Dear Shareholders,

On behalf of the company, I would like to thank you for your continued support.

During fiscal 2023 (April 1, 2023 to March 31, 2024), the business environment remained on a moderate recovery trend amid the normalization of economic activity. However, this recovery trend has stalled in certain fields, and the outlook remains uncertain due to impact from factors such as price increases, monetary tightening mainly in Europe and the U.S., the slowdown in the Chinese economy, and the situation in the Middle East. Against this backdrop, the Group posted sales revenue of ¥4,387.2 billion (down ¥247.3 billion year on year), core operating income of ¥208.1 billion (down ¥117.4 billion year on year), operating income of ¥261.8 billion (up ¥79.1 billion year on year), and net income attributable to owners of the parent of ¥119.6 billion (up ¥23.1 billion year on year).

With respect to the year-end dividend for fiscal 2023, the Company has decided to pay ¥16 per share. As the Company has already paid an interim dividend of ¥16 per share, the annual dividend will be ¥32 per share (¥30 per share in the previous fiscal year).

The Purpose of the MCG Group is to lead with innovative solutions to achieve KAITEKI, the well-being of people and the planet.
Amid the harsh business environment for the chemical industry, we are working to formulate a new vision for 2035 with the aim of being a company that contributes to solving social issues, such as achieving carbon neutrality and deepening the circular economy, while continuing to focus on improving profitability and financial soundness.

As we move forward, I ask for the continuing support of our shareholders.

June 2024
Manabu Chikumoto
Corporate Executive Officer, President and CEO
Mitsubishi Chemical Group Corporation

NOTE:
Please note that this is a summary translation of the Notice of Meeting in Japanese only for the reference of foreign investors and is not an official text, and the Card for Exercise of Voting Rights is not attached.
The official Notice has been mailed to the custodian in Japan of each foreign shareholder.
The Company is not responsible for the accuracy or completeness of the translation.

June 3, 2024
(Start date for providing information in electronic format) May 27, 2024

To Shareholders:

Notice of the 19th Ordinary General Meeting of Shareholders

On behalf of the company, I would like to thank you for your continued support.

Mitsubishi Chemical Group Corporation (hereinafter the "Company" or "MCG") cordially invites you to attend the 19th Ordinary General Meeting of Shareholders to be held on the date and at the venue specified below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information as "Notice of the 19th Annual General Meeting of Shareholders" on the Company's website. Please access the Company's website by using the internet address shown below to review the information.
MCG's website: https://www.mcgc.com/english/ir/stock_info/stock_meeting.html
In addition to the above, the information is also posted on the website of the Tokyo Stock Exchange (TSE). Please access the following website, enter the issue name (Mitsubishi Chemical Group) or securities code (4188), search for the company, and select "Basic Information" and then "Documents for Public Inspection/PR Information."
TSE website: https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show
In addition, the General Meeting of Shareholders will be broadcast live over the Internet and questions will be accepted in advance.

If you are not attending the meeting in person, please exercise your voting rights in advance, by postal mail or the Internet, by following the instructions on "Exercise of Voting Rights"

(Supplemental Note: Foreign investors may not vote by mail or the Internet. The official Notice and the Card for Exercise of Voting Rights have been mailed to each custodian in Japan. The Company asks foreign investors to indicate their agreement or disagreement on the proposals to the custodians. However, in case they have participated in the Electronic Platform to Exercise Voting Rights for Institutional Investors operated by ICJ, Inc., they can exercise their rights via the said platform.)

Sincerely yours,
Jean-Marc Gilson
Director of the Board
Mitsubishi Chemical Group Corporation
1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo

1. Date Tuesday, June 25, 2024, from 10:00 a.m. (Reception starts at 9:00 a.m.)

2. Venue Royal Park Hotel, 3rd Floor, Royal Hall
1-1, Nihonbashi Kakigara-cho 2-chome, Chuo-ku, Tokyo

3. Agenda

Matters to be Reported

Item 1. The contents of the Business Report, the Consolidated Financial Statements, and results of audit by the Accounting Auditor and the Audit Committee of the Consolidated Financial Statements for the 19th fiscal year from April 1, 2023, to March 31, 2024

Item 2. The contents of the Non-consolidated Financial Statements for the 19th fiscal year from April 1, 2023, to March 31, 2024

Matters to be Resolved

Agendum 1. Amendment to Articles of Incorporation

Agendum 2. Election of Ten (10) Directors of the Board

Other Matters on Providing Information in Electronic Format

1. In the event of any modification to the information provided in electronic format, the modification will be posted on each of the above websites.
2. Pursuant to the relevant laws and regulations and Article 18 of MCG's Articles of Incorporation, the Matters Related to Stock Acquisition Rights, System to Ensure that the Company Operates in an Appropriate Manner and Overview of its Implementation, the Basic Policy on Control of the Company, the Consolidated Statement of Changes in Equity and the Notes to the Consolidated Financial Statements, and the Non-consolidated Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements are posted on MCG's website (https://www.mcgc.com/english/), and thus they are not presented as attachments to this Notice of the 19th Ordinary Meeting of Shareholders.

Notice of the Resolutions Adopted at the General Meeting of Shareholders
Please note that from this general meeting of shareholders onward, a written notice of the resolutions adopted at the general meeting of shareholders will not be sent to shareholders. Instead, the details of the resolutions will be posted on the Company's website after the meeting. We appreciate your understanding.

Exercise of Voting Rights

Voting rights are principal rights of shareholders. Please exercise your voting rights after reading the Reference Materials for the General Meeting of Shareholders of this notice.
There are three ways to exercise your voting rights as described below:

1. **By submitting Card for Exercise of Voting Rights by mail**
   Please indicate your approval or disapproval of the proposals on the Card for Exercise of Voting Rights and return it to the Company.
   Exercise due date: To be received no later than 5:45 p.m. on Monday, June 24, 2024

2. **By exercising voting rights via the Internet**
   Please access our Internet voting website through a computer or a smartphone and enter your approval or disapproval of the proposals. Please read further instructions given on the next page.
   Exercise due date: No later than 5:45 p.m. on Monday, June 24, 2024
   *Shareholders will be responsible for the Internet connection charges and the communication charges, etc. arising from accessing the Voting Website.

3. **By attending the general meeting of shareholders**
   Please submit the Card for Exercise of Voting Rights to reception at the meeting venue.
   Date and Time: Tuesday, June 25, 2024, from 10:00 a.m. (Reception starts at 9:00 a.m.)

[Exercising Voting Rights via the Internet]

Scanning QR code®

You can simply login to the website for exercising voting rights without entering your login ID and temporary password printed on the Voting Instructions Form.

1. Please scan the QR code® located on the right side of the Voting Instructions Form.

   * "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

Entering login ID and temporary password

Voting Website:
https://evote.tr.mufg.jp/

1. Please access the Voting Website.

2. Enter your "login ID" and "temporary password" printed on the Voting Instructions Form.

3. Indicate your approval or disapproval by following the instructions on the screen.

* The operation screens shown in Japanese version of this notice are for reference purposes only.

[System Support]
Mitsubishi UFJ Trust and Banking Corporation
Stock Transfer Agency Division (Help Desk)
0120-173-027 (toll-free, within Japan only / 9:00 a.m. to 9:00 p.m.)

[Handling of Redundant Voting]
In the case where the Card for Exercise of Voting Rights is submitted by mail and voting rights are exercised via the Internet, votes exercised via the Internet will be considered effective. If voting rights are exercised multiple times via the Internet, the final vote cast will be considered effective.

[For Institutional Investors]
Shareholders who have participated in the Electronic Platform to Exercise Voting Rights for Institutional Investors operated by ICJ, Inc. can exercise their rights via the said platform.

[Exercising Voting Rights by Proxy]
If you are unable to attend the Ordinary General Meeting of Shareholders, you may exercise voting rights by a proxy who is also a shareholder with voting rights. Please be aware that a written statement attesting to the right of proxy must be submitted.

Reference Materials for the General Meeting of Shareholders

Agenda and References

Agendum 1.   Amendment to Articles of Incorporation

1. Reason for Proposal

   In order to enhance flexibility in convening and operating Meetings of the Board of Directors, the Company proposes to make a change to Article 25 of its current Articles of Incorporation to stipulate that the convener and chairperson of Meetings of the Board of Directors in Convener and Chairperson of Meetings of the Board of Directors shall be a Director selected in advance by the Board of Directors.

2. Contents of Amendment

   Details of the amendment are as follows:

(Underlined portions indicate the parts that are to be changed)

Current Articles of Incorporation	Proposed Amendments
Articles 1 – 24 (Text omitted)	Articles 1 – 24 (Unchanged)
Article 25 (Convener and Chairperson of Meetings of the Board of Directors)	Article 25 (Convener and Chairperson of Meetings of the Board of Directors)
<u>The Chairperson of the Board of Directors</u> shall convene a Meeting of the Board of Directors and act as Chairperson thereat. If the <u>Chairperson of the Board of Directors</u> is unable to act <u>or if the post of Chairperson of the Board of Directors is vacant</u>, one of the other Directors shall <u>act in place of the President and Director</u>, in the order previously determined by the Board of Directors.	<u>A Director appointed by the Board of Directors in advance</u> shall convene a Meeting of the Board of Directors and act as Chairperson thereat. If the <u>said Director</u> is unable to act, one of the other Directors shall <u>convene and act as Chairperson</u>, in the order previously determined by the Board of Directors.
Articles 26 – 41 (Text omitted)	Articles 26 – 41 (Unchanged)
Supplementary Provisions	Supplementary Provisions
Article 1 (Text omitted)	Article 1 (Unchanged)

Agendum 2. Election of Ten (10) Directors of the Board

The terms of office of all eight Directors will expire at the conclusion of this General Meeting of Shareholders. Based on the decision by the Nominating Committee, the Board of Directors proposes the election of ten Directors.

The candidates for Directors are as described in No. 1 to 10 below.

Candidate No.	Name	Present position and duty at the Company		Skills Matrix						
				Corporate management	Global business	Risk manage-ment	Legal and compliance	Finance	Industry and related business	Technology, science and digital
1	Manabu Chikumoto	Corporate Executive Officer, President and CEO	To be newly elected		●	●			●	
2	Ken Fujiwara	Director of the Board, Executive Vice President Member of the Nominating Committee	Reelection		●	●	●		●	
3	Nobuo Fukuda	Director of the Board Member of the Audit Committee	Reelection		●	●			●	
4	Jin Iida		To be newly elected		●	●			●	
5	Chikatomo Hodo	Director of the Board Member of the Nominating Committee, Member of the Compensation Committee	Reelection Outside Director Independent Officer	●	●	●				●
6	Kiyomi Kikuchi	Director of the Board Member of the Nominating Committee, Member of the Audit Committee	Reelection Outside Director Independent Officer		●	●	●			
7	Tatsumi Yamada	Director of the Board Member of the Audit Committee, Member of the Compensation Committee	Reelection Outside Director Independent Officer		●	●		●		

Candidate No.	Name	Present position and duty at the Company		Skills Matrix						
				Corporate management	Global business	Risk manage-ment	Legal and compliance	Finance	Industry and related business	Technology, science and digital
8	Akihiro Eto		To be newly elected Outside Director Independent Officer	●	●	●		●		
9	Shuichi Sakamoto		To be newly elected Outside Director Independent Officer		●	●		●	●	
10	Geoffrey W. Coates		To be newly elected Outside Director Independent Officer		●	●			●	●

General skills*: Corporate management, Global business, Risk management
Specialty skills*: Legal and compliance, Finance, Industry and related business, Technology, science and digital

* General skills are skills that are universally required of Directors of the Board of MCG, and "global business" and "risk management" are common skills required of all Directors of the Board. Specialty skills are skills that are required from a medium- to long-term perspective, and are professional skills that each Director of the Board has particular strengths.

MCG has established the "Corporate Governance Guidelines," which set down the constitution of the Board of Directors and the policy on nomination of Director candidates, etc. An overview of the guidelines is as follows.

Constitution of the Board of Directors

In order to formulate the basic management policy of the Group and appropriately supervise management, the Company appoints Directors of the Board from a multifaceted perspective by defining universally required skills as corporate management, global business, and risk management and skills required from a medium- to long-term perspective as laws and compliance, finance, industry and related business, and technology, science and digital.
Furthermore, in a bid to enhance oversight functions, a majority of the Board of Directors shall not concurrently serve as Corporate Executive Officers.

Policy on nomination of Director candidates

The Nominating Committee nominates persons who fulfill the following criteria as candidates for Directors.

– possess deep insight, as well as objective and fair judgment, which are necessary to fulfill the responsibilities of a director of a company with Nominating Committee, etc.
– possess high ethical standards and a law-abiding mind.
– healthy enough to fulfill the responsibilities as a Director.
– secures diversity (including genders and nationalities) among Directors.
– For Outside Directors, fulfill independence standards that are separately stipulated (on pages 22 to 23), and be able to secure enough time to execute business.

No. 1
(To be newly elected)

Manabu Chikumoto	
Date of birth	June 26, 1964
Number of the Company's shares held	41,025
Present position and duty at the Company	Corporate Executive Officer, President and CEO

[Personal history]

Apr. 1988	Joined Mitsubishi Chemical Industries Limited
Apr. 2018	Executive Officer of Mitsubishi Chemical Holdings Corporation
Apr. 2022	Division General Manager of Carbon Chemicals Div., Basic Materials Domain of Mitsubishi Chemical Corporation
Apr. 2023	Executive Vice President of Mitsubishi Chemical Group Corporation
Apr. 2024	Corporate Executive Officer, President and CEO of Mitsubishi Chemical Group Corporation (to present)

[Significant concurrent positions]

Representative Director, Director of the Board of Mitsubishi Chemical Corporation

[Reason for choosing as candidate for Director and expected roles, etc.]

Manabu Chikumoto has abundant experience and profound insight across various facets of the MCG Group's operations, having been involved in the Group's petrochemical sector of the business, and after holding positions as president of overseas group companies, he served as General Manager of the Corporate Planning Office of the Company. Since assuming the role of Corporate Executive Officer, President and CEO in April 2024, he has spearheaded initiatives aimed at addressing social issues, including achieving MCG Group's sustainable growth and carbon neutrality. At meetings of the Board of Directors, he periodically reports on the progress of execution of his duties, thereby exercising accountability toward the Board. As he is expected to make contributions to establishing basic management policies and ensuring proper oversight of management by the Board of Directors of MCG through such initiatives, the Board of Directors requests that he be newly elected as proposed.

No. 2 (Reelection)	Ken Fujiwara	
	Date of birth	August 10, 1960
	Number of the Company's shares held	93,467
	Term of office	6 years
	Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 9/9 (100%) Nominating Committee meetings 11/11 (100%)
	Present position and duty at the Company	Director of the Board, Executive Vice President (Legal, Human Resources, Administration, Communication, Public relation and Corporate Secretary) General Counsel Member of the Nominating Committee

[Personal history]

Apr. 1984	Joined Mitsubishi Chemical Industries Limited
Apr. 2015	Executive Officer of Mitsubishi Chemical Holdings Corporation
Apr. 2017	Executive Officer of Mitsubishi Chemical Corporation (until March 2018)
Apr. 2018	Managing Corporate Executive Officer of Mitsubishi Chemical Holdings Corporation
Jun. 2018	Director of the Board, Managing Corporate Executive Officer of Mitsubishi Chemical Holdings Corporation
Apr. 2022	Director of the Board, Executive Vice President of Mitsubishi Chemical Holdings Corporation (to present)

[Significant concurrent positions]

Director of the Board of Mitsubishi Chemical Corporation, Director of Mitsubishi Tanabe Pharma Corporation

[Reason for choosing as candidate for Director and expected roles, etc.]

Ken Fujiwara engaged in international risk management and M&As in the legal departments of the MCG Group, and thus has abundant experience and profound insight. Currently serving as Executive Vice President, he engages in management of MCG. During Board of Directors meetings, he fulfills accountability as a Corporate Executive Officer, and as Chairperson of the Board of Directors meetings, he focuses on enhancing the effectiveness of the Board of Directors. Furthermore, as a member of the Nominating Committee, at meetings of the Committee he leverages his background as an insider to make pertinent and valuable remarks from a practical and multifaceted viewpoint. As he is expected to continue making contributions to establishing basic management policies and ensuring proper oversight of management by the Board of Directors of MCG through such initiatives, the Board of Directors requests that he be reelected as proposed.

No. 3 (Reelection)	Nobuo Fukuda	
	Date of birth	December 9, 1958
	Number of the Company's shares held	47,708
	Term of office	1 year
	Attendance at meetings of the Board of Directors, etc.	Board of Directors meeting 7/7 (100%) Audit Committee meetings 12/12 (100%)
	Present position and duty at the Company	Director of the Board, Member of the Audit Committee

[Personal history]

Apr. 1981	Joined Mitsubishi Chemical Industries Limited	Apr. 2022	Representative Corporate Executive Officer, Executive Vice President of Mitsubishi Chemical Holdings Corporation (until March 2023) Representative Director, Director of the Board of Mitsubishi Chemical Corporation
Apr. 2019	Representative Director, Director of the Board, Managing Executive Officer of Mitsubishi Chemical Corporation	Jun. 2023	Director of the Board of Mitsubishi Chemical Group Corporation (to present)

[Significant concurrent positions]

Director of the Board of Mitsubishi Chemical Corporation, Chairman of Japan Chemical Industry Association

[Reason for choosing as candidate for Director and expected roles, etc.]

Nobuo Fukuda has a wealth of experience and deep insight, having worked in the business and manufacturing divisions of the Group's chemical business, and after serving as Representative Director and Managing Executive Officer of Mitsubishi Chemical Corporation, he was involved in management as Representative Corporate Officer and Chief Supply Chain Officer of the Company. As he is expected to contribute to the formulation of basic management policies and appropriate supervision of management by the Company's Board of Directors by appropriately engaging in management oversight and making useful suggestions with a focus mainly on internal control and risk management as an internal Director who does not concurrently serve as a Corporate Executive Officer, the Board of Directors requests that he be reelected as proposed.

No. 4 (To be newly elected)	Jin Iida
Date of birth	June 7, 1962
Number of the Company's shares held	37,745

[Personal history]

Apr. 1985	Joined Mitsubishi Chemical Industries Limited	May 2021	Full-time Corporate Auditor of Mitsubishi Chemical Corporation
Apr. 2018	Executive Officer of Mitsubishi Chemical Corporation	Apr. 2022	Senior Vice President of Mitsubishi Chemical Holdings Corporation (until March 2024) (to present)
Apr. 2019	Managing Executive Officer of Mitsubishi Chemical Corporation		

[Significant concurrent positions]

None

[Reason for choosing as candidate for Director and expected roles, etc.]

Jin Iida has abundant experience and profound insight, having worked in the business divisions of the Group's chemical business, and after serving as Corporate Auditor of Mitsubishi Chemical Corporation, he was involved in management as Corporate Executive Officer supervising audit of the Company. As he is expected to contribute to the formulation of basic management policies and appropriate supervision of management by the Company's Board of Directors with a focus mainly on internal control and risk management as an internal Director who does not concurrently serve as a Corporate Executive Officer, the Board of Directors requests that he be newly elected as proposed.

<table>
<tr><td rowspan="7"></td><td rowspan="7">No. 5
(Reelection)
Outside
Director
Independent
Officer</td><td colspan="2">Chikatomo Hodo</td></tr>
<tr><td>Date of birth</td><td>July 31, 1960</td></tr>
<tr><td>Number of the Company’s shares held</td><td>1,866</td></tr>
<tr><td>Term of office</td><td>5 years</td></tr>
<tr><td>Attendance at meetings of the Board of Directors, etc.</td><td>Board of Directors meeting 9/9 (100%)
Nominating Committee meetings
10/11 (91%)
Compensation Committee meetings
11/11 (100%)</td></tr>
<tr><td>Present position and duty at the Company</td><td>Director of the Board, Member of the Nominating Committee, Member of the Compensation Committee</td></tr>
</table>

[Personal history]

Sep. 1982	Joined Accenture Japan Ltd
Sep. 2005	Representative Director of Accenture Japan Ltd
Apr. 2006	Representative Director and President of Accenture Japan Ltd
Sep. 2015	Director and Chairperson of Accenture Japan Ltd
Sep. 2017	Director and Senior Corporate Advisor of Accenture Japan Ltd
Jul. 2018	Senior Corporate Advisor of Accenture Japan Ltd (until August 2021)
Jun. 2019	Outside Director of Mitsubishi Chemical Holdings Corporation (to present)

[Significant concurrent positions]

Outside Director of ORIX CORPORATION, Outside Director of Konica Minolta, Inc., Outside Director of Mynavi Corporation, Outside Director of Sumitomo Mitsui Banking Corporation

[Reason for choosing as candidate for Director and expected roles, etc.]

Chikatomo Hodo has extensive experience in corporate management and profound insight in digital business successively as a president and a chairperson of a Japanese subsidiary of a global corporation, which provides management consulting and knowhow in company management. During Board of Directors meetings, he provides management oversight from an independent and impartial standpoint and makes useful advice and suggestions with a focus mainly on global management. In addition, as Chairperson of the Compensation Committee, he also fulfills a leading role in ensuring fairness and transparency on design and implementation of remuneration system for Directors and Corporate Executive Officers. As he is expected to continue making contributions to establishing basic management policies and ensuring proper oversight of management by the Board of Directors of MCG through such initiatives, the Board of Directors requests that he be reelected as proposed.

No. 6

(Reelection)

Outside Director

Independent Officer

Kiyomi Kikuchi	
Date of birth	February 2, 1963
Number of the Company's shares held	1,866
Term of office	5 years
Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 9/9 (100%) Nominating Committee meetings 11/11 (100%) Audit Committee meetings 15/15 (100%)
Present position and duty at the Company	Director of the Board, Member of the Nominating Committee, Member of the Audit Committee

[Personal history]

Apr. 1986	Joined The Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.) (until December 1990)
Apr. 1999	Registered as a lawyer Asahi Law Offices
Sep. 2002	Allen & Overy LLP (London)
May 2003	Admitted to the bar of the State of New York
Oct. 2003	Asahi Law Offices
Sep. 2004	Taiyo Law Office (currently Paul Hastings LLP/Gaikokuho Kyodo Jigyo)
Sep. 2006	JPMorgan Securities Japan Co., Ltd.
Apr. 2008	TMI Associates (to present)
Jun. 2019	Outside Director of Mitsubishi Chemical Holdings Corporation (to present)

[Significant concurrent positions]

Lawyer of TMI Associates, Outside Corporate Auditor of GECOSS CORPORATION, External Auditor of Nissay Asset Management Corporation

[Reason for choosing as candidate for Director and expected roles, etc.]

Kiyomi Kikuchi has abundant experience working at financial institutions in addition to her profound insight as a lawyer specialized in corporate legal affairs. During Board of Directors meetings, she provides management oversight from an independent and impartial standpoint and makes useful advice and suggestions from a professional and heightened perspective. In addition, as a member of the Nominating Committee and the Audit Committee, she also contributes to enhancing the effectiveness of corporate governance of the Company. As she is expected to continue making contributions to establishing basic management policies and ensuring proper oversight of management by the Board of Directors of MCG through such initiatives, the Board of Directors requests that she be reelected as proposed. While she has not been involved in corporate management except for serving as Outside Director, the Board of Directors believes that she will properly execute her duties as an Outside Director of the Company based on the above reasons.

	No. 7 (Reelection) Outside Director Independent Officer	Tatsumi Yamada	
		Date of birth	June 7, 1953
		Number of the Company's shares held	13,712
		Term of office	4 years
		Attendance at meetings of the Board of Directors, etc.	Board of Directors meetings 9/9 (100%) Audit Committee meetings 15/15 (100%) Compensation Committee meetings 11/11 (100%)
		Present position and duty at the Company	Director of the Board, Member of the Audit Committee, Member of the Compensation Committee

[Personal history]

Apr. 1976	Joined Sumitomo Corporation (until June 1993)
Mar. 1980	Registered as a Certified Public Accountant
Jul. 1993	Chuo Audit Corporation (until March 2001)
Apr. 2001	Board member of The International Accounting Standards Board (until June 2011)
Sep. 2011	KPMG AZSA LLC (until June 2018)
Jan. 2012	Board Member of KPMG AZSA LLC (until June 2015)
Feb. 2014	International Integrated Reporting Council (currently Value Reporting Foundation) Ambassador (until June 2022)
Oct. 2014	Trustee of International Valuation Standards Council (until October 2020)
Sep. 2015	Specially appointed professor of Faculty of Commerce, Chuo University (until March 2024)
Apr. 2016	Member of the Certified Public Accountants and Auditing Oversight Board for FSA (until March 2022)
Jun. 2020	Outside Director of Mitsubishi Chemical Holdings Corporation (to present)

[Significant concurrent positions]

Certified Public Accountant, Outside Director (Audit & Supervisory Committee Member) of Nippon Yusen Kabushiki Kaisha, Outside Director (Audit & Supervisory Committee Member) of NOMURA Co., Ltd., Member of the Public Interest Oversight Board (PIOB) Standard-Setting Boards (SSB) Nominations Committee

(Scheduled to retire as Outside Director (Audit & Supervisory Committee Member) of NOMURA Co., Ltd. on May 23, 2024)

[Reason for choosing as candidate for Director and expected roles, etc.]

Tatsumi Yamada has profound insight as an international accounting expert, in addition to abundant experience as a certified public accountant. During Board of Directors meetings, he provides management oversight from an independent and impartial standpoint and makes useful advice and suggestions from a professional and heightened perspective. In addition, as Chairperson of the Audit Committee and a member of the Nominating Committee, he also contributes to enhancing the effectiveness of corporate governance of the Company. As he is expected to continue making contributions to establishing basic management policies and ensuring proper oversight of management by the Board of Directors of MCG through such initiatives, the Board of Directors requests that he be reelected as proposed. While he has not been involved in corporate management except for serving as Outside Director, the Board of Directors believes that he will properly execute his duties as an Outside Director of the Company based on the above reasons.

	No. 8 (To be newly elected) Outside Director Independent Officer	Akihiro Eto Date of birth: Apr. 7, 1960 Number of the Company's shares held: 0

[Personal history]

Apr. 1986	Joined Bridgestone Corporation
Jul. 2010	Vice President and Officer of Bridgestone Corporation
Sep. 2012	Senior Executive Officer of Bridgestone Corporation
Sep. 2014	Senior Vice President of Bridgestone Corporation
Jan. 2016	Executive Vice President of Bridgestone Corporation
Mar. 2016	Executive Vice President and Executive Officer of Bridgestone Corporation
Jan. 2019	President, COO and Representative Executive Officer of Bridgestone Corporation
Mar. 2019	Member of the Board, President, COO and Representative Executive Officer of Bridgestone Corporation
Jul. 2020	Member of the Board of Bridgestone Corporation (until March 2021) (to present)

[Significant concurrent positions]

Member of the Supervisory Board of Daimler Truck Holding AG, Member of the Supervisory Board of Daimler Truck AG, Outside Audit & Supervisory Board Member of Panasonic Holdings Corporation

[Reason for choosing as candidate for Director and expected roles, etc.]

Akihiro Eto has abundant experience and profound insight in corporate management and finance, having served successively as a chief financial officer and a president of a listed company with global operational presence. As he is expected to contribute to the formulation of basic management policies and appropriate supervision of management by the Company's Board of Directors from a globally active corporate executive's perspective as an Independent Outside Director, the Board of Directors requests that he be newly elected as proposed.

<table>
<tr><td rowspan="6"></td><td rowspan="6">No. 9
(To be newly elected)
Outside Director
Independent Officer</td><td colspan="2">Shuichi Sakamoto</td></tr>
<tr><td>Date of birth</td><td>October 13, 1957</td></tr>
<tr><td>Number of the Company's shares held</td><td>0</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
</table>

[Personal history]

Apr. 1981	Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corp.)
Apr. 2014	Director and Senior Executive Officer of Asahi Kasei Chemicals Corporation
Nov. 2014	Lead Executive Officer of Asahi Kasei Corp.
Apr. 2016	Senior Executive Officer, CFO of Asahi Kasei Corp.
Jun. 2016	Director, Senior Executive Officer, CFO of Asahi Kasei Corp.
Apr. 2018	Director, Senior Executive Officer in charge of Health Care sector of Asahi Kasei Corp.
Apr. 2019	Director of the Board, Senior Managing Executive Officer of Asahi Kasei Corp.
Apr. 2023	Director of Asahi Kasei Corp.
Jun. 2023	Advisor of Asahi Kasei Corp. (to present)

[Significant concurrent positions]

Advisor of Asahi Kasei Corp.

Outside Director of NICCA CHEMICAL CO., LTD.

(Scheduled to be appointed as Outside Director (Audit and Supervisory Committee Member) of Takashima & Co., Ltd. on June 25, 2024)

(Scheduled to retire as Advisor of Asahi Kasei Corp. on June 25, 2024)

[Reason for choosing as candidate for Director and expected roles, etc.]

Shuichi Sakamoto has abundant experience and profound insight in the chemical business, health care business, management strategy, and finance, having served successively as head of the corporate strategy office, chief financial officer, and director, senior managing executive officer of a listed company that operates a diversified chemical business on a global scale. As he is expected to contribute to the formulation of basic management policies and appropriate supervision of management by the Company's Board of Directors mainly from the perspective of global management and his high expertise in the chemical business as an Independent Outside Director, the Board of Directors requests that he be newly elected as proposed.

No. 10 (To be newly elected) Outside Director Independent Officer	Geoffrey Coates	
	Date of birth	October 12, 1966
	Number of the Company's shares held	0

[Personal history]

Jul. 1997	Assistant Professor, Department of Chemistry, Cornell University
Jul. 2001	Associate Professor, Department of Chemistry, Cornell University
Jul. 2002	Professor, Department of Chemistry and Chemical Biology, Cornell University
Jul. 2007	Betty R. Miller Professor, Department of Chemistry and Chemical Biology, Cornell University
Jul. 2008	Tisch University Professor,, Department of Chemistry and Chemical Biology, Cornell University (to present)

[Significant concurrent positions]

Tisch University Professor, Department of Chemistry and Chemical Biology, Cornell University, Member of the Board of Intermix Performance Materials, Inc., Member of the Board of Imperion Coatings, Inc.

[Reason for choosing as candidate for Director and expected roles, etc.]

Geoffrey Coates is a university professor in the U.S. and has profound insight as an international authority in the polymer chemistry domain. In addition, he also has abundant experience in business as the founder of several companies. As he is expected to contribute to the formulation of basic management policies and appropriate supervision of management by the Company's Board of Directors from a cutting-edge technology expert perspective as an Independent Outside Director, the Board of Directors requests that he be newly elected as proposed.

Notes:

1. There are no special interests between each candidate and MCG.
2. Chikatomo Hodo, Kiyomi Kikuchi, Tatsumi Yamada, Akihiro Eto, Shuichi Sakamoto and Geoffrey Coates are candidates for Outside Directors. The Company has designated Chikatomo Hodo, Kiyomi Kikuchi, and Tatsumi Yamada as independent officers pursuant to the rules and regulations of the Tokyo Stock Exchange, and has notified the stock exchange accordingly. If this proposal is approved and Chikatomo Hodo, Kiyomi Kikuchi, and Tatsumi Yamada are inaugurated as Outside Directors, they are expected to continue serving as independent officers. In addition, Akihiro Eto, Shuichi Sakamoto and Geoffrey Coates meet the requirements for independent officers as stipulated by the Tokyo Stock Exchange, and if their election is approved, the Company plans to designate them as independent officers. The six candidates for Outside Directors above all meet the “Standards for Independence of Outside Directors” (on following page) stipulated by the Company.
3. For Kiyomi Kikuchi, a lawyer with TMI Associates, with which the MCG Group had a very small amount of business transactions in fiscal 2023, no more than 2% of the firm’s revenue or MCG’s consolidated net sales, and which therefore does not qualify as a “major business partner” as stipulated in the Company’s “Standards for Independence of Outside Directors,” the Company sees no issue with her independence. For Shuichi Sakamoto, Advisor of Asahi Kasei Corp., with which the MCG Group had a very small amount of business transactions in fiscal 2023, no more than 2% of its consolidated net sales or MCG’s consolidated net sales, and which therefore does not qualify as a “major business partner” as stipulated in the Company’s “Standards for Independence of Outside Directors, the Company sees no issue with his independence.
4. The Company has concluded with Chikatomo Hodo, Kiyomi Kikuchi, and Tatsumi Yamada an agreement to limit the liability for damages under Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of said Act, and set an upper limit of the liability for damages under said agreement to be the minimum amount of liability for damages set forth in Article 425, paragraph (1) of said Act. If this proposal is approved, the Company will renew the agreement with Chikatomo Hodo, Kiyomi Kikuchi, and Tatsumi Yamada and will also conclude the same agreement with Akihiro Eto, Shuichi Sakamoto and Geoffrey Coates.
5. The Company has arranged a directors and officers liability insurance policy with an insurance company to cover legal damages and expenses, etc. to be borne by the insured. The candidates will be included as the insured of the policy.

Standards for Independence of Outside Directors

The Company shall elect those as Outside Directors who do not fall under any of the following and are capable of overseeing the Company's management from a fair and neutral standpoint, free of a conflict of interest with general shareholders.

1. Related party of the Company

(1) Executive Director, Corporate Executive Officer, Executive Officer, Manager, employee, partner, etc. of the MCG Group (hereinafter referred to as a "person engaged in execution of operation")

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

2. Major shareholder

A person who directly or indirectly holds 10% or more of MCG's total voting rights or a person engaged in execution of operation of a company that directly or indirectly holds 10% or more of MCG's total voting rights

3. Major business partner

(1) A person engaged in execution of operation of a company*1 whose major business partner includes MCG, Mitsubishi Chemical Corporation, Mitsubishi Tanabe Pharma Corporation, Life Science Institute, Inc., and Nippon Sanso Holdings Corporation (hereinafter referred to as "major subsidiaries of the MCG Group")

(2) A person engaged in execution of operation of a major business partner*2 of MCG and major subsidiaries of the MCG Group

4. Accounting Auditor

Accounting Auditor of the MCG Group or an employee thereof

5. Transaction as an individual

A person who receives money and other financial benefits of 10 million yen or more per year from any of MCG and major subsidiaries of the MCG Group

6. Donation

A person who receives a donation or financial assistance of 10 million yen or more per year from any of MCG and major subsidiaries of the MCG Group or a person engaged in execution of operation of a company that receives a donation or financial assistance of 10 million yen or more per year from any of MCG and major subsidiaries of the MCG Group

7. Reciprocal assumption of the position of Director

A person engaged in execution of operation of a company that has elected any of the Directors and employees of the MCG Group as its Director

8. Close relatives, etc.

(1) Spouse, relatives within the second degree of kinship or any person who shares the same livelihood of a person engaged in execution of important operations of the MCG Group (hereinafter referred to as “close relatives”)

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

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

*2 If MCG and major subsidiaries of the MCG Group receive from the said business partner an amount equivalent to 2% or more of MCG’s annual consolidated net sales in the latest fiscal year or the said business partner loans to the MCG Group an amount equivalent to 2% or more of MCG’s total consolidated assets, the said business partner shall be considered as a major business partner of MCG.

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

Business Report

(From April 1, 2023 to March 31, 2024)

1. Group Overview of Operation

(1) Business Development and Performance

The MCG Group conducts business activities in the three business domains of performance products, industrial materials and health care.

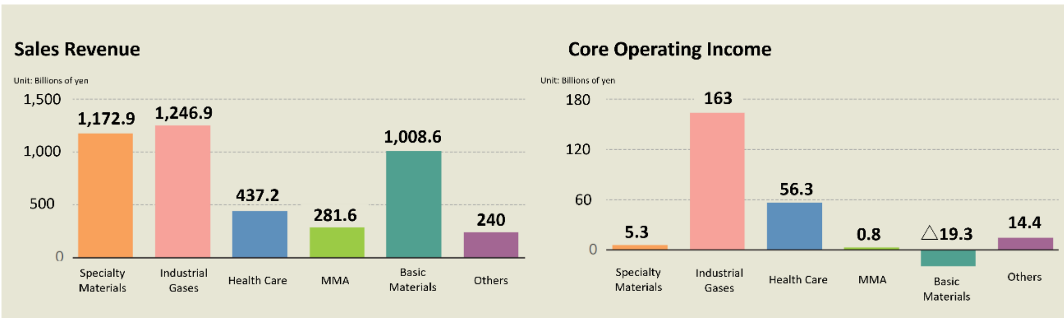
The business environment surrounding the Group continued to recover modestly as economic activity returned to normal. However, the outlook remains uncertain, as this recovery trend has stalled in certain fields due to impact from factors such as price increases, monetary tightening mainly in Europe and the U.S., the slowdown in the Chinese economy, and the situation in the Middle East.

In these circumstances, sales revenue for fiscal 2023 was ¥4,387.2 billion, down ¥247.3 billion compared with a year earlier. Core operating income* decreased ¥117.4 billion year on year to ¥208.1 billion and operating income was ¥261.8 billion, a year-on-year rise of ¥79.1 billion. Net income attributable to owners of the parent was ¥119.6 billion, up ¥23.1 billion year on year.

(*) Core operating income is operating income excluding profit/loss arising from extraordinary factors (extraordinary items).

Performance by segments is shown from pages 25 to 27.

Performance Overview by Segment



Notes:

1. MCG Group adopted International Financial Reporting Standard (“IFRS”).
2. Core operating income by segment does not include company-wide expenses not allocated to each segment and inter-segment eliminations.
3. From fiscal 2023, the Company has reclassified the previous four reporting segments of Performance Products, Chemicals, Industrial Gases, and Health Care, plus Others, into the five reporting segments of Specialty Materials, Industrial Gases, Health Care, MMA, and Basic Materials, plus Others. In comparisons with the previous fiscal year, figures for fiscal 2022 have been adjusted to reflect the new segment classifications.

Specialty Materials Segment

(Performance Products Domain)

Principal Businesses: Polymers & Compounds,
Films & Molding Materials,
Advanced Solutions

Sales revenue for the segment totaled ¥1,172.9 billion, down ¥60.8 billion year on year, while core operating income was ¥5.3 billion, down ¥46.2 billion year on year.

In Polymers & Compounds, despite the impact of increased revenue from favorable foreign exchange rates and selling price revisions, sales revenue decreased due to a drop in sales volume owing mainly to lower demand for applications such as barrier packaging materials, paints, ink, and adhesives.

In Films & Molding Materials, despite the impact of favorable foreign exchange rates and selling price revisions, sales revenue decreased due to a drop in sales volume owing mainly to lower overall demand, such as for carbon fiber, high-performance engineering plastics, food packaging films, and polyester films.

In Advanced Solutions, despite the impact of favorable foreign exchange rates, sales revenue decreased due to a drop in sales volume centered on semiconductor-related businesses.

Core operating income in this segment decreased significantly due mainly to a drop in sales volume stemming from a general decline in demand, despite improvement in the selling-procurement price difference owing to selling price revisions.

Industrial Gases Segment

(Industrial Materials Domain)

Principal Businesses: Industrial Gases

Sales revenue in this segment increased by ¥68.9 billion year on year to ¥1,246.9 billion, and core operating income amounted to ¥163.0 billion, up ¥42.0 billion year on year.

In industrial gases, although domestic and overseas demand was weak, sales revenue increased thanks to price management conducted across different regions and the impact of favorable foreign exchange rates. Core operating income increased due largely to sales revenue growth, as well as the effect of cost reductions.

Health Care Segment

(Health Care Domain)

Principal Businesses: Pharmaceuticals

Sales revenue in this segment decreased by ¥98.2 billion year on year to ¥437.2 billion, and core operating income amounted to ¥56.3 billion, down ¥88.0 billion year on year.

Despite steady sales of priority products, new products, and RADICAVA ORS for the treatment of patients with amyotrophic lateral sclerosis (ALS), released in the U.S., sales revenue decreased due to negative impact on the domestic ethical pharmaceuticals business from National Health Insurance drug price revisions and other factors, and the absence of ¥125.9 billion in sales revenue related to royalties for Gilenya, a treatment agent for multiple sclerosis, which were recognized in the previous fiscal year following a favorable arbitration award. Core operating income fell due to the significant impact of the revenue recognition of Gilenya, despite a decrease in R&D expenses associated with the withdrawal of Medicago's operations.

MMA Segment

(Industrial Materials Domain)

Principal Businesses: MMA

Sales revenue for the segment totaled ¥281.6 billion, down ¥23.7 billion year on year, while core operating income was ¥0.8 billion, down ¥4.8 billion year on year.

Sales revenue decreased due to lower market prices for MMA monomer and other products, despite an increase in sales volume due to the reduced impact of scheduled repairs and the positive impact of foreign exchange rates. Core operating income increased due mainly to a decrease in expenses associated with the closure of the Cassel Site in the UK.

Basic Materials Segment

(Industrial Materials Domain)

Principal Businesses: Petrochemicals, Carbon

Sales revenue in this segment totaled ¥1,008.6 billion, a decrease of ¥113.2 billion year on year, while core operating income deteriorated by ¥31.3 billion year on year to a loss of ¥19.3 billion.

In petrochemicals, despite the impact of favorable foreign exchange rates, sales revenue decreased due to a drop in sales volume owing mainly to lower demand, as well as a decline in selling prices caused by lower raw material prices, etc.

In carbon products, sales revenue decreased due to a drop in selling prices for cokes stemming from lower raw material prices and a downturn in demand.

Core operating income decreased sharply due to deterioration in the selling-procurement price difference due in part to lower market prices for cokes, as well as a reduction in inventory valuation gains caused by a decline in raw material prices and lower sales volumes owing mainly to a general decline in demand. These negatives heavily outweighed the widening of price differentials between raw materials and finished products, such as for polyolefin.

<u>Other Segment</u>

Principal Businesses: Engineering, logistics

Sales revenue in this segment decreased by ¥20.4 billion year on year to ¥240.0 billion, and core operating income declined by ¥0.7 billion year on year to ¥14.4 billion.

(2) Outstanding Issues

Through the current “Forging the future” medium-term management policy, since 2021 the Group has focused on improving profitability and financial soundness, and has carried out drastic cost reductions, price management, and working capital and capital investment management. These measures have had some success, with core operating income coming to ¥208.1 billion in the fiscal year under review. Financial soundness also improved, with the net D/E ratio improving to 1.16. However, these results are largely attributable to contributions from the robust Industrial Gases and Health Care segments. As such, further improvement of the business structure is necessary, particularly for the Specialty Materials, MMA and Basic Materials segments.

In addition, amid major changes in economic and social systems brought about by rising geopolitical risks, climate change, and the development of generative AI (artificial intelligence) technology, the chemical industry, in which we are engaged, is faced with an even greater challenge to respond to social demands such as carbon neutrality and the circular economy.

The Purpose of the MCG Group is to lead with innovative solutions to achieve KAITEKI, the well-being of people and the planet. We are promoting the formulation of a new vision for 2035 aimed at contributing to solving social issues, such as achieving carbon neutrality and deepening the circular economy, thereby realizing a sustainable increase in corporate value.

In addition, we are striving to identify the optimal allocation of resources, promote portfolio reform, and address the following issues.

- Withdrawing from unprofitable businesses
- Restructuring the domestic petrochemicals business with the aim of becoming a low-carbon industrial complex
- Growth of the specialty materials business: Investing in domains where the Company has a strong advantage
- Deliberation on the construction of a new MMA plant in the U.S.: Enhancing cost competitiveness and reducing greenhouse gas emissions using proprietary manufacturing processes (Alpha technology)
- Streamlining and expansion of pipeline for the pharmaceuticals business: Study and implementation of growth strategies for the US market and measures to prepare for the end of the exclusive sales period for RADICAVA for the treatment of patients with amyotrophic lateral sclerosis (ALS), in fiscal 2029

The Group is working to strengthen group governance as the basis for sustainable corporate growth by ensuring safety management and compliance, while establishing an internal control system. At the same time, the Group will make the utmost efforts to address these issues and enhance its corporate and shareholder value.

(3) Capital Expenditures

The MCG Group's aggregate capital expenditures for the fiscal year under review stood at ¥283.9 billion. The amount by each segment includes the following:

Segment	Capital expenditures	Major facilities completed during the fiscal year under review	Major facilities under construction
Specialty Materials	91.7 billion yen	—	Mitsubishi Chemical UK Limited Production facility for Soarnol Mitsubishi Polyester Film GmbH (Germany) Production facility for polyester film C.P.C. Srl (Italy) Production facilities for carbon fiber related products
Industrial Gases	126.3 billion yen	—	Matheson Tri-gas, Inc. (U.S.A.) Supply facilities for hydrogen
Health Care	5.1 billion yen	—	—
MMA	21.0 billion yen	—	—
Basic Materials	32.3 billion yen	—	—

Note:

Other than the above, there were capital expenditures of ¥7.5 billion in "Others" and "Company-wide (Common)."

(4) Fund Procurement

Item	Balance at April 1, 2023	Balance at March 31, 2024	Change
Borrowings	1,465.6 billion yen	1,481.8 billion yen	Up 16.2 billion yen
Corporate bonds and commercial paper	778.1 billion yen	719.2 billion yen	Down 59.0 billion yen
Total	2,243.8 billion yen	2,201.0 billion yen	Down 42.8 billion yen

(5) Principal Lenders (as of March 31, 2024)

Lenders	Amount Borrowed
Mizuho Bank, Ltd.	427.4 billion yen
MUFG Bank, Ltd.	274.1 billion yen

(6) Significant Business Realignments

- In April 2023, The KAITEKI Institute, Inc., a subsidiary of the Company, was merged into the Company.

(Others)

- In October 2023, Mitsubishi Chemical Corporation transferred all shares of its subsidiary Qualicaps, Co., Ltd. to Roquette Frères SA (France).

(Others)

(7) Employees of the MCG Group (as of March 31, 2024)

(a) Status of Employees of the MCG Group

Segment	No. of Employees	Year-on-year Increase/Decrease
Specialty Materials	25,127	Up 152
Industrial Gases	19,540	Down 46
Health Care	5,577	Down 786
MMA	2,458	Down 100
Basic Materials	5,926	Up 980
Others	6,635	Down 2,352
Company-wide (Common)	1,095	Down 129
Total	66,358	Down 2,281

Notes:

1. Those employees who are engaged in activities such as basic R&D, which cannot be definitively sorted into any specific segment, are included in Company-wide (Common).
2. Executive Officers are included.
3. Employees loaned to entities outside of the MCG Group are not included.
4. A decrease in the number of employees in Health Care segment is attributed mainly to the withdrawal of Medicago's operations (Canada).
5. An increase in the number of employees in Basic Materials segment and a decrease in the number of employees in Company-wide (Common) is attributed mainly to changes in a business management structure within the MCG Group.
6. A decrease in the number of employees in Others is attributed mainly to the exclusion of Qualicaps Co., Ltd. etc. from the scope of consolidation.

(b) Status of Employees of MCG

No. of Employees (Year-on-year Change)	Average Age	Average Years of Service
501 (Up 71)	46 years and 2 months	18 years and 5 months

Notes:

1. The employees are seconded mainly from MCG's subsidiaries, and their average years of service include the years of service spent at the companies dispatching them as secondee.
2. Executive Officers are included.
3. An increase in the number of employees is attributed mainly to changes in a business management structure within the MCG Group.

(8) Changes in the Conditions of Assets and Profit/Loss

Category	16th Term (Fiscal 2020)	17th Term (Fiscal 2021)	18th Term (Fiscal 2022)	19th Term (Year under review, Fiscal 2023)
Sales revenue (in billion yen)	3,257.5	3,976.9	4,634.5	4,387.2
Core operating income (in billion yen)	174.7	272.3	325.6	208.1
ROS (%)	5.4	6.8	7.0	4.7
Net income attributable to owners of parent (in billion yen)	(7.6)	177.2	96.5	119.6
Basic earnings per share (in yen)	(5.32)	124.68	67.85	84.07
ROE (%)	(0.6)	13.2	6.4	7.2
Total equity (in billion yen)	1,571.1	1,844.3	1,988.5	2,275.5
Equity attributable to owners of parent per share (in yen)	870.40	1,026.03	1,100.27	1,239.61
Total assets (in billion yen)	5,287.2	5,573.9	5,774.3	6,104.5

Notes:

1. MCG has adopted IFRS.
2. ROS has been calculated as follows.
   Core operating income / Sales revenue
3. Basic earnings per share are calculated on the basis of the average aggregate number of issued and outstanding shares during the fiscal year excluding treasury stocks (including the Company's shares held by the board incentive plan (BIP) trust).
4. Equity attributable to owners of parent per share is calculated on the basis of the aggregate number of issued and outstanding shares as of the end of fiscal year excluding treasury stocks (including the Company's shares held by the BIP trust).
5. ROE has been calculated as follows.
   Net income attributable to owners of parent / Equity attributable to owners of parent (Yearly Average)
6. Figures for the relevant major management indicators for the 18th term have been retroactively adjusted to reflect the application of IAS 12 "Income Taxes" (amended in May 2021) from the 19th term.

(9) Status of MCG, Major Subsidiaries and Affiliates (as of March 31, 2024)

(a) MCG

Head Office	1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo

(b) Major Subsidiaries

[Direct Investees]

Company Name	Capital	Equity Investment Ratio of the Company (%)	Principal Business	Location
Mitsubishi Chemical Corporation	53.2 billion yen	100.0	Manufacture and marketing of chemical products	Tokyo
Mitsubishi Tanabe Pharma Corporation	50.0 billion yen	100.0	Manufacture and marketing of pharmaceuticals	Osaka
Nippon Sanso Holdings Corporation	37.3 billion yen	50.6	Management of subsidiaries and manufacture and marketing of industrial gas through group management	Tokyo

[Indirect Investees]

Segment	Company Name	Capital	Equity Investment Ratio of the Company (%)	Principal Business	Location
Specialty Materials	J-Film Corporation	1.2 billion yen	100.0	Manufacture and marketing of plastic films	Tokyo
	Mitsubishi Chemical Aqua Solutions, Co., Ltd.	400 million yen	100.0	Manufacture and sale of water treatment equipment and various chemicals for water treatment	Tokyo
	Mitsubishi Chemical Infratec Co., Ltd.	400 million yen	100.0	Manufacture and marketing of cooling pipe materials, building materials, waterproofing materials, reinforcement materials, logistics materials, functional materials, design materials, and construction materials	Tokyo
	RHOMBIC Corporation	300 million yen	100.0	Manufacture and sale of compound products, etc.	Mie
	Soarus L.L.C.	200 thousand U.S. dollars	83.9	Marketing of ethylene vinyl alcohol copolymer etc.	U.S.A.
	Mitsubishi Chemical Advanced Materials AG	28 million Swiss francs	100.0	Management of subsidiary operating engineering plastics business, etc.	Switzerland
Industrial Gases	TAIYO NIPPON SANSO CORPORATION	1.5 billion yen	100.0	Manufacture and marketing of industrial gas	Tokyo

Segment	Company Name	Capital	Equity Investment Ratio of the Company (%)	Principal Business	Location
	Nippon Gases Euro-holding Sl.	100 million euros	100.0	Management of subsidiaries that engage in the industrial gas business	Spain
	Matheson Tri-gas, Inc.	56 U.S. dollars	100.0	Manufacture and marketing of industrial gas	U.S.A.
Health Care	Mitsubishi Tanabe Pharma Factory Ltd.	1.1 billion yen	100.0	Manufacture and marketing of pharmaceuticals	Osaka
	Mitsubishi Tanabe Pharma America, Inc.	100 U.S. dollars	100.0	Manufacture and marketing of pharmaceuticals	U.S.A.
MMA	Mitsubishi Chemical Methacrylates Ltd.	111 million sterling pounds	100.0	Management of subsidiaries that engage in MMA business	U.K.
Basic Materials	Kansai Coke and Chemicals Co., Ltd.	6.0 billion yen	51.0	Manufacture and marketing of coke	Hyogo
	Japan Polyethylene Corporation	7.5 billion yen	58.0	Manufacture and marketing of polyethylene	Tokyo
Others	Mitsubishi Chemical Engineering Corporation	1.4 billion yen	100.0	Engineering and construction services	Tokyo
	Mitsubishi Chemical Logistics Corporation	1.5 billion yen	100.0	Logistics and warehouse services	Tokyo

(c) Matters Related to Specified Wholly-Owned Subsidiaries

Name of specified wholly-owned subsidiary	Address of specified wholly-owned subsidiary	Total amount of book value as of the end of the fiscal year under review of shares of specified wholly-owned subsidiary owned by MCG
Mitsubishi Chemical Corporation	1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo	432,052 million yen
Mitsubishi Tanabe Pharma Corporation	2-10 Dosho-machi 3-chome, Chuo-ku, Osaka	703,819 million yen

Note: The total amount recorded in the asset section of MCG's balance sheet as of the end of the fiscal year under review is ¥1,993,373 million.

2. Matters Related to Corporate Stocks (as of March 31, 2024)

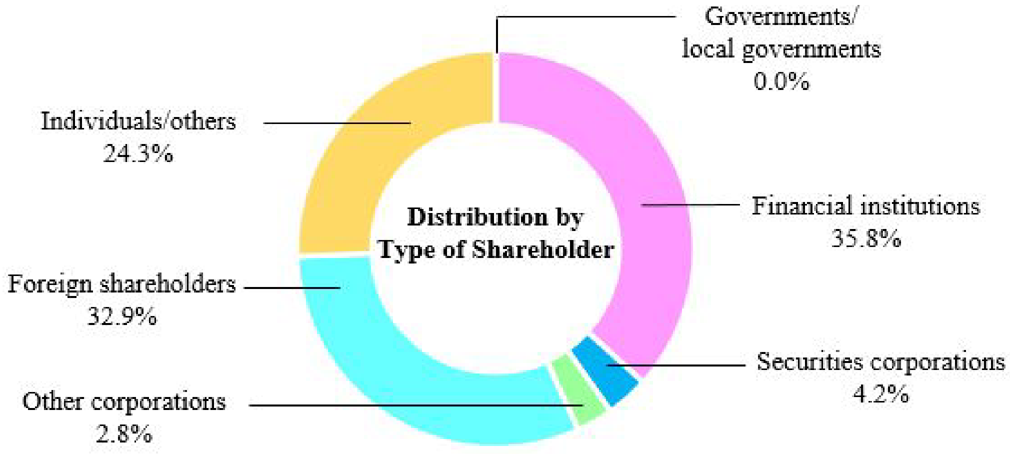
(1) Number of Authorized Shares: 6,000 million

(2) Number of Issued and Outstanding Shares:

1,506.288 million (representing no changes from the previous fiscal year)

(3) Aggregate Number of Shareholders:

278,092 (representing a year-on-year decrease of 5,549 shareholders)



(4) Major Shareholders

Name of Shareholders	Equity Investments in MCG	
	No. of Shares Held (thousand)	Equity Investment Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	229,329	16.1
SSBTC CLIENT OMNIBUS ACCOUNT	112,026	7.9
Custody Bank of Japan, Ltd. (Trust Account)	85,716	6.0
Meiji Yasuda Life Insurance Company	64,389	4.5
Nippon Life Insurance Company	42,509	3.0
STATE STREET BANK WEST CLIENT - TREATY 505234	25,939	1.8
Custody Bank of Japan, Ltd. (Trust Account 4)	22,181	1.6
TAIYO LIFE INSURANCE COMPANY	18,838	1.3
JPMorgan Securities Japan Co., Ltd.	17,796	1.2
JP MORGAN CHASE BANK 385781	17,766	1.2

Notes:

1. In addition to the above, MCG holds 81.716 million shares as treasury stocks, but these shares are non-voting pursuant to the provisions of Article 308, paragraph (2) of the Companies Act.
2. Equity investment ratios are calculated to the exclusion of the treasury stock (81.716 million shares).

(5) Corporate Stock Issued to Company's Officers during the Fiscal Year Under Review as Consideration for Execution of Duties

	Class of stock/number of stocks	Number of persons
Outside Director of the Board	Common stock of the Company 7,464	4
Corporate Executive Officers	Common stock of the Company 388,607	13

3. Matters Related to the Company's Officers

(1) Details of Directors (as of March 31, 2024)

Name	Position and responsibility at the Company	Significant concurrent positions
Jean-Marc Gilson	Director of the Board President and CEO	
Ken Fujiwara	Director of the Board Member of the Nominating Committee Executive Vice President	Director of the Board of Mitsubishi Chemical Corporation Director of Mitsubishi Tanabe Pharma Corporation
Glenn H. Fredrickson	Director of the Board	Distinguished Professor, Departments of Chemical Engineering and Materials, University of California, Santa Barbara
Nobuo Fukuda	Director of the Board Member of the Audit Committee	Director of the Board of Mitsubishi Chemical Corporation Chairman of Japan Chemical Industry Association
Takayuki Hashimoto	Outside Director of the Board Member of the Nominating Committee (Chairperson) Member of the Compensation Committee	Honorary Executive Advisor of IBM Japan, Ltd. Outside Director of CHUBU Electric Power Co., Inc. Independent Non-Executive of Deloitte Tohmatsu LLC Independent Non-Executive of Deloitte Touche Tohmatsu LLC
Chikatomo Hodo	Outside Director of the Board Member of the Nominating Committee Member of the Compensation Committee (Chairperson)	Outside Director of ORIX CORPORATION Outside Director of Konica Minolta, Inc. Outside Director of Mynavi Corporation Outside Director of Sumitomo Mitsui Banking Corporation
Kiyomi Kikuchi	Outside Director of the Board Member of the Nominating Committee Member of the Audit Committee	Lawyer of TMI Associates Outside Corporate Auditor of GECOSS CORPORATION External Auditor of Nissay Asset Management Corporation
Tatsumi Yamada	Outside Director of the Board Member of the Audit Committee (Chairperson) Member of the Compensation Committee	Certified Public Accountant Specially appointed professor of Faculty of Commerce, Chuo University Outside Director (Audit & Supervisory Committee Member) of NOMURA Co., Ltd. Outside Director (Audit & Supervisory Committee Member) of Nippon Yusen Kabushiki Kaisha Member of the Public Interest Oversight Board (PIOB) Standard-Setting Boards (SSB) Nominations Committee

Notes:

1. Four Directors, Takayuki Hashimoto, Chikatomo Hodo, Kiyomi Kikuchi, and Tatsumi Yamada are Outside Directors as prescribed in Article 2, item (xv) of the Companies Act. The Company has designated these four Outside Directors as independent officers pursuant to the rules and regulations of the Tokyo Stock Exchange and notified the Stock Exchange accordingly.
2. Director Tatsumi Yamada has considerable knowledge of finance and accounting, as he is qualified as Certified Public Accountant.
3. There is no special relationship between other corporations, where the Company's Outside Directors hold concurrent positions and the Company.
4. Director Nobuo Fukuda is the full-time member of the Audit Committee. The Company appoints full-time members for the Audit Committee in order to increase the effectiveness of audits by the Committee.
5. In accordance with Article 427, paragraph (1) of the Companies Act, the Company and its Outside Directors have entered into an agreement to limit the liability for damages under Article 423, paragraph (1) of the Act. The maximum limit of damage compensation liability under the agreement is set to the extent of the minimum limit of liability as prescribed in Article 425, paragraph (1) of the Act.
6. The Company has arranged a directors and officers liability insurance policy as prescribed in Article 430-3, paragraph (1) of the Companies Act with an insurance company, where the insured are Directors, Corporate Executive Officers, Corporate Auditors, Managing Corporate Executive Officers, etc. of the Company and its named subsidiaries. The premiums are borne in full by the Company and its named subsidiaries, and the policy covers damages and litigation expenses in the event that the insured has incurred liability for damages as result of acts they have performed in the course of their work. However, liability arising from criminal acts or intentional unlawful acts by the insured are not covered.

(2) Main Activities and Attendance at Board of Directors Meetings and Committee Meetings by Outside Officers

Name	Status of activities and summary of duties executed in relation to expected roles	Attendance
Takayuki Hashimoto	During the Board of Directors meetings, he spoke on global management, portfolio management, and other issues. In addition, as the leader of the Independent Outside Directors, he engaged in dialogue with institutional investors. In the Nominating Committee meetings, the main agenda items during the fiscal year under review were succession plans and the nomination of candidates for Directors and Corporate Executive Officers, and as Chairperson of the Nominating Committee, he fulfilled his duties by playing a leading role in ensuring consistency with management strategies, fairness and transparency. Furthermore, as a member of the Compensation Committee, he executed his duties by providing appropriate input regarding major agenda items for the fiscal year under review, such as performance remuneration for Corporate Executive Officers and stock remuneration with restriction of transfer for Outside Directors.	Board of Directors meetings 9/9 (100%) Nominating Committee meetings 11/11 (100%) Compensation Committee meetings 11/11 (100%)
Chikatomo Hodo	During the Board of Directors meetings, he spoke on global management, portfolio management, and other issues. Furthermore, as a member of the Nominating Committee, he executed his duties by providing appropriate input regarding major agenda items for the fiscal year under review, such as succession plans and the nomination of candidates for Directors and Corporate Executive Officers. In the Compensation Committee, the main agenda items for the fiscal year under review were performance remuneration for Corporate Executive Officers and stock remuneration with restriction of transfer for Outside Directors, and as Chairperson of the Compensation Committee, he fulfilled his duties by playing a leading role in ensuring fairness and transparency.	Board of Directors meetings 9/9 (100%) Nominating Committee meetings 10/11 (91%) Compensation Committee meetings 11/11 (100%)

Name	Status of activities and summary of duties executed in relation to expected roles	Attendance
Kiyomi Kikuchi	During the Board of Directors meetings, she provided input on such matters as the responsibilities of the Board of Directors, legal risk, and global governance, drawing on her experience and profound insight as a lawyer. Furthermore, as a member of the Nominating Committee, she executed her duties by providing appropriate input regarding major agenda items for the fiscal year under review, such as succession plans and the nomination of candidates for Directors and Corporate Executive Officers. At the Audit Committee, based on audit plans, she appropriately fulfilled her responsibilities as an outside Audit Committee member by conducting audits on the priority audit items for the fiscal year under review, including monitoring the status of the development and operation of governance as a corporate group and the internal control system, as well as the status of execution related to the management base, business strategies, and other matters.	Board of Directors meetings 9/9 (100%) Nominating Committee meetings 11/11 (100%) Audit Committee meetings 15/15 (100%)
Tatsumi Yamada	During the Board of Directors meetings, he provided input on such matters as finance and accounting, disclosures, and market valuation, drawing on his experience and profound insight as a certified public accountant and an international accounting expert. At the Audit Committee, based on the audit plan, he appropriately fulfilled his responsibilities by playing a leading role in ensuring the fairness and transparency of audits as chairman of the Audit Committee and by conducting audits on the priority audit items for the fiscal year under review, including monitoring the status of the development and operation of governance as a corporate group and the internal control system, as well as the status of execution related to the management base, business strategies, and other matters. Furthermore, as a member of the Compensation Committee, he executed his duties by providing appropriate input regarding major agenda items for the fiscal year under review, such as performance remuneration for Corporate Executive Officers and stock remuneration with restriction of transfer for Outside Directors.	Board of Directors meetings 9/9 (100%) Audit Committee meetings 15/15 (100%) Compensation Committee meetings 11/11 (100%)

(3) Details of Corporate Executive Officers (as of March 31, 2024)

Name	Position	Responsibility at the Company	Significant concurrent positions
Jean-Marc Gilson	Representative Corporate Executive Officer President and CEO		
Kouji Eguchi	Representative Corporate Executive Officer and Senior Vice President Chief Supply Chain Officer		Representative Director of Mitsubishi Chemical Corporation
Yuko Nakahira	Executive Vice President Chief Financial Officer	Finance, Communications, IR	
Ken Fujiwara	Executive Vice President Chief Compliance Officer General Counsel	Legal, Internal Control, Administration, Public Relation and Corporate Secretary	Director of the Board of Mitsubishi Chemical Corporation Director of Mitsubishi Tanabe Pharma Corporation
Frank Randall (Randy) Queen	Executive Vice President	Specialty Materials	
Hitoshi Sasaki	Executive Vice President	Polymers & Compounds, MMA	Director of the Board of Mitsubishi Chemical Methacrylates Ltd. (UK)
Manabu Chikumoto	Executive Vice President	Basic Materials	Representative Director of Mitsubishi Chemical Corporation Managing Director of Asahi Kasei Mitsubishi Chemical Ethylene Corporation
Akihiro Tsujimura	Executive Vice President	Pharma	Representative Director of Mitsubishi Tanabe Pharma Corporation
Larry Meixner	Senior Vice President Chief Technology Officer		
Jin Iida	Senior Vice President	Audit	
Yuji Ichimura	Senior Vice President Chief Digital Officer		
Shigeki Habuka	Senior Vice President	Public Relation	Outside Director of Rakuten Group, Inc.
Tomoyo Hiraoka	Senior Vice President Chief Human Resource Officer		

Notes:

1. Corporate Executive Officers Jean-Marc Gilson and Ken Fujiwara also serve as Directors as of March 31, 2024.
2. Jean-Marc Gilson, Kouji Eguchi, Yuko Nakahira, Hitoshi Sasaki, Larry Meixner, Jin Iida, Shigeki Habuka, and Tomoyo Hiraoka retired as Corporate Executive Officers on April 1, 2024.

[For reference] Details of Corporate Executive Officers (as of April 1, 2024)

Name	Position	Responsibility at the Company	Significant concurrent positions
Manabu Chikumoto	Representative Corporate Executive Officer President and CEO		Representative Director of Mitsubishi Chemical Corporation
Yasuo Shimodaira	Representative Corporate Executive Officer and Executive Vice President	Basic Materials & Polymers	Representative Director of Mitsubishi Chemical Corporation Member of the Board of Chairperson of SPDC Ltd. Managing Director of Asahi Kasei Mitsubishi Chemical Ethylene Corporation
Ken Fujiwara	Executive Vice President General Counsel	Legal, Human Resources, Administration, Communication, Public Relation, Corporate Secretary	Director of the Board of Mitsubishi Chemical Corporation Director of Mitsubishi Tanabe Pharma Corporation
Frank Randall (Randy) Queen	Executive Vice President	Specialty Materials	Director of the Board, President of Mitsubishi Chemical America, Inc.
Satoshi Kurokawa	Executive Vice President	MMA & Derivatives	Director of the Board of Mitsubishi Chemical Methacrylates Ltd. (UK)
Akihiro Tsujimura	Executive Vice President	Pharma	Representative Director of Mitsubishi Tanabe Pharma Corporation
Isao Yano	Senior Vice President Chief Compliance Officer	Internal Control and Risk Management, Audit	
Toshiya Katsuragi	Senior Vice President Chief Technology Officer		
Yuji Ichimura	Senior Vice President Chief Digital Officer		

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

i. Aggregate amount of remuneration of officers for the fiscal 2023

<table>
<tr><th rowspan="3">Category of officer</th><th colspan="5">Aggregate amount of consolidated remuneration, etc. (in millions of yen)</th><th rowspan="3">No. of persons</th></tr>
<tr><th rowspan="2">Basic remuneration, etc.</th><th colspan="2">Performance-linked remuneration</th><th rowspan="2">Shares with restriction of transfer</th><th rowspan="2">Total</th></tr>
<tr><th>Annual bonus</th><th>Stock remuneration</th></tr>
<tr><td>Directors (inside)</td><td>88
(79)</td><td>–</td><td>–</td><td>–</td><td>88
(79)</td><td>3</td></tr>
<tr><td>Directors (outside)</td><td>82</td><td>–</td><td>–</td><td>6</td><td>88</td><td>5</td></tr>
<tr><td>Corporate Executive Officers</td><td>752
(752)</td><td>294
(245)</td><td>182
(182)</td><td>327
(327)</td><td>1,555
(1,506)</td><td>17</td></tr>
<tr><td>Total</td><td>923
(914)</td><td>294
(245)</td><td>182
(182)</td><td>333
(333)</td><td>1,732
(1,674)</td><td>25</td></tr>
</table>

Notes:

1. The aggregate amount of remuneration, etc., above is stated as consolidated remuneration, etc. (the sum of remuneration paid or to be paid, or expenses, etc., borne by the Company and its subsidiaries). The amounts in brackets are the sum of remuneration, etc., paid by the Company for Directors (inside) and Corporate Executive Officers. For Outside Directors, the aggregate amount of consolidated remuneration, etc., is paid fully by the Company. Remuneration paid or to be paid, or expenses, etc., borne by overseas subsidiaries in local currencies, which are included in consolidated remuneration, etc., are converted into yen using the average exchange rate during fiscal 2023.
2. MCG remunerates Directors who concurrently serve as Corporate Executive Officers for their services as Corporate Executive Officers.
3. The amounts of basic remuneration, etc. and cash bonus are the sum of remuneration, etc., paid during the fiscal year under review (all monetary remuneration).
4. Annual bonus for Corporate Executive Officers includes the amount paid in June 2023 to Corporate Executive Officers who retired at the end of March 2023.
5. The amounts of stock remuneration presented above are the sum of the those recorded as expenses in fiscal 2023 (expenses connected with the performance share units (PSU, see page 56) introduced in fiscal 2021).
6. The amount of shares with restriction of transfer presented above is the sum of those recorded as expenses in fiscal 2023 (sum of grants of shares with restriction of transfer worth the base value defined by title, where the restriction of transfer is removed upon retirement, and grants of shares with restriction of transfer to Jean-Marc Gilson as a sign-on bonus).
7. Basic remuneration, etc. includes the amounts of fringe benefits for foreign Corporate Executive Officers (expenses for returning to their countries, education expenses for their children, tax adjustments for international transfers, increase in gross fringe benefits, etc.). Furthermore, in the case of foreign Corporate Executive Officers, MCG bears expenses of 45 million yen for housing allowances, medical insurance etc. as fringe benefits, i.e., non-monetary remuneration, in addition to the above remuneration.
8. In addition to the above remuneration, 298 million yen is to be paid to Jean-Marc Gilson in June 2024 as severance pay (special pay provided for contract termination due to the company circumstances). In addition to the above remuneration, 123 million yen was paid to seven of the Corporate Executive Officers who retired on March 31, 2024 based on the contract with each Corporate Executive Officer at the time of their retirement.

ii. Method of calculating performance-linked remuneration paid during the fiscal year under review and results of evaluation

a. Annual bonus

Annual bonus paid to Corporate Executive Officers in the fiscal year under review was determined based mainly on the results of the KAITEKI evaluation (on the achievement of annual targets for the three axes of the KAITEKI Management that the MCG Group values: sustainability axis (Management of Sustainability: MOS); innovation axis (Management of Technology: MOT); and economic efficiency axis (Management of Economics: MOE)) and also individual appraisal (on the achievement of initiative targets under the medium and long-term management plan, leadership status, etc.). The amounts paid were between 71.7% and 85.7% of the base amount.

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

Listed below are major indicators, reason of selection, results of evaluation, etc., for the KAITEKI Value evaluation for the fiscal 2022 (from April 1, 2022 to March 31, 2023).

Major indicators		Reason of selection	% of evaluation
MOS	Safety Indicators	To ensure the safety of employees and other stakeholders	20%
	Indicators for reduction of environmental impact	To achieve carbon neutrality	
	Employee Engagement Indicators	To promote creation of society and workplace where diverse people can work enthusiastically and actively	
MOT	New Product/Service Contribution	To measure the ability to create business through innovation	10%
	Patent competitiveness	To enhance technological edge	
	Digital Maturity	To promote digital transformation (DX)	
MOE	Core operating income	To boost earning power in principal business	70%
	ROE	To aim for sustainable improvement in corporate value	
	ROIC	To increase efficiency with the aim of improving core business profits relative to invested capital	
Results of KAITEKI Value evaluation for fiscal 2022 (achievement rate)			70.2%

b. Performance share unit (PSU)

Under the Company’s PSU system, common stock of the Company is issued in the number calculated in proportion to growth in the Company’s share price (TSR: total shareholder return) during a period of three years. This plan was introduced in 2021 and the first TSR evaluation period is for the three-year period from 2021 to 2023. However, the results of the evaluation and the number of shares to be delivered have not been determined as of the time of preparation of this business report (once determined, this information will be disclosed).

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

The Compensation Committee held 11 meetings between April 2023 and March 2024 to decide remuneration, etc., for Directors and Corporate Executive Officers. Major matters discussed and determined during the fiscal year under review are as outlined below:

- The Committee discussed the evaluation of performance, etc., for fiscal 2022 and determined the amount of performance-linked remuneration to be paid for the fiscal year 2023.
- The Committee discussed and determined the remuneration base amount and performance targets for performance-linked remuneration for the fiscal year under review including those for newly elected Corporate Executive Officers.
- The number of shares to be delivered to each Corporate Executive Officer was determined in accordance with the share delivery rules concerning shares with restriction of transfer.
- Based on the Compensation Committee's resolution regarding PSUs, the number of base shares for each position under the 2023 Plan was determined.
- Regarding remuneration systems and levels for Directors and Corporate Executive Officers, the Committee compared and reviewed market trends and verified their validity, as well as their compatibility with the “Policy on Deciding Remuneration for Directors and Corporate Executive Officers.”
- Through these reviews and discussions, the Committee confirmed that the remuneration systems and levels for Directors and Corporate Executive Officers in fiscal 2023 were appropriate. Meanwhile, considering increases in remuneration levels seen among other companies, the Company decided to introduce a restricted share remuneration plan that is not linked to performance for internal Directors who do not concurrently serve as Corporate Executive Officers beginning in fiscal 2024 for the purpose of improving commitment to enhancing corporate and shareholder value over the medium to long term now more than ever.
- The Committee discussed severance pay (special pay provided for contract termination due to the company circumstances) for Jean-Marc Gilson, and decided to make the payment and the amount to be paid.
- Regarding the disclosure of remuneration for officers, the Committee discussed its basic policy and specific details.

Validity of remuneration, etc., for officers for the fiscal year under review and approach/response for fiscal 2024 and beyond

The Compensation Committee of the Company discusses how the remuneration plan for Directors and Corporate Executive Officers should be in order to realize the Purpose and makes decisions. When making its decisions, the Committee always ensures a fair and reasonable process that allows it to fulfill its accountability for all stakeholders including shareholders, customers, and employees, and reflects such in disclosures as well.

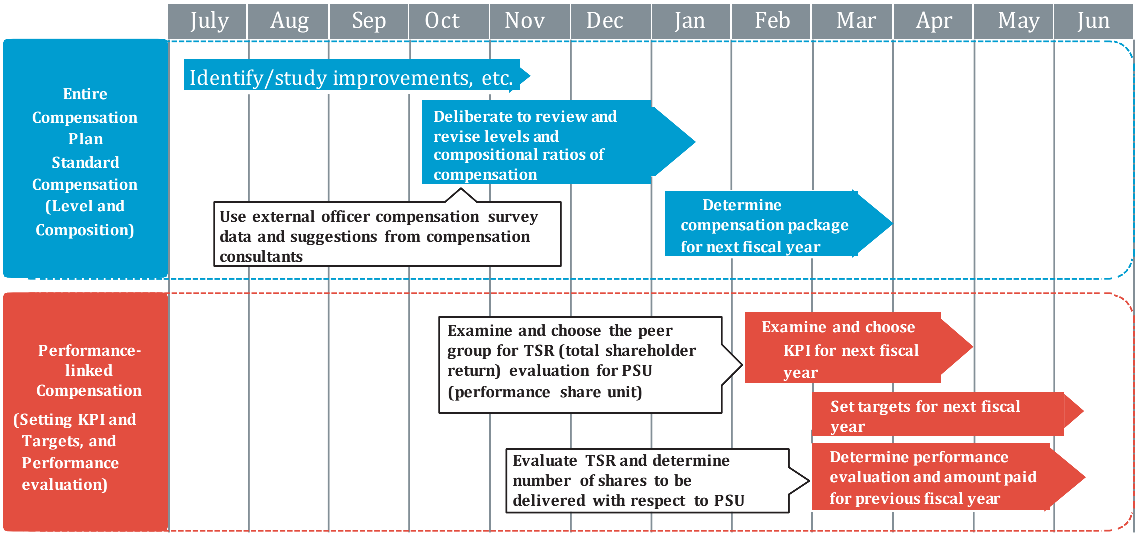
In an effort to carry out this accountability appropriately, the Committee had repeated discussions by reference to objective, expert, and adequate information and in line with the "Policy on Deciding Remuneration for Directors and Corporate Executive Officers," before concluding that the details of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

In fiscal 2024, the Company adopted a new management team with Manabu Chikumoto taking the helm as the new President and CEO. Remuneration for newly appointed Corporate Executive Officers has also been set at appropriate and reasonable levels following repeated discussions by the Compensation Committee.

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

Constitution	Chairperson (Outside Director): Chikatomo Hodo Member (Outside Director): Takayuki Hashimoto, Tatsumi Yamada ● The Committee consists of three (3) Outside Directors as of March 31, 2024.
Roles	● The Committee determines the amount of individual remuneration for Directors and Corporate Executive Officers.

Usual annual schedule



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

i. Method of determining the Policy, and revisions

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

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

b. Revisions in Policy on Deciding Remuneration for Directors and Corporate Executive Officers, effective from fiscal 2024

As described in "(4) (iii) Activities by the Compensation Committee during the fiscal year under review" (see page 47), the Company decided to grant shares with restriction of transfer (RS) to internal Directors who do not concurrently serve as Corporate Executive Officers beginning in 2024 in order to further promote sustainable corporate and shareholder value. The amount of additional RS to be granted will be determined by taking into consideration the expected role of the eligible internal Directors and trends at other companies (RS for the fiscal 2024 will be approximately 10% or less of the amount of basic remuneration). There are no other significant changes with respect to the policy on determining remuneration for Directors and Corporate Executive Officers for the fiscal 2024.

ii. Policy on Deciding Remuneration for Directors and Corporate Executive Officers for the fiscal 2024

a. Principle of remuneration

Systems for Directors and for Corporate Executive Officers are separate, and remuneration is determined by the Compensation Committee based on the following concepts:

Basic policy on deciding remuneration, etc., for Directors

- Given their role of overseeing and auditing management of the Company from an independent and objective standpoint, remuneration for Directors shall be mainly consist of basic remuneration (fixed remuneration). In order to encourage supervising and providing advice on management from the viewpoint of shareholders and investors with an eye to enhancing corporate and shareholder value, Stock remuneration not linked to performance shall be paid in addition to basic remuneration.
- In order to secure personnel suitable for executing the responsibilities of Directors of

the Company with a Nominating Committee, etc., the level of remuneration shall be determined by considering the levels of other companies, expected roles/functions, hours required to execute their duties, and other factors.

Basic policy on deciding remuneration, etc., for Corporate Executive Officers

- A remuneration plan shall be the one that makes officers conscious of the integrated practice of the three axes (MOS/MOT/MOE) for realizing the MCG Group's Purpose.
- A remuneration plan shall be the one that effectively functions as an incentive to enhance short-term and medium and long-term performance and improve sustainable corporate value and shareholder value.
- The level of remuneration shall be a level competitive enough to acquire and keep good management personnel who lead the sustainable growth of the MCG Group.
- Remuneration shall be determined through a fair and reasonable decision-making process that can fulfill accountability for all stakeholders including shareholders, customers, and employees.

Basic policy on deciding remuneration, etc., for officers recruited from outside

- Remuneration, etc., for officers recruited from outside shall be determined on a case-by-case basis, by considering the levels and customs of remuneration expected in the place/country of birth or residence of the officer recruited under the above basic policies.

b. Remuneration system

Directors

Remuneration for Directors shall be consist of basic remuneration (fixed remuneration) and Stock remuneration (shares with restriction of transfer). However, the remuneration system for Corporate Executive Officers shall apply to internal Directors who concurrently serve as Corporate Executive Officers.

Corporate Executive Officers

Remuneration for Corporate Executive Officers shall be comprised of the following:

Type of remuneration			Outline
Fixed	Short-term / Cash	Basic remuneration	・ Basic remuneration is paid for the execution of responsibilities/duties ・ Defined by roles and the size of responsibilities of each Corporate Executive Officer
Variable		Annual bonus	・ Each fiscal year, monetary remuneration is paid based on company-wide performance evaluations (evaluations of the three axes for realizing the Company's Purpose) and individual appraisal (on the achievement of initiative targets under the medium and long-term management plan, leadership status, etc.).
	Long-term / Stock	Performance share unit (PSU)	・ Stocks are issued based on growth in the Company’s share price in a period of three years (TSR*) (*) In comparison to JPX-Nikkei 400 Index and peer group (domestic or foreign chemical/health care companies with global operational presence)
		Shares with restriction of transfer (RS)	・ Shares with restriction of transfer worth the base value defined by title are issued every fiscal year and the restriction of transfer will be removed when an officer retires

Note: For foreign national officers, fringe benefits and severance pay may be paid in addition to the above, to the extent appropriate, by considering the levels and customs of remuneration expected in the place/country of birth or residence of the officer recruited.

c. Method of setting the levels / percentage of remuneration

Directors

The levels of remuneration for Directors shall be determined by considering the levels of remuneration for non-executive directors or outside directors at other companies of similar size in domestic sales and market capitalization, roles and functions expected of each Director (the leader of the Independent Outside Directors and Member/Chairperson of the Nominating/Compensation/Audit Committees), and hours required to execute their duties (full-time/part-time classification).

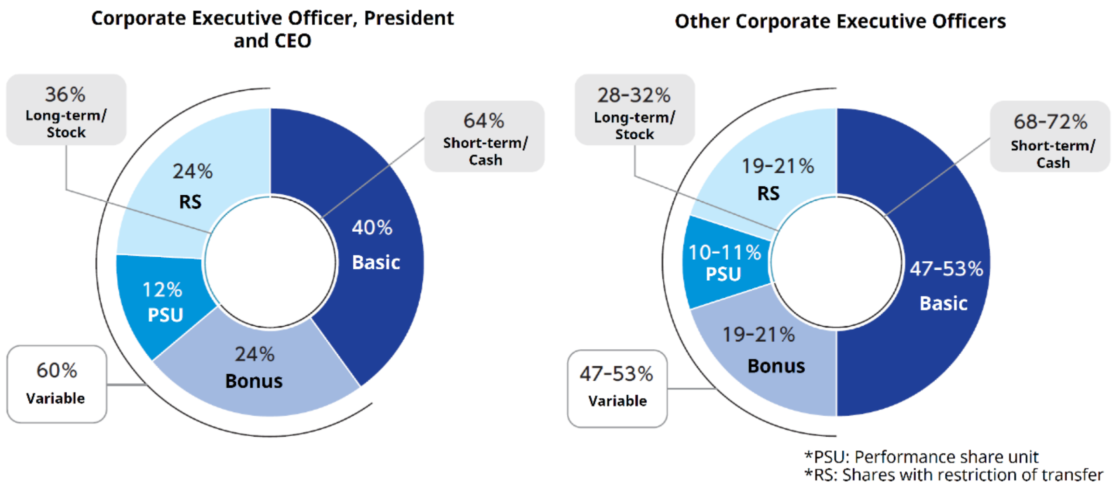
The ratio of Stock remuneration to Directors will be set in consideration of the expected roles of each Director and trends at other companies. The ratio of Stock remuneration to basic remuneration in fiscal 2024 will be approximately 10% or less.

Corporate Executive Officers

Remuneration, etc., for Corporate Executive Officers shall be set at a competitive level with appropriate percentage of remuneration, after comparing the levels of remuneration and performance linkage with other companies of similar size in domestic sales (for foreign national officers, however, sales in certain regions shall be considered in order to acquire the talent, such as the place/country of birth or residence of an officer) and market capitalization.

FY2024 Composition of Standard Remuneration for Corporate Executive Officers (Illustration)

[Basic remuneration : bonus : stock remuneration]ratios for FY2024 are set at [1 : 0.6 : 0.9] for Corporate Executive Officer, President and CEO and [1 : 0.35-0.45 : 0.53-0.68] for other Corporate Executive Officers, for the higher title to earn the greater ratio of variable remuneration.



d. Annual bonus

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

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

Company-wide performance evaluation

Management indicators in each of the three axes (MOS, MOT, MOE) for the realization of the Group's Purpose will be used as direct metrics of bonus evaluation. Specific evaluation metrics are selected every fiscal year, primarily from the following:

Three key elements of Purpose realization	Major management indicator for each axis	% of evaluation
MOS	Indicators defined as those related to the prevention of lost time injuries and security incidents, etc., reduction of greenhouse gas emissions, and improvement of employee engagement.	20%
MOT	Indicators related to R&D, IP activities, DX, and other efforts to realize the management plan	10%
MOE	Indicators related to core operating income, ROE, ROIC, free cash flow, etc.	70%

[Individual appraisal]

For targets for the Corporate Executive Officer, President and CEO, those declared by the Corporate Executive Officer, President and CEO at the beginning of the fiscal year are reviewed and determined by the Compensation Committee and the Nominating Committee. As to their evaluation, they are reviewed and determined by the Compensation Committee and the Nominating Committee at the end of the fiscal year, based on self-assessment by the Corporate Executive Officer, President and CEO.

For targets and evaluation for Corporate Executive Officers other than the Corporate Executive Officer, President and CEO, they are determined through an interview held between each Corporate Executive Officer and the Corporate Executive Officer, President and CEO, then reviewed and approved by the Compensation Committee and Nominations Committee. In cooperation with the Nominating Committee, the Compensation Committee verifies the fairness and reasonableness of the targets and evaluations for the respective Corporate Executive Officers.

[Final evaluation adjustment]

Only in cases that resulted in notable achievements or significant losses that were unforeseen at the beginning of the fiscal year, the Compensation Committee and Nominating Committee deliberate on the details and the need to take them into consideration, and such details and need will be added to or subtracted from the final evaluation.

e. Performance share unit (PSU)

In the fiscal 2021, the Company discontinued the stock remuneration plan using the BIP trust and introduced a PSU system. Under the Company's PSU system, which is intended to make officers conscious of sustainable improvement in corporate value and shareholder value, common stock of the Company is issued every year, in principle, in the number calculated in proportion to growth in the Company's share price (TSR: total shareholder return) during a period of three years. The method of calculating the number of stocks to be issued individually under the Company's PSU system is as follows:

[TSR Evaluation Period]

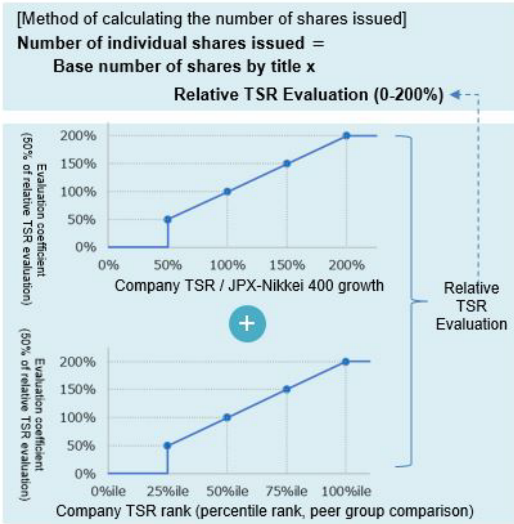
TSR evaluation period for the FY2024 Plan will be from FY2024 to FY2026.

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
FY 2024 PSU	TSR Evaluation Period			Stock issuance		
FY 2025 PSU		TSR Evaluation Period			Stock issuance	
FY 2026 PSU			TSR Evaluation Period			Stock issuance

[TSR Evaluation Category]

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

Category of evaluation	% of evaluation	Method of evaluation
Index growth comparison	50%	The coefficient of evaluation is determined by whether the Company TSR is better/worse than JPX-Nikkei 400 Index (including dividends) growth.
Peer group TSR comparison	50%	The coefficient of evaluation is determined by the rank of the Company TSR in the peer group (domestic or foreign chemical/health care companies of similar size to the Company in domestic sales and market capital).



f. Stock remuneration with restriction of transfer (RS)

Each year, the Company shall deliver shares of the Company's common stock equivalent to the base amount determined by position or office in accordance with the share delivery rules concerning Stock remuneration with restriction of transfer to the Director and Corporate Executive Officer. In order to share shareholder value and increase the share price over the medium to long term, the restricted transfer period shall be the period from the date of delivery of shares to the date of retirement as the Director or Corporate Executive Officer of the Company.

g. Remuneration clawback and other important matters

The Company may use other special remuneration and benefits, where necessary, after a case-by-case review by the Compensation Committee. In addition, if any gross misconduct/violation, etc., is found with a Director or a Corporate Executive Officer, the Company may make a claim for seizing one's right to receive remuneration ("malus clause") or getting back one's remuneration ("clawback clause") against this Director or Corporate Executive Officer through a review by the Compensation Committee.

4. Matters Related to Accounting Auditor

(1) Name

Ernst & Young ShinNihon LLC

(2) Amount of Remuneration, etc.

	Amount Paid (in million yen)
(i) Amount of audit remuneration to be paid by MCG to the Accounting Auditor	123
(ii) Sum total of money and other financial benefits to be paid by MCG and its subsidiaries to the Accounting Auditor	885

Notes:

1. As the amount of remuneration under the Companies Act and the amount of remuneration under the Financial Instruments and Exchange Act are not distinguished in the audit agreement between MCG and the Accounting Auditor, a sum total of these amounts is reported in (i) above.
2. The Audit Committee checked the details of the audit plans of the Accounting Auditor, execution status of duties of accounting audits, calculation basis for remuneration estimates and reviewed their validity before approving of the amount of remuneration for the Accounting Auditor.

(3) Content of Non-auditing Affairs

With respect to services that are not stipulated in Article 2, paragraph (1) of the Certified Public Accountants Act (services other than audit attest services), MCG asks the Accounting Auditor to advise on internal controls over financial reporting and prepare a letter of comfort for issuance of bonds.

(4) Policy on Decision to Dismiss or Not Reappoint Accounting Auditor

If the Accounting Auditor is deemed to fall under any of the items prescribed in Article 340, paragraph (1) of the Companies Act, the Audit Committee will dismiss the Accounting Auditor subject to the unanimous consent of all members.

In addition, if the Accounting Auditor is deemed to be incapable of performing the audit service in a proper manner, MCG will, based on the resolution of the Audit Committee, propose at the General Shareholders' Meeting that the Accounting Auditor should be dismissed or not be reappointed.

(5) Status of Audit of Financial Statements of MCG's Subsidiaries by Certified Public Accountants or Audit Corporations other than the Accounting Auditor

Of MCG's major subsidiaries, the overseas subsidiaries are audited by certified public accountants or audit corporations (including those locally certified) other than the Accounting Auditor, within the scope of the provisions of the Companies Act or the Financial Instruments and Exchange Act (or similar foreign laws and regulations).

5. Policy on Decisions on Appropriation of Retained Earnings, etc.

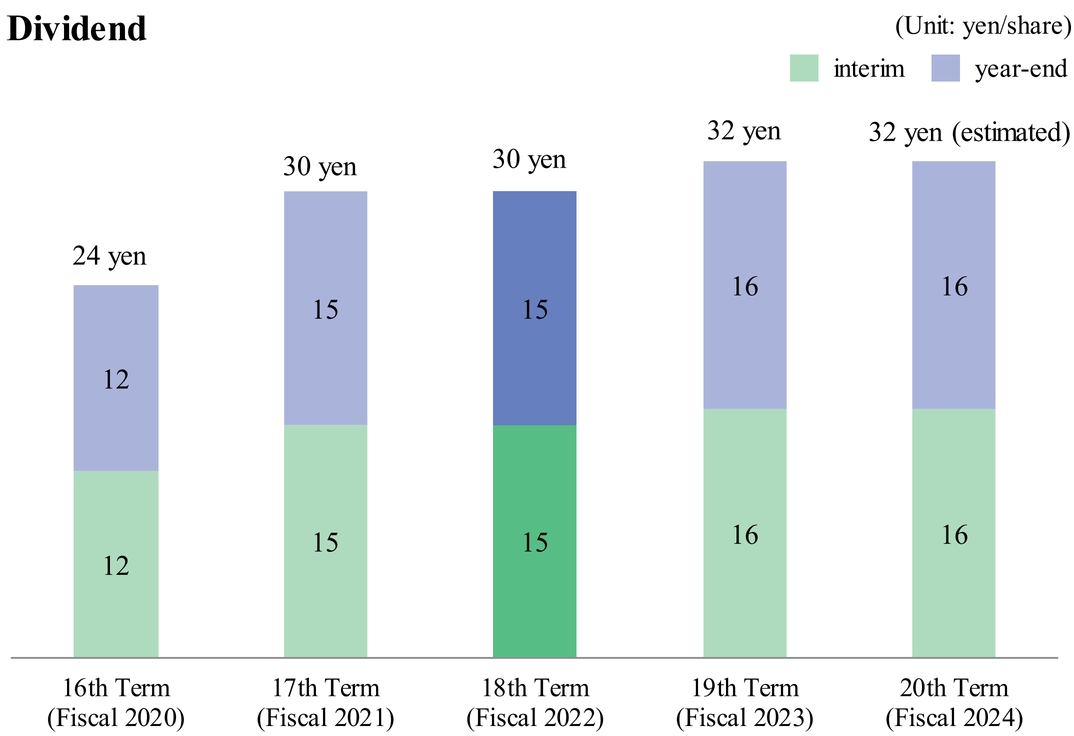
(1) Medium- to Long-term Policy

MCG's basic policy for shareholder returns is to enhance its shareholder value by increasing corporate value. While keeping an eye to increasing retained earnings that will fund its future business activities, MCG will aim for year-over-year dividend growth and payout ratio 35% in fiscal 2025 in the action plan based on the management policy "Forging the future" for the period to fiscal 2025.

(2) Factors Affecting the Dividend Distribution for the Fiscal Year under Review

After comprehensively considering the policy in (1) above as well as business development going forward, the Company decided to increase the year-end dividend by ¥1 from the previous fiscal year to ¥16 per common share of the Company.

Moreover, as the Company has already paid an interim dividend of ¥16 per share, the annual dividend will be ¥32 per share, an increase of ¥2 per share, and the consolidated dividend payout ratio for the fiscal year under review will be 38.1%.



Matters Related to Stock Acquisition Rights

(1) Overview of Stock Acquisition Rights Held by MCG's Officers (as of March 31, 2024)

Date of resolution for issue	Amount Paid in per Stock Acquisition Right	Exercise Period	Status of Stock Acquisition Rights Held by Officers	Type and number of stock as objects
July 9, 2018	¥41,700	From July 25, 2018 to July 24, 2038	1 person 144 units	7,200 shares of MCG's common stock

Notes:

1. The number of stocks as object of the aforementioned stock acquisition rights is 50 per stock acquisition right. However, if MCG's common stocks are split, the number of stocks per stock acquisition right will be adjusted.
2. The value of assets to be invested on the occasion of exercise of the aforementioned stock acquisition rights would be ¥1 per share.
3. In principle, the grantees may exercise the aforementioned stock acquisition rights only if they lose all of their positions as Director, Corporate Executive Officer, Corporate Auditor, or Executive Officer of MCG and its subsidiaries during the respective Exercise Periods.
4. MCG does not issue any stock acquisition rights to its Outside Director in compensation for performance of their duties.
5. The table provided above does not include stock acquisition rights received by MCG's officers who have received such rights as Executive Officers of MCG, or Directors, Corporate Auditors or Executive Officers of MCG's subsidiaries.

(2) Stock Acquisition Rights Issued for Executive Officers, etc. during the Fiscal Year under Review

No stock acquisition rights issued for Executive Officers, etc. during the fiscal year under review.

(3) Aggregate Number of Stock Acquisition Rights (as of March 31, 2024)

The aggregate number of stock acquisition rights issued by MCG and the type and the number of stock as objects of stock acquisition right as of the end of the fiscal year under review are as follows.

a) Stock acquisition rights issued for Officers and Executive Officers, etc. of MCG:

Aggregate number	6,854 units	
Type and number of stock as objects	MCG's common stock	342,700 shares

System to Ensure that the Company Operates in an Appropriate Manner and Overview of its Implementation

(1) System to Ensure that the Company Operates in an Appropriate Manner

The Company's basic policy on development of systems for assuring the operational legitimacy for which the Board of Directors has passed a resolution is as follows.

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

i) Management shall set the Office of Audit Committee as a body to assist the Audit Committee's duties and have it assist in auditing based on the instructions thereof. The appointment (transfer, evaluation, etc.) of employees of the Office of Audit Committee and the development of the budget of the Office of Audit Committee shall be subject to approval of the Audit Committee.

ii) Pursuant to regulations such as the Audit Standard of the Audit Committee, Directors, Corporate Executive Officers, and employees shall inform the Audit Committee of any important management matters to MCG and a corporate group with MCG as a parent company under the Companies Act ("MCG Group") (including any fact or fraudulent act that might do material harm to MCG or any important fact in violation of laws, regulations or Articles of Incorporation).

iii) Management stipulates that any Director, Corporate Executive Officer, Corporate Auditor, or employee of the MCG Group who has made a report to the Audit Committee shall not be treated unfavorably because of the report.

iv) Of expenses incurred by the Audit Committee or members of the Audit Committee, those deemed necessary for the execution of their duties shall be borne by MCG.

v) In order to ensure that Audit Committee's audits are conducted in an effective manner, Management shall appoint full-time members of the Audit Committee as well as facilitate the Audit Committee's regular meetings with senior executives, including the President, and coordination and information exchange between the Audit Committee and the Internal Audit Office.

2) System for ensuring that Corporate Executive Officers execute their duties efficiently

i) Except matters that significantly affect the MCG Group's portfolio management and matters to be resolved by the Board of Directors as required by law (basic management policy, etc.), the Board of Directors allows Corporate Executive Officers to make swift decisions by delegating all the business execution decisions to them in principle.

ii) To make decisions on business execution delegated to Corporate Executive Officers, Management shall develop a system in which the MCG Group's decisions and execution of business are made properly and efficiently by setting a rule that the MCG Group's important management matters are deliberated and decided at the Corporate Executive Officers Committee, and by defining the authority of responsible Corporate Executive Officers, responsibilities of each department, and authority assigned to subsidiaries on other matters.

iii) Corporate Executive Officers shall conduct management administration of subsidiaries in accordance with the basic management policy formulated by the Board of Directors (the Group's medium-term management plan, annual budgets, etc.) in an effort to achieve them. In addition, Corporate Executive Officers shall develop a system in which important management matters of subsidiaries are reported to the Company through the Corporate Executive Officers Committee and medium-term management plans, annual budget control, etc.

3) System for ensuring that Corporate Executive Officers' and employees' execution of their duties conform to laws, regulations, and Articles of Incorporation

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

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

iii) In accordance with the Group Compliance Promotion Regulations and other relevant rules and regulations, Management shall develop a promoting framework for compliance, training and education programs, audit/monitoring systems, hotlines, and other compliance promotion programs of the MCG Group and properly operate and manage these programs by appointing a Corporate Executive Officer in charge of compliance promotion (Chief Compliance Officer).

4) Regulations, structure and systems for managing risks of loss

Corporate Executive Officer, President and CEO shall be the Chief Risk Management Officer. In accordance with the Group's Basic Regulations on Risk Management and other relevant rules and regulations, the Corporate Executive Officer, President and CEO shall be responsible for preventing serious risks from occurring in connection with or arising from the MCG Group's business activities, and for developing, properly operating and managing risk management systems for minimizing damage if any risk occurs.

5) System for preserving and managing information related to Corporate Executive Officers' execution of their duties

In accordance with the Information Security Policy, Information Management Rules, and other relevant rules and regulations of the MCG Group, Management shall preserve and manage the minutes of the Corporate Executive Officers Committee, approval documents, and other documents and electromagnetic records related to Corporate Executive Officers' execution of their duties and develop a system that allows Corporate Executive Officers and Directors to inspect them.

6) System for assuring operational legitimacy within the corporate group

In accordance with the above policy and the Group's Management Regulations and other relevant rules and regulations, Management shall implement the management of the MCG Group (management of business objectives, reporting and approval of important matters and the Group's internal audits, etc.) and ensure operational legitimacy within the MCG Group by sharing the Group's internal control policies and systems covering compliance and risk management within the MCG Group.

(2) Overview of Implementation of System to Ensure that the Company Operates in an Appropriate Manner

In accordance with the above basic policy to develop a system to ensure that the Company operates in an appropriate manner, the Company has strived for the development of the system and its appropriate implementation. The overview of the implementation of the system to ensure operational legitimacy during the fiscal year under review is as follows.

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

– Directors, executive officers and employees report important management matters to the Audit Committee and circulate important approval documents to the Audit Committee in accordance with the "Audit Committee Auditing Standards".

– The president, executive officers, executives, representatives of the operating companies, and directors actively exchange opinions with the Audit Committee members, as well as having them at the Corporate Executive Officers Committee and other important meetings.

– An audit committee hotline was set up as a whistleblower contact independent of the Business execution line, and it was stipulated in operation that any directors/ executive officers/ employees who reported to the Audit Committee including via this hotline would not be treated unfavorably because of the report.

– The Audit Committee is working more closely with the Audit Function, the Internal Control Division, and the accounting auditors by receiving regular reports from them, and also

working with the auditors of Group companies to enhance the effectiveness of audits.
– As obtaining consensus from the Audit Committee in advance, 5 employees are deployed and assisting duties of the Audit Committee.

2) System for ensuring that Corporate Executive Officers execute their duties efficiently
– In principle, the Board of Directors delegated business execution decisions to the Corporate Executive Officers, enabling them to make swift and appropriate decisions.
– Of the decisions on business execution delegated to the Corporate Executive Officers, important matters in the management of the Group were deliberated and decided at the Corporate Executive Officers Committee.
– Under the management policy of "Forging the future". Promoted reforms in the five key areas: business portfolio, cost structure, business restructuring, organizations, and capital allocation, and implemented monitoring for key measures and financial/ non-financial target figures.
– As regards one of the most important measures of the management policy to reform the cost structure, proceeds with efforts that can bring further cost cut effects.
– In order to transform the Specialty Materials portfolio, selected 4 focus markets, EV/Mobility, Digital, Medical, and Food, in terms of market growth, competitiveness, and sustainability.
– Through the posting of articles on the intranet and the holding of town hall meetings, the Company’s business status, management messages and ideas were communicated in a timely and accurate manner. Through these efforts, mutual understanding between management and employees is being promoted and the direction to be taken being shared.

3) System for ensuring that Corporate Executive Officers’ and employees’ execution of their duties conform to laws, regulations, and Articles of Incorporation
– In addition to the Group-wide deployment of the "Group Charter of Corporate Behavior" and various policies, continuously implements activities to disseminate the contents of Tone from the top to the front lines of the organization through each Corporate executive officer or at town hall meetings.
– At regular town hall meetings every quarter, top management continuously sends messages on the thorough "safety" and "compliance" trying to spread the message.
– Reports the status of compliance and other matters to the Board of Directors and the Compliance Promotion Meeting.
– The President and Corporate Executive Officer/ the Chief Compliance Officer (CCO) receive periodic reports on the status of compliance and other matters to keep their track.

– Designs/ operates the compliance promotion system and Compliance Promotion Meeting, etc. composed of Corporate Executive Officers, etc.

– Implements a Group-wide compliance promotion program, within which continuing to conduct awareness surveys for monitoring.

– Develops a culture of speaking up through compliance awareness posters and education.

– In accordance with the standards for the evaluation of internal controls to ensure the reliability of financial reporting, confirmed that internal controls were effective by performing an evaluation of the status of the design/ operation of internal controls.

4) Regulations, structure and systems for managing risks of loss

– Based on the Enterprise Risk Management (ERM) related regulations, conducts the Group-wide risk management activities.

– As regards ERM, the ERM Committee, chaired by the President and Chief Corporate Executive Officer and composed of Corporate Executive Officers, identified the selection of material risks and matters to be prioritized to report the monitoring results.

– In response to the rising geopolitical risks, strengthens its peacetime preparedness by examining the impact on major products when it is difficult to procure raw materials in specific regions and the effectiveness of countermeasures as seeking to roll it out to other regions.

– Based on the "Disaster Response Headquarters Rules", a simulation exercise was conducted for Corporate Executive Officers, etc. in anticipation of a massive earthquake in the Nankai Trough.

– Based on the newly formulated "Policy for Ensuring the Safety of Employees, etc. in Emergency Situations", established a system for cooperation with each region/ group company, and formulated an expatriate evacuation plan assuming an emergency.

– Rolled out measures within the Group including organizing business trip standards, strengthening support for expatriates/ business travelers in response to risks, and promoting remote work, etc. in response to emergencies.

– Continued to proceed with enlightment/ education/ conveyance of messages regarding human rights risks and rolled out a checklist for preventing child/ forced labor within the Company to individual Group companies.

5) System for preserving and managing information related to Corporate Executive Officers' execution of their duties

– The results of deliberations by the Board of Directors and Corporate Executive Officers meetings are promptly communicated through the use of databases and other means.

– Appropriately manages information assets based on Information Management Rules and Information Management Guidelines.
– For “cyber attacks”, “information leaks”, and “unauthorized acquisition of information”, formulated response plans, monitor the implementation status, and review countermeasures.
– The entire Group, including overseas, conducts self-inspections for IT security monitoring.
– With regard to information security education, established a Group-wide education system, and continuously provide seminars and e-mail training.

6) System for assuring operational legitimacy within the corporate group
– Rolls out penetration activities for the Group Concept both internally and externally, working to improve the Group's growth and corporate value.
– Based on the management objectives, proceeded with the preparation of information that contributes to the management, monitoring, and business decision making for the annual target profits for the entire Group and each BG/ FU.
– Monitored the cost reductions factored into the budget.
– In order to improve its financial position, monitored working capital and strived to reduce working capital.
– Strives to strengthen tax compliance and management at Group companies in order to reduce and avoid tax risks.
– In order to realize efficient management in each region, advanced the regional management system.
– Continued to carry out the Control Self-Assessment in order to monitor the overall internal control status of the Group.
– Re-established and disseminated the reporting system to the CCO in the event of compliance violation.
– In order to prevent incidents of compliance violations, continuously carries out awareness and education activities for employees.
– With regard to the whistleblower systems, continues to disseminate the integrated system including Mitsubishi Chemical Corporation, and Mitsubishi Tanabe Pharma Corporation.

Basic Policy on Control of the Company

We have not specifically written down a basic policy on the modality of the persons exerting controlling influences over the Company's financial and management policy decisions, but are pleased to present our basic ideas below.

We believe that we will be able to live up to the expectations of our shareholders by running the MCG Group in a highly efficient and transparent manner, by bolstering our competitive edge and earning capabilities through optimal allocation of management resources and ultimately by enhancing our Group's corporate value.

Although we have not introduced the so-called "takeover defense" measures, we do stand ready to take whatever measures we consider appropriate if we detect a company is attempting to make a massive purchase of MCG's shares that might harm the MCG Group's corporate value or undermine the common interests of our shareholders.

MITSUBISHI CHEMICAL GROUP CORPORATION

Consolidated Statement of Profit or Loss

19th Fiscal Year (Year ended March 31, 2024)

Unit: Millions of yen

Sales revenue	4,387,218
Cost of sales	(3,240,394)
Gross profit	1,146,824
Selling, general and administrative expenses	(932,345)
Other income	117,801
Other expenses	(78,539)
Equity income	8,090
Operating income	261,831
Financial income	23,796
Financial expenses	(45,080)
Earnings before taxes	240,547
Income taxes	(62,108)
Net income	178,439
Net income attributable to	
Owners of the parent	119,596
Non-controlling interests	58,843

MITSUBISHI CHEMICAL GROUP CORPORATION

Consolidated Statement of Financial Position

19th Fiscal Year (As of March 31, 2024)

Unit: Millions of yen

Assets	
Current assets:	
Cash and cash equivalents	294,924
Trade receivables	852,353
Inventories	799,249
Other financial assets	82,804
Other current assets	131,721
Subtotal	2,161,051
Assets held for sales	30,585
Total current assets	2,191,636
Non-current assets	
Property, plant and equipment	2,043,330
Goodwill	832,899
Intangible assets	481,028
Investments accounted for using the equity method	164,246
Other financial assets	221,232
Other non-current assets	72,747
Deferred tax assets	97,395
Total non-current assets	3,912,877
Total assets	6,104,513

MITSUBISHI CHEMICAL GROUP CORPORATION

Consolidated Statement of Financial Position (continued)

19th Fiscal Year (As of March 31, 2024)

Unit: Millions of yen

Liabilities and Equity	
Liabilities	
Current liabilities:	
Trade payables	501,532
Bonds and borrowings	605,307
Income tax payable	22,890
Other financial liabilities	367,925
Provisions	35,957
Other current liabilities	187,420
Subtotal	1,721,031
Liabilities directly associated with assets held for sales	3,881
Total current liabilities	1,724,912
Non-current liabilities	
Bonds and borrowings	1,595,704
Other financial liabilities	121,128
Retirement benefit liabilities	104,828
Provisions	31,672
Other non-current liabilities	44,147
Deferred tax liabilities	206,627
Total non-current liabilities	2,104,106
Total liabilities	3,829,018
Equity	
Common stock	50,000
Additional paid-in capital	159,602
Treasury stock	(61,857)
Retained earnings	1,355,131
Other components of equity	260,571
Equity attributable to owners of the parent	1,763,447
Non-controlling interests	512,048
Total equity	2,275,495
Total liabilities and equity	6,104,513

Consolidated Statement of Changes in Equity
19th Fiscal Year (Year ended March 31, 2024)

Unit: Millions of yen

	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2023	50,000	167,917	(62,231)	1,270,245
Cumulative effects of changes in accounting policies	–	–	–	332
Restated balance at April 1, 2023	50,000	167,917	(62,231)	1,270,577
Net income	–	–	–	119,596
Other comprehensive income	–	–	–	–
Total comprehensive income	–	–	–	119,596
Purchase of treasury stock	–	–	(33)	–
Disposal of treasury stock	–	(83)	407	–
Cash dividends	–	–	–	(44,094)
Share–based payment transactions	–	46	–	–
Forfeiture of stock acquisition rights	–	(1,993)	–	1,445
Changes in interests in subsidiaries	–	(6,285)	–	–
Changes in scope of consolidation	–	–	–	(10)
Transfer from other components of equity to retained earnings	–	–	–	7,617
Total transactions with owners	–	(8,315)	374	(35,042)
Balance at March 31, 2024	50,000	159,602	(61,857)	1,355,131

	Other components of equity							
	Net gain (loss) on revaluation of financial assets measured at fair value	Remeasurements of defined benefit pensions plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges	Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2023	34,291	–	99,888	4,256	138,435	1,564,366	423,771	1,988,137
Cumulative effects of changes in accounting policies	–	–	–	–	–	332	–	332
Restated balance at April 1, 2023	34,291	–	99,888	4,256	138,435	1,564,698	423,771	1,988,469
Net income	–	–	–	–	–	119,596	58,843	178,439
Other comprehensive income	4,752	6,515	117,596	890	129,753	129,753	55,405	185,158
Total comprehensive income	4,752	6,515	117,596	890	129,753	249,349	114,248	363,597
Purchase of treasury stock	–	–	–	–	–	(33)	–	(33)
Disposal of treasury stock	–	–	–	–	–	324	–	324
Cash dividends	–	–	–	–	–	(44,094)	(14,457)	(58,551)
Share–based payment transactions	–	–	–	–	–	46	–	46
Forfeiture of stock acquisition rights	–	–	–	–	–	(548)	–	(548)
Changes in interests in subsidiaries	–	–	–	–	–	(6,285)	(11,503)	(17,788)
Changes in scope of consolidation	–	–	–	–	–	(10)	(11)	(21)
Transfer from other components of equity to retained earnings	(1,102)	(6,515)	–	–	(7,617)	–	–	–
Total transactions with owners	(1,102)	(6,515)	–	–	(7,617)	(50,600)	(25,971)	(76,571)
Balance at March 31, 2024	37,941	–	217,484	5,146	260,571	1,763,447	512,048	2,275,495

Notes to the Consolidated Financial Statements

Basis of Preparation of Consolidated Financial Statements

1. Basis of Presenting Consolidated Financial Statements

The consolidated financial statements of the Company and its subsidiaries (hereinafter the "MCG Group") are prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") under the provision of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies. In the consolidated financial statements, some items required to be disclosed in IFRS are omitted under the provision of the second sentence of the same Paragraph.

2. Scope of Consolidation and Equity Method

Number of consolidated subsidiaries: 394

The number above includes four (4) jointly-operating companies.

Names of major consolidated subsidiaries:
Mitsubishi Chemical Corporation, Mitsubishi Tanabe Pharma Corporation, Nippon Sanso Holdings Corporation

Number of associated companies accounted for by the equity method: 130

Name of major associated companies accounted for by the equity method:
Mitsubishi Engineering-Plastics Corporation, LOTTE MCC Corp.

3. Accounting Policies

(1) Financial instruments

(i) Financial assets (other than derivatives)

(a) Initial recognition and measurement

The MCG Group initially recognizes trade receivables when it satisfies its performance obligations and acquires unconditional rights to consideration in accordance with IFRS 15 "Revenue from Contracts with Customers." All other financial assets are initially recognized on the transaction date when the MCG Group becomes a contractual party to the assets.

Financial assets are classified into financial assets measured at fair value through profit or loss, fair value through other comprehensive income, and amortized cost. The MCG Group determines the classification at initial recognition.

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met.

- The financial asset is held in order to collect contractual cash flows.
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting both of the following conditions are classified as financial assets measured at fair value through other comprehensive income. The other debt instruments are classified as financial assets measured at fair value through profit or loss.

- The financial asset is held in order to collect contractual cash flows and sales of financial assets.

- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

With regard to equity instruments, a designation is made to individually measure at fair value through profit or loss or measure at fair value through other comprehensive income, and such designation is continuously applied.

Financial assets are measured at fair value plus transaction costs that are attributable to the financial assets, except for financial assets measured at fair value through profit or loss.

(b) Subsequent measurement

After initial recognition, financial assets are measured based on the classification as follows:

- Financial assets at amortized cost

  Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

- Other financial assets

  Financial assets other than those measured at amortized cost are measured at fair value.

  Changes in the fair values of financial assets measured at fair value are recognized as profit or loss or as other comprehensive income.

  Accumulated changes in the fair value are transferred to retained earnings when equity instruments measured at fair value through other comprehensive income are derecognized or the decline in fair value is significant.

  In addition, dividends from equity instruments are recognized as profit or loss.

(c) Derecognition

The MCG Group derecognizes a financial asset only when the contractual right to receive the cash flows from the asset expires or when the MCG Group transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(d) Impairment

The MCG Group recognizes impairment of financial assets based on whether or not credit risks of financial assets have experienced significant increase compared to their initial recognition.

The MCG Group estimates expected credit losses of financial assets measured at amortized cost on each balance sheet date and recognizes an allowance for doubtful receivables.

The allowance for doubtful receivables is measured by expected credit losses for 12-months when there has been no significant increase of credit risk in financial assets or other assets since their initial recognition, and is measured by expected credit losses for the remaining period when there has been a significant change in credit risk. Trade receivables are measured by expected credit losses for the entire period from their initial recognition.

Whether the increase in credit risk is significant or not is determined based on changes in default risks; to determine whether there is a change in default risk, we primarily consider overdue (past due information).

Expected credit losses are measured based on a discounted present value, which is the difference between the amount receivable under the contract, and the amount expected to receive taking into consideration past credit losses, etc.

(ii) Financial liabilities (other than derivatives)

(a) Recognition and measurement

Financial liabilities (other than derivatives) are mainly classified into financial liabilities measured at amortized cost.

Financial liabilities measured at amortized cost are initially recognized at fair value less transaction costs directly attributable to the financial liabilities when the MCG Group becomes a contractual party. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Amortization amounts under the effective interest method and gains or losses when derecognized are recognized as profit or losses.

(b) Derecognition

The MCG Group derecognizes financial liabilities when obligations are fulfilled, discharged or forfeited and exchanged on substantially different terms or changed to substantially different terms.

(iii) Derivatives and hedge accounting

The MCG Group utilizes derivatives, including forward foreign exchange contracts and interest rate swap contracts, to hedge foreign exchange and interest rate risks. These derivatives are initially measured at fair value when the contract is entered into, and are subsequently remeasured at fair value.

Changes in the fair value of derivatives are recognized as profit or loss in the consolidated statement of income. However, the gains or losses on the hedging instrument relating to the effective portion of cash flow hedges and hedges of net investment in foreign operations (foreign subsidiaries) are recognized as other comprehensive income.

At the inception of the hedging relationships, the MCG Group formally designates and documents the hedging relationship to which hedge accounting is applied and the objectives and strategies of risk management for undertaking the hedge. The MCG Group also assesses whether a derivative used in the hedge transaction is effective in offsetting fair value of the hedged item or changes in cash flows, at the designating hedging relationships or on an ongoing basis. Specifically, the MCG Group deems hedge transaction as effective when such hedge offsets economic relations between the hedged item and the hedge instrument.

Hedges that meet the requirements for hedge accounting are classified in the following categories and accounted for in accordance with IFRS 9 “Financial Instruments.”

(a) Fair value hedges

Changes in the fair value of derivatives are recognized as profit or loss. Changes in fair value of the hedged item attributable to hedged risks are recognized in profit or loss by modifying the carrying amount of the hedged item.

(b) Cash flow hedges

The effective portion of gains or losses on hedging instruments is recognized as other comprehensive income in the consolidated statement of comprehensive income, while the ineffective portion is recognized immediately as profit or loss.

The amounts of hedging instruments recognized in other comprehensive income are reclassified to profit or loss when the transactions of the hedged items affect profit or loss. In cases where hedged items result in the recognition of non-financial assets or liabilities, the amounts recognized as other comprehensive income are accounted for as adjustments to the original carrying amount of non-financial assets or liabilities.

(c) Hedges of a net investment in foreign operations

Hedges of a net investment in foreign operations, are accounted for similarly to a cash flow hedge. The effective portion of gains or losses on hedging instruments is recognized as other comprehensive income, while the ineffective portion is recognized as profit or loss. At the time of the disposal of the foreign operations, any related cumulative gain or loss that has been recognized in equity as other comprehensive income is reclassified to profit or loss.

(iv) Fair value of financial instruments

The fair value of financial instruments traded in active financial markets on balance sheet date is determined with reference to published prices in markets or dealer prices.

The fair value of financial instruments for which there is no active market is estimated with reference to appropriate valuation techniques or prices quoted by correspondent financial institutions.

(2) Inventories

Inventories are measured at acquisition cost, or if lower, at net realizable value. The costs are determined by mainly using the weighted-average method. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

(3) Property, plant and equipment (other than right-of-use assets)

The MCG Group uses the cost model for measuring property, plant and equipment.

Property, plant and equipment are presented in values that are calculated as acquisition cost less accumulated depreciation and accumulated impairment loss.

Except land and construction in progress, all of the property, plant and equipment applied depreciation on a straight-line basis to regularly allocate depreciable amount, which is calculated by subtracting the remaining value on balance sheet date from its acquisition cost.

The estimated useful lives of major property, plant and equipment are as follows:

Buildings and structures: 3–50 years

Machinery and equipment: 2–22 years

Vehicles, tools, furniture and fixtures: 2–25 years

(4) Intangible assets

The MCG Group uses the cost model for measuring intangible assets.

An intangible asset is presented in values that are calculated as acquisition cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets acquired separately are measured as acquisition cost at the initial recognition, and the costs of intangible assets acquired through business combinations are recognized at fair value at the acquisition date. Expenditures on internally generated intangible assets are recognized as expense in the period when incurred, except for development expenses that satisfy the capitalization criteria.

Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful lives.

The estimated useful lives of major intangible assets are as follows:

Technology-related intangible assets:	4–22 years
Customer-related intangible assets:	5–30 years
Software:	3–5 years

Intangible assets with indefinite useful lives and intangible assets that are not ready to use are not amortized.

(5) Leases

A lease transaction is recognized when a right to control the use of an asset under a particular agreement is transferred in return for consideration over a certain period of time, with a right-of-use asset and lease liability in the lease transaction recognized on the date of the inception of the lease.

A lease liability is measured as the discounted present value of total lease payments outstanding as of the date of inception of the lease. A right-of-use asset is initially measured as an aggregate of the initial measurement value of the lease liability after being adjusted with initial direct costs, prepaid lease payments, etc., and costs for restoration obligations, etc., required by the lease agreement.

Lease payments are allocated in finance cost or payments for outstanding lease liability, both at a consistent interest rate to outstanding lease liability, and the finance cost is recognized as profit or loss.

A right-of-use asset is amortized over the useful life of the asset where the ownership of an underlying asset is to be transferred to a lessee by the expiration of the lease term or the exercise of a purchase option is reflected in the acquisition cost of the right-of-use asset, otherwise over the shorter of the useful life or the lease term regularly.

For leases expiring within 12 months or whose underlying asset is small, relevant lease payments are recognized as finance cost regularly over the lease term.

(6) Business combinations

Business combinations are accounted for using the acquisition method.

The cost of acquisition is measured as the total of the consideration transferred and any non-controlling interest in the acquiree measured at fair value on the date of acquisition.

When the MCG Group acquires a business, the assets acquired and liabilities assumed are classified and designated based on contractual terms, economic conditions, and related conditions on the date of acquisition. In addition, in principle, identifiable assets acquired and liabilities assumed are measured at fair value on the acquisition date.

When a business combination is conducted in stages, the interest held in the acquiree prior to acquiring control is reevaluated at fair value on the acquisition date, and the difference is recognized as profit or loss. The amount of interest in the acquiree recorded in other comprehensive income prior to the acquisition date is accounted for using the same method as if the acquiree had disposed of its interest.

Goodwill is measured as the excess of the total of consideration transferred and the amount recognized as non-controlling interest over the net amount of identifiable assets acquired and liabilities assumed. The difference is recognized as profit or loss when the total of consideration transferred and the amount recognized as non-controlling interest is below the net amount of identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill acquired in business combinations is not amortized.

(7) Impairment of assets

(i) Impairment of non-financial assets

The MCG Group determines whether there is any indication that an asset may be impaired on balance sheet date. The MCG Group estimates the recoverable amount of assets when there are indications of impairment and when an asset requires annual impairment testing. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. If the recoverable amount cannot be estimated for an individual asset, the recoverable amount is estimated for each cash-generating unit or group of cash-generating units to which the asset belongs. An impairment loss is recognized for that asset and the asset is written down to its recoverable amount when the carrying amount of a cash-generating unit or group of cash-generating units exceeds its recoverable amount. In estimating utility value, the discounted present value of estimated future cash flows is calculated using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks inherent in the asset.

In calculating fair value less cost of disposal, the MCG Group uses appropriate valuation models supported by available fair value indicators.

Goodwill is allocated to each of the cash-generating units, or groups of cash-generating units, which are expected to benefit from synergies of the business combination after the acquisition date.

Goodwill or intangible assets with indefinite useful lives and intangible assets that are not yet available for use are tested for impairment annually and whenever there is an indication that an impairment exists.

(ii) Reversal of impairment loss

Impairments recognized in the past are reversed to the recoverable amount when there is an indication of impairment reversal and the estimates used to determine the recoverable amount have changed, and the amount of the reversal of the impairment loss is recognized as profit or loss. However, impairment losses on goodwill are not reversed. The amount of the reversal of impairment loss is limited to the carrying amount at the time of the reversal of the impairment loss if impairment loss was not recognized in the previous period.

(8) Provisions

Allowances and provisions are recognized when the MCG Group has a present (legal or constructive) obligation as a result of a past event when it is more likely than not that an outflow of resources having economic benefits will be required to settle the obligation and the amount of obligation has been reliably estimated.

Allowances and provisions are measured by the amount of expenditure expected to be required to settle the obligation and are discounted to the present value when the effect of the time value of money is material.

(9) Retirement benefits

The MCG Group sponsors defined benefit plans and defined contribution plans as employee retirement benefit plans.

・ Defined benefit plans

The MCG Group calculates the present value of defined benefit obligations, related current service cost and past service cost using the projected unit credit method.

The discount rate is calculated based on yields of high-quality corporate bonds on balance sheet date.

Liability or asset recognized in respect of the defined benefit plan are presented in net amounts of the present value of the defined benefit obligation and the fair value of plan assets.

Remeasured liability or asset value in respect of the defined benefit plan is recognized comprehensively as other comprehensive income in the period as incurred, and immediately reflected retained earnings. In addition, past service cost is recognized as expenses in the period as incurred.

・ Defined contribution plans

Cost of defined contribution plan is recognized in the period in which the employee provides the related service.

(10) Revenue

The MCG Group recognizes revenue, based on the following 5-step model, in an amount that reflects the consideration to which the Group expects to be entitled in exchange for goods or services transferred to customers.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The MCG Group conducts business activities in five business segments (Specialty Materials, Industrial Gases, Health Care, MMA and Basic Materials) and provides a wide variety of products, etc. to customers in Japan and overseas.

For the sales of such products, because the customer obtains control over the products upon delivery, the performance obligation is judged to have been satisfied and revenue is therefore recognized upon delivery of the products.

Revenue is measured at the consideration promised in a contract with a customer, less discounts, rebates, returned products and other items.

(11) Translation of foreign currencies

Each company in the MCG Group specifies its own functional currency and measures transactions based on it.

Foreign currency transactions are translated into the functional currency at the rates of exchange prevailing at the dates of transactions or an approximation of the rate.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing on balance sheet date. Differences arising from the translation and settlement are recognized as profit or loss. However, the exchange gain or loss difference is recognized in other comprehensive income, when the gain or loss on such asset or liability is recognized in other comprehensive income.

The assets and liabilities of foreign operations are translated into Japanese yen at the rates of exchange prevailing at the fiscal year end date, while income and expenses of foreign operations are translated into Japanese yen at the rates of exchange prevailing at the dates of transactions or an approximation to the rate (average exchange rate during the fiscal year in principle). The resulting translation differences are recognized in other comprehensive income.

In cases where foreign operations are disposed of, the cumulative amount of translation differences related to the foreign operations is recognized as profit or loss in the period of disposition.

(12) Assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale if their carrying amount expected to be recovered principally through a sale transaction rather than through continued use. This condition is regarded as met only when the sale within one year is highly probable and the non-current asset (or disposal groups) is available for immediate sale in its present condition. Non-current assets (or disposal groups) classified as assets held for sale are measured as carrying amount or if lowered, as fair value less costs to sell.

Property, plant and equipment and Intangible assets classified as assets held for sale are not depreciated or amortized.

Discontinued operations include an operation that has been already disposed of or a component of the MCG Group that is classified as an asset held for sale and represents one line of the MCG Group's business, which is recognized when the Company has a plan to dispose of such a business line.

(Accounting treatment for deferred taxes under the global minimum tax rules)

The MSG Group applies the temporary exception under IAS 12 Income Taxes, "International Tax Reform - Pillar Two Model Rules" (amendments to IAS 12 Income Taxes) and has not recognized or disclosed any deferred tax assets or liabilities for income taxes arising from global minimum taxation.

4. Change in Accounting Policies

Main standards and interpretations newly applied by the MCG Group from the fiscal year under review, are as follows.

Standard and interpretation		Overview of introduction or revision
IAS 12	Income Taxes (amended in May, 2021)	Clarification of accounting treatment for deferred taxes relating to assets and liabilities arising from a single transaction

The application of IAS 12 Income Taxes (amended in May 2021) clarifies the accounting treatment upon initial recognition for transactions that result in equal taxable temporary differences and deductible temporary differences at the time of the transaction. Taxable temporary differences and deductible temporary differences are recognized as deferred tax liabilities and deferred tax assets, respectively, in the condensed consolidated statements of financial position.

This standard is applied retrospectively and the cumulative effect is reflected in the consolidated statement of changes in equity at the beginning of the fiscal year under review. As a result, the balance as of April 1, 2023 of retained earnings increased by ¥332 million.

Notes on Accounting Estimates

Key information regarding estimates that may have a significant impact on the consolidated financial statements of the Group is as follows.

1. Impairment of non-financial assets

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

The MCG Group recorded property, plant and equipment of ¥2,043,330 million, goodwill of ¥832,899 million, and intangible assets of ¥481,028 million (including intangible assets with indefinite useful lives and intangible assets that are not yet available for use of ¥68,793 million) in the consolidated statement of financial position.

For the fiscal year under review, an impairment loss of ¥33,530 million was recorded and included under other expenses in the consolidated statement of profit or loss.

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

(i) Calculation method

When there is an indication that property, plant and equipment, goodwill and intangible assets may be impaired, or when an asset requires annual impairment testing, the MCHD Group calculates the utility value or fair value less costs of disposal of the asset.

In determining utility value, the discounted present value of estimated future cash flows is calculated using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks inherent in the asset. In principle, the business plan used to estimate future cash flows is limited to 5 years, and future cash flows beyond the period of the business plan projections are calculated based on long-term average growth rates for periods longer than five years according to individual circumstances.

(ii) Key assumptions

The key assumptions used in the calculation of utility value are as follows:

(Intangible assets related to technology (in-process research and development expenses, rights acquired through licensing contracts in the development stage))

The likelihood of obtaining regulatory approval for marketing, projected sales revenue after launch, and discount rate

(Property, plant and equipment, intangible assets other than the above, goodwill)

Estimated future cash flows in the business plan for a period of up to 5 years in principle, discount rate, and long-term growth rates for periods longer than five years. Estimated future cash flows are primarily affected by projected sales revenue and market growth rates.

(iii) Effect on the consolidated financial statements for the following fiscal year

Although management believes that the key assumptions are reasonable, they may be affected by the results of changes in uncertain future economic conditions, and if the assumed circumstances change, the results of the calculation of the recoverable amount may differ.

2. Recoverability of deferred tax assets

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

Deferred tax assets (net): ¥97,395 million

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

(i) Calculation method

The MCG Group recognizes deferred tax assets for deductible temporary differences and tax loss carryforwards based on the expected reversal of deferred tax liabilities, projected future taxable income and tax planning.

(ii) Key assumptions

The key assumption in the future business plan that forms the basis for future taxable income is projected sales.

(iii) Effect on the consolidated financial statements for the following fiscal year

MCG believes that it is probable that the deferred tax assets recognized will be recovered based on historical taxable income levels and projections of future taxable income in the period during which deductible temporary differences and tax loss carryforwards are forecast to be reversed. Although management believes that projections of future taxable income and the key assumptions are reasonable, they may be affected by the results of changes in uncertain future economic conditions, and if the assumed circumstances change, the calculation results of the estimated recoverable amount may differ.

3. Measurement of defined benefit plan obligations

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

Retirement benefit liabilities: ¥104,828 million

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

Liability or asset recognized in respect of the defined benefit plan is the present value of the defined benefit plan obligations less the fair value of plan assets. Defined benefit plan obligations are calculated using actuarial calculations, and the assumptions used include estimates of discount rates and other factors. Although management believes that the key assumptions are reasonable, they may be affected by the results of changes in uncertain future economic conditions, and if the assumed circumstances change, the calculation results of the estimated defined benefit plan obligations may differ.

4. Fair value of financial instruments

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

Equity securities and investments classified as Level 3 of the fair value hierarchy (excluding assets held for sale): ¥103,106 million

The above amount is included under other financial assets in the consolidated statement of financial position.

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

The fair values of unlisted equity securities and investments for which quoted prices in active markets are not available to the MCG Group are estimated using reasonably available inputs, using the comparable companies method or other appropriate valuation techniques. Management believes that the valuation techniques selected and the key assumptions are appropriate in assessing the fair value of financial instruments. However, they may be affected by the results of changes in uncertain future economic conditions, and if the assumed circumstances change, the calculation results of the estimated fair value may differ.

Notes to consolidated statement of profit or loss

Other operating income

The main breakdown of other operating income of ¥117,801 million is described below and in the notes on business combinations:

(i) Gain on sale of shares of subsidiaries and affiliates recorded in connection with the transfer of shares of Qualicaps Co., Ltd.

In July 2023, as part of its portfolio reform, the Group concluded a share transfer agreement for the transfer of all shares of Qualicaps Co., Ltd. held by the MCG Group to Roquette Frères SA. The share transfer was completed in October 2023. In connection with this transfer, ¥20,173 million was recorded on the gain on sale of shares of subsidiaries and affiliates.

(ii) Income associated with advances received related to COVID-19 vaccine supplies

The MCG Group had reclassed advances of ¥15,530 million yen already received at the end of the previous fiscal year related to COVID-19 vaccine supplies in the Health Care segment from contract liabilities in other liabilities to other liabilities in the same line item, as requirements for recognition as contract liabilities were no longer met. However, the MCG Group recorded other operating incomes in the fiscal year under review. That is because there is no more need to refund liabilities under other liabilities in view of an agreement with a counterparty to terminate a contract in the fiscal year under review.

(iii) Reversal of provision for loss on plant closure recorded by Mitsubishi Chemical UK

In connection with the decision to terminate production of MMA-related products at the Cassel Site of Mitsubishi Chemical UK, the Company reversed a portion of the provision for loss on plant closure recorded in the previous fiscal year and recorded ¥10,169 million as a reversal of provision.

Losses related to contractual commitments and costs of dismantling the plant were reviewed based on the progress of discussions with the counterparty and the conclusion of a new agreement, as well as the latest removal cost estimates obtained from a construction company.

Other operating expenses

The main breakdown of other operating expenses of ¥78,539 million is as follows:

(i) Impairment losses, etc. recorded in connection with the decision to transfer shares of PT Mitsubishi Chemical Indonesia

As part of the portfolio reform, the MCG Group has decided to gradually transfer all shares of PT Mitsubishi Chemical Indonesia, a consolidated subsidiary. The loss is recorded for the difference between the fair value less disposal cost and the carrying amount of the asset following the transfer to assets held for sale based on this decision. The entire carrying amount of PT Mitsubishi Chemical Indonesia equipment and other non-current assets was reduced and an impairment loss of ¥10,652 million (machinery: ¥8,981 million, construction in progress: ¥924 million, other: ¥747 million) was recorded, and a provision for loss on business liquidation was recorded for the estimated loss of ¥1,330 million in excess of the carrying amount of the non-current assets. In addition, special retirement expenses of ¥323 million and other expense of ¥28 million were recorded.

Fair value is based on the expected sale price of Mitsubishi Chemical Indonesia's shares, and the fair value hierarchy is Level 3.

Notes to consolidated statement of financial position

1. Assets Pledged as Collateral and Debt Obligations Covered by Collateral

   Assets pledged as collateral

Property, plant and equipment	¥24,775 million
Other	¥1,409 million
Debt obligations covered by collateral	¥5,746 million

2. Allowance for Doubtful Accounts Directly Deducted From Assets

Trade receivables	¥14,764 million
Other non-current assets	¥1,914 million

3. Accumulated Depreciation and Accumulated Impairment Loss on Total Property, Plant and Equipment

   ¥4,120,852 million

4. Contingent Liabilities

   Guarantee of loans from financial institutions

Guarantees	¥6,386 million

Notes to consolidated statement of changes in equity

1. Matters Related to Class and Number of Issued Shares

Class and total number of issued shares as of the close of the fiscal year under review:

Common stock 1,506,288 thousand shares

2. Matters Related to Dividends

(1) Dividends paid to shareholders

Resolution	Share Class	Aggregate Amount of Dividends	Dividend per share	Entitlement Date	Effective Date
Board of Directors meeting May 19, 2023	Common stock	¥21,368 million	¥15	March 31, 2023	June 6, 2023
Board of Directors meeting November 1, 2023	Common stock	¥22,792 million	¥16	September 30, 2023	December 4, 2023

Note: The aggregate amounts of dividends resolved at the Board of Directors meeting on May 19, 2023 and November 1, 2023 include ¥35 million and ¥31 million of cash dividends paid to the MCG shares held by the BIP trust (excluding the number of shares equivalent to the accumulated points granted), respectively.

(2) Dividends whose base date arrives within the fiscal year under review but whose effective date arrives after the close of the fiscal year under review

The following matters related to payout of dividends of the common stock are being proposed as one of the agenda for the Board of Directors meeting scheduled for May 20, 2024.

Resolution	Share Class	Aggregate Amount of Dividends	Source of Dividend	Dividend per share	Entitlement Date	Effective Date
Board of Directors meeting May 20, 2024	Common stock	¥22,793 million	Retained earnings	¥16	March 31, 2024	June 4, 2024

Note: The aggregate amounts of dividend include ¥31 million of cash dividends paid to the Company's shares held by the BIP trust (excluding the number of shares equivalent to the accumulated points granted), respectively.

3. Class and Number of Shares Related to Stock Award Rights at the Close of the Fiscal Year under Review:

Common stock 238 thousand shares (number of base shares)

The above relates to the stock remuneration plan that determines whether or not to issue shares, and if they are to be issued, the number of shares to be issued based on an evaluation of the rate of growth of the Company's shares.

The number of issued shares varies within a range of 0% to 200% of the above number of base shares.

4. Class and Number of Shares Being the Object of Stock Acquisition Right (Excluding Stock Acquisition Rights for Which the First Day of the Exercising Period Has Not Yet Arrived) as of the Close of the Fiscal Year Under Review:

Common stock 343 thousand shares

Notes on Revenue Recognition

1. Revenue decomposition

The MCG Group operates in wide-ranging overseas businesses in five business domains (Specialty Materials, Industrial Gases, Health Care, MMA, and Basic Materials) and regularly reports categorized sales revenues according to the location of the sales destination to management. The details of the categorized sales revenues according to the location of the sales destination and the sales revenue for the five business domains (segments) are as follows.

Fiscal year under review (From April 1, 2023 to March 31, 2024) Unit: Millions of yen

	Japan	Asia and Oceania	(of which, China)	North America	Europe	Other	Total
Specialty Materials	510,893	227,477	(102,104)	222,439	193,837	18,239	1,172,885
Industrial Gases	414,987	178,680	(31,045)	338,368	313,061	1,781	1,246,877
Health Care	310,073	30,873	(7,794)	85,919	10,289	76	437,230
MMA	51,476	144,098	(59,025)	46,308	34,091	5,611	281,584
Basic Materials	752,821	148,335	(24,796)	41,624	46,950	18,885	1,008,615
Other	147,235	56,281	(50,315)	12,682	22,192	1,637	240,027
Total	2,187,485	785,744	(275,079)	747,340	620,420	46,229	4,387,218

Notes: 1 The amounts are presented as sales revenue from external customers.
2 Sales revenue is substantially the revenue that is recognized from the contract with customers, while revenue recognized from other sources is immaterial.

- Specialty Materials segment

The Specialty Materials Segment covers the Polymers and Compounds Business (polymers, coating and additives), the Film & Molding Materials Business (film and molding materials) and the Advanced Solutions Business (life solutions and information & electronics), with sales to customers in Japan and overseas.

For sales of products, when the ownership of the products is transferred to the customer, which refers to transfer of the legal ownership and physical possession of the products, and the transfer or serious risks and rewards associated with the ownership of products upon the delivery of the products to the venue designated by the customer, the performance obligation is deemed to be satisfied and revenue is recognized at such time. The revenue from the sale of these products is measured by the transaction price in the contract with the customer.

Revenue is measured at the consideration promised in a contract with a customer, less discounts, rebates, returned products and other items. Estimates of rebates, etc. are only recognized as revenue when there is a very high probability that there will be no significant reversal using the mode method based on past performance, etc. Consideration for products under sales contracts is mainly received within one year of the delivery of the product, which is the time when the performance obligation is satisfied, and therefore the consideration includes no significant financial elements.

- Industrial Gases Segment

The Industrial Gases Segment covers Gases Business such as for the steel, chemicals and electronics industry and businesses for the manufacture of household articles such as stainless steel thermos flasks, with sales to customers in Japan and overseas.

Upon satisfaction of the performance obligations for the sale of products in these businesses, the calculation of the transaction price and the payment conditions, etc. are the same as for the Specialty Materials segment.

- Health Care Segment

  The Health Care Segment covers the Pharmaceuticals Business (research & development and manufacture of pharmaceuticals), with sales to customers in Japan and overseas.

  Upon satisfaction of the performance obligations for the sale of products in these businesses, the calculation of the transaction price and the payment conditions, etc. are the same as for the Specialty Materials segment.

  In addition, royalty income in the Pharmaceuticals Business is income from contracts recognized by the MCG Group for the manufacture and sale of third party products, and the use of technology, etc. Lump sum contract payments recognize revenue upon permission of use, etc. if the performance obligation is satisfied at a point in time, and is recorded as deferred revenue if the performance obligation is not satisfied at a point in time, with revenue recognized over a certain period of time according to the satisfaction of performance obligation. Milestone payments are only recognized as revenue upon contractual milestones being achieved when there is a very high probability that there will be no significant reversal. Running royalties are measured on the calculation basis of contractor sales, etc. with revenue recognized with consideration to the timing of such occurrence. Further, royalty income is generally received within one year from the time of confirmation based on the contract and does not include any significant interest rate elements.

- MMA Segment

  The MMA Segment covers the MMA Business, with sales to customers in Japan and overseas.

  Upon satisfaction of the performance obligations for the sale of products in these businesses, the calculation of the transaction price and the payment conditions, etc. are the same as for the Specialty Materials segment

- Basic Materials Segment

  The Chemicals Segment covers the Petrochemicals Business and Carbon Products Business, with sales to customers in Japan and overseas.

  Upon satisfaction of the performance obligations for the sale of products in these businesses, the calculation of the transaction price and the payment conditions, etc. are the same as for the Specialty Materials segment

2. Balance of contracts

Claims arising from contracts with customers and contract assets and liabilities are as follows.

Unit: Millions of yen

	Balance at April 1, 2023	Balance at March 31, 2024
Claims arising from contracts with customers	819,461	867,117
Contract assets	22,315	32,886
Contract liabilities	31,283	37,247

The MCG Group mainly records consideration for works in progress as contract assets and advances received and deferred revenue from customers and deferred revenue from licensing out transactions as contract liabilities.

For the fiscal year under review, the amount of recognized revenue that included the balance of contract liabilities as of April 1, 2023 was ¥15,843 million. In addition, for the fiscal year under review, the amount of recognized revenue from the satisfaction of performance obligations in previous periods is ¥15,149 million. There is no significant movement in the balance of contract assets and liabilities for the fiscal year under review.

3. Transaction price allocated to remaining performance obligation

The total amount of transaction price allocated to remaining performance obligation and the forecast periods for recognizing revenue are as follows. Further, there are no individual transactions for which the forecast contact period is within one year. In addition, no significant amounts of the consideration that arise from contracts with customers have been excluded from the transaction price.

Unit: Millions of yen

	The fiscal year ended March 31, 2024
Within 1 year	77,506
Longer than 1 year	51,320
Total	128,826

4. Assets recognized from the costs of acquisition or fulfillment of the contracts with the customers

There were no assets recognized from the costs of acquisition or fulfillment of the contracts with the customers in the fiscal year under review. In the event that the amortization period for assets that should be recognized is within one year, for practical expediency, they are recognized as an expense when incurred.

Notes on Financial Instruments

1. Matters Related to Status of Financial Instruments

   The MCG Group is exposed to financial risks during the course of business activities in a wide range of fields in various countries and regions. To reduce or avoid said risks, it manages risks based on a specific policy. With regard to derivative transactions, its policy limits derivatives within the actual demand and prohibits transactions for speculation purposes. In addition, in accordance with the internal rules that define the authority to do transactions, the upper limit to transactions, etc., the balance of contracts, fair values, etc. with regard to derivatives transactions are reported on a regular basis to the responsible Director.

2. Matters Related to Fair Value of Financial Instruments

   The hierarchy of fair value of financial instruments is classified from Level 1 to Level 3 as follows.

   Level 1: fair value based on unadjusted published prices in active markets for identical assets or liabilities

   Level 2: fair value calculated directly or indirectly using observable values other than Level 1

   Level 3: fair value calculated from valuation techniques that include inputs not based on key observable market data

   The transfer between levels in the hierarchy of fair value of financial instruments is determined on the closing day of each quarter.

   As of December 31, 2023, some of our investment portfolio companies listed on NASDAQ, so we transferred the shares that we hold in them from Level 3 to Level 1.

   There were no other transfers between levels apart from the above.

(i) Financial instruments recurrently measured at fair value

Financial assets and financial liabilities measured at fair value are as follows.

As of March 31, 2024 Unit: Millions of yen

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities and investments	65,600	370	103,106	169,076
Equity securities and investments held for sales	8,093	–	–	8,093
Financial assets concerning contingent consideration arrangement	–	–	6,043	6,043
Derivative assets	–	7,490	–	7,490
Total	73,693	7,860	109,149	190,702
Liabilities				
Derivative liabilities	–	771	–	771
Total	–	771	–	771

Equity securities and investments

The fair values of marketable equity securities classified as Level 1 are measured at fair value based on unadjusted published prices in active markets for identical assets or liabilities.

The fair values of equity securities classified as Level 2 are measured using quoted prices for identical or similar assets or liabilities in markets that are not active.

The fair values of unlisted equity securities and investments for which quoted prices in active markets are not available and classified as Level 3 are estimated using reasonably available inputs, using the comparable companies method or other appropriate valuation techniques. Note that certain non-liquidity discounts, etc. are incorporated as necessary.

Financial assets concerning contingent consideration arrangement

The financial assets concerning contingent consideration arrangement in Level 3 are mainly financial assets that were recognized in association with the transfer of the polycrystalline alumina fibers business. Their fair value is calculated on the basis of a computational model that uses the Black-Scholes model, considering the future performance of such business.

Derivative assets and derivative liabilities

The fair value of derivative assets and derivative liabilities classified as Level 2 is calculated based on prices indicated by correspondent financial institutions and observable inputs such as foreign exchange rates and interest rates.

The fair value of financial instruments classified as Level 3 is calculated in accordance with the evaluation policies and procedures, including the evaluation methods for measuring fair value approved by appropriate authorities, with the evaluator determining the evaluation method for each relevant financial instrument. The results are reviewed and approved by the appropriate authorities.

The change in financial instruments classified as Level 3 is as follows.

Unit: Millions of yen

	The fiscal year ended March 31, 2024
Balance as of April 1, 2023	99,313
Profit or loss	3,192
Other comprehensive income	2,963
Purchase	3,423
Sales and redemption	(433)
Transfers from Level 3 (Note)	(1,385)
Other changes	2,076
Balance as of March 31, 2024	109,149

(Note) Due to the listing of some investment portfolio companies on stock exchanges.

(ii) Financial instruments measured at amortized cost

The carrying amount and fair value of financial assets and financial liabilities measured at amortized cost are as follows.

As of March 31, 2024 Unit: Millions of yen

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Liabilities					
Long-term borrowings	1,195,723	–	1,186,882	–	1,186,882
Bonds payable	622,163	–	595,249	–	595,249
Total	1,817,886	–	1,782,131	–	1,782,131

For the financial assets and financial liabilities measured at amortized cost, the fair value is a reasonable approximation to the carrying amount, except for long-term borrowings and bonds payable.

Long-term borrowings

The fair value of long-term borrowings classified as Level 2 is measured based on the present value which is obtained by discounting the total of the principal and interest by the interest rate assumed in a case where the same loan is newly made.

Bonds payable

The fair value of bonds classified as Level 2 is measured mainly based on market price.

Notes on Per Share Information

Equity attributable to owners of the parent company per share	¥1,239.61
Basic earnings per share	¥84.07

Notes on Business Combinations

1. Acquisition of C.P.C. Srl

   On January 10, 2024, the MCG Group acquired additional shares of C.P.C. Srl, a manufacturer and distributor of automotive components made of carbon fiber reinforced plastic (CFRP), through Mitsubishi Chemical Europe GmbH, its subsidiary.

(1) Overview of business combination

   (i) Name and business description of the acquired company:

   Name: C.P.C. Srl.

   Description of Business: Manufacture and sale of CFRP molded products for automobiles

   (ii) Primary reasons for the business combination:

   In 2017, the MCG Group acquired a 44% stake in CPC thereby making it a company accounted for by the equity method. This additional acquisition will make CPC a wholly-owned subsidiary, enhancing and expanding the vertically integrated supply chain and accelerating the long-term growth of the carbon fiber business.

   (iii) Date of acquisition:

   January 10, 2024

   (iv) Method of acquiring control of the acquired company:

   Acquisition of all shares in cash

   (v) Percentage of equity interests with voting rights acquired:

   56%

(2) Fair value of consideration for acquisition

Unit: Millions of yen

	Acquisition date (January 10, 2024)
Cash	53,852
Reserves (Note)	363
Total consideration for acquisition	54,215

(Note) Estimated additional proceeds from the performance-linked earn-out method based on certain conditions stipulated in the share transfer agreement. The conversion to Japanese yen uses the rate of 1 Euro = ¥158.20 (as of January 10).

(3) Assets acquired, liabilities assumed and goodwill

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

Unit: Millions of yen

	Acquisition date (January 10, 2024)
Assets acquired, liabilities assumed	41,454
Goodwill	55,074

   The initial accounting treatment for the business combination have not been completed and therefore the above amounts are provisional fair values based on the best estimates available at the time of the acquisition. The above amounts are subject to adjustment during the one year from the acquisition date if additional information concerning facts and circumstances existing on the date of acquisition is obtained and can be evaluated.

(4) Gain recognized as a result of the remeasurement to the fair value of equity interests in the acquired company held prior to the business combination

A ¥27,000 million gain on the gradual acquisition from the business combination was recognized as a result of remeasuring the MCG Group's 44% equity interest in CPC based on its fair value on the date of acquisition. This gain is included under "other income" in the consolidated statement of profit or loss for the fiscal year under review.

MITSUBISHI CHEMICAL GROUP CORPORATION

Non-consolidated Balance Sheet

(As of March 31, 2024)

Unit: Millions of yen

Assets	
Current assets:	
Cash and deposits	26,065
Income taxes refund receivable	2,762
Short-term loans receivable from subsidiaries and affiliates	477,031
Others	19,844
Total current assets	525,703
Fixed assets:	
Property, plant and equipment	
Buildings	1,754
Structures	9
Tools, furniture and fixtures	529
Total property, plant and equipment	2,292
Intangible fixed assets:	
Software	229
Other	121
Total intangible fixed assets	350
Investments and other assets:	
Investment securities	1,583
Stocks of subsidiaries and affiliates	1,305,181
Long-term loans receivable from subsidiaries and affiliates	154,487
Deferred tax assets	812
Other	2,966
Total investments and other assets	1,465,028
Total fixed assets	1,467,670
Total assets	1,993,373

MITSUBISHI CHEMICAL GROUP CORPORATION

Non-consolidated Balance Sheet (continued)

(As of March 31, 2024)

Unit: Millions of yen

Liabilities	
Current liabilities:	
Short-term borrowings	106,002
Short-term borrowings to subsidiaries and affiliates	315,500
Current portion of long-term borrowings	40,298
Commercial papers	80,000
Current portion of bonds payable	15,000
Accounts payables	16,070
Accrued expenses	1,298
Accrued income taxes	135
Accrued bonuses	1,236
Provision for bonuses for directors (and other officers)	335
Other	900
Total current liabilities	576,775
Long-term liabilities:	
Bonds payable	410,000
Long-term borrowings	387,320
Provision for stock benefits	30
Other	4,791
Total long-term liabilities	802,141
Total liabilities	1,378,916
Net Assets	
Shareholders' equity:	
Common stock	50,000
Additional paid-in capital	264,763
Legal capital surplus	12,500
Other capital surplus	252,263
Retained earnings	370,400
Other retained earnings	
Retained earnings brought forward	370,400
Less, Treasury stock at cost	(71,277)
Total shareholders' equity	613,886
Valuation and translation adjustments:	
Net unrealized holding gain on other securities	194
Total valuation and translation adjustments	194
Stock award rights	162
Stock acquisition right	216
Total net assets	614,457
Total liabilities and net assets	1,993,373

MITSUBISHI CHEMICAL GROUP CORPORATION

Non-consolidated Statement of Income

(Year ended March 31, 2024)

Unit: Millions of yen

Operating revenue	
Dividends from subsidiaries and affiliates	190,467
Operating costs receipts	21,513
Total operating revenue	211,979
General and administrative expenses	21,603
Operating income	190,376
Other income	
Interest income	5,252
Other	628
Total other income	5,880
Other expenses	
Interest expenses	6,146
Interest on bonds	2,787
Bond issuance cost	90
Other	658
Total other expenses	9,681
Ordinary income	186,575
Extraordinary income	
Gain on reversal of stock acquisition rights	1,993
Gain on liquidation of subsidiaries and affiliates	532
Gain on extinguishment of tie-in shares	21
Total extraordinary income	2,546
Income before income taxes	189,121
Current income taxes	652
Deferred income taxes	(355)
Total income taxes	298
Profit	188,823

MITSUBISHI CHEMICAL GROUP CORPORATION

Non-consolidated Statement of Changes in Net Assets

(Year ended March 31, 2024)

Unit: Millions of yen

	Shareholders' equity					
		Additional paid-in capital			Retained earnings	
					Other retained earnings	
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Retained earnings brought forward	Total retained earnings
Balance at April 1, 2023	50,000	12,500	252,258	264,758	225,736	225,736
Changes during the fiscal year						
Cash dividends	–	–	–	–	(44,160)	(44,160)
Profit	–	–	–	–	188,823	188,823
Purchase of treasury stock	–	–	–	–	–	–
Disposal of treasury stock	–	–	(17)	(17)	–	–
Share-based payment transactions	–	–	22	22	–	–
Net change in items other than those in shareholders' equity	–	–	–	–	–	–
Total changes during the fiscal year	–	–	5	5	144,663	144,663
Balance at March 31, 2024	50,000	12,500	252,263	264,763	370,400	370,400

	Shareholders' equity		Valuation and translation adjustment				
	Treasury stock	Total shareholders' equity	Net unrealized holding gain on other securities	Total valuation and translation adjustment	Stock award rights	Stock acquisition rights	Total net assets
Balance at April 1, 2023	(71,754)	468,741	268	268	112	2,275	471,397
Changes during the fiscal year							
Cash dividends	–	(44,160)	–	–	–	–	(44,160)
Profit	–	188,823	–	–	–	–	188,823
Purchase of treasury stock	(33)	(33)	–	–	–	–	(33)
Disposal of treasury stock	511	493	–	–	–	–	493
Share-based payment transactions	–	22	–	–	–	–	22
Net change in items other than those in shareholders' equity	–	–	(75)	(75)	49	(2,059)	(2,085)
Total changes during the fiscal year	477	145,146	(75)	(75)	49	(2,059)	143,061
Balance at March 31, 2024	(71,277)	613,886	194	194	162	216	614,457

Notes to the Non-consolidated Financial Statements

Matters Concerning Significant Accounting Policies

1. Valuation Methods of Securities

   Subsidiaries' and affiliates' stocks

   Stated at cost based on the moving average method

   Other than equity securities, etc. without a market price

   Stated at fair value based on market price at the closing date, or calculated by other means. The difference between the acquisition cost and the carrying value of other securities, including unrealized gain and loss, net of the applicable income taxes, is recognized as a component of net assets, and the cost of other securities sold is principally computed by the moving average method.

   Equity securities, etc. without a market price

   Stated at cost based on the moving average method

2. Method of Depreciation of Property, Plant and Equipment

   By the straight-line method

3. Method of Amortization of Intangible Fixed Assets

   By the straight-line method

4. Basis for Reserves

   Accrued bonuses to employees

   To provide for payments of bonuses to its employees, estimates of those accrued bonuses and social insurance costs corresponding thereto, which MCG should bear during the fiscal year under review, are recorded.

   Provision for bonuses for directors (and other officers)

   To provide for payments of bonuses to its corporate executive officers and executive officers, estimates of those accrued bonuses and social insurance costs corresponding thereto pertaining to the fiscal year under review, are recorded.

   Provision for stock benefits

   In order to prepare for the granting of stock benefit to corporate executive officers and executive officers of the Company in accordance with the share benefit rules or contract, the projected amount of stock benefit obligations at the end of the fiscal year under review, is recorded.

5. Basis of revenue recognition

   Apart from dividends income and interest income, etc., the amount of consideration forecast to be received for exchange of goods or service is recorded as revenue upon the transfer of the promised goods or service to the customer.

   MCG mainly formulates the MCG Group's management policy, corporate strategy and management resource allocation policy and provides the necessary guidance to subsidiaries for their implementation while implementing various measures to increase the MCG Group's comprehensive brand value and collective capabilities. We identify the provision to subsidiaries of management guidance and benefits that rely on the MCG Group's brand value and collective capabilities as performance obligations.

Such performance obligations are judged to be satisfied with the passage of time, and this is mainly recognized as revenue evenly over the contract period. MCG and subsidiaries determine the consideration each fiscal year.

In addition, such consideration is recovered within one year and does not include any significant financial elements.

Notes to the Non-consolidated Balance Sheets

1. Accumulated Depreciation of Total Property, Plant and Equipment

   ¥3,121 million

2. Monetary Claims and Liabilities Against Subsidiaries and Affiliates (excluding those sectionally indicated)

Short-term monetary claim	¥19,239 million
Short-term monetary liabilities	¥12,094 million

3. Contingent Liabilities

   Liabilities on guarantee

Liabilities on guarantee for bank borrowings	¥187,743 million

   Liabilities similar to guarantee liabilities

Balance of debt subject to the Keep Well Agreement	¥37,743 million

(This relates to cash pooling among Group companies in Europe).

Notes to the Non-consolidated Statements of Income

1. Gain on reversal of stock acquisition rights

   The exercise period for stock acquisition rights related to the Zero Coupon Convertible Bonds due 2024 expired without the rights being exercised.

2. Gain on Extinguishment of Tie-in Shares

   Effective April 1, 2023, MCG merged with The KAITEKI Institute, Inc., which was a subsidiary of MCG.

3. Transactions with Subsidiaries and Affiliates

Operating revenue	¥211,979 million
General and administrative expenses	¥5,741 million
Transactions except for operational transactions	¥8,250 million

Notes to the Non-consolidated Statement of Changes in Net Assets

Class and Number of Treasury Stocks at the End of the Fiscal Year Under Review

Common stock	83,705 thousand shares

Note: The number of shares of treasury stock at the end of the fiscal year under review includes 1,989 thousand shares of MCG held by the board incentive plan (BIP) trust.

Notes on Tax Effect Accounting

1. Breakdown of Deferred Tax Assets

   Deferred tax assets mainly consist of subsidiaries’ stocks, losses carried forward (local tax) and provisions for bonuses. Deferred tax assets pertaining to subsidiaries’ stocks and losses carried forward (local tax) were accounted for as valuation allowances.

2. Accounting Treatment of Corporation Income Tax, Local Tax, and Tax Effect Accounting Related to These Taxes

   MCG has applied a group tax sharing system, and adhered to the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021) in its accounting for and presentation of corporation income tax, local tax, and tax-effect accounting when applying the group tax sharing system.

Notes on Related Party Transactions

Subsidiaries, etc.

Attribute	Name of related party	Equity ownership (or possession) percentage (%)	Description of the business relationship	Transactions	Trading amount (in million yen)	Accounts	Balance at year-end (in million yen)
Subsidiary	Mitsubishi Chemical Corporation	Direct 100%	Interlocking of officers, lending of funds and management guidance	Fund lending (Note 1)	48,241	Short-term loans receivable from subsidiaries and affiliates	415,606
						Long-term loans receivable from subsidiaries and affiliates	120,448
				Receipts of interest (Note 1)	4,308	Current assets and others	158
				Operating fee income (Note 2)	16,104	Current assets and others	5,344
Subsidiary	Mitsubishi Tanabe Pharma Corporation	Direct 100%	Interlocking of officers and borrowing of funds	Repayment of funds (Note 3)	114,752	Short-term borrowings to subsidiaries and affiliates	257,450
				Payment of interest (Note 3)	945	–	–
Subsidiary	Mitsubishi Chemical Engineering Corporation	Indirect 100%	Borrowing of funds	Fund borrowing (Note 3)	5,338	Short-term borrowings to subsidiaries and affiliates	21,860
				Payment of interest (Note 3)	1	–	–

Attribute	Name of related party	Equity ownership (or possession) percentage (%)	Description of the business relationship	Transactions	Trading amount (in million yen)	Accounts	Balance at year-end (in million yen)
Subsidiary	Qualicaps Co., Ltd. (Note 6)	Indirect 100%	Lending of funds	Fund collection (Note 1)	23,399	–	–
				Receipts of interest (Note 1)	410	–	–
Subsidiary	Japan Polypropylene Corporation	Indirect 65%	Interlocking of officers and lending of funds	Fund collection (Note 1)	1,120	Short-term loans receivable from subsidiaries and affiliates	21,165
						Long-term loans receivable from subsidiaries and affiliates	5,200
				Receipts of interest (Note 1)	116	Current assets and others	2
Subsidiary	Mitsubishi Chemical America, Inc.	Indirect 100%	Interlocking of officers and debt guarantee	Debt guarantee (Note 4)	70,274	–	–
				Receipts of guarantee commission (Note 4)	150	Current assets and other	73
Subsidiary	Mitsubishi Chemical Europe GmbH	Indirect 100%	Debt guarantee and liabilities similar to guarantee liabilities	Debt guarantee (Note 4)	56,538	–	–
				Liabilities similar to guarantee liabilities (Note 5)	37,743	–	–
				Receipts of guarantee commission (Note 4,5)	64	Current assets and others	29
Affiliate	PT. MC PET Film Indonesia	Indirect 100%	Debt guarantee	Debt guarantee (Note 4)	23,664	–	–
				Receipts of guarantee commission (Note 4)	96	Current assets and others	54

・ Trading amount above does not include consumption taxes. The balance at year-end includes consumption taxes.

・ MCG has conducted the MCG Group’s group financing operations in Japan and Asia.

Term of transactions and policy of decision-making thereof

Notes:

1. Interest rates are reasonably decided based on procurement interest rates.
   Transactions relating to lending of funds and recovery are presented in net amounts.
2. Operating fee income is as described in "Matters Concerning Significant Accounting Policies, 5. Basis of revenue recognition."
3. Interests rates are reasonably decided reflecting market interest rates.
   Transactions relating to borrowings and repayments are presented in net amounts.
4. The Company acts as jointly and severally liable guarantor with respect to borrowings from a commercial bank. The guarantee commission is decided according to what is considered reasonable when considering the financial position of the debtor.
5. The Company has entered into a Keep Well Agreement regarding cash pooling among the Group companies. The guarantee commission is decided according to what is considered reasonable when considering the financial position of the subsidiary.
6. Qualicaps Co. Ltd. is no longer a subsidiary due to the MCG Group transferring all of its shares of Qualicaps in October 2023. The entire loan was collected following the share transfer. The percentages of voting rights, etc. held is the percentage prior to the share transfer.

Notes on Per Share Information

Net assets per share	¥431.67
Earnings per share	¥132.74

(Note) Amounts of less than one million yen are rounded to the nearest unit.

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

Report of Independent Auditors

May 16, 2024

The Board of Directors
Mitsubishi Chemical Group Corporation

Ernst & Young ShinNihon LLC
Tokyo Office

Takayuki Ueki
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Kosuke Kawabata
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Makoto Okabe
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Shinya Yamaga
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Audit Opinion

Pursuant to the provisions of Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of Mitsubishi Chemical Group Corporation (the "Company"), which comprise the consolidated statement of profit or loss for the fiscal year from April 1, 2023 to March 31, 2024, the consolidated statement of financial position as of March 31, 2024, the consolidated statement of changes in equity for the fiscal year from April 1, 2023 to March 31, 2024, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with auditing standards that omit some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the second sentence of first paragraph of Article 120 of the Corporate Calculation Regulations, present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2024 and the results of their operations for the period then ended.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information refers to the business report and the annexed specifications thereto. Management is responsible for the preparation and disclosure of other information. The Audit Committee is responsible for overseeing the performance of duties by the Directors and Corporate Executive Officers within the maintenance and operation of the reporting process for other information.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report concerning other information.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with auditing standards that omit some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the second sentence of first paragraph of Article 120 of the Corporate Calculation Regulations. This includes the development and maintenance of internal control deemed necessary by management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to injustice or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern and disclosing, and in the event that it is necessary to disclose matters related to the Group's ability to continue as a going concern based on auditing standards that omit some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the second sentence of first paragraph of Article 120 of the Corporate Calculation Regulations, to disclose such matters.

The Audit Committee is responsible for overseeing the performance of duties by the Directors and Corporate Executive Officers within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with auditing standards that omit some disclosure items required under International Financial Reporting Standards pursuant to the provisions of the second sentence of first paragraph of Article 120 of the Corporate Calculation Regulations, as well as evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit Committee with a report that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, as well as cases where countermeasures have been established to eliminate obstruction factors to our independence or cases where safeguards have been applied to reduce these obstructions to allowable levels.

Interests in the Company

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries that should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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

Report of Independent Auditors

May 16, 2024

The Board of Directors
Mitsubishi Chemical Group Corporation

Ernst & Young ShinNihon LLC
Tokyo Office

Takayuki Ueki
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Kosuke Kawabata
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Designated, Limited Liability and Operating Partner

Makoto Okabe
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Shinya Yamaga
Certified Public Accountant
Designated, Limited Liability and Operating Partner

Audit Opinion

Pursuant to the provisions of Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements of Mitsubishi Chemical Group Corporation (the "Company"), which comprise the balance sheet as of March 31, 2024, and the statement of income and the statement of changes in net assets for the 19th fiscal year from April 1, 2023 to March 31, 2024, and the related notes to non-consolidated financial statements as well as the related supplementary schedules thereto (hereafter referred to as "non-consolidated financial statements and others").

In our opinion, the non-consolidated financial statements and others referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and the results of its operations for the period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Others section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information refers to the business report and the annexed specifications thereto.
Management is responsible for the preparation and disclosure of other information. The Audit Committee is responsible for overseeing the performance of duties by the Directors and Corporate Executive Officers within the maintenance and operation of the reporting process for other information.
Our audit opinion on the non-consolidated financial statements, etc. does not cover the other information, and we do not provide an opinion on the other information.
In connection with our audit of the non-consolidated financial statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report concerning other information.

Responsibilities of Management and the Audit Committee for the Non-consolidated Financial Statements and Others

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the development, and maintenance of internal control deemed necessary by management for the preparation and fair presentation of non-consolidated financial statements and others that are free from material misstatement, whether due to injustice or error.

In preparing the non-consolidated financial statements and others, management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements and others with the assumption of the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the Corporate Executive Officers' and Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Others

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc., based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly represent the underlying transactions and accounting events.

We communicate with the Audit Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit Committee with a report that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, as well as cases where countermeasures have been established to eliminate obstruction factors to our independence or cases where safeguards have been applied to reduce these obstructions to allowable levels.

Interests in the Company

Our firm and engagement partners have no interest in the Company that should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(TRANSLATION PURPOSE ONLY)

Copy of the Audit Committee's Report

AUDIT REPORT

With respect to the Directors' and Corporate Executive Officers' performance of their duties during the 19th business year from April 1, 2023 to March 31, 2024, the Audit Committee has carried out the audit. We hereby report the method and the results of the audit as follows:

1. Method and Contents of Audit

Concerning the content of the Board of Directors resolution relating to matters raised in Article 416, paragraph (1) item i, sub-items (b) and (e) of the Companies Act and the system that has been established pursuant to that resolution (internal control system), the Audit Committee periodically received reports from the Directors, Corporate Executive Officers and employees and other relevant personnel on its establishment and operational status, sought explanations as necessary and made opinions. In addition to this, the Audit Committee implemented the audit using the following method.

(1) The Audit Committee attended important meetings, received reports from Directors, Corporate Executive Officers and other relevant personnel on matters relating to their performance of duties, sought explanations as necessary, reviewed important written decisions and other documents, and investigated the status of operations and assets in compliance with the Audit Committee Audit Standard set forth by the Audit Committee, in line with the Audit Policy and the allocation of duties, etc., and in cooperation with the internal audit departments of the Company. Also, with respect to the subsidiaries, the Audit Committee maintained good communications and exchanged information with the Directors, Corporate Auditors and other relevant personnel of the subsidiaries and received reports from the subsidiaries on their business as necessary.

(2) The Audit Committee oversaw and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of their performance of duties, and requested explanations as necessary. The Audit Committee was notified by the Accounting Auditor that it had established "a system for the maintenance of appropriate execution of duties" (included in each paragraph of Article 131 of the Corporate Calculation Regulations) in accordance with the "Quality Control Standards for Audits," (Business Accounting Council) and requested explanations as necessary.

Based on the above-described methods, each Corporate Auditor examined the business report and the annexed specifications, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and their annexed specifications thereto, as well as the consolidated financial statements (consolidated statement of profit or loss, the consolidated statement of financial position, consolidated statement of changes in equity, and notes to consolidated financial statements) for this business year.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

i) We acknowledge that the business report and the annexed specifications thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

ii) We acknowledge that no misconduct or violations of laws and regulations, or the Articles of Incorporation was found with respect to the Directors' and Corporate Executive Officers' performance of their duties.

iii) We acknowledge that the Board of Directors' resolutions with respect to the Internal Control Systems are appropriate. We did not find any matter to be mentioned with respect to the descriptions of the business report and the Director's and Corporate Executive Officers' performance of their duties regarding the internal control system.

(2) Results of Audit of Non-consolidated Financial Statements and their Annexed Specifications
We acknowledge that the methods and results of audit performed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements
We acknowledge that the methods and results of audit performed by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 17, 2024

The Audit Committee of
Mitsubishi Chemical Group Corporation

Member of the Audit Committee (chairperson)	Tatsumi Yamada
Member of the Audit Committee (full-time)	Nobuo Fukuda
Member of the Audit Committee	Kiyomi Kikuchi

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