

July 4th, 2024

Mitsubishi Chemical Group Corporation

The 19th Ordinary General Meeting of Shareholders: Summary of Questions and Answers on the Day and Answers to Pre-submitted Questions

1. Summary of Questions and Answers on the Day (including the pre-submitted questions answered during the meeting)

Q1 The company's efforts to improve P/B Ratio, that is, Price Book-value Ratio

A1 We aim to improve our P/B Ratio by enhancing shareholder returns through better business performance and growth, which will, in turn, bolster our stock price.

Our imminent challenge is to enhance the profit margins of our Specialty Materials, MMA, and Basic Materials businesses (collectively referred to as the "Chemical Business") and to invest in growth areas where we have strong advantages. We are currently formulating a new management vision, which will clarify the Group's overall business portfolio policy.

Additionally, by focusing on ROIC management, we will work towards instilling a strong awareness of capital costs and efficiency throughout the group.

Q2 Reorganization of the petrochemicals business

A2 The domestic ethylene production capacity continues to significantly outstrip the demand in Japan. The goal of reorganizing the petrochemical business is to achieve the optimal business scale and pricing, restore profitability of our domestic basic chemicals business, and provide our customers with high-value green products that support downstream industries through appropriate investments. The government has committed to achieving carbon neutrality by 2050, and our move needs to be aligned with this timeframe.

To address these issues, we have initiated a joint study with Asahi Kasei and Mitsui Chemicals to explore the conversion of feedstocks and fuels for ethylene production facilities in western Japan. Furthermore, at our Ibaraki site in eastern Japan, we are

preparing for the start-up of the largest chemical recycling facility in Japan in collaboration with ENEOS.

Q3 Growth strategies for the Specialty Materials business

A3 Our top priority is to accelerate business growth by building on our strengths and enhancing products and services that are valued by our customers. For instance, in the semiconductor market, we hold a significant share in synthetic quartz powder used in semiconductor manufacturing equipment and in the parts cleaning service business. Moreover, to meet growing demand for photosensitive polymers for photoresists, we have decided to build a new mass production facility at our Fukuoka plant, with the new facility expected to start up in the fall of 2025. We will continue to build a solid business foundation based on these advantages and grow together with our customers.

Q4 Outlook for the Specialty Materials and MMA businesses

A4 In the Specialty Materials business, we experienced a significant decline in demand in FY2023 (the 19th term), which resulted in challenging profit levels. However, markets are beginning to recover, especially in the semiconductor, food packaging, and film sectors, indicating an overall improvement in demand.

In the MMA business, we faced difficulties due to weak overseas market conditions. Nevertheless, there have been signs of recovery beginning in the latter half of FY2023 (the 19th term).

Q5 Current situation regarding employees

A5 The changes in employee numbers by segment from FY2022 (the 18th term) to FY2023 (the 19th term) primarily result from reorganization. We are committed to allocating the necessary personnel to segments that require strengthening. Over the mid-term, we anticipate an increase in employee numbers in areas such as the Specialty Materials and MMA businesses.

Q6 Diversity at the management level

A6 We aim to attract and involve strong talents in management regardless of gender or nationality. Currently, our Corporate Executive Officers and Executive Officers include two individuals of foreign nationality but no women. However, we have many capable female employees within the Group. We plan to promote women who grow through experience within the company to executive positions and also consider hiring external talents to build a diverse and inclusive management team. We ensure that our succession plans for management positions include candidates who are women or non-Japanese, and we strive to increase the proportion of individuals with experience beyond our group.

At our major business operating companies—Mitsubishi Chemical Corporation, Tanabe Mitsubishi Pharma Corporation, and Taiyo Nippon Sanso Corporation—the current ratio of female managers is 10.9% in unit manager positions and above, and 5.8% in section manager positions and above. Although these ratios are improving each year, we recognize that they are not yet sufficient. We are implementing measures to set workplace-specific goals and increase the proportion of female hires in our new graduate recruitment.

Q7 Evaluation of the leadership of former President and CEO Jean-Marc Gilson

A7 Jean-Marc Gilson, who assumed the role of President and CEO in April 2021, developed the medium-term management policy “Forging the Future.” Under his leadership, our global management structure was strengthened, significant cost reductions were implemented, and he effectively managed pricing, working capital, and capital expenditures. These initiatives have strengthened our financial positions, earning capabilities, and overall management foundation. We greatly appreciate his contributions over the past three years.

However, due to volatile business environment, our Chemical Business now faces severe challenges. We concluded that a leader with deep operational experience was necessary to steer the Chemical Business through its current difficulties and drive growth, leading to the decision to appoint a new President and CEO.

2. Answers to Pre-submitted Questions (limited to key questions)

Q1 Reason for the change of President and CEO this April

A1 The Nominating Committee concluded that we need a leader who can continue and deepen the management foundation established by Jean-Marc Gilson, while at the same time dedicating himself/herself to spearheading the development and execution of a global growth strategy, and who is hands-on in portfolio reform and industry restructuring in Japan, and has the personal connections and expertise to do so.

Based on the above perspective, we started the nomination process from October 2023, and have made the decision to appoint Manabu Chikumoto as our next President and CEO.

Chikumoto has a long career in the petrochemical business, and while he has experienced the ordeal of rebuilding and withdrawing from overseas businesses, he also has experience in formulating management strategies from a high-level perspective, such as leading the compilation of the medium-term management plan as the General Manager of the Corporate Planning Department. In addition, his deep understanding of the business and industry, as well as his popularity, make him the most suitable leader for the current environment and stage of our company.

Q2 Policy on shareholder returns including dividends

A2 MCG's basic policy of returning profits to shareholders emphasizes enhancement of shareholder value by increasing the value of the company.

We expect the full-fiscal year dividend for FY2024 to be 32 yen, which is equivalent to the full fiscal- year dividend for FY2023.

For further details, please refer to page 24 of the operational summary for the fiscal year ended March 31, 2024: <https://www.mcgc.com/english/ir/pdf/01938/02254.pdf>.

Q3 Electronic provision system for shareholder meeting materials

A3 Based on the amended Companies Act effective September 1, 2022, we implemented an electronic provision system, which utilizes the Internet to offer all

shareholder meeting materials such as business reports, financial statements, and reference materials. From the 18th Ordinary General Meeting of Shareholders held on June 27, 2023, this system has been in place, and instructions are provided for accessing shareholder meeting materials on our website.

While some shareholders appreciate the cost reductions achieved by eliminating printing and postage, others have expressed concerns about the adequacy of accessing information via our website, which can be more cumbersome. We continue to evaluate shareholder feedback and the objectives of the electronic provision system to ensure effective information delivery to our shareholders.