

Outline of Results of the Evaluation on the Effectiveness of the Board of Directors  
in Fiscal Year 2023

1. Evaluating the effectiveness of the Board of Directors

Under the Mitsubishi Chemical Group Corporate Governance Guidelines, the Board of Directors is required to evaluate its effectiveness and disclose the summary of evaluation results every year. The methods and findings of the effectiveness evaluation conducted in fiscal year 2023 are summarized below.

2. Evaluation methods and processes

In fiscal year 2023, the effectiveness of the Board of Directors was evaluated by the following methods and processes.

i. Evaluation methods

- In accordance with the above Guidelines, regular evaluations were conducted by a third-party organization to ensure the expertise of the evaluation methods and the objectivity of the evaluation process. However, to concentrate on addressing various issues identified in the recent evaluations, the Board of Directors decided to conduct their own evaluation for the fiscal year 2023, specifically focusing on the progress in resolving these issues, without using an external review organization.

ii. Evaluation processes

- Regarding the current issues and the direction of responses, a written questionnaire consisting of the following items was conducted for the reappointed directors and the President and CEO in June 2024:
  - The state of deliberations on management strategies, and the monitoring of business execution
  - The roles of independent outside directors and executive management
  - The operation and agenda setting of the Board of Directors' meetings, as well as the coordination with the respective Committees, etc.
- Based on the results of the questionnaire, the Board of Directors shared the identified issues with the newly appointed directors and discussed various initiatives, including steps to improve effectiveness, in July 2024.
- The Chairman of the Board reported to the Board of Directors on the current issues and

the direction of responses in August and September 2024, taking into account the discussions held within the Board of Directors.

### 3. Current issues and the direction of responses

The following issues and response directions were acknowledged. Specific methods for improvement and progress will be reviewed as needed and discussed by the Board of Directors to address these issues.

#### ■ Discussions on management strategies and monitoring methods for business execution

We have identified the following issues: first, because discussions on the basic management policies were insufficient, the criteria and monitoring targets for discussing individual strategies became unclear. Second, in the deliberation of important matters, the executive side failed to provide sufficient and necessary information for a constructive exchange of opinions, which hindered deeper discussions.

[Direction of responses]

- Deepening discussions on basic management policies and implementing appropriate and clear deliberation processes tailored to important matters
- Clarifying the targets to be monitored and establishing monitoring methods
- Optimal agenda setting to ensure sufficient deliberation time for important matters

#### ■ Roles of independent outside directors and executive management

We have identified the following issues: there were cases where communication between outside directors and executive officers was limited to a few instances, leading to insufficient information sharing with the Board of Directors. Additionally, there was a lack of thorough reporting and discussion regarding how issues raised by outside directors during Board meetings were addressed and what improvements were made.

[Direction of responses]

- Promoting and optimizing communication between the Board of Directors and executive management
- Enhancing information sharing among the Board of Directors

#### ■ Operation of the Board of Directors' meetings, agenda setting, and coordination with the Committees

We recognized the following issues: there were cases where misunderstandings between the Board of Directors and the executive officers regarding agenda setting and accountability led to misaligned discussions. Furthermore, there is room for improvement in the operation of the Committees and the way reports are presented to the Board.

[Direction of responses]

- Deepening the common understanding of the roles of the Board of Directors and executive management
- Reaffirming the position of each Committee within the Board of Directors and strengthening the coordination both between the Board and the Committees as well as among the Committees themselves
- Implement operations in line with the roles and authority of the Nominating Committee, including appropriate and timely reporting to the Board and thorough consultation and information sharing with the executive side

#### 4. Efforts promoted based on the previous effectiveness evaluation

Based on the findings from the effectiveness evaluation conducted and directors' suggestions provided in fiscal year 2022, the Company implemented the following measures.

##### ■ Strengthening monitoring

- The CEO's report on the status of business execution was established as a regular agenda item. Updates on the mid-term management plan, performance, compliance, and EHS were presented to the Board of Directors.
- Outside directors conducted visits to domestic and international business sites and research facilities, providing opportunities for dialogue with senior management and employees involved in manufacturing and research.

##### ■ Enhancing strategic discussions

- For the 2024 fiscal year Board of Directors' meetings, improvements were made in the operation of the meetings to ensure thorough discussions, including the provision of briefing sessions on important matters to outside directors.
- An annual agenda was formulated to clearly schedule deliberations on important matters.

##### ■ Improving the effectiveness of the Nominating Committee

- Based on the skill matrix, the required profile for the desired Board composition was set, and discussions for the fiscal year 2024 were conducted.

Mitsubishi Chemical Group Corporation will continue to work toward building a more effective Board of Directors, fully considering the findings from the evaluation of the Board effectiveness and incorporating various suggestions from the directors.