



Corporate Report

2021

To be an excellent company that creates value to share with society and leads social change



We are pleased to
announce that we
have celebrated our
50th anniversary.

Mitsubishi Gas Chemical is an R&D-oriented chemical manufacturer with diverse operations, producing everything from basic chemicals that sustain industries to specialty chemicals that directly connect with user needs. For five decades we have contributed to positive change in industry and society by responding to customer needs and social issues arising with the changing times, combining our unique technologies and production-floor creativity to continuously deliver new value.

2021 is a milestone year for MGC, marking our 50th anniversary. We would like to express our sincere gratitude to all our stakeholders, from shareholders to loyal customers, business partners who have supported us in various ways, members of our local communities, and all Group employees, who consistently strive to do more.

We predict that our next 50 years will be both more complex and more uncertain. Consequently, we must continue to pursue new value that can help address social issues worldwide with prospects for a greater future. We hope to continue growing as a strong corporate group that can flexibly respond to environmental change.

Maintain your high expectations of us as an excellent company with uniqueness and presence, as we pursue our mission to create value to share with society.

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Editorial Policy

Corporate Report 2021 is structured around our medium- and long-term growth strategies under the basic policy of presenting initiatives for continuously increasing corporate value, from a comprehensive perspective. In producing this report we established a company-wide system under the leadership of the CSR & IR Division to compile and share information, and worked to provide a broad variety of quality content that we hope will help our diverse stakeholders deepen their understanding of the MGC Group.

Reporting Period

April 1, 2020–March 31, 2021 (fiscal 2020)

Note: Some activities taking place before or immediately after the fiscal year are also noted.

Report Scope

Mitsubishi Gas Chemical Company, Inc. and the MGC Group

Note: Where the scope of reporting differs, it is noted in the data.

In Charge of Publishing

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Director, Managing Executive Officer
in charge of CSR & IR Division










Published

October 2021

Disclaimer

Plans, goals, and other forward-looking statements included in this report are determined based on information available to MGC as of the end of the consolidated fiscal year under review, as well as on certain assumptions MGC has judged to be reasonable, and may include uncertainties. Actual results may differ significantly from these forward-looking statements due to a variety of factors.

Information Disclosure

	Financial	Non-Financial
 This report	 Corporate Report 2021 Offers a straightforward description of the management strategies designed to achieve the MGC Group Mission of creating value to share with society, with the perspective of a comprehensive report bringing together information on MGC's Medium-Term Management Plan, medium- and long-term growth strategies, and CSR/ESG information, as well as financial information and other data. https://www.mgc.co.jp/eng/corporate/report.html 	
 Website  Details (latest)	 Investor Information Contains releases of the latest financial information and stock and shareholder information. https://www.mgc.co.jp/eng/ir/ 	 CSR Information Introduces the MGC-Group's thinking, initiatives, and detailed data relating to CSR/ESG. https://www.mgc.co.jp/eng/csr/ 

MISSION

Creating value to share with society

Our Purpose

Advanced electronic devices, communication systems, fossil-alternative energy, advanced medicine, and food management. To these industries, which hold the keys to achieving our sustainable development goals (SDGs), the evolution of materials and technologies to process ingredients is essential. Through chemical ingredients and materials, MGC Group products are deeply involved in both industrial and social innovation. Always bearing in mind our mission to create value to share with society, we will pursue new materials, ingredients, and related technologies that can transform society.

Value Created by the MGC Group

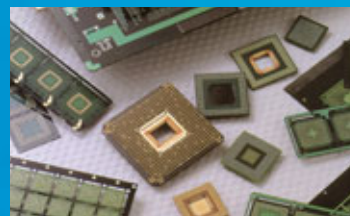
Contributing to the Development of an ICT/Mobility Society

We are assisting with progress in ICT by developing and supplying BT materials for IC plastic packaging, super-pure hydrogen peroxide (used in cleaning electronics), and optical polymers used for smartphone lenses. In the mobility business, we offer lines of products that facilitate CASE*¹ progress, such as engineering plastics and foamed plastics that help make vehicles lighter. By creating new businesses and products, we offer value essential to digital innovation and the mobility revolution.

*1 Connected, Autonomous, Shared & Services, and Electric

Main Products

- BT materials for IC plastic packaging
- Super-pure hydrogen peroxide
- Optical polymers (lupizeta™ EP)
- Polycarbonates
- Polyacetals
- Foamed plastics



Solving Energy and Climate Change Problems

Taking advantage of our many years of experience developing natural-gas fields and producing methanol, we are working to commercialize our carbon-negative*² technology. We are concentrating effort on R&D related to methanol synthesis from CO₂ as well as on CO₂ capture, utilization and storage (CCUS). We plan to contribute to addressing issues related to energy and climate change by means only possible for a chemicals company, such as using methanol and ammonia as a hydrogen carrier, geothermal energy generation, which no other company in the chemicals industry is doing, and materials development to help extend the life of wind energy-generation equipment.

*2 State in which greenhouse-gas absorption is greater than emissions of same in business operations

Main Products

- Methanol
- Ammonia
- Geothermal energy
- Direct methanol fuel cells (DMFC)
- Meta-xylenediamine (MXDA)
- 1,3-Bis (Aminomethyl) cyclohexane (1,3-BAC)



Solving Medical and Food Problems

In response to global population growth and the accelerating aging of populations, the MGC Group develops and supplies lines of products that help advance preventive and predictive medicine as well as enhance medical productivity. To address food-related challenges, in 1977 we began marketing an oxygen absorber that extends the storage life of foods, and have been improving it for over 40 years. Taking full advantage of the management resources of the Group, we will continue to develop advanced technologies to help extend healthy life expectancy and support sustainable food management.

Main Products

- AGELESS™ (oxygen absorber for food)
- PharmaKeep™ (oxygen absorber for medical use)
- OXYCAPT™ (plastic syringes and vials)
- Antibody drugs
- Pyrroloquinoline quinone (PQQ)
- MX nylon





VISION

An excellent company with uniqueness and presence built on chemistry

Pursue Distinction

Often called the staple of all industries, chemistry has limitless potential for application to human life, environmental preservation and social infrastructure. In our modern world of accelerating social change, the MGC Group offers global niche lines of products while honing its unique strengths. The Group rises to the challenges of society and our customers, applying unrivaled technologies. The vision of “an excellent company with uniqueness and presence built on chemistry” is nothing less than the ideal future we are working to build.

MGC Group Strengths

Over **90%**

Products based on technologies developed in-house
(by product category)

The MGC Group has been growing as a manufacturer by putting effort into developing and improving original technologies. The creation of unrivaled technologies that give us a competitive edge over others was passed down to us from our two predecessors. Embedded in our corporate DNA, it is our greatest strength. We are still developing over 90% of our products on our own. We have built our own technological platform that can be used for researcher-initiated R&D and other ventures. Our potential derives from a cornucopia of core technologies that can be combined, expanding without limit.

About **110**

Number of product lines

We offer a broad array of products, from basic chemicals to finished products that are familiar in our daily lives. They are arranged in roughly 110 lines, and many enjoy market leadership worldwide, including meta-xylenediamine, used for synthetic resins and hardeners. A highly efficient product chain, from natural resources to materials and then to derivatives, is one of our sources of competitive advantage. We continually metabolize our business portfolio to quickly respond to market trends and changes in customer needs.

59%

Overseas net sales ratio

We are also consistent in our policy of pursuing originality in our operations abroad. As early as the 1980s we took note of the procurement advantages of natural resources abroad and entered into Saudi Arabia, a leading natural-gas producer. Since then, we have accelerated our methanol and hydrogen peroxide operations abroad, among others. We have also expanded production sites where the resources are, globally enhancing our sales power. In 2014 our overseas net sales exceeded 50% of total sales.

About **100**

Number of research themes

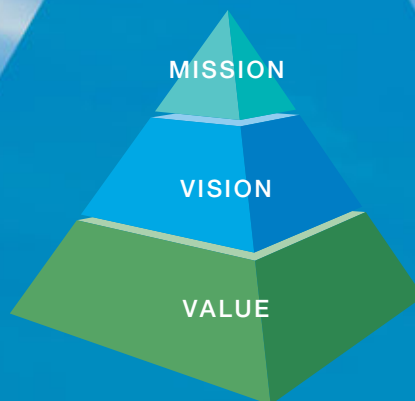
MGC selects its R&D themes from its priority fields, specifically the target domains of the Medium-Term Management Plan and those of our CSR challenges, taking into consideration their growth potential and compatibility with our corporate characteristics. Today, we decide the priority order for roughly 100 research titles using objective assessment indices and focus R&D resources on them accordingly. We work for long-term growth with systems designed to sharpen our alertness to market changes and help commercialize R&D results in a timely manner.

8,998
(147)

Number of Group employees
(number of Group companies)

Autonomous individuals are our most important management resource. We share this philosophy across the Group, which is why we succeed in creating new value, applying viewpoints and ideas that no others in the industry have. We create “chemical reactions” among our people by respecting the originality of each employee and giving them broad discretion, leading to the development of innovative technologies and products. We work to be a strong and flexible corporate group, striking a balance between the personal value of each employee and overall optimization.

MGC Way



Mission ——— Creating value to share with society

Vision ——— An excellent company with uniqueness and presence built on chemistry

Value ——— Principles of Conduct

As a Professional Group:

1. Courage that does not shy away from change
2. Aim for lofty goals
3. Perseverance in achieving goals
4. Build team spirit with communication

MGC Corporate Behavior Guidelines, CSR Basic Policy

Pursuing the MGC Way

In drawing up our vision for MGC in 2050, we reviewed who we are, where we come from, where we are headed and why we are here. Through that process, we reconfirmed our purpose and what we want to be, which we summarized into a simple new philosophy we call the MGC Way. We announced it both within and outside the company in 2021 as we celebrated our 50th anniversary, along with our new Medium-Term Management Plan.

MGC's History

1971~

Founding of MGC

In 1971, Japan Gas Chemical Co., Inc. and Mitsubishi Edogawa Chemical Co., Ltd. merged on equal terms to become Mitsubishi Gas Chemical Company, Inc. The main purpose of the merger was to build a system combining the strengths of the two companies and promote R&D investment and capital expenditures to maintain competitive advantage for the long term.

1980~

Response to change

Responding to changes in industrial structure, such as developments in information and communication technology, we began promoting internationalization and enhancement of the earnings foundation of our businesses. While conducting a program of large-scale investment to meet the growth in demand for our products, we put effort into reinforcing our financial health following a dip in earnings as a result of stronger competition with foreign companies.

2000~

Introduction of internal-company system and enhancement of global production

We introduced the internal-company system in response to intensifying global competition. We established a system to allow each internal company to make investment decisions quickly at its own discretion within its investment limits. This improved Group financial soundness and accelerated our business. While withdrawing from nonperforming businesses, we proceeded further with globalization.

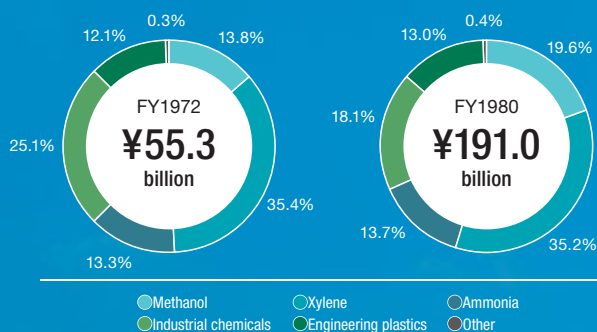
2020~

Shift to overall optimization and promotion of CSR management

In 2020 we ended our internal-company system and began organizational reforms aimed at overall optimization. In May 2021, we announced our new Medium-Term Management Plan. We will implement groupwide initiatives to achieve the two objectives we announced: to shift to a profit structure that is resilient to changes in the business environment, and to balance social and economic value.

Net sales trends / Net sales Breakdown

Note: Business segments and details may change for each fiscal year.



Global Operations

In a corporate culture that encourages the challenger spirit, we conduct overseas business under an original strategy, applying the production and operation technologies that we develop. In 1980, MGC began entering emerging countries ahead of other Japanese corporations, and subsequently established one joint venture after another with local partners. We contribute to the growth of local economies through technology transfers and operator training to maintain stable production.

1980

Saudi Arabia
(Methanol)



Japan's first large-scale project in the Middle East

1987

Indonesia
(Hydrogen peroxide)



Responding to intensifying international competition, MGC is the first Japanese chemicals company to enter Indonesia

1995

Thailand
(Engineering plastics)



Joint ventures with local companies for polycarbonate and polyacetal

2006

Brunei
(Methanol)



Established a methanol manufacturing hub for the rapidly growing Asian market

2020

Trinidad and Tobago
(Methanol)



One of the biggest investments made by a Japanese company in the country