

Notice Regarding Delivery of Shares under Performance-Linked Stock Compensation

Mitsubishi Chemical Group Corporation (MCG) hereby announces, as detailed below, that it has decided to deliver shares in accordance with performance-linked stock compensation at the meeting of MCG's Compensation Committee held today. MCG also announces that it has decided to revise performance-linked stock compensation as outlined in "Overview of the revision of performance-linked stock compensation^{*}."

1. Overview of delivery

(1) Date of delivery	July 17, 2025
(2) Type and number of shares for delivery	13,468 common shares of MCG
(3) Persons eligible for delivery	Persons who were Corporate Executive Officers of MCG in fiscal year 2022(Excluding those who retired during the evaluation period.)

2. Purpose and reason for delivery

MCG decided to introduce the Performance Share Unit Scheme (hereafter, "the Scheme"), a performance-linked share compensation scheme for Corporate Executive Officers at the meeting of Compensation Committee held on April 27, 2021. The purpose is to more clearly link the compensation of Corporate Executive Officers to MCG's performance and stock value by issuing common stock of MCG according to the degree of achievement of performance targets over a certain period, thereby providing Corporate Executive Officers with an incentive to strive for sustainable improvement of corporate value and promoting further value sharing between shareholders and Corporate Executive Officers.

Starting from April 2025 onwards, shares will be delivered under the Scheme through the Executive Compensation BIP Trust established with Mitsubishi UFJ Trust and Banking Corporation as the trustee.

Furthermore, MCG decided to deliver 13,468 common shares of MCG through the Scheme with the evaluation period from April 1, 2022 to March 31, 2025, to persons who were Corporate Executive Officers of MCG in fiscal year 2022 at the meeting of its Compensation Committee held today.

<Overview of calculation method for number of shares to be delivered

MCG uses Total Shareholder Return (TSR) as the performance indicator for the Scheme. The number of common shares of MCG to be delivered under the Scheme is, the sum of (1) the number of shares calculated by comparison with the growth rate of the JPX-Nikkei Index 400 and (2) the number of shares calculated by comparison with the TSR of the peer group. The base number of shares to be delivered to each Corporate Executive Officer, which is the basis for the calculation, will be the same for (1) and (2) above, and the base number of shares to be delivered for each will vary in the range of 0% to 200%.

- (1) Number of shares calculated by comparison with the growth rate of the JPX-Nikkei Index 400
- This will be the base number of shares to be delivered multiplied by ratio of shares to be delivered determined according to the degree of achievement of performance targets, and the ratio of shares to be delivered will be determined according to the MCG's stock growth rate, which is calculated by dividing the MCG's TSR during the target period by the growth rate of the JPX-Nikkei Index 400 (including dividends) during the same period, as follows:

MCG stock growth rate	Ratio of shares to be delivered
If less than 50%	0%
If between 50% and 200%	MCG stock growth rate
If more than 200%	200%

(2) Number of shares calculated by comparison with the peer group's TSR

The number of shares to be delivered will be determined by comparing the TSR of MCG and TSR of the peer group companies selected by the Compensation Committee for the target period, and will be the base number of shares to be delivered multiplied by the ratio of shares to be delivered calculated using the following formula according to the ranking (%ile) of MCG's TSR.

[Calculation formula]

$$\text{Ratio of shares to be delivered} = \text{\%ile of MCG's TSR} \times 2$$

However, if MCG's TSR %ile is less than the 25%ile, the ratio of shares to be delivered will be zero %.

※Overview of the revision of performance-linked stock compensation

MCG reviewed part of its performance-linked stock compensation and revised the Scheme at its meeting of Compensation Committee held on March 24, 2025. Under the revised scheme points will be awarded in accordance with the stock trust rules established by MCG, and the number of MCG's common shares finally calculated based on the degree of achievement of performance targets during the performance evaluation period will be delivered through the Executive Compensation BIP Trust established with Mitsubishi UFJ Trust and Banking Corporation as trustee, and the shares to be delivered will have transfer restrictions. In addition, the Scheme will be introduced at Mitsubishi Chemical Corporation (MCC), a subsidiary of MCG.

Corporate Executive Officers and Executive Officers of MCG and Executive Directors and Executive Officers of Mitsubishi Chemical Corporation (MCC) are eligible under the New Scheme and TSR continues to be used as a performance indicator. The method for evaluating the degree of achievement of performance targets will be the same as before.

Furthermore, with a view to sharing value with shareholders over the medium to long term, shares to be delivered will be subject to transfer restrictions stipulating that the eligible persons cannot transfer, attach a security interest, or dispose of in any other way the delivered shares until they retire from their positions as Director, Corporate Executive Officer, or Executive Officer of MCG or any of MCG's wholly owned domestic subsidiaries.

End of Document

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