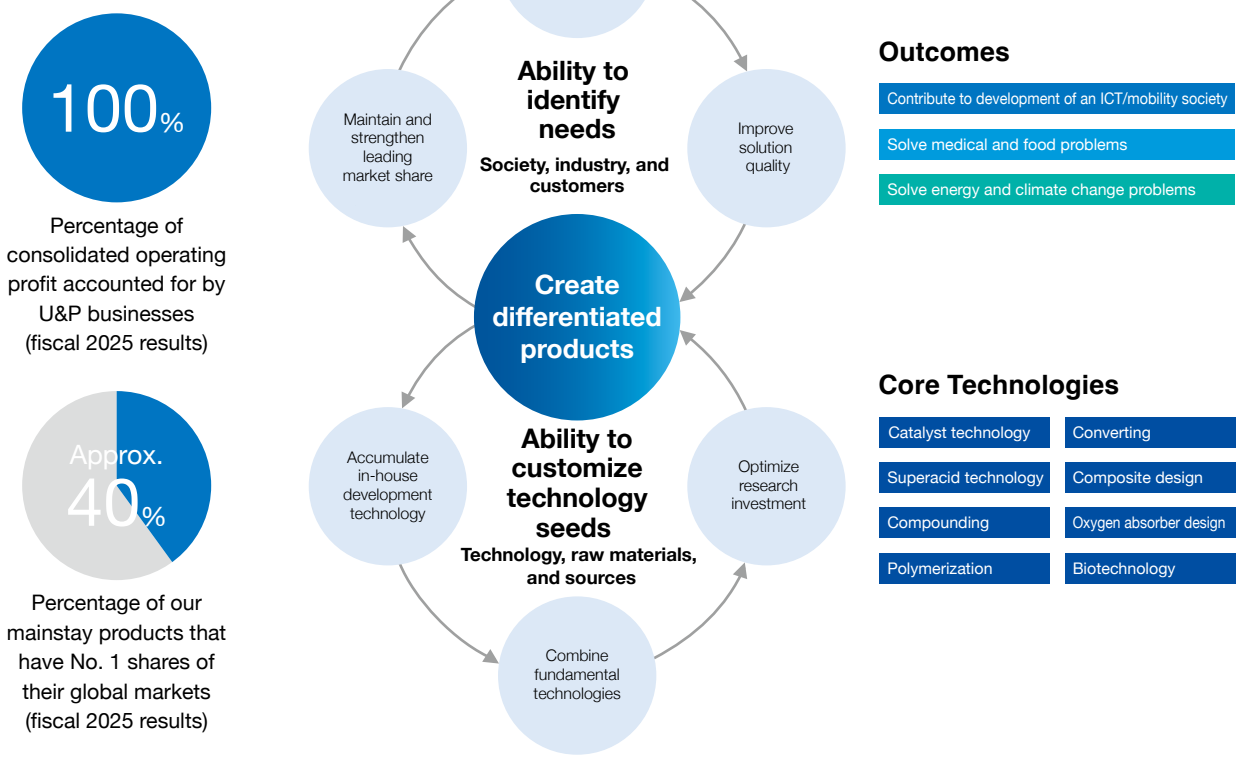
Pursuing "Uniqueness & Presence"

The "Uniqueness & Presence" (U&P) sought by the MGC Group is a business model that creates products with unique characteristics difficult for other companies to imitate and which realizes a presence in global markets. At the same time, U&P is a value creation strategy based on the corporate culture we have had since our founding.

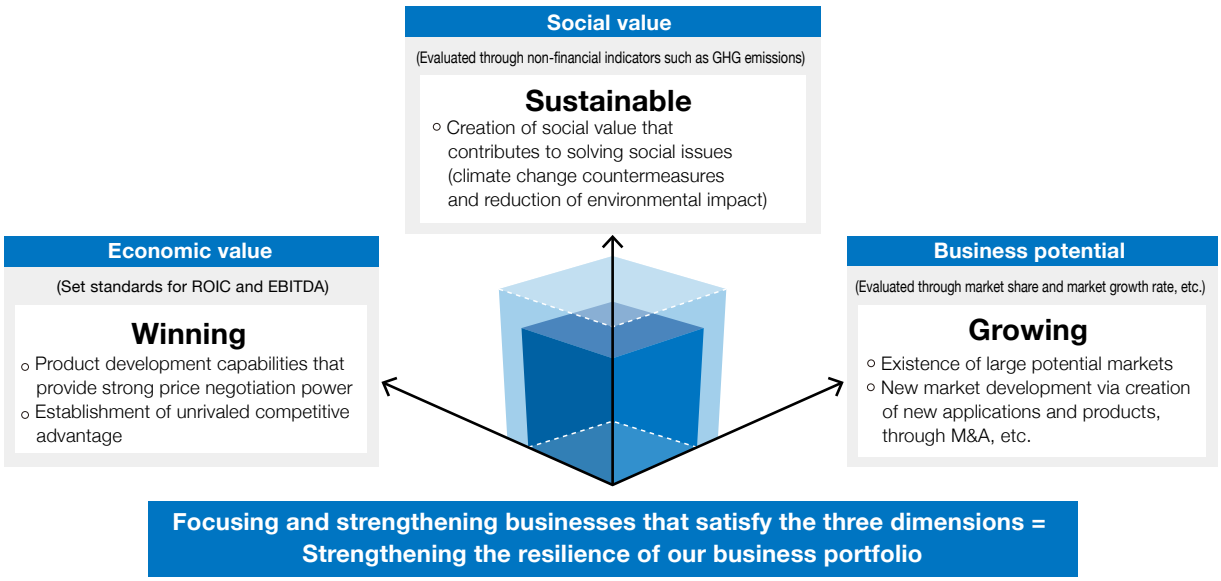
The reason approximately 40% of our mainstay products have the No.1 shares of their global markets lies in our tireless efforts to develop high-performance products by engaging in ongoing dialogue with the market based on our unique technologies and resources (seeds) and then integrating customer needs with these technological seeds. Through development capabilities that incorporate product-driven and "market-in" approaches, we have achieved a level of differentiation that is difficult to imitate.

Further, more than 90% of our products are developed in-house. We have built a business management system based on business management units as well as a technology platform that gives a comprehensive overview of our core technologies. We drive the development of new products and grades by combining our many different core technologies to customize seeds and by utilizing an evaluation system that ensures generous allocation of research resources to priority development themes.

The U&P Business Model

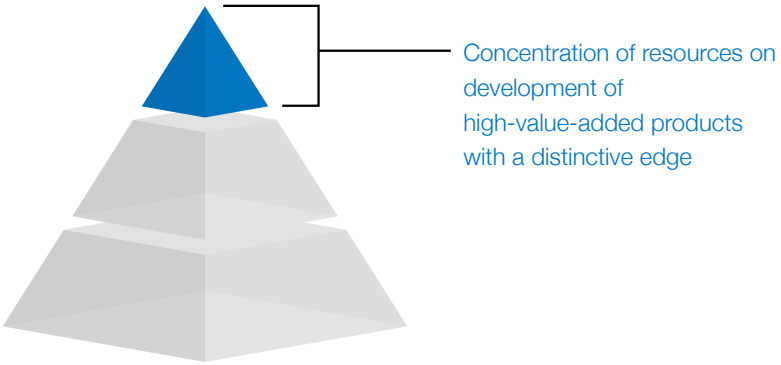


Definition of U&P Businesses



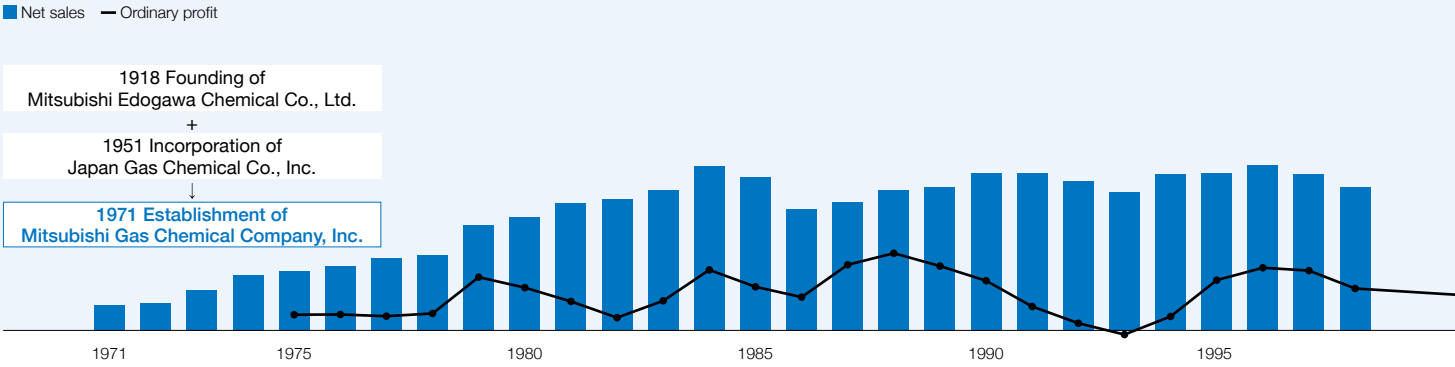
U&P Business Differentiation Strategy

The Group's product lines deliberately avoid the "volume zones" of their respective markets, which are dominated by other companies. Based on this distinctive approach and proprietary technologies, we have created value and produced global niche offerings. In a recent example, the Company has captured a significant market share centered on the three ICT businesses—electronics materials, electronic chemicals (EL chemicals), and optical materials—which are growth drivers for the Company's profits. By focusing management resources on the development of high-value-added products with a distinctive edge that can contribute meaningfully to social innovation, we are heightening economic value.



A History of Reform Through Selection and Concentration

Always true to its distinctive character, the MGC Group anticipates society's future needs and takes advantage of unique technologies to tenaciously advance research, development, and business activities across a wide range of fields. As a result, we have built a portfolio around products that reflect the needs of the times and achieved continuous growth.



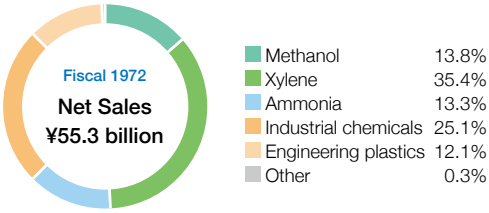
Changes in Our Mainstay Fields and Business Portfolio

1970s

Thanks to the merger, the realization of complementary product lines, joint procurement of resources and raw materials, and highly efficient integrated production

Mainstay Fields

Aromatic chemicals (xylene separators and derivatives) / Electronics materials / Information and advanced materials (oxygen absorbers)

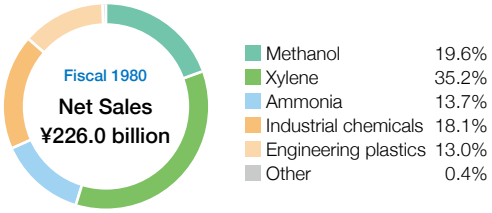


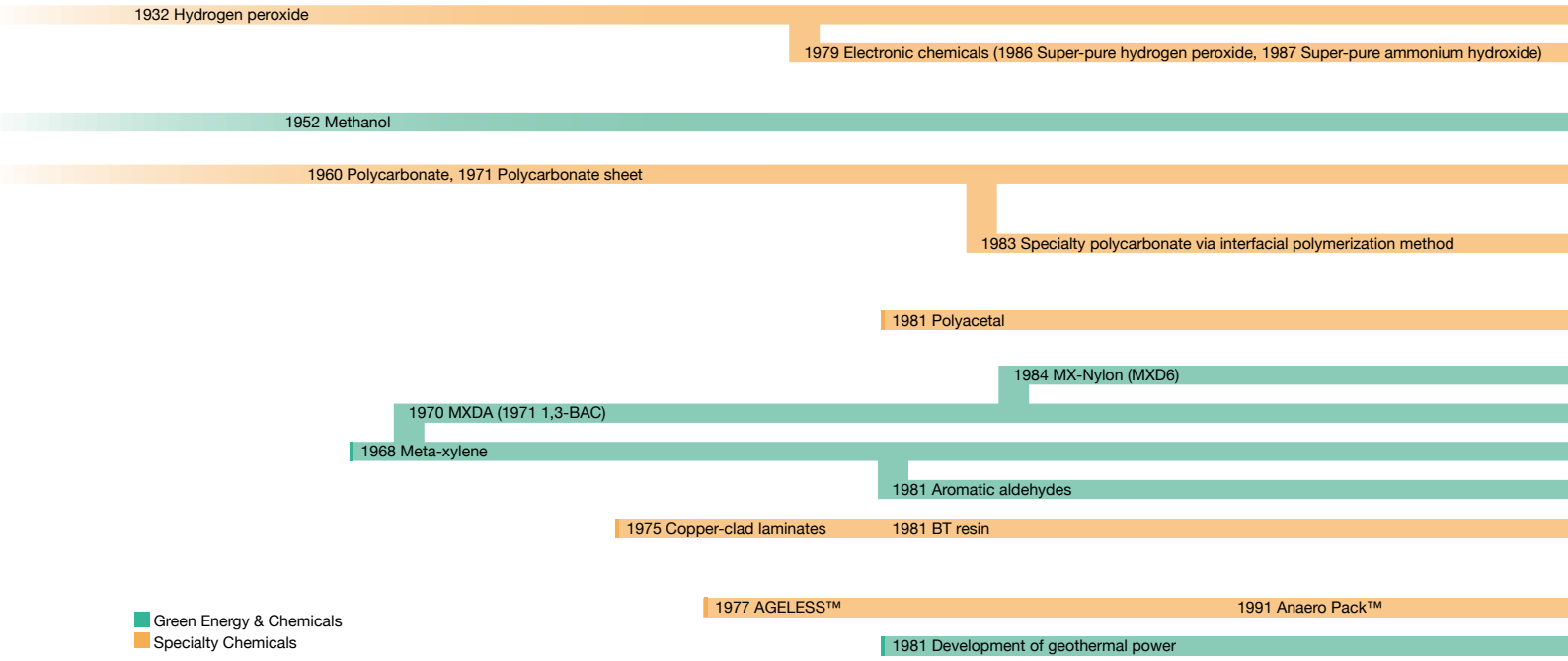
1980–2000

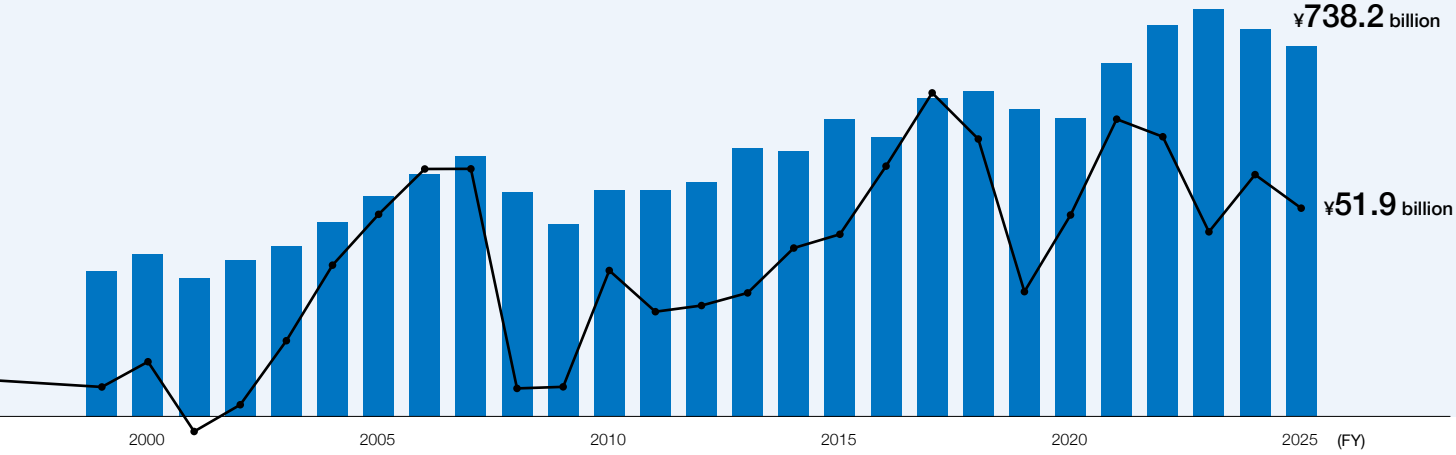
In response to changes in the business environment, expansion of overseas production bases and strengthening of businesses with competitive advantages

Mainstay Fields

Super-pure hydrogen peroxide / Lens monomers / Polycarbonate / Overseas methanol







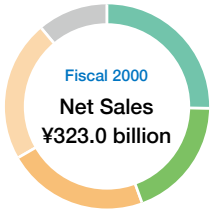
Note: Non-consolidated figures shown for fiscal 1971–1976; consolidated figures shown for fiscal 1977 onward.

2000–2020

Advancement of differentiation strategies and restructuring of unprofitable operations, as well as strengthening of corporate foundation and business expansion through globalization

Mainstay Fields

BT materials / Electronic chemicals (EL chemicals) / Optical polymers / High-performance products (MXDA, MX-Nylon)



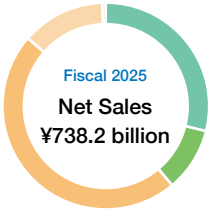
Natural gas chemicals	25.5%
Aromatic chemicals	19.0%
Specialty chemicals	22.4%
Information and advanced materials	22.1%
Other	11.0%

Since 2020

Creation of differentiated products and businesses that balance social and economic value

Mainstay Fields

ICT and semiconductor materials (electronics materials, EL chemicals) / Consumer and social fields (oxygen absorbers, medical, food) / Life sciences



Natural gas chemicals	28.9%
Aromatic chemicals	10.0%
Specialty chemicals	47.5%
Information and advanced materials	13.2%
Other	0.3%

2000 Melt polymerization special PC (Optical polymers)

1998 Lens monomers

2013 OPE™ (Oligo phenylene ether)

1994 RP System™

2002 PharmaKeep™

Acceleration of Initiatives for Strengthening the Resilience of Our Business Portfolio

Current Issues and Short-Term Intensive Improvement Measures

In accordance with the current medium-term management plan (MTMP 2026), we have taken into consideration economic value, business potential, and social value and broken down our portfolio into four categories: U&P businesses, foundation businesses, new/next-generation businesses, and businesses requiring intensive management. In particular, we have strengthened the resilience of our business portfolio by focusing efforts on U&P businesses—differentiated businesses that excel because they are "Growing," "Winning," and "Sustainable" and which promise to continued growth while achieving both social and economic value. Although sales of BT materials for IC plastic packaging and optical materials remain brisk, the business environment is changing rapidly and becoming increasingly challenging due to economic stagnation in Europe and China, as well as intensifying competition, particularly in the general-purpose sector.

The profitability of certain businesses has declined. In fiscal 2025, we recorded a significant impairment loss, which resulted in a bottom-line deficit. In response to this situation, we must implement fundamental structural reforms based on a thorough assessment of business growth potential and capital efficiency.

Previous reforms were improvements based on the extension of existing operations and were conceived and led primarily by individual business sectors. Going forward, however, we need to advance reforms more swiftly and on a Groupwide, cross-sector basis.

To step up business structural reforms and short-term performance improvements, in the fall of 2025 we launched the Business Portfolio Resilience Strengthening Task Force, led by the president and comprising personnel from the Green Energy & Chemicals and the Specialty Chemicals businesses, the Corporate Planning Division, the Finance & Accounting Division, the Investor Relations Department, and other divisions. Since then, the task force has been undertaking Groupwide structural reforms. Through measures such as cost reductions without exceptions, further promotion of an asset-light strategy, achievement of results from large-scale investments centered on the three ICT businesses, and prompt measures for businesses requiring intensive management, we will strengthen the resilience of our business portfolio and heighten profitability and capital efficiency, thereby enabling the achievement of sustained growth in corporate value.

Business portfolio classification at the start of MTMP 2026

Uniqueness & Presence	Foundation	New/Next-generation	Requiring intensive management
Three ICT businesses = Growth drivers • Electronics materials • Electronic chemicals (EL chemicals) • Optical materials	• Methanol • Energy resources and environment businesses • POM • MXDA/Aromatic aldehydes • Polymer materials	• Methylamine-and ammonia-related products • MMA-related products • Formalin and polyol-related products • Oxygen absorbers	• Life science-related • New/Next-generation	• PC-related products • Xylene separators and derivatives

Recognition of current challenges

- While the outlook for semiconductor market expansion remains unchanged, the external environment is harsh due to factors including the imposition of U.S. tariffs, stagnation in European and Chinese economies, and intensification of competition, particularly in the general-purpose sector.
- Due to recording an impairment loss, net profit deteriorated sharply in fiscal 2025.

▶ **Fundamental structural reforms, not merely a continuation of current practices, are thus necessary.**

Short-term intensive improvement measures

Fiscal 2025 Measures

- Cost cutting without exceptions, further promotion of asset-light strategy (sale of non-business assets including social welfare facilities), and further reduction of strategic shareholdings
- Faster achievement of results from large-scale investments
- Businesses requiring intensive management (PC-related products, xylene separators and derivatives): Promote initiatives with a sense of speed
- Strengthening of investment discipline: Rigorous selection of capital investment projects, optimization of implementation timing, and stricter return requirements

Short-term intensive improvement measures

Measures for Businesses Requiring Intensive Management

Polycarbonate | Sheet film

The polycarbonate business continues to experience sluggish market conditions due to oversupply and other factors. As an improvement in profitability seems unlikely, we have decided to discontinue polycarbonate production at the Kashima Plant by March 2028. Going forward, we will improve profitability and capital efficiency by utilizing products from overseas plants, optimizing production capacity, and heightening the added value of products even further.

The sheet film business has achieved cost reductions through consolidation of production bases, including the completion of a withdrawal of the Osaka Plant of MGC Filsheet Co., Ltd. Aiming to improve profitability by securing new projects, we will concentrate management resources on priority areas and strengthen sales and technical support.

Strategy implementation status	· Decision to discontinue production at the Kashima Plant's PC production facility in March 2028 since it has remained unprofitable Promoting production capacity optimization (End of March 2028: Approx. 25% reduction) · Offtake agreements for PCs with partners will be terminated as of the end of March 2028. · Profitability improved versus the plan due to progress in line with our high-value-added strategy (increased sales for EVs in China, etc.) and cost reductions at sites in China · Concentrate sheet film production sites (withdrawal from Osaka Plant of MGC Filsheet Co., Ltd.): Completed at end of March 2026 as planned · Effect from MEP*1 reorganization not yet fully realized
Future initiatives	· Promote radical structural reforms assuming a continued harsh business environment · Continue discussions with the Business Portfolio Resilience Strengthening Task Force. Plan a pathway to achieve ROIC exceeding the cost of capital in the PC-related chain · Promote restructuring of overseas sales sites and technical service and R&D systems. Accelerate realization of effect from MEP reorganization · Advance strategy to add higher value and reduce costs at sites in China · With production consolidation in the sheet film business completed, narrow target fields and aim for further productivity improvement

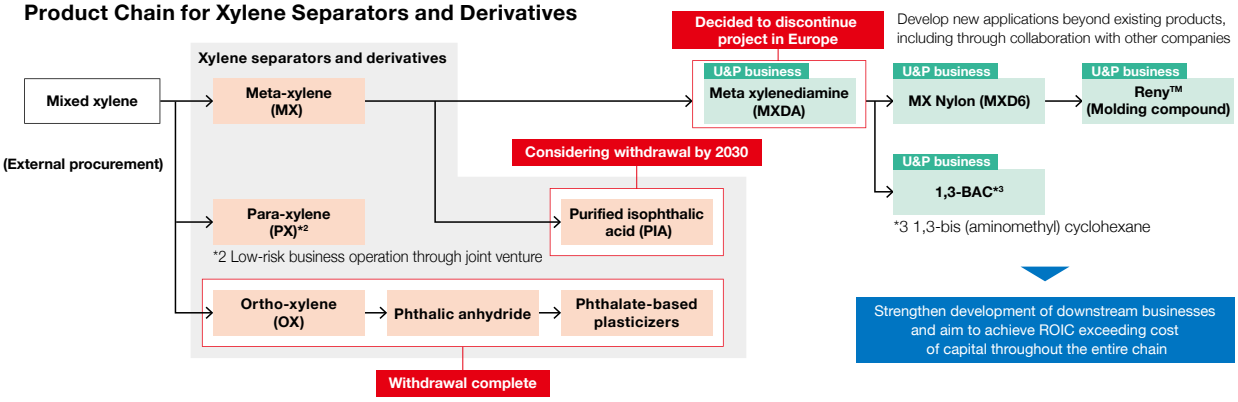
*1 Mitsubishi Engineering-Plastics Corporation

Xylene separators and derivatives

Xylene separators and derivatives are a product group that serves an infrastructure-like role by supporting downstream meta-xylenediamine (MXDA) businesses and other U&P businesses. Currently, however, this product group is facing profitability challenges. In fiscal 2024, we completed a withdrawal from the ortho-xylene chain business, which had remained unprofitable. We are also considering withdrawing from operations for purified isophthalic acid due to a persistent oversupply of the product.

The business environment for the downstream meta-xylene business has also become challenging. For example, our construction of an MXDA plant in Europe has been discontinued because of soaring energy prices, rising construction costs, and the emergence of competitors. To improve profitability and maximize earnings, we must proceed with optimization and business structural reforms across the entire xylene chain.

Product Chain for Xylene Separators and Derivatives



Toward the Realization of Our Vision

Implementation of Fundamental Structural Reforms

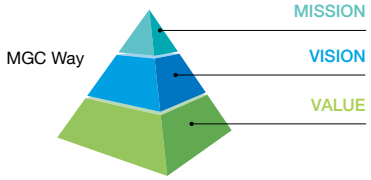
Our vision is to be “an excellent company with uniqueness and presence built on chemistry.” We aim to be a truly R&D-oriented company that not only produces high-quality products but also tackles the challenges of customers head-on and continues to create indispensable value for them through proprietary technologies and innovative R&D. In realizing our vision, a “market-out” approach of creating markets based on the latent needs of customers is important. By rapidly identifying the issues of customers that they have yet to articulate or define and advancing R&D in partnership with them, we will form markets that are well suited to us and that minimize price competition.

As well as implementing short-term intensive improvement measures, we will backcast from our vision to establish goals for a range of initiatives aimed at fundamental structural reforms, which we will implement in the period from fiscal 2026 through to the end of our next medium-term management plan. In particular, while concentrating the allocation of management resources mainly on ICT-related businesses that are “Growing” and “Winning,” in technology fields where differentiation is possible we will accelerate the creation of new businesses that allow us to maintain pricing power. In conjunction with these efforts, we will proceed with the restructuring of our business portfolio from the viewpoint of the best ownership structure possible and reform the business models of operations that have profitability issues.

Further, we will transition toward business management that places even greater emphasis on capital profitability and efficiency, placing ROIC and other capital efficiency metrics at the core of management decisions. Meanwhile, many businesses that are focused on the creation of social value, such as those related to carbon neutrality, continue to face issues in terms of profitability and cater to markets that need time to take shape. While appropriately managing risks, we will actively utilize external partners and government support with the aim of establishing social value-focused business models that continuously generate earnings. In initiatives such as carbon recycling based on Carbopath™, we will take advantage of our unique strengths to simultaneously deliver economic and social value.

Toward the realization of our vision

VISION An excellent company with uniqueness and presence built on chemistry



A truly R&D-oriented company

- Focus on customer challenges, thoroughly implement a market-out approach
- Expand connections with customers from isolated points to comprehensive areas through unique technologies and original R&D

Fundamental structural reforms

Fiscal 2026 and the Next Medium-Term Management Plan

Strengthening the resilience of our business portfolio	• Further concentration of management resources on “Growing” and “Winning” businesses including ICT-related businesses ◦ Creation of new businesses that provide strong price negotiation power ◦ Promotion of business portfolio replacement from the perspectives of profitability and the best ownership structure
Shift from expansion of scale to an emphasis on capital profitability	◦ Improvement in operating profit margin, ROIC, and ROE

For social value-leading businesses, actively utilize external partners and public support to establish revenue models while managing risks appropriately

Fundamental structural reforms

Further Concentration on Businesses That Are “Growing” and “Winning”

BT materials

Establishment of the BT Brand and Market Leadership

Developed by the MGC Group using proprietary technology, BT resin enjoys a favorable reputation as it has heat resistance and electrical properties comparable with those of ceramics. In 1985, it became the first resin material to be adopted for laminates (printed circuit boards) used in IC plastic packaging.*1 In the 1990s, BT resin rapidly penetrated domestic and international markets because it offered performance equivalent to that of ceramic substrates—which was the mainstream choice for laminates at the time—while being less expensive and easier to process. More than 40 years since its initial adoption, BT resin continues to be used worldwide as a laminate material for IC plastic packaging.

The differentiated advanced properties of our BT materials, including a high level of heat resistance, low thermal expansion, high electrical insulation, and excellent electrical properties, are achieved based on proprietary molecular design technology and resin synthesis and formulation technologies developed over many years. Backed by our proprietary production technologies, advanced development capabilities, and a track record of reliably supplying high-quality products, our products have become widely known in the market under the “BT” brand name and account for approximately 40% of the global market, which is the leading market share.

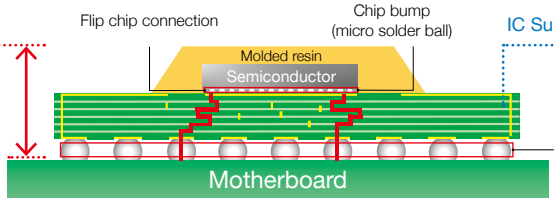
Our market-out approach to development involves anticipating and giving shape to the performance our customers seek and working with them to create new markets. The process is the source of our competitive advantages as our products become deeply embedded in specific applications and customer operations and therefore difficult to replace. Material design optimized for specific applications and customers has given us an extensive range of products. Also, by providing technical support that takes into consideration customers’ circuit designs and manufacturing processes, we have built capabilities for providing materials-based solutions to customer issues. The long-term relationships of trust with customers born of such close interaction are a key element of this business. Trust creates a virtuous cycle in which we are the first company customers consult when developing new products, making it easier for us to develop leading-edge products and helping us maintain a large market share.

*1 A substrate that connects a semiconductor chip to the main board (motherboard)

IC plastic packaging (outlined red)



Combining various semiconductor chips and substrates mounted on a motherboard (green board)

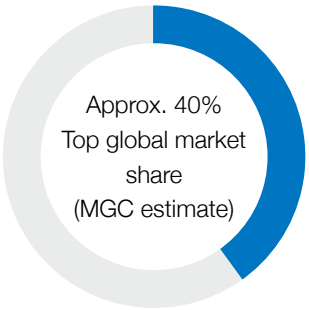


Cross section of IC plastic packaging (FC-BGA)

The Advantages of MGC’s BT Materials

Industry-leading performance and quality	Heat resistance, low thermal expansion Resistant to heat generated during semiconductor operation; thin and easy to process High electrical insulation Effective control of metal ion migration Outstanding electrical properties Lower permittivity and dissipation factor than other heat-hardened resins
Stable supply capabilities	· Since their commercial introduction, our BT products have earned the trust of customers. · Efficient production structure at two facilities, one in Japan and one in Thailand
Proprietary production technologies and strong development capabilities	· Our unique BT resins are “one and only” products made using proprietary technologies. · Drawing on years of R&D progress and accumulated data, we continue to create state-of-the art products.

Share of substrate materials market held by our BT resins



The Growth Potential of BT Materials

The semiconductor market is expected to continue growing over the medium to long term as demand is increasing significantly not only in relation to electronic devices such as personal computers, smartphones, and game consoles but also in relation to the data centers and high-performance computing needed for the rapid advancement of generative AI. Currently, BT materials have a significant share of the market for compact substrates used in smartphones and other mobile devices. However, demand is likely to grow for BT substrate materials that are essential for leading-edge semiconductors such as graphics processing units (GPUs) and application-specific integrated circuits (ASICs). With this in mind, we are focusing efforts on increasing sales of new grades. Further, substrates are becoming larger as packaging with chiplet architecture*2 becomes mainstream for the advanced flip chip ball grid array (FC-BGA) substrates*3 that are primarily used for AI servers.

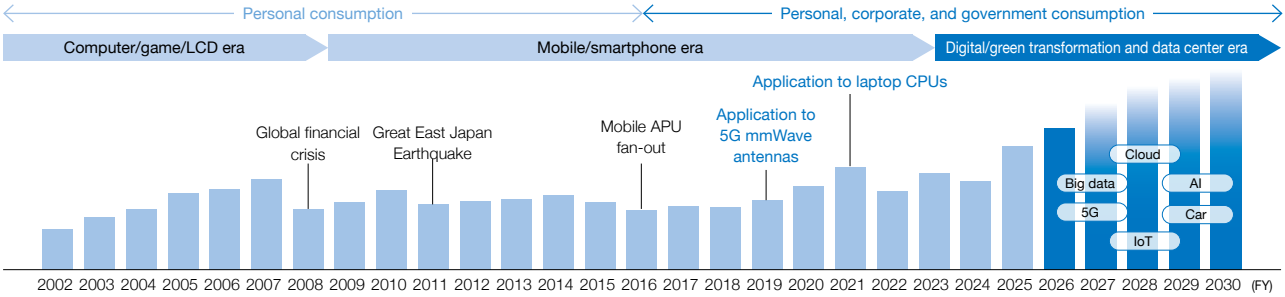
Given the aforementioned market and technology trends, we are developing new BT laminate materials mainly for use in FC-BGA substrates for AI applications while working to increase our share of markets in leading-edge fields. BT laminate materials for advanced substrates promise to be utilized in various fields as they feature flatness, superior low-warpage, and excellent machinability and can be adapted to a wide range of packaging types. Going forward, we will continue drawing on our advanced technological capabilities to develop new products that match market demand and customer needs and to broaden the scope of potential applications for BT materials. In this way, we will contribute to the development of an information-driven society.

*2 This is a design and manufacturing concept in which components such as central processing units (CPUs) and GPUs are designed and manufactured individually and then integrated and packaged to form a single semiconductor.
*3 "Flip chip (FC)" refers to turning a chip upside down for direct attachment. A ball grid array (BGA) is a substrate with ball-shaped solder pads arranged in a grid pattern on its underside. "FC-BGA" refers to a BGA substrate that has been turned upside down so that the ball-shaped solder pads attach to the main board (motherboard).

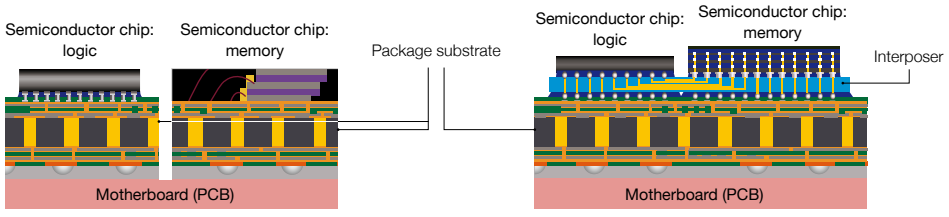
Performance Requirements for Semiconductor Substrates

Packaging substrates that mount semiconductor chips are subject to warpage (thermal expansion) when heated. During mounting on the motherboard, this warpage can lead to open circuits, short circuits, and other solder joint defects, which cause malfunctions in electronic devices such as smartphones. For this reason, substrate materials must possess heat resistance, low thermal expansion, high electrical insulation, and excellent electrical properties. Moreover, these properties are becoming increasingly important as they directly influence the performance of devices.

Sales of BT Laminate Materials



Applications	Until now: Computers, games, telecommunications devices and base stations, servers	From now on: AI, ADAS, servers
Technical trends	· Shortening data transfer distances and increasing transmission speeds via high-density implementation · Lower cost and higher performance via smaller dimensions and chip lamination	
Packaging trends	FC-BGA	2.xD packaging



· Each semiconductor chip is mounted on its own packaging substrate.
· Data is transmitted through the motherboard (PCB).

· Multiple semiconductor chips are mounted on an interposer.
· Data is transmitted through the interposer.

Fundamental structural reforms

Making Social Value-Driven Businesses Profitable

Carbon-neutrality initiatives

Solutions to Social Issues That Leverage MGC's Unique Management Resources

In the chemical industry, which relies on fossil resources for raw materials, achieving carbon neutrality in the upstream segment of the value chain is a major challenge. The MGC Group is using this segment as a starting point for the construction of new energy systems and the expansion of a lineup of products that contribute to carbon neutrality. Methanol is a raw material for chemical products essential to modern life, such as plastics, synthetic fibers, adhesives, and fuels, while ammonia is gaining attention as a decarbonized fuel. In particular, methanol derived from renewable resources is not only low carbon but also becoming increasingly important from the perspective of energy security. With this in mind, we will capitalize on our technologies and expertise accumulated over approximately 70 years in areas ranging from the development and production of natural gas through to the derivation of chemicals therefrom to strategically create and expand businesses that help solve social issues.

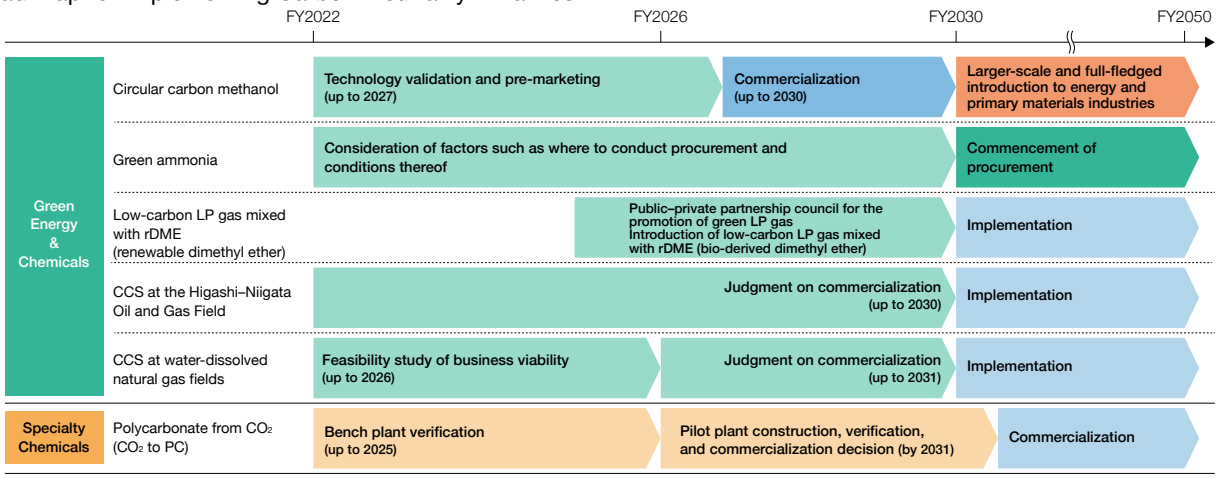
Although the establishment of markets for the aforementioned businesses will take time, their importance is undoubtedly growing. By actively utilizing external partners and government support while managing risks appropriately, we will steadily move forward with preparations for commercialization that is in line with market trends and aimed at the achievement of high added value and sustainable growth.

Main Products, Technologies, and Initiatives Contributing to Carbon Neutrality

		Managing sectors and division
Green energy, raw materials for green materials	Promotion of environmentally circular carbon platform Carbopath™	Green Energy & Chemicals
	Procurement of green ammonia (raw material, fuel, and raw material for green hydrogen)	
Green fuel	Production and sale of ISCC PLUS-certified rDME*4	Green Energy & Chemicals
Power generation business	Geothermal power generation	Green Energy & Chemicals
	High-efficiency LNG (gas turbine combined cycle) power generation	
Use of CO_2 as a raw material	Development of technologies for manufacturing polycarbonates from CO_2	Specialty Chemicals
Improving operational efficiency	Development of optical polymer for use in sensing cameras for automobiles	Specialty Chemicals
Research and development	Development of chemical recycling technology	Specialty Chemicals / Research & Development
	Solid-state battery (for EVs), fuel-cell battery (for FCVs*5)	Research & Development
	Development of direct air capture (DAC) technology using special amines	

*4 An abbreviation for "renewable DME," referring to dimethyl ether produced using raw materials such as biomass and industrial waste
*5 Fuel-cell vehicle

Road Map for Implementing Carbon-Neutrality Initiatives



Toward the Realization of Our Vision

For details on Carbopath™, please visit the dedicated Carbopath™ website below.
https://www.carbopath.mgc.co.jp/en/

Carbopath™ Initiatives

The social implementation of the Carbopath™ environmentally circular carbon platform is our most pivotal initiative. Methanol is used in various applications across the chemical industry. The platform aims to realize a circular economy by replacing methanol derived from fossil resources with circular carbon methanol derived from CO_2 and waste materials and utilizing it to produce energy and materials. We will undertake all aspects of this initiative, from investing in businesses engaged in the manufacture of circular carbon methanol; licensing methanol synthesis technology; and providing support services for autonomous operation, remote monitoring, and maintenance through to the transportation and sale of products and the rollout of methanol derivatives.

Progress

In advancing toward real-world implementation, we are following a road map. To establish the supply chain, we are accelerating cross-industry collaboration with companies and municipal authorities that possess the biomass, waste and CO_2 emission sources, and renewable energy-derived hydrogen necessary for methanol manufacture. In fiscal 2024, we began manufacturing biomethanol by using digester gas from a sewage treatment plant.

In fiscal 2026, plans call for commencing the verification of methanol manufacturing that uses a by-product gas from a steelmaking process. In addition, we are proceeding with the procurement of low-carbon methanol from overseas while intensifying efforts to establish a supply system therefor.

Our initiatives with methanol users are also progressing. For example, we are stepping up efforts to create a market through partnerships with infrastructure and fuel companies. Most recently, we have been working to establish a supply system in the shipping industry because stricter international regulation of global greenhouse gas emissions is likely to increase demand for methanol as a marine fuel. In September 2024, the MGC Group, the City of Yokohama, and five other parties conducted a methanol bunkering simulation, which served as a crucial stepping stone toward the establishment of an operational system in Japan. In February 2026, the parties collaborated to realize Japan's first methanol bunkering of a ship at an anchorage. Moreover, MGC-manufactured biomethanol was used as a bunker fuel. The bunkering operation marked a major step forward for the domestic maritime shipping industry in the drive to lower emissions. With respect to material applications, in various industries we are collaborating with companies that are leaders in

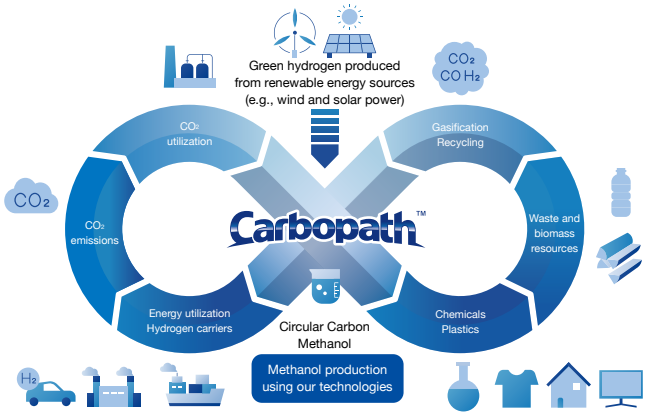
Why We Can Realize Carbopath™

A major company with a top-three share of the global market

Possession of a wide range of technologies for deriving methanol from renewable resources, such as CO_2 and hydrogen technologies

Extensive expertise and experience encompassing the entire methanol value chain

Environmentally Circular Carbon Methanol Carbopath™



Road Map to Large-Scale Commercialization of Carbopath™

Commercialization of circular carbon methanol, using CO_2, hydrogen, biomass, and waste

- Overseas: Expansion of market for fuel and primary materials
- Domestic: Start of circular carbon methanol value creation

→**Establishment as a manufacturing and sales business**

- Participation in international projects and domestic renewable energy-based projects and utilization of existing business
- Utilization of biomass and waste
- Utilization of domestic excess renewable energy, etc.

Larger scale for circular carbon methanol Full-fledged introduction to primary materials industry

- Expanding value of circular carbon methanol
- Value creation for unused resources
- Decarbonization of domestic petrochemical complexes

→ **Improvement and extension of business**

- Utilization of large-scale renewable energy overseas
- Social implementation of chemical recycling
- Promotion of MTO-enabled chemical applications

Contribution to achieving carbon neutrality through circular carbon methanol

- Manufacturing carbon-neutral methanol in Japan and overseas
- Raw material conversion for application in a wide range of chemicals
- Supplying to meet growing energy-related demand for methanol

- Further development as a basic raw material for green chemicals
- Supplying fuel for expanding applications in marine, aviation, and automotive sectors

FY2025 — Up to 100,000 t-CO_2-e — **FY2030** — Up to 1 million t-CO_2-e — **FY2040**

green transformation,*6 focusing our efforts on realizing high-value-added products made from CO_2 and waste and on stimulating demand for them.

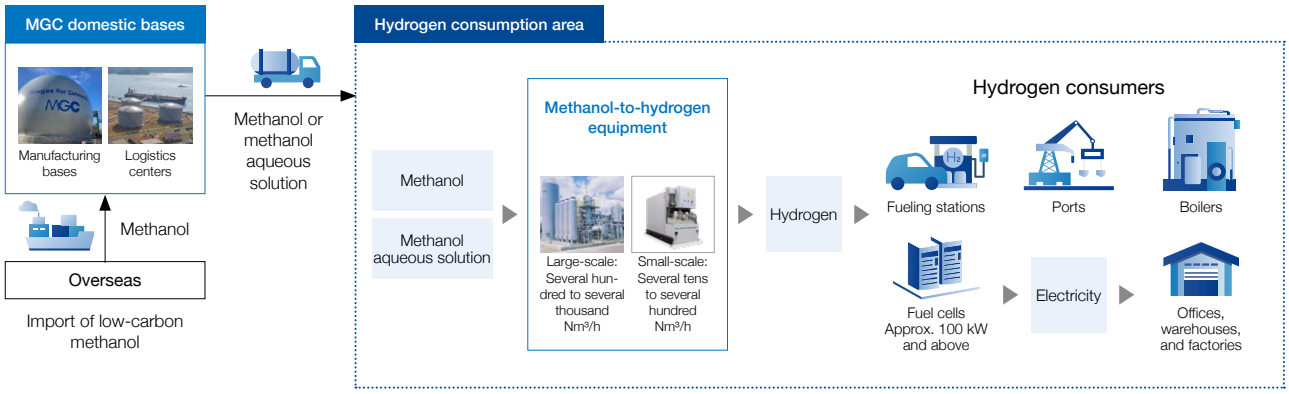
*6 Initiatives to reduce the environmental impact of business activities and realize a sustainable society

The Methanol-to-Hydrogen Process for Producing Hydrogen from Methanol

Methanol is promising as an efficient carrier of hydrogen because methanol has the advantage of being a liquid at room temperature, making it easy to handle. This ease of handling together with the fact that a logistics network has already been established for methanol mean that it will be able to facilitate the expansion of hydrogen use more rapidly than other hydrogen carriers. Further, storing methanol is simple. In combination with fuel cells, it enables the realization of the power supply systems needed to support long-term business continuity plans.

We own a methanol-to-hydrogen production process that utilizes an in-house developed catalyst. Since 1985, we have delivered more than 100 units of equipment for the process in Japan and overseas. We are reducing the carbon footprint of the entire methanol-to-hydrogen process by using this technology in combination with Carbopath™ circular carbon methanol. At the same time, the Group is promoting the widespread adoption of methanol as a hydrogen carrier. Specifically, we aim to establish a decentralized model for hydrogen utilization in which Carbopath™ circular carbon methanol or its aqueous solution are transported to consumption areas for the on-site production of hydrogen. To this end, we are collaborating with Methanol Reformer S.L. and Element 1® Corp. to verify and introduce the mass production of portable hydrogen generators domestically. The Group is also partnering with Fuji Electric Co., Ltd. in the joint implementation of demonstration tests of a power generation system that integrates fuel cells and hydrogen generators.

Hydrogen Supply Chain Based on Carbopath™ Circular Carbon Methanol

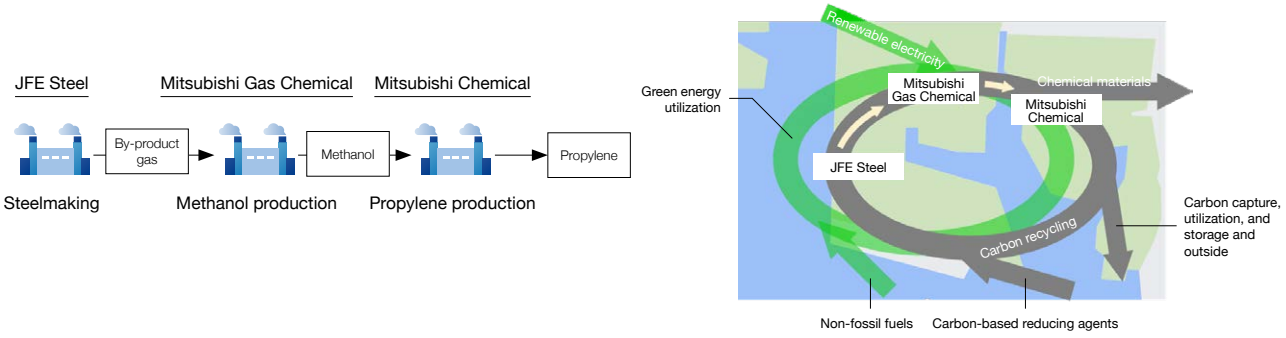


Note: Electricity is generated from hydrogen and supplied to offices, warehouses, factories, and other locations.

Supply Chain Demonstration Project at the Mizushima Complex—Aiming to Realize a Carbon-Recycling Society

At the Mizushima Complex in Kurashiki, Okayama Prefecture, we are conducting a verification project aimed at producing methanol from a by-product gas emitted during a steelmaking process and further utilizing the methanol to produce propylene, a key raw material for plastics.

We are constructing a new plant to conduct demonstrations of methanol production that uses by-product gas as a raw material.



Blending rDME with LPG to Realize Low-Carbon LPG

The MGC Group is Japan's only manufacturer of dimethyl ether (DME), a compound produced through the dehydration of methanol. While DME has primarily been used as a propellant in aerosol cans and as a foaming agent, demand for DME as a clean fuel is growing because it has physical properties similar to those of LPG—namely, low toxicity and a gaseous state at room temperature—and because DME emits few harmful substances during combustion. Consequently, Japan's Seventh Strategic Energy Plan has wresources, called renewable DME (rDME), as a means of realizing low-carbon LPG. In response, the LPG industry, which sets targets for the import and domestic production of green LPG, has formed a group tasked with studying the introduction of rDME blended with LPG. A participant in this public–private study group, the Group will utilize its expertise as a DME producer and leverage the Carbopath™ platform as the basis for providing support for the commencement of verification tests and the social implementation of rDME blended with LPG in 2028.


Our DME plant at the Niigata Plant

Examining the Commercialization of CCS

Another pillar of efforts to realize carbon neutrality is the real-world implementation of carbon capture and storage (CCS). The technologies for natural gas exploration and development that we have fostered since our founding are highly compatible with CCS. Building on these strengths, we have participated in multiple large-scale demonstration projects and furthered analysis focused on the commercialization of CCS.

In 2024, we participated in Japanese Advanced CCS Projects selected by the Japan Organization for Metals and Energy Security in Higashi–Niigata and offshore Sarawak in Malaysia. Particularly in Higashi–Niigata, we are implementing initiatives that highlight the outstanding technologies and partnerships we have developed over many years. As this region has water-dissolved natural gas fields, we have focused on an existing operational process for such gas. In the process, natural gas and iodine are separated from formation water pumped from underground. To prevent ground subsidence, the formation water is then reinjected underground. By dissolving CO_2 into the water before reinjection, we can store CO_2 at low cost and without the need to use additional power for injection.

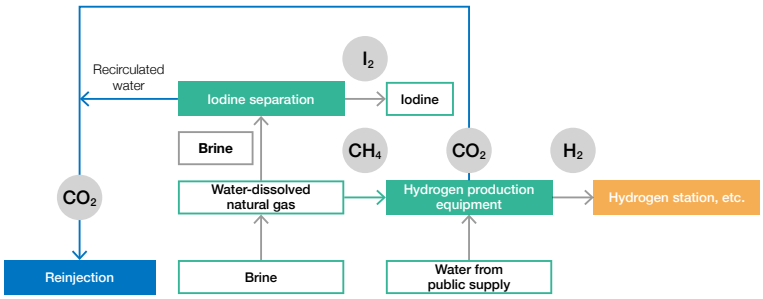
CCS has the potential to develop into and expand as a negative credit business.*7 We are exploring the possibility of building a more efficient and high-value-added business structure by not only commercializing CCS itself but also addressing areas that promise synergies. These efforts include the examination of the potential for blue hydrogen production in combination with CCS and the development of CO_2 absorbents. Going forward, we will continue to pursue value creation with a focus on our customers and society—the ultimate beneficiaries of our businesses—through the simultaneous advancement of technologies and the expansion of business scope.

*7 A business that captures CO_2 directly from the atmosphere or from biomass and injects it underground, then converts the amount of carbon reduction into credits.

Our Advantages in CCS

- Possession of natural gas and water-dissolved natural gas reserves such as the Higashi–Niigata Oil and Gas Field and the Iwafune–Oki Oil and Gas Field
- Potential to develop existing natural gas fields into carbon-neutral infrastructure for CO_2 storage and utilization

Examination of CCS at Water-Dissolved Natural Gas Fields



03 Management Strategy Section

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Progress with Our Medium-Term Management Plan

Review by the Director in Charge

In preparation for the next medium-term management plan, we will greatly enhance our ability to strengthen the resilience of our business portfolio.



Chika Kobayashi

Director, Managing Executive Officer
In Charge of Compliance, Responsible for Corporate Planning, and in Charge of Internal Audit Division and Information Systems Division

Acceleration of Reform Without Sacred Cows

In line with the current medium-term management plan (MTMP 2026), we are strengthening the resilience of our business portfolio by concentrating management resources on Uniqueness & Presence (U&P) businesses that are “Growing,” “Winning,” and “Sustainable” and which can achieve both social and economic value. In particular, businesses in the AI semiconductor field are representative of the type of businesses on which we are focusing investment as they are expected to realize strong growth, to enable the passing on of rising costs through the provision of high-value-added services based on the utilization of proprietary technologies, and to achieve high levels of profitability and capital efficiency. Similarly, for businesses that contribute to the realization of a carbon-neutral society, our commitment to giving priority to realizing returns over the medium to long term is as steadfast as ever. Our basic stance remains unchanged because it is essential for the continuity of our businesses.

At the same time, in businesses with low profitability and capital efficiency, which we categorize as “businesses requiring intensive management,” we are moving beyond a business-as-usual mindset to implement swift, fundamental reforms. Given the intensification of global competition, rising costs, and the increasing opacity of the current business environment, leaving decisions on investment and withdrawal solely to business sectors risks the preservation of low-profit businesses, which would continue to deplete corporate value. Therefore, rather than entrust decisions to business sectors, the Group has adopted a policy whereby corporate sectors actively engage in reforming the business portfolio from the perspective of Groupwide optimization and capital efficiency while supporting the implementation of necessary reforms. The Corporate Planning Division plays a central role in advancing this policy.

Further Systematic Reinforcement to Strengthen the Resilience of Our Business Portfolio

In February 2026, we decided to discontinue the construction of a meta-xylenediamine (MXDA) manufacturing facility in the Netherlands. We have maintained a dominant share of the global market for this product for many years by utilizing the advantages of our proprietary manufacturing process. We were constructing the European facility with the aim of strengthening our competitiveness even further. However, the assumptions upon which the business sector had based its plan changed significantly due to a hike in construction costs, construction delays, rising material and energy prices, market sluggishness, and the entry of Chinese competitors. In response to these changes, around June 2025 a committee led by the Corporate Planning Division was established. Through in-depth involvement that included the compilation of reports on the business environment and the clarification of key points, the committee provided support to the management team, enabling it to make an informed decision that resulted in withdrawal from the project.

The aforementioned project has reaffirmed that, rather than entrusting business sectors with decisions on operations that lack clear future strategies despite their return on invested capital (ROIC) being below the weighted average cost of capital (WACC), we should include such operations in discussions on the Group’s business portfolio at meetings of the Board of Directors, thereby expediting decision-making. In the fall of 2025, to support such decision-making, we established the Business Portfolio Resilience Strengthening Task Force, comprising personnel from business sectors, the Corporate Planning Division, the Finance & Accounting Division, the Investor Relations Department, and other divisions. To give one example of the task force functioning effectively, in March 2026 we decided to discontinue production at the Kashima Plant’s polycarbonate (PC) plant, which has seen a deterioration in profitability, by the end of March 2028 and to withdraw from the domestic production of PC.

Toward Full-Fledged Implementation of ROIC Management

The Group is characterized by a business portfolio comprising a variety of niche-leading products. To enhance capital efficiency Groupwide, every business and base—without any exceptions—must operate with a focus on capital costs and capital efficiency. For this reason, under MTMP 2026, we are promoting ROIC management that focuses on improving capital efficiency and taking into consideration capital costs. As well as holding briefings throughout the Group to promote understanding of ROIC management, the Corporate Planning Division has established an ROIC breakdown tree to ensure that the management approach becomes embedded at the operational level. We break down ROIC in alignment with the characteristics of our operations and then incorporate ROIC into KPIs and action plans that reflect the characteristics of respective businesses. Moreover, during the preparation of business plans, we require each business sector

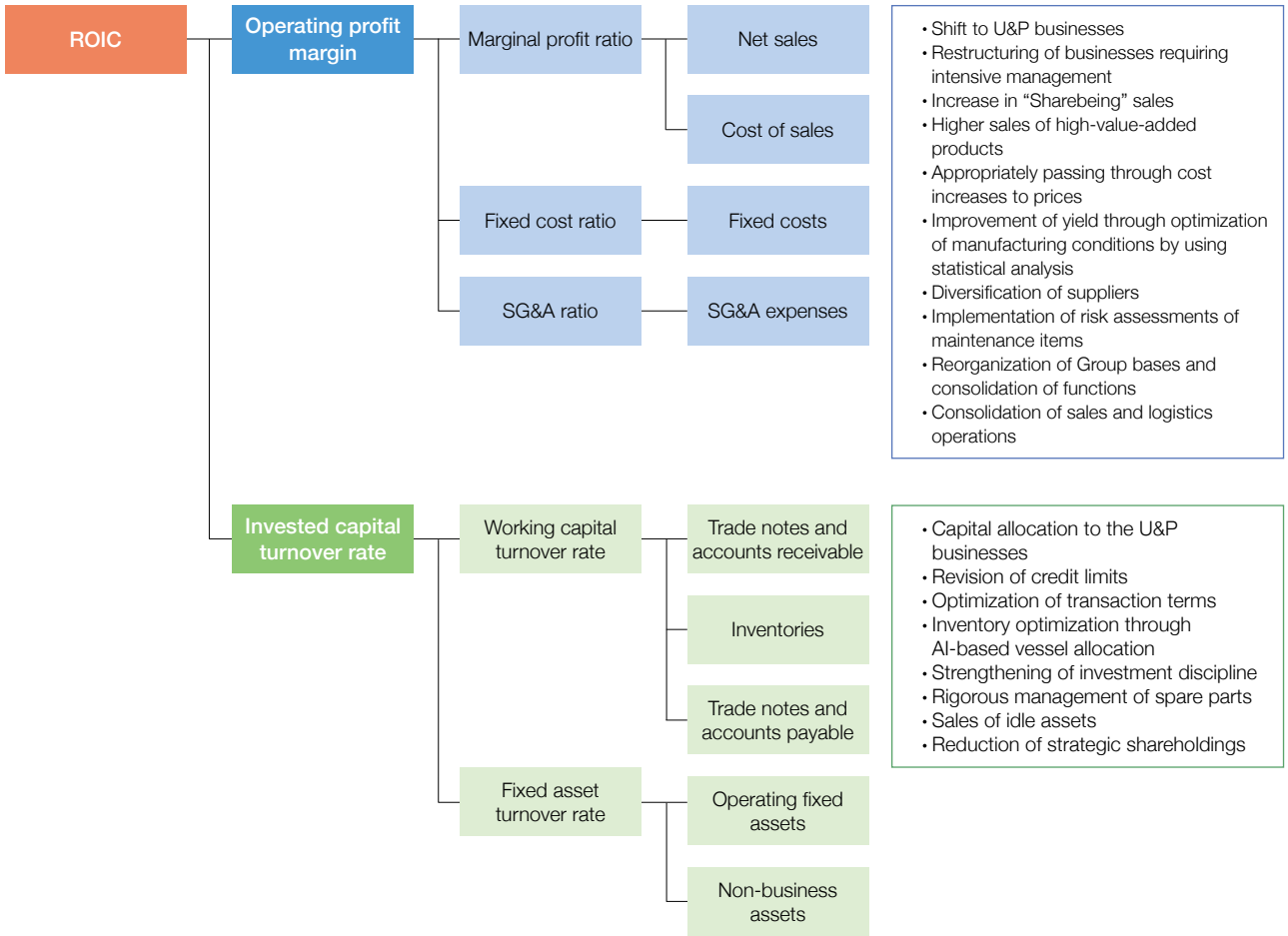
to submit specific measures for improving ROIC in addition to forecasts for profit and loss, balance sheets, and cash flows.

To facilitate our transition to a phase of full-fledged implementation of ROIC management under the next medium-term management plan, we are also further strengthening management information infrastructure. In December 2025, the Digital Advancement Preparation Team was newly established in the Corporate Planning Division. By centralizing and visualizing management data, we aim to pave the way for data-driven business management that is based on facts. Further, to rectify discrepancies in understanding between the Corporate Planning Division and business sectors with respect to the causes of business results, we have adopted Five Whys analysis, a problem-solving method that identifies the root causes, or real causes, underlying superficial phenomena. We also plan to strengthen investment discipline and further clarify our exit criteria. In addition, we will establish a process in which business sectors take the lead in breaking down ROIC improvement measures so that they can be readily incorporated into frontline operations, thereby enhancing effectiveness of said measures.

On July 21, 2026, the Financial Services Agency and the Tokyo Stock Exchange published a revised version of Japan's Corporate Governance Code. The revised version requires companies to verify and explain to external stakeholders the allocation of management resources in line with management strategies, including growth investments and business portfolio reform. To further enhance our ability to strengthen the resilience of our business portfolio, we must proceed with the ongoing separation of oversight and execution and facilitate deeper discussions at meetings of various committees and the Board of Directors. To this end, a shift in our mindset is also crucial. With the aim of raising awareness and fostering a deeper understanding of the importance of business portfolio reform and the essentials of ROIC management, we are currently holding monthly study sessions and roundtable meetings with members of the Expert Panel on the Revision of the Corporate Governance Code as well as executives who have actually implemented ROIC management. We also ask our guest lecturers to provide candid opinions on our issues from an external, objective perspective.

We are viewing fiscal 2026 as a critical period for establishing measures aimed at resolving the issues identified by MTMP 2026. Under our next medium-term management plan, we will seek an increase in corporate value by greatly enhancing our ability to strengthen the resilience of our business portfolio.

ROIC Breakdown Tree



Business Investment

Business Investment Process and Results

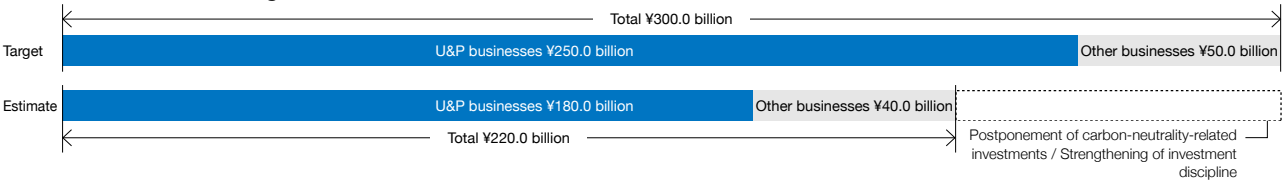
As a basic principle, each business sector executes investment and financing within the scope permitted by their own operating cash flows. However, for projects related to Companywide strategy or the creation of next-generation businesses, we have introduced an investment budgeting system that allows proposals for investment and financing amounts beyond the scope of an individual business sector's operating cash flows, thereby accelerating growth investments while utilizing a certain degree of leverage. Investment and financing that are subject to deliberation by the Operations Council are reviewed in advance at screening meetings held under the leadership of the Corporate Planning Division, enhancing the precision of investments and furnishing more robust management of investment risks. Even after investments are executed, each quarter, metrics such as return on invested capital (ROIC) and cash conversion cycle (CCC) for each business management unit are shared internally, including with senior management, to ensure ongoing monitoring of capital profitability.

For the period under medium-term management plan (MTMP 2026), we originally planned investment and financing totaling ¥300.0 billion. However, following a review of carbon-neutrality-related investments and the increasingly challenging circumstances affecting the MXDA Europe project, we reinforced investment discipline. As a result, total investments, based on investing cash flows, are expected to fall below what was initially planned. To realize steady returns, we will focus on the execution of investment and financing within an appropriate scope and further strengthen investment discipline.

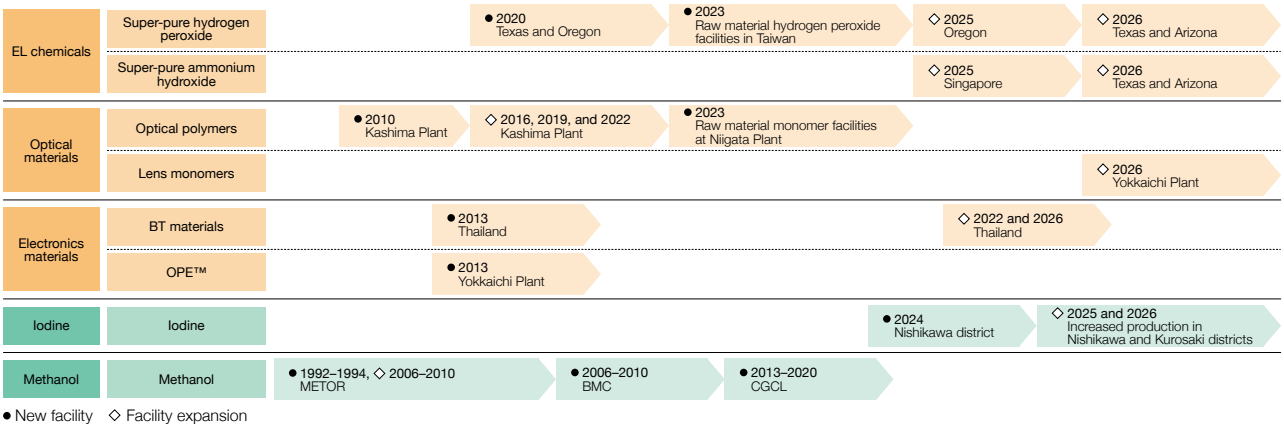
Investment Budgeting System

Investment budget	Budget for each sector	Specialty Chemicals Business Sector Green Energy & Chemicals Business Sector Corporate Sectors (research labs, etc.)	We set operating cash flows less dividends as the investment budget for each sector.
	Management budget	Following individual screenings, we allocate investment funds beyond each sector's investment budget (above the cap) to projects related to strategy for the entire Company, ESG, or the creation of new/next-generation businesses.	

Investment and Financing Under MTMP 2026



Main Investment and Financing Projects in U&P Businesses to Date



● New facility ◇ Facility expansion

Strengthening of Investment Discipline

In response to the discontinuation of the MXDA Europe project and delays in realizing returns from other investments, we are working to strengthen investment discipline. For each project, we have begun monitoring on a quarterly basis changes in supply and demand in target markets, competitor trends, and overall changes in the business environment as well as commencing the monthly management of construction costs and schedules while strengthening the research and analysis function of the Corporate Planning Division. By verifying the accuracy of market information and peer-company trends provided by business sectors and having a more in-depth understanding of the business environment, we will sharpen our ability to forecast future trends.

Moving forward, we will endeavor to make improvements to investment systems, including by strengthening resource allocation management and reviewing investment profitability indicators, and promote disciplined growth investments.

Overview of

Current Medium-Term Management Plan

Objective 1 Strengthen the Resilience of Our Business Portfolio

Strategy 1

Focus on “Uniqueness & Presence businesses”

Strategy 2

Build new value through innovation

Strategy 3

Restructure businesses requiring intensive management

Objective 2 Promote Sustainability Management

Strategy 1

Accelerate initiatives for realizing carbon neutrality

Strategy 2

Enhance human capital management

Strategy 3

Promote materiality management

Promotion of strategies to increase corporate value for realizing management with an awareness of cost of capital and stock price

The current medium-term management plan (MTMP 2026) serves as a guide for the realization of our vision for MGC in 2030. We are advancing measures with the aim of realizing two objectives: strengthening the resilience of our business portfolio and promoting sustainability management.

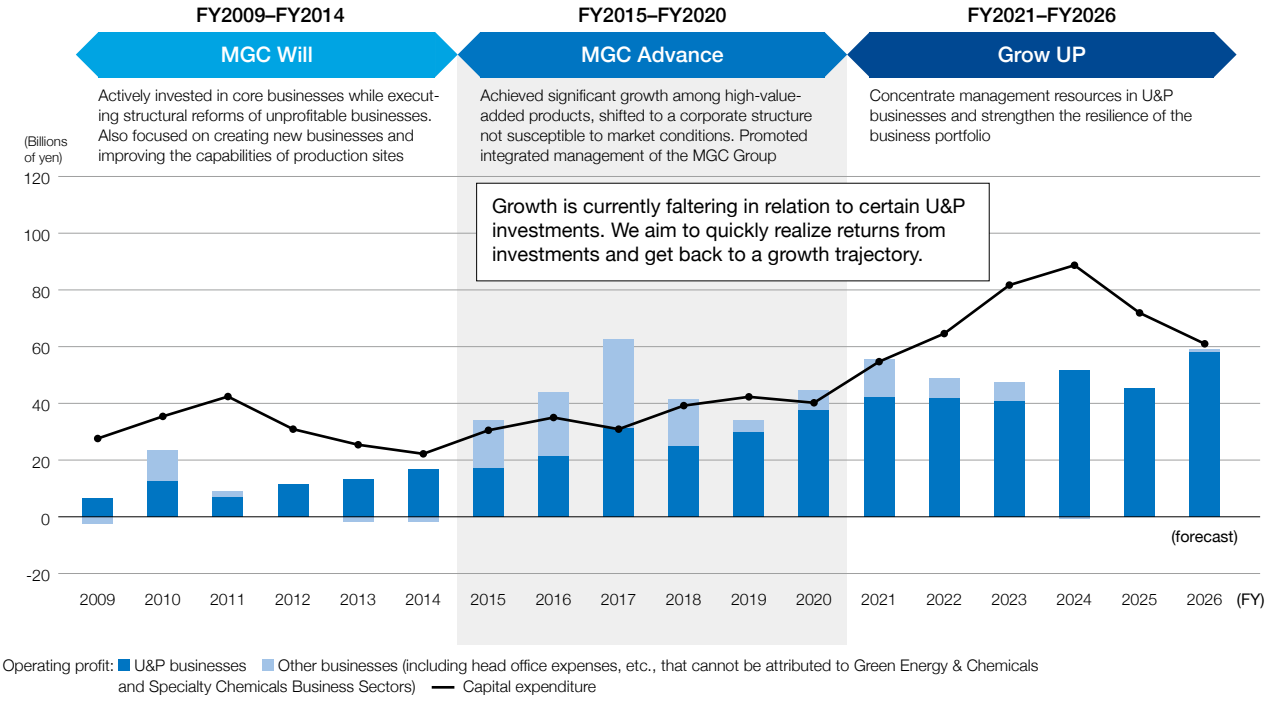
To increase capital efficiency Groupwide, we are concentrating management resources on Uniqueness & Presence (U&P) businesses, which can sustain growth by creating both social and economic value. Further, by promoting sustainability management, we aim to flexibly adapt to various changes in the social environment and demonstrate resilience.

Numerical Targets and Results

	MTMP 2026		MTMP 2026 FY2026 target
	FY2025 result	FY2026 forecast	
Net sales	¥738.2 billion	¥840.0 billion	¥850.0 billion
Operating profit	¥45.2 billion	¥59.0 billion	¥85.0 billion
Operating profit margin	6.1%	7.0%	10% or higher
Ordinary profit	¥51.9 billion	¥66.0 billion	¥95.0 billion
Profit (loss) attributable to owners of parent	(¥40.3 billion)	¥46.0 billion	—
EBITDA*1	¥92.8 billion	¥110.9 billion	¥150.0 billion
ROE	—*3	7.1%	9% or higher
ROIC*2	3.2%	6.0%	8% or higher

*1 EBITDA = Ordinary profit + Interest paid + Depreciation and amortization
*2 ROIC = (Operating profit - Income taxes + Equity in earnings of affiliates) ÷ Invested capital
*3 ROE for fiscal 2025 has been omitted due to the recording of a net loss.

U&P Businesses: Performance Trend



Operating profit: ■ U&P businesses ■ Other businesses (including head office expenses, etc., that cannot be attributed to Green Energy & Chemicals and Specialty Chemicals Business Sectors) — Capital expenditure

Objective 1 Strengthen the Resilience of Our Business Portfolio

We are advancing three initiatives: focusing on U&P businesses, building new value through innovation, and restructuring businesses requiring intensive management. By categorizing our businesses based on their economic value, business potential, and social value and then concentrating management resources on U&P businesses, we are increasing the resilience of our business portfolio. In addition, we have narrowed down the focus of our research to three key strategic areas: mobility, ICT, and medical and food. By concentrating our research and development resources on these areas, we are advancing the development of new products. Meanwhile, the Group is reducing costs and streamlining the balance sheets of businesses requiring intensive management.

Winning (= Economic value)
Set standards for ROIC and EBITDA and evaluate business advantage

Growing (= Business potential)
Evaluate business potential through market share, market growth rate, etc.

Sustainable (= Social value)
Evaluate the medium- to long-term sustainability of the business from the status of its GHG emissions, sustainability initiatives, etc.

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Comprehensive Evaluation

Comprehensively evaluate each business from the above three perspectives

Identify businesses that should receive priority allocation of management resources and those that should be considered for rebuilding

Business portfolio classification at the start of MTMP 2026

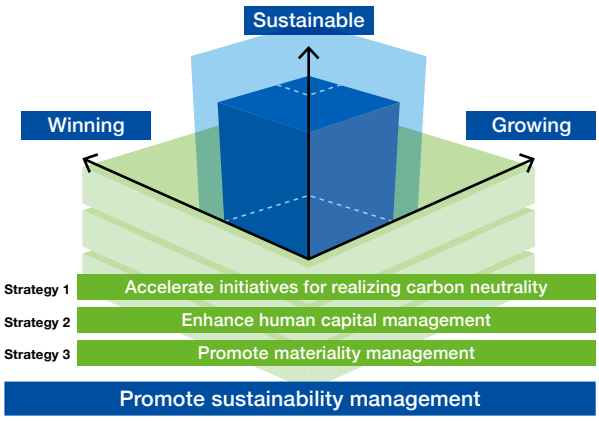
Uniqueness & Presence	Foundation	New/Next-generation	Requiring intensive management
Three ICT businesses = Growth drivers • Electronics materials • Electronic chemicals (EL chemicals) • Optical materials • Methanol • Energy resources and environment businesses • POM • MXDA/Aromatic aldehydes • Polymer materials	• Methylamine-and ammonia-related products • MMA-related products • Formalin and polyol-related products • Oxygen absorbers	• Life science-related • New/Next-generation	• PC-related products • Xylene separators and derivatives

Objective 2 Promote Sustainability Management

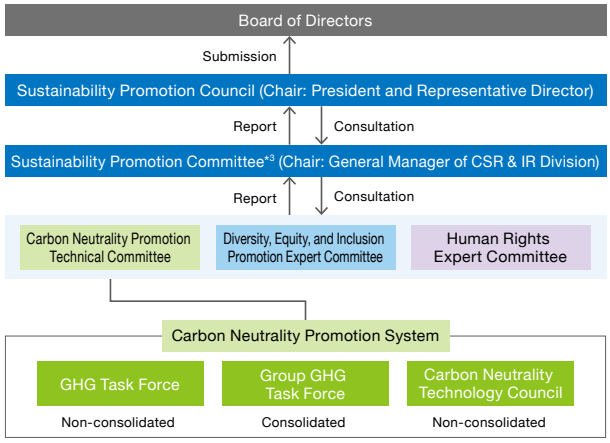
Focusing on efforts to accelerate initiatives for realizing carbon neutrality, enhance human capital management, and promote materiality management, we aim to earn the trust and support of our stakeholders and increase corporate value by contributing to the resolution of social issues through our business activities.

The Sustainability Promotion Council conducts comprehensive reviews of key issues related to sustainability management, referring important matters to the Board of Directors for approval. The council is chaired by the president and comprises directors, executive officers at the level of managing executive officer or above, the heads of business sectors, and Audit & Supervisory Board members. Under the auspices of the council, the Sustainability Promotion Committee examines, investigates, and deliberates important sustainability matters and establishes specialized committees as necessary. This committee is convened by the general manager of the CSR & IR Division and attended by the general managers of head office administrative divisions. Serving as the secretariat, the Sustainability Promotion Department is responsible for administrative tasks such as managing internal non-financial information and internal and external engagement.

Foundation for Sustainability Management
(Basis for Value Creation for the Group)



Sustainability Promotion System



*3 Advisory body to the Sustainability Promotion Council

Main Discussion Topics of the Sustainability Promotion Council (Fiscal 2025)

- Status report on achievement and progress of materiality KPIs in MTMP 2026
- Annual report on sustainability promotion, report on plan for next fiscal year
- External ESG evaluation report
- Sustainability engagement report
- Initiatives for advanced and early external disclosure
- Promotion of understanding and reduction in GHG emissions
- Promotion and reporting of human rights due diligence
- Annual report on diversity, equity, and inclusion (DEI) promotion, report on plan for next fiscal year

Materiality Determination Process

Step 1 Identify "importance to the Company"

To implement management strategies with a grasp of our corporate philosophy, company policies, and long-term changes in the business environment, we identified 36 issues that need to be examined by making reference to the requirements of standards, such as the GRI Content Index, ISO 26000 and SASB, the Sustainable Development Goals (SDGs), survey items from international SRI/ESG institutions, and trends among other companies.

Step 2 Survey "importance to the economy, the environment, and society"

We conducted a survey among institutional investors, customers, business partners, employees, and general monitors regarding the Group's business activities and their impact on the economy, the environment, and society. We confirmed the importance of the 36 issues identified in Step 1 from the perspectives of stakeholders.
(Items with the highest response rates) Institutional investors: protection of water resources; customers: prevention of pollution; business partners: process safety and disaster prevention; employees: occupational safety and health; general monitors: product safety

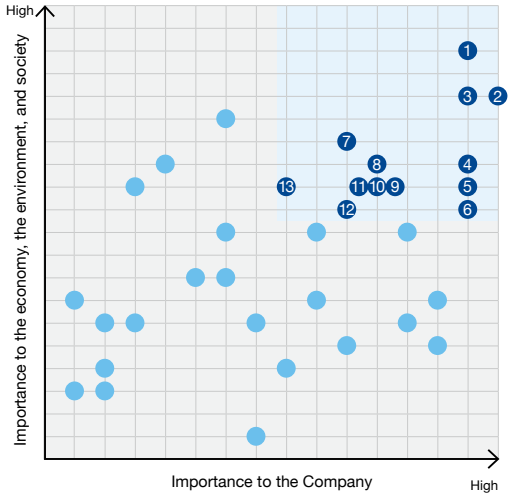
Step 3 Evaluate importance

We evaluated the survey results in Step 2, created a materiality map using the two axes of "importance to the Company" and "importance to the economy, the environment, and society" and determined the materiality that management should address.

Step 4 Confirm appropriateness by management

Materiality identified in Step 3 was deliberated by the Sustainability Promotion Council (composition: directors, outside directors, Audit & Supervisory Board members, outside Audit & Supervisory Board members) to confirm its appropriateness. Finally, the materiality obtained approval through resolution of the Board of Directors.

Materiality Map



13 Issues

1. Reduction in GHG emissions
2. Occupational safety and health
3. Improving energy efficiency and reducing energy usage
4. Process safety and disaster prevention
5. Development of environmentally friendly products and technologies
6. Development and retention of human resources
7. Product safety and quality
8. Respect for human rights
9. Promotion of diversity and inclusion
10. Increased efficiency in resource usage
11. Reduction of industrial waste
12. Governance and internal control / risk management / compliance
13. Building sustainable supply chains

11 Materiality Issues

- Contribution to solving social issues through business
- Promotion of innovative research and development
- Proactive response to environmental issues
- Highly energy- and resource-efficient production
- Cultivating a corporate culture of job satisfaction
- Promotion of diversity and inclusion
- Respect for human rights
- Ensuring occupational safety and health / process safety and disaster prevention
- Chemical and product quality and safety assurance
- Promotion of socially responsible sourcing
- Strengthening governance and internal control / risk management / compliance

Progress of Materiality

Materiality		Current medium-term management plan (MTMP 2026) KPIs	Reporting scope			
			Non-consolidated	Domestic consolidated	Overseas consolidated	
CSV	Contribution to solving social issues through business	Sales of “Sharebeing” products (MGC Group eco-friendly products)	●	●	●	
	Promotion of innovative research and development	Percentage of research and development costs contributing to increased resilience of business portfolio*1	●	●	●	
		Percentage of research personnel contributing to solving climate change issues	●	●	●	
		Percentage of digital transformation (DX) human resources among research personnel*2	●	●	●	
E	Proactive response to environmental problems	Reduction in GHG emissions (compared with fiscal 2013)	●	●	●	
		Zero waste emission rate*3	●	●		
	Highly energy- and resource-efficient production	Energy usage reduction rate*4 (compared with fiscal 2023)	●	●	●	
S	Cultivating a corporate culture of job satisfaction	Percentage of employees that feel satisfied at work	●			
	Promotion of diversity and inclusion	Number of female managerial personnel	●			
	Respect for human rights	Respect for human rights	●	●	●	
	Ensuring occupational safety and health / process safety and disaster prevention	Serious occupational accidents,*7 serious accidents*8	●	●	●	
	Chemical and product quality and safety assurance	Product liability incidents, serious*9 legal and regulatory violations, serious*9 quality issues	●	●	●	
	Promotion of socially responsible sourcing	Percentage of suppliers in agreement with the Company’s basic approach to raw material procurement activities and its CSR procurement guidelines	●			
		Percentage of consolidated subsidiaries required to conduct CSR procurement activities	●	●	●	
G	Strengthening governance and internal control / risk management / compliance	Number of serious compliance violations	●	●	●	

*1 Percentage of total value of R&D expenditures in the U&P business and new/next-generation business categories
*2 Percentage of research personnel who have taken DX fundamentals courses
*3 Amount of final disposal ÷ Total amount of waste generated x 100
*4 Reduction in energy usage resulting from energy-saving improvements (based on 100% capacity utilization) ÷ Average annual energy usage for fiscal 2021 to fiscal 2023
*5 Percentage of all survey respondents who made clearly positive responses
*6 Make planned progress in accordance with the Human Rights Due Diligence Action Plan
*7 Accidents resulting in lost work days eligible for disability compensation, including death and permanent disability, or potential disability, and those with four or more lost work days
*8 Accidents that threaten third parties, including those resulting in environmental pollution involving the community or that cause damage to local residents, and other accidents involving serious damage
*9 Losses of ¥1.0 billion or more

	FY2025 results	FY2026 targets	FY2030 targets	Main relevant initiatives in MTMP 2026	Main relevant contents in *MGC Report 2026*
	¥246.6 billion	¥270.0 billion	¥500.0 billion	• Accelerate initiatives for realizing carbon neutrality • Focus on "Uniqueness & Presence" businesses • Build new value through innovation • Enhance human capital management • Initiatives to strengthen the resilience of business portfolio	▸P23 Acceleration of Initiatives for Strengthening the Resilience of Our Business Portfolio ▸P25 Toward the Realization of Our Vision ▸P51 Environmental Initiatives ▸P57 Research and Development ▸P63 Human Resource Strategy
	69%	60% or higher	60% or higher		
	34%	25% or higher	25% or higher		
	82%	75%	80%		
	33% reduction	33% reduction	39% reduction	• Accelerate initiatives for realizing carbon neutrality	▸P25 Toward the Realization of Our Vision ▸P51 Environmental Initiatives
	1.6%	1.2%	1.0%		
	-4.2%	-3.0%	-7.0%		
	59%*5	70%	75%	• Enhance human capital management	▸P63 Human Resource Strategy
	43	60	90		
	—*6	Conduct 100% human rights due diligence	Establish human rights management and ensure support for our Human Rights Principle by all stakeholders	• Enhance human capital management • Promote materiality management	▸P54 Social Initiatives
	9	0	0		▸P69 Production Technology, Environmental Safety, and Quality Assurance
	0	0 (Non-consolidated + Domestic consolidated companies)	0 (Non-consolidated + Domestic and overseas consolidated companies)	• Promote materiality management	
	88%	80%	100%		▸P54 Social Initiatives ▸P69 Production Technology, Environmental Safety, and Quality Assurance
	—	60% (Domestic consolidated companies)	100% (Domestic and overseas consolidated companies)		
	0	0	0	• Promote materiality management • Initiatives to reduce cost of capital • Initiatives for proactive shareholder returns (during the period of MTMP 2026)	▸P41 Financial Strategy: Message from the CFO ▸P44 Dialogues with the Stock Market ▸P79 Corporate Governance ▸P83 Risk Management ▸P84 Compliance

Financial Strategy: Message from the CFO

Review by the Director in Charge

We will pursue financial and capital policies centered on building a muscular business structure, paving the way for our next medium-term management plan.



Motoyasu Kitagawa

Director, Senior Managing Executive Officer
In Charge of Internal Control & Risk Management,
Responsible for Administrative & Personnel, in Charge
of Finance & Accounting Division and CSR & IR Division

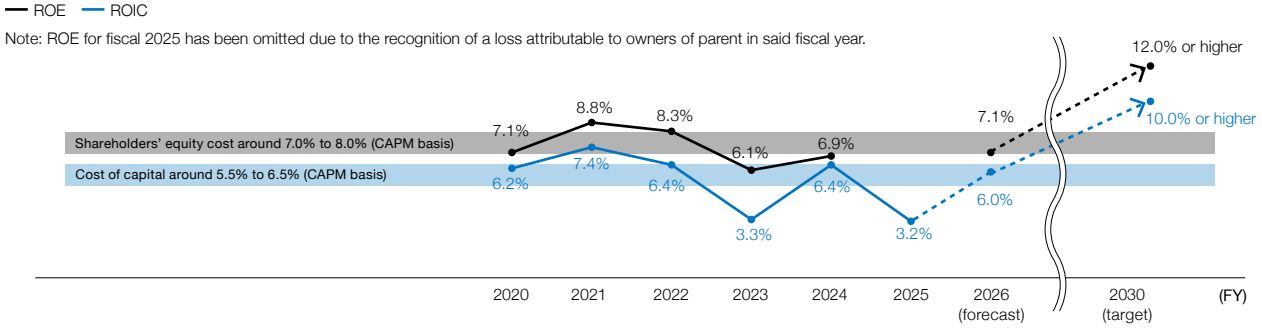
Recognizing It Is Time to Adjust Our Balance for the Future

Since assuming the role of director in charge of the Finance & Accounting Division in April 2025, I have viewed my mission as understanding the fundamental priorities of our business management from an objective standpoint, making balance adjustments as necessary, and keeping in mind that to sustainably create corporate value entails the simultaneous achievement of seemingly contradictory imperatives, such as achieving short- and long-term goals while furnishing growth investments and shareholder returns. In my view, we have arrived at a critical juncture that calls for a balance adjustment.

As a chemical manufacturer, the realization of returns on investments in plants and facilities takes considerable time, with the balance between our investments and operating cash flows fluctuating along similarly long cyclical timelines. Throughout the period spanning from our previous medium-term management plan (MTMP 2023) to the current medium-term management plan (MTMP 2026), we have focused primarily on increasing our business scale. We have actively focused investments on the growth of our U&P businesses, such as the three ICT businesses, which are our growth drivers. As a result, for some time investing cash flows were larger than operating cash flows. Further, these active growth investments were initiated at the request of our customers and executed premised on the assumption that we would be able to recover our capital with a high degree of certainty. In fiscal 2025, however, in response to market environmental changes that exceeded our expectations, we decided to discontinue the construction of our meta-xylenediamine (MXDA) manufacturing facility in the Netherlands, resulting in the recognition of an impairment loss in relation to all of the project's assets. Consequently, the Group recorded a loss attributable to owners of parent for the first time in 13 years and failed to meet various financial targets.

Reaching our targets for fiscal 2026, the final year of MTMP 2026, may be challenging. This is primarily because investments to meet growing demand were concentrated in one particular period and because, although investing cash flows are less than initially projected, operating cash flows are even further below initial projections. At present, we are seeing varying levels of demand in different segments of the semiconductor industry. While demand for AI semiconductors, said to account for approximately 30% of the entire market, is increasing, the recovery in demand for general-purpose semiconductors has been delayed. As certain customers are operating at low utilization rates, we are currently facing a situation in which the burden of front-loaded depreciation expenses is putting pressure on our profit margin. In fiscal 2025, operating cash flows finally surpassed investing cash flows. Beginning from fiscal 2026, the Group will focus even more on realizing returns on investments, aiming to transform into an entity with a muscular business structure. Having thoroughly ascertained why we did not recover our investment in the manufacturing facility in the Netherlands and recorded an impairment loss, we are now setting our sights on the next medium-term management plan and revising measures to ensure that such incidents never recur. On the other hand, while tightening investment discipline is vital, simply establishing high hurdle rates risks dampening our investment appetite. Our fundamental stance thus remains unchanged: ongoing investment is indispensable for

ROE and ROIC Trends



sustained corporate value creation. Learning the lessons of the Netherlands project, our corporate divisions are leading efforts to build systems that facilitate close monitoring of situations and prompt decisions on whether course corrections are needed.

Simultaneously Realizing a Muscular Financial Structure and Improved Capital Efficiency

Despite recording a loss attributable to owners of parent in fiscal 2025, we have maintained a certain level of financial soundness, keeping our equity ratio, interest-bearing debt, and D/E ratio within planned levels. In fiscal 2026, we will continue to promote an asset-light strategy by disposing of strategic shareholdings and non-business assets while managing cash and deposits at optimal levels. We consistently keep our cash and deposit balance at a low level, demonstrating that group financing and other mechanisms are functioning effectively. Through cash management that utilizes such strengths, we will maximize capital efficiency. MTMP 2026 sets an upper limit of 0.55 time and a lower limit of 0.30 time for the D/E ratio. We will also continue balance sheet management aimed at simultaneously enhancing capital efficiency and ensuring financial soundness. Further, as we maintain an A+ long-term credit rating from Rating and Investment Information, Inc. (R&I) and possess sufficient borrowing capacity, our policy when executing investments is to utilize financial leverage while lowering our cost of capital. Given the current environment of upwardly trending interest rates, we consider the diversification of our funding sources to be crucial. We will remain committed to reducing financing costs while carefully managing the balance between short-term and long-term debt.

I believe that the foundation enabling this diverse range of financing options is the result of credibility built up over many years by our predecessors. To maintain this credibility, in fiscal 2026 we will continue a progressive dividend policy. Accordingly, we do not intend to reduce the dividend, provided that doing so does not compromise financial soundness. Having set a dividend on equity (DOE) ratio of 3.0% and a total payout ratio of 50.0% as targets, we will endeavor to enhance corporate value by also considering the flexible acquisition of treasury stock in light of conditions. In fiscal 2026, by steadily executing the strategies outlined above, we aim to simultaneously realize a more muscular financial structure and improved capital efficiency, thereby paving the way for our next medium-term management plan.

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

Initiatives to strengthen the resilience of our business portfolio

- Promotion of measures to improve ROIC and ROE
  - Focused allocation of management resources to U&P businesses with a focus on the three ICT businesses
  - Acceleration of reaping benefits from growth investments
  - Thorough price pass-through leveraging high market share
  - Acceleration of restructuring of businesses requiring intensive management
  - Further thorough cost reduction (not limited to businesses requiring intensive management, but considered across the Group)
- Acceleration of value creation as an R&D-oriented company
  - Acceleration of the development and commercialization of new/next-generation businesses, focusing on strategic research areas (mobility, ICT, and medical and food)
- Aggressively pursue strategic M&A

Initiatives to reduce cost of capital

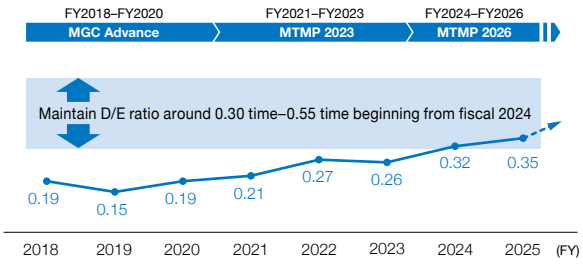
- Utilization of financial leverage
- Reduction of performance volatility (concentration on U&P businesses, etc.)
- Promotion of asset lightening
- Promotion of sustainability management
- Strengthening dialogue with investors and analysts, etc.

Initiatives for proactive shareholder returns (during the period of MTMP 2026)

- Medium-term target of 50% total payout ratio
- Dividend policy in line with a progressive dividend policy
- DOE target of 3.0%, etc.

Utilize Financial Leverage for Optimal Capital Structure

▸ Trends in the D/E Ratio (Multiple)



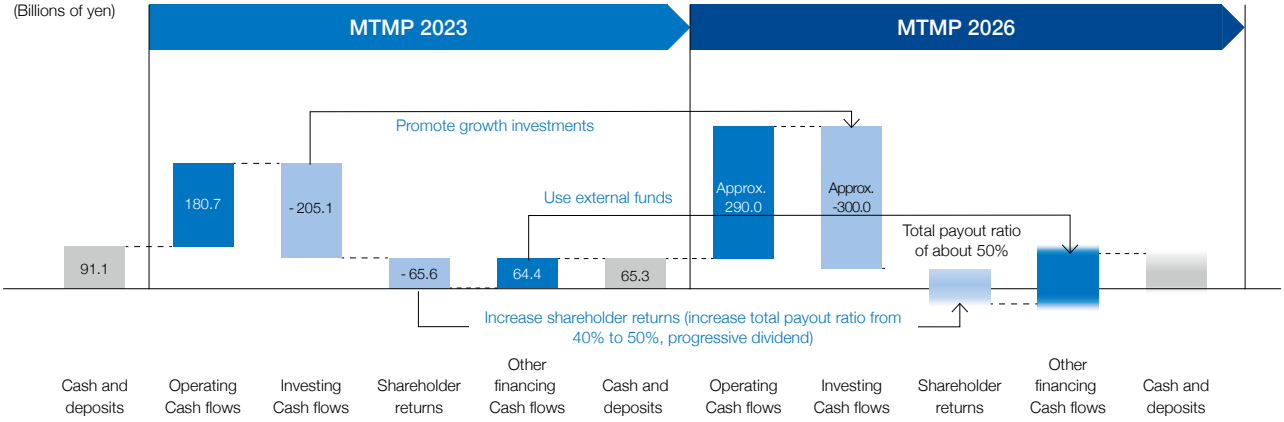
- Control the balance sheet through the D/E ratio to strengthen ROIC management. With a view to balancing capital efficiency and financial soundness, a range of around 0.30 time to 0.55 time is assumed during the period of MTMP 2026.
- While maintaining financial soundness, the Group improved capital efficiency by utilizing debt to finance growth investments. As a result, the D/E ratio rose to 0.35 time at the end of fiscal 2025.
- Continue to maintain financial discipline and proactive use of debt financing

Delivering Results to Maintain and Strengthen Credibility While Emphasizing Future Growth Potential

Our business model is centered on addressing customer issues by providing entirely unique, high-value-added products and thereby share value with customers and, by extension, society at large. As times change, so do the challenges we face. We therefore address these challenges by tirelessly diversifying and extending the applications of our products, even though the products themselves may remain unchanged. We take pride in the fact that these initiatives contribute to further innovation across a wide range of fields and play a role in supporting various industries. On the other hand, under this business model, it is ultimately customers—not us—who decide in which markets and for what kinds of applications our products are used. Consequently, the diversification of our business portfolio is unavoidable. To further understanding of how the Group's approach and business model sustain the enhancement of corporate value, each business must not only perform steadily but also focus efforts on emphasizing its future growth potential. To maintain and strengthen the credibility that underpins our financial strategy, we will advance structural reforms with even greater urgency, drawing on the lessons learned in fiscal 2025.

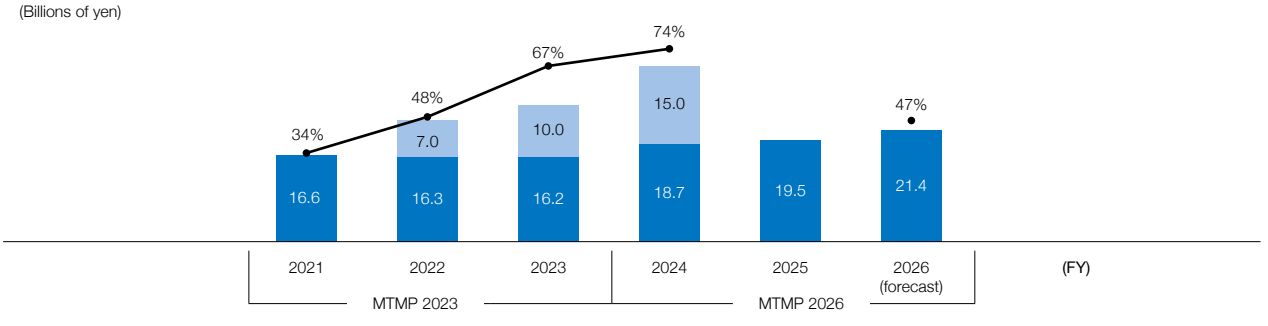
Capital Allocation

- Total investment and loans (investing cash flows) of about ¥300.0 billion planned during the period of MTMP 2026
- Actively use external funds in strategic investments leading to growth (including research and development and ESG) and enhance shareholder returns in addition to operating cash flows



Continue the Enactment of Proactive Shareholder Returns

- Under MTMP 2026, our shareholder return policy comprises a progressive dividend policy,*1 a target total payout ratio of 50%,*2 and a target dividend on equity (DOE) ratio*3 of 3.0%.
- Despite recording a loss attributable to owners of parent in fiscal 2025, the Group remains financially sound. The annual dividend for fiscal 2025 was ¥100, up ¥5 year on year.
- In fiscal 2026, the final year of MTMP 2026, based on the above policy, we intend to increase the annual dividend by ¥10. Going forward, we will continue our proactive approach to the provision of shareholder returns.



	2021	2022	2023	2024	2025	2026 (forecast)
Profit (loss) attributable to owners of parent (Billions of yen)	48.2	49.0	38.8	45.5	(40.3)	46.0
Annual dividend (Yen per share)	80*4	80	80	95	100	110
				← Progressive dividend policy →		

■ Total dividends ■ Share buybacks — Total payout ratio (single year)

*1 Covers the three-year period of MTMP 2026. In principle, no reduction—either increase or maintain
*2 Increase medium-term target from 40% to 50%
*3 2.83% in fiscal 2024, 2.96% in fiscal 2025, above 3.00% in fiscal 2026 (forecast)
*4 Includes ¥10 commemorative dividend

Dialogues with the Stock Market

Investor Relations Activities

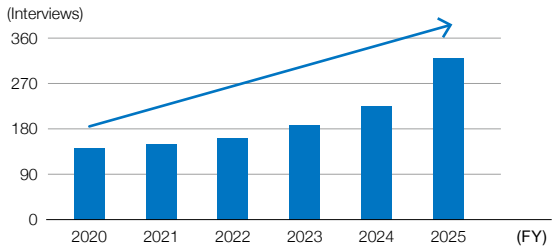
With a view to realizing sustainable growth and enhancing corporate value over the medium to long term, we are mindful of stock market valuations, such as those pertaining to our share price and price-to-book ratio (PBR); the cost of capital; and other factors. We regard dialogues with our shareholders and investors as a key management priority. Members of senior management thus seek to increase mutual understanding with said stakeholders by actively participating in such dialogues and telling a readily understandable value creation story based on our unique technological capabilities and other management resources as well as our array of different businesses. Further, we take seriously the valuable input and requests received through such dialogues, share feedback as appropriate with senior management and business sectors, and utilize this feedback to improve corporate and operational management and enhance our disclosure practices.

Going forward, we will continue to ensure fair, impartial, and sincere disclosure and, through two-way communication, endeavor to build relationships of trust and maximize corporate value.

Investor Relations Policy

- Increase opportunities for dialogue between investors and analysts and senior management (become even more proactive about providing opportunities for management-level dialogue through overseas investor relations (IR) events, small meetings, etc.)
- Enhancement of various IR events (management overview briefings, business briefings, facility tours, etc.)
- Improvement and enhancement of various disclosure information (including disclosure in English)
- Promote dialogue through ESG and stewardship code interviews, interviews with outside directors, etc.
- Increase the number of briefings for individual investors, etc.

Number of Interviews with Institutional Investors and Analysts



Main IR Activities

Activities	FY2025 Results
Earnings briefings for analysts and institutional investors	4
Individual interviews with analysts, institutional investors, and others	Approx. 320
IR activities for overseas institutional investors	54
Responses to ESG interviews and stewardship code interviews	9
IR events for institutional investors	5
Small meetings	2
Briefings for individual investors	2

Response to Opinions and Requests Received Through Dialogues

Main opinions and requests	Response
• Please comment on your progress in strengthening the resilience of the business portfolio, such as reforming businesses requiring intensive management.	• We provide explanations on our progress in strengthening the resilience of the business portfolio through regular opportunities for explanation, such as quarterly results presentations and management overview presentations, and, for important matters, through telephone conferences held on the dates of timely disclosure.
• Please explain the current status and your awareness of issues regarding the progress of management that is conscious of the cost of capital and stock price.	• We periodically conduct an analysis of the market valuation and capital profitability of MGC and share the results and our recognition of the current status at our management overview presentations and other opportunities.
• Please explain the current status of your sustainability initiatives, and your future initiatives.	• We hold carbon neutrality strategy briefings and provide opportunities for executive officers, business division directors, the general manager of the Sustainability Promotion Department, and other relevant personnel to have direct dialogues with investors and analysts.
• Please hold company information briefings for individual investors.	• We have held regular briefings for individual investors on an going basis since January 2025.

Specialty Chemicals Business Strategy

Review by the Director in Charge

We will utilize our diverse range of businesses to continue proposing solutions that support social change in a variety of contexts.

Ryozo Yamaguchi
Senior Managing Executive Officer
In Charge of Specialty Chemicals Business Sector



Managing Businesses While Keeping Pace with Social Changes

In the Specialty Chemicals Business Sector, the earnings mainstays are three ICT businesses: electronics materials, electronic chemicals, and optical materials. The sector is benefiting from a tailwind generated by the recent expansion of the semiconductor and telecommunications markets. This expansion is not the result of economic cycles but rather represents a medium- to long-term shift driven by AI innovation, which is expected to continue for the foreseeable future, until AI becomes firmly embedded in day-to-day life. In this environment, in fiscal 2025 the electronics materials business saw a dramatic increase in sales volume and achieved revenue and profit growth that exceeded expectations. On the other hand, the business sector also faced challenges. In the electronics materials business, procurement, production, and inventory allocation came under pressure due to a steep increase in demand. The electronic chemicals and optical materials businesses saw the emergence of issues such as flagging growth in demand, which were due to supply chain bottlenecks and the concentration of investment on AI.

As data volumes and transmission speeds continue to rise, demand is expected to increase across a wide range of semiconductor-related fields. Therefore, we must prepare the necessary technologies, materials, and supply systems in anticipation of the broadening scope of related industries and emerging customer needs. For example, while our optical materials are currently affected by a slowdown in smartphone production resulting from memory shortages, the importance of these materials is likely to grow over the medium to long term due to the introduction of higher-performance cameras and to a rise in image data volumes accompanying the adoption of AI. Further, since electronic chemicals have long life cycles and competitiveness hinges on quality, production capacity, and location, we are working to secure production capacity in the United States—where future growth is expected—and to prepare for future domestic demand.

Identifying a Winning Strategy for Adaptation to Change

To achieve medium- to long-term growth in a changing society, we must create new businesses by using innovative ideas and the convergence of technology fields, such as photonics–electronics convergence. In the development of new businesses, we are prioritizing resource allocation based on the projected scale of each business. Established in fiscal 2025 through the integration of the oxygen absorbers and environmental and hygiene chemicals businesses, the LivingTech and Hygiene Solutions Division aims to expand in a wide range of fields—including daily life, hygiene, medical, and food—through dialogue with the markets.

Regarding products for which differentiation has become challenging, respective businesses have created working groups tasked with reestablishing uniqueness and competitive advantages. On a cross-divisional basis, personnel engaged in the manufacturing, sales, and research functions of these businesses consider the overall goals of their businesses, identify winning strategies, and then proceed through cycles of strategy design and verification within defined time frames. One result of these efforts is the decision to transition the polycarbonate business from volume to quality, specifically, the discontinuation of polycarbonate production at the Kashima Plant and the shift toward the utilization of products from overseas plants. Going forward, we must ensure the delivery of tangible results during the execution phase. As for optical polymers, we will steadily advance toward high-value-added products by building systems that are difficult to imitate, such as the utilization of geographic advantages and business models that incorporate recycling.

Preparing for Uncertainty and Seeking “Uniqueness & Presence”

We aim to increase our business opportunities while establishing a clear understanding of the external environment and preparing for unexpected risks akin to the dot-com crash. To this end, we are actively seeking out information and intensifying discussions with partners, including customers and the members of industry–academia–government collaborations and consortia in which we participate. We are also taking steps to prepare for uncertainty by avoiding dependence on specific markets or customers, continuously refining our technologies to prevent obsolescence, and constantly monitoring the entire supply chain.

Precisely because the number of major companies in the AI-related market is limited, the strengthening of relationships with partners and customers through our pursuit of “Uniqueness & Presence” is all the more important. By leveraging the distinctive features of our products and adapting their applications to the times and customer needs, we have built a reputation for reliability and a proven track record. We will continue pursuing functionality that broadens the range of possibilities available to customers—in other words, “Uniqueness”—and supplying high-quality products that meet their expectations. In this way, we will establish our “Presence” as an indispensable supplier.





Business Overview

Specialty Chemicals Business

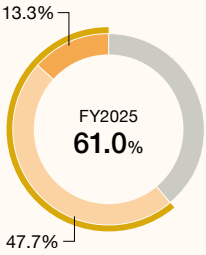
Business Lines | Inorganic chemicals, engineering plastics, optical materials, electronics materials, oxygen absorbers

Number of Employees | 5,090

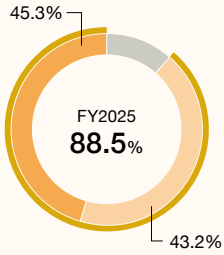
We handle many products that are close to the end user, such as products in the electronics and automotive fields. Through the development, production, and sale of cutting-edge products that support social innovation, we are making wide-ranging contributions to people's lifestyles.

Our ability to achieve longevity in the business of cutting-edge products with comparatively short product life cycles is supported by a culture of sensitively observing changes in markets and technologies and continuing to boldly pioneer new markets. Our approach is to identify niche fields where we can establish a competitive edge in the market and develop products that resolve issues that our customers will face in the future. In this way, we aim to become a de facto standard for the industry, having built up a position as a supplier of materials that form an essential foundation for our customers. To achieve this, we emphasize dialogue with customers and create the value that they require, in an effort to strategically increase the cost to customers of switching to other suppliers. Moreover, we are also striving to secure a competitive advantage on the patent front to underpin long-term business growth.

Consolidated Net Sales by Major Product Group



Operating Profit by Major Product Group

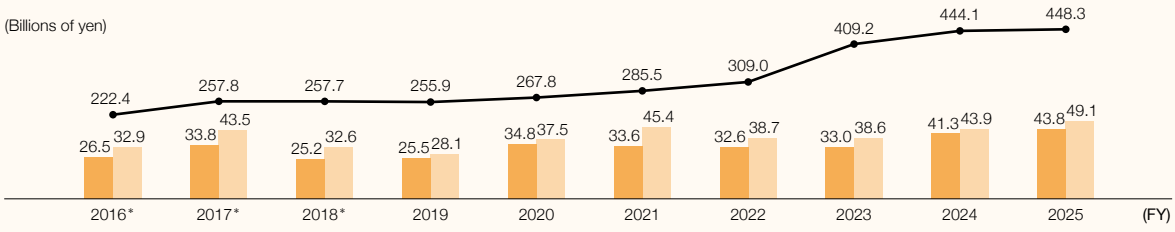


Specialty chemicals
Electronic chemicals, optical materials, engineering plastics (PC, POM, etc.)
Information and advanced materials
BT materials for IC plastic packaging, OPE™, LivingTech and Hygiene Solutions products

Note: The compositional ratios are calculated excluding "Other and Adjustment."

Fiscal 2025 Performance

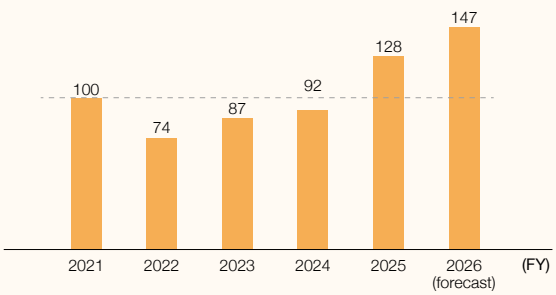
Net Sales / Operating Profit / Ordinary Profit



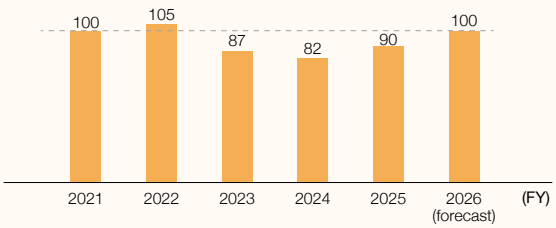
Net sales Operating profit Ordinary profit

* Aggregate of former segments (Specialty Chemicals and Information and Advanced Materials)

Net Sales of BT Materials (FY2021 = 100)



Net Sales of Electronic Chemicals (FY2021 = 100)



Specialty Chemicals Business Strategy

Scenario for Increasing Value by 2030

- Continue to strengthen our business in high-growth, cutting-edge fields (semiconductors, communication devices, etc.) while expanding our business in the highly stable lifestyle-related areas (medical and food, etc.)
- Increase the economic value of the PC-related business, which requires intensive management, aiming to transition it to a U&P business
- Promote increase in business competitiveness by making eco-friendly businesses profitable

Progress on Numerical Targets

		MTMP 2026	
	FY2025 result	FY2026 forecast	FY2026 target
Net sales	¥448.3 billion	¥481.9 billion	¥490.0 billion
Operating profit	¥43.8 billion	¥51.7 billion	¥65.0 billion
Ordinary profit	¥49.1 billion	¥52.6 billion	¥65.0 billion

Note: In fiscal 2026, we expect to fall short of the targets of the current medium-term management plan (MTMP 2026), mainly due to lower semiconductor-related demand for electronic chemicals, excluding AI-related demand.

Classification of Product Lines and Main Action Plan Under MTMP 2026

Business segment	Classification of product lines	Main action plan
U&P businesses	Inorganic chemicals	Increase production capacity worldwide as semiconductor manufacturers build and augment production sites and supply high-quality products
	Optical polymers	Aim for further expansion of applications beyond smartphones
	BT materials for IC plastic packaging	Aim to expand share further by entering new fields
	Polyacetal	Pursue global expansion through a double-brand strategy (Iupital™ and Kepital™)
	Ultra-high refractive lens monomers	Install new manufacturing facilities to meet growing demand and steadily promote the use of biomass in products
Foundation businesses	Oxygen absorbers	Aim to increase profitability through a change in business structure, such as expanding sales into fields beyond food
New/Next-generation businesses (main development products)	Recycled EP	Reduce environmental impact while also securing profitability
	New BT laminate materials	Lead the semiconductor substrate materials market by meeting customers' increasingly sophisticated needs
	New semiconductor cleaning solutions	Contribute to the evolution of semiconductors through the development of products that respond to new materials and structures
Businesses requiring intensive management	Polycarbonate/sheet film	Aim to improve profitability through thorough implementation of a high-value-added strategy and rationalization of production, sales, and R&D systems

U&P Businesses In Focus

Expansion of the Electronics Materials Business Based on Customer Trust and Collaboration Among Bases

For more than 20 years, the electronics materials business has focused on the provision of copper-clad laminates and prepreg for IC plastic packaging substrates. During this time, we have become involved with a wide range of application areas and supply chains. The large volume and timeliness of information obtained as a result of this involvement contribute to the competitive superiority of the business. In addition, we have built long-standing relationships of trust with customers through the provision of in-depth technical support that is enabled by regular meetings, information sharing, and other forms of collaboration among head office, research laboratories, and plants.

To ensure appropriate decisions on new product development, a system has been established in which the electronics materials business closely collaborates with the Planning & Development Division and shares information on customer trends and the progress of development at each stage, from research and development through to mass production. Since completing the expansion of our plant in Thailand at the end of 2025, we have dispatched research and development personnel from Japan, who are working closely with their local counterparts to transfer production to the plant and increase its product lineup.

Currently, we are seeing growing sales of products designed to meet AI-related demand, specifically, RS materials, which is a new BT-based product, and OPE™. This growth is a testament to efforts to explore resin compositions in light of discussions with both direct and indirect customers and to constantly make preparations and develop markets with an eye on the future. Building on the trust we have cultivated with customers over many years, we will continue valuing their feedback and fostering close collaboration and mutual trust with them to achieve further business expansion based on a "market-out" approach.



Toru Harada
Executive Officer
Division Director,
Electronics Materials Division,
Specialty Chemicals
Business Sector

Review by the Director in Charge

Given the irreversible changes in the external environment, we will move forward with medium- to long-term structural reforms.



Hideaki Akase

Managing Executive Officer
In Charge of Green Energy & Chemicals Business Sector

Discontinuation of the MXDA Project in Europe and Future Rebuilding of the Xylene Chain

In recent years, conditions in the basic chemicals market have been challenging. Sluggish domestic demand and surplus production capacity in China have led to aggressive pricing strategies, which have been compounded by the protracted Russia–Ukraine conflict and an economic downturn in Europe. These conditions have significantly impacted the mainstay methanol and meta-xylenediamine (MXDA) businesses of the Green Energy & Chemicals Business Sector. Further, since the beginning of 2026 geopolitical risks such as the closure of the Strait of Hormuz have emerged. We view competition with Chinese companies, the situation in the Middle East, and other rapid changes in the external environment as irreversible trends.

In fiscal 2025, we recorded a substantial impairment loss after making the painful decision to discontinue construction of an MXDA plant in Europe. In 2021, when we originally decided to invest in the project, we had the No. 1 share of the global market for MXDA, which is a highly profitable product. Our strategy was to establish a barrier to entry into the European market—which is the largest market for MXDA—by building production capacity that surpassed market demand. However, as well as delays in reaching the decision to invest, the COVID-19 pandemic and the Russia–Ukraine conflict caused construction and labor costs to far exceed initial estimates. Meanwhile, construction delays encouraged the entry of Chinese manufacturers and aggressive pricing strategies. As the aforementioned factors had led to a rapid deterioration in the project's prospects for achieving profitability, we temporarily suspended construction in September 2025. After the suspension, we explored various options but ultimately determined that recovering our investment would be difficult, leading to our decision in February 2026 to discontinue the project.

This experience has taught us important lessons. From the business sector's viewpoint, we must redefine specialty chemicals given the emergence of competing Chinese manufacturers. Also, we must strengthen the management of engineering, procurement, and construction in overseas projects—specifically, contract management based on risk assessments conducted by professionals conversant with local conditions. Going forward, we must deeply reflect on and utilize these two important lessons.

We have developed a meta-xylene value chain based on proprietary technology. However, we need to rebuild the xylene chain given the discontinuation of the European MXDA project as well as the growth outlook for the purified isophthalic acid business and MXDA derivatives. While taking into consideration the cash flows and profit margins of each business, we will rebuild the xylene chain and utilize the MXDA equipment of our two domestic sites as the basis for further developing markets for derivatives and increasing their added value.

Toward Improved Profitability

Currently, in parallel with rigorous cost reductions, we are advancing the development of materials for carbon fiber-reinforced plastic prepreg and extreme ultra-violet resists with the aim of incorporating new businesses into our portfolio as part of medium- to long-term business structural reforms. These efforts are beginning to yield promising results. The iodine business is expanding steadily by leveraging the advantages of the in-house development of natural gas, used by the business as a raw material. The business will expand and enhance its lineup of high-value-added derivatives, including materials for perovskite solar cells.*1 To further expand this business, we will strengthen collaboration between research and development and sales divisions while accelerating the cycle of identifying customer needs and proposing solutions.

As for carbon-neutrality-related businesses, the GEC Business Planning Division and related business divisions are leading efforts to advance public–private partnerships and build relationships with future customers. Although slowed by a change in U.S. energy policy, the overall trend toward decarbonization remains unchanged. For example, the importance of resource recycling-based green transformation for economic security is increasing. Our policy is to continue low cost-preparations for expansion so that we can act when the time is right.

Going forward, we will proceed with business structural reforms based on the assumption that changes in the external environment are irreversible. At the same time, we will work with external parties to create value through partnerships and collaborations that utilize our resources. Although the situation is challenging, by boldly moving forward with structural reforms, we will once again realize the creation of value that we can share with society.

*1 These are lightweight, flexible solar cells that are expected to increase installation options. The solar cells can be mass-produced through the use of coating and printing technologies.

Business Overview

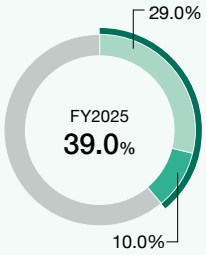
Green Energy & Chemicals Business

Business Lines | Natural gas chemicals, xylene chemicals, energy resources and environment, life science
Number of Employees | 2,632

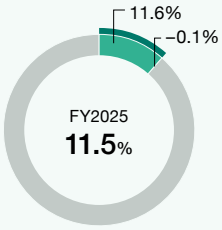
We engage in operations downstream from natural gas and mixed xylene. In the natural gas chain, we have built an environmentally circular carbon platform using C1 chemical technologies, and we are advancing business value transformation aimed at providing completely new value. In the mixed xylene chain, as the only company able to industrially utilize the superacid catalyst, we have developed a lineup of distinctive chemicals centered on meta-xylene derivatives, and we are striving to increase added value tailored to customers' needs. We are expanding our lineup of fine chemicals, which are derivatives with high profit margins. Our goal is to establish robust product chains, extending from resource development through to raw materials and derivatives. At the same time, as a group capable of delivering real-world solutions that help achieve carbon neutrality, we will realize a circular economy through the development of technologies, such as those for the use of CO_2, waste plastic, and other raw materials.

Some of the raw materials for the polyacetal and BT materials of the Specialty Chemicals Business Sector are manufactured in the Green Energy & Chemicals Business Sector's main plants, which helps increase the overall competitive advantages of the Group in terms of quality assurance, technology development, and procurement processes.

Consolidated Net Sales by Major Product Group



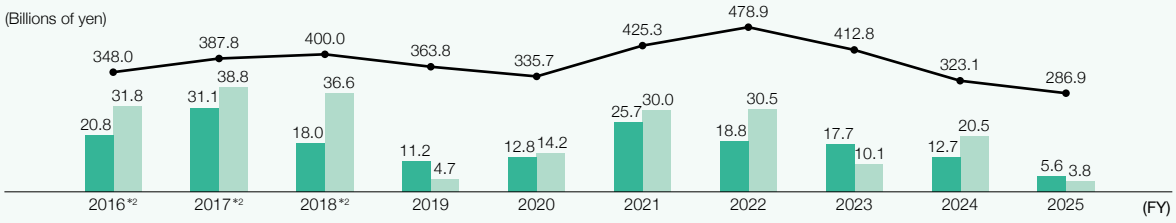
Operating Profit by Major Product Group



Natural gas chemicals
Methanol, methanol/ammonia-based chemicals, energy resources and environment businesses
Aromatic chemicals
MXDA, aromatic aldehydes, polymer materials, xylene separators and derivatives
Note: The compositional ratios are calculated excluding "Other and Adjustment."

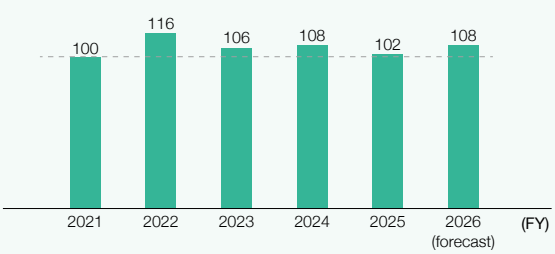
Fiscal 2025 Performance

Net Sales / Operating Profit / Ordinary Profit

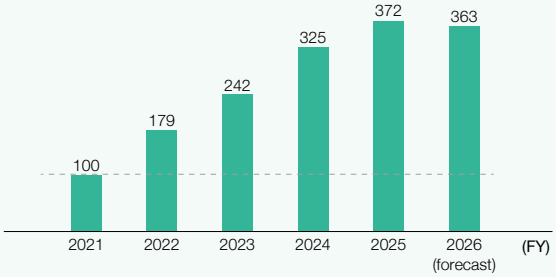


Net sales Operating profit Ordinary profit
*2 Aggregate of former segments (Natural Gas Chemicals and Aromatic Chemicals)

Net Sales of High-Performance Products (FY2021 = 100)



Net Sales of Iodine (FY2021 = 100)







Scenario for Increasing Value by 2030

- In U&P businesses, expand sales of the iodine and aromatic aldehyde businesses, where we have made large investments, and steadily recover the investments to maximize profit
- In businesses requiring intensive management, promote measures such as various cost reductions and streamlining of the balance sheet to strengthen their resilience to changes in the business environment
- Reduce carbon intensity in major raw materials such as methanol as a new initiative to realize carbon neutrality and develop the businesses in a revalued form

Progress on Numerical Targets

	MTMP 2026		
	FY2025 result	FY2026 forecast	FY2026 target
Net sales	¥286.9 billion	¥353.4 billion	¥350.0 billion
Operating profit	¥5.6 billion	¥12.3 billion	¥22.0 billion
Ordinary profit	¥3.8 billion	¥17.7 billion	¥32.0 billion

Note: In fiscal 2026, we expect to fall short of the targets of the current medium-term management plan (MTMP 2026), mainly due to a slow recovery in European demand for MXDA, a slump in market conditions, and higher research and development expenses in the life science business.

Classification of Product Lines and Main Action Plan Under MTMP 2026

Business segment	Classification of product lines	Main action plan
U&P businesses	MXDA	Develop new applications to increase sales and enhance the operating profit margin
	Aromatic aldehydes	Aim for growth with expansion into new applications
	MX-Nylon	Expand sales for food packaging material applications and promote response to environmental issues through business activities
	Methanol	Start production and sales of blue/green methanol and create a market for environmentally circular carbon platform Carbopath™
	Energy resources and environmental businesses	Promote creation of CCS business, increase in production of water-dissolved natural gas and iodine within the Group, and expansion of renewable energy
Foundation businesses	Ammonia and methylamines	Expand the green ammonia business.
	Methyl methacrylate (MMA) products	Aim to maximize profit across the MMA chain, including downstream products
	Formalin and polyol-related products	Examine appropriate business management methods and aim to increase profitability
New/Next-generation businesses (main development products)	Carbon fiber composite materials	Develop composite intermediates with characteristics such as gas barrier properties and propose various applications
	CDMO of antibody drug	Obtain a license for the manufacture of drugs and accumulate manufacturing experience under the GMP system*3
Businesses requiring intensive management	Xylene separators and derivatives	Promote further cost reductions and form an infrastructure to support U&P businesses downstream

*3 Good manufacturing practice (GMP) is a system for ensuring the quality of pharmaceuticals by setting requirements that manufacturers and marketing authorization holders must meet.

U&P Businesses In Focus

Business Environment and Future Growth Potential of the Iodine Business

In recent years, the iodine market has seen robust growth, particularly in high-value-added areas such as the medical field and materials with advanced functionality. Group company TOHO EARTHTECH, INC. is increasing its production capacity for iodine and water-dissolved natural gas, a raw material for the manufacture of iodine, and aims to complete construction of a new plant by fiscal 2027.

Further, we are exploring new applications for iodine derivatives. In addition to their use as intermediates for pharmaceuticals and agrochemicals—an area that we have been investigating for some time—we are considering applications including as materials for perovskite solar cells, chemical agents for semiconductor manufacturing processes, and compounds for optical materials. Recently, we have also been focusing on a recovered iodine business, which refines iodine from iodine-containing waste liquids collected from customers. We are advancing this initiative not only to make effective use of limited natural resources but also because it offers benefits to our customers, including reduced industrial waste disposal costs and improved price stability.

Viewing the technologies we have developed in Niigata Prefecture to improve iodine extraction efficiency and address ground subsidence as strengths, we are examining opportunities to expand businesses through initiatives such as partnerships with other companies. We will make the most of the currently favorable business environment by collaborating with in-house planning, development, and research divisions and earnestly endeavoring to pave the way for the rollout of iodine derivatives and other products of the iodine chain.



Takashi Nakase

Executive Officer
Division Director,
Energy Resources &
Environmental Business Division,
Green Energy & Chemicals
Business Sector

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.

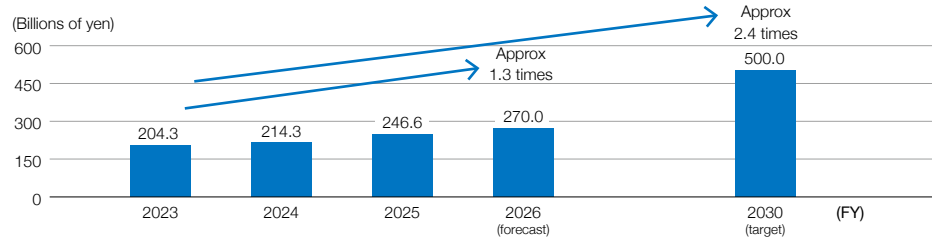
Accordingly, we will accelerate our efforts to realize carbon neutrality, having set "Sharebeing" eco-friendly product sales as a KPI for our material issue "contribution to solving social issues through business."

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.

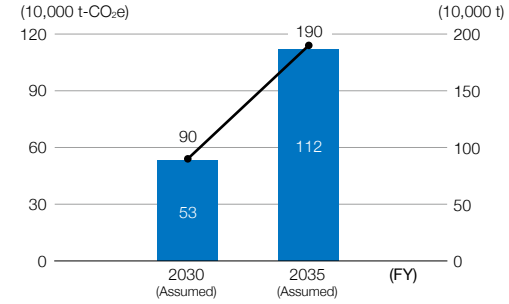
Sharebeing
MITSUBISHI GAS CHEMICAL GROUP

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

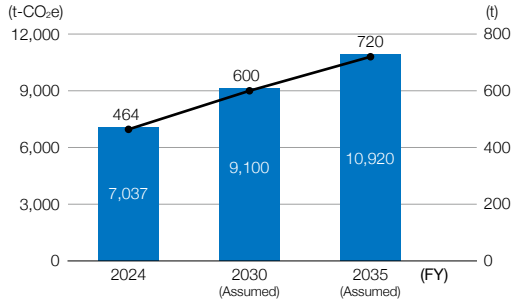


Avoided Emissions as a Result of Carbopath™ (Blue Methanol for Chemical Products)



■ 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.

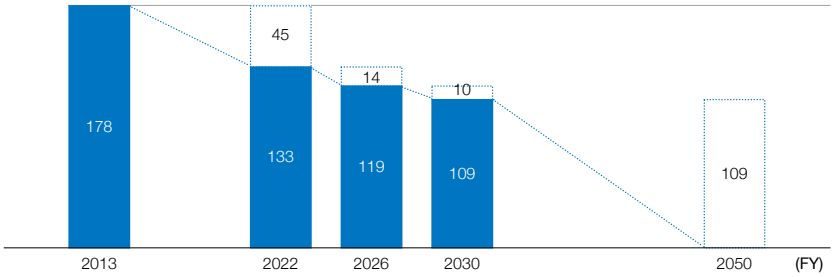
Approach to Climate Change and Natural Capital

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

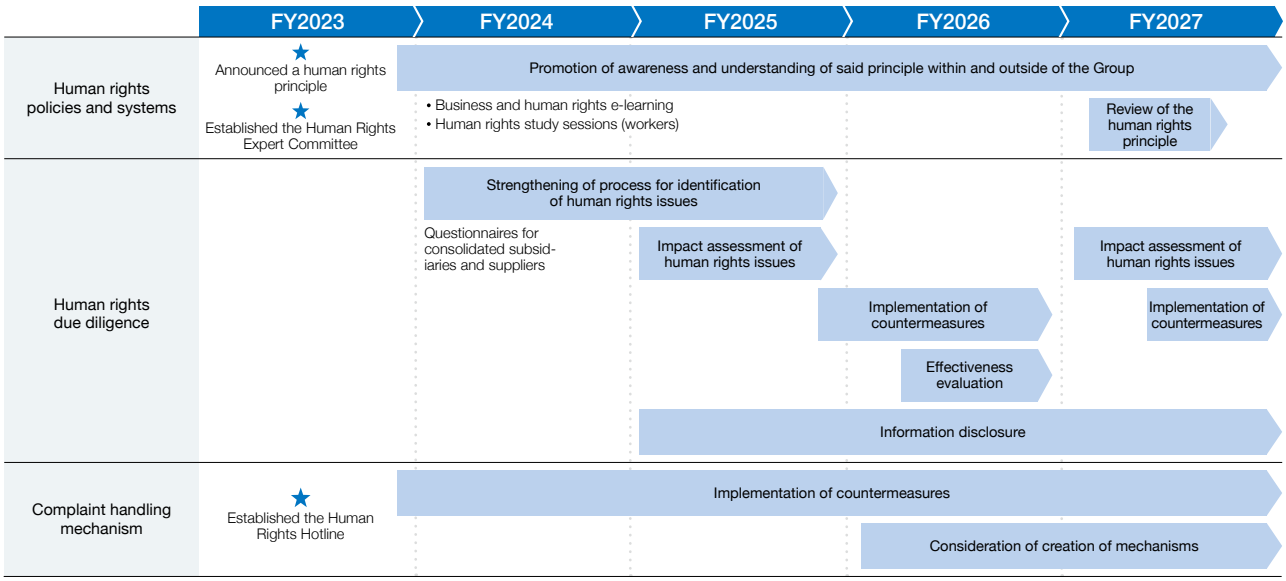
The MGC Group has established the MGC Corporate Behavior Principles and the Mitsubishi Gas Chemical Group Human Rights Principle, which clearly state the intention to be mindful of the impact that the Group’s corporate activities have on human rights, respect the individuality and human rights of all 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

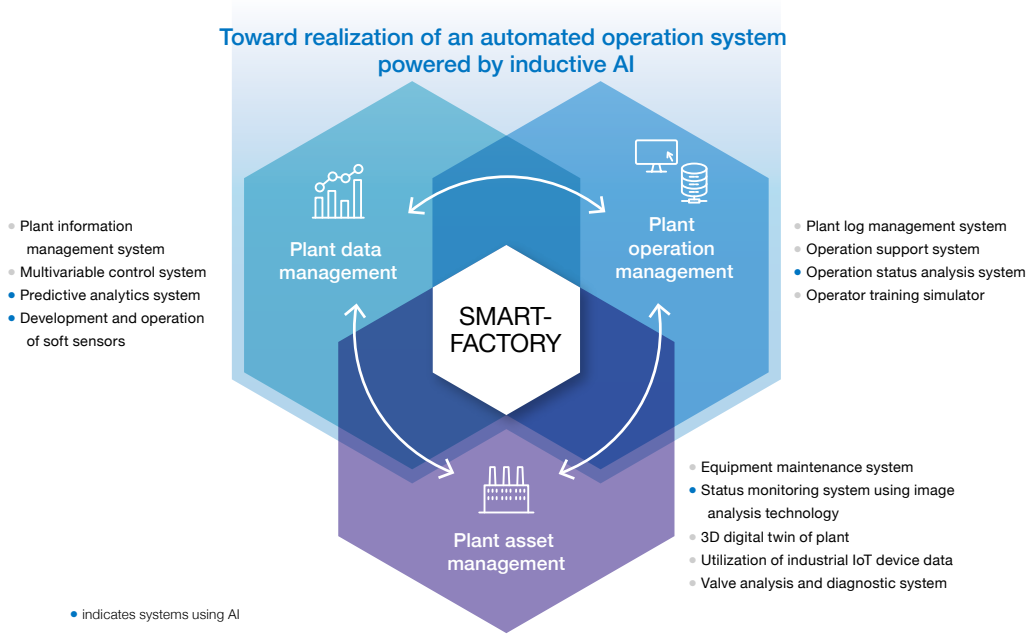
In light of the accelerating decline in Japan’s working-age population, in production activities, we are focusing on realizing the SMART-FACTORY concept, which enables both efficient production with fewer employees and helps ensure safety and protect the environment.

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



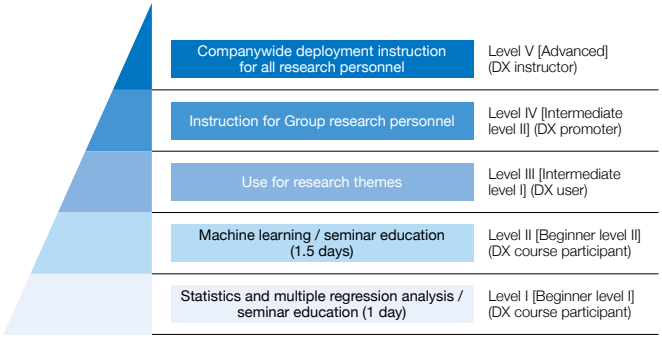
Acceleration of Research and Development

Data-Driven Research and Development

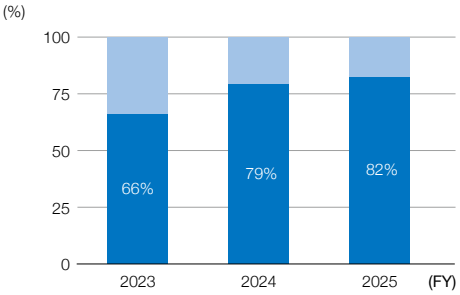
In our research activities, we are advancing initiatives led by our specialist team for digital transformation (DX) analysis. Through these initiatives, we have been able to predict material properties using computational chemistry and analyze synthetic reactions. Furthermore, through our in-house developed 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.

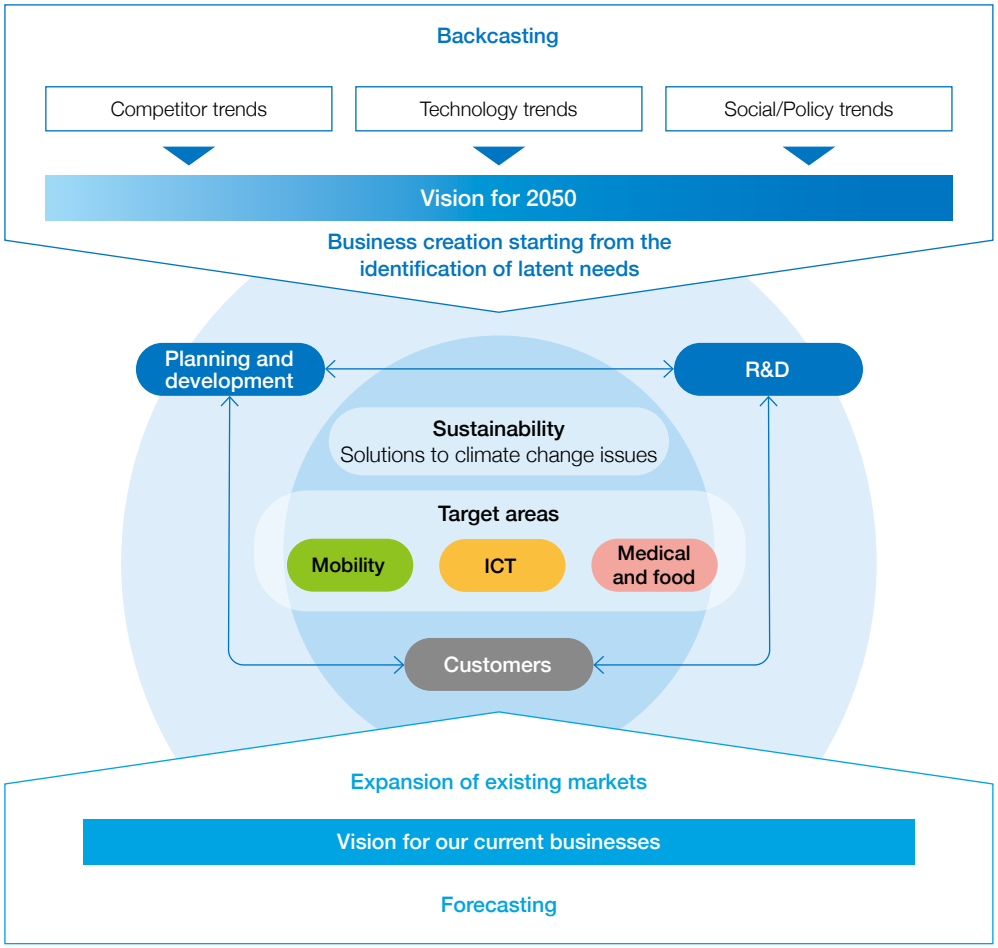
We will continue to maintain and enhance the distinctive, advantageous aspects of our organizational culture not readily replicable by other companies, such as the cross-organizational function of the Research & Development Division in organizing and identifying overlapping and complementary research 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

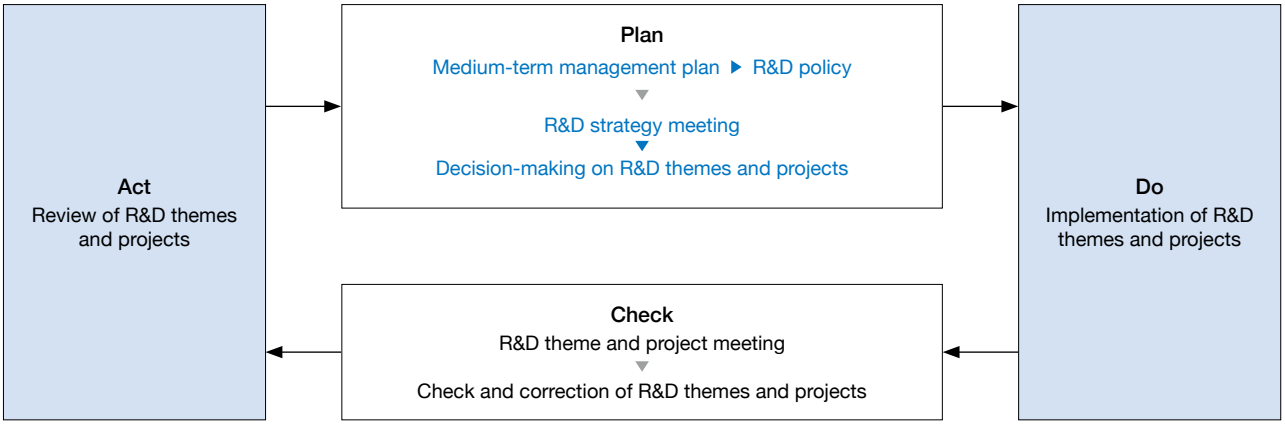
The Company operates three research laboratories under the Research & Development Division, as well as overseeing research and technology departments at each of its plants. The research laboratories are responsible for strengthening competitively advantageous businesses, developing new products based 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

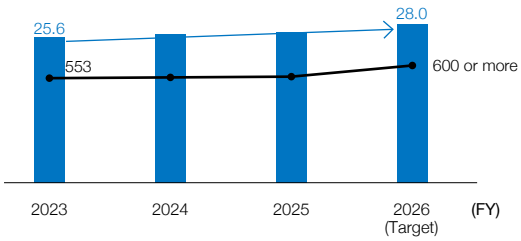
The MGC Group's sustainable growth is predicated upon not only the strengthening of existing businesses but also the creation of new ones. Accordingly, to secure diverse profit generators, we are focusing on ICT and mobility, based on their substantial growth in recent years, and on the area of medical 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	→	→	

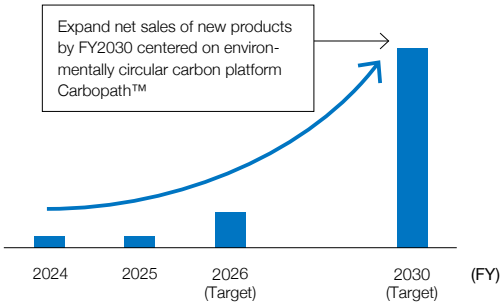
Research and Development Costs and Research Personnel*1 (Billions of yen, number of personnel)



■ 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

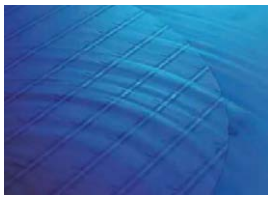
Main New Product Developments

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.

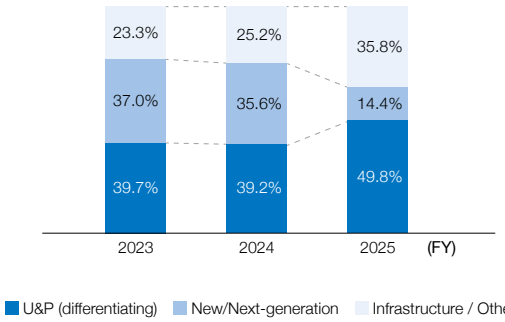
Intellectual Property Strategies

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.

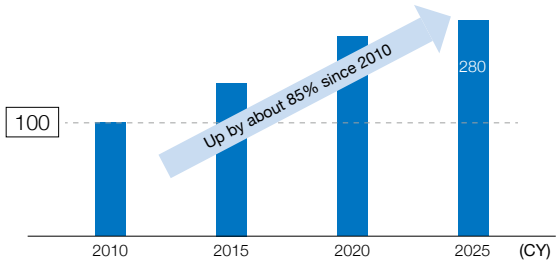
Ratio of Patent Applications



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)

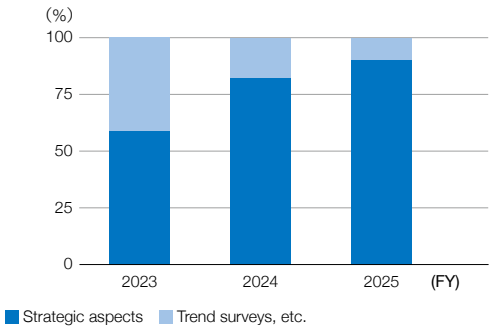


*3 An index that visualizes the technological strength and influence of an applied patent in global terms, obtained by objectively evaluating quality (value based on how often the subject patent is cited worldwide) and quantity (number of applications)

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.

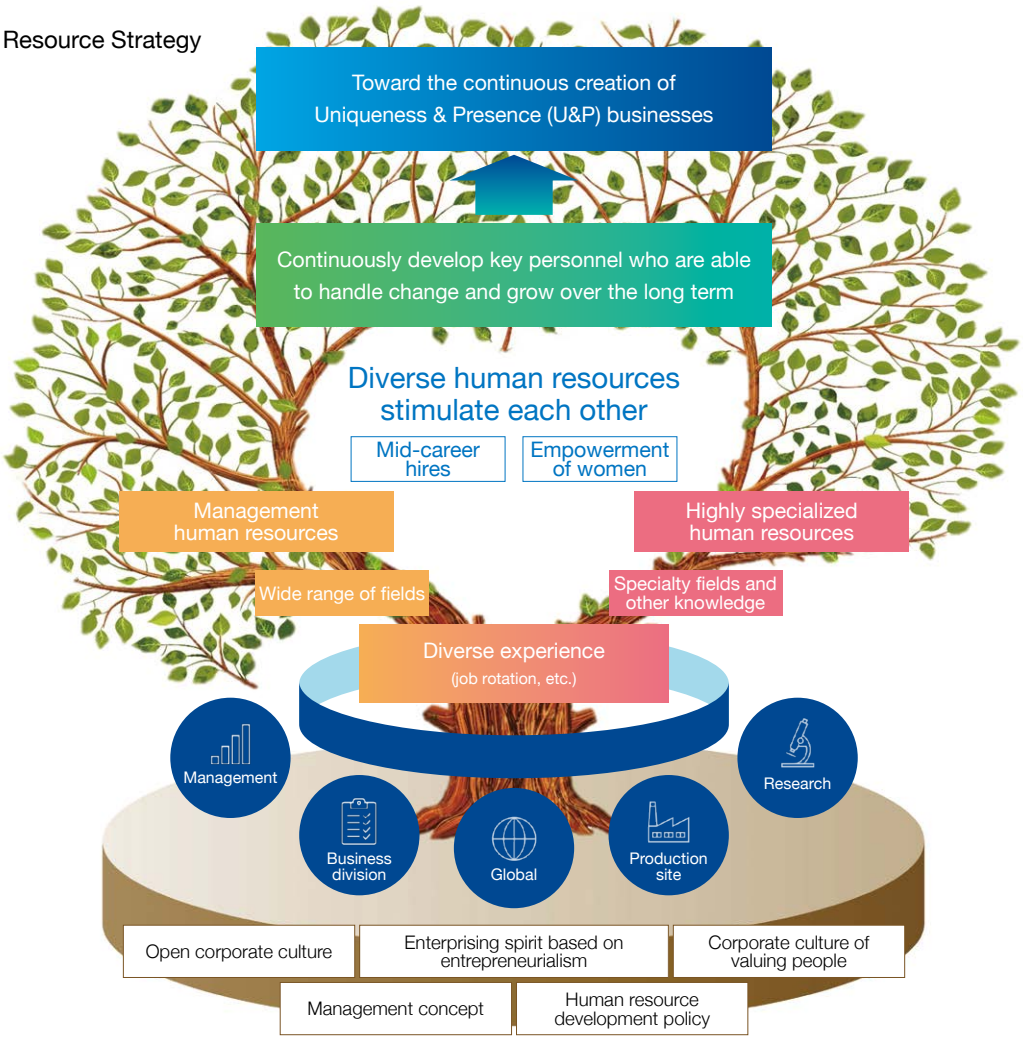
Advancing a Human Resource Strategy That Enhances Corporate Value

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.

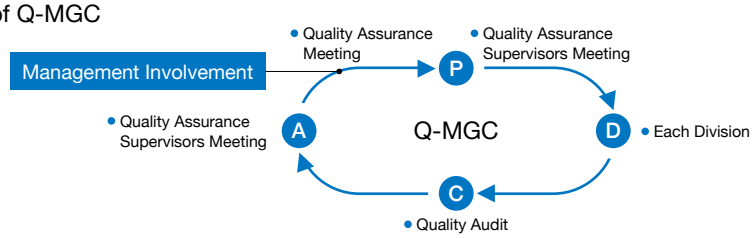
Such ongoing promotion efforts have borne fruit, in the form of heightened awareness across the Group of environmental safety and quality assurance and increased standardization of the associated activities. We will continue our unceasing efforts to further enhance the effectiveness of management so 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

04 Governance Section

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Members of the Board of Directors and Audit & Supervisory Board

For detailed profiles of officers, please visit the “Directors & Senior Management” section of the website below.
https://www.mgc.co.jp/eng/corporate/company/officer/index.html

Directors



Masashi Fujii

Representative Director, Chairman
Attendance at Board of Directors’ meetings:
12/12 (fiscal 2025)

April	1981	Joined MGC
April	2025	Chairman and Representative Director (to present)

Expertise and experience: Following his serving in important positions in the Administrative & Personnel Division and Natural Gas Chemicals Department, he was appointed as director in June 2015 and presided over the Natural Gas Chemicals Department, served as president and representative director from April 2019 until March 2025, and has served as chairman and representative director since April 2025. He has abundant experience and knowledge of MGC’s business management and administration of management in general.



Yoshinori Isahaya

Representative Director, President
Attendance at Board of Directors’ meetings:
12/12 (fiscal 2025)

April	1991	Joined MGC
April	2025	President and Representative Director (to present)

Expertise and experience: Following his involvement mainly in research and development of Specialty Chemicals, he served in important positions in the Specialty Chemicals Department and Corporate Planning Division, was appointed as director in June 2023, and has served as president and representative director since April 2025. He has abundant experience and knowledge of MGC’s business and administration of management, etc.



Motoyasu Kitagawa

Director, Senior Managing Executive Officer
In Charge of Internal Control & Risk Management,
Responsible for Administrative & Personnel,
in Charge of Finance & Accounting Division and
CSR & IR Division
Attendance at Board of Directors’ meetings:
12/12 (fiscal 2025)

April	1986	Joined MGC
April	2025	Director, Senior Managing Executive Officer, in Charge of Internal Control & Risk Management, Responsible for Administrative & Personnel, in Charge of Finance & Accounting Division and CSR & IR Division (to present)

Expertise and experience: Following his involvement mainly in the Administrative & Personnel Division and Corporate Planning Division, he served in important positions in the Natural Gas Chemicals Department and Corporate Planning Division and was appointed as director in June 2021. He has abundant experience and knowledge of MGC’s business and administration of management, etc.



Ko Kedo

Director, Managing Executive Officer
Responsible for Production Technology,
In Charge of Environment Safety & Quality Assurance Division and Purchasing & Logistics Division
Attendance at Board of Directors’ meetings:
12/12 (fiscal 2025)

April	1988	Joined MGC
April	2024	Director, Managing Executive Officer, Responsible for Production Technology, in Charge of Environment Safety & Quality Assurance Division and Purchasing & Logistics Division (to present)

Expertise and experience: Following his involvement mainly in research and development of Aromatic Chemicals, he served in important positions in the Natural Gas Chemicals and Aromatic Chemicals departments and was appointed as director in June 2023. He has abundant experience and knowledge of MGC’s research and development and business management, etc.



Tomoyuki Azuma

Director, Managing Executive Officer
In Charge of Research & Development and Intellectual Infrastructure
Attendance at Board of Directors’ meetings:
9/9 (fiscal 2025)

April	1989	Joined MGC
April	2026	Director, Managing Executive Officer, in Charge of Research & Development and Intellectual Infrastructure (to present)

Expertise and experience: Following his involvement mainly in research and development of Specialty Chemicals, he served in important positions in the Information & Advanced Materials Department and Specialty Chemicals Department. He has abundant experience and knowledge of MGC’s research and development and business management, etc.



Chika Kobayashi

Director, Managing Executive Officer
In Charge of Compliance, Responsible for Corporate Planning, and in Charge of Internal Audit Division and Information Systems Division
Attendance at Board of Directors’ meetings:
9/9 (fiscal 2025)

April	1990	Joined MGC
June	2025	Director, Managing Executive Officer, in Charge of Compliance, Responsible for Corporate Planning, in Charge of Internal Audit Division and Information Systems Division (to present)

Expertise and experience: Following his involvement mainly in the Information & Advanced Materials and Specialty Chemicals departments, he served in important positions in the Finance & Accounting Division and Corporate Planning Division. He has abundant experience and knowledge of MGC’s business and administration of management, etc.



Yasushi Manabe

Outside Director Independent
Attendance at Board of Directors’ meetings:
12/12 (fiscal 2025)

April	1979	Joined Hitachi, Ltd.
April	2013	Executive Officer, General Manager, Kansai Area Operation, Hitachi, Ltd.
April	2017	Vice President and Executive Officer, Deputy Director, General Corporate Sales & Marketing Group, CMO of Industry & Distribution Business, Water & Urban Business, Hitachi, Ltd.
June	2021	Outside Director, MGC (to present)
June	2024	Outside Director, NICHIAS Corporation (to present)

Expertise and experience: He has many years of experience and insight as a manager at a company operating on a global scale, and from such a perspective he provides appropriate supervision and advice with respect to MGC’s management.



Kazue Kurihara

Outside Director Independent
Attendance at Board of Directors’ meetings:
12/12 (fiscal 2025)

October	1992	Associate Professor, Department of Applied Physics, Faculty of Engineering, Nagoya University
April	2016	Professor Emeritus, Tohoku University (to present)
December	2020	Outside Director, Hamamatsu Photonics K.K. (to present)
January	2022	Director, SMILEco Measurement Co., Ltd. (to present)
June	2023	Outside Director, MGC (to present)
April	2025	Senior Research Fellow, New Industry Creation Hatchery Center, Tohoku University (to present)

Expertise and experience: She has highly advanced expertise in wide fields of study in chemicals, and from such a perspective she provides appropriate supervision and advice with respect to MGC’s management.

Members of the Board of Directors and Audit & Supervisory Board

For detailed profiles of officers, please visit the "Directors & Senior Management" section of the website below.
https://www.mgc.co.jp/eng/corporate/company/officer/index.html

Directors



Kuni Sato

Outside Director Independent
Attendance at Board of Directors' meetings:
9/9 (fiscal 2025)

January	1981	Joined Ministry of Foreign Affairs of Japan (MOFA)
April	2021	Advisor, National Institutes for Cultural Heritage
May	2021	Auditor of Foreign Press Center Japan (to present)
February	2022	Ambassador, Governor for Japan, Asia Europe Foundation (ASEF), Special Assistant, MOFA (to present)
May	2022	Council Member, United Nations University (to present)
June	2025	Outside Director, MGC (to present)

Expertise and experience: She has extensive international experience and insight spanning many years, and from such a perspective she provides appropriate supervision and advice with respect to MGC's management.



Mihoko Manabe

Outside Director Independent
Attendance at Board of Directors' meetings:
9/9 (fiscal 2025)

June	1982	Joined Nissho Iwai American Corporation (currently Sojitz Corporation of America)
May	1988	Joined Moody's Investors Service, Inc.
October	2023	Financial Advisor (Sole Proprietor) (to present)
March	2024	Outside Director and Member of the Audit and Supervisory Committee, TORII PHARMACEUTICAL CO., LTD.
May	2025	Sustainability Expert, MPower Partners Fund (to present)
June	2025	Outside Director, MGC (to present)

Expertise and experience: She has many years of experience overseas and also possesses a considerable degree of knowledge regarding finance and accounting at a global company, and from such a perspective she provides appropriate supervision and advice with respect to MGC's management.

Audit & Supervisory Board Members



Masato Inari

Audit & Supervisory Board Member
Attendance at Audit & Supervisory Board meetings:
14/14 (fiscal 2025)

April	1985	Joined MGC
June	2023	Audit & Supervisory Board Member (to present)

Expertise and experience: Following his appointment as director in June 2017, he served in important positions in the Aromatic Chemicals, Production Technology, and Environment Safety & Quality Assurance departments, among others, and possesses abundant experience in MGC's business and corporate management.



Nobuhisa Ariyoshi

Audit & Supervisory Board Member
Attendance at Audit & Supervisory Board meetings:
9/9 (fiscal 2025)

April	1984	Joined MGC
June	2025	Audit & Supervisory Board Member (to present)

Expertise and experience: Following his appointment as director in June 2018, he served in important positions in Corporate Management, Compliance, Internal Control & Risk Management, etc., and possesses abundant experience in MGC's business and corporate management.



Mayako Perez Takahashi

Outside Audit & Supervisory Board Member
Independent
Attendance at Audit & Supervisory Board meetings:
9/9 (fiscal 2025)

April	1988	Joined Toa Nenryo Kogyo K.K. (currently ENEOS Corporation)
February	1997	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
December	2007	Joined KPMG Business Assurance Co., Ltd. (currently KPMG AZSA LLC)
June	2025	Outside Audit & Supervisory Board Member, MGC (to present)

Expertise and experience: She has many years of experience at audit corporations, etc., and also possesses a considerable degree of knowledge regarding finance and accounting.



Tsuneaki Teshima

Outside Audit & Supervisory Board Member, Part-Time
Independent
Attendance at Audit & Supervisory Board meetings:
14/14 (fiscal 2025)

April	1983	Joined Nippon Life Insurance Company (Nissay)
April	2018	Representative Director, NLI Research Institute (to present)
June	2021	Outside Audit & Supervisory Board Member, Keisei Electric Railway Co., Ltd. (to present)
June	2024	Outside Audit & Supervisory Board Member, MGC (to present)

Expertise and experience: He has many years of experience and insight as a manager at a financial institution and possesses considerable knowledge of finance and accounting.

Independent Independent officer as stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange

Expertise and Experience Sought in Directors and Audit & Supervisory Board Members (Skills Matrix)

Name	Corporate management / Industry expertise	Production technology / R&D / Environment safety	Business strategy / Sales / Market development	Finance / Accounting / Management planning	Legal / Compliance / Risk management	HR / Labor / Talent development	Global / Diversity / Experience in other sectors
Directors							
Masashi Fujii	●		●		●	●	
Yoshinori Isahaya	●	●	●	●			
Motoyasu Kitagawa	●			●		●	●
Ko Kedo	●	●	●		●		
Tomoyuki Azuma	●	●	●				●
Chika Kobayashi	●		●	●	●		
Yasushi Manabe	●		●				●
Kazue Kurihara	●	●					●
Kuni Sato					●	●	●
Mihoko Manabe	●			●			●
Audit & Supervisory Board Members							
Masato Inari	●	●	●		●		
Nobuhisa Ariyoshi	●			●	●	●	
Mayako Perez Takahashi				●	●		●
Tsuneaki Teshima	●			●			●

Note: Up to four high-priority areas of expertise and experience are noted for each individual. The table above is not exhaustive with respect to all of the areas of expertise and experience disclosed for each individual.

A Roundtable Discussion Among Outside Directors



Kazue Kurihara
Outside Director

Kuni Sato
Outside Director

Mihoko Manabe
Outside Director

Yasushi Manabe
Outside Director

Believing in the MGC Group's inherent potential, we will support the resolute management required to navigate this challenging period of structural transformation.

In fiscal 2025, the MGC Group posted challenging business results, recognizing an approximately ¥40.0 billion loss attributable to owners of parent. Looking back on a year marked by challenges, the Group's four outside directors engaged in a frank discussion covering the circumstances and lessons learned from the discontinuation of a European meta-xylenediamine (MXDA) project, tasks related to business portfolio reform and talent development, and expectations for future growth that utilizes the Group's technology-driven uniqueness.

Corporate Resilience and Management Resolve Highlighted by Challenging Results

Manabe (Y) The recognition of an approximately ¥40.0 billion loss attributable to owners of parent in fiscal 2025 was extremely challenging. The senior management team and outside directors must sincerely view these business results as their responsibility. However, I believe that responding to rapid changes in the business environment by making a swift, level-headed decision at this juncture to discontinue construction of the MXDA plant in Europe—the primary cause of the loss—was the correct course of action given the risk of incurring even greater future losses if the project had continued.

Manabe (M) Before being appointed to this position in June 2025, I had heard from an acquaintance that the situation in the chemical industry was very challenging. During my very first year as an outside director, I experienced firsthand just how true those words were. At the same time, it was a year in which I was able to appreciate the strengths of the corporate culture fostered by the MGC Group as well as its huge potential, stemming from employees' strong pride in products that have the leading shares of their global markets, growth driven by in-house innovation, and other advantages.

Sato It has also been a year since I became an outside director in June 2025. Even amid a challenging situation, morale remains high in the organization. Officers and employees clearly aim to utilize the environmental changes as an opportunity to establish a foundation for the future. They are endeavoring to use the lessons learned from the failure of the European MXDA project to achieve progress by rigorously investigating the causes of the failure through methods such as Five Whys analysis, which involves a wide range of stakeholders to thoroughly examine why a situation occurred.

Kurihara I highly commend President Yoshinori Isahaya for not rushing to expand businesses immediately upon taking office but instead making timely decisions on existing issues and demonstrating resolute management. Under the "Uniqueness & Presence" (U&P) slogan, he repeatedly conveyed a determination to achieve transformation toward a business model that competitors cannot emulate and to leverage strengths in technologies and products that are the first of their kind in the world or that have No. 1 market shares.

Manabe (M) The appointment of President Isahaya, who has a background in research and development, is symbolic of MGC's direction as an R&D-oriented company. I feel that an awareness of innovation as the key to growth is shared throughout the entire organization. The challenge going forward is how to commercialize innovation and make it profitable.

Sato When I attended a research briefing at the MGC Commons Innovation Center, I was struck by the sparkle in employees' eyes and an atmosphere filled with hope as they earnestly tackled research that could produce tomorrow's intellectual property. While I respect a corporate culture that aims for technology-centered development, I believe there is a need to flexibly share findings within a certain scope—even if they are only about 80% complete—and use the sharing of findings to move projects forward to the next phase.



Mihoko Manabe
Outside Director

Former Board Director, Moody's Japan K.K.
Financial Advisor (Sole Proprietor)
Sustainability Expert, MPower Partners Fund

Background of the European MXDA Project's Discontinuation and Lessons for the Future

Manabe (Y) Among the four of us, I was the only one who was an outside director when the investment decision for the European MXDA project was made in 2021. It was a large-scale investment aimed at starting up commercial operations in July 2024. Partly due to the impact of the Russia–Ukraine conflict, which began in 2022, we started to receive reports of construction delays and construction cost hikes. Although initial discussions focused on rapidly completing construction even if it cost more, the faster-than-expected entry of Chinese companies and their aggressive low-pricing strategy, particularly from 2025 onward, caused profitability to deteriorate significantly, leading to projections that recovering the investment would be challenging. Despite the fact that plant



Yasushi Manabe
Outside Director
Former Vice President and Executive Officer, Hitachi, Ltd.
Outside Director, NICHIAS Corporation

construction had progressed considerably, I believe that discontinuation of the project was the only option, as continuation of the project would have left us with a heavy financial burden in the future.

Manabe (M) Nonetheless, rather than being predetermined from the outset, the decision to discontinue was reached after the Board of Directors had devoted a significant amount of time to thoroughly discussing all possible options and multiple scenarios. I believe the process—from careful and timely deliberation through to the final decision—was commendable.

Kurihara At the time the plan was formulated, demand for MXDA was extremely high, and the ramping up of production was inevitable given the Group's responsibility to ensure supply as a leading manufacturer. I can also understand the desire to expand operations globally. The objectives of the Group's ambitious initiatives and technology strategies were not mistaken. Had it not been for construction delays, the Group might have secured the market before Chinese companies entered it, reaffirming to me that, as President Isahaya says, acting with a sense of urgency is vital.

Manabe (Y) On the other hand, there was room for improving the monitoring of the project in terms of methods, frequency, and the level of detail. While the outcome was attributable to multiple factors—such as China's overproduction-based export offensive and soaring material costs and labor shortages, triggered by the Russia–Ukraine conflict—I regret not monitoring changes in domestic and international conditions from an earlier stage and more continuously.

Kurihara In today's world where various events evolve rapidly, the establishment of systems that expedite in-depth assessments based on concrete data is indispensable. In particular, when launching new businesses overseas, as the physical distance makes proceeding through a process of trial and error problematic, we must ensure that once a decision is made it reliably produces the desired outcome. I want to see the Group prepare itself anew for the full realization of its ambitions and advanced technological competence in the next initiative.

Sato In addition to a sense of urgency and monitoring methods, we should reflect on whether a collaborative system suited to the new environment was actually put in place. To fully realize the Group's ambition and technological prowess in a rapidly changing operating environment, it will become increasingly important to objectively assess in-house capabilities and then actively collaborate with appropriate partners, adopting an attitude of building businesses together with customers and partners.

Support for Structural Reforms Through Development of Both the Organization and Personnel

Manabe (Y) In the next medium-term management plan, we will more clearly pursue a strategy of selection and concentration that entails withdrawing from businesses with limited future potential, concentrating management resources on growth fields, and ensuring the realization of returns on past investments. Withdrawal from businesses requires major decisions with painful consequences—such as plant closures and the streamlining of workforces—as well as a plan that integrates business, research, and human resource strategies into a unified whole.

Sato With respect to human resource development, I get the impression that the Group has created an environment where employees feel comfortable, find their work



Kuni Sato
Outside Director
Former Ambassador Extraordinary and Plenipotentiary of Permanent Delegation of Japan to UNESCO
Council Member, United Nations University

rewarding, and can continue working and growing for many years.

Manabe (M) Job satisfaction is a form of non-financial incentive compensation. Even amid worsening labor shortages, the Group can secure and strengthen its source of competitiveness by creating a corporate culture where employees feel a sense of job satisfaction and by remaining a corporate group of choice through the provision of ample opportunities for learning and taking on challenges and the granting of restricted stock to employees.

Kurihara At the briefing of the Tokyo Research Laboratory, researchers of many different ages from various business sites were actively interacting, creating a very positive atmosphere. However, I felt that we still have some way to go in terms of diversity of experience and the systematic development of executive-level human resources.

Manabe (Y) The Group has its roots in two companies—the upstream-based Japan Gas Chemical and the downstream-based Mitsubishi Edogawa Chemical—and operates two business divisions: one manufacturing basic chemicals and the other manufacturing specialty chemicals. Without favoring either business field, the Group should develop management talent more effectively by stepping up cross-divisional job rotations that allow employees to gain experience in both upstream and downstream operations. In other words, there is a need to strengthen the process through which personnel accumulate a broad range of experience before joining the senior management team.

Utilization of Technology-Driven Uniqueness to Advance to the Next Growth Phase

Kurihara Ahead of competitors, the Group is already cultivating the seeds of its next growth drivers through the construction of pilot plants and other initiatives for technologies and product lineups in the carbon-neutral field. I hope the Group remains focused on being in the vanguard so that it retains a technological edge when the time is right for commercialization.

Sato While progress toward carbon neutrality may waver in the short term due to factors such as the international situation and energy prices, it is an irreversible medium- to long-term trend in society as a whole. I believe that focusing on this field, where the Group has technological advantages, is strategically sound.



Kazue Kurihara
Outside Director

Professor Emeritus, Tohoku University
Senior Research Fellow,
New Industry Creation Hatchery Center, Tohoku University
Outside Director, Hamamatsu Photonics K.K.
Director, SMILEco Measurement Co., Ltd.

Manabe (Y) I would like the Group to develop new pillars of growth in the carbon-neutrality field and other next-generation fields while further expanding existing growth drivers in fields such as AI semiconductors. I also look forward to seeing the next “home run hitter” emerge from among the Group’s diverse research initiatives.

Sato I hope that, as an entity with global operations, the Group will achieve balanced growth by solidifying fundamentals—such as governance and data-driven business management—while aspiring to be an organization that views the rapid changes in the international landscape not as threats but as opportunities.

Kurihara I believe that even with respect to basic chemicals, for which the business environment is challenging, there is still scope for innovative strategies, such as a shift in focus toward downstream operations. In the engineering plastics field, cost-saving ideas such as the rationalization of product specifications could also be considered. I hope that the MGC Group holds its ground as one of the chemical companies responsible for supplying materials that underpin other industries and helps maintain the presence of Japan’s chemical industry.

Manabe (M) The distinctive value of the Group lies in its ability to engage in a wide range of businesses, from upstream through to downstream, and to realize technology-driven differentiation. To ensure that its involvement in diverse businesses is not seen in a negative light, the Group must communicate to society in a broader, more accessible manner and with a focus on “Uniqueness & Presence” initiatives. While looking forward to the steady execution of fundamental structural reforms during this period of structural transition, I will continue to support the MGC Group in achieving its goals.

Corporate Governance

For details on corporate governance, please visit the “Corporate Governance” section of the website below.
https://www.mgc.co.jp/eng/corporate/governance.html

Corporate Governance System

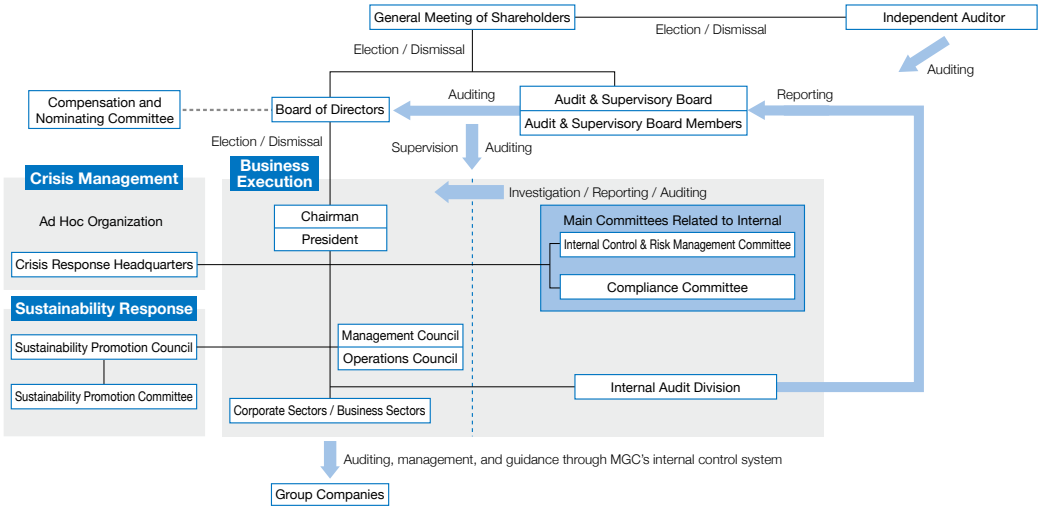
In accordance with its Mission of “creating value to share with society,” the Company aims to meet the expectations of its stakeholders by both increasing corporate value and realizing a sustainable society through its business activities. To facilitate these efforts, the Company operates an effective corporate governance system and continuously reinforces and enhances it.

MGC is a company with audit & supervisory board organizational structure and has established an executive officer system. Seeking advice from legal counsel and other experts as required, the Board of Directors makes management decisions and provides oversight. Meanwhile, executive officers are responsible for business execution. Thus, the functions of management decision-making and oversight are clearly separated from those of business execution.

In June 2026, we further strengthened governance by further separating management oversight and business execution through the exclusion of officers in charge of business sectors from the Board of Directors and by increasing the percentage of outside directors. Decisions on matters of significance to the Company are made after comprehensive consideration from multiple perspectives, including deliberation by the Management Council, which discusses management policies, and by the Operations Council, which reviews specific implementation plans.

Audit & Supervisory Board members monitor important decision-making processes and business execution, ensure reasonable decision-making and compliance with laws and corporate norms, and audit the business execution by attending important meetings, such as those of the Board of Directors and the Operations Council; by conducting audits of each division; by surveying subsidiaries; and by viewing important documents.

Corporate Governance and Risk and Sustainability Management Organizational Chart



Status of Internal Auditing

The Internal Audit Division conducts internal audits of the Company and its Group companies pursuant to fiscal yearly plans to determine whether their business activities are being executed properly and endeavors to ensure the effectiveness of internal controls and improve management efficiency. All internal audit reports are reported to not only the representative director and president and the director in charge of the Internal Audit Division but also full-time Audit & Supervisory Board members. The Board of Directors receives one regular report per year as well as reports from the director in charge of the Internal Audit Division as necessary. Moreover, the Internal Audit Division assesses and reports on the effectiveness of internal controls concerning financial reporting in accordance with the Financial Instruments and Exchange Act.

Support for Outside Directors and Audit & Supervisory Board Members

To allow part-time outside directors to gain a better understanding of agenda items discussed at Board of Directors’ meetings, the Company briefs them beforehand. Further, the Company also provides said directors with opportunities to receive briefings from respective divisions on their businesses and operations, inspect business sites, and attend briefings on the current status of important subsidiaries. Outside directors also engage in discussions with Audit & Supervisory Board members, share information, and hold regular meetings exclusively attended by outside directors and outside Audit & Supervisory Board members.

The Secretarial Group and General Affairs Group, the latter of which functions as the Board of Directors’ administrative staff, serve as liaisons between outside directors and the Company. Both have staff members whose main role is to communicate and coordinate with outside directors and assist them with their duties. Additionally, one staff member is assigned exclusively to assist Audit & Supervisory Board members, including outside members, with their duties as directed thereby. Audit & Supervisory Board members are authorized to utilize the services of external experts at the Company’s expense.

Activities of Meeting Bodies and Committees in Fiscal 2025

Board of Directors — 12

Chair: Chairman and representative director

The Board of Directors makes decisions on important matters pertaining to management policies, business activities, and management based on laws, regulations, the Company's Articles of Incorporation, and the regulations of the Board. It also receives reports from directors on matters such as the status of the execution of duties and management performance and supervises directors' execution of duties. Candidates for director are nominated by the Board of Directors following consultation with the Compensation and Nominating Committee, and directors are elected at the General Meeting of Shareholders.

Main Themes Deliberated in Fiscal 2025

Theme	Main deliberation items
Management strategy	· Business portfolio reforms (implementation of strategies, including restructuring businesses requiring intensive management, etc.) · Discontinuation of the construction work of a major investment project · Balance sheet optimization (sale of non-business assets, etc.) · Sustainability management (materiality KPI results, etc.)
Governance	· Promotion of reduction of strategic shareholdings · Countermeasures for the Group's overall cybersecurity risk

Audit & Supervisory Board — 14

Audit & Supervisory Board members audit management decisions and the status of business execution by directors from an independent standpoint, such as by attending meetings of the Board of Directors and other important meetings. The Audit & Supervisory Board's main tasks include the formulation of auditing policies and audit plans, the implementation of internal control systems and the monitoring of the operational status thereof, and the reasonableness of the independent auditor's audit methods and findings. Furthermore, the Audit & Supervisory Board endeavors to work with the independent auditor and the Internal Audit Division while striving to increase the efficiency of audits through such measures as the assignment of dedicated audit staff.

Compensation and Nominating Committee — 7

Chair: Chairman and representative director

The Compensation and Nominating Committee functions both to determine executive officer compensation and to nominate and appoint key members of senior management. The majority of the committee comprises independent outside directors. The Board of Directors is responsible for appointing and dismissing key members of management, including the chairman and president, and for nominating directors and Audit & Supervisory Board members. In making decisions on policies regarding executive officer compensation and total annual amounts and in determining the allocation of said amounts, the Compensation and Nominating Committee is consulted prior to these matters being put before the Board of Directors for discussion. Note that the appointment, dismissal, and nomination of said officers are judged in light of certain selection criteria that include whether they have acquired the appropriate work experience and knowledge inside and outside the Company for the position; whether they have the dignity and ethical values appropriate to fulfilling their responsibilities; and whether they have violated any laws, the Articles of Incorporation, or Company rules.

Internal Control & Risk Management Committee — 3

Chair: Executive officer in charge of Internal Control & Risk Management

As an organization under the direct control of the president, the Internal Control & Risk Management Committee is chaired by the executive officer in charge of Internal Control & Risk Management. The committee provides instruction to and supervises each department and deliberates on problems that require a Companywide response. It makes decisions on matters related to risk management system policies, measures, and plans; matters related to business and operational risk management, as well as matters related to guidance, direction, and oversight incidental thereto; and matters related to guidance, direction, and oversight related to business continuity planning.

For details on risk management, please refer to page 83.

Compliance Committee — 3

Chair: Executive officer in charge of compliance

As an organization under the direct control of the president, the committee investigates compliance violations pertaining to the Company and the Group and formulates, deliberates, and recommends corrective measures and preventive measures.

For details on compliance, please refer to page 84.

Management Council — 22

Organizer: President and representative director

The Management Council deliberates and determines the Group's medium-term management plan, management policies, basic policies on key operations, and so forth. The Board of Directors is the final arbiter regarding decisions on any proposals requiring a resolution of the Board.

Operations Council — 25

Organizer: President and representative director

The Operations Council deliberates and determines the Group's specific action plans and discusses the execution of serious business matters. The Board of Directors is the final arbiter regarding decisions on any proposals requiring a resolution of the Board.

Sustainability Promotion Council — 2

Chair: President and representative director

The Sustainability Promotion Council is a body that comprehensively reviews key issues related to sustainability management based on recommendations received from the Sustainability Promotion Committee and reports received from head office divisions. The council consults with this committee on important matters as required. In light of the committee's recommendations, the council identifies matters to be submitted to the Board of Directors for deliberation, with decisions on important matters being made by the Board.

Sustainability Promotion Committee — 3

Chair: General manager of CSR & IR Division

As an advisory body to the Sustainability Promotion Council, the Sustainability Promotion Committee utilizes its expertise to conduct examinations and investigations in relation to inquiries and information on important matters received from the council and then provides it with recommendations. For issues related to specific fields of expertise, the committee establishes specialized subcommittees and provides recommendations based on the results of their analyses.

Assessing the Effectiveness of the Board of Directors

MGC conducts annual questionnaire-based assessments of the effectiveness of the Board of Directors. In fiscal 2023, for the first time we utilized a third-party organization to incorporate its expertise into our examination and compilation of the survey questions. Plans call for the utilization of external organizations in this way approximately every three years.

In April 2026, we conducted a survey of all directors and Audit & Supervisory Board members, which sought responses based on a five-point scale and comprised questions under five categories: the composition and operation of the Board of Directors, management strategy and business strategy, corporate ethics and risk and crisis management, performance monitoring and evaluation of the senior management team, and dialogue with shareholders and other stakeholders. The survey also requested that participants state their frank opinions in an unrestricted format.

The survey results were generally positive, with the average score on the five-point scale for all questions surpassing the four-point level of "More effective and appropriate than not." Therefore, we believe that the Board of Directors has achieved a certain level of effectiveness. In particular, the categories with relatively high scores were the composition and operation of the Board of Directors, corporate ethics and risk and crisis management, and dialogue with shareholders and other stakeholders.

The Board of Directors will further enhance its effectiveness by discussing the survey results and the feedback received and focusing on strengthening the areas requiring further improvement.

Issues identified in the previous assessment	• Strategy monitoring • Incentive compensation
Responses to issues	• Regular progress reports were provided to the Board of Directors about issues emerging both in relation to large-scale investments and businesses requiring intensive management. Discussions on the aforementioned issues resulted in the senior management team's decision to discontinue the construction of a meta-xylenediamine (MXDA) manufacturing facility in the Netherlands. • Moreover, the Company added ESG indicators—GHG emissions reduction percentage, percentage of employees who feel job satisfaction, and compliance status—to performance-based compensation.
Future issues and initiatives	• Management strategy and business strategy (management focused on the cost of capital): Examine mechanisms for facilitating an even greater focus on the cost of capital in making investment and divestment decisions; explore administrative approaches for strengthening the Board of Directors' oversight functions and giving priority to discussions on medium- to long-term management strategies • Performance monitoring and evaluation of the senior management team (incentive compensation): Consider increasing the percentage of performance-based compensation and revising performance indicators to create a compensation system that provides greater incentives

Compensation of Directors and Audit & Supervisory Board Members

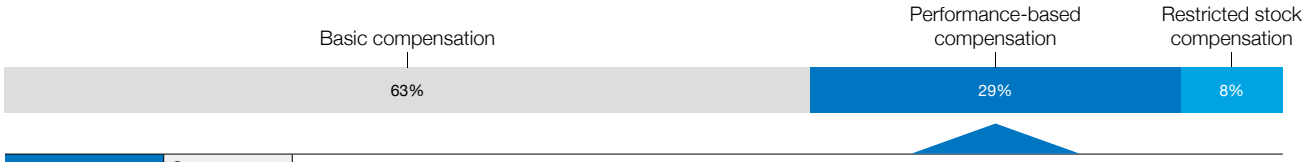
Compensation of the directors of MGC, excluding outside directors, consists of annual compensation, which comprises basic compensation and performance-based compensation, and restricted stock compensation. Basic compensation is a fixed amount based on the individual's position and responsibilities. Performance-based compensation is determined with reference to performance and degree of achievement in a single fiscal year as measured by financial indicators and by key performance indicators related to environmental, social, and governance factors, which have been included to promote sustainability management even further. The annual compensation amount is divided into installments that are paid monthly. A certain portion of this amount is paid at the time of retirement as a reserved retirement benefit. The benefit amount may be reduced to reflect the individual's performance and other factors. The restricted stock compensation mechanism grants shares based on an individual's position and responsibilities while imposing a transfer restriction for a specified period, thereby encouraging a similar interest in the Company's share value as that of shareholders and providing motivation to enhance corporate value over the medium to long term.

Given the long periods required for the Company's businesses to generate profits, annual compensation is approximately 30% performance-based compensation but primarily comprises basic compensation. Restricted stock compensation and other incentive compensation account for roughly 40% of total compensation. In addition, bonuses may be paid upon approval by a resolution of the General Meeting of Shareholders. Further, outside directors, who are independent of executive management, only receive fixed basic compensation.

The total amount of director compensation is determined by the Board of Directors after consultation with the Compensation and Nominating Committee—in which outside directors constitute a majority—and in light of the Company's performance, market standards, and employee salary trends. Entrusted with the allocation of individual compensation, the president determines such compensation with reference to the opinion of said committee.

The compensation of Audit & Supervisory Board members solely comprises basic compensation, which must be within the limits set by the General Meeting of Shareholders and determined through consultation among said members.

Composition of Compensation for Directors (Excluding Outside Directors) in Fiscal 2025



Assessment Indicators	Company Performance	Ordinary profit, ROE, and ROIC
	ESG	GHG emissions reduction percentage, percentage of employees who feel job satisfaction, and compliance status

Total Officer Compensation in Fiscal 2025

Position	Total amount of compensation (millions of yen)	Total amount of compensation by type (millions of yen)			Number of persons receiving compensation
		Basic	Performance-based	Restricted stock	
Directors (excluding outside directors)	518	326	148	42	10
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	55	55	–	–	3
Outside directors and Audit & Supervisory Board members	86	86	–	–	9
Total	660	468	148	42	22

Note: The amount of restricted stock compensation to directors is the amount of the provision for restricted stock compensation recorded for the fiscal year under review.

Strategic Shareholdings

MGC regards listed shares that it owns and that are deemed to contribute to the enhancement of corporate value over the medium to long term as strategic shareholdings. Each year, the Board of Directors reviews each stock individually, assessing trading conditions, profitability given the cost of capital, risk, and the appropriateness of the holding objective. If it is determined that the holding exceeds an appropriate level, the Company disposes of the shares in a timely manner. In fiscal 2025, the Company disposed of seven stocks, including the complete disposal of three thereof, and realized proceeds of approximately ¥6.0 billion as a result. Although the Company has reduced its strategic shareholdings, they have risen as a percentage of consolidated net assets due to an increase in the market value of the Company's holdings of listed stock.

Going forward, the Board of Directors will continue annual reviews of the purpose and significance of each individual stock and accelerate the disposal of holdings deemed to exceed an appropriate level.

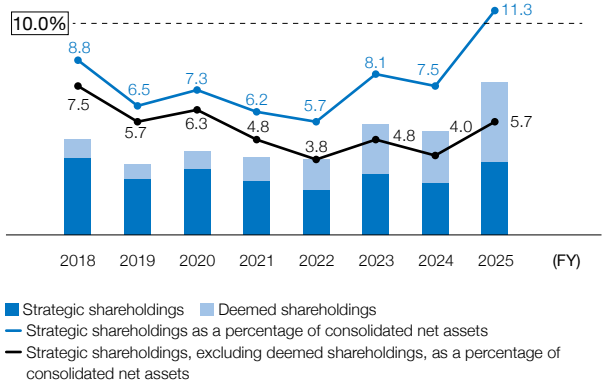
When exercising voting rights, the Company generally respects the management decisions of the companies in which it holds shares. However, if there is little prospect of improvement despite consecutive losses, scandals, or antisocial behavior, the Company will give due consideration to the purpose of the strategic shareholding, carefully examine individual proposals, and determine whether to vote for or against them.

	Number of issues	Total value on balance sheet (millions of yen)
Unlisted shares	52	2,174
Shares other than unlisted shares	33	36,613

Strategic Shareholdings as a Percentage of Consolidated Net Assets (%)

28 stocks disposed of over the past eight years (full disposal of 20 stocks), cumulative disposal of roughly ¥30.0 billion*

* Based on actual results. Includes partial disposal of certain shareholdings and disposal of deemed shareholdings



- Seven stocks disposed of in fiscal 2025 (complete disposal of three stocks), amounting to approximately ¥6.0 billion
- Despite progress in reducing strategic shareholdings, they are rising as a percentage of consolidated net assets due to an increase in the market value of the Company's holdings of listed stock.
- Going forward, the Company's policy is to accelerate the disposal of stocks that are deemed to exceed appropriate levels of shareholding, following annual examination of the purpose and meaning of holding individual stocks by the Board of Directors.

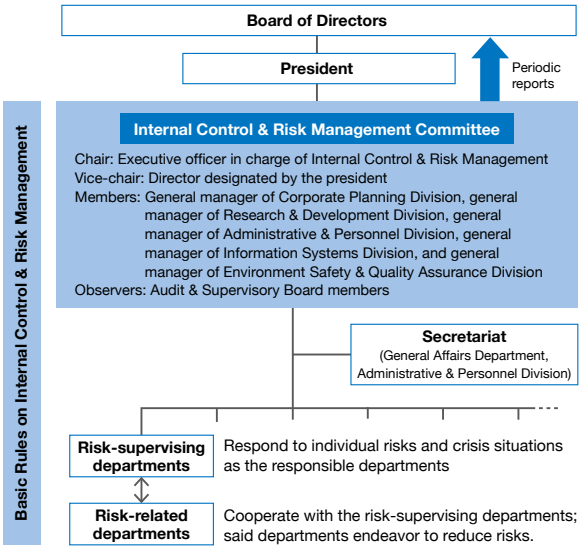
Risk Management

Risk Management System

At MGC, all business divisions actively assess and prioritize risk situations and devise risk reduction measures. The Internal Control & Risk Management Committee, chaired by the executive officer in charge of Internal Control & Risk Management, provides direction to and supervises each department and deliberates on issues that require a Companywide response. It periodically reports to the Board of Directors on the state of risk management.

While MGC's business primarily centers on manufacturing, we identify and evaluate risks associated with business execution beyond just manufacturing inherent in our operations and internal control systems. We then take appropriate measures. In the event that a serious risk is identified, we set up a special entity (Crisis Response Headquarters) to address the risk in question according to internal rules.

Risk Management Promotion System



Business and Other Risks

1. Endogenous business risk
2. Overseas business risk
3. Joint venture risk
4. Product quality risk
5. Natural disaster and accident risk
6. Information security risk
7. Compliance risk
8. Human rights risk
9. Climate change risk
10. Investment risk
11. Currency risk
12. Financing and interest rate risk
13. Litigation risk

Specific Activities of the Internal Control & Risk Management Committee (Fiscal 2025)

Matters discussed

- Review of internal control and risk management activities in each department
- Details of disclosures related to business and other risks
- Review of fire insurance
- Overview of annual activities
- Policy for next fiscal year

Matters reported

- Preparedness for earthquakes and tsunamis
- Preparedness for an earthquake directly beneath the Greater Tokyo Area

For details on business and other risks, please visit the website below.
https://www.mgc.co.jp/eng/ir/policy/risk.html

Strengthening Responses to Sustainability and Risks

The MGC Group manages risks by identifying material issues that should be addressed by management to achieve both social and economic value and by identifying the risks and opportunities associated with said material issues.

The division supervising material issues identifies risks and opportunities. We then set KPIs that are suitable for reducing risks, maximizing opportunities, and measuring the degree of achievement of our vision. Since the addressing of material issues is promoted in conjunction with the medium-term management plan, the Sustainability Promotion Committee and the Sustainability Promotion Council confirm the progress of material issue management.

For details on material issues, risks, and opportunities, please visit the website below.
https://www.mgc.co.jp/eng/sustainability/risk.html

Main Meeting Bodies Related to Sustainability and Risk

Meeting body	Participating members	Main risks handled	Particularly relevant material issues	Meetings held in FY2025
Environment and Safety Meeting	Chair: President and representative director Directors, Audit & Supervisory Board members, business site managers, and other personnel	• Environmental protection risk • Process safety and disaster prevention risk and occupational safety and health risk • Chemical and product safety risk	• Proactive response to environmental issues • Ensuring occupational safety and health/process safety and disaster prevention	1
Quality Assurance Meeting	Chair: President and representative director Directors, Audit & Supervisory Board members, business site managers, and other personnel	Quality risk	Chemical/product quality and safety assurance	1
Human Rights Expert Committee	Chair: General manager of Administrative & Personnel Division General manager of Purchasing & Logistics Division, General manager of Environment Safety & Quality Assurance Division, and other personnel	Human rights risk	Respect for human rights	3
Carbon-Neutrality Promotion Technical Committee	Chair: General manager of Production Technology Division General manager of Corporate Planning Division General managers of business divisions, general managers of business administrative divisions, and other personnel	Climate change risk	Proactive response to environmental issues	3

Compliance

Basic Approach

The MGC Group has put in place, and is working to strengthen, a compliance system aimed at earning society's trust and understanding. We take a broad view of compliance, one that involves not only abiding by laws and Company rules but also conducting fair, transparent, and free business activities in acknowledgment of our responsibilities to society. We have thus summarized the conduct expected of our officers and employees in the MGC Corporate Behavior Principles and the MGC Group Code of Conduct, the contents of which are reviewed and revised as appropriate in light of developments in society at large.

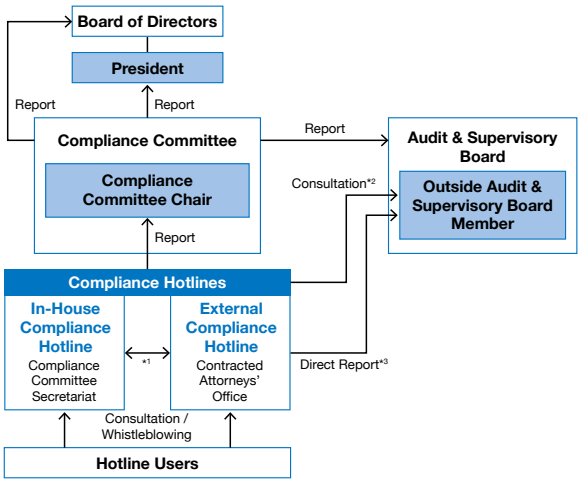
The MGC Group decides policies, measures, and plans related to the compliance system in the Internal Control & Risk Management Committee. In addition, as an independent body reporting directly to the president to deal with individual cases of compliance violation, we have established the Compliance Committee, which comprises the executive officer in charge of compliance, who serves as chair; a director nominated by the president, who is vice-chair; and heads of compliance-related departments and other personnel, who are committee members.

The results of the activities of this committee, which include the investigation and recognition of violations and the formulation, deliberation, and recommendation of corrective and preventive measures, are reported to the president, the Board of Directors, and the Audit & Supervisory Board. Prescribed internal procedures are followed in dealing with compliance violations.

Furthermore, the Compliance Hotline has been set up to quickly ascertain and correct compliance violations, and it can be used by everyone involved in the MGC Group's business activities, such as officers and employees of the MGC Group, including those who have retired in the past year, their family members, or those belonging to partner companies and customers. The In-House Compliance Hotline is staffed by the Compliance Committee Secretariat, while the External Compliance Hotline is available through an office membered by attorneys specializing in compliance, including female attorneys. Said attorneys also provide advice to the Compliance Committee.

Consultations and whistleblowing incidents brought to the attention of the hotline and deemed to be potential compliance violations are investigated by the Compliance Committee, which takes any required corrective action or measure to prevent a recurrence. The results are also reported back to the party who submitted the original consultation or whistleblowing incident.

MGC Compliance Consultation Structure



*1 Coordinated response depending on the circumstances
*2 An outside Audit & Supervisory Board member is consulted for matters related to MGC officers.
*3 If a report received by the External Compliance Hotline is deemed to be a serious problem related to MGC's management or management personnel, or if the response by the Compliance Committee, etc., is inadequate and an appropriate response cannot be expected, or if the hotline user refuses to provide information to the Compliance Committee Secretariat, a direct report can be made to the abovementioned outside Audit & Supervisory Board member.

Compliance Education

MGC designates every October as "Corporate Ethics Month," during which we conduct compliance education for all personnel using our intranet, and the president calls on all business sites to renew their promotion of compliance. Compliance education is also included in grade-specific training, and training is provided using educational materials suited to each position.

Given an increasing need to respond to compliance issues, such as cartel involvement and the bribery of foreign public officials, at MGC Group companies affiliated with our overseas businesses in emerging countries and other locations, we are working to enhance the quality of compliance education for personnel assigned to overseas affiliates as officers.

Security Export Control Initiatives

The MGC Group Code of Conduct stipulates that exacting export screening procedures are to be followed, in part to ensure adherence with laws and international treaties regarding exports, as well as to ensure appropriate control over the export of cargo and provision of technology that may relate to the development of weapons of mass destruction and conventional arms.

Export control subject to screening includes all products exported by MGC, regardless of whether the transaction involves direct, indirect, or brokered trade, as well as all technology related to the design, manufacture, and use of such products.

Export screening involves multiple checks by business sectors in charge of products and an independent export control division, which screen all exports to determine if cargo and technology restrictions apply, while checking the final customer, destination, and use.

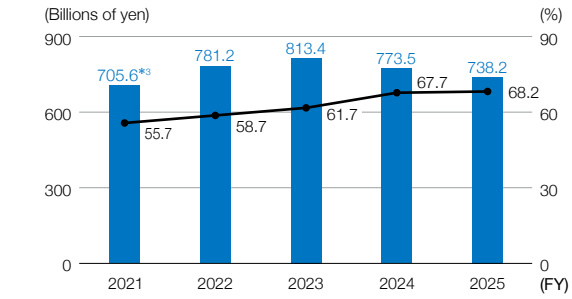
In addition, we endeavor to maintain and enhance the export control framework by implementing internal audits and grade-specific education annually.

Performance Data

	2015	2016	2017	2018
Operating results (Millions of yen)				
Net sales	593,502	556,480	635,909	648,986
Operating profit	34,018	43,762	62,741	41,386
Ordinary profit	45,432	62,430	80,711	69,199
Profit (loss) attributable to owners of parent	34,134	48,013	60,531	55,000
Share of profit (loss) of entities accounted for using the equity method	16,683	21,125	18,277	28,408
EBITDA*1	74,631	89,407	108,807	97,668
Financial position (Millions of yen)				
Current assets	341,237	326,674	384,249	378,845
Total assets	739,582	738,188	785,687	804,038
Current liabilities	214,676	188,426	206,835	188,420
Net assets	423,135	473,370	519,144	553,282
Interest-bearing debt	181,427	118,713	106,964	95,751
Cash flows (Millions of yen)				
Operating cash flows	84,671	82,711	90,720	64,042
Investing cash flows	(31,922)	(31,119)	(33,614)	(42,761)
Financing cash flows	(47,335)	(60,217)	(33,038)	(31,396)
Cash and cash equivalents at end of period	75,828	67,177	90,304	80,379
Per-share data (Yen)				
Earnings per share (EPS)*2	153.85	221.83	281.39	257.46
Net assets per share*2	1,707.01	1,967.94	2,187.99	2,354.25

*1 EBITDA = Ordinary profit + Interest paid + Depreciation and amortization
*2 With an effective date of October 1, 2016, MGC conducted a reverse stock split for MGC's ordinary shares on a 2:1 basis. As a result, each amount per share in the above table is calculated by retroactive adjustment applying the above share consolidation to preceding periods as well.

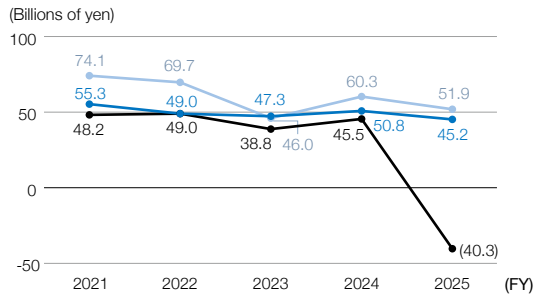
Net Sales, Overseas Net Sales Ratio



Net sales (left axis) — Overseas net sales ratio (right axis)

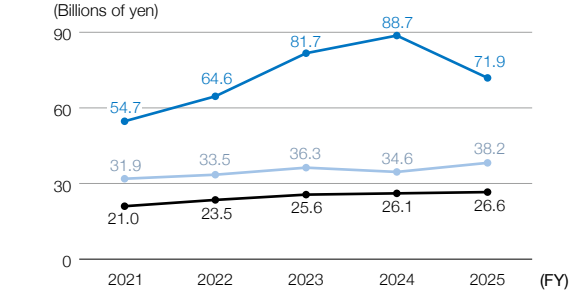
*3 MGC has applied the Accounting Standard for Revenue Recognition, etc., since fiscal 2021. The impact of the application of said standard is a decrease in net sales by ¥34.8 billion.

Operating Profit, Ordinary Profit, Profit (Loss) Attributable to Owners of Parent



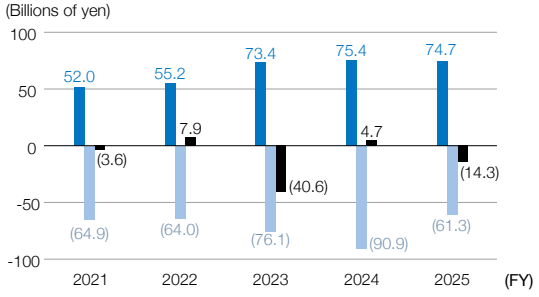
Operating profit — Ordinary profit — Profit (loss) attributable to owners of parent

Capital Expenditures, Depreciation and Amortization, Research and Development Costs



Capital expenditures — Depreciation and amortization
Research and development costs

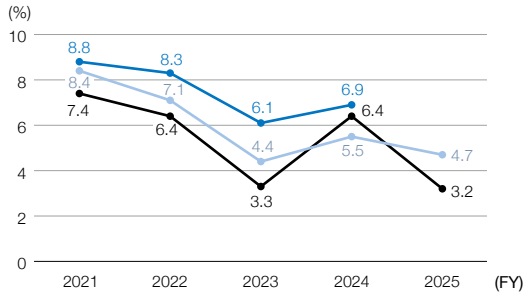
Cash Flows



Operating cash flows — Investing cash flows — Financing cash flows

2019	2020	2021	2022	2023	2024	**2025**	(FY)
613,344	595,718	705,656	781,211	813,417	773,591	**738,243**	
34,260	44,510	55,360	49,030	47,337	50,851	**45,293**	
31,116	50,240	74,152	69,764	46,040	60,316	**51,947**	
21,158	36,070	48,295	49,085	38,818	45,544	**(40,318)**	
(1,282)	5,162	14,883	17,546	(5,696)	10,956	**1,545**	
61,675	81,726	107,009	105,074	84,908	97,363	**92,892**	
358,669	402,141	452,210	483,249	463,148	460,268	**450,491**	
771,733	836,364	928,651	1,029,317	1,068,010	1,119,688	**1,113,040**	
163,574	167,947	198,969	220,442	241,480	274,929	**229,824**	
548,141	581,411	630,887	671,249	684,832	697,375	**679,550**	
74,713	98,476	117,650	166,944	173,002	213,976	**229,269**	
74,234	55,464	52,090	55,222	73,473	75,440	**74,726**	
(33,922)	(40,370)	(64,954)	(64,071)	(76,172)	(90,994)	**(61,311)**	
(49,563)	5,154	(3,666)	7,996	(40,689)	4,707	**(14,364)**	
70,043	91,075	92,257	101,185	65,397	56,985	**59,096**	
100.50	173.41	232.15	239.08	190.97	228.93	**(207.04)**	
2,368.11	2,520.34	2,733.86	2,970.07	3,284.96	3,431.90	**3,319.36**	

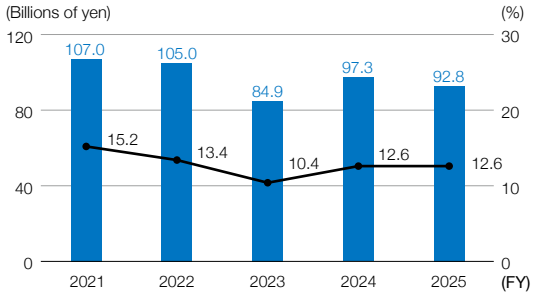
ROE, ROA, ROIC



— ROE (return on equity) — ROA (return on assets)
— ROIC (return on invested capital)

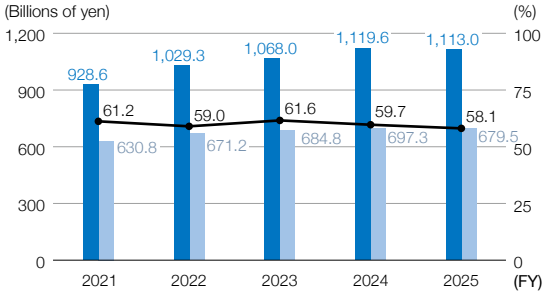
Notes: 1. ROIC = (Operating profit - Income taxes + Equity in earnings of affiliates) ÷ Invested capital
2. ROE for fiscal 2025 has been omitted due to the recording of a net loss.

EBITDA, EBITDA Margin



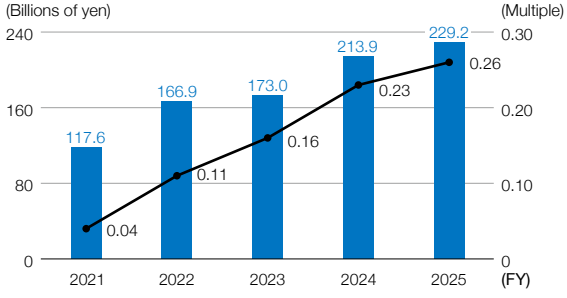
■ EBITDA (left axis) — EBITDA margin (right axis)

Total Assets, Net Assets, Equity Ratio



■ Total assets (left axis) ■ Net assets (left axis) — Equity ratio (right axis)

Interest-Bearing Debt, Net Debt to Equity Ratio



■ Interest-bearing debt (left axis) — Net debt to equity ratio (right axis)

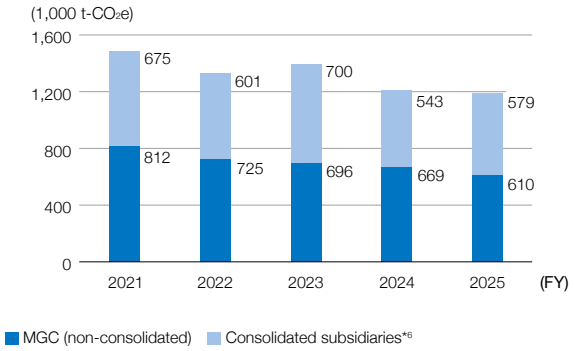
Performance Data

Please refer to the Sustainability website for details.
https://www.mgc.co.jp/eng/sustainability/

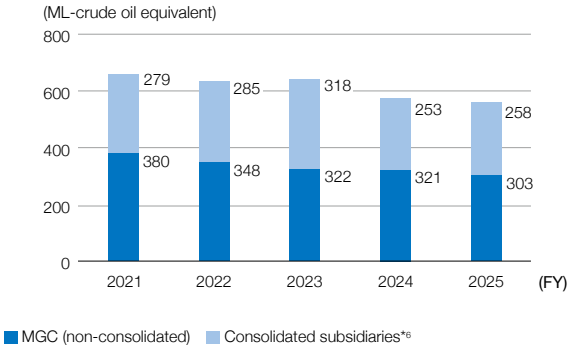
	2015	2016	2017	2018
Ratios (%)				
Operating profit margin	5.7	7.9	9.9	6.4
ROE (return on equity)	9.0	12.0	13.6	11.3
ROA (return on assets)	5.9	8.4	10.6	8.7
ROIC (return on invested capital)*4	7.0	9.6	12.1	9.5
Equity ratio	51.0	57.5	59.5	62.6
EBITDA margin	12.6	16.1	17.1	15.0
Others				
Capital expenditures (millions of yen)	30,512	35,010	30,959	39,279
Depreciation and amortization (millions of yen)	26,705	25,631	27,027	27,451
Research and development costs (millions of yen)	18,936	19,267	18,987	18,607
Number of employees (consolidated)	8,176	8,034	8,009	8,276
Work–life balance (MGC alone)				
Ratio of taking annual leave (%)	83.9	80.9	79.4	83.8
Average overtime and holidays worked per month (excluding management) (hours)	13.8	14.2	14.4	14.2
Environmental management				
GHG emissions*5,6 (1,000 t-CO_2e)	1,082	1,006	1,355	1,401
Energy use*5,6 (ML-crude oil equivalent)	463	452	628	614

*4 ROIC = (Operating profit - Income taxes + Equity in earnings of affiliates) ÷ Invested capital
*5 Including domestic consolidated subsidiaries from fiscal 2015–fiscal 2016 and overseas consolidated subsidiaries from fiscal 2017
*6 Scope of consolidated subsidiaries changed in fiscal 2021, fiscal 2023, and fiscal 2024

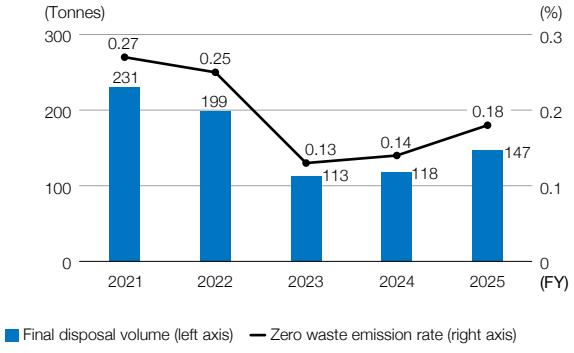
GHG Emissions



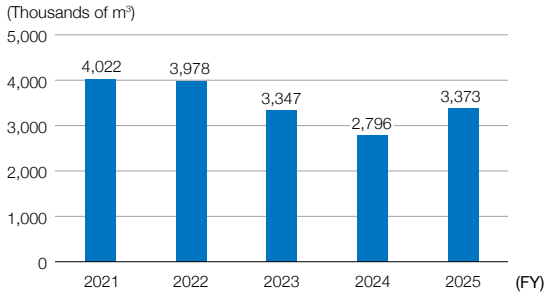
Energy Use



Final Disposal Volume and Zero Waste Emission Rate (Non-Consolidated)

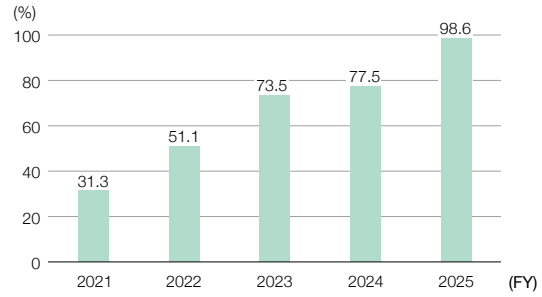


Water Consumption Amount (Non-Consolidated)

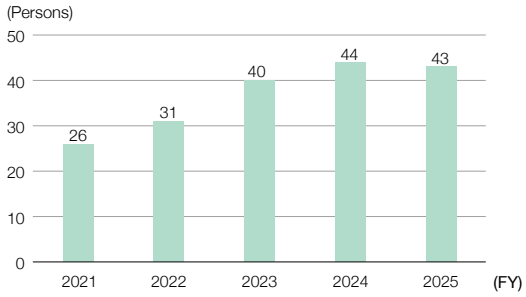


2019	2020	2021	2022	2023	2024	**2025**	(FY)
5.6	7.5	7.8	6.3	5.8	6.6	**6.1**	
4.3	7.1	8.8	8.3	6.1	6.9	**—**	
3.9	6.2	8.4	7.1	4.4	5.5	**4.7**	
3.6	6.2	7.4	6.4	3.3	6.4	**3.2**	
63.8	62.7	61.2	59.0	61.6	59.7	**58.1**	
10.1	13.7	15.2	13.4	10.4	12.6	**12.6**	
42,389	40,282	54,793	64,650	81,753	88,794	**71,922**	
29,591	30,686	31,999	33,565	36,304	34,672	**38,242**	
19,696	19,905	21,093	23,512	25,629	26,182	**26,636**	
8,954	8,998	9,888	10,050	7,918	8,146	**8,319**	
86.9	77.6	80.9	85.4	89.6	91.5	**92.5**	
13.6	12.9	14.6	14.8	14.4	14.6	**14.5**	
1,371	1,363	1,487	1,326	1,396	1,212	**1,188**	
652	576	660	633	640	574	**561**	

Ratio of Male Employees Taking Parental Leave (Non-Consolidated)



Number of Female Managerial Personnel (Non-Consolidated)



Evaluations from Society (As of June 30, 2026)

Inclusion in ESG Investment Indexes

FTSE4Good

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

2026 Sompo Sustainability Index

Morningstar Japan ex-REIT Gender Diversity Tilt (GENDi J)

S&P/JPX Carbon Efficient Index

2026 CONSTITUENT MSCI NIHONI ESG SELECT LEADERS INDEX

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External Evaluations

CDP Discloser 2025

CDP Climate Change: B
CDP Water Security: B

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Corporate Data

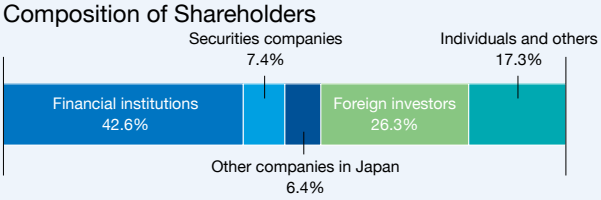
Corporate Information (As of March 31, 2026)

Company name	MITSUBISHI GAS CHEMICAL COMPANY, INC.
Address	Mitsubishi Building, 5-2 Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8324, Japan
Originally founded	January 15, 1918
Incorporated	April 21, 1951
Capital	¥41.97 billion
Fiscal year	April 1–March 31
Number of employees	2,562 (non-consolidated) 8,319 (consolidated)

Shareholder Information (As of March 31, 2026)

Listing	Tokyo Stock Exchange Prime Market
Securities code	4182
Total number of authorized shares	492,428,000
Number of outstanding shares	211,686,599
Stock transaction unit	100
Number of shareholders	42,563

Composition of Shareholders

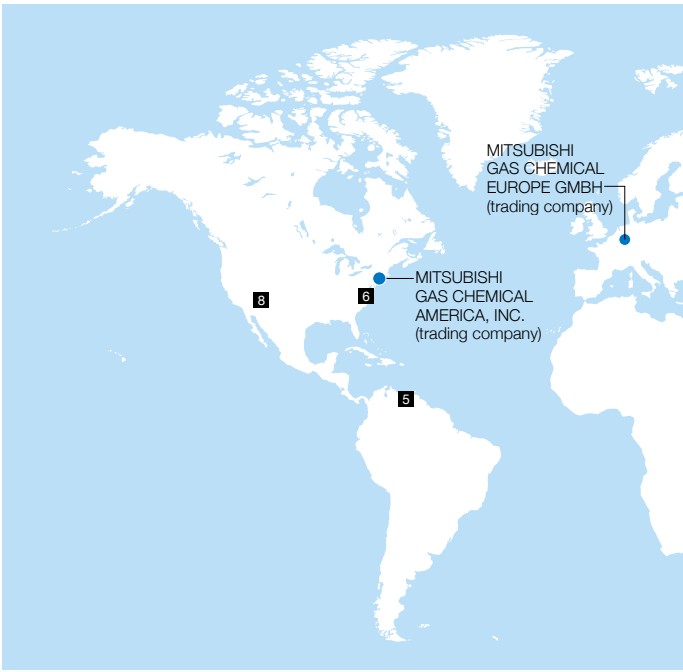


Shareholders (Top 10)

Name of shareholder	Investment in MGC	
	Number of shares held (thousands)	Percentage of total out-standing shares
The Master Trust Bank of Japan, Ltd. (Trust Account)	21,516	11.0
Custody Bank of Japan, Ltd. (Trust Account)	14,717	7.5
Meiji Yasuda Life Insurance Company	8,797	4.5
STATE STREET BANK AND TRUST COMPANY 505001	6,593	3.3
Nippon Life Insurance Company	5,858	3.0
National Mutual Insurance Federation of Agricultural Cooperatives	5,775	2.9
The Norinchukin Bank	5,026	2.5
JPMorgan Securities Japan Co., Ltd.	4,372	2.2
MSIP CLIENT SECURITIES	3,594	1.8
Morgan Stanley MUFG Securities Co., Ltd.	3,136	1.6

Notes: 1. MGC holds 16,945 thousand shares of treasury stock, which is not included in the above list of major shareholders.
2. Percentage of total outstanding shares does not include treasury stock.

Business Locations



Major Group Companies

Consolidated subsidiary Equity-method affiliate
Specialty Chemicals Business Green Energy & Chemicals Business

Overseas

1 AGELESS (THAILAND) CO., LTD.
(Manufacture of oxygen absorbers)

2 BRUNEI METHANOL COMPANY SDN. BHD.
(Manufacture and sale of methanol)

3 KOREA ENGINEERING PLASTICS CO., LTD.
(Manufacture and sale of polyacetal resins, etc.)

4 KOREA POLYACETAL CO., LTD.
(Sale of polyacetal resins)

5 METANOL DE ORIENTE, METOR, S.A.
(Manufacture and sale of methanol)

6 MGC ADVANCED POLYMERS, INC.
(Manufacture and sale of MX-Nylon)

7 MGC ELECTROTECHNO (THAILAND) CO., LTD.
(Manufacture of copper-clad laminates)

8 MGC PURE CHEMICALS AMERICA, INC.
(Manufacture and sale of super-pure hydrogen peroxide/ super-pure ammonium hydroxide/performance chemicals)

9 MGC PURE CHEMICALS SINGAPORE PTE. LTD.
(Manufacture and sale of super-pure hydrogen peroxide/ super-pure ammonium hydroxide/performance chemicals)

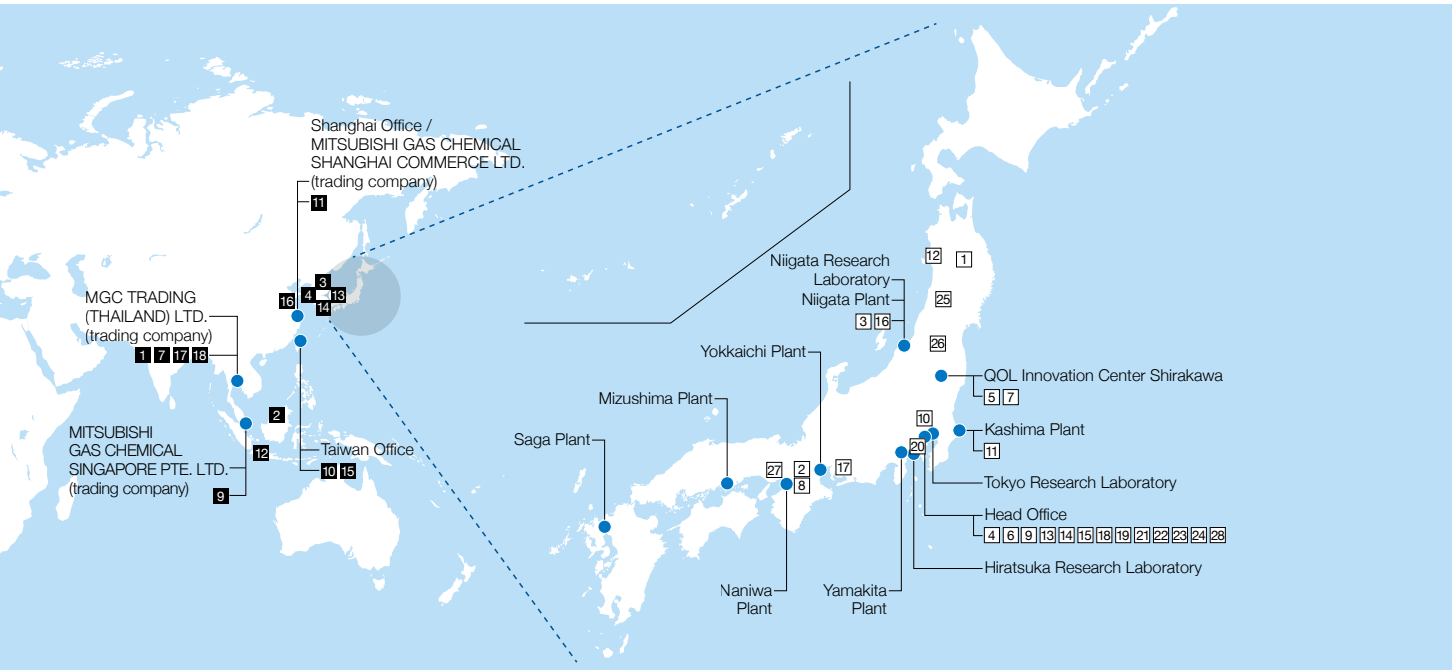
10 MGC PURE CHEMICALS TAIWAN, INC.
(Manufacture and sale of hydrogen peroxide/ super-pure hydrogen peroxide/performance chemicals)

11 MITSUBISHI GAS CHEMICAL ENGINEERING-PLASTICS (SHANGHAI) CO., LTD.
(Manufacture of polycarbonate resin)

12 PT PEROKSIDA INDONESIA PRATAMA
(Manufacture and sale of hydrogen peroxide)

13 SAMYANG KASEI CO., LTD.
(Manufacture of polycarbonate resin)

14 SAMYOUNG PURE CHEMICALS CO., LTD.
(Manufacture and sale of super-pure hydrogen peroxide/ performance chemicals)



15 TAI HONG CIRCUIT INDUSTRIAL CO., LTD.
(Manufacture and sale of printed circuit boards)

16 TAIXING MGC LINGSU CO., LTD.
(Manufacture and sale of hydrogen peroxide/ performance chemicals)

17 THAI POLYACETAL CO., LTD.
(Manufacture of polyacetal)

18 THAI POLYCARBONATE CO., LTD.
(Manufacture of polycarbonate resin)

Domestic

1 Appi Geothermal Energy Corporation
(Surveyance and development of geothermal energy resources and power supply business)

2 EIWA CHEMICAL IND. CO., LTD.
(Manufacture and sale of blowing agents)

3 MGC Advance Co., Ltd.
(Transportation, storage, manufacture, and sale of life science products, in addition to engineering maintenance)

4 MGC Woodchem Corporation
(Manufacture and sale of wood adhesives and formalins)

5 MGC AGELESS Co., Ltd.
(Manufacture and technical service for oxygen absorbers, etc.)

6 MGC ENERGY Company Limited
(Provision and sale of electricity)

7 MGC Electrotechno Co., Ltd.
(Manufacture of copper-clad laminates)

8 Otsuka-MGC Chemical Company, Inc.
(Manufacture and sale of hydrazine hydrate)

9 MGC Terminal Company, Inc.
(Storage terminal for methanol and chemicals)

10 MGC Filsheet Co., Ltd.
(Manufacture of polycarbonate sheets and films)

11 KYOUDOU KASANKASUISO CORP.
(Manufacture of hydrogen peroxide)

12 GRANOPT CO., LTD.
(Manufacture and sale of magneto-optic crystals)

13 Global Polyacetal Co., Ltd.
(Manufacture and sale of engineering plastics)

14 KOKUKA SANGYO CO., LTD.
(Shipping)

15 JSP CORPORATION
(Manufacture and sale of foamed plastic)

16 TOHO EARTHTECH, INC.
(Manufacture and sale of natural gas and iodine, seismic reinforcement work)

17 Toyo Kagaku Co., Ltd.
(Manufacture and sale of plastic injection molding)

18 Japan Saudi Arabia Methanol Company, Inc.
(Business administration for AR-RAZI)

19 Japan Trinidad Methanol Company, Inc.
(Investment in Trinidad and Tobago)

20 FUDOW COMPANY LTD.
(Manufacture and sale of thermoset resin molding compounds, thermoplastic resin molding, and various plastics)

21 Polyols Asia Company, Inc.
(Sale of polyhydric alcohols)

22 Mitsubishi Engineering-Plastics Corporation
(Manufacture and sale of polycarbonate resin)

23 Mitsubishi Gas Chemical Trading, Inc.
(Sale of chemicals, electronics materials, and engineering plastics)

24 MITSUBISHI GAS CHEMICAL NEXT COMPANY, INC.
(Manufacture and sale of fine chemicals, electronic products, and unsaturated polyester resins)

25 Yuzawa Geothermal Power Corporation
(Development and provision of geothermal energy resources)

26 Yonezawa Dia Electronics Co., Inc.
(Manufacture of mass molding laminates, process development)

27 RYODEN KASEI CO., LTD.
(Manufacture and sale of insulating materials)

28 Ryowa Enterprise Co., Ltd.
(Property management/business support)

MITSUBISHI GAS CHEMICAL COMPANY, INC.
Mitsubishi Building, 5-2 Marunouchi 2-chome,
Chiyoda-ku, Tokyo 100-8324
Investor Relations Department /
Sustainability Promotion Department, CSR & IR Division
Tel: +81-3-3283-5041 Fax: +81-3-3287-0833
https://www.mgc.co.jp/eng/

