November 10, 2025
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Notice Regarding the Disposal of Treasury Shares as Restricted Stock Compensation for Employees' Shareholding Association

Mitsubishi Gas Chemical Company, Inc. (MGC) hereby announces its decision, based on a resolution passed at its Board of Directors meeting held today, to dispose of treasury shares (hereinafter the "Treasury Share Disposal" or simply "Disposal"). These treasury shares are set to be allocated to the MGC Employees' Shareholding Association (hereinafter the "Shareholding Association") as part of MGC's restricted stock compensation system (hereinafter the "System"). Details follow.

1. Outline of the Disposal

(1)	Disposal date	April 30, 2026
(2)	Class and number of shares to be disposed	278,810 shares of common stock of the Company (note)
(3)	Disposal price	2,888 yen per share
(4)	Total value of shares to be disposed	805,203,280 yen (note)
(5)	Method of disposal (Planned allottee)	On the premise that the Shareholding Association applies for the acquisition of shares through third-party allotment, treasury shares shall be allocated to said association in the number it applies for. The number of shares to be allocated will be within the number of shares to be disposed of as presented in (2) above. (Essentially, the number of shares to be allocated will be equal to the number of shares to be disposed.) MGC Employees' Shareholding Association: 278,810 shares In addition, the Company shall not accept an application from each individual recipient employee (as defined below) for the partial acquisition of shares to be allocated.
(6)	Other	The Company filed an extraordinary report regarding the Treasury Share Disposal in accordance with the Financial Instruments and Exchange Act.

Note: The number of shares to be disposed and the total value of shares to be disposed are being calculated on an assumption that these shares are granted as restricted stock to the maximum number of MGC employees (3,047) who are eligible to benefit from the System. The actual number of shares to be disposed and the actual total value of shares to be disposed will be finalized after the completion of in-house promotional campaigns aimed at encouraging the enrollment of employees who have yet to join the Shareholding Association as well as the confirmation of association members' consent to the System. Specifically, the above number and value will be determined in accordance with the number of MGC employees (a maximum of 3,047) who expressed their consent with the System (hereinafter the "Recipient

Employees") upon the completion of the aforementioned procedures as well as the number of shares to be granted per individual based on employee categories defined by the Company (employees certified under the MOS grade: a maximum of 936 individuals, with a total of 131,040 shares to be granted; other employees: a maximum of 2,111 individuals, with a total of 147,770 shares to be granted). As the number of shares applied for by the Shareholding Association will be equal to the number of shares to be disposed (see (5) above), the total value of shares to be disposed can be calculated by multiplying per-share disposal price by the number of shares said association ultimately applies for.

2. Purpose of and Reasons for the Disposal

Based on a resolution passed at its Board of Directors meeting held today, the Company decided to introduce the System as part of measures to promote the welfare of Recipient Employees among members of the Shareholding Association. Specifically, the purpose of this decision is to provide Recipient Employees with opportunities to acquire common stock issued or disposed of by the Company as restricted stock through their membership in the Shareholding Association. This will, in turn, help Recipient Employees secure a vehicle for asset building while further aligning their interests with MGC shareholders. An overview of the System is as described below.

Overview of the System

Under the System, the Company will provide Recipient Employees with special incentives in the form of monetary receivables (hereinafter the "Special Incentives") to be collected in exchange for the granting of restricted stock. Recipient Employees will contribute these special incentives to the Shareholding Association, which will then hand them over to the Company as in-kind contribution. This will enable the Shareholding Association to receive the allotment of common stock issued or disposed of by the Company as restricted stock.

When the Company newly issues or disposes of its common stock under the System, the per-share compensation amount of monetary receivables to be paid for such stock will be based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the resolution of the Board of Directors related to such issuance or disposal or, if no trading was reported on that day, the closing price on the immediately preceding trading day. In this way, the Company's Board of Directors will determine this compensation amount within a range that is not particularly favorable to the Shareholding Association (and ultimately, to Recipient Employees).

In issuing and disposing of common stock under the System, the Company will conclude a restricted stock allocation agreement with the Shareholding Association. This agreement will cover two points:

(1) During a certain period, common shares allocated shall not be transferred to a third party, nor shall these shares be used as collateral or otherwise disposed of (hereinafter "Transfer Restriction").

(2) If and when certain events occur, MGC shall acquire such allocated shares free of charge.

In addition, the Special Incentives shall be furnished to Recipient Employees on the premise that the above agreement is signed between the Company and the Shareholding Association.

Until the Transfer Restriction is lifted, Recipient Employees who are granted ownership of restricted stock in accordance with the value of monetary receivables contributed to the Shareholding Association shall be restricted from withdrawing their holdings of such restricted stock (hereinafter the "Holdings of Restricted

Stock" or "Holdings of RS") based on the Shareholding Association Rules and the Detailed Regulations established by the Shareholding Association (hereinafter "Shareholding Association Rules, etc.").*

* The Shareholding Association is currently planning to pass a resolution at its Governing Board Meeting with regard to the revision of the Shareholding Association Rules, etc. to align such rules with the System prior to receiving the allocation of treasury shares to be disposed. This meeting will be swiftly convened after a resolution by MGC's Board of Directors regarding the Treasury Share Disposal.

In the course of the Treasury Share Disposal, the Shareholding Association, which is the planned allottee, will follow this System to pay in all of the Special Incentives contributed by Recipient Employees as contributed assets so that it can receive the allocation of MGC common shares to be disposed of (hereinafter the "Allocated Shares"). The outline of the restricted stock allocation agreement (hereinafter the "Allocation Agreement") to be signed between the Company and the Shareholding Association in connection with the Treasury Share Disposal is as described in "3. Outline of the Allocation Agreement" below. Although the number of shares to be disposed of through the Treasury Share Disposal is expected to be finalized at a later date as described in the note in 1. above, it is projected that 278,810 shares could be disposed of should all MGC employees who are eligible to benefit from the System (a maximum of 3,047) enroll in the Shareholding Association and consent to the System. If treasury shares are disposed of in the number presented above, the dilution ratio of shares upon the Treasury Share Disposal will be 0.13% vis-à-vis the total number of shares outstanding (211,686,599 shares) as of June 30, 2025, while the dilution ratio of voting rights is expected to amount to 0.14% vis-à-vis the total number of voting rights (1,943,626 voting rights)as of the same date. (Please note that these percentage figures are rounded to the second decimal place.)

As part of measures to promote the welfare of Recipient Employees, the Introduction of the System is intended to provide them with opportunities to acquire common stock issued or disposed of by the Company as restricted stock through their membership in the Shareholding Association. This will, in turn, help Recipient Employees secure a vehicle for asset building while further aligning their interests with MGC shareholders. Accordingly, the Company expects the System to contribute to the enhancement of its corporate value and has concluded that the number of shares to be disposed of through the Treasury Share Disposal is reasonable, as is the resulting dilution of its shares. Taking this dilution into account, the Company considers the impact of the Treasury Share Disposal on the stock market to be insignificant.

The Treasury Share Disposal will be executed on the condition that the revised Shareholding Association Rules, etc., come into effect by the day before the disposal date, and that the Allocation Agreement is signed between the Company and the Shareholding Association within a prescribed period.

3. Outline of the Allocation Agreement

(1) Transfer Restriction Period

From April 30, 2026 (hereinafter the "Disposal Date") to the date of resignation of each Recipient Employee from their position at the Company or its subsidiary and the resulting loss of their membership in the Shareholding Association (hereinafter the "Transfer Restriction Period").

(2) Conditions for the Removal of Transfer Restriction

Upon the lapse of the Transfer Restriction Period, the Transfer Restriction shall be lifted for all the number of Allocated Shares owned by the Recipient Employee in accordance with the number of his/her holdings of restricted stock when he/she satisfies the following conditions: 1) Constantly holding membership in the Shareholding Association during the Transfer Restriction Period before he/she reaches the mandatory retirement age; 2) Reaching age 55 when the Transfer Restriction Period lapses; and 3) Having served at the Company for 10 years or longer.

(3) Treatment of Recipient Employees Quitting the Shareholding Association
When a Recipient Employee withdraws his/her membership in the Shareholding Association during the Transfer Restriction Period due to such justifiable reasons as reaching the retirement age, the lapse of the re-employment period, and assuming an officer or other key position, the Company will lift the Transfer Restriction for the entire number of Allocated Shares owned by the Recipient Employee in accordance with his/her holdings of restricted stock as of the date the application filed by this Recipient Employee for withdrawal is accepted by the Shareholding Association (when the Recipient Employee losses association membership for other reasons, the date of the loss of association membership; when the Recipient Employee's membership is revoked due to his/her death, the date of death. Hereinafter, the "Acceptance Date of the Withdrawal Application"). The removal of the Transfer Restriction will be executed on the day said application for withdrawal is accepted. In addition, the justifiable reasons described above also include assuming an officer or other key position or being seconded to a Group company after the filing of the securities report by the Company in connection with the fiscal year to which the Disposal Date belongs (or when the Disposal Date was within six months of the beginning of such fiscal year, after the filing of the interim report), as well as other private reasons outside duty-related circumstances that can be considered unavoidable. Moreover, the withdrawal of association membership not only refers to the filing of application for withdrawal of membership but also includes the loss of association membership for other reasons, such as the revocation of membership due to death.

(4) Gratis Acquisition by the Company
If a Recipient Employee is found to be involved in the violation of laws and regulations during the Transfer Restriction Period or falls into other similar conditions stipulated in the Allocation Agreement, the Company shall acquire, as a matter of course, all the Allocated Shares owned by the Recipient Employee in accordance with his/her holdings of restricted stock at that time, without consideration. In addition, the Company shall, as a matter of course, acquire the Allocated Shares that still remain under the Transfer Restriction when the Transfer Restriction Period expires or the Transfer Restriction is lifted in accordance with above (2) or (3), without consideration.

(5) Management of Shares
During the Transfer Restriction Period, the Allocated Shares shall be managed using dedicated accounts to be opened by the Shareholding Association at Nomura Securities Co., Ltd. in order to prevent their transfer, use as collateral or other disposition during such period. In accordance with the Shareholding Association Rules, etc., the Shareholding Association will also register and manage Recipient Employees' holdings of restricted stock by clearly setting such stock apart from other portion of their shareholdings as association members (hereinafter the "Regular Shareholdings").

(6) Treatment of Allocated Shares upon the Reorganization of and Other Changes in MGC
The Company may lift the Transfer Restriction on a set number of Allocated Shares based on a resolution

passed by its Board of Directors if, during the Transfer Restriction Period, approval is given by the General Meeting of Shareholders (or Board of Directors, if the approval of the General Meeting of Shareholders is not required) to 1) a merger agreement that designates MGC as the non-surviving company; 2) a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary of another company; 3) or any other measures related to reorganization and/or other changes to the Company. This lifting of the Transfer Restriction will be executed immediately prior to the business day before such reorganization measures take effect, thereby permitting the transfer of all the Allocated Shares owned by Recipient Employees in accordance with their holdings of restricted stock within the Allocated Shares held by the Shareholding Association as of the date of such approval.

4. Basis for and Detail of the Calculation of Disposal Price

The Treasury Share Disposal, which aims to allocate shares to the Shareholding Association, the planned allottee, involves the contribution of Special Incentives, which will be granted to Recipient Employees to enable them to acquire restricted stock, as contributed assets. The disposal price is set at 2,888 yen per share, which coincides the closing price of MGC common stock on the Prime Market of the Tokyo Stock Exchange on November 7, 2025 (the business day prior to the date of the relevant resolution passed by the Bord of Directors), with the aim of eliminating arbitrariness from the pricing process. This price reflects the market price immediately prior the date of the relevant resolution passed by the Board of Directors and, accordingly, is considered reasonable and not particularly favorable to the planned allottee.

In addition, the above disposal price's deviation rate vis-à-vis the average closing price of MGC common stock recorded on the Prime Market of the Tokyo Stock Exchange over the course of the following periods is as described below (figures are rounded to the second decimal place).

Period	Average Closing Price (rounded to the nearest yen)	Deviation Rate
1-month period (from October 8 to November 7, 2025)	2,851 yen	1.30%
3-month period (from August 8 to November 7,2025)	2,732 yen	5.71%
6-month period (from May 8 to November 7,2025)	2,510 yen	15.06%

All five Audit & Supervisory Board Members (including three outside members) who attended the Board of Directors meeting held today have concluded that the above disposal price is not particularly favorable to the planned allottee, as they understood that the purpose of the Treasury Share Disposal is to introduce the System, while the disposal price reflects the closing price of MGC common stock recorded on the Prime Market of the Tokyo Stock Exchange on the business day prior to the date of the relevant resolution passed by the Board of Directors. Accordingly, these Audit & Supervisory Board Members have issued an opinion confirming the validity of the disposal price.

5. Matters related to Procedures Stipulated in Code of Corporate Conduct

The Treasury Share Disposal does not require that opinions be obtained from independent third-parties or that the intentions of existing shareholders be confirmed because, as stipulated in Article 432 of the Regulations for Listed Securities established by the Tokyo Stock Exchange, 1) the dilution ratio falls short of 25% and 2) there will be no resulting change in controlling shareholders.

Reference:

Mechanisms of the System

(1) The Company provides MGC employees who joined the Shareholding Association and expressed their consent with the System (hereinafter "Recipient Employees") with monetary receivables in the form of Special Incentives to enable them to acquire restricted stock.

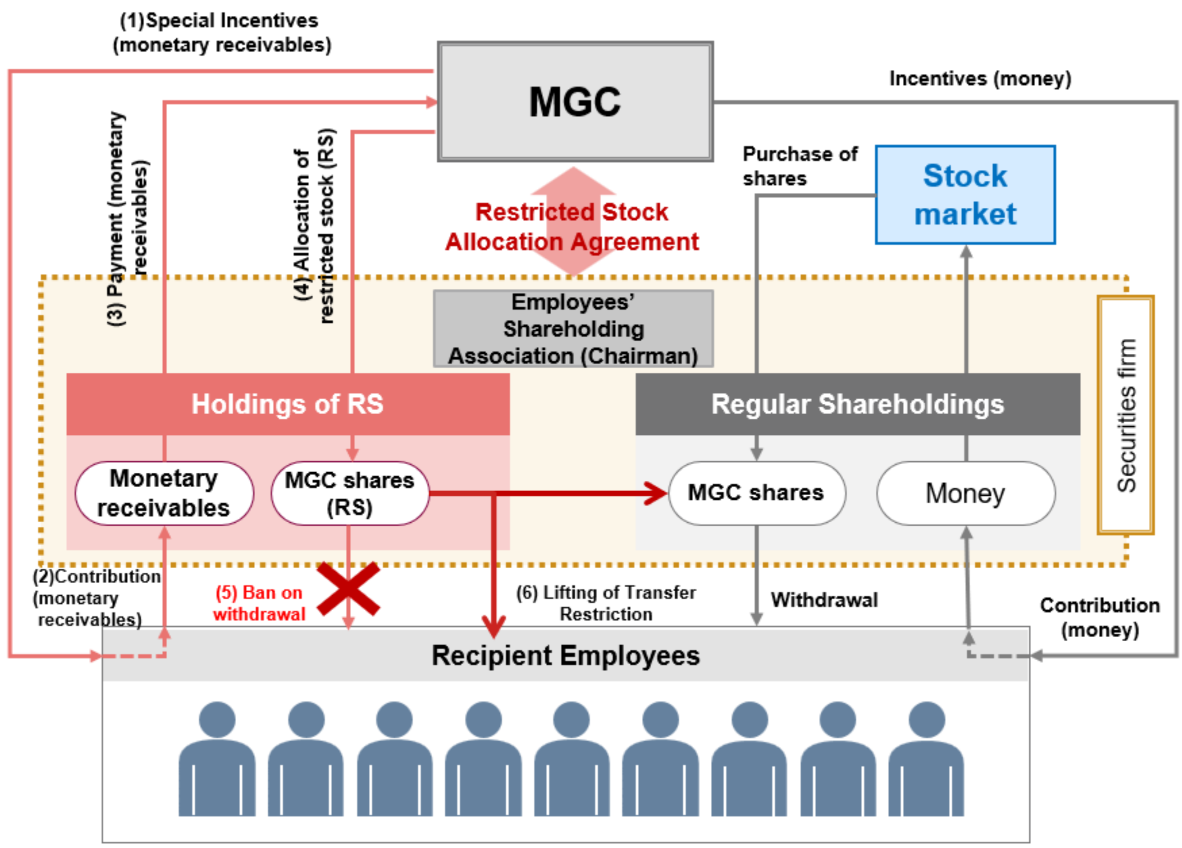
(2) The Recipient Employees contribute monetary receivables granted in (1) above to the Shareholding Association.

(3) The monetary receivables contributed in (2) above are collected by the Shareholding Association and paid to the Company.

(4) The Company allocates the Allocated Shares to the Shareholding Association as restricted stock (hereinafter presented as "RS" in the diagram below).

(5) The Allocated Shares are deposited in a dedicated account opened by the Shareholding Association at a securities firm, with their withdrawal restricted during the Transfer Restriction Period.

(6) After the Transfer Restriction is lifted, the Allocated Shares are transferred to Regular Shareholdings or private securities accounts of Recipient Employees.



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