Notice of the 96th Ordinary General Meeting of Shareholders

MITSUBISHI GAS CHEMICAL COMPANY, INC.

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(Translation)

Securities Code 4182
June 7, 2023

Dear Shareholders

Masashi Fujii
President and Representative Director
Mitsubishi Gas Chemical Company, Inc.
Mitsubishi Building,
5-2 Marunouchi 2-chome, Chiyoda-ku,
Tokyo, Japan

Notice of the 96th Ordinary General Meeting of Shareholders

Please refer to the below for information about the upcoming the 96th Ordinary General Meeting of Shareholders of Mitsubishi Gas Chemical Company, Inc. (hereinafter "MGC") to be held as described next page.

In convening this General Meeting of Shareholders, MGC takes electronic provision measures and has posted information to be provided to shareholders (matters to be provided electronically) on MGC's website on the internet. Please access the following website to confirm the relevant information.

【MGC's website】
https://www.mgc.co.jp/eng/ir/stockinfo/meeting.html

The matters to be provided electronically are also posted on the Tokyo Stock Exchange (TSE) website. Please access the TSE website below and enter "Mitsubishi Gas Chemical Company" in the "Issue name (company name)" field or MGC's securities code "4182" in "Code" field, press "Search," select "Basic information," and then select "Documents for public inspection/PR information" to confirm the relevant information from "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting" in the "Filed information available for public inspection" field.

【Tokyo Stock Exchange website (Listed Company Search)】
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

If you are unable to attend the meeting, you may exercise your voting rights by 5:30 p.m. of June 26, 2023, as it is possible to exercise your voting rights via the internet or by mail.

(Translation)

1. **Date and Time:** Tuesday, June 27, 2023 at 10:00 a.m.
2. **Place:** MGC Head Office (6th Floor, Mitsubishi Building)
   5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo
3. **Agenda for the Meeting:**

Matters to be reported:
(1) Report on the Business Report, Consolidated Financial Statements, and results of audits of the Consolidated Financial Statements by the independent Auditor and the Audit & Supervisory Board for the 96th Business Term (from April 1, 2022 to March 31, 2023)
(2) Report on the Non-Consolidated Financial Statements for the 96th Business Term (from April 1, 2022 to March 31, 2023)

Matters for Resolution:

Proposal No. 1: Election of Twelve Directors
Proposal No. 2: Election of Four Audit & Supervisory Board Members
Proposal No. 3: Election of One Substitute Audit & Supervisory Board Member

4. Matters concerning Information Provided by MGC

●Please be advised that if minor amendments are made to the matters to be provided electronically, revisions will be posted on MGC's website and TSE's website shown on the previous page.

●Among the matters to be provided electronically, the following documents are not included in the paper copy to be sent to shareholders who have requested it, in accordance with laws and regulations and the provisions of Article 15 of the Articles of Incorporation of MGC.

(ⅰ) Stock Acquisition Rights
(ⅱ) Consolidated Statement of Changes in Net Assets
(ⅲ) Notes to Consolidated Financial Statements
(ⅳ) Non-Consolidated Statement of Changes in Net Assets
(ⅴ) Notes to Non-consolidated Financial Statements

・If you attend the General Meeting of Shareholders, please submit the enclosed Voting Form to the reception desk at the venue. Please be advised that in order to ensure that seats are not too closely spaced, the number of seats in the venue will be limited, and if there are more shareholders attending the General Meeting of Shareholders than the planned number of seats, you may be asked to attend the Meeting at a different venue.

(Translation)

Information on Exercising Voting Rights

●Attending the General Meeting of Shareholders

Please submit the enclosed Voting Form to the reception desk at the venue (You do not need to put your seal on it).

Date and Time of the General Meeting of Shareholders: June 27, 2023 (Tue) 10:00 a.m. (Japan Time)

Place: MGC Head Office (6th Floor, Mitsubishi Building)
5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo

●Internet

Please access the voting website (https://evote.tr.mufg.jp/) from your computer or smartphone, and enter your approval or disapproval of the proposals. Exercise deadline: Until 5:30 p.m. on Monday, June 26, 2023 (Japan Time).

●Postal Mail

Please indicate your approval or disapproval of agenda items on the Voting Form and return it by mail. In the event that there is no indication of your approval or disapproval of agenda items on the Voting Form returned, your vote shall be treated as approval of the agenda items.

Voting forms must arrive no later than 5:30 p.m. on Monday, June 26, 2023 (Japan Time).

■**Multiple Exercise of Voting Rights**

In the event voting rights are exercised multiple times via the mailing of the Voting Form and via Internet, votes submitted via Internet will be deemed valid.

In the event that voting rights are exercised multiple times via Internet, the last set of votes cast will be deemed valid.

Procedures for Exercise of Voting Rights via the internet

Reading QR code

You can log in to the voting website without entering login ID and temporary password shown on the Voting Form.

Entering login ID and temporary password

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

Corporate Agency Division Help Desk, Mitsubishi UFJ Trust and Banking Corporation
0120-173-027 (toll free/available from 9:00a.m. to 9:00p.m.)

Institutional Investors can use the “Electronic Proxy Voting Platform” operated by ICJ, Inc..

(Translation)

Reference Documents for General Meeting of Shareholders

Proposal No. 1: Election of Twelve Directors

The term of office of all twelve current Directors will expire as of the close of this Ordinary General Meeting of Shareholders. Therefore, it is proposed that twelve Directors, including 4 Outside Directors, be elected.

The candidates are as follows:

Number	Name	Position	Responsibilities at MGC	
1	Toshikiyo Kurai	Representative Director Chairman	—	Renomination
2	Masashi Fujii	Representative Director President	—	Renomination
3	Nobuhisa Ariyoshi	Representative Director, Senior Managing Executive Officer	In charge of internal control & risk management, Administrative & Personnel Division, Finance & Accounting Division, Information Systems Division and Purchasing & Logistics Division	Renomination
4	Naruyuki Nagaoka	Director, Managing Executive Officer	In charge of Basic Chemicals Business Sector	Renomination
5	Motoyasu Kitagawa	Director, Managing Executive Officer	In charge of compliance, responsible for Corporate Planning, in charge of Internal Audit Division, CSR&IR Division	Renomination
6	Ryozo Yamaguchi	Director, Managing Executive Officer	In charge of Specialty Chemicals Business Sector	Renomination
7	Ko Kedo	Managing Executive Officer	Responsible for Production Technology, in charge of Environment Safety and Quality Assurance Division	New Nomination
8	Yoshinori Isahaya	Managing Executive Officer	Responsible for Research & Development, in charge of Intellectual Infrastructure	New Nomination
9	Haruko Hirose	Director	—	Renomination Outside Director Independent Director
10	Toru Suzuki	Director	—	Renomination Outside Director Independent Director
11	Yasushi Manabe	Director	—	Renomination Outside Director Independent Director
12	Kazue Kurihara	—	—	New nomination Outside Director Independent Director

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
1	Renomination Toshikiyo Kurai (January 9, 1952)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 12 held, 12 attended	April 1975 Joined MGC. June 2003 General Manager, Inorganic Chemicals Division, Specialty Chemicals Company June 2006 Executive Officer, and General Manager, Inorganic Chemicals Division, Specialty Chemicals Company June 2008 Executive Officer, and President of Specialty Chemicals Company June 2009 Director, Managing Executive Officer, and President of Specialty Chemicals Company June 2010 Director, Managing Executive Officer, President of Specialty Chemicals Company, and General Manager, Engineering Plastics Division October 2011 Director, Managing Executive Officer, and President of Specialty Chemicals Company June 2012 Representative Director, Senior Managing Executive Officer, Assistant to President, and President of Specialty Chemicals Company June 2013 President and Representative Director April 2019 Chairman and Representative Director (to the present) ■ Reason for nomination as candidate Mr. Toshikiyo Kurai, following his service in important positions mainly in Specialty Chemicals department and his presiding over R&D, manufacture and whole business of Inorganic Chemicals division and Engineering Plastics division, was appointed to be a Director in June 2009, and served from June 2013 to March 2019 as President and Representative Director, and has served from April 2019 as Chairman and Representative Director, and due to his abundant experience and knowledge of MGC's business and management control as a whole, he has once again been nominated as a candidate for Director.	56,632

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
2	Renomination Masashi Fujii (March 10, 1959)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 12 held, 12 attended	April 1981 Joined MGC. June 2010 General Manager, Organic Chemicals Division, Natural Gas Chemicals Company June 2012 Executive Officer, and General Manager, Organic Chemicals Division, Natural Gas Chemicals Company June 2014 Executive Officer, and General Manager, Methanol Division, Natural Gas Chemicals Company April 2015 Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company June 2015 Director, Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company Outside Director, Co-op Chemical Co., Ltd (currently Katakura & Co-op Agri Corporation) April 2018 Director, Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company October 2018 Director, Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company April 2019 President and Representative Director (to the present) ■ Reason for nomination as candidate Mr. Masashi Fujii, following his service in important positions in Administrative & Personnel, Natural Gas Chemicals department, was appointed to be a Director in June 2015 and presided over Natural Gas Chemicals department, and has served from April 2019 as President and Representative Director, and due to his abundant experience and knowledge of MGC's business and management control as a whole, he has once again been nominated as a candidate for Director.	37,200

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
3	Renomination Nobuhisa Ariyoshi (November 26, 1961)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 12 held, 12 attended	April 1984 Joined MGC. June 2012 General Manager, Administrative & Personnel Center April 2016 Executive Officer, General Manager, Electronic Materials Division, Information & Advanced Materials Company April 2018 Managing Executive Officer, in charge of Finance & Accounting Center, Information Systems Division, and Purchasing & Logistics Center June 2018 Director, Managing Executive Officer, in charge of Finance & Accounting Center, Information Systems Division, and Purchasing & Logistics Center April 2019 Director, Managing Executive Officer, Chairman of Internal Control Promotion Committee, in charge of Compliance, Risk Management, Internal Audit Division, Corporate Planning Division, Administrative & Personnel Center and Corporate Communications Division, General Manager Tokyo Techno Park June 2019 Director, Managing Executive Officer, in charge of Compliance, Risk Management, Finance & Accounting Center, Information Systems Division, Administrative & Personnel Center and Corporate Communications Division, General Manager Tokyo Techno Park April 2020 Director, Managing Executive Officer, in charge of internal control & risk management, Corporate Management Sector April 2021 Director, Managing Executive Officer, in charge of internal control & risk management, responsible for Administrative & Personnel, Finance & Accounting, in charge of Information Systems Division April 2022 Representative Director, Senior Managing Executive Officer, in charge of internal control & risk management, responsible for Finance & Accounting, in charge of Administrative & Personnel Division and Information Systems Division April 2023 Representative Director, Senior Managing Executive Officer, in charge of internal control & risk management, Administrative & Personnel Division, Finance & Accounting Division, Information Systems Division and Purchasing & Logistics Division (to the present) ■ Reason for nomination as candidate Mr. Nobuhisa Ariyoshi, following his engagement mainly in Information & Advanced Materials and Specialty Chemicals department, served in important positions in Administrative & Personnel and Information & Advanced Materials department, and was appointed to be a Director in June 2018, and was in charge of Corporate Management Sector and Compliance. With his abundant experience and knowledge of MGC's business and administration of management, etc., he has once again been nominated as a candidate for Director.	22,300

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
4	Renomination Naruyuki Nagaoka (November 20, 1962)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 12 held, 12 attended	April 1985 Joined MGC. June 2011 Manager, Administrative, Natural Gas Chemicals Company April 2016 Manager, Corporate Planning Division June 2016 Audit & Supervisory Board Member of JSP Corporation April 2017 Executive Officer, Manager, Corporate Planning Division June 2019 Managing Executive Officer, in charge of Corporate Planning and Purchasing & Logistic Center April 2020 Managing Executive Officer, in charge of Compliance and Corporate planning Sector June 2020 Director, Managing Executive Officer, in charge of Compliance and Corporate planning Sector April 2021 Director, Managing Executive Officer, in charge of Basic Chemicals Business Sector (to the present) ■ Reason for nomination as candidate Mr. Naruyuki Nagaoka, following his engagement mainly in Natural Gas Chemicals department and Administrative & Personnel, served in important positions in Natural Gas Chemicals department and Corporate planning Division, and was appointed to be a Director in June 2020. With his abundant experience and knowledge of MGC's business and administration of management, etc., he has once again been nominated as a candidate for Director.	16,888
5	Renomination Motoyasu Kitagawa (April 2, 1963)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 12 held, 12 attended	April 1986 Joined MGC. June 2014 President, Mitsubishi Gas Chemical America, Inc. April 2018 General Manager, Organic Chemicals Division, Natural Gas Chemicals Company April 2019 Executive Officer, General Manager, Organic Chemicals Division, Natural Gas Chemicals Company June 2019 Executive Officer, Manager, Corporate Planning Division April 2021 Managing Executive Officer, in charge of compliance, responsible for Corporate Planning, in charge of Internal Audit Division, CSR & IR Division June 2021 Director, Managing Executive Officer, in charge of compliance, responsible for Corporate Planning, in charge of Internal Audit Division, CSR & IR Division June 2022 Director, Managing Executive Officer, in charge of compliance, responsible for Corporate Planning, in charge of Internal Audit Division, CSR & IR Division (to the present) ■ Reason for nomination as candidate Mr. Motoyasu Kitagawa, following his engagement mainly in Administrative & Personnel department and Corporate planning Division, served in important positions in Natural Gas Chemicals department and Corporate planning Division, and was appointed to be a Director in June 2021. With his abundant experience and knowledge of MGC's business and administration of management, etc., he has once again been nominated as a candidate for Director.	15,424

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
6	Renomination Ryozo Yamaguchi (August 24, 1965)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 9 held, 9 attended	April 1988 Joined MGC. April 2009 General Manager, Mitsubishi Gas Chemical Shanghai Commerce Ltd., and General Manager, Shanghai Office, Administrative & Personnel Center June 2011 Manager, General Affairs Department, Administrative & Personnel Center June 2014 Manager, Personnel Department, Administrative & Personnel Center April 2016 Manager, Administrative & Personnel Center April 2020 Executive Officer, Manager, Administrative & Personnel Division, Corporate Management Sector April 2021 Executive Officer, in charge of Administrative & Personnel Division April 2022 Managing Executive Officer, in charge of Specialty Chemicals Business Sector June 2022 Director, Managing Executive Officer, in charge of Specialty Chemicals Business Sector (to the present) ■ Reason for nomination as candidate Mr. Ryozo Yamaguchi, following his engagement mainly in Specialty Chemicals department and Administrative & Personnel department, served in important positions in Administrative & Personnel department, and was appointed to be a Director in June 2022. With his abundant experience and knowledge of MGC's business and administration of management, etc., he has once again been nominated as a candidate for Director.	9,615
7	New Nomination Ko Kedo (February 5, 1964) 	April 1988 Joined MGC. April 2015 Manager, Planning & Development Division, Natural Gas Chemicals Company June 2018 Manager, Planning & Development Division, Natural Gas Chemicals Company, and Manager, Life Science Division, Natural Gas Chemicals Company April 2019 Executive Officer, Plant Manager, Mizushima Plant, Aromatic Chemicals Company April 2020 Executive Officer, Plant Manager, Mizushima Plant, Basic Chemicals Business Sector April 2021 Executive Officer, in charge of Research & Development April 2023 Managing Executive Officer, Responsible for Production Technology, in charge of Environment Safety and Quality Assurance Division (to the present) ■ Reason for New nomination as candidate Mr. Ko Kedo, following his engagement in R&D of Aromatic Chemicals, served in important positions in Natural Gas Chemicals and Aromatic Chemicals department. With his abundant experience and knowledge of MGC's research and development and business, etc., he is deemed to be able to sufficiently carry out his roles as Director in MGC's decision making and supervision of management executives and for this reason he has been nominated as a candidate for Director.	13,700

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
8	New Nomination Yoshinori Isahaya (April 18, 1965) 	April 1991 Joined MGC. April 2019 General Manager, Tokyo Research Laboratory, Specialty Chemicals Company April 2020 Executive Officer, Vice Manager, Corporate planning Division April 2021 Executive Officer, in charge of Corporate Planning April 2023 Managing Executive Officer, Responsible for Research & Development, in charge of Intellectual Infrastructure (to the present) ■ Reason for New nomination as candidate Mr. Yoshinori Isahaya, following his engagement in R&D of Specialty Chemicals, served in important positions in Specialty Chemicals department and Corporate Planning Division. With his abundant experience and knowledge of MGC's research and development and business, etc., he is deemed to be able to sufficiently carry out his roles as Director in MGC's decision making and supervision of management executives and for this reason he has been nominated as a candidate for Director.	11,040

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
9	Renomination Outside Director Independent Director Haruko Hirose (September 23, 1945)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 12 held, 12 attended	December 1968 Appointed to the National Personnel Authority of Japan January 1992 Director, Bureau of Human Resources Management of Headquarters(Paris), United Nations Educational, Scientific and Cultural Organization (UNESCO) September 2002 Deputy to the Director General and Managing Director of Field Operations Division of Headquarters(Vienna), United Nations Industrial Development Organization (UNIDO) November 2006 Japanese Ambassador Extraordinary and Plenipotentiary to Kingdom of Morocco April 2013 Specially Appointed Professor, Academy for Global Leadership Tokyo Institute of Technology May 2014 President, Japan Morocco Association (to the present) June 2016 Outside Director, S&B Foods Inc. (to the present) April 2017 Director, Ochanomizu University March 2018 Outside Director, Nikkiso Co., Ltd. (to the present) June 2020 Outside Director, MGC (to the present) ■ Reason for nomination as candidate Ms. Haruko Hirose has many years of experience overseas and insight as director at international organizations on a global scale, and provides appropriate supervision and advice to MGC's management, so she has once again been nominated as a candidate for Outside Director. After her election, she is expected to contribute to ensuring the validity and appropriateness of MGC's decision making in the future. Although she has not been directly involved in corporate management, other than as Outside Director, since she has served in important positions at an international organization, etc., it is deemed that she would contribute to ensuring the validity and appropriateness of MGC's decision making in the future. Additionally, while there are transactional relationships between MGC and Nikkiso Co., Ltd. where she serves as an outside director, including the purchase of equipment, the amount was less than 1% of consolidated net sales of said company for FY2022.	0

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
10	Renomination Outside Director Independent Director Toru Suzuki (July 14, 1955)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 12 held, 12 attended	April 1979 Joined Mitsui & Co., Ltd. April 2011 Managing Officer, Performance Chemicals Business Unit, Mitsui & Co., Ltd. April 2014 Managing Officer, Mitsui & Co., Ltd. and President of Mitsui & Co. Vietnam Ltd. April 2015 Executive Managing Officers, Mitsui & Co., Ltd. and President of Mitsui & Co. Vietnam Ltd. June 2015 Executive Managing Officers, Chief Regional Representative of Southwest Asia, Mitsui & Co., Ltd., and President of Mitsui & Co. India Pvt Ltd. June 2017 Audit & Supervisory Board Member, Mitsui Sugar Co., Ltd. (the current Mitsui DM Sugar Holdings Co., Ltd.) December 2018 Audit & Supervisory Board Member, Nutri Co., Ltd. June 2020 Outside Director, MGC (to the present) ■ Reason for nomination as candidate Mr. Toru Suzuki has many years of experience overseas and insight as a manager at a company operating on a global scale, and provides appropriate supervision and advice to MGC's management, so he has once again been nominated as a candidate for Outside Director. After his election, he is expected to contribute to ensuring the validity and appropriateness of MGC's decision making in the future. Additionally, although he was a business execution manager until June 2017 at Mitsui & Co., Ltd., a business partner of MGC, over five years have passed since his retirement. While there are transactional relationships between MGC and said company including the sale of products and materials, the amount was less than 2.1% of consolidated net sales of MGC for FY2022. Also, while there are transactional relationships between MGC and said company including the purchase of materials, the amount was less than 1% of consolidated net sales of said company for FY2022.	1,400

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
11	Renomination Outside Director Independent Director Yasushi Manabe (December 15, 1956)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 9 held, 9 attended	April 1979 Joined Hitachi, Ltd. April 2012 General Manager, Sales Division Infra System Group Infra System April 2013 Executive Officer, General Manager Kansai Area Operation, Hitachi, Ltd. June 2013 Outside Audit & Supervisory Board Member, ShinMaywa Industries, Ltd. April 2016 Executive General Manager, Deputy Director General Corporate Sales & Marketing Group, CMO of Industry & Distribution, Water & Urban Business Unit, Hitachi, Ltd. April 2017 Vice President and Executive Officer, Deputy Director General Corporate Sales & Marketing Group, CMO of Industry & Distribution Business, Water & Urban Business, Hitachi, Ltd. April 2021 Executive Advisor, Yashima Denki Co., Ltd. (to the present) June 2021 Outside Director, MGC (to the present) ■ Reason for nomination as candidate Mr. Yasushi Manabe has many years of experience and insight as a manager at a company operating on a global scale, and provides appropriate supervision and advice to MGC's management, so he has once again been nominated as a candidate for Outside Director. After his election, he is expected to contribute to ensuring the validity and appropriateness of MGC's decision making in the future. Additionally, although he was a business execution manager until March 2021 at Hitachi, Ltd., a business partner of MGC. While there are transactional relationships between MGC and said company including the sale of products, the amount was less than 1% of consolidated net sales of MGC for FY2022. Also, while there are transactional relationships between MGC and said company including equipment maintenance, the amount was less than 1% of consolidated net sales of said company for FY2022. Although he is Executive Advisor, Yashima Denki Co., Ltd., a business partner of MGC. While there are transactional relationships between MGC and said company including the purchase of machines, the amount was less than 1% of consolidated net sales of said company for FY2022.	1,000

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
12	New nomination Outside Director Independent Director Kazue Kurihara (January 24, 1951) 	October 1992 Associate Professor, Department of Applied Physics, Faculty of Engineering, Nagoya University April 1997 Professor, Institute for Chemical Reaction Science (the current Institute of Multidisciplinary Research for Advanced Materials), Tohoku University April 2010 Professor, Advanced Institute for Materials Research and Institute of Multidisciplinary Research for Advanced Materials, Tohoku University April 2016 Professor Emeritus, Tohoku University (to the present) April 2017 Professor, New Industry Creation Hatchery Center, Tohoku University (to the present) December 2020 Outside Director, Hamamatsu Photonics K.K. (to the present) April 2021 Research Professor, Tohoku University (to the present) January 2022 Director, SMILEco Measurement Co., Ltd. (to the present) ■ Reason for nomination as candidate Dr. Kazue Kurihara has highly advanced expertise in wide fields of study in chemicals, and it is deemed that she would provide appropriate supervision and advice to MGC's management from such perspective, and since it is expected that she would contribute to ensuring the validity and appropriateness of MGC's decision making in the future, she has been nominated as a candidate for Outside Director. Additionally, there are transactional relationships between MGC and Hamamatsu Photonics K.K. where she serves as an outside director, including the sale of products, the amount was less than 1% of consolidated net sales for FY2022. Also, while there are transactional relationships between MGC and Tohoku University, where she serves as Professor Emeritus, including payment of consideration for joint research, the amount during FY2022 was insignificant, totaling ¥8 million.	0

(Notes) 1. No conflict of interest exists between MGC and any of these candidates.
2. Ms. Haruko Hirose is listed as above in her preferred name. Her name in the family register is Haruko Makinouchi.
3. Of the candidates, Ms. Haruko Hirose, Mr. Toru Suzuki, Mr. Yasushi Manabe and Dr. Kazue Kurihara are nominated as Outside Directors.
4. Ms. Haruko Hirose and Mr. Toru Suzuki will have been in office as Outside Director for three years as of the close of this Ordinary General Meeting of Shareholders. Mr. Yasushi Manabe will have been in office as Outside Director for two years as of the close of this Ordinary General Meeting of Shareholders.
5. MGC has executed Limitation of Liability Agreements with Ms. Haruko Hirose, Mr. Toru Suzuki and Mr. Yasushi Manabe, currently MGC's Outside Directors, limiting their liabilities pursuant to Article 423 Paragraph 1 of the Companies Act to the maximum amount stipulated by the Companies Act. Aforementioned Limitation of Liability Agreements will be extended in the event their re-elections are approved. Furthermore, in the event the election of Dr. Kazue Kurihara is approved, MGC is scheduled to conclude an identical Limitation of Liability Agreement with her.

6. MGC has registered Ms. Haruko Hirose, Mr. Toru Suzuki and Mr. Yasushi Manabe as independent director at Tokyo Stock Exchange, Inc. and will continue to register them as such in the event their re-elections are approved. Furthermore, in the event the election of Dr. Kazue Kurihara is approved, MGC will also register her as an independent director.
7. MGC has entered into a directors and officers liability insurance agreement with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The content of the insurance agreement is as stated on “3. Information Concerning Corporate Officers” in the Business Report of Electronic Provision Measures Matters. The respective candidates for Director are to be included as insured parties under the insurance agreement in the event their elections are approved. Furthermore, MGC plans to leave the content of the insurance policy unchanged upon its next renewal.

(Translation)

Proposal No. 2: Election of Four Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Member Messer. Masamichi Mizukami, Go Watanabe and Yasuomi Matsuyama will expire as of the close of this Ordinary General Meeting of Shareholders, and Audit & Supervisory Board Member Mr. Kenji Inamasa will resign from his position as of the close of this Ordinary General Meeting of Shareholders. Therefore, it is proposed that four Audit & Supervisory Board Members will be elected. Mr. Masato Inari is intended to succeed to the position of Mr. Kenji Inamasa, and the term of his office also dates from the date of his succession to his predecessor according to the Articles of Incorporation of MGC.

The Audit & Supervisory Board has already given consent to this proposal.

The candidate is as follows:

(Translation)

	Name (Date of Birth)	Profile and position in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
1	Renomination Masamichi Mizukami (September 11, 1958)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 12 held, 12 attended Attendance of Audit & Supervisory Board Meeting (the fiscal year ended March 31, 2023) 14 held, 14 attended	April 1983 Joined MGC. June 2012 Plant Manager, Yamakita Plant, Specialty Chemicals Company June 2013 Executive Officer, and Plant Manager, Yamakita Plant, Specialty Chemicals Company December 2013 Executive Officer, and Plant Manager, Kashima Plant, Specialty Chemicals Company April 2016 Managing Executive Officer, Chairman of The Committee on Future R&D, in charge of Research & Development Division and Advanced Business Development Division, and General Manager, Advanced Business Development Division June 2016 Director, Managing Executive Officer, Chairman of The Committee on Future R&D, in charge of Research & Development Division and Advanced Business Development Division, and General Manager, Advanced Business Development Division January 2017 Director, Managing Executive Officer, in charge of Research & Development Division and Advanced Business Development Division April 2019 Representative Director, Senior Managing Executive Officer, in charge of Research & Development Division, Advanced Business Development Division, Business Strategy Division, General Manager QOL Innovation Center Shirakawa June 2019 Representative Director, Senior Managing Executive Officer, Chairperson of Internal Control Promotion Committee, in charge of Internal Audit Division, Research & Development Division, Advanced Business Development Division, Business Strategy Division, General Manager QOL Innovation Center Shirakawa April 2020 Director June 2020 Audit & Supervisory Board Member (Fulltime) (to the present) ■ Reason for nomination as candidate Mr. Masamichi Mizukami, was appointed to be a Director in June 2016, served in important positions in Research & Development and Internal Control, etc. and possesses abundant experience in MGC's business and corporate management. It is deemed that, derived from those experiences, he would possess sufficient insight and knowledge essential for Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of Directors' duties, therefore, he has once again been nominated as a candidate for Audit & Supervisory Board Member.	24,300

(Translation)

	Name (Date of Birth)	Profile and position in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
2	Renomination Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member Go Watanabe (September 19, 1958)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 9 held, 9 attended Attendance of Audit & Supervisory Board Meeting (the fiscal year ended March 31, 2023) 9 held, 9 attended	April 1982 Joined The Mitsubishi Bank, Ltd. June 2009 Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd.(BTMU), Deputy President, General Manager of Shanghai Branch of The Bank of Tokyo-Mitsubishi UFJ (China), Ltd. July 2011 Executive Officer, General Manager, Global Corporate Banking Division of BTMU May 2012 Managing Executive Officer, Group Head, Nagoya Corporate Banking Group of BTMU June 2013 Managing Executive Officer, Chief Executive Officer for Asia and Oceania of BTMU July 2016 First Senior Vice President of Nidec Corporation August 2018 Senior Managing Executive Officer, Chief Administrative Office (CAO) of Nidec Corporation September 2020 Chairman and Representative Director, MST Insurance Service Co., Ltd. June 2021 Outside Director, Mitsubishi HC Capital Inc. (to the present) June 2022 Outside Audit & Supervisory Board Member (Fulltime) (to the present) ■ Reason for nomination as candidate Mr. Go Watanabe possesses abundant experience at a financial institution and a manufacturing industry, etc., both in Japan and overseas, as well as insight and experience in general management as a manager, and also possesses a considerable degree of knowledge regarding finance and accounting. Since it is deemed that he would possess sufficient insight and knowledge essential for Outside Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of Directors' duties, therefore, he has once again been nominated as a candidate for Outside Audit & Supervisory Board Member. Additionally, although he was a business executive manager until June 2016 at The Bank of Tokyo-Mitsubishi UFJ (currently MUFG Bank, Ltd.), a business partner of MGC, over six years have passed since his retirement. While there are transactional relationships between MGC and said company including the borrowing of funds, the amount of borrowings from said company was less than 2.7% of consolidated total assets as of March 31, 2023. Furthermore, although said company holds shares in MGC, the percentage is 1.2% of issued and outstanding shares. Furthermore, while there are transactional relationships between MGC and Mitsubishi HC Capital Inc. where he serves as an outside director, including the equipment leasing, the amount was less than 1% of consolidated net sales for FY2022.	1,400

(Translation)

	Name (Date of Birth)	Profile and position in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
3	New Nomination Masato Inari (January 23, 1961)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 12 held, 12 attended(*) (*) attended as director	April 1985 Joined MGC. June 2011 Plant Manager, Niigata Plant, Natural Gas Chemicals Company June 2014 Executive Officer, Plant Manager, Niigata Plant, Natural Gas Chemicals Company April 2016 Executive Officer, President of Aromatic Chemicals Company June 2016 Director, JSP Corporation April 2017 Managing Executive Officer, President of Aromatic Chemicals Company June 2017 Director, Managing Executive Officer, President of Aromatic Chemicals Company April 2019 Director, Managing Executive Officer, in charge of Production Technology Division, Environment Safety and Quality Assurance Division June 2019 Outside Director, Katakura & Co-op Agri Corporation April 2020 Director, Managing Executive Officer, in charge of Internal Audit Division, Environment & Total Production Sector April 2021 Director, Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety and Quality Assurance Division, Purchasing & Logistics Division April 2022 Representative Director, Senior Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety and Quality Assurance Division, Purchasing & Logistics Division April 2023 Director (to the present) ■ Reason for nomination as candidate Mr. Masato Inari, was appointed to be a Director in June 2017, served in important positions in Aromatic Chemicals, Production Technology, Environment Safety and Quality Assurance, etc. and possesses abundant experience in MGC's business and corporate management. It is deemed that, derived from those experiences, he would possess sufficient insight and knowledge essential for Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of Directors' duties, therefore, he has been nominated as a candidate for Audit & Supervisory Board Member.	22,703

(Translation)

	Name (Date of Birth)	Profile and position in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
4	Renomination Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member Yasuomi Matsuyama (November 14, 1956)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2023) 12 held, 12 attended Attendance of Audit & Supervisory Board Meeting (the fiscal year ended March 31, 2023) 14 held, 14 attended	April 1979 Joined Nippon Life Insurance Company July 2006 Director, Nippon Life Insurance Company January 2007 Director and Executive Officer, Nippon Life Insurance Company July 2007 Executive Officer, Nippon Life Insurance Company March 2009 Managing Executive Officer, Nippon Life Insurance Company July 2009 Director and Managing Executive Officer, Nippon Life Insurance Company April 2011 Director and Senior Managing Executive Officer, Nippon Life Insurance Company March 2013 Director, Nippon Life Insurance Company April 2013 Advisor, Seiwa Business Link Co., Ltd. June 2013 President, Seiwa Business Link Co., Ltd. Outside Audit & Supervisory Board Member, MGC (to the present) June 2016 External Audit & Supervisory Board Member, Keisei Electric Railway Co., Ltd. June 2017 Chairman, Nissay Information Technology Co., Ltd. June 2019 Representative Director, Nissay Culture Foundation (to the present) Representative Director, Tokyo Opera City Cultural Foundation (to the present) ■ Reason for nomination as candidate Mr. Yasuomi Matsuyama has many years of experience and insight as a manager at a financial institute and possesses considerable knowledge of finance and accounting. Since It is deemed that he would possess sufficient insight and knowledge essential for Outside Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of Directors' duties, therefore, he has once again been nominated as a candidate for Outside Audit & Supervisory Board Member. Additionally, although he was a business execution manager until July 2013 at Nippon Life Insurance Company, a business partner of MGC, over nine years have passed since his retirement. While there are transactional relationships between MGC and said company including the borrowing of funds, the amount of borrowings from said company was less than 0.6 % of consolidated total assets as of March 31, 2023. Furthermore, although said company holds shares in MGC, the percentage is 2.6% of issued and outstanding shares.	5,600

(Note) 1. No conflict of interests exists between MGC and the candidates.
2. Mr. Go Watanabe is scheduled to resign from his position of Outside Director in Mitsubishi HC Capital Inc. on June 27, 2023.
3. Of the candidates, Messrs. Go Watanabe and Yasuomi Matsuyama are nominated as Outside Audit & Supervisory Board Member.
4. As of the close of this Ordinary General Meeting of Shareholders, Mr. Go Watanabe will have been in office as Outside Audit & Supervisory Board Member for one year, and Mr. Yasuomi Matsuyama for ten years.
5. MGC has executed Limitation of Liability Agreements with Messrs. Go Watanabe and Yasuomi Matsuyama, currently MGC's Outside Audit & Supervisory Board Members, limiting their liability pursuant to Article 423 Paragraph 1 of the Companies Act to the maximum amount stipulated by the

Companies Act. Aforementioned Limitation of Liability Agreements will be extended in the event their re-election is approved.

6. MGC has registered Messrs. Go Watanabe and Yasuomi Matsuyama as an independent auditor at Tokyo Stock Exchange, Inc. and will continue to register them as such in the event their re-election is approved.
7. MGC has entered into a directors and officers liability insurance agreement with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The content of the insurance agreement is as stated on "3. Information Concerning Corporate Officers" in the Business Report of Electronic Provision Measures Matters. The candidates for Audit & Supervisory Board Member are to be included as insured parties under the insurance agreement in the event their election is approved. Furthermore, MGC plans to leave the content of the insurance policy unchanged upon its next renewal.
8. Mr. Yasuomi Matsuyama is scheduled to resign from his position of Representative Director in Tokyo Opera City Cultural Foundation on June 20, 2023.
9. Mr. Yasuomi Matsuyama is scheduled to resign from his position of Representative Director in Representative Director, Nissay Culture Foundation on June 26, 2023.

(Translation)

Proposal No. 3: Election of One Substitute Audit & Supervisory Board Member

The effective period for the resolution at the 94th Ordinary General Meeting of Shareholders concerning the election of Mr. Hiroaki Kanzaki as Substitute Outside Audit & Supervisory Board Member will expire at the beginning of this Ordinary General Meeting of Shareholders, as stipulated in the Articles of Incorporation of MGC.
Therefore, it is proposed that one Substitute Outside Audit & Supervisory Board Member be continuously elected to prepare for the event in which the number of Outside Audit & Supervisory Board Members may fall short of such number as is required by laws and regulations.
Additionally, prior to assuming the post, the validity of election may be revoked upon approval of the Audit & Supervisory Board and resolution of the Board of Directors.
The Audit & Supervisory Board has already given consent to this proposal.

The candidate is as follows:

Name (Date of Birth)	Profile and position in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
Renomination Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member Hiroaki Kanzaki (November 2, 1962)	April 1991 Admitted to the bar, Daiichi Tokyo Bar Association, Joined Sugimoto Law Office April 1992 Committee Member of the Committee on Human Rights Protection, Daiichi Tokyo Bar Association (to the present) April 1997 Joined Ichibancho Sogo Law Office April 2004 Director, Orifa Servicer Corporation April 2010 Member of the Central Election Management Council of Japan May 2010 Attorney at law, Representative Partner, Ichibancho Sogo Law Offices L.P.C (to the present) June 2010 Member of the Society for Contract Law, Ministry of Defense (to the present) July 2010 Director, Orifa Servicer Corporation April 2012 Vice-President of Daiichi Tokyo Bar Association April 2013 Member of Attorneys Recommendation Committee, Daiichi Tokyo Bar Association Member of the Finance Committee, Japan Federation of Bar Associations Chairperson, Central Election Management Council of Japan Member of the Finance Committee, Daiichi Tokyo Bar Association (to the present) April 2018 Auditor, Japan Federation of Bar Association April 2023 Executive Governor, Japan Federation of Bar Association (to the present) ■ Reason for nomination as candidate Mr. Hiroaki Kanzaki has highly advanced expertise as an attorney at law, as well as experience of direct involvement in corporate management and sufficient insight into corporate management derived thereof. It is deemed that, derived from those experiences, he would possess sufficient insight and knowledge essential for Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of Directors' duties, therefore, he has been nominated as a candidate for Substitute Outside Audit & Supervisory Board Member.	0

(Notes) 1. No conflict of interests exists between MGC and the candidate.

2. In the event Mr. Hiroaki Kanzaki is appointed as Audit & Supervisory Board Member, MGC is scheduled to conclude a Limitation of Liability Agreement with him, limiting his liabilities pursuant to Article 423 Paragraph 1 of the Companies Act to the maximum amount stipulated by the Companies Act.
3. In the event Mr. Hiroaki Kanzaki is appointed as Audit & Supervisory Board Member, MGC will also register him as an independent auditor at Tokyo Stock Exchange, Inc..
4. MGC has entered into a directors and officers liability insurance agreement with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The content of the insurance agreement is as stated on “3. Information Concerning Corporate Officers” in the Business Report of Electronic Provision Measures Matters. Mr. Hiroaki Kanzaki candidate for Substitute Audit & Supervisory Board Member is to be included as insured parties under the insurance agreement in the event he is appointed as Outside Audit & Supervisory Board Member. Furthermore, MGC plans to leave the content of the insurance policy unchanged upon its next renewal.

(Translation)

(Reference) MGC Standards on Independence for Outside Corporate Officers

A candidate is deemed to qualify as an independent officer as long as none of the following matters apply.

1. If any of the following applies to the candidate.
    1) Has been a business execution manager (*1) of the MGC Group (*2).
    2) Is a major shareholder of MGC (*3) or is or has been a business execution manager for a major shareholder company within the previous five years.
    3) Is or has been a business execution manager within the previous five years of an important business partner (*4).
    4) Has been dispatched from a company or organization that has established a relationship with the MGC Group through the reciprocal appointment of outside officers.
    5) Works for or has worked for an accounting firm within the previous five years that has conducted a statutory audit of MGC.
    6) Provides or has provided consulting services other than statutory auditing to the MGC Group within the previous three years, for which he or she has received high compensation (*5).
2. If any of the following applies to a close relation (*6) of the candidate.
    1) Is or has been an important business execution manager (*7) of the MGC Group within the previous five years.
    2) Is a major shareholder of MGC or a business execution manager for a major shareholder company.
    3) Is or has been a business execution manager within the previous five years of an important business partner.
    4) Works for or has worked for an accounting firm within the previous five years that has conducted a statutory audit of MGC.
    5) Provides or has provided consulting services other than statutory auditing to the MGC Group within the previous three years, for which he or she has received high compensation.
3. The candidate has another important vested interest in the MGC Group and has been reasonably deemed to be unable to fulfill his or her duties as an independent officer.

(*1) Business execution manager: Either a Director overseeing business execution, an Executive Officer, other officer involved in business execution, or an employee.

(*2) MGC Group: MGC or one of its subsidiaries.

(*3) Major shareholder of MGC: A shareholder currently holding, either directly or indirectly, 10% or more of total shares issued and outstanding.

(*4) Important business partner: A business partner that has made transactions, including buying and selling, amounting to 2% or more of consolidated net sales over the previous three consecutive years. Consolidated net sales pertains to the MGC Group in the event the MGC Group is the seller, or to the partner in the event the MGC Group is the buyer.

(*5) High compensation: In the case of an individual, an annual amount of 10 million yen or more, or in the case of a member of company or organization, compensation exceeding 2% of its consolidated net sales or total revenue.

(*6) Close relation: Either a spouse, first- or second-degree relative, or financial dependent.

(*7) Important business execution manager: Either a Director overseeing business execution, an Executive Officer, or other officer involved in business execution.

BUSINESS REPORT

(From April 1, 2022 to March 31, 2023)

1. Review of Results

(1) Overview of results

(Billions of yen)

	FY2021	FY2022	Change
Net sales	705.6	781.2	75.5
Operating profit	55.3	49.0	(6.3)
Equity in earnings of affiliates	14.8	17.5	2.6
Ordinary profit	74.1	69.7	(4.3)
Profit attributable to owners of parent	48.2	49.0	0.7

During the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023), the global economy was supported by the gradual normalization of socio-economic activities in step with the relaxation of movement restrictions aimed at preventing the spread of COVID-19 infection. However, the prolongation of Russia's invasion of Ukraine led to surges in prices of raw materials, fuels and other items. Around the world, countries have thus been stricken with steep inflation, prompting the financial authorities of the United States, EU members and other nations to continue with monetary tightening. This policy trend, in turn, resulted in a looming sense of vigilance against major recessions and negatively affected capital expenditure and personal consumption. Because of these and other factors, the economic situation remained unstable.

Although the MGC Group has benefitted from the depreciation of the yen, the business environment surrounding it remained harsh under the influence of surges in raw material and fuel costs, slower-than-expected recovery in demand in China, declining demand in the United States and Europe in the face of anxiety over economic deceleration, and other factors. Furthermore, sales of PCs, smartphones and other electronic devices have dropped as demand for these items ceased to be strong due to the end of temporary surge seen during the pandemic, with inflation now leading to sluggish consumption. In addition, there has been notable stagnation in demand for semiconductor-related and other products in the second half of the fiscal year due mainly to the growing volume of supply chain inventories.

Against this backdrop, the MGC Group has promoted a medium-term management plan launched in April 2021. In line with this plan, the Group aims to shift to a profit structure resilient to changes in the business environment. To this end, the Group is striving to:

・"Further strengthen competitively advantageous ("differentiating") businesses,"

・"Accelerate creation and development of new businesses," and

・"Reevaluate and rebuild unprofitable businesses."

These efforts will help push ahead with business portfolio reforms.

In addition, the Group is countering surges in raw material and fuel prices and transportation costs by revising sales prices upward to align with an overall increase in costs. Through these and other initiatives, the Group is endeavoring to maintain and enhance its earnings power.

As a result, the MGC Group's net sales increased, despite lower sales of electronic materials and other offerings, due mainly to the impact of foreign exchange fluctuations and upwardly revised sales prices aligned with higher raw material and fuel prices and growing transportation costs, along with the recent inclusion of a South Korea-based polyacetal sales company into the scope of consolidation.

However, operating profit decreased, despite the depreciation of the yen, robust polyacetal sales and other positive factors, due primarily to surges in raw material and fuel prices and transportation costs, along with lower sales of electronic materials and other offerings as well as growth in repair costs and R&D expenses.

In the face of downturns in methanol market prices, ordinary profit decreased despite an increase in equity in earnings of affiliates in light of such positive factors as the reversal of deferred tax liabilities at an overseas methanol producing company. This decrease was mainly attributable to a decline in equity in earnings of affiliates related to engineering plastics and the decrease in operating profit.

In fiscal 2022, the MGC Group achieved ¥781.2 billion in consolidated net sales, an increase of

¥75.5 billion (10.7%) from the previous year. Consolidated operating income was ¥49.0 billion, a decrease of ¥6.3 billion (11.4%). As a result of recording equity in earnings of affiliates of ¥17.5 billion, an increase of ¥2.6 billion (17.9%), consolidated ordinary income was ¥69.7 billion, a decrease of ¥4.3 billion (5.9%). The MGC Group achieved a profit attributable to owners of parent of ¥49.0 billion, an increase of ¥0.7 billion (1.6%).

Operating results by segment are as described below.

(2) Results by business segment

Basic Chemicals

Main businesses	Methanol, Methanol/Ammonia Based Chemicals, High-performance products, Xylene separators and derivatives, Foamed Plastics, Development and Sales of Resources, Life Science Related Products

The methanol business saw increases in both net sales and earnings thanks to the depreciation of the yen, an increase in equity in earnings of affiliates and other positive factors, despite somewhat lower market prices compared with the previous fiscal year.

Methanol and ammonia-based chemicals posted a decrease in earnings due mainly to deterioration in neopentyl glycol market prices and an increase in repair costs, despite progress in profitability adjustments offsetting the negative impact of higher raw material and fuel prices.

High-performance products posted a decrease in earnings due mainly to the lower sales volume of meta-xylenediamine, despite the higher sales volume of aromatic aldehydes.

Xylene separators and derivatives saw a decrease in earnings due to rises in raw material and fuel prices, and resulting deterioration in the profitability of purified isophthalic acid (PIA).

Foamed plastics posted a decrease in earnings due mainly to rises in raw material and fuel prices outpacing the timing of product price revisions.

In fiscal 2022, Basic Chemicals Business achieved consolidated net sales of ¥472,1 billion, an increase of ¥52.2 billion (12.4%) from the previous year, operating income of ¥18.8 billion, a decrease of ¥6.9 billion (26.9%) and ordinary income of ¥30.5 billion, an increase of ¥0.4 billion (1.6%).

Specialty Chemicals

Main Businesses	Inorganic Chemicals, Engineering Plastics, Optical Materials, Electronics Materials, Oxygen Absorbers (AGELESS^{TM})

Inorganic chemicals posted a decrease in earnings despite progress in the upward revision of sales prices to align with rises in transportation costs and prices for raw materials and fuel, with sluggish semiconductor demand leading to the lower sales volume of chemicals for use in semiconductor manufacturing in some market regions.

Engineering plastics saw increases in net sales and earnings, despite lower sales volumes of polycarbonates and polycarbonate sheet films, thanks to constantly robust sales of polyacetal as well as the inclusion of a South Korea-based polyacetal sales company into the scope of consolidation.

Optical materials posted a decrease in earnings amid stagnant demand for smartphones, a primary application of optical polymers, despite the disappearance of the negative impact of inventory adjustments carried out by customers in the prior fiscal year.

Electronic materials saw decreases in net sales and earnings. This reflected such factors as declining demand for general-purpose materials for use in PC-related devices and home appliances, which constitute a part of BT materials for IC plastic packaging, the core product category for electronic materials. Other negative factors included stagnation in demand for highly functional materials for use in smartphones and memory devices.

Earnings from oxygen absorbers such as AGELESS^{TM} declined due mainly to rises in raw material prices and transportation costs.

(Translation)

In fiscal 2022, Specialty Chemicals Business achieved consolidated net sales of ¥308.9 billion, an increase of ¥23.4 billion (8.2%) from the previous year and operating income of ¥32.6 billion, a decrease of ¥0.9 billion (2.8%) and ordinary income of ¥38.7 billion, a decrease of ¥6.6 billion (14.7%).

Other

Main Businesses	Real estate business, etc.

Other business remained unchanged, with net sales of ¥0.1 billion, operating loss was ¥0 billion, and ordinary loss was ¥0 billion.

Sales by Business Segment

Segment	FY2021 (April 2021 - March 2022)		FY2022 (April 2022 - March 2023)		Year-on-Year Increase/ Decrease (%)
	Sales Amount (Millions of yen)	Percentage Total (%)	Sales Amount (Millions of yen)	Percentage Total (%)	
Basic Chemicals	419,959	59.5	472,167	60.4	12.4
Specialty Chemicals	285,419	40.4	308,904	39.5	8.2
Other	277	0.0	138	0.0	△50.2
Adjustment	△0	△0.0	-	-	-
Total	705,656	100.0	781,211	100.0	10.7

(3) Capital Expenditures

Capital expenditures for the current fiscal year were made largely in relation to reinforcing the production capabilities for existing products and maintaining/renovating equipment and facilities.

Major expenditures incurred are as follows:

1) Major facilities completed during the current fiscal year

Taixing MGC Lingsu Co., Ltd.

・Production facility for hydrogen peroxide, performance chemicals (Specialty Chemicals)

2) Construction initiated or continuing through the current fiscal year

MGC Pure Chemicals Taiwan, Inc.

・Production facility for industrial hydrogen peroxide (Specialty Chemicals)

Niigata Plant

・Production facility for material monomer of optical resin polymer (Specialty Chemicals)

MGC Specialty Chemicals Netherlands B.V.

・Production facility for meta-xylenediamine (Basic Chemicals)

Toho Earthtech, Inc.

・Facility for natural gas dissolved in water (Basic Chemicals)

Mizushima Plant

・Enhancement of aromatic aldehydes production capacity (Basic Chemicals)

(4) Funding

The funds for equipment and facilities as well as for working capital for the current fiscal year were provided by MGC's own resources, borrowings from financial institutions and issuance of short-term

corporate bonds.

(5) Operations Results and Financial Position

1) MGC Group (consolidated basis) (Millions of yen)

Classification	FY2019 April 2019 – March 2020	FY2020 April 2020 – March 2021	FY2021 April 2021 – March 2022	FY2022 April 2022 – March 2023
Sales	613,344	595,718	705,656	781,211
Ordinary income	31,116	50,240	74,152	69,764
Profit attributable to owners of parent(Mitsubishi Gas Chemical)	21,158	36,070	48,295	49,085
Net income per Share (yen)	100.50	173.41	232.15	239.08
Total assets	771,733	836,364	928,651	1,029,317
Net assets	548,141	581,411	630,887	671,249

Note: Since the beginning of FY2021, MGC applies the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc.

2) MGC (Non-consolidated basis) (Millions of yen)

Classification	FY2019 April 2019 – March 2020	FY2020 April 2020 – March 2021	FY2021 April 2021 – March 2022	FY2022 April 2022 – March 2023
Sales	351,348	344,898	427,927	439,525
Ordinary income	30,066	26,443	46,116	40,528
Net income	29,332	23,966	35,812	37,371
Net income per Share (yen)	139.33	115.22	172.15	182.03
Total assets	425,713	469,634	529,631	584,435
Net assets	290,955	306,478	323,002	331,922

Note: Since the beginning of FY2021, MGC applies the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc.

(6) Key Challenges for the Mitsubishi Gas Chemical Group

1) State of progress in important measures as of the end of FY2022

Launched in fiscal 2021, Medium-Term Management Plan, "Grow UP 2023", establishes two objectives under the MGC Way, the new MGC Group philosophy system. The objectives involve "Shift to a profit structure resilient to environmental changes" and "Balance social and economic value." MGC is pursuing strategies comprised of three items for each to achieve these objectives.

◆Medium-Term Management Plan "Grow UP 2023"

● Objective 1

Shift to a Profit Structure Resilient to Environmental Changes: Business Portfolio Reform

■ Strategies

– Further strengthen competitively advantageous ("differentiating") businesses
– Accelerate creation and development of new businesses
– Reevaluate and rebuild unprofitable businesses

To move forward with business portfolio reforms under the Plan, the MGC Group has reevaluated its business categories, classifying those businesses with both competitive advantage and growth potential as "differentiating businesses". The MGC Group is developing a broad range of differentiating businesses in chemicals and materials, these include meta-xylenediamine (MXDA), MX-Nylon, aromatic aldehydes and polyacetal (POM) and further specialty products

include electronics chemicals, BT-related material, optical resin polymers and ultra-high refractive lens monomers. The MGC Group will continue to focus management resources on these differentiating businesses, further strengthening profitability.

During fiscal 2022, the MGC Group promoted new construction plan for MXDA manufacturing plant in Europe and newly construction and expansion plan for electronics chemicals manufacturing plants in Japan, North America, China, and Taiwan. The MGC Group also completed construction to expand the production capacity of BT-related materials at MGC Electrotechno (Thailand) Co., Ltd. In addition, the Group has assigned supervisory function for POM business to Global Polyacetal Co., Ltd., and has integrated management of production, sales, and development operations

The MGC Group is also actively investing in R&D to accelerate the creation and development of new businesses. Specifically, it has increased the number of research personnel, as well as launched DX team, and AI and MI promotion teams respectively to promote initiatives to further accelerate research activities through the promotion of DX, began operating a new stage gate system and promoted strategic use of intellectual property (IP) landscape. Furthermore, in order to develop an environment in which it can promote innovation with its group companies in an integrated manner, it decided to construct a new research building at Hiratsuka Research Laboratory.

The Group's initiatives to reevaluate and rebuild unprofitable businesses include its decisions to cease production of formalin at the Yokkaichi Plant in fiscal 2022, and cease production of formalin, paraformaldehyde, and hexamine at the Niigata Plant toward to the end of the 1st quarter of fiscal 2023. After ceasing production of trimethylolpropane at the Mizushima Plant, the Group is proceeding to reevaluate and rebuild the formalin and polyol product group. Additionally, the transformation of the formalin business into a stable earnings base is progressing by gaining a competitive advantage by building an integrated production system extending from formalin raw materials to wood adhesives through the merger of its subsidiary J-Chemical, Inc. and Yutaka Chemicals Corporation in April 2022.

By implementing these strategies, the MGC Group attempts to shift to a profit structure that is resilient to environmental changes. Specifically, by fiscal 2023, the Group is aiming to have more than 40% of overall sales come from differentiating businesses, and for unprofitable businesses or those needing rebuilding to represent less than 3% of total sales.

● Objective 2

Balance Social and Economic Value: Toward Sustainable Growth

■ Strategies

– Solve social issues through business
– Harmonize value creation with environmental protection
– Strengthen discipline and foundation supporting business activities

Three strategies are being executed with the goal of balancing social and economic value.

In April 2020, MGC identified materiality--priority issues for management--in line with formulating a medium-term management plan, it has also established fiscal 2030 targets to allow the company to make steady progress in materiality management, and has set key performance indicators (KPIs) for fiscal 2023 as milestone aimed at achieving those targets. Specifically, KPIs have been set for GHG emission reductions aimed at air quality control, for investments and R&D expenditures aimed at solving energy and climate change-related problems, and for fostering a rewarding corporate culture, etc. In the current fiscal year, MGC has received ISCC PLUS Certification for MX-Nylon and Methanol, investment in Abashiri Biomass Power Plant, study of the manufacture of Methanol or Polyacetal from carbon dioxide and started construction of "MGC Commons," a center for human resource development and innovation creation. MGC will continue to tie this kind of materiality management to sustainable growth.

2) Future initiatives

The business environment remains unpredictable, with the rise in geopolitical risks associated with the situation in Ukraine in addition to restrictions on economic activity due to the global progress in inflation and monetary tightening. The MGC Group will nevertheless strive as one to achieve the financial targets set forth under the Plan.

Specifically, the Group will aim to achieve Objective 1, "Shift to a Profit Structure Resilient to Environmental Changes," by continuing to engage in active investment focused on its differentiated products, primarily MXDA, electronics chemicals, and BT-related materials, and proceeding with the priority allocation of management resources. In addition, it will also pursue measures to bring about a further shift to high value-added products and greater efficiency for other core products such as PC-related products and methanol. The Group will continue with the structural reform and reevaluation of businesses with profitability issues and aiming to departure from unprofitable businesses and those requiring rebuilding. Meanwhile, the Group will also proceed with the active injection of R&D resources aimed at creating and developing new, next-generation businesses.

Under the Group's proclaimed mission, "creating value to share with society," it will aim to achieve Objective 2, "Balance Social and Economic Value," through materiality management, to realize sustainable growth. Its initiatives to achieve carbon-neutral status, in particular, are designated as strategic priorities for MGC's management. The Group will utilize its unique, innovative technologies to develop products and technologies to contribute to carbon-neutral, while also engaging in the reduction of GHG emissions by investigating the Circular Carbon Methanol business utilizing green hydrogen and carbon dioxide, implementing experimental project for gas generation from waste plastics and production of Methanol therefrom, and development of Direct Air Capture System, etc.

◆Reference: Disclosure based on the TCFD (Task Force on Climate-related Financial Disclosures) Recommendations

MGC endorsed the TCFD Recommendations in May 2019. In addition to assessing the risks and opportunities for the MGC Group arising from climate change and strengthening the Group's resilience through scenario analysis, MGC is engaged in promoting sound dialogue with its stakeholders. In fiscal 2022, MGC implemented scenario analysis for the optical materials and oxygen absorbers businesses, confirming that tackling issues such as performance improvements and lineup enhancements would mitigate financial impact under the decarbonization scenario.

Key issues related to the promotion of sustainability such as climate change risk are considered by an advisory body with the involvement of the heads of head office administrative departments, before being deliberated on and decided by the Sustainability Promotion Council, which is chaired by the President and mainly composed of all Directors including Outside Directors as well as being attended by Audit & Supervisory Board Members.

In March 2022, the MGC Group announced its goal of achieving carbon neutrality by 2050, in an effort to contribute to keeping global warming within 2°C.

In implementing this initiative, the Group has leveraged the deployment from its existing businesses having strength in such initiative and its R&D capabilities, and collaborates with other MGC Group businesses and external entity. During the transitional phase, it is promoting to use electric power generated using LNG, which has low GHG emissions, and to introduce renewable energy. Going forward, it will struggle to achieve its goal of reducing emissions by 36% by 2030 and attaining its carbon-neutral status by 2050 through the establishment and installation of various types of carbon-free energy systems, CCUS* and recycling system.

* CCUS (Carbon dioxide Capture, Utilization and Storage) refers to technologies used to capture and store CO_2 emissions and to utilize the stored CO_2 as a raw material for chemicals and other products.

Plans and descriptions concerning the future such as target values provided in "Key Challenges for the Mitsubishi Gas Chemical Group" are based on information available to the Group as of the date

of preparation of this document and certain assumptions which the Group deems reasonable, and therefore include uncertainties. Actual results may differ significantly from these projections due to various factors.

(7) Major Places of Business of Mitsubishi Gas Chemical (As of March 31, 2023)

1) MGC

	Name	Location
Head Office:	5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan	
Research Institutes:	Tokyo Research Laboratory	Tokyo Prefecture
	Niigata Research Laboratory	Niigata Prefecture
	Hiratsuka Research Laboratory	Kanagawa Prefecture
Plants:	Niigata Plant	Niigata Prefecture
	Mizushima Plant	Okayama Prefecture
	Yokkaichi Plant	Mie Prefecture
	Yamakita Plant	Kanagawa Prefecture
	Kashima Plant	Ibaraki Prefecture
	QOL Innovation Center Shirakawa	Fukushima Prefecture

2) Subsidiaries

Company Name	Head Office	Business and Production Site
Eiwa Chemical Industry Co., Ltd.	Kyoto	Aichi Prefecture, etc.
Global Polyacetal Co., Ltd.	Tokyo	---
Toho Earthtech, Inc.	Niigata	Tokyo Prefecture, etc.
Japan Finechem Co., Inc.	Tokyo	Kagawa Prefecture, etc.
Japan U-pica Co. Ltd.	Tokyo	Yamaguchi Prefecture, etc.
Mitsubishi Gas Chemical Trading, Inc.	Tokyo	Osaka Prefecture, etc.
Yonezawa Dia Electronics Co., Inc.	Yamagata	---
JSP Corporation	Tokyo	Tochigi Prefecture, etc.
MGC Advance Co., Ltd.	Niigata	Niigata Prefecture, etc.
MGC Woodchem Corporation	Tokyo	Shizuoka Prefecture, etc.
MGC Energy Company Limited	Tokyo	---
MGC Electrotechno Co., Ltd.	Tokyo	Fukushima Prefecture
MGC Terminal Co., Inc.	Tokyo	Hiroshima Prefecture, etc.
MGC Filsheet Co., Ltd.	Saitama	Osaka Prefecture, etc.
MGC Advanced Polymers Inc.	U.S.A.	---
MGC Pure Chemicals America, Inc.	U.S.A.	U.S.A.
Mitsubishi Gas Chemical America, Inc.	U.S.A.	---
MGC Specialty Chemicals Netherlands B.V.	Netherlands	---
MGC Pure Chemicals Singapore Pte. Ltd.	Singapore	---
Mitsubishi Gas Chemical Singapore Pte. Ltd.	Singapore	---
Ageless (Thailand) Co., Ltd.	Thailand	---
MGC Electrotechno (Thailand) Co., Ltd.	Thailand	---
Thai Polyacetal Co., Ltd.	Thailand	Thailand
Taixing MGC Lingsu Co., Ltd.	China	---
Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd.	China	---
MGC Pure Chemicals Taiwan, Inc.	Taiwan	---

Korea Polyacetal Co., Ltd.	Korea	Korea
Samyoung Pure Chemicals Co., Ltd.	Korea	Korea

(8) Number of Employees (As of March 31, 2023)

1) MGC Group (Consolidated)

Segment	Number of Employees	Change from End of FY2021
Basic Chemicals	5,521	△38
Specialty Chemicals	4,069	197
Other	22	-
Corporate (Shared)	438	3
Total	10,050	162

Notes:1. Only employees working within the Group are included in the headcount (excludes individuals on assignment from the Group to companies outside of the Group and includes individuals on assignment from outside of the Group to companies within the Group).
2. The employees in the Corporate (Shared) segment are individuals who belong to administrative departments that cannot be classified into specific business segments.

2) MGC (Non-Consolidated)

Number of Employees	Change from End of FY2021	Average Age	Average Duration in Employment
2,448	Decrease by 13	40 years old and 9 month	17 years and 7 month

Note: Only employees working within MGC are included in the headcount (excludes individuals on assignment from MGC to other companies and includes individuals on assignment from other companies to MGC).

(9) Major Subsidiaries and Affiliates (As of March 31, 2023)

Company	Issued Share Capital (Millions of yen)	Ratio of Voting Rights (%)	Principal Business
Eiwa Chemical Industry Co., Ltd.	420	90.9	Manufacture and sale of blowing agents, blowing agent activators, and resin processing products
Global Polyacetal Co., Ltd.	301	100.0	Manufacturing and sale of Engineering Plastics
Toho Earthtech, Inc.	240	50.1	Production and sale of natural gas and iodine, and Seismic reinforcement works
Japan Finechem Co., Inc.	274	100.0	Manufacture and sale of organic synthetic chemicals, including polymeric initiators and raw materials for agrichemicals, and electronics parts
Japan U-Pica Co., Ltd.	1,100	70.0	Manufacture and sale of unsaturated polyester resins, coating resins, and methacrylic acid esters
Mitsubishi Gas Chemical Trading, Inc.	210	100.0	Sale of chemicals and other products
Yonezawa Dia Electronics Co., Inc.	90	100.0 (100.0)	Manufacturing of Mass lamination board and LE sheet, entry sheet for PWB drilling
JSP Corporation	10,128	54.0 (0.2)	Manufacture and sale of foamed polystyrene and foamed polyolefin

(Translation)

Company	Issued Share Capital (Millions of yen)	Ratio of Voting Rights (%)	Principal Business
MGC Advance Co., Ltd.	100	87.3 (5.0)	Transportation storage, Manufacturing and sale of Life Science Products, Engineering maintenance
MGC Woodchem Corporation	80	100.0	Sale of wood adhesives and formalins
MGC Energy Co., Ltd.	5	100.0	Procurement and sales of electricity
MGC Electrotechno Co., Ltd.	500	100.0	Manufacture and sale of printed circuit board materials
MGC Terminal Co., Inc.	100	100.0 (14.2)	Storage services for methanol
MGC Filsheet Co., Ltd.	50	100.0 (45.5)	Manufacture and sale of polycarbonate sheets/films
MGC Advanced Polymers, Inc.	(thousands of USD) 6,000	100.0 (50.0)	Manufacture and sale of MX-Nylon
MGC Pure Chemicals America, Inc.	(thousands of USD) 5,000	100.0 (20.0)	Manufacture and sale of super pure hydrogen peroxide and other products
Mitsubishi Gas Chemical America, Inc.	(thousands of USD) 1,084	100.0	Sale of chemicals and other products
MGC Specialty Chemicals Netherlands B.V.	(millions of Euro) 20	100.0	Manufacture and sale of meta-xylenediamine
MGC Pure Chemicals Singapore Pte. Ltd.	(thousands of USD) 7,106	100.0 (5.2)	Manufacture and sale of super pure hydrogen peroxide and other products
Mitsubishi Gas Chemical Singapore Pte. Ltd.	(thousands of USD) 1,161	100.0	Sale of chemicals and other products
Ageless (Thailand) Co., Ltd.	(millions of THB) 250	100.0	Manufacture and sale of Oxygen Absorbers
MGC Electrotechno (Thailand) Co., Ltd.	(millions of THB) 710	100.0 (100.0)	Manufacture of Copper Clad Laminates
Thai Polyacetal Co., Ltd.	(millions of THB) 840	70.0 (70.0)	Manufacture and sale of polyacetal resins
Taixing MGC Lingsu Co., Ltd.	(millions of RMB) 196	100.0	Manufacture and sale of Hydrogen peroxide / Performance chemicals
Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd.	(millions of RMB) 2,072	94.2	Manufacture and sale of polycarbonate resins
MGC Pure Chemicals Taiwan, Inc.	(millions of NTD) 80	100.0	Manufacture and sale of super pure hydrogen peroxide and other products
Korea Polyacetal Co., Ltd.	(millions of KRW) 1,060	100.0 (100.0)	Manufacture and sale of polyacetal resins, etc.
Samyoung Pure Chemicals Co., Ltd.	(millions of KRW) 3,500	51.0	Manufacture and sale of super pure hydrogen peroxide and other products
Otsuka-MGC Chemical Company, Inc.	450	49.0	Manufacture and sale of hydrazine hydrate
Granopt Co., Ltd.	150	49.0	Manufacture and sale of magneto-optics crystal
CG Ester Corporation	450	50.0	Manufacture and sale of plasticizers
Kokuka Sangyo Co., Ltd.	100	50.0	Shipping of chemical products
Japan Saudi Arabia Methanol Co., Inc.	2,310	47.4	Import and sale of methanol, and investment in and finance for foreign companies
Mitsubishi Engineering-Plastics Corporation	3,000	50.0	Sale and manufacture of engineering plastics

(Translation)

Company	Issued Share Capital (Millions of yen)	Ratio of Voting Rights (%)	Principal Business
Ryoden Kasei Co., Ltd.	300	45.0	Manufacture and sale of electric/electronic related materials and their applied products
Brunei Methanol Company Sdn. Bhd.	(thousands of USD) 189,400	50.0	Manufacture and sale of methanol
Tai Hong Circuit Industrial Co., Ltd.	(millions of NTD) 1,104	50.0	Manufacture and sale of printed circuit boards (single-sided boards, double-sided boards, and double layer boards)
Korea Engineering Plastics Co., Ltd.	(millions of KRW) 12,600	50.0 (10.0)	Manufacture and sale of engineering plastics, mainly polyacetal resins

Note: The figures in parentheses represent the percentage of voting rights indirectly held by MGC's subsidiaries, included in totals.

(10) Major Lenders (As of March 31, 2023) (Millions of yen)

Lender	Balance of Borrowings
MUFG Bank, Ltd.	27,061
The Norinchukin Bank	20,738
Development Bank of Japan Inc.	15,565
Mizuho Bank, Ltd.	12,330
The Bank of Yokohama, Ltd.	11,589

(Translation)

2. Information Concerning Stock (As of March 31, 2023)

(1) Authorized Shares 492,428,000 (No change from end of FY2021)

(2) Issued and Outstanding Shares 222,239,199 (Decreased by 3,500,000 shares from end of FY2021)

(Note) Following the cancellation of own shares on July 29, 2022, the total number of Issued and Outstanding Shares decreased by 3.5 million from end of FY2021.

(3) Number of Shareholders 40,932 (Increase by 8,757 from end of FY2021)

(4) Principal Shareholders (ten largest shareholders)

Name of shareholder	Investment to MGC	
	Number of Shares Held (thousands Shares)	Percentage to Total Shares Outstanding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	30,590	14.9
Custody Bank of Japan, Ltd. (Trust account)	17,668	8.6
Meiji Yasuda Life Insurance Company	8,797	4.3
Nippon Life Insurance Company	5,858	2.8
The Norinchukin Bank	5,026	2.4
AGC Inc.	3,526	1.7
National Mutual Insurance Federation of Agricultural Cooperatives	3,235	1.5
The Bank of Yokohama, Ltd.	3,085	1.5
MUFG Bank, Ltd.	2,700	1.3
JPMorgan Securities Japan Co., Ltd.	2,694	1.3

Notes: 1. MGC holds 17,660 thousands shares of treasury shares, which is not included in the above list of principal shareholders.
2. Percentage to Total Shares Outstanding is calculated excluding treasury shares.

(5) Shares Delivered as Consideration for The Execution of Duties to Directors

	Number of Shares	Number of Recipients
Directors (Excluding Outside Directors)	18,000	8

(Translation)

3. Information Concerning Corporate Officers

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2023)

Position	Name	Responsibilities at MGC and Important current positions at other companies, etc.
Representative Director Chairman	Toshikiyo Kurai	
Representative Director President	Masashi Fujii	
Representative Director Senior Managing Executive Officer	Masato Inari	Responsible for Production Technology, in charge of Environment Safety and Quality Assurance Division, Purchasing & Logistics Division
Representative Director Senior Managing Executive Officer	Nobuhisa Ariyoshi	In charge of internal control & risk management, responsible for Finance & Accounting, in charge of Administrative & Personnel Division, Information Systems Division
Director Managing Executive Officer	Kenji Kato	Responsible for Research & Development, in charge of Intellectual Infrastructure
Director Managing Executive Officer	Naruyuki Nagaoka	In charge of Basic Chemicals Business Sector
Director Managing Executive Officer	Motoyasu Kitagawa	In charge of compliance, responsible for Corporate Planning, in charge of Internal Audit Division, CSR & IR Division
Director Managing Executive Officer	Ryozo Yamaguchi	In charge of Specialty Chemicals Business Sector
Director	Tsugio Sato	
Director	Haruko Hirose	Outside Director, Nikkiso Co., Ltd.
Director	Toru Suzuki	
Director	Yasushi Manabe	Executive Advisor, Yashima Denki Co., Ltd.
Audit & Supervisory Board Member (Fulltime)	Masamichi Mizukami	
Audit & Supervisory Board Member (Fulltime)	Kenji Inamasa	
Audit & Supervisory Board Member (Fulltime)	Go Watanabe	Outside Director, Mitsubishi HC Capital Inc.
Audit & Supervisory Board Member	Yasuomi Matsuyama	President in Nissay Culture Foundation President in Tokyo Opera City Cultural Foundation

Notes: 1. MGC has adopted the executive officer system.
2. Of the Directors, Mr. Ryozo Yamaguchi and of the Audit & Supervisory Board Members, Mr. Go Watanabe newly assumed their office as of June 28, 2022.
3. Of the Directors, Dr. Tsugio Sato, Ms. Haruko Hirose, Mr. Toru Suzuki and Mr. Yasushi Manabe are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
4. Of the Audit & Supervisory Board Members, Messrs. Go Watanabe and Yasuomi Matsuyama are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
5. Ms. Haruko Hirose is listed as above in her preferred name. Her name in the family register is Haruko Makinouchi.
6. Audit & Supervisory Board Member, Mr. Go Watanabe, possesses abundant experience at a financial institution and a manufacturing industry, etc., both in Japan and overseas, as well as insight and experience in general management as a manager, and also possesses a considerable degree of knowledge regarding finance and accounting.
7. Audit & Supervisory Board Member, Mr. Yasuomi Matsuyama, possesses years of experience at a financial institution, etc. as well as insight and experience in general management as a manager, and also possesses a considerable degree of knowledge regarding finance and accounting.
8. MGC has registered Directors, Dr. Tsugio Sato, Ms. Haruko Hirose, Mr. Toru Suzuki and Yasushi Manabe and Audit & Supervisory Board Members, Messrs. Go Watanabe and Yasuomi Matsuyama, as independent directors/auditors at Tokyo Stock Exchange, Inc.
9. There is no material business relation between MGC and the other companies, etc. in which Directors, Ms. Haruko Hirose, Mr. Yasushi Manabe and Audit & Supervisory Board Member, Messrs. Go Watanabe and Yasuomi Matsuyama, serve concurrently.
10. Corporate Officers who have retired during the current fiscal year are as follows:
Director Mr. Yasushi Kosaka
(Retired upon expiry of the term of office on June 28, 2022)
Audit & Supervisory Board Member (Fulltime) Mr. Takashi Kimura
(Retired upon resignation on June 28, 2022)
11. Effective from April 1, 2023, Responsibility at MGC and important current positions at other companies, etc. changed as follows.

Position	Name	Responsibility at MGC and Important current positions at other companies, etc.
Director	Masato Inari	—
Representative Director Senior Managing Executive Officer	Nobuhisa Ariyoshi	In charge of internal control & risk management, in charge of Administrative & Personnel Division, Finance & Accounting Division, Information Systems Division and Purchasing & Logistics Division
Director	Kenji Kato	—

(2) General Intent of Limitation of Liability Agreement

MGC has entered into a Limitation of Liability Agreement with each Outside Corporate Officers to limit their liabilities with respect to Article 423 Paragraph 1 of the Companies Act up to the amount stipulated by the law, based on Article 427 Paragraph 1 of said Act.

(3) General Intent of Directors & Officers Liability Insurance

MGC has entered into a directors and officers liability insurance policy with an insurance company pursuant to Article 430-3 Paragraph 1 of the Companies Act, with the insured parties thereto consisting of MGC's Directors, Audit & Supervisory Board Members, Executive Officers, important employees, outside dispatched officers and retired officers.

The insurance policy provides coverage for legal damages, litigation expenses and other such costs that may be incurred by an insured party if he or she becomes subject to a legal claim for damages filed by a shareholder, third-party or otherwise. However, the insurance policy does not provide coverage for damages caused by an insured party as a result of he or she having engaged in criminal acts or other such behavior.

MGC shall assume payment of the insurance policy premiums in full.

(Translation)

(4) Directors' and Audit &Supervisory Board members' Compensation

Classification	Amount of Compensation (Millions of yen)	Total Amount of Compensation by Type (Millions of yen)			Number of eligible people
		Basic	Performance-based	Restricted Stock	
Directors	523	338	147	37	13
Audit & Supervisory Board Member	87	87	—	—	5
Total	611	426	147	37	18
Outside Directors/Audit & Supervisory Board Members (Figures on the right are parts of the total amounts above.)	(75)	(75)	—	—	(7)

Note: 1. The amount of restricted stock compensation to Directors is that of the provision for restricted stock compensation (for nine Directors excluding Outside Directors) for the fiscal year under review.

2. Monetary compensation paid to Directors is to amount to within ¥600 million per annum, including reserved retirement benefits for each term of office (of which, the amount shall be within ¥50 million for Outside Directors who shall not be eligible for of the reserved retirement benefits), per resolution of the 91st Ordinary General Meeting of Shareholders held on June 26, 2018. The number of Directors upon conclusion of said General Meeting of Shareholders is 12 Directors (of whom, two are Outside Directors). Meanwhile, in a framework separate from the monetary compensation, compensation that involves granting restricted stock shall amount to within ¥100 million per annum (Outside Directors shall not be eligible for payment thereof), per resolution of the 91st Ordinary General Meeting of Shareholders held on June 26, 2018. The number of Directors (excluding Outside Directors) upon conclusion of said General Meeting of Shareholders is 10 Directors.

3. Having taken into account Compensation and Nominating Committee discussions involving Mr. Masashi Fujii, President and Representative Director, on compensation allocations, the Board of Directors deems the President most suitable for evaluating the respective Directors while enlisting a broad-based view of the MGC overall. The Board of Directors has accordingly decided to entrust Mr. Masashi Fujii with decisions on allocations of annual compensation for the respective Directors.

4. Indicators pertaining to performance-based compensation enlist a combination of ordinary income and ROIC with the aim of providing incentive with respect to corporate performance. Accordingly, ordinary income of ¥74,152 million and ROIC of 10.4% served actual results with respect to such indicators.

5. Monetary compensation paid to Audit & Supervisory Board Members is to amount to within ¥10 million per month, per resolution of the 80th Ordinary General Meeting of Shareholders held on June 28, 2007. The number of Audit & Supervisory Board Members upon conclusion of said General Meeting of Shareholders was 5 Audit & Supervisory Board Members.

6. Audit & Supervisory Board Members' compensation consists only of a basic compensation and is decided among the Audit & Supervisory Board Members within the amount stipulated by the General Meeting of Shareholders.

(5) Policies and Methods for Deciding Compensation and Other Benefits of Directors

MGC has determined policies on making decisions regarding compensation and other benefits for individual Directors, per resolution at its meeting of the Board of Directors held on February 17, 2021.

Having taken into account discussions regarding compensation and other benefits for individual Directors pertaining to the current fiscal year, subsequent to consultation with the Compensation and Nominating Committee with a majority of Outside Directors, the Board of Directors deems that such compensation and other benefits for individual Directors conforms with the methods for deciding details of compensation and other benefits and also conforms with such policies on details regarding compensation and other benefits that have been determined.

The policy on making decisions pertaining to compensation and other benefits for individual Directors is as follows.

Compensation for the MGC's Directors, excluding Outside Directors, consists of annual

compensation and restricted stock compensation.

The annual compensation consists of fixed basic compensation decided in accordance with each Director's position and duties, in conjunction with performance-based compensation based on various indicators of corporate performance. As for method payment, the eligible Directors receive annual compensation paid on a monthly basis, divided into monthly installments, a certain percentage of which is set aside each month as part of a reserved retirement benefit, which is paid to Directors upon their retirement. MGC may take action to reduce such amounts depending on a Director's performance and other grounds. The performance-based compensation is determined based on factors that include quantitative financial results and the extent to which targets have been achieved, using ordinary income and other such indicators, with the aim of furnishing incentive with respect to corporate performance. Moreover, performance-based compensation accounts for roughly 30% of annual compensation, which mainly consists of basic compensation. This is a suitable compensation mix given distinctive characteristics of MGC's business particularly in terms of its many years of monetizing respective businesses as a result of having engaged in various initiatives such as R&D, manufacturing process development, and market development.

The restricted stock compensation involves granting a certain volume of shares to Directors in alignment with their positions and duties, in a manner whereby compensation furnished for the sake of granting treasury shares is paid to the Directors each fiscal year on a lump-sum basis. Such shares are subject to transfer restrictions so that recipients are required maintain holdings for a certain period of time. This helps encourage a sense of shared value with shareholders and furthermore provides incentive for recipients to help achieve sustainable growth with respect to MGC's corporate value.

In addition to these forms of compensation, MGC may pay an amount considered appropriate as a bonus upon resolution of a General Meeting of Shareholders.

Compensation paid to Outside Directors who maintain positions of independence from business execution is limited to fixed amounts of basic compensation.

Total amounts of annual compensation for Directors shall be determined by the Board of Directors, subsequent to consultation with the Compensation and Nominating Committee and after having reviewed comprehensive factors such as corporate performance, world standards, and employee salary trends. With respect to compensation allocations on an individual basis, the Board of Directors has taken into account Compensation and Nominating Committee discussions involving the President on compensation allocations, and accordingly deems the President most suitable for evaluating the respective Directors while enlisting a broad-based view of the MGC overall in that regard.

The policy above shall be determined by the Board of Directors, subsequent to consultation with the Compensation and Nominating Committee with a majority of Outside Directors.

(6) Information Concerning Outside Corporate Officers

1) Relations between MGC and Other Companies in which Officers Concurrently Hold Important Positions.

The relations between MGC and other companies in which the outside corporate officers concurrently hold important positions are as described in (1).

(Translation)

2) Major Activities of Outside Corporate Officers

Outside Director	Attendance at Board of Directors Meeting	Major Activities
Tsugio Sato	12 of 12 meetings	Drawing on his highly advanced expertise in a wide field of study in chemicals such as inorganic materials chemistry and on his extensive experience holding prominent positions in various organizations, including universities and academic societies, Dr. Tsugio Sato adequately demonstrated management supervision functions by making comments as necessary at Board of Directors meetings and other important meetings subsequent to assuming office as Director from an external perspective to ensure appropriate and proper decision-making of MGC.
Haruko Hirose	12 of 12 meetings	Drawing on her experience overseas and insight as director at international organizations on a global scale, Ms. Haruko Hirose adequately demonstrated management supervision functions by making comments as necessary at Board of Directors meetings and other important meetings subsequent to assuming office as Director from an external perspective to ensure appropriate and proper decision-making of MGC.
Toru Suzuki	12 of 12 meetings	Drawing on his many years of experience and insight as a manager at a company operating on a global scale, Mr. Toru Suzuki adequately demonstrated management supervision functions by making comments as necessary at Board of Directors meetings and other important meetings subsequent to assuming office as Director from an external perspective to ensure appropriate and proper decision-making of MGC.
Yasushi Manabe	12 of 12 meetings	Drawing on his many years of experience and insight as a manager at a company operating on a global scale, Mr. Yasushi Manabe adequately demonstrated management supervision functions by making comments as necessary at Board of Directors meetings and other important meetings subsequent to assuming office as Director from an external perspective to ensure appropriate and proper decision-making of MGC.

(Translation)

Outside Audit & Supervisory Board Member	Attendance at Board of Directors Meeting	Attendance at Audit and Supervisory Board Meeting	Major Activities
Go Watanabe	9 of 9 meetings	9 of 9 meetings	Drawing on his experience with financial institutions and as a business manager, Mr. Go Watanabe asked questions and offered advice at Board of Directors meetings and other important meetings to ensure the appropriate execution of business from an outside perspective. Further, in compliance with audit policies stipulated by the Audit & Supervisory Board, Mr. Go Watanabe audited each division and office and carried out inspection of subsidiaries, etc., while adequately demonstrating audit functions as a Full-time Audit & Supervisory Board Member.
Yasuomi Matsuyama	12 of 12 meetings	14 of 14 meetings	Drawing on his experience with financial institutions and as a business manager, Mr. Yasuomi Matsuyama made comments from an external perspective to ensure appropriate decision making by the Board of Directors. Further, in compliance with audit policies stipulated by the Audit & Supervisory Board, Mr. Yasuomi Matsuyama discussed and exchanged views on important matters related to auditing, adequately demonstrating audit functions.

4. Information Concerning Independent Auditor

(1) Name of Independent Auditor

Crowe Toyo & Co.

(2) Independent Auditors' Fees in FY2022

1) Fee for the audit performed as stipulated in Article 2 Paragraph 1 of the Certified Public Accountants Law	¥74 million
2) Aggregate amount of cash and other monetary payments made by MGC and MGC's subsidiaries	¥111 million

Notes: 1. The fee for audit pursuant to the Companies Act and that for audit pursuant to the Financial Instruments and Exchange Act are not differentiated in the Audit Agreement between MGC and Independent Auditor. As such, the amount in 1) includes the amount of the fee and other payments for the audit due pursuant to the Financial Instruments and Exchange Act.

2. Of MGC's main subsidiaries, the financial statements of JSP Corporation and foreign subsidiaries are audited (as stipulated in the Companies Act or Financial Instruments and Exchange Act, including equivalent foreign laws and ordinances) by certified public accountants or accounting firms (including those with equivalent foreign certifications) other than MGC's Independent Auditor.

3. MGC and MGC's subsidiary entrusts agreed-upon procedural operations as duties other than duties prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act, and pay consideration to Independent Auditors.

4. The Audit & Supervisory Board agreed to the amount listed above in 1) after confirming the content

of the Independent Auditor's audit plan, quality management systems, the state of execution of audit, estimates of audit compensation, etc.

(3) Policy for Dismissal and Non-reappointment of independent Auditors

In the case that any of the items in Article 340, Paragraph 1 of the Companies Act apply to an Independent Auditor, that Independent Auditor's dismissal will be considered, and in the case that their dismissal is judged to be appropriate, the Audit & Supervisory Board will dismiss the Independent Auditor upon the consent of all Audit & Supervisory Board Members.

Also, in the case that the Audit & Supervisory Board recognizes that it has become difficult for the Independent Auditor to appropriately execute duties, or if otherwise judged necessary, the Audit & Supervisory Board will submit an agenda item regarding the dismissal or nonrenewal of the Independent Auditor to the General Meeting of Shareholders.

5. Resolution on Establishing Systems to Ensure Appropriate Business Operations

In following with the regulations of Article 362, Paragraph 4, Item 6 of the Companies Act, Paragraph 5 of the same Article, and Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, MGC resolved in the Board of Directors meeting with respect to systems to ensure appropriate business operations (Internal Control System). Additionally, the status of the maintenance and operation of internal controls is being reported to the Board of Directors on a yearly basis, and in addition to verifying and resolving upon the appropriateness of this resolution, the Board of Directors also deliberates and resolves upon a yearly policy and plans regarding the following year's maintenance and operation of internal controls. The content of internal control resolutions and operational status during fiscal 2022 are as follows.

(1) Content of Resolution on Systems to Ensure Appropriate Business Operations

① Systems for Ensuring Duties of Directors and Employees Are Executed in Compliance with Laws, Regulations, and Articles of Incorporation

1) MGC shall view compliance as broadly encompassing conformity with laws, regulations, Articles of Incorporation, and internal rules, as well as the conduct of fair, transparent, and free business based on an awareness of corporate responsibility to society, and shall establish MGC Corporate Behavior Guidelines, Compliance Rules, and MGC Group Code of Conduct.

2) Officer in charge of Compliance shall be appointed and a Compliance Committee chaired by said Officer shall be established as an organization directly under the President. Compliance Committee shall investigate compliance violations, and also discuss, formulate and make recommendation for corrective and preventive measures.

3) In order to ensure that MGC and its Group companies construct, maintain and operate internal controls appropriately MGC shall establish Basic Rules on Internal Control & Risk Management. Internal Control & Risk Management Committee shall be chaired by the officer in charge of Internal Control & Risk Management and shall be established as an organization directly under the President. In order to ensure its effectiveness Internal Control & Risk Management Committee shall cooperate with Compliance Committee and Internal Audit Division.

4) In order to detect compliance violations at MGC and respective companies of MGC group and take corrective measures promptly, Compliance Consultation Desk shall be established as a means of receiving internal reports from officers, employees, their families, contractors, business partners, and the like.

5) In order to eliminate anti-social forces, in addition to clarifying MGC group's firm stance against such forces in MGC Corporate Behavior Guidelines and MGC Group Code of Conduct, MGC shall promote its policies in each relevant department.

6) An Internal Audit Division shall be established to conduct internal audits pursuant to the Internal Audit Rules in addition to auditing by Audit & Supervisory Board Members and by Independent Auditors.

7) MGC shall issue MGC Compliance Handbook and distribute to officers and employees to ensure MGC group's understanding of the compliance, as well as cultivate awareness of compliance through education and training.

② Systems for Ensuring Efficient Execution of Duties by Directors

1) MGC shall separate the decision-making, supervision, and business execution functions of the management and implement the Executive Officer system for expeditious decision-making and business execution. At the same time, in the operating divisions to achieve efficient business management accountability for performance shall be clarified.

2) In order to make decisions on matters that have material effect on MGC based on multifaceted considerations, a Management Council shall be established to deliberate on management policies and an Operations Council shall be established to deliberate on specific execution plans.

3) Organization Regulations, Segregation of Duties Rules, and Rules Defining Extent of Authority shall be established to clarify the duties and authorities of Directors to ensure efficient and appropriate execution of duties.

4) Performance shall be monitored based on numerical targets clarified through the Group's medium-term management plan, annual budget, and the like.

③ System for Archiving and Managing Information on Execution of Duties by Directors

Information pertaining to the execution of duties by Directors shall be archived and managed in accordance with the Document Control Procedures and other internal rules.

④ Rules and Other Systems for Managing Risk of Loss

1) MGC shall establish Internal Control & Risk Management Rules in order to understand and appropriately manage business risks as MGC group.

2) Internal Control & Risk Management Committee shall identify the status of risk management and provide supervision and instructions on prioritizing risks and devising reduction measures.

3) Being a chemical manufacturer, MGC shall engage in responsible care (RC) activities as a voluntary undertaking to ensure environmental protection and safety through the life cycle of chemicals from production to disposal.

⑤ System for Ensuring Appropriate Execution of Business by MGC Group

While valuing the autonomous management of all Group companies and clarifying the managerial accountability of its Board of Directors, MGC has established the following systems that include

the maintenance of various regulations to ensure the appropriate execution of business within the MGC Group.
Also regarding the appropriate execution of business within the MGC Group, companies within the Group are controlled through methods including the assignment of officers and the exercise of voting rights as required of the nature of the business, degree of importance, etc.

- In addition to establishing departments responsible for items relating to Group management as well as divisions that supervise individual Group companies, regulations such as Rules on Subsidiaries and Affiliates are maintained and a reporting system is created in order to receive regular and emergency reports from each of the Group companies.

- Regarding Internal Audit Rules, Group companies are also subject to internal audits. Also, regarding Basic Rules on Internal Control & Risk Management, risk management conducted by Group companies are also subject to these rules, and instruction and education is carried out so that Group companies will maintain and improve appropriate risk management systems.

- MGC establishes MGC Corporate Behavior Guidelines and MGC Group Code of Conduct as basic policies for the entire Group and seeks from each Group company the maintenance of compliance structures that meet them. Also, MGC's Compliance Consultation Desk is also available to the officers and employees of each Group companies (including retirees), as well as their families, contractors, business partners, etc.

- Through medium-term management plan, annual budget, etc. of Group companies, MGC clarifies each company's performance goals and conducts performance management based on these goals. Regarding important business activities performed by Group companies, MGC's supervisory division ensures appropriate decision-making through management discussions, etc.

⑥ Systems for Ensuring Effective Auditing of Audit & Supervisory Board Members

1) Matters Related to Employees Assisting with Audit & Supervisory Board Members' Duties
Employees shall be assigned to assist Audit & Supervisory Board Members with their duties pursuant to consultations with Audit & Supervisory Board Members.

2) Matters Related to Independence from Directors of Employees Assisting with Audit & Supervisory Board Members' Duties
Employees assigned to assist with the duties of Audit & Supervisory Board Members shall engage full time in said assignment and shall not be subject to orders and instructions from Directors. The prior consent of the Audit & Supervisory Board is required for their transfer, appraisal, and disciplinary punishment.

3) Matters related to the ensuring of the effectiveness of orders given to employees who assist Audit & Supervisory Board Members in their duties
It is made clear that employees who assist Audit & Supervisory Board Members in their duties are to obey instructions given to them by Audit & Supervisory Board Members, and employees who possess the aptitude for such duties are nominated.

4) Matters Related to Reports from Directors and Employees to Audit & Supervisory Board Members
   i) In the event Directors or employees find violations of laws and regulations or facts and the like that may cause significant damage to MGC, they must report said violations, facts, and the like to the Audit & Supervisory Board Members in accordance with laws, regulations, Compliance

Rules, and other internal rules.

ii) Directors and employees must report regularly, and promptly in the case of important matters, on the execution status of business operations including internal control of MGC and supervised Group companies, risk management and implementation of compliance to the Audit & Supervisory Board Members, as well as promptly conduct investigations and provide reports in the event Audit & Supervisory Board Members request investigations and reports concerning these status.

iii) Directors, Audit & Supervisory Board Members, and employees of Group companies will, based on laws and regulations, quickly conduct surveys and deliver reports in the case that a report is demanded from Audit & Supervisory Board Members.

iv) Compliance Committee must promptly report to Audit & Supervisory Board Members the content of consultations and reports involving MGC or Group companies received through Compliance Consultation Desk.

5) Matters related to the treatment of individuals who make reports, etc. to Audit & Supervisory Board Members

Individuals responsible for aforementioned reports and surveys as well as those who work together with them, etc. shall not be subject to work reassignment, discrimination, or other unfavorable treatment as a result of that action, and knowledge of this prohibition will be made well-known.

6) Matters related costs, etc., resulting from the execution of Audit & Supervisory Board Members' duties

i) In order to defray costs that occur as the result of the execution of Audit & Supervisory Board Members' duties, an appropriate budget shall be established each fiscal year based on projected activities.

ii) If a request for prepayment or settling of accounts regarding costs necessary for the execution of Audit & Supervisory Board Members' duties is received, MGC shall promptly comply.

iii) Even in cases where costs incurred as the result of the execution of Audit & Supervisory Board Members' duties exceed the amount budgeted for each fiscal year, Audit & Supervisory Board Members and the related Directors shall meet and as a rule make considerations to respond to the necessity of those costs.

7) Other Systems for Ensuring Effective Auditing of Audit & Supervisory Board Members

i) Representative Directors shall arrange for regular exchange of views with Audit & Supervisory Board Members. Further, the Internal Audit Division and the Independent Auditor shall communicate and deliberate with Audit & Supervisory Board Members to ensure the effectiveness of Audit & Supervisory Board Members' operations.

ii) Audit & Supervisory Board Members may attend Board of Directors Meetings and other important meetings in order to understand the decision making status regarding important matters and the execution status of business operations, in addition to reviewing important documents and requesting explanations of Directors and employees on the execution of business operations.

iii) In the case that the Audit & Supervisory Board requests the use of independent external specialists, MGC shall bear those costs, excepting cases where their use is deemed not necessary to the execution of Audit & Supervisory Board Members' duties.

(Translation)

(2) Summary of Operational Status of Systems to Ensure Appropriate Business Operations

① Systems for Ensuring Duties of Directors and Employees Are Executed in Compliance with Laws, Regulations, and Articles of Incorporation

1) MGC seeks to conduct CSR activities and achieve thorough compliance, by emphasizing publication of the MGC Corporate Behavior Guidelines Directives for Corporate Actions, etc. by delivering it through the President's message.
2) Internal Control & Risk Management Committee met three times during the fiscal year under review, and deliberated the readiness and operational status of internal controls. Furthermore, after being approved by the Board of Directors, information concerning basic policies and plans relating to internal controls deliberated by the Committee is spread to MGC officers, employees, and all Group Companies.
3) Compliance Committee met two times during the fiscal year under review, deliberated specific items. The Compliance Consultation Desk, in addition to the internal desk, has had an external desk established as well, in order to lower the hurdle in making reports. Additionally, in the fiscal year under review, in light of the revision of the Whistleblower Protection Act, the provisions and operation of the Compliance Consultation Desk have been revised.
4) Internal audits are performed based on audit plan, and measures are undertaken to maintain the proper performance of duties. Items designated by internal audits are responded to within timeframes established by the audited division.
5) To eliminate anti-social forces, in addition to the creation of a response manual and spreading information internally, when entering into contracts with outside parties, MGC seeks a pledge that the party is not an anti-social force, and contracts can be nullified, etc. if it is later determined that the party is an anti-social force.

② Systems for Ensuring Efficient Execution of Duties by Directors.

1) MGC is working to reinforce the management execution system and strengthen its governance through clearly defining the functions and responsibilities of management, by placing an Executive Officer system that makes prompt decision-making possible, and allows the Board of Directors to concentrate on making decisions on the most important business matters and conduct supervision over business execution.
   Regarding matters that have material effect on MGC, decisions are made via considerations through multifaceted deliberations at a Management Council that deliberates on management policies and at an Operations Council that deliberates on specific execution plans, and the advice of attorneys and other professionals is received as needed.
2) Based on the medium-term management plan and annual budget, performance is regularly monitored.
3) Duties and authorities of Directors, officers and employees are reviewed on a yearly basis to work toward ensuring efficient and appropriate execution of duties.

③ System for Archiving and Managing Information on Execution of Duties by Directors

Information pertaining to the execution of duties by Directors is archived and managed in accordance with the Document Control Procedures and other internal rules through the creation of management registers and their archival for an established length of time.

④ Rules and Other Systems for Managing Risk of Loss

1) Standards, Operational Rules, etc. have been established under Basic Rules on Internal Control & Risk Management as systems to manage risk during ordinary periods and emergencies. Additionally, as mentioned previously, Internal Control & Risk Management Committee met three

times during the fiscal year under review, providing supervision and instructions on the status of risk management.
In addition, to prepare for the COVID-19, the Crisis Countermeasures Headquarters was established continuingly based on Internal Control & Risk Management regulations, and we have taken measures to prevent infection, such as executing work from home at head office, various infection prevention measures at plants, etc.

2) In addition to voluntary responsible care (RC) activities, in accordance with policies established at environmental safety meetings attended by all Directors, MGC strives to protect the environment and maintain safety, and continuously repeats the PDCA cycle for the protection of the environment and maintenance of safety, including confirming the progress of activities with internal audits.

⑤ System for Ensuring Appropriate Execution of Business by MGC Group

1) Based on regulations such as Rules on Subsidiaries and Affiliates, Group companies are managed through supervisory divisions, and regular reports on management status, etc. are received from Group companies. Additionally, a reporting system has been created for times of emergency. While a medium-term management plan and annual budget that include Group companies are formulated and performance management is being conducted, MGC aims to ensure appropriate decision-making through the assignment of officers, etc.
2) To ensure the appropriate execution of business within MGC Group companies and enhance risk management, the Internal Audit Division systematically conducts internal audits at major Group companies, and through a supervisory division Internal Control & Risk Management Committee strives to maintain and enhance each Group company's risk management system. Additionally, MGC states that the Compliance Consultation Desk is available for use by all individuals involved in the Company Group's business activities.

⑥ Systems for Ensuring Effective Auditing of Audit & Supervisory Board Members

1) Aside from attending meetings of the Board of Directors, Executive Officers, and other important committees, Audit & Supervisory Board Members exchange opinions with Representative Directors and the Board of Directors, receives reports on business execution from each department, and periodically conducts onsite audits of key subsidiaries. Furthermore, Audit & Supervisory Board Members strive to enhance the effectiveness of audits, including by working together and exchanging opinions with Independent Auditor and Internal Audit Division.
2) Through various committees related to Internal Control & Risk Management and Compliance, reports are provided to Audit & Supervisory Board Members, on the status of control, etc. Also, consultations and reports discussed with Compliance Consultation Desk are quickly reported, and it has come to be well understood that unfavorable treatment of individuals who make reports is prohibited.
3) Staff dedicated to audit functions based on instructions from Audit & Supervisory Board Members are placed, and all costs required for business activity audits are defrayed.

6. Policy on Appropriation of Retained Earnings, etc.

The MGC Group places the improvement of corporate value as a challenge on the management of the greatest importance. Based on the view that the improvement of corporate value will lead to the benefits of all stakeholders including shareholders, the MGC Group takes into consideration investment and lending plans, financial health, and future business trends in order to realize future business growth, and works to achieve a balanced allotment of retained earnings and returns to shareholders. Retained earnings are allotted to be used as investment and lending funds for business expansion and growth and to strengthen the corporate structure. Regarding dividends, the decision to

continue steady dividends is made taking into account trends in business results, while working to improve capital efficiency and enhance returns to shareholders through implementing flexible purchase of treasury shares in consideration of the levels of retained earnings and shareholder return, while MGC has set a total payout ratio of 40% as a target for medium-term shareholder returns.
The year-end dividend payout for fiscal 2022 was ¥40. Since the interim dividend payout was ¥40, the annual dividend for fiscal 2022 is ¥80 per share, the same amount as the previous fiscal year, which resulted in 33.5% of dividend payout ratio on a consolidated basis.

Regarding dividends for the next fiscal year, the interim dividend is planned to be ¥40 per share, while the year-end dividend is planned to be ¥40 per share.

(Translation)

Consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Account item	Amount	Account item	Amount
(Assets)		(Liabilities)	
Total current assets	483,249	Total current liabilities	220,442
Cash and deposits	108,378	Notes and accounts payable-trade	88,342
Notes and accounts receivable-trade, and contract assets	176,626	Short-term borrowings	47,913
Securities	93	Accrued expenses	23,413
Merchandise and finished goods	89,367	Lease obligations	1,074
Work in process	22,331	Income taxes payable	5,274
Raw materials and supplies	66,444	Provision for bonuses	6,220
Other	20,775	Provision for bonuses for directors (and other officers)	32
Allowance for doubtful accounts	△767	Provision for business restructuring	421
Total non-current assets	546,068	Other provisions	40
Property, plant and equipment	313,767	Asset retirement obligations	39
Buildings and structures, net	102,143	Other	47,670
Machinery, equipment and vehicles, net	87,890	Total non-current liabilities	137,625
Land	43,843	Bonds payable	20,000
Lease assets, net	4,379	Long-term borrowings	74,680
Construction in progress	66,467	Lease obligations	3,276
Other	9,042	Deferred tax liabilities	12,514
Total Intangible assets	11,980	Provision for retirement benefits for directors (and other officers)	279
Goodwill	4,425	Provision for environment measures	23
Lease assets	34	Provision for business restructuring	2,499
Software	3,479	Provision for loss on business of subsidiaries and associates	59
Other	4,041	Other provision	521
Total investments and other assets	220,320	Retirement benefit liability	4,453
Investments securities	200,101	Asset retirement obligations	5,272
Long-term loans receivable	8,184	Other	14,044
Deferred tax assets	3,863	Total liabilities	358,068
Retirement benefit asset	1,387	(Net assets)	
Other	8,706	Total shareholders' equity	573,852
Allowance for doubtful accounts	△1,922	Share capital	41,970
		Capital surplus	34,293
		Retained earnings	521,426
		Treasury shares	△23,838
		Total accumulated other comprehensive income	33,760
		Valuation difference on available-for-sale securities	8,950
		Deferred gains or losses on hedges	110
		Foreign currency translation adjustments	22,894
		Remeasurements of defined benefit plans	1,805
		Non-controlling interests	63,636
		Total net assets	671,249
Total assets	1,029,317	Total liabilities and net assets	1,029,317

(Translation)

Consolidated Statement of Income

(From April 1, 2022 to March 31, 2023) (Millions of yen)

Account item	Amount	
Net sales		781,211
Cost of sales		613,031
Gross profit		168,179
Selling, general and administrative expenses		119,149
Operating income		49,030
Non-operating income		
Interest and dividend income	4,179	
Share of profit of entities accounted for using equity method	17,546	
Other	5,479	27,205
Non-operating expenses		
Interest expenses	1,745	
Other	4,725	6,470
Ordinary proft		69,764
Extraordinary income		
Gain on sales of investment securities	3,732	
Compensation income	649	
Gain on recovery of money transfer scam at subsidiary	215	
Insurance claim income	151	
Reversal of provision for loss on business of subsidiaries and associates	128	4,876
Extraordinary loss		
Impairment loss	1,128	
Loss on disposal of non-current assets	872	
Provision for business restructuring	870	
Loss on valuation of shares of subsidiaries and associates	846	
Provision of allowance for doubtful accounts	410	
Land maintenance expenses	275	4,402
Profit before income taxes		70,239
Income taxes-current	13,831	
Income taxes-deferred	1,619	15,450
Profit		54,788
Profit attributable to non-controlling interests		5,703
Profit attributable to owners of parent		49,085

(Translation)

Non-consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Account item	Amount	Account item	Amount
(Assets)		(Liabilities)	
Total current assets	319,822	Total current liabilities	166,915
Cash and deposits	51,278	Electronically recorded obligations-operating	188
Notes and accounts receivable-trade, and contract assets	108,902	Accounts payable-trade	49,653
Merchandise and finished goods	44,301	Short-term borrowings	59,231
Work in process	17,140	Commercial papers	20,000
Raw materials and supplies	40,791	Lease obligations	94
Prepaid expenses	1,658	Accrued payable-other	8,819
Short-term loans receivable	43,819	Income taxes payable	813
Accounts receivable-other	7,428	Accrued expenses	19,416
Other	5,419	Deposits received	382
Allowance for doubtful accounts	△918	Provision for bonuses	3,054
Total noncurrent assets	264,613	Provision for business structure improvement	350
Total property, plant and equipment	120,040	Asset retirement obligations	39
Buildings, net	24,961	Other	4,872
Structures, net	13,009	Total non-current liabilities	85,597
Machinery and equipment, net	33,629	Bonds payable	20,000
Vehicles, net	34	Long-term borrowings	51,000
Tools and appliances, net	4,814	Lease obligations	91
Land	19,100	Provision for retirement benefits	2,903
Lease assets, net	173	Provision for business structure improvement	2,390
Construction in progress	24,317	Provision for loss on business of subsidiaries and associates	59
Total intangible assets	1,828	Asset retirement obligations	3,660
Patent right	37	Deferred tax liabilities	3,816
Software	1,773	Other	1,675
Other	16	Total liabilities	252,513
Total investments and other assets	142,744	(Net assets)	
Investments securities	26,786	Total shareholders' equity	323,859
Stocks and investments in capital of subsidiaries and affiliates	106,334	Share capital	41,970
Long-term loans receivable	9,177	Total capital surpluses	35,668
Long-term prepaid expenses	503	Legal Capital surplus	35,668
Other	1,252	Total earned surpluses	270,058
Allowance for doubtful accounts	△1,309	Legal retained earnings	6,999
		Other retained earnings	263,059
		Reserve for mine prospecting	2,240
		Reserve for tax purpose reduction entry of non-current assets	2,762
		General reserve	76,500
		Retained earnings brought forward	181,556
		Treasury shares	△23,838
		Total valuation and translation adjustments	8,063
		Valuation difference on available-for-sale securities	8,063
		Total net assets	331,922
Total assets	584,435	Total liabilities and net assets	584,435

(Translation)

Non-consolidated Statement of Income

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

Account item	Amount	
Net sales		439,525
Cost of Sales		368,664
Gross profit		70,861
Selling, general and administrative expenses		51,716
Operating profit		19,144
Non-operating income		
Interest and dividend income	22,304	
Other	4,414	26,718
Non-operating expenses		
Interest expenses	626	
Other	4,708	5,334
Ordinary income		40,528
Extraordinary income		
Gain on sale of investment securities	3,732	
Reversal of provision for loss on business of subsidiaries and associates	128	3,860
Extraordinary loss		
Provision for business restructuring	690	
Loss on disposal of non-current assets	541	
Provision of allowance for doubtful accounts	410	
Loss on valuation of shares of subsidiaries and associates	347	
Impairment losses	312	2,302
Profit before income taxes		42,086
Income taxes-current	5,078	
Income taxes-deferred	△362	4,715
Net income		37,371

Independent Auditors' Audit Report on Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

May 18, 2023

To: The Board of Directors
Mitsubishi Gas Chemical Company, Inc.

Crowe Toyo & Co.
Tokyo Office

Wataru Kobayashi, CPA
Designated Partner,
Engagement Partner

Hiroaki Izawa, CPA
Designated Partner,
Engagement Partner

Takayuki Kawakubo, CPA
Designated Partner,
Engagement Partner

Opinion

We have audited the consolidated financial statements of namely, the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to consolidated financial statements of Mitsubishi Gas Chemical Co., Inc. (the Company) from April 1, 2022 to March 31, 2023, in accordance with paragraph 4, Article 444 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and consolidated subsidiaries and the results of its operations for the period covered thereby in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

Other information refers to the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Directors in the establishment and operation of the Group's reporting process for other information.

Other information is not included in the scope of our opinion on the consolidated financial statements, and we express no opinion on it.

Our responsibility with respect to the audit of the consolidated financial statements is to read through other information and, in this process, to consider whether any material differences exist between other information and the consolidated financial statements or knowledge we have gained through the auditing process; also, to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

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

Our responsibility is 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 express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or

collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Translation)

Independent Auditors' Audit Report

INDEPENDENT AUDITORS' REPORT

May 18, 2023

To: The Board of Directors
Mitsubishi Gas Chemical Company, Inc.

Crowe Toyo & Co.
Tokyo Office

Wataru Kobayashi, CPA
Designated Partner,
Engagement Partner

Hiroaki Izawa, CPA
Designated Partner,
Engagement Partner

Takayuki Kawakubo, CPA
Designated Partner,
Engagement Partner

Opinion

We have audited the financial statements of namely, the balance sheet, the statement of income, the statement of changes in net assets, the notes to financial statements and the supporting schedules (the financial statements and the accompanying supplementary schedules) of Mitsubishi Gas Chemical Co., Inc. (the Company) for the 96th business year from April 1, 2022 to March 31, 2023, in accordance with item 1, paragraph 2, Article 436 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

Other information refers to the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Directors in the establishment and operation of the Group's reporting process for other information.

Other information is not included in the scope of our opinion on the financial statements and the accompanying supplementary schedules, and we express no opinion on it.

Our responsibility with respect to the audit of the financial statements and the accompanying supplementary schedules is to read through other information and, in this process, to consider whether any material differences exist between other information and the financial statements and the accompanying supplementary schedules, or knowledge we have gained through the auditing process; also, to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the

financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act

(Translation)

Audit & Supervisory Board's Audit Report

AUDIT REPORT

We, the Audit & Supervisory Board, deliberated and prepared this audit report as follows on the execution of duties by MGC Directors during the 96th business term from April 1, 2022 to March 31, 2023, based on the audit report prepared by each Audit & Supervisory Board Member:

1. Method and Description of Audit by Audit & Supervisory Board Members and Audit by Audit & Supervisory Board
   (1) We determined the audit policy, audit duty assignments and the like, received reports from each Audit & Supervisory Board Member on individual audit status and results, received reports from the Directors and Independent Auditor on the status of the execution of their duties, and requested explanation as necessary.
   (2) Each Audit & Supervisory Board Member conducted the audit by following method as well as we made efforts to collect information and enhance the auditing environment by communicating with the Directors, each department, Internal Audit Division, other employees, and others in accordance with the Audit & Supervisory Board Members' Audit Standards, audit policy, audit duties, and the like as determined by the Audit & Supervisory Board. Implementation of the initial audit plan involved making use of an online meeting platform for certain aspects of the audit to avoid transmission of COVID-19.
      i) We attended the Board of Directors' Meetings and other important meetings, received reports from Directors, employees and others on the status of execution of their duties, requested explanation as necessary, examined important decision-rendering documents and other documents, and investigated the state of activities and assets at the head office and principal business offices. With respect to subsidiaries, we communicated and exchanged information with the division controlling each subsidiary in MGC, the directors and Audit & Supervisory Board Members of subsidiaries, requested business reports therefrom as necessary, and investigate the state of activities and assets.
      ii) With respect to the contents of resolutions of the Board of Directors regarding the development of systems necessary to ensure that the execution of duties by directors complies with laws and regulations and the articles of incorporation, and other systems prescribed by Article 100, paragraph 1 and 3 of Ordinance for Enforcement of the Companies Act as systems necessary to ensure the properness of operations of group of enterprises consisting of stock company and its subsidiaries, and the systems developed based on such resolutions (internal control systems), as stated in the business report, we periodically received reports from the Directors, employees and others, requested explanations as necessary and made opinions, regarding the readiness and operational status of such systems.
      iii) We monitored and verified that the Independent Auditor maintained its independence and performed its auditing duties adequately, as well as received reports from the Independent Auditor on the performance status of its duties and requested explanations as necessary. We received a notice from the Independent Auditors to the effect that structures for ensuring that duties are appropriately performed (matters stipulated in the items under Article 131 of the Regulations on Corporate Accounting) were being improved pursuant to Quality Management Standards for Auditing (October 28, 2005; Business Accounting Council) and requested explanations as necessary.

The business report and its supplementary schedules for this business term, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement on changes in net assets and notes to non-consolidated financial statements), their supplementary schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement on changes in net assets and notes to the consolidated financial statements) for this business term were examined based on the foregoing method.

2. Results of Audit
   (1) Audit Result of Business Report, etc.
      i) The business report and its supporting schedules are recognized as correctly presenting the state of MGC in accordance with the laws, regulations and the Articles of Incorporation.
      ii) No dishonest acts or material violations of laws, regulations or the Articles of Incorporation were recognized in connection with the performance by Directors of their duties.
      iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control

(Translation)

systems are appropriate. We also acknowledge that in terms of the readiness and operation of said systems, continuous improvements are being made and therefore, did not find any matter to be mentioned regarding such internal control systems.

(2) Audit Result of Non-Consolidated Financial Statements and Their Supplementary Schedule
We are of the opinion that the method and results of the audit performed by the Independent Auditor, Crowe Toyo & Co., are appropriate.

(3) Audit Result of Consolidated Financial Statements
We are of the opinion that the method and results of the audit performed by the Independent Auditor, Crowe Toyo & Co., are appropriate.

May 25, 2023

Mitsubishi Gas Chemical Company, Inc. Audit & Supervisory Board

Audit & Supervisory Board Member (full-time)
Masamichi Mizukami

Audit & Supervisory Board Member (full-time)
Kenji Inamasa

Audit & Supervisory Board Member (full-time)
(Outside Audit & Supervisory Board Member)
Go Watanabe

Outside Audit & Supervisory Board Member
Yasuomi Natsuyama

- END -