July 17, 2026

Mitsubishi Chemical Group Corporation

The 21st Ordinary General Meeting of Shareholders: Summary of Questions and Answers at the Meeting and Answers to Pre-Submitted Questions

(Key Questions Only)

Q1: Impact of the Situation in the Middle East on Raw Material Procurement and the Company's Measures Against Such Impact

A1:

The de facto closure of the Strait of Hormuz has highlighted the importance of petrochemical products derived from naphtha. While closely monitoring the changing situation, the Company is giving top priority to ensuring a stable supply of raw materials. Specifically, regarding the procurement of naphtha, the Company is increasing the ratio of imports from regions outside the Middle East in order to diversify its procurement sources.

At the same time, because naphtha prices remain at historically high levels, the Company is working to pass on cost increases through product prices with the understanding of its customers.

The Company will continue to respond with agility while striving to achieve both a stable supply and profitability.

Q2: Restructuring of the Petrochemicals Business

A2:

The Company believes that the mission of the petrochemicals business is to ensure a stable supply of green, high-value-added chemicals to a wide range of downstream industries in the future, particularly in light of global calls for carbon neutrality. At the same time, due to the contraction of domestic demand and intensifying global competition, it is becoming increasingly difficult for the Company to continue making capital investment and conducting R&D for green chemicals on its own. Therefore, the Company believes that restructuring the petrochemicals business through collaboration with other companies is inevitable.

As a first step, earlier this year, the Company announced the optimization of its ethylene production facilities in western Japan. Under this initiative, we have reached a basic agreement with Asahi Kasei and Mitsui Chemicals to shut down the ethylene production facility in Okayama Prefecture, which we jointly operate with Asahi Kasei, around 2030, and to consolidate production at Mitsui Chemicals' facility in Osaka.

Going forward, we need to accelerate the restructuring of the entire petrochemicals business, including derivative products, following the restructuring of ethylene production. In order to optimize production and advance green investments in partnership with other companies, we will consider spinning off our petrochemicals business during FY2027.

Q3: Utilization of Human Capital Following the Consolidation and Closure of Production Facilities

A3:

With regard to employees affected by the consolidation and closure of production facilities, the Company is committed to ensuring employment opportunities and maintaining close communication. Specifically, the Company's primary approach is to reassign the affected employees within the same plant. If this is not feasible, they are offered opportunities to continue their careers at our other plants in Japan.

Furthermore, depending on individual preferences and circumstances, the Company provides support that includes assistance with reemployment at nearby companies and other employers. Even during the period leading up to the closure of the production facility, the Company continues to place the highest priority on ensuring safety while maintaining ongoing dialogue with employees through initiatives such as site visits by executive officers. Through these efforts, the Company is committed to supporting each employee in finding suitable opportunities for the next stage of their careers.

Q4: Utilization of Idle Assets Following the Consolidation and Closure of Production Facilities

A4:

The Group strives to create new business opportunities while making effective use of land and existing assets when reviewing its production sites and facilities in response to changes in the business environment and aging facilities. Even where existing plant facilities cannot be repurposed, we regard our employees' technical expertise and operational capabilities as important management resources. Accordingly, we will continue to help them further develop their capabilities by providing opportunities to continue their careers at our other sites and in other businesses.

Q5: Utilization of AI and Cybersecurity Measures

A5:

The Group is driving operational improvement and efficiency through the use of AI and digital transformation (DX) tools. Through employee-led citizen development initiatives and the enhancement of the AI environment, the use of AI has expanded across tasks such as research, preparation of meeting minutes, and document creation. Going forward, in addition to individual use of AI, we will accelerate the use of AI across entire business processes to improve efficiency, including customer service, order processing, and purchasing.

With respect to cybersecurity, in addition to preventive measures designed to prevent unauthorized access, we are strengthening our cybersecurity framework to minimize damage and ensure rapid recovery in the event of an intrusion. We will continue to enhance the effectiveness of these measures through large-scale exercises and other initiatives, thereby further strengthening our cyber resilience.

Q6: The Company’s Financial Performance

A6:

While the Group's industrial gas business continues to perform steadily, one of its key management priorities is to improve the profitability of its chemicals business. In particular, the specialty materials business has achieved steady growth in both revenue and profit, giving us confidence in achieving the targets under our Medium-Term Management Plan. Meanwhile, in the MMA and petrochemicals businesses, we are considering spinning off the petrochemicals business and advancing structural reforms of the MMA business in order to address structural challenges such as oversupply, particularly in China, as well as deteriorating market conditions. For FY2026, while closely monitoring the situation surrounding the Strait of Hormuz and other uncertainties, we aim to realize the benefits of the rationalization and business restructuring initiatives implemented to date and achieve core operating income of 100 billion yen in the chemicals business.

Going forward, we will continue to steadily implement initiatives to strengthen the competitiveness and profitability of each of our businesses and remain fully committed to the sustainable enhancement of our corporate value.

Q7: Improving the Success Rate of Research and Development

A7:

One of the Group’s key priorities is to improve the success rate of research and development. To this end, we are taking a more focused approach to selecting and prioritizing R&D themes. Specifically, under our renewed R&D framework, we are engaging in dialogue with each of our research centers, reviewing development themes, and concentrating management resources on priority areas. In the R&D process, we are working to improve the efficiency of R&D investments by establishing clear evaluation criteria based on technological competitiveness and the feasibility of commercialization, and by determining whether to continue or terminate projects through phased evaluations. In addition, by combining the Group's diverse technological platforms, we will create new business opportunities while strengthening our R&D capabilities by developing the necessary talent and building effective teams.