

Annual Securities Report

(Report in accordance with Article 24, paragraph (1) of the Financial Instruments and Exchange Act)
The 98th Business Term
(from April 1, 2024 to March 31, 2025)

mitsubishi gas chemical company,
inc.

5-2 Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan

(E00815)

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Independent Auditors' Report

Internal Control Report

[Cover]

[Document title]	Annual Securities Report
[Clause of stipulation]	Article 24, paragraph (1) of the Financial Instruments and Exchange Act
[Place of filing]	Director-General of the Kanto Local Finance Bureau
[Filing date]	June 24, 2025
[Fiscal year]	The 98th business term (from April 1, 2024 to March 31, 2025)
[Company name]	三菱瓦斯化学株式会社 (<i>Mitsubishi Gas Kagaku Kabushiki Kaisha</i>)
[Company name in English]	MITSUBISHI GAS CHEMICAL COMPANY, INC.
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[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

Part I. Company Information

I. Overview of the Company

1. Trends in key financial indicators

(1) Consolidated financial indicators

Fiscal year		FY2020	FY2021	FY2022	FY2023	FY2024
Fiscal year ended		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net sales	(Millions of yen)	595,718	705,656	781,211	813,417	773,591
Ordinary profit	(Millions of yen)	50,240	74,152	69,764	46,040	60,316
Profit attributable to owners of parent	(Millions of yen)	36,070	48,295	49,085	38,818	45,544
Comprehensive income	(Millions of yen)	53,101	66,232	69,751	87,753	48,229
Net assets	(Millions of yen)	581,411	630,887	671,249	684,832	697,375
Total assets	(Millions of yen)	836,364	928,651	1,029,317	1,068,010	1,119,688
Net assets per share	(Yen)	2,520.34	2,733.86	2,970.07	3,284.96	3,431.90
Basic earnings per share	(Yen)	173.41	232.15	239.08	190.97	228.93
Diluted earnings per share	(Yen)	—	—	—	—	—
Equity ratio	(%)	62.68	61.25	59.03	61.59	59.68
Return on equity	(%)	7.09	8.84	8.35	6.14	6.87
Price earnings ratio	(Times)	15.65	8.96	8.21	13.56	10.16
Cash flows from operating activities	(Millions of yen)	55,464	52,090	55,222	73,473	75,440
Cash flows from investing activities	(Millions of yen)	(40,370)	(64,954)	(64,071)	(76,172)	(90,994)
Cash flows from financing activities	(Millions of yen)	5,154	(3,666)	7,996	(40,689)	4,707
Cash and cash equivalents at end of period	(Millions of yen)	91,075	92,257	101,185	65,397	56,985
Number of employees	(Persons)	8,998	9,888	10,050	7,918	8,146

- Notes:
- Information on diluted earnings per share is omitted due to an absence of potential shares.
 - Since the beginning of FY2021, the Company applies the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., and key financial indicators for FY2021 onward are those after applying the accounting standard, etc.

(2) Financial indicators of reporting company

Fiscal year		FY2020	FY2021	FY2022	FY2023	FY2024
Fiscal year ended		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net sales	(Millions of yen)	344,898	427,927	439,525	400,848	432,839
Ordinary profit	(Millions of yen)	26,443	46,116	40,528	37,561	36,575
Profit	(Millions of yen)	23,966	35,812	37,371	31,730	34,894
Share capital	(Millions of yen)	41,970	41,970	41,970	41,970	41,970
Total number of issued shares	(Thousands of shares)	225,739	225,739	222,239	217,239	211,686
Net assets	(Millions of yen)	306,478	323,002	331,922	343,671	343,691
Total assets	(Millions of yen)	469,634	529,631	584,435	609,326	604,746
Net assets per share	(Yen)	1,473.36	1,552.56	1,622.47	1,716.39	1,765.15
Dividends per share	(Yen)	70.00	80.00	80.00	80.00	95.00
[Interim dividends per share]		(35.00)	(45.00)	(40.00)	(40.00)	(45.00)
Basic earnings per share	(Yen)	115.22	172.15	182.03	156.09	175.40
Diluted earnings per share	(Yen)	—	—	—	—	—
Equity ratio	(%)	65.26	60.99	56.79	56.40	56.83
Return on equity	(%)	8.02	11.38	11.41	9.39	10.15
Price earnings ratio	(Times)	23.56	12.09	10.78	16.59	13.26
Dividend payout ratio	(%)	60.75	46.47	43.95	51.25	54.16
Number of employees	(Persons)	2,427	2,461	2,448	2,486	2,523
Total shareholder return	(%)	236.7	189.7	186.5	246.6	232.2
[Comparison benchmark: Dividend-included TOPIX]	(%)	(142.1)	(145.0)	(153.4)	(216.8)	(213.4)
Highest share price	(Yen)	2,858	2,823	2,234	2,685.5	3,370
Lowest share price	(Yen)	1,108	1,842	1,766	1,899	2,131

- Notes:
1. Information on diluted earnings per share is omitted due to an absence of potential shares.
 2. The highest and lowest share prices are those quoted on the Tokyo Stock Exchange Prime Market on or after April 4, 2022, and on the Tokyo Stock Exchange 1st Section before April 4, 2022.
 3. Since the beginning of FY2021, the Company applies the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., and key financial indicators for FY2021 onward are those after applying the accounting standard, etc.

2. History

April 1951	Established Nippon Gas Chemical Industry Co., Ltd. with the aim of engaging in natural gas chemical industry
September 1952	Began operations at the methanol production facilities of the Enoki Plant (production ceased in December 1974)
February 1954	Listed on the Tokyo Stock Exchange
April 1957	Absorbed Japan Urea Industry Co., Ltd., and began operations as the Matsuhama Plant (currently Niigata Plant)
May 1960	Began operations at the Mizushima Plant of Japan Resin Chemical Industry Co., Ltd. (currently the Mizushima Plant)
January 1962	Established Japan Styrene Paper Co., Ltd (currently JSP Corporation, an entity accounted for using equity method)
January 1968	Began operations of a xylene separation and isomerization unit developed by the Company at the Mizushima Plant
October 1971	Merged with Mitsubishi Edogawa Chemical Co., Ltd. and renamed Mitsubishi Gas Chemical Company, Inc.
October 1978	Began operations at Kashima Plant, started manufacturing hydrogen peroxide
November 1979	Established Japan Saudi Arabia Methanol Co., Inc. (currently an entity accounted for using equity method)
October 1982	Established Mitsubishi Gas Chemical Singapore Pte. Ltd. (currently a consolidated subsidiary)
June 1983	Began operations at Japan Saudi Arabia Methanol Co., Inc. for the Saudi Methanol Project promoted mainly by the Company
October 1984	Established Mitsubishi Gas Chemical America, Inc. (currently a consolidated subsidiary)
March 1991	Established Electrotechno Co., Ltd. (currently MGC Electrotechno Co., Ltd., a consolidated subsidiary)
March 1992	Metanol de Oriente, Metor, S.A. (currently an equity method affiliate) established as a joint venture with local capital and Mitsubishi Corporation
March 1994	Mitsubishi Engineering-Plastics Corporation (currently a consolidated subsidiary) established as a joint venture with Mitsubishi Kasei Corporation (currently Mitsubishi Chemical Corporation)
January 1995	Established MGC Pure Chemicals America, Inc. (currently a consolidated subsidiary)
July 1995	Established Thai Polyacetal Co., Ltd. as a joint venture with local capital (currently a consolidated subsidiary)
July 2000	In-house company system established
June 2003	Adopted the Executive Officer system
October 2005	Established MGC Filsheet Co., Ltd. (currently a consolidated subsidiary) by integrating Osaka Plant with Fuji Kasei Co., Ltd.
March 2006	Established BRUNEI METHANOL CO., SDN. BHD. (currently an equity-method affiliate) in joint venture with local capital and Itochu Corporation
August 2009	Established LingYou Engineering-Plastics (Shanghai) Co., Ltd. (currently Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd., a consolidated subsidiary)
January 2012	Established MGC Electrotechno (Thailand) Co., Ltd. (currently a consolidated subsidiary)
March 2013	Established Caribbean Gas Chemical Limited
July 2018	Established Mitsubishi Gas Chemical Trading, Inc. (currently a consolidated subsidiary)
December 2018	Established Taixing MGC Lingsu Co., Ltd. (currently a consolidated subsidiary)
April 2020	Restructured and integrated corporate and company divisions into six divisions
April 2022	Transitioned from the 1st Section of the Tokyo Stock Exchange to the Prime Market following the market segment review

3. Description of business

The Group (the Company and its affiliates) consists of the Company (Mitsubishi Gas Chemical Company, Inc.), 85 subsidiaries and 31 affiliates, and the business activities of the Group and the positioning of the Company and its affiliates in relation to these businesses are as described below.

The following business segments are the same as those described in “V. Financial Information, 1. Consolidated financial statements, and other information (1) Consolidated financial statements - Notes (Segment Information, etc.).”

The reportable segment operations previously classified as “Basic Chemicals” were renamed “Green Energy & Chemicals” in the fiscal year ended March 31, 2025. Details are as described in “V. Financial Information, 1. Consolidated financial statements and other information - Notes (Segment Information, etc.).”

Green Energy & Chemicals Business Sector

Mainly produces and sells methanol, chemical products for methanol and ammonia, life science products, general aromatic products, specialty aromatic products, foaming plastics and electric power.

Major subsidiaries and associates

MITSUBISHI GAS CHEMICAL NEXT COMPANY, INC., MGC Terminal Co., Inc., Toho Earthtech, Inc., MGC Specialty Chemicals Netherlands B.V., Mitsubishi Gas Chemical Trading, Inc., Mitsubishi Gas Chemical Singapore Pte. Ltd., Mitsubishi Gas Chemical America, Inc., MGC Energy Co., Ltd., MGC Woodchem Corporation, Kokuka Sangyo Co., Ltd., Japan Saudi Arabia Methanol Co., Inc., Metanol de Oriente, Metor, S.A., Brunei Methanol Company Sdn. Bhd., Japan Trinidad Methanol Company, Inc., Yuzawa Geothermal Power Corporation, JSP Corporation, Appi Geothermal Energy Corporation

Specialty Chemicals Business Sector

Mainly produces and sells inorganic chemicals, plastic lens monomer, engineering plastics, electronic materials and oxygen absorbers.

Major subsidiaries and associates

Taixing MGC Lingsu Co., Ltd., Samyoung Pure Chemicals Co., Ltd., MGC Pure Chemicals America, Inc., MGC Pure Chemicals Singapore Pte. Ltd., MGC Pure Chemicals Taiwan, Inc., MGC Filsheet Co., Ltd., Global Polyacetal Co., Ltd., Thai Polyacetal Co., Ltd., Korea Polyacetal Co., Ltd., Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd., Mitsubishi Gas Chemical Trading, Inc., Mitsubishi Gas Chemical Singapore Pte. Ltd., Mitsubishi Gas Chemical America, Inc., MGC Electrotechno Co., Ltd., MGC Electrotechno (Thailand) Co., Ltd., Eiwa Chemical Industry Co., Ltd., Mitsubishi Engineering-Plastics Corporation, Thai Polycarbonate Co., Ltd., Ageless (Thailand) Co., Ltd., Korea Engineering Plastics Co., Ltd., Otsuka-MGC Chemical Company, Inc., Ryoden Kasei Co., Ltd., Tai Hong Circuit Industrial Co., Ltd., Granopt Co., Ltd., Samyang Kasei Co., Ltd.

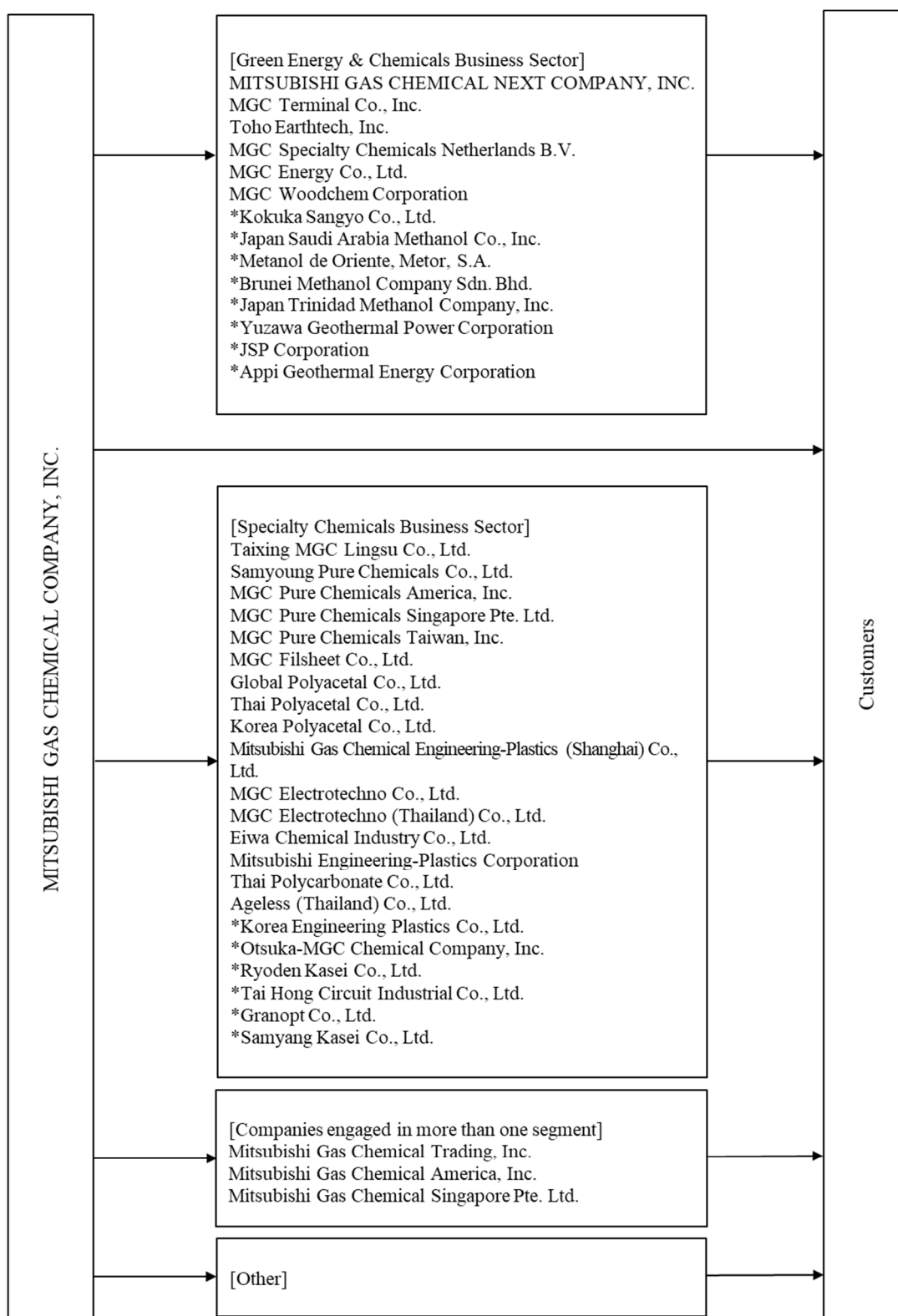
Other

Includes purchase and sales, etc., which are not included in the above businesses.

Note: Affiliates engaged in more than one segment are included in each segment.

Group business organization chart

The above-mentioned matters are shown in the following business organization chart.



Notes: 1. Only major subsidiaries and associates are listed.

Unmarked: Consolidated subsidiaries *: Entities accounted for using equity method

2. The arrows denote sale of products, purchase of raw materials, supply of manufacturing technology and/or provision of services.

4. Overview of subsidiaries and associates

Consolidated subsidiaries

Name	Address	Share capital (Millions of yen)	Principal business	Ratio of voting rights held (%)	Relationship
MITSUBISHI GAS CHEMICAL NEXT COMPANY, INC.	Minato-ku, Tokyo	274	Green Energy & Chemicals	100.0	Customer for the Company's products (raw materials for organic synthesis products and paint resin raw materials) Interlocking officers
MGC Terminal Co., Inc.	Chiyoda-ku, Tokyo	100	Green Energy & Chemicals	100.0 [14.2]	Storage services, etc. for the Company's products Interlocking officers
Toho Earthtech, Inc.	Niigata-shi, Niigata	240	Green Energy & Chemicals	50.3	Interlocking officers
MGC Specialty Chemicals Netherlands B.V. (Note 5)	Rotterdam, The Netherlands	(Thousands of Euro) 20,000	Green Energy & Chemicals	100.0	Manufacture of the Company's products (MXDA) Interlocking officers
MGC Energy Co., Ltd.	Chiyoda-ku, Tokyo	5	Green Energy & Chemicals	100.0	Purchase and sales of the Company's products (electric power) Interlocking officers
MGC Woodchem Corporation	Chiyoda-ku, Tokyo	480	Green Energy & Chemicals	100.0	Customer for the Company's products (methanol and formalin) Interlocking officers
Taixing MGC Lingsu Co., Ltd. (Note 5)	Jiangsu, China	(Thousands of RMB) 334,256	Specialty Chemicals	100.0	Provision of the Company's hydrogen peroxide production technology Interlocking officers
Samyoung Pure Chemicals Co., Ltd.	Cheonan, Korea	(Millions of KRW) 3,500	Specialty Chemicals	51.0	Provision of the Company's production technology for ultra-pure hydrogen peroxide Interlocking officers
MGC Pure Chemicals America, Inc. (Note 5)	Arizona, U.S.A.	(Thousands of USD) 214,084	Specialty Chemicals	100.0 [5.3]	Provision of the Company's production technology for ultra-pure hydrogen peroxide Interlocking officers
MGC Pure Chemicals Singapore Pte. Ltd.	Singapore	(Thousands of USD) 7,106	Specialty Chemicals	100.0 [5.2]	Provision of the Company's production technology for ultra-pure hydrogen peroxide Interlocking officers
MGC Pure Chemicals Taiwan, Inc.	Taichung, Taiwan	(Millions of NTD) 80	Specialty Chemicals	100.0	Provision of the Company's production technology for ultra-pure hydrogen peroxide Interlocking officers
MGC Filsheet Co., Ltd.	Tokorozawa-shi, Saitama	50	Specialty Chemicals	100.0 [45.4]	Manufacture of the Company's products (polycarbonate sheets/films) Interlocking officers
Global Polyacetal Co., Ltd.	Minato-ku, Tokyo	301	Specialty Chemicals	100.0	Interlocking officers
Thai Polyacetal Co., Ltd.	Bangkok, Thailand	(Millions of THB) 840	Specialty Chemicals	70.0 [70.0]	Interlocking officers
Korea Polyacetal Co., Ltd.	Seoul, Korea	(Millions of KRW) 3,560	Specialty Chemicals	100.0 [100.0]	Interlocking officers
Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd. (Note 5)	Shanghai, China	(Thousands of RMB) 2,072,661	Specialty Chemicals	100.0	Provision of the Company's production technology for polycarbonate resin Interlocking officers

Name	Address	Share capital (Millions of yen)	Principal business	Ratio of voting rights held (%)	Relationship
MGC Electrotechno Co., Ltd. (Note 5)	Chiyoda-ku, Tokyo	500	Specialty Chemicals	100.0	Manufacture of the Company's products (materials for printed wiring boards) Interlocking officers
MGC Electrotechno (Thailand) Co., Ltd.	Rayong Province, Thailand	(Millions of THB) 710	Specialty Chemicals	100.0 [100.0]	Manufacture of the Company's products (materials for printed wiring boards) Interlocking officers
Eiwa Chemical Industry Co., Ltd.	Kyoto-shi, Kyoto	420	Specialty Chemicals	91.0	Interlocking officers
Mitsubishi Engineering-Plastics Corporation	Minato-ku, Tokyo	3,000	Specialty Chemicals	75.0	Customer for the Company's products (synthetic resins) Interlocking officers
Thai Polycarbonate Co., Ltd. (Note 5)	Bangkok, Thailand	(Millions of THB) 1,000	Specialty Chemicals	65.0 [60.0]	Provision of the Company's production technology for polycarbonate resin Interlocking officers
Ageless (Thailand) Co., Ltd.	Chonburi, Thailand	(Millions of THB) 250	Specialty Chemicals	100.0	Manufacture of the Company's products (oxygen absorbers) Interlocking officers
Mitsubishi Gas Chemical Trading, Inc. (Note 5)	Chiyoda-ku, Tokyo	210	Green Energy & Chemicals/ Specialty Chemicals	100.0	Purchase and sales, etc. of the Company's products Interlocking officers
Mitsubishi Gas Chemical Singapore Pte. Ltd.	Singapore	(Thousands of USD) 1,161	Green Energy & Chemicals/ Specialty Chemicals	100.0	Purchase and sales of the Company's products (methanol, etc.) Interlocking officers
Mitsubishi Gas Chemical America, Inc.	New York, U.S.A.	(Thousands of USD) 1,084	Green Energy & Chemicals/ Specialty Chemicals	100.0	Purchase and sales of the Company's products (methanol, etc.) Interlocking officers
Other 20 companies					

Entities accounted for using equity method

Name	Address	Share capital (Millions of yen)	Principal business	Ratio of voting rights held (%)	Relationship
Kokuka Sangyo Co., Ltd.	Minato-ku, Tokyo	100	Green Energy & Chemicals	50.0	Marine transportation of the Company's products Interlocking officers
Japan Saudi Arabia Methanol Co., Inc.	Chiyoda-ku, Tokyo	2,310	Green Energy & Chemicals	47.4	Import of the Company's products (methanol) Investment in and finance for foreign manufacturing companies Interlocking officers
Metanol de Oriente, Metor, S.A.	Anzoategui, Venezuela	(Thousands of USD) 134,689	Green Energy & Chemicals	25.0	Manufacture of the Company's products (methanol) Interlocking officers
Brunei Methanol Company Sdn. Bhd.	Belait District, Brunei	(Thousands of USD) 189,400	Green Energy & Chemicals	50.0	Manufacture of the Company's products (methanol) Interlocking officers
Japan Trinidad Methanol Company, Inc.	Chiyoda-ku, Tokyo	12,035	Green Energy & Chemicals	50.0	Investment in and finance for foreign manufacturing companies Interlocking officers
Yuzawa Geothermal Power Corporation	Yuzawa-shi, Akita	3,802	Green Energy & Chemicals	20.0	Interlocking officers
JSP Corporation (Note 4)	Chiyoda-ku, Tokyo	10,128	Green Energy & Chemicals	47.6 [0.2]	Interlocking officers
Appi Geothermal Energy Corporation	Hachimantai-shi, Iwate	100	Green Energy & Chemicals	34.0	Interlocking officers
Korea Engineering Plastics Co., Ltd.	Seoul, Korea	(Millions of KRW) 12,600	Specialty Chemicals	50.0 [10.0]	Interlocking officers
Otsuka-MGC Chemical Company, Inc.	Osaka-shi, Osaka	450	Specialty Chemicals	49.0	Customer for the Company's products (hydrogen peroxide) Interlocking officers
Ryoden Kasei Co., Ltd.	Mita-shi, Hyogo	300	Specialty Chemicals	45.0	Interlocking officers
Tai Hong Circuit Industrial Co., Ltd.	Hsinchu County, Taiwan	(Millions of NTD) 1,104	Specialty Chemicals	50.0	Customer for the Company's products (materials for printed wiring boards) Interlocking officers
Granopt Co., Ltd.	Noshiro-shi, Akita	150	Specialty Chemicals	49.0	Interlocking officers
Samyang Kasei Co., Ltd.	Seoul, Korea	(Millions of KRW) 20,000	Specialty Chemicals	25.0 [25.0]	Interlocking officers

- Notes:
1. Descriptions in the principal business column are names of segments.
 2. The figures in brackets of the ratio of voting rights held represent the percentage of voting rights indirectly held by the Company's subsidiaries, included in totals.
 3. Interlocking officers in relationship include both the Company's officers and employees.
 4. This company files its Annual Securities Report.
 5. This company falls under the category of specified subsidiary.

5. Information about employees

(1) Consolidated companies

As of March 31, 2025

Segment name	Number of employees (Persons)
Green Energy & Chemicals Business Sector	2,634
Specialty Chemicals Business Sector	4,931
Other	109
Corporate (shared)	472
Total	8,146

- Notes:
1. Only employees working within the Group are included in the number of employees (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 segments.

(2) Reporting company

As of March 31, 2025

Number of employees (Persons)	Average age (Years/months)	Average duration in employment (Years/months)	Average annual salary (Yen)
2,523	40.10	17.4	8,812,800

Segment name	Number of employees (Persons)
Green Energy & Chemicals Business Sector	1,102
Specialty Chemicals Business Sector	942
Other	—
Corporate (shared)	479
Total	2,523

- Notes:
1. Only employees working within the Company are included in the number of employees (excludes individuals on assignment from the Company to other companies and includes individuals on assignment from other companies to the Company).
 2. Average annual salary includes bonuses and extra wages.
 3. The employees in the corporate (shared) segment are individuals who belong to administrative departments that cannot be classified into specific segments.

(3) Status of labor union

The reporting company has the Mitsubishi Gas Chemical Workers Union, which is a member of the Japan Federation of Energy and Chemistry Workers' Unions (JECF), the upper organization, and the number of members of the union is 1,865 as of March 31, 2025.

In addition, several consolidated subsidiaries have company-based labor unions, with a total of 1,029 members as of March 31, 2025.

Labor-management relations are stable.

(4) Ratio of female employees in management positions, rate of male employees taking childcare leave, and wage gap between male and female employees

(i) Reporting company

Fiscal year ended March 31, 2025				
Ratio of female employees in management positions (%) (Note 1)	Rate of male employees taking childcare leave (%) (Note 2)	Wage gap between male and female employees (%) (Note 1)		
		All workers	For permanent, full-time workers	For non-permanent workers
4.6	77.5	73.2	75.8	66.7

- Notes:
1. Calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
 2. Childcare leave uptake, etc. calculated as in Article 71-6, item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
 3. The percentage of female workers promoted to managerial positions over the past five years was 11.5%, and the average age at the time of promotion was the same between male and female workers.
 4. The wage gap between male and female employees is mainly due to a difference in the distribution of grades. There is no difference in wages for the same work.

(ii) Consolidated subsidiaries

Fiscal year ended March 31, 2025					
Name	Ratio of female employees in management positions (%) (Note 1)	Rate of male employees taking childcare leave (%) (Note 2)	Wage gap between male and female employees (%) (Note 1)		
			All workers	For permanent, full-time workers	For non-permanent workers
Mitsubishi Gas Chemical Trading, Inc.	2.1	66.7	74.0	74.0	71.8
MITSUBISHI GAS CHEMICAL NEXT COMPANY, INC.	3.4	80.0	75.0	74.9	54.7
MGC Advance Co., Ltd.	0.0	25.0	75.8	77.9	87.9
Eiwa Chemical Industry Co., Ltd.	3.7	11.2	—	—	—
MGC Electrotechno Co., Ltd.	3.2	60.0	—	—	—
Toho Earthtech, Inc.	6.5	80.0	—	—	—
MGC AGELESS Co., Ltd.	7.7	—	—	—	—

- Notes:
1. Calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
 2. Childcare leave uptake, etc. calculated as in Article 71-6, item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
 3. “—” indicates that there is no disclosure pursuant to the provisions of Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015) and Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

4. The wage gap between male and female employees is mainly due to a difference in the distribution of grades. There is no difference in wages for the same work.

II. Overview of Business

1. Management policy, management environment, key challenges for the Group, etc.

The Group's management policy, management environment, and key challenges, etc. are as follows.

Please note that matters concerning the future in this article were determined by the Group as of the end of the fiscal year ended March 31, 2025.

(1) Progress of key strategies at the current fiscal year

The Group launched the medium-term management plan, "Grow UP 2026" current fiscal year positioned as a guideline for realizing the "Vision for MGC in 2030." The Group has established two objectives of "Strengthen the resiliency of our business portfolio" and "Promote sustainability management," and is pursuing strategies comprised of three items for each to achieve these objectives.

Medium-term management plan "Grow UP 2026"

● Objective 1: Strengthen the resiliency of our business portfolio

Strategy

- Focus on "Uniqueness & Presence"
- Build new value through innovation
- Restructure businesses requiring intensive management

Under this plan, the differentiating businesses category has been renamed "Uniqueness & Presence (U&P) businesses," and redefined as businesses that excel from the perspectives of being "growing," "winning," and "sustainable" (= business potential, economic value, and social value), with the potential to grow sustainably while delivering both social and economic value.

Objective 1 is to strengthen the resiliency of our business portfolio. As Strategy 1 to realize this objective, the Group focused on Uniqueness & Presence. During the current fiscal year, in anticipation of growth in the semiconductor market, the Group expanded its global supply system for chemicals for semiconductors and proceeded on schedule with its plans to expand manufacturing facilities for BT materials for IC plastic packaging in Thailand. In addition, construction of an optical resin raw material monomer plant at the Niigata Plant was completed, and large-scale investments centered on the ICT domain, which is a growth driver, were promoted. Furthermore, a project to build a new production facility for meta-xylenediamine in Europe is underway, and the Group is focusing management resources on the U&P Business.

Regarding Strategy 2 "Building new value through innovation," in addition to the Group revising the organization for new business creation and development, several of its initiatives bore fruit, with "OXYCAPT™"—a container for pharmaceuticals for which the Group is developing a market—winning the Innovation Award at Pharmapack 2025 and the next-generation low warping BT resin laminated board materials winning the 20th JPCA Award.

In Strategy 3 "Restructuring businesses requiring intensive management," the Group suspended production of ortho-xylene, phthalic anhydride and plasticizers, which had persistently remained unprofitable. In the polycarbonate (PC) business, the Group has improved the profitability of its Chinese base by increasing the high value-added ratio and reducing costs, and is also investigating the development of optimal production, sales, and R&D systems.

● Objective 2: Promote sustainability management

Strategy

- Accelerate initiatives for realizing carbon neutrality
- Enhance human capital management
- Promote materiality management

For Objective 2, which is to “Promote sustainability management,” as one of its strategies for this objective, the Group is promoting initiatives for realizing carbon neutrality. Specifically, the Group will accelerate the circular carbon methanol concept leveraging our technology and initiatives to reduce GHG emissions. In addition, the Group’s environment-friendly products for reducing society’s environmental impact have been newly designated as “Sharebeing” products, and the Group will further expand products that contribute to the environment. The Group will continue to focus on developing and utilizing human resources as its most important management resource and enhance its human capital management.

During the current fiscal year, the Group has promoted various initiatives, including the joint development of environmentally friendly urea resin with Panasonic Corporation, the conclusion of a memorandum of understanding with JFE Steel Corporation and Mitsubishi Chemical Corporation regarding a demonstration experiment for a supply chain aimed at achieving a carbon-recycling society, and the start of production of bio-methanol from digestion gas.

(2) Future endeavor

Looking ahead to the global economy in the next fiscal year, the outlook remains unpredictable, as does the impact on the economies of various countries, due to additional uncertainties surrounding U.S. tariff measures, monetary policy and other developments in several countries, the prolonged economic slump in China, heightened geopolitical risks, and other factors.

In line with its medium-term management plan “Grow UP 2026,” which began in fiscal 2024, the Group will continue to advance its strategies of “focusing on Uniqueness & Presence,” “building new value through innovation,” and “restructuring businesses requiring intensive management” with the goal of strengthening the resiliency of its business portfolio, thereby ensuring a thorough reform of its business portfolio with a strong awareness of capital efficiency.

Concretely speaking, in order to achieve Objective 1, which is to “Strengthen the resiliency of our business portfolio,” the Group will continue aggressively investing in ICT, a domain that drives growth, and will prioritize the allocation of management resources to the U&P business and reap the benefits of large-scale investment projects. Furthermore, in order to create and develop new and next-generation businesses, the Group will promote the proactive investment of R&D resources, with a particular focus on the three target areas of ICT, mobility, and medical/food. In addition, the Group will continue to restructure the businesses requiring intensive management, which have profitability issues, by increasing the ratio of high value-added products in the PC-related business, cutting costs, and further promoting the rationalization of production, sales, and R&D systems, in order to improve profitability and capital efficiency

Regarding Objective 2, which is to “Promote sustainability management,” the Group will promote measures related to carbon neutrality and materiality management in accordance with its mission of “creating value to share with society.” As part of its efforts aimed at achieving carbon neutrality, the Group has set a sales target of ¥500 billion in 2030 for “Sharebeing,” a product that contributes to the environment, and will not only contribute to solving energy and climate change issues but also create U&P products and technologies that are competitive in the marketplace.

● Target management indicators (final fiscal year of Grow UP 2026)

Connection index	Target (FY2026)
Net sales (Billions of yen)	850.0
Operating profit (Billions of yen)	85.0
Operating profit ratio (%)	10% or higher
Ordinary profit (Billions of yen)	95.0
EBITDA* ¹ (Billions of yen)	150.0
ROE (%)	9% or higher
ROIC* ² (%)	8% or higher

*1 EBITDA = Ordinary profit + Interest expenses + Depreciation and amortization

*2 ROIC = (Operating profit - Income taxes + Equity in earnings (losses) of affiliates) / Invested capital

(Assumption) Exchange rate: ¥135/US\$, Crude oil price (Dubai): US\$80/bbl

The plans, targets, and other forward-looking statements in this management policy, management environment, and key challenges for the Group are based on information available to the Company as of the end of the fiscal year ended March 31, 2025 and on certain assumptions that are judged to be reasonable, and are therefore subject to uncertainty. Various factors may cause actual performance to differ significantly from forecasts.

2. Approach and initiatives for sustainability

The Group's approach and initiatives for sustainability are as follows.

Please note that matters concerning the future in this article were determined by the Group as of the end of the fiscal year ended March 31, 2025.

(1) General matters regarding sustainability

(i) Governance

The Group positions sustainability as a concept aiming to achieve both the sustainable development of society and the sustainable growth of the Company based on the implementation and practice of CSR. It also defines sustainability promotion as actively and proactively addressing various issues facing society from the perspective of medium- to long-term enhancement of corporate value through its business activities.

The Group has established a Sustainability Promotion Council (held twice a year in FY2024) to deliberate and decide on policies, strategies, plans, and other matters related to sustainability promotion, in accordance with the Basic Rules on Sustainability Promotion. The Council is chaired by the President and Representative Director and primarily made up of all Directors, including Outside Directors, with Audit & Supervisory Board members also attending (held two times in FY2024).

Agenda items to be submitted to the Sustainability Promotion Council are deliberated by a Sustainability Promotion Committee (held three times in FY2024) (Chair: General Manager of CSR & IR Division; Members: General Managers of Corporate Planning Division, Administrative & Personnel Division, Finance & Accounting Division, Information Systems Division, Research & Development Division, Intellectual Infrastructure Center, Purchasing & Logistics Division, Environment Safety & Quality Assurance Division, Production Technology Division, Internal Audit Division and Business Administrative Division), an advisory body to the Sustainability Promotion Council.

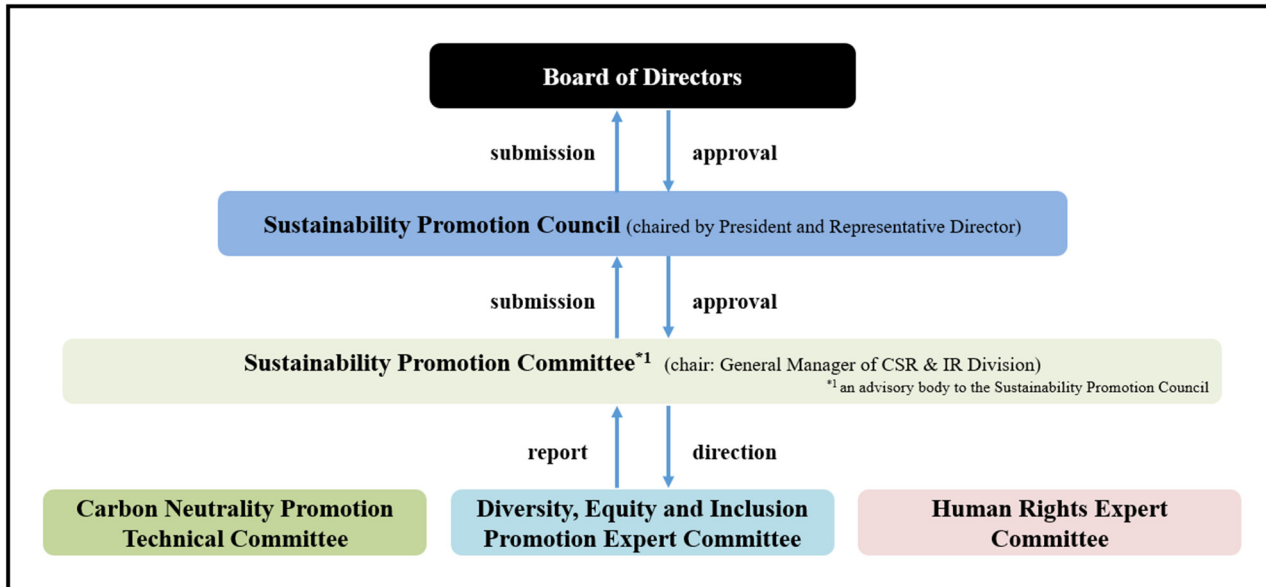
● Sustainability Promotion Council (held two times in FY2024) chaired by President and Representative Director

The main agenda items for the Sustainability Promotion Council are as follows.

- Deliberate materiality KPIs results for FY2023
- Report on materiality KPIs estimates for FY2024
- Report on activities of expert committees
- Report on TCFD and TNFD disclosure
- Report on ESG rating agency evaluation

Particularly important matters related to sustainability are submitted to the Board of Directors after such deliberation. Specifically, the Sustainability Promotion Principle, revision, abolition and review of materialities and related KPIs, and the Mitsubishi Gas Chemical Group Human Rights Principle have been resolved by the Board of Directors.

Sustainability Management System



We have also established expert committees to address important matters related to sustainability promotion that are highly specialized and require cross-divisional coordination, and such matters are reported to the Sustainability Promotion Committee.

- Carbon Neutrality Promotion Technical Committee (held three times in FY2024) chaired by General Manager of Production Technology Division
The Carbon Neutrality Promotion Technical Committee is responsible for formulating and reviewing carbon neutrality strategies for the entire Group. The Committee verifies GHG emission reduction and carbon neutrality strategies, plans, and progress of the entire group, and implements a PDCA cycle for promoting carbon neutrality that reflects the activities of the implementing body.
- Diversity, Equity and Inclusion Promotion Expert Committee (held two times in FY2024) chaired by Head of Diversity and Inclusion Department, Administrative & Personnel Division
The Diversity, Equity and Inclusion Promotion Expert Committee is responsible for promoting diversity, equity, and inclusion at the Company. By incorporating the promotion of diversity, equity, and inclusion into sustainability management system, we are advancing these initiatives as company-wide activities to reflect them in the diversity, equity, and inclusion promotion activities of implementing body.
- Human Rights Expert Committee (held three times in FY2024) chaired by General Manager of Administrative & Personnel Division
The Human Rights Expert Committee is responsible for promoting various human rights initiatives at the Company. Each division at the head office serves as a committee member, and the Committee works to foster awareness and education regarding human rights within the Group, as well as to identify human rights issues, including those in the supply chain, and resolve them. In FY2025, we plan to implement human rights due diligence in our supply chains both inside and outside the Company.

(ii) Risk management

As stated in “II. Overview of Business, 1. Management policy, management environment, key challenges for the Group, etc.,” the Group has set the promotion of sustainability management as a goal in our medium-term management plan starting from FY2024, and has identified the most critical management issues (materiality) and implemented risk management by understanding the associated risks and opportunities.

In identifying materiality, we evaluate various social issues from the perspectives of importance to the Group, and importance to the economy, environment, and society, and after deliberation at the Sustainability Promotion Council described above, these are resolved by the Board of Directors.

(iii) Strategy

As described in “(ii) Risk management,” our goal is to achieve a sustainable society and sustained corporate growth by identifying materiality and then fully understanding the risks and opportunities related to materiality, striving to reduce the risks while creating a new business model that solves social issues.

Risks and opportunities related to the most important issue (materiality) in sustainability management

Most important issue (materiality)	Risks	Opportunities
Contribution to solving social issues through business	<ul style="list-style-type: none"> • Fall in share price due to decrease in future value • Decrease in demand for products due to changes in market needs • Shift in share of low-cost alternative materials • Existing product obsolescence 	<ul style="list-style-type: none"> • Creation of new markets through diversification of market needs • Customer credibility backed by multiple industry standards • Expansion of portfolio of distinctive, differentiated products
Promotion of innovative R&D	<ul style="list-style-type: none"> • Delay in achievement of a more resilient business portfolio • Failure to achieve carbon neutrality due to delay in business creation • Delay in creation of new products and businesses due to reduced competitiveness in R&D 	<ul style="list-style-type: none"> • Promotion of a more resilient business portfolio • Creation of new markets through establishment of environmental solution businesses • Creation of new products and businesses through use of DX technology
Proactive response to environmental problems	<ul style="list-style-type: none"> • Increase in risk of abnormal weather and natural disasters due to climate change • Reputational risks regarding environmental protection 	<ul style="list-style-type: none"> • Development of CCUS (particularly CCS) and CO₂-based methanol and polycarbonate businesses, and development of chemicals that use CO₂ • Commercial development of ammonia as a hydrogen carrier and CO₂-free fuel
Highly energy- and resource-efficient production	<ul style="list-style-type: none"> • Decline in competitive advantage due to delays in technological response to resource and energy conservation needs 	<ul style="list-style-type: none"> • Acquisition and cross-company deployment of energy-saving technologies • Advancement in utilization of digital technologies
Cultivating a corporate culture of job satisfaction	<ul style="list-style-type: none"> • Declines in labor productivity and corporate value (economic and social value) due to outflow of personnel 	<ul style="list-style-type: none"> • Strengthened foundation for creating innovation • Improved employee engagement
Promotion of diversity and inclusion	<ul style="list-style-type: none"> • Uniform thinking and loss of new business opportunities due to imbalance in personnel attributes and skills 	<ul style="list-style-type: none"> • Nurturing of a culture of collaboration incorporating diverse values that is conducive to new ideas and technological innovation
Respect for human rights	<ul style="list-style-type: none"> • Boycotts on purchasing products and services due to human rights infringement 	<ul style="list-style-type: none"> • Contribution to realization of a sustainable economy and society

Most important issue (materiality)	Risks	Opportunities
	<ul style="list-style-type: none"> Decline in evaluation as a recipient of investment Potential for elimination as an investment candidate or withdrawal of investment 	<ul style="list-style-type: none"> Maintenance and securing of trust from society Maintenance and increase in corporate value Recruitment and retention of talented human resources
Ensuring occupational safety and health / Process safety and disaster prevention	<ul style="list-style-type: none"> Recurrence of similar disasters and problems Loss of societal trust due to accidents or scandals 	<ul style="list-style-type: none"> Nurturing of a culture of safety Accumulation of expertise in preventive maintenance
Chemical/product quality and safety assurance	<ul style="list-style-type: none"> Loss of business opportunities due to non-compliance with chemical regulations in each country Loss of societal trust due to inaccurate data handling and shipping of inappropriate products 	<ul style="list-style-type: none"> Enhancement of business profitability through proper compliance with laws and regulations Enhancement of customer satisfaction and societal trust in the entire Company and Group companies
Promotion of socially responsible sourcing	<ul style="list-style-type: none"> Negative impacts on business activity due to illegal actions and compliance violations by suppliers 	<ul style="list-style-type: none"> Improved sustainability of society and long-term competitiveness
Strengthening governance and internal control/risk management/compliance	<ul style="list-style-type: none"> Slumping business activity, loss of societal trust and damage to corporate value 	<ul style="list-style-type: none"> Establishment of a stable management foundation by improving decision-making transparency and responding appropriately to change Gaining of stakeholder trust

Please refer to the website (<https://www.mgc.co.jp/sustainability/risk.html>) (in Japanese).

Action plan related to the most important issue (materiality) in sustainability management

Most important issue (materiality)	Action plan
Contribution to solving social issues through business	<ul style="list-style-type: none"> Transform business portfolio Commercialize products that balance social and economic value Create new businesses that contribute to solving social issues
Promotion of innovative R&D	<ul style="list-style-type: none"> Allocate management resources to U&P businesses and new/next-generation businesses Set solving climate change issues as a strategic research area Develop DX human resources into MGC Group research personnel
Proactive response to environmental problems	<ul style="list-style-type: none"> Reduce GHG emissions in the manufacturing process Develop and introduce new technologies to help reduce GHG emissions Reduce supply chain GHG emissions
Highly energy- and resource-efficient production	<ul style="list-style-type: none"> Stabilize equipment through improvement of control Prevent accidents and issues
Cultivating a corporate culture of job satisfaction	<ul style="list-style-type: none"> Cultivate and visualize a culture in which the Company values the human resources that it has developed Examine various personnel systems (including welfare) and design systems suitable for an era of contributing to increased engagement
Promotion of diversity and inclusion	<ul style="list-style-type: none"> Diversify hiring formats (methods, human resources) Conduct awareness-raising activities in group training

Most important issue (materiality)	Action plan
	<ul style="list-style-type: none"> Create opportunities for interaction between different departments and offices through internal events, training, etc. (including use of MGC Commons)
Respect for human rights	<ul style="list-style-type: none"> Formulate human rights policy and fully accept responsibility for respecting human rights Establish a human rights consultation desk to conduct appropriate remedial measures
Ensuring occupational safety and health / Process safety and disaster prevention	<ul style="list-style-type: none"> Share examples of accidents and disasters, and utilize this information for process risk assessment Eliminate dangers and hazards by conducting occupational health and safety risk assessments and build comfortable workplaces
Chemical/product quality and safety assurance	<ul style="list-style-type: none"> Share information through the activities of the Environment and Safety Council and provide education and support to associates from our company Promote Q-MGC conducted companywide and throughout the Group
Promotion of socially responsible sourcing	<ul style="list-style-type: none"> Inform suppliers of the Company's basic approach to raw material procurement activities and its CSR procurement guidelines, and conduct regular questionnaires Conduct evaluations based on questionnaires and multiple dialogues
Strengthening governance and internal control/risk management/compliance	<ul style="list-style-type: none"> Conduct compliance education and awareness-raising activities Identify risk of compliance infringement and conduct risk assessment Improve awareness compliance throughout the entire MGC Group

Please refer to the website (<https://www.mgc.co.jp/sustainability/materiality.html>) (in Japanese).

(iv) Metrics and targets

The Group sets KPIs for each of the most important issue (materiality) in sustainability management and conducts progress management for materiality management.

Details of targets and results for each materiality are posted on the “Key Issues (Materiality)” page of the Company's website. Please refer to the website (<https://www.mgc.co.jp/sustainability/materiality.html>) (in Japanese).

(2) Response to climate change (initiatives for TCFD recommendations)

(i) Governance

In May 2019, the Company declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Risks and opportunities posed to the Group by climate change are examined by the Sustainability Promotion Committee, based upon which they are deliberated and decided by a Sustainability Promotion Council. Particularly important matters related to sustainability are submitted to the Board of Directors after such deliberation.

To address climate change, we have organized a company-wide Carbon Neutrality Promotion Technical Committee to provide specialized recommendations and report to the Sustainability Promotion Committee.

(ii) Risk management

To gain a quantitative understanding of climate change risks, the Company introduced an internal carbon pricing system. In capital investment plans involving an increase or decrease in CO₂

emissions, the cost or effect of applying and converting the internal carbon price (¥10,000/MT-CO₂ equivalent) will be used to help make investment decisions, and encourage the creation of technologies and products that promote CO₂ emission reductions and contribute to building a low-carbon society.

The Group has assessed the risks and opportunities climate change represents for the Group, and is now endeavoring to strengthen resilience through scenario analysis while also promoting in sound dialogue with stakeholders.

We conducted a scenario analysis of the Group's foundation businesses and differentiated businesses (MXDA, MX-nylon, hydrogen peroxide, polycarbonate, optical materials, oxygen absorbers, electronics chemicals, and electronic materials), analyzed the impact of climate change on our businesses based on two scenarios, and examined measures to respond to climate change.

Under the scenario of limiting the temperature increase from pre-industrial times to less than +2°C, the introduction of a carbon tax for decarbonization and increased costs due to stricter regulations on greenhouse gas ("GHG") emissions could affect our business performance. The Group will work to limit the impact of such risks by restructuring its business portfolio, conserving energy, introducing renewable energy, and utilizing electricity generated from LNG with low GHG emissions. We analyze that further weight reduction through the substitution of metals and traditional materials in a decarbonized society, the establishment of renewable energy infrastructure, technological innovations in response to requests to improve power consumption efficiency, increase in semiconductor installation volume due to expansion of battery electric vehicles, and the expansion of the high-value-added product market are opportunities for the Group's business expansion.

On the other hand, in a scenario where global warming is not sufficiently prevented and the temperature increase from pre-industrial times is +4°C, soaring fossil resource prices, rising utility costs, and the impact of natural disasters on our plant operations could affect our business performance. The Group will work to mitigate these risks through means such as shifting away from fossil-based raw materials, adding more value to its products, and strengthening its business continuity plan. In addition, we will accelerate market development in emerging countries, where the population is expected to grow significantly.

As described above, although there is concern that climate change may have an adverse impact on the Group's operations, the possibility of reducing the financial impact on the Group has been identified because the Group can respond to the risk through its diverse business portfolio ranging from chemical and materials products to functional products.

(iii) Strategy

The Group has formulated targets for reducing GHG emissions and is working toward their steady reduction. We expand from existing businesses that have strengths in this initiative, utilize our R&D capabilities, and collaborate with other businesses and external parties. In the transition phase, we will promote the use of electricity generated from LNG with low GHG emissions and the introduction of renewable energy, and we will also promote reduction efforts by establishing and implementing various carbon-free energy systems, CCUS (*), and recycling systems as specific measures.

*CCUS (carbon dioxide capture, utilization and storage): Technology to capture and store carbon dioxide emissions and to use stored carbon dioxide as a raw material for chemical products

(iv) Metrics and targets

The Group (*) has set long-term objectives for reducing GHG emissions in order to achieve carbon neutrality by 2050.

*Including the Company on a non-consolidated basis and consolidated subsidiaries with Scope 1 and 2 emissions

2030 target	2050 target
39% reduction in Scope 1 + 2 GHG emissions compared to FY2013	Achieve carbon neutrality

Please refer to the Integrated Report for trends in GHG emissions of the Group (<https://www.mgc.co.jp/corporate/report.html>) (in Japanese).

(3) Addressing human capital

(i) Governance

Important sustainability-related matters concerning addressing human capital are reviewed, deliberated, and decided by the Sustainability Promotion Council, and particularly important matters related to sustainability are submitted to the Board of Directors after such deliberation.

(ii) Risk management

The Group has identified “Cultivating a corporate culture of job satisfaction” and “Promotion of diversity and inclusion” as materialities related to addressing human capital, and implements risk management by understanding risks and opportunities related to these issues.

(iii) Strategy

1. Approach to human resource development

The Group’s defining philosophy is “creating value to share with society,” and the Group promotes management that considers human resources as the most important capital for value creation under a management concept that includes “striving to create a place where there is job satisfaction and a dynamic group in which motivations and abilities are respected.” To realize this, Group companies are engaged in the establishment and expansion of systems, along with education, etc.

With the aim of realizing our mission of “creating value to share with society,” we have established a human resource development basic policy to enable employees to refine their individuality as professionals, improve their knowledge and capabilities and set high goals, and also to create workplaces that are infused with vibrancy for realizing self-improvement through the achievement of these. The human resource vision articulated in the policy is to be “autonomous and highly-motivated employees,” “warmhearted and sensitive employees” and “employees that think and learn through work,” and we have established “development leveraging the characteristics of all employees” as our development policy as we engage in the establishment of a company environment enabling diverse employees to participate by utilizing their individuality.

Under the corporate culture that we have developed, we will continuously produce human resources who can respond to change and grow autonomously over the long term, thereby continuously creating businesses with unique characteristics and enhancing our corporate value over the medium to long term.

2. Specific initiatives

▪ Cultivating a corporate culture of job satisfaction

The Company promotes work style reforms as an initiative essential for improving both employee job satisfaction and productivity, and for the creation of innovation. We have implemented initiatives such as reviewing workflow and shortening meeting times in order to enable work styles that do not rely on long work hours. We are also working to create an environment that allows for a more flexible work style, with a super flextime with no core time system starting in 2020 and a work-from-home system implemented in 2023.

In FY2024, we conducted the “Engagement Survey” targeting all employees (non-consolidated) using an external survey agency to identify issues for creating an organization and workplace where employees can feel satisfied at work, with the aim of improving job satisfaction. The Company has set the “percentage of employees that feel satisfied at work:

70% in FY2026 (non-consolidated)” as a KPI, and the results for FY2024 were 82%. We will consider and implement measures to resolve issues based on the results of this survey.

- Promotion of diversity and inclusion

The Company defines diversity and inclusion (D&I) as “All employees utilizing their individuality to diversely work together while recognizing one another,” and it has established a Diversity and Inclusion Basic Policy of “Promoting awareness about respect for diverse values and ways of thinking,” “Creating an environment that ensures diverse work styles,” “Diversifying human resources and creation of an organization that makes the most of each and every employee,” “Developing human resources able to demonstrate individual strengths,” and “Promoting mental and physical health.” The Company aims to “Maximize the performance of people and organizations” through the diverse participation of personnel with varied talents and abilities, and to “Engender innovation” and “Improve decision-making quality” through collaboration among human resources with diverse values, approaches, views and knowledge.

With Japan’s labor force shrinking in tandem with demographic aging and a falling birthrate, promotion of women’s empowerment is considered to be essential for maintaining and improving corporate competitiveness over the medium to long term. We are proceeding with career development support for female employees such as various training for female employees and the managers handling their development, and have set a target of “number of female managerial personnel: 60 for FY2026” as a KPI. Furthermore, we are promoting the hiring of diverse human resources who bring new perspectives and ideas, such as foreign mid-career hires with different cultures, customs, experiences, and skills, in order to further “Engender innovation” and “Improve decision-making quality”.

(iv) Metrics and targets

As described in “(iii) Strategy, Cultivating a corporate culture of job satisfaction,” we have set the “percentage of employees that feel satisfied at work: 70% for FY2026” as a KPI, and the results for FY2024 were as follows.

	Result	Target	
	FY2024	FY2026	FY2030
Percentage of employees that feel satisfied at work	82%	70%	75%

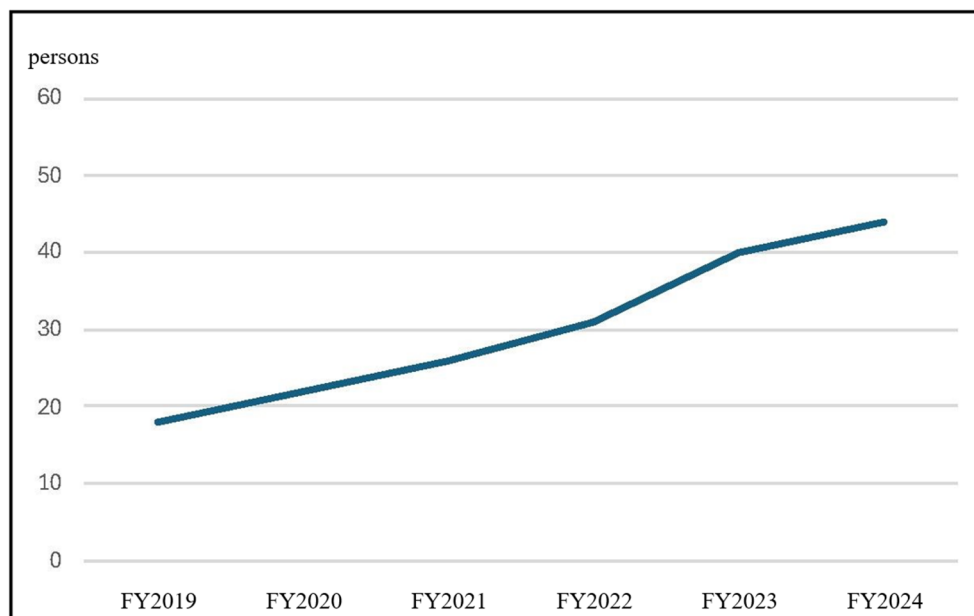
* The percentage is calculated as follows: affirmative responses / (affirmative responses + negative responses). In consideration of the differences in business types and surrounding environments among consolidated companies, the target for the percentage of employees that feel satisfied at work is set as a KPI for the Company on a non-consolidated basis.

As described in “(iii) Strategy, Promotion of diversity and inclusion,” we have set “number of female managerial personnel: 60 in FY2026” as a KPI, and the results as of March 31, 2025 were as follows.

	Result	Target	
	FY2024	FY2026	FY2030
Number of female managerial personnel	44	60	90

* In consideration of the differences in business types and surrounding environments among consolidated companies, the target for the number of female managerial personnel is set as a KPI for the Company on a non-consolidated basis. For the ratio of female managerial personnel for some consolidated subsidiaries, please refer to “I. Overview of the Company, 5. Information about employees.”

[Changes in the number of female managerial personnel (non-consolidated)]



(4) Respect for human rights

(i) Governance

The “MGC Corporate Behavior Principles” and the “Mitsubishi Gas Chemical Group Human Rights Principle” call for respect for human rights, and the Group has been a signatory of the UN Global Compact. The “MGC Group Code of Conduct” also clearly states the prohibition of harassment and other related matters. We organized a companywide “Human Rights Expert Committee” as an advisory body to the Sustainability Promotion Committee in order to address respect for human rights. Particularly important matters related to sustainability, including human rights, are submitted to the Board of Directors after deliberation by the Committee.

On its own initiative, the Company also promotes responsible business, which includes protection of human rights, through such actions as showing the “Mitsubishi Gas Chemical CSR Procurement Guidelines” and other documents to its supply chain partners in order to gain their understanding and cooperation.

(ii) Risk management

Awareness of human rights continues to increase, primarily in developed nations, and companies are now being required to make efforts at a global level to respect and protect human rights in the course of business, including the supply chain. In the event that the Group does not address these issues appropriately, the Group’s operating results and/or financial condition could be adversely affected by not only legal and regulatory responsibility but also the termination of transactions, social sanctions, and loss of trust.

The Group has set “Respect for human rights” as the most important issue (materiality) to be addressed as management, and implements risk management by understanding risks and opportunities related to this issue.

The Group works to provide appropriate relief measures if it becomes evident that its businesses, products or services have had or promoted negative effects on the human rights of those affected.

We set up consultation desks inside and outside the Group to quickly understand and address any negative effects on human rights that the Group may have caused or could possibly cause.

(iii) Strategy

The Group has created its due diligence system based on the United Nations “Guiding Principles on Business and Human Rights” to identify and prevent or reduce any negative effects on the human rights of those affected by the Group’s operations.

Specifically, in FY2024, the Group conducted a human rights survey at its consolidated subsidiaries to monitor the status of human rights initiatives at each Group company.

(iv) Indexes and targets

The Group (*) will systematically promote human rights due diligence and awareness-raising activities while setting materiality KPIs for “Respect for human rights” and implementing progress management.

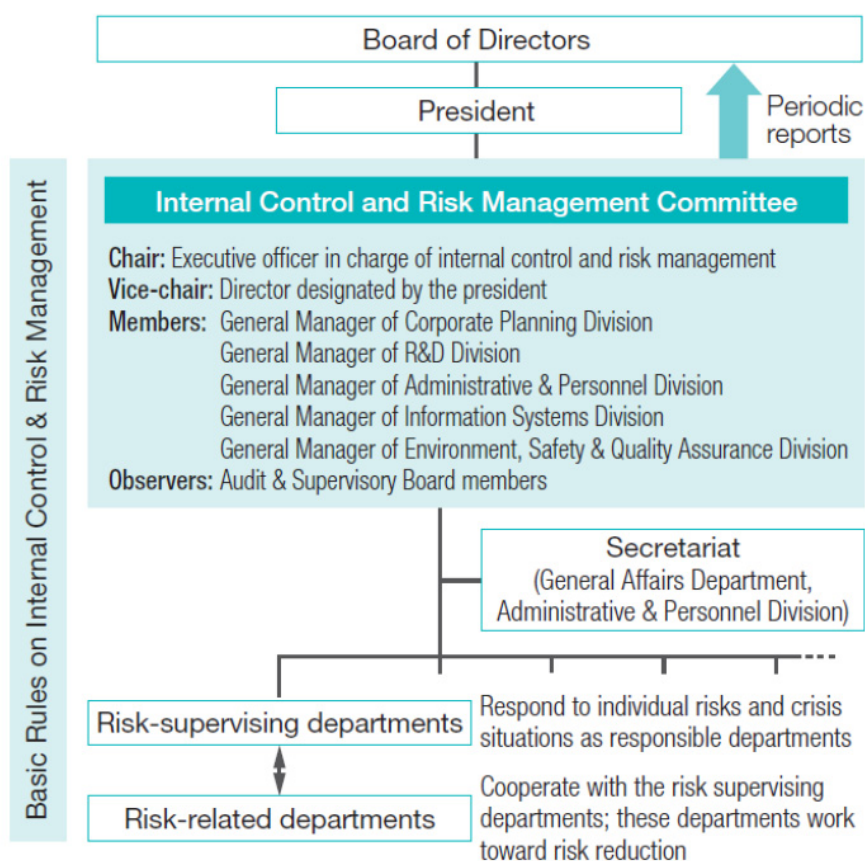
FY2026 target	FY2030 target
Implementation of human rights due diligence 100%	Establish human rights management and ensure support for human rights policy by all stakeholders

* Non-consolidated + consolidated subsidiaries

3. Business and other risks

The Group defines “risk” as possibilities or hazards that, if they were to manifest, could inflict economic losses on the Company due to human casualties, property damage, reputational damage, opportunity losses or other such detriments. The Group has built a risk management regime designed for both routine and exigent circumstances. Specifically, it has established Basic Rules on Internal Control & Risk Management, formulated risk management/mitigation policies and established an Internal Control & Risk Management Committee chaired by the officer in charge of internal control and risk management as a decision-making body that reports directly to the president. The committee makes decisions on matters related to risk management policies, initiatives and plans; matters related to business and operational risk management and guidance, direction and oversight incidental thereto; and matters related to guidance, direction and oversight related to business continuity planning. Additionally, it periodically reports to the Board of Directors on the state of risk management.

The main foreseeable risks that could affect the Group’s business results, share price, or financial condition are enumerated from (i) through (xiii) below. They are all risks that the Group deems to be a realistic possibility, though specifics such as the degree and timing of their manifestation and their impacts are impossible to estimate as of the end of the fiscal year ended March 31, 2025 (however, they do not necessarily include every risk to which the Group is exposed).



(i) Endogenous business risk

- Nature of risk

The Group is primarily a manufacturer. With many of its products used as raw materials, intermediate goods or pharmaceutical inputs in customers’ business activities, its sales are sensitive to economic conditions, tariffs and other trade policies in the countries and regions where its customers’ products are sold, and to the operating environment in its customers’ business areas. In particular, market-priced commodities such as methanol, methanol derivatives, general-purpose aromatic chemicals and polycarbonate resins are generally prone to declines in unit sales and sales prices during economic downturns. Some specialty and high-value-added product markets are also

subject to the silicon cycle and other drivers of ebbs and flows in customer demand, and reduced volumes could adversely affect the Group's operating results and/or financial condition.

In specialty and high-value-added product markets, the Group competes on multiple dimensions, including price, quality, functionality, delivery time and customer service. Intensification of competition due to, for example, the advent of products offering alternative functionality, could adversely affect the Group's operating results and/or financial condition. For example, products that are supplied mainly to the electronics industry, which includes advanced semiconductors, typically have a short product lifecycle and are constantly exposed to competition through technological innovation. The Group's net sales consequently could decline as a result of existing products' obsolescence or product development delays. Additionally, some of the Group's products are sold to only a limited number of customers. If one customer stops using such a product, the Group's net sales could decrease.

The Group externally sources electric power and raw materials like xylene, and in addition to using logistics and other outside services in sales, it is constantly performing maintenance on existing production facilities and installing new equipment. Its manufacturing operations could be disrupted if a required input, material, facility, or service were to become unavailable. Its operating results and/or financial condition could be adversely affected by a sharp rise in input prices also.

The Group's operations depend on the work of many and diverse employees across multiple areas of business, including research and development, production, sales, distribution, planning, and administration. The impact of increasingly fluid movement of human resources, the declining birthrate and aging population in Japan and the rapid rise in economic standards overseas could make it impossible to secure such personnel both domestically and internationally or result in excessive labor costs and other burdens required for that purpose. In such an event, the Group's operating results and/or financial condition could be adversely affected.

- Main risk mitigation measures

In order to achieve further improvements in productivity, the Group endeavors to develop new, high-added value markets and businesses as well as conducting basic and applied research to develop new products and manufacturing processes and improve existing ones. Other risk mitigation measures include close communication and collaboration, inclusive of R&D, with customers, use of long-term supply contracts with both suppliers and customers, sourcing of raw materials and other inputs from multiple suppliers. We are also taking measures such as reviewing our logistics means and systems to address future logistics risks such as transportation capacity shortages.

We are working to utilize IT systems and other new technologies to improve productivity not only in manufacturing operations but in all the business activities of the Group. In order to secure human resources, we create workplace environments in which employees mutually respect each other's individuality, and in which they can fully participate and grow as people. To this end we are working to nurture an invigorated culture of collaboration between individuals with diverse values that is of new ideas and technological innovation and establishing dedicated departments in addition to implementing various other measures.

(ii) Overseas business risk

- Nature of risk

The Group sources, manufactures, and sells either directly from Japan or through its subsidiaries in Asia, North America, South America, the Middle East and elsewhere. Depending on country-specific conditions or the geopolitical situation, such overseas operations and funds or dividend remittances from overseas subsidiaries could be disrupted by political instability or societal or economic turmoil due to a natural disaster, war, infrastructure failure, a widespread infectious disease outbreak or other unforeseeable circumstances. Other risks that could adversely affect the Group's operating results and/or financial condition include problems due to differences in legal systems, investment restrictions imposed by foreign governments, nationalization or expropriation of assets, and personnel or labor issues.

- Main risk mitigation measures

To respond to overseas risks as effectively and expeditiously as possible, while monitoring the latest developments in the global situation, the Group endeavors to gather information from various

sources, including locally stationed expat personnel, joint venture partners, attorneys and government authorities. The Group works to tailor its response to the specifics of each business or region in order to achieve its objectives, which include ensuring the safety of those working locally.

(iii) Joint venture risk

- Nature of risk

The Group has numerous manufacturing joint ventures in not only Japan but also foreign countries such as Saudi Arabia, Venezuela, Thailand, China, South Korea, and Trinidad and Tobago. It sources and sells products such as methanol and engineering plastics through its joint ventures. The Group's joint venture partners are not under the control of the Group. There is consequently no assurance they will make decisions in the best interests of the Group or even the joint ventures themselves. In the event of a joint venture's dissolution or other such circumstances, the Group's operating results and/or financial condition could be adversely affected.

- Main risk mitigation measures

The Group seeks to maintain and further improve good communication, share targets and objectives and maintain relationships with its joint venture partners while mitigating risks through joint venture agreements and other operational agreements.

(iv) Product quality risk

- Nature of risk

As noted above, the Group manufactures many products that are used as raw materials, intermediate goods or pharmaceuticals in customers' business activities and that conform to specifications agreed upon with the customer. In addition, some of our products are used as raw materials for foods and other products. If it sells a qualitatively defective product, it may have to compensate customers that used the defective product, end-product users and/or other parties for not only direct damages but also opportunity losses. Its societal reputation also may be impaired. In such an event, the Group's operating results and/or financial condition could be adversely affected.

- Main risk mitigation measures

Even though most Group manufacturing sites operate in conformance with globally recognized quality control standards, the Group has liability insurance coverage that includes product liability insurance as a precaution against risk. Other means by which the Group mitigates risk include explicitly limiting the scope of its liability as necessary in agreements with customers.

(v) Natural disaster and accident risks

- Nature of risk

The Group has numerous manufacturing sites in Japan and elsewhere. Their production activities could be disrupted by earthquakes, storms, flooding or other natural disasters, war, terrorism, civil unrest, labor actions, communication infrastructure failures, lockdowns and other measures taken in response to outbreaks of infectious diseases, equipment malfunctions, human error or other unforeseeable circumstances. Given that the Group handles hazardous chemical substances on a daily basis, it cannot completely eliminate the possibility of explosions, fires, toxic gas leaks or other accidents that damage production facilities, harm employees, inflict losses on neighboring property owners or customers, pollute the environment or otherwise inflict damages. Additionally, many Group manufacturing sites have multiple production facilities that share utilities such as electricity, water and steam. Interruption of utility service to a manufacturing site consequently could shut down the site's entire production operations. In such an event, the Group's operating results and/or financial condition could be adversely affected.

- Main risk mitigation measures

While pursuing continuous improvement based on the promotion of Responsible Care activities as part of its comprehensive environmental safety management, the Group diligently strives to upgrade its safety and disaster preparedness regime through better risk assessment and thorough safety training. In addition to, of course, endeavoring to maintain and ensure stable operation of its manufacturing facilities, the Group also formulates business continuity plans and builds redundancy into its network of production sites, including those overseas. Additionally, the Group mitigates risk

with broad insurance coverage that includes fire, business interruption, oil pollution and liability insurance.

Measures taken to improve productivity, such as the usage of online video conferencing throughout the Group, also contributed to initiatives to address the spread of infectious disease. In addition to continuing their use going forward, we will customize thoroughgoing measures to prevent infection to specific operations, on a workplace-by-workplace basis.

(vi) Information security risk

- Nature of risk

The Group possesses confidential and personal information required for its business activities and uses various information systems in its operations amid ongoing digitalization of its businesses. In the event of a leak of such information, an information system failure, a cyberattack, fraud committed by a malicious third-party or other such event, the Group's business activities and/or operating results could be adversely affected.

- Main risk mitigation measures

The Group has established an information security regime and internal regulations based on various guidelines and educates its employees to increase their information-security literacy. It also conducts ongoing initiatives to ensure the adequacy of and upgrade its information security.

(vii) Compliance risk

- Nature of risk

The Group handles toxic and otherwise hazardous chemical substances, including high-pressure gases, as an inherent aspect of its operations. As such, it is globally subject to various legal and regulatory restrictions at every stage from manufacturing to storage, distribution and sales. In all its business activities and transactions, the Group is required to not only comply with laws and regulations but also to fulfill social responsibilities that are not limited to such rules. However, in the event that an infringement of laws and regulations, or social norms, including the rules described above, is deemed to have occurred, the Group's operating results and/or financial condition could be adversely affected as a result of incurring legal liability and rectification costs, social sanctions and loss of trust.

- Main risk mitigation measures

In addition to establishing specialized organizational units to oversee environmental and other regulatory compliance, the Group has built a compliance regime, including an internal whistleblowing system, and endeavors to fully comply with laws and regulations. It also implements various measures to foster a general compliance consciousness among its personnel.

The Group takes a broad view of compliance, one that involves not only abiding by laws but also upholding the fair, transparent, and flexible conduct of business, while respecting social and other norms, in acknowledgment of its responsibilities to society, and makes this known to all employees.

(viii) Human rights risk

- Nature of risk

Awareness of human rights continues to increase, primarily in developed nations, and companies are now being required to make efforts at a global level to respect and protect human rights in the course of business, including the supply chain. In the event that the Group does not address these issues appropriately, the Group's operating results and/or financial condition could be adversely affected by not only legal and regulatory responsibility but also the termination of transactions, social sanctions, and loss of trust.

- Main risk mitigation measures

The MGC Corporate Behavior Principles and the MGC Group Code of Conduct call for respect for human rights, and the Group has also been a signatory of the UN Global Compact. Furthermore, in light of the recent rise in social awareness of human rights, we newly established the Mitsubishi Gas Chemical Group Human Rights Principle and are addressing respect for human rights through company-wide committee and other entities. For example, the Company promotes responsible business, which includes protection of human rights, through such actions as showing the

“Mitsubishi Gas Chemical CSR Procurement Guidelines” and other documents to its supply chain partners in order to gain their understanding and cooperation.

(ix) Climate change risk

- Nature of risk

The Group recognizes that climate change caused by greenhouse gases emitted in the course of its business and other activities, and a variety of related changes that occur in the natural and business environments constitute material risk factors. In the event that the Group’s initiatives to address greenhouse gas emissions are inadequate, social sanctions and loss of trust may result. In addition, for example, if various emissions control measures are introduced, such as new carbon taxes or emissions trading systems, the Group’s operating results and/or financial condition could be adversely affected.

- Main risk mitigation measures

In May 2019, the Company declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Risks and opportunities posed to the Group by climate change are examined by an advisory body attended by general managers of the head office’s corporate sector, based upon which they are deliberated and approved by a Sustainability Promotion Council chaired by the Company’s president and comprised primarily of directors, including outside directors, but also attended by audit & supervisory board members and others.

In addition to mitigating risks due to climate change through analyses based on decarbonization scenarios and scenarios in which no specific action is taken, the Group will strengthen its resilience to be better able to transform risks into business opportunities.

By developing the Company’s existing businesses with strengths in carbon-neutral initiatives and leveraging R&D capabilities, we are promoting the use of electricity generated from LNG, which has low greenhouse gas emissions, and the adoption of renewable energy in the transition stage, while working in collaboration with other Group businesses and external entities. Going forward, we will take specific steps toward helping to achieve carbon neutrality by 2050 in the form of establishing and installing a variety of carbon-free energy systems, CCUS, and recycling systems.

(x) Investment risk

- Nature of risk

The Group invests in capital assets and R&D to grow its businesses and increase its competitiveness. In doing so, it focuses its efforts on strengthening existing businesses and developing new businesses aligned with prospective market needs. The Group also invests and intends to continue investing in business expansion in Japan and overseas through such means as establishing or co-founding new companies, including joint ventures, and acquiring existing companies.

If the Group fails to earn adequate returns on such investments or if the value of securities that it holds declines significantly, leading to impairments on non-current assets, securities valuation losses or equity-method investment losses, its operating results and/or financial condition could be adversely affected.

- Main risk mitigation measures

The Group has established and carries out internal investment screening procedures and performs additional due diligence as warranted by the nature of the prospective investment. Additionally, involved organizational units endeavor to devise appropriate risk mitigation measures.

(xi) Currency risk

- Nature of risk

Export, import, and other transactions denominated in foreign currencies could adversely affect the Group’s operating results and/or financial condition, including by reducing net sales or exacerbating losses, as a result of exchange rate movements.

Additionally, financial statement accounts denominated in the Group overseas subsidiaries’ local currencies are translated into yen to prepare the Company’s consolidated financial statements. Such currency translation could adversely affect the Group’s operating results and/or financial condition depending on then-prevailing exchange rates.

- Main risk mitigation measures

The Group partially hedges currency risk associated with foreign-currency receivables and payables, mainly using currency forward contracts, in accord with internal regulations.

(xii) Financing and interest rate risks

- Nature of risk

The Group partially meets its financing needs by borrowing from financial institutions. In the event of a precipitous change in the financial environment, the Group's operating results and/or financial condition could be adversely affected, including by inability to access funding or increased interest expense due to a rise in interest rates.

- Main risk mitigation measures

The Group strives to maintain adequate financial soundness as measured by indicators such as debt/equity ratio and shareholders' equity ratio. It also endeavors to optimize its mix of fixed- and variable-rate debt and maintain healthy, favorable relationships with financial institutions and other sources of capital.

(xiii) Litigation risk

- Nature of risk

In the event of an unfavorable outcome to litigation or other legal proceedings brought against the Group in connection with its domestic or overseas operations, the Group's operating results and/or financial condition could be adversely affected. For example, the Group seeks to protect its intellectual property through such means as applying for and obtaining patents in Japan and overseas. It also endeavors to avoid infringing on other parties' rights. However, if litigation pertaining to intellectual property rights was to be decided against the Company, the Group's operating results and/or growth could be adversely affected.

- Main risk mitigation measures

The Group endeavors to not only comply with all laws and regulations applicable to its operations but also avoid disputes through such means as researching other parties' rights and drafting proper agreements that explicitly delineate rights and obligations with the assistance of attorneys and other expert advisors.

4. Management analysis of financial position, management performance and cash flows

(1) Overview of management performance, etc.

The Group's (the Company, consolidated subsidiaries and entities accounted for using equity method) financial position, management performance and cash flows (hereinafter "management performance, etc.") for the fiscal year ended March 31, 2025 were as follows.

(i) Management performance

During the fiscal year ended March 31, 2025, the global economy benefited from a gradual recovery trend on the back of a slight moderation in inflationary pressure. On the other hand, financial and capital market conditions, such as foreign exchange rates, remained highly volatile due to the impact of such factors as changes in U.S. government policies following the presidential election and shifts in monetary policies undertaken in the United States and major European countries. Meanwhile, the Chinese economy remained stagnant, while prolonged conflicts in the Middle East as well as the ongoing Russia-Ukraine War continued to fuel geopolitical risks. Furthermore, due to the impact of tariff measures invoked by the United States, the global economy became increasingly exposed to policy risks. Together, these factors gave rise to persistent concerns about the further decoupling of economies and supply chains worldwide.

Against this backdrop, the gradual economic recovery around the globe helped drive a year-on-year recovery trend in overall product demand for the Group. However, the business environment surrounding the Group remained quite uncertain due to such negative factors as a delayed pace of recovery in semiconductor market demand—except in the area of advanced materials—and the prolongation of China's economic stagnation.

Under these circumstances, in line with its medium-term management plan "Grow UP 2026," which began in the current fiscal year, the Group has pursued the new target of "strengthening the resiliency of our business portfolio," and has advanced its strategies of "focusing on Uniqueness & Presence," "building new value through innovation," and "restructuring businesses requiring intensive management," thereby ensuring a thorough reform of its business portfolio with a strong awareness of capital efficiency.

Due mainly to the December 2023 transition of JSP Corporation from consolidated subsidiary to equity-method affiliate, the Group's net sales decreased despite the depreciation of the yen, higher methanol market prices, growth in sales volumes of such products as optical materials for smartphone use, and other positive factors.

On the other hand, operating profit increased despite such negative factors as the aforementioned transition of JSP Corporation to equity-method affiliate. This increase was mainly attributable to year-on-year growth in earnings from such engineering plastics as polycarbonate and polyacetal, optical materials, and the methanol business. Other factors contributing to higher operating profit included the depreciation of the yen.

Furthermore, ordinary profit rose due mainly to the increase in operating profit and improvement in equity in earnings of affiliates. The latter was mainly attributable to the absence of impairment losses recorded at overseas methanol producing companies in the Republic of Trinidad and Tobago in the previous fiscal year, and higher methanol market prices.

Moreover, profit attributable to owners of parent increased despite being negatively affected by the absence of gain on step acquisitions recorded in the previous fiscal year in connection with the inclusion of Mitsubishi Engineering-Plastics Corporation into the scope of consolidation. This increase was mainly due to higher ordinary profit and a temporary improvement in income taxes - deferred, the latter of which resulted from changes in the Group's classification of deferred tax assets in terms of recoverability.

Taking the above factors into account, the Group's consolidated operating results were as described below.

(Billions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Change	Change (%)
Net sales	773.5	813.4	(39.8)	(4.9%)
Operating profit	50.8	47.3	+3.5	+7.4%
Equity in earnings (losses) of affiliates	10.9	(5.6)	+16.6	—
Ordinary profit	60.3	46.0	+14.2	+31.0%
Profit attributable to owners of parent	45.5	38.8	+6.7	+17.3%

Operating results by segment are as described below.

Please note that reportable segment operations previously classified as “Basic Chemicals Business Sector” were renamed “Green Energy & Chemicals Business Sector” in the fiscal year ended March 31, 2025.

In addition, net sales presented for each reportable previously comprised only revenues from external customers. However, from the beginning of the fiscal year ended March 31, 2025, the Company revised the method of presentation to include both revenues from external customers and transactions with other segments in net sales for each such segment. Moreover, segment net sales for the previous fiscal year have been presented by retrospectively applying the above change.

Net sales

(Billions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Change	Change (%)
Green Energy & Chemicals	323.1	412.8	(89.6)	(21.7%)
Specialty Chemicals	444.1	4,09.2	+34.9	+8.5%
Other	19.1	0.1	+19.0	-
Adjustments	(12.9)	(8.8)	(4.1)	-
Total	773.5	813.4	(39.8)	(4.9%)

Operating profit

(Billions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Change	Change (%)
Green Energy & Chemicals	12.7	17.7	(5.0)	(28.2%)
Specialty Chemicals	41.3	33.0	+8.2	+25.0%
Other	1.1	0	+1.0	-
Adjustments	(4.4)	(3.6)	(0.8)	-
Total	50.8	47.3	+3.5	+7.4%

Ordinary profit

(Billions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Change	Change (%)
Green Energy & Chemicals	20.5	10.1	+10.3	+102.4%
Specialty Chemicals	43.9	38.6	+5.2	+13.5%
Other	1.1	0.1	+1.0	+916.0%
Adjustments	(5.2)	(2.8)	(2.3)	-
Total	60.3	46.0	+14.2	+31.0%

Green Energy & Chemicals Business Sector

The methanol business saw increases in both net sales and earnings due primarily to the absence of impairment losses recorded at overseas methanol producing companies in the Republic of Trinidad and Tobago in the previous fiscal year, in addition to year-on-year rises in methanol market prices.

Methanol and ammonia-based chemicals posted a decrease in earnings despite the recovery trend in the sales volume of MMA products, due to higher repair costs and other negative factors.

The energy resources and environmental business saw increases in net sales and earnings due primarily to the higher sales volume of LNG for power generation use, along with growth in the sales volume of iodine and rising market prices for this offering

Meta-xylenediamine and aromatic aldehydes recorded a decrease in earnings, reflecting such factors as the lower sales volume of derivatives for China-bound exports and higher fixed costs, despite a recovery trend in demand for products targeting European and U.S. customers.

Xylene separators and derivatives posted increases in both net sales and earnings, despite stagnant market prices for purified isophthalic acid, thanks to the depreciation of the yen and other positive factors.

Specialty Chemicals Business Sector

Inorganic chemicals, which include those for use in semiconductor manufacturing, posted an increase in earnings, reflecting growth in the sales volume of hybrid chemicals and other products for use in the manufacture of highly functional memory devices.

Engineering plastics saw increases in both net sales and earnings due to growth in sales volumes of polycarbonate and polyacetal products, especially those with high-value-added applications, in addition to improvement in manufacturing costs, and other factors.

Optical materials posted increases in both net sales and earnings on the back of a higher sales volume of optical polymers that reflected a trend toward increasingly sophisticated smartphone camera functions, growing demand for products targeting emerging nations, and other factors.

Electronics materials posted earnings on par with the previous fiscal year. Despite such positive factors as robust sales of BT materials for smartphone-related IC plastic packaging—the core product category for electronics materials—and growth in the sales volume of OPE™ substrate material for AI servers, earnings remained flat due to higher costs for strengthened quality management measures implemented for customers of BT materials and other negative factors.

Oxygen absorbers such as AGELESS™ posted increases in net sales and earnings due to improvement in export prices on the back of the depreciation of the yen, and a higher sales volume of products for overseas customers.

(ii) Financial position

Total assets at the end of the fiscal year ended March 31, 2025 were 1,119.6 billion yen, up 51.6 billion yen from the end of the fiscal year ended March 31, 2024.

Current assets decreased by 2.8 billion yen to 460.2 billion yen. The decrease was mainly due to a decrease in notes and accounts receivable - trade, and contract assets.

Non-current assets increased 54.5 billion yen to 659.4 billion yen. The increase was mainly due to an increase in machinery, equipment and vehicles.

Total liabilities increased 39.1 billion yen to 422.3 billion yen. Current liabilities increased 33.4 billion yen, mainly due to an increase in short-term borrowings. Non-current liabilities increased 5.6 billion yen, mainly due to an increase in long-term borrowings.

Net assets increased by 12.5 billion yen to 697.3 billion yen. The increase was mainly due to an increase in retained earnings.

As a result, the equity-to-asset ratio was 59.7%.

(iii) Cash flows

Cash and cash equivalents at the end of the fiscal year ended March 31, 2025 were 56.9 billion yen, a decrease of 8.4 billion yen from the end of the fiscal year ended March 31, 2024.

Cash flows from operating activities

Net cash provided by operating activities increased by 1.9 billion yen from the fiscal year ended March 31, 2024 to 75.4 billion yen in the fiscal year ended March 31, 2025. The increase was mainly due to an increase (decrease) in trade payables.

Cash flows from investing activities

Net cash used in investing activities amounted to 90.9 billion yen, an increase of 14.8 billion yen from the fiscal year ended March 31, 2024. The increase was mainly due to a decrease in proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation.

Cash flows from financing activities

Net cash provided by financing activities increased by 45.3 billion yen from the fiscal year ended March 31, 2024 to 4.7 billion yen in the fiscal year ended March 31, 2025. The increase was mainly due to an increase in net increase (decrease) in short-term borrowings.

(iv) Results of production, orders and sales

a. Production

Production by segments for the fiscal year ended March 31, 2025 are as follows.

Segment name	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Year-on-year comparison (%)
Green Energy & Chemicals Business Sector (Millions of yen)	182,467	(27.0)
Specialty Chemicals Business Sector (Millions of yen)	370,117	15.8
Other (Millions of yen)	42	-
Total (Millions of yen)	552,626	(3.0)

Note: The production amount is calculated by multiplying the amount of production for sale, which is the total production minus the amount for in-house consumption, by the unit sales price for the fiscal year ended March 31, 2025, before internal transfers between segments.

b. Orders received

Because the Group (the Company and its consolidated subsidiaries) generally conducts production based on forecasts, this is not applicable.

c. Sales

Sales by segments for the fiscal year ended March 31, 2025 are as follows.

Segment name	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Year-on-year comparison (%)
Green Energy & Chemicals Business Sector (Millions of yen)	313,392	(22.5)
Specialty Chemicals Business Sector (Millions of yen)	443,728	8.6
Other (Millions of yen)	16,470	12,568.1
Total (Millions of yen)	773,591	(4.9)

Note: During the fiscal year ended March 31, 2025, there were significant fluctuations in sales performance in other business segments. This is due to a change in the allocation method for each reportable segment from the fiscal year ended March 31, 2025, in order to more appropriately reflect the management performance of each reportable segment following the system upgrade at certain consolidated subsidiaries, which enabled more accurate aggregation. Please refer to “V. Financial Information, 1. Consolidated financial statements and other information (1) Consolidated financial statements - Notes (Segment Information, etc.)” for details.

(2) Details of analysis and considerations regarding the status of management performance, etc., from management’s perspective

The details of analysis and considerations regarding the status of management performance, etc. of the Group, from management’s perspective are as follows. Please note that matters concerning the future in this article were determined as of the end of the fiscal year ended March 31, 2025.

(i) Details of recognition as well as analysis and considerations regarding the status of management performance, etc.

The management performance for the fiscal year ended March 31, 2025, which is the first year of the medium-term management plan “Grow UP 2026,” and the target for the final year (FY2026) are as follows.

Connection index	FY2023 result	FY2024 result	FY2026 target
Net sales (Billions of yen)	813.4	773.5	850.0
Operating profit (Billions of yen)	47.3	50.8	85.0
Ordinary profit (Billions of yen)	46.0	60.3	95.0
ROIC* (%)	3.3%	6.4%	8% or higher
ROE (%)	6.1%	6.9%	9% or higher

* ROIC = (Operating profit - Income taxes + Equity in earnings (losses) of affiliates) / Invested capital

The recognition regarding the management performance for the fiscal year ended March 31, 2025 is as described in “(1) Overview of management performance, etc., (i) Management performance.”

To address medium to long-term issues, as described in “II. Overview of Business, 1. Management policy, management environment, key challenges for the Group, etc.,” Grow UP 2026 has set two goals and three measures for each, and we plan to invest a cumulative total of 300 billion yen over

three years. The Group will work together through proactive investment in the ICT field, which is a growth driver, active allocation of R&D resources, restructuring of businesses requiring intensive management and other measures to strengthen the resiliency of our business portfolio and promote sustainability management.

The details of recognition as well as analysis and considerations regarding the status of management performance, etc. by segments are as follows.

Green Energy & Chemicals Business Sector

The management performance of the Green Energy & Chemicals Business Sector is as follows.

Connection index	FY2023 result	FY2024 result	FY2026 target
Net sales* (Billions of yen)	412.8	323.1	350.0
Operating profit (Billions of yen)	17.7	12.7	22.0
Ordinary profit (Billions of yen)	10.1	20.5	32.0

* Includes transactions with other segments.

As described in “(1) Overview of management performance, etc., (i) Management performance,” the FY2024 result was affected by factors such as the depreciation of the yen and higher methanol market prices, which contributed to increased net sales. However, net sales and earnings decreased due mainly to the transition of JSP Corporation from consolidated subsidiary to equity-method affiliate. Ordinary profit rose due mainly to the improvement in equity in earnings of affiliates. The latter was mainly attributable to the absence of impairment losses recorded at overseas methanol producing companies in the previous fiscal year, and higher methanol market prices.

Going forward, we will continue to promote measures aimed at increasing added value and improving efficiency through the early launch of new meta-xylenediamine production facilities, the realization of the Carbopath™ circular carbon methanol concept, efforts toward the practical application of CCS, and cost reductions by streamlining logistics and production. In addition, for the xylene separators and derivatives designated as a business requiring intensive management, we worked to withdraw from the orthoxylene chain. We will continue to implement further structural reforms.

Specialty Chemicals Business Sector

The management performance of the Specialty Chemicals Business Sector is as follows.

Connection index	FY2023 result	FY2024 result	FY2026 target
Net sales* (Billions of yen)	409.2	444.1	490.0
Operating profit (Billions of yen)	33.0	41.3	65.0
Ordinary profit (Billions of yen)	38.6	43.9	65.0

* Includes transactions with other segments.

As described in “(1) Overview of management performance, etc., (i) Management performance,” for the FY2024 result, net sales increased due mainly to the depreciation of the yen and growth in sales volumes of such products as optical materials for smartphone use. Operating profit and ordinary profit increased due mainly to year-on-year growth in earnings from such engineering plastics as polycarbonate and polyacetal, and optical materials, as well as the depreciation of the yen.

Going forward, we will continue to strengthen the domestic and overseas production systems for electronics chemicals, enhance the production capacity of overseas subsidiaries for electronic materials, establish a new lens monomer plant, and implement other measure as we focus on the growing ICT field to drive the growth of the U&P business. In addition, in the polycarbonate

business, which is positioned as a business requiring intensive management, we are working to reduce various costs by consolidating sheet film production sites and other means. Going forward, we continue to work to improve profitability and capital efficiency by accelerating the shift to high-value-added fields where we can differentiate ourselves while promoting the review of production capacity to match the business environment.

(ii) Major factors impacting management performance, etc.

Major factors impacting management performance, etc. of the Group are as described in “II. Overview of Business, 3. Business and other risks.”

(iii) Sources of capital and liquidity

The Group’s working capital needs are mainly for operating expenses such as manufacturing expenses and selling, general and administrative expenses.

Capital needs for investments are primarily for capital investments. These funds are generally procured through the Company’s own resources and borrowings from financial institutions.

The analysis of cash flows for the fiscal year ended March 31, 2025 is described in “(1) Overview of management performance, etc., (iii) Cash flows.”

As of the end of the fiscal year ended March 31, 2025, the balance of interest-bearing debt is 213.9 billion yen, and the balance of cash and cash equivalents is 56.9 billion yen.

(iv) Management policies, management strategies, and objective indicators for judging the achievement of management goals

Management policies, management strategies, and objective indicators for judging the achievement of management goals of the Group are as described in “II. Overview of Business, 1. Management policy, management environment, key challenges for the Group, etc.” In addition to the scale of sales and the amount of profits, capital efficiency is added to the analysis value in order to speed up management decision making, such as investment and withdrawal decisions for businesses.

(v) Major accounting estimates and assumptions used for estimates

The major accounting estimates used in the preparation of the consolidated financial statements and the assumptions used in making such estimates are described in “V. Financial Information, 1. Consolidated financial statements, etc., (1) Consolidated financial statements - Notes (Significant accounting estimates).”

5. Material contracts, etc.

(1) Technology licensing agreement relationship

Name of contracting company	Contract party	Date of the contract	Contract items	Consideration	Contract period
Mitsubishi Gas Chemical Company, Inc. (the Company)	Metanol de Oriente, Metor, S.A. (entity accounted for using equity method)	December 19, 2006	Non-exclusive license for patents and know-how related to the production of methanol	Upfront income	No fixed term
Mitsubishi Gas Chemical Company, Inc. (the Company)	Brunei Methanol Company Sdn. Bhd. (entity accounted for using equity method)	April 12, 2007	Non-exclusive license for patents and know-how related to the production of methanol	Upfront income	No fixed term
Mitsubishi Gas Chemical Company, Inc. (the Company)	Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd. (consolidated subsidiary)	July 30, 2010	Patented and proprietary technologies related to the manufacture of polycarbonate resin	Upfront income and certain royalties on net sales of contracted products	14 years from April 2012
Mitsubishi Gas Chemical Company, Inc. (the Company)	Caribbean Gas Chemical Limited	April 10, 2015	Non-exclusive license for patents and know-how related to the production of methanol and DME	Upfront income	20 years from April 2015

(2) Joint venture contract relationship

Name of contracting company	Contract party	Month of establishment	Description	Name of joint venture
Mitsubishi Gas Chemical Company, Inc. (the Company)	Japan International Cooperation Agency (JICA) Mitsui Chemicals, Inc. Sumitomo Chemical Company, Limited Kuraray Co., Ltd. ITOCHU Corporation Mitsubishi Chemical Corporation NIPPON STEEL Chemical & Material CO., LTD.	November 1979	Investment in a Japanese investment corporation to operate a joint venture with Saudi Basic Industries Corporation (SABIC) in the Kingdom of Saudi Arabia for the purpose of producing and distributing methanol	Japan Saudi Arabia Methanol Co., Inc. (entity accounted for using equity method) The Company's shareholding ratio: 47%
Mitsubishi Gas Chemical Company, Inc. (the Company)	Celanese Services Germany GmbH Global Polyacetal Co., Ltd.	March 1987	Joint venture for production and sales of polyacetal resin	Korea Engineering Plastics Co., Ltd. (entity accounted for using equity method) The Company's shareholding ratio: 40%
Mitsubishi Gas Chemical Company, Inc. (the Company)	Hansol Chemical Co., Ltd.	October 1989	Joint venture for production and sales of ultra-pure hydrogen peroxide	Samyoung Pure Chemicals Co., Ltd. (consolidated subsidiary) The Company's shareholding ratio: 51%
Mitsubishi Gas Chemical Company, Inc. (the Company)	Petroquimica de Venezuela, S.A. Mitsubishi Corporation International Petrochemical Holdings Ltd.	March 1992	Joint venture for production and sales of methanol	Metanol de Oriente, Metor, S.A. (entity accounted for using equity method) The Company's shareholding ratio: 23.75%
Mitsubishi Gas Chemical Company, Inc. (the Company)	Mitsubishi Chemical Corporation	March 1994	Joint venture for sales of engineering plastics	Mitsubishi Engineering-Plastics Corporation (consolidated subsidiary) The Company's shareholding ratio: 75%
Global Polyacetal Co., Ltd. (consolidated subsidiary)	TOA Dovechem Industries Co., Ltd.	July 1995	Joint venture for production and sales of polyacetal resin	Thai Polyacetal Co., Ltd. (consolidated subsidiary)
Mitsubishi Gas Chemical Company, Inc. (the Company)	ITOCHU Corporation Mirkhas Sdn. Bhd.	March 2006	Joint venture for production and sales of methanol	Brunei Methanol Company Sdn. Bhd. (entity accounted for using equity method) The Company's shareholding ratio: 50%
Mitsubishi Gas Chemical Company, Inc. (the Company)	Mitsubishi Corporation National Gas Company of Trinidad and Tobago Limited Mitsubishi Heavy Industries Engineering, Ltd. Massy Holdings Ltd.	March 2013	Joint venture for production and sales of methanol	Caribbean Gas Chemical Limited

6. Research and development activities

Aiming to achieve the basic policy of our medium-term management plan “Grow UP 2026,” which is to strengthen the resiliency of our business portfolio, we are further advancing the selection and concentration of resource allocation to accelerate the creation of new value through innovation. Specifically, we are focusing particularly on three growth target areas—ICT, mobility, and medical and food—that can accelerate MGC’s growth, while promoting research and development to solve climate change issues and allocating resources with a focus on these areas. As a result of the placement of DX teams dedicated to computational chemistry and data science analysis in the three laboratories, DX technology is being widely used and is greatly contributing to accelerate research and development. In addition, with the aim of spreading DX technology within the MGC Group, we are promoting data science education while utilizing data science analysis software developed in-house for the MGC Group. In addition, the Technology Information Group of the Intellectual Infrastructure Center supports research and development through the utilization of IP landscape, which proposes R&D strategies by combining patent literature, market information and internal information, as well as the internal deployment of generative AI. The IP landscape has begun to be expanded to the MGC Group in FY2024 and beyond.

The Research & Development Division has reorganized the Next Generation Strategy Group and New Business Development Group, which are responsible for creating new businesses at the head office, into the ICT•Mobility•Sustainability Department and the Health Technology & Solution Department to enable efficient promotion of business development within a single organization through the formulation of company-wide strategies and future visions in target areas. This division continued to create businesses in new business fields through R&D activities conducted in collaboration with external partners, including partnerships and investments with venture companies and joint research with public research institutions. In addition, we promoted the commercialization of medical packaging materials and solid electrolytes, which we created ourselves, and worked on business development in new areas such as allergy diagnostics and nucleic acid medicine through open innovation. We provide safe and reliable vegetables to society in our factory-grown vegetable business in Shirakawa City, Fukushima Prefecture.

Including the R&D departments of our subsidiaries, the total number of R&D staff in the Group is about 1,068, or about 13% of the total number of employees in the Group. Total research expenses amounted to 26,182 million yen. Research activities, results, and R&D expenses for each segment in the fiscal year ended March 31, 2025 are as follows.

Green Energy & Chemicals Business Sector

Research and development is being conducted on themes related to each product group of the four divisions within the Green Energy & Chemicals Business Sector and their surrounding areas.

C1 Chemicals Division: This division handles methanol, ammonia, derivatives such as DME, methylamine, and MMA products. With regard to methanol, we are developing core manufacturing technologies and synthetic catalysts and conducting demonstration tests of methanol production technology from various raw materials such as CO₂, waste plastic, and digestion gas, while utilizing pilot equipment at our Niigata Plant. We have defined the methanol produced from these diverse resources as “circular carbon methanol,” and we are conducting branding activities aimed at realizing Carbopath™ as a circular carbon platform for which our company provides technology, services, and products. In addition, we are also advancing research and development and market development of methanol-to-X, including the operation of plants that incorporate DX and automated operations, and methanol reforming and hydrogen production. In MMA products, we are promoting technological improvements for cost reduction and stable production and developing unique new derivatives.

High Performance Products Division: Main products include chemical products such as meta-xylenediamine, aromatic aldehydes and polyol, and polymer materials products such as MX nylon, specialty polyesters, cyanates, and polyimides. Sales of meta-xylenediamine, including derivatives, have been strong for curing agents, isocyanates, and polyamides, and we are working on various technological developments, cost improvements, and new market developments in Japan and overseas. Sales of aromatic aldehydes for use in fragrances and high-performance resin additives have been strong, and we are striving to strengthen our profitability through further market expansion and the development of high-value-added products. In MX nylon products, the biobased polyamide LEXTER has been increasing sales volumes in applications such as automotive and electronic components, and we are making technical improvements for further expansion. Specialty polyesters and cyanates are being marketed as new high-heat-resistant resins and high-functionality thermosetting resin materials, with each being increasingly adopted for applications such as baby bottles and composite material raw materials. We are also advancing entry into the composite materials market by

leveraging our unique resin portfolio, and are developing the prepreg market in the U.S. under the product name ENDUREGE. In addition, we are promoting the commercialization of transparent polyimide with solvent solubility, transparency, and complete fluorine-free properties, as well as thermoplastic polyimide with high heat resistance, low dielectric constant, and good moldability, to appeal to the market by leveraging the characteristics of each product.

Energy Resources & Environmental Business Division: We are also involved in the development and production of natural gas, LNG and geothermal power generation, and the study of CCS using depleted oil and gas fields. Among these, the water-soluble natural gas found in Niigata is a resource that can be locally produced and consumed, and it also contains a significant amount of valuable export resource iodine, for which we are developing iodine derivatives for materials related to perovskite solar cells and other applications. We are also selling a new model of direct methanol fuel cells as an energy source, promoting it as an emergency power source and a regular power source.

Life Sciences Division: We are developing and marketing supplement ingredients such as pyrroloquinoline quinone (PQQ), an anti-aging material that meets the needs of an aging society, dried yeast containing S-adenosylmethionine (S-AMe), which is rich in nutritional components, dried yeast containing spergimine (SPD), and lactic acid bacteria, by utilizing our accumulated fermentation, cultivation and purification technologies. We are conducting in-depth functional investigations of these products and expanding their appeal. In the antibody drugs, we are engaged in contract manufacturing of several investigational drugs and drug substances in 1,000L and 2,000L culture tanks at Cultivics Inc., which was established as a joint venture company.

Research and development expenses for this business sector amounted to 10,370 million yen.

Specialty Chemicals Business Sector

The Specialty Chemicals Business Sector is engaged in the following research and development activities in five business fields and their peripheral areas, targeting the information and telecommunications, medical and food, mobility, and infrastructure domains.

Inorganic Chemicals Division: For hydrogen peroxide and its derivatives, we are continuing to improve the quality and strengthen cost competitiveness by refining production technologies. In chemical products for the electronics industry, we are expanding our main products, such as super pure hydrogen peroxide, functional chemical liquids (HBC), and chemical polishing agents. We are working to further improve super pure hydrogen peroxide purification technology. With regard to HBC, we are developing and promoting timely market introduction of new grades covering all processes from front-end to back-end semiconductor manufacturing under our global R&D system, striving to increase our track record of adoption.

Electronics Materials Division: In electronic materials, we continue to advance the development of materials for high-frequency circuits to meet the increasing sophistication and diversity of information communication technologies, multilayer materials for memory and logic semiconductor package substrates to support the increasing data transmission capacity, and thin-layer and fine-circuit-forming materials to achieve lower profiles and higher functionality of electronic components.

Engineering Plastics Division: In polycarbonate resins (PC), we are promoting the development of technologies for enhancing functionality and improving material quality, such as flame retardant PC and low-impurity PC, and are developing functional films such as hard coat films for thermoforming and new optical films, as well as high value-added products such as fiber-reinforced thermoplastics (FRTP). In addition, as a carbon neutral and SDG's initiative, we are developing PC intermediates and materials made from carbon dioxide (adopted as a Green Innovation Fund Projects by NEDO), and are working on process development and scale-up studies. In addition, we are also studying the production of PC using biomass-derived raw materials and polyacetal using green methanol.

Optical Materials Division: In optical polymers, we are expanding into the AR/VR and sensor fields with a focus on materials for small camera lenses for smartphones, and are developing new grades to meet specific applications and introducing them to the market. Furthermore, we have established post-consumer recycling technology through collaboration with our customers and are expanding it to the market. In the lens monomers for eyeglasses, we are developing new products to meet user needs. The biomass-derived lens monomer we developed has been launched in the market as a biomass lens and has been adopted by some major customers. We are also working on developing new optical materials for next-generation devices, leveraging our accumulated expertise.

LivingTech and Hygiene Solutions Division (a newly established division formed by integrating the Oxygen Absorbers Division and the environmental sanitation chemicals group of the inorganic chemicals in the Inorganic Chemicals Division): Oxygen absorbers are being used not only for preserving the freshness of food but also for maintaining the storage stability of pharmaceuticals, preventing rust on metals, and protecting cultural properties, extending their application to various aspects of daily life. We are developing environmentally friendly, smaller products with reduced plastic use and products that comply with the latest regulations including such PFAS regulations. We are developing technologies to reduce food waste for fresh meat and produce by applying our accumulated atmospheric control and sterilizing technologies.

In addition to the above, we are actively developing new materials, expanding peripheral materials and core technologies in various fields to other markets and applications.

Research and development expenses for this business sector amounted to 15,812 million yen.

III. Information About Facilities

1. Overview of capital investments, etc.

The amount of capital investments of the Group (the Company and its consolidated subsidiaries) during the fiscal year ended March 31, 2025 is as follows:

The amount of capital investments includes intangible fixed assets, and the primary purposes of the capital investments include expansion, rationalization, labor-saving, and maintenance and renewal.

(Millions of yen)

Segment name	Fiscal year ended March 31, 2025
Green Energy & Chemicals Business Sector	34,967
Specialty Chemicals Business Sector	50,032
Other	90
Elimination or corporate	3,703
Total	88,794

2. Major facilities

Major facilities of the Group (the Company and its consolidated subsidiaries) are as follows:

(1) Reporting company

Name (Location)	Segment name	Details of facilities	Carrying amount (As of March 31, 2025)						Number of employees (Persons)
			Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) [Area: thousand m ²]	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
Head Office (Chiyoda-ku, Tokyo)	Corporate (Shared), Green Energy & Chemicals Business Sector, Specialty Chemicals Business Sector	Geothermal power generation facility, production facility for oxygen absorbers, and other facilities	2,935	741	1,007 [225]	24	3,145	7,854	617
Niigata Plant (Kita-ku, Niigata-shi, Niigata)	Green Energy & Chemicals Business Sector, Specialty Chemicals Business Sector	Production facility for derivatives of methanol and ammonia	13,760	18,599	2,685 [1,047]	—	4,725	39,770	478
Mizushima Plant (Kurashiki-shi, Okayama)	Green Energy & Chemicals Business Sector	Production facility for xylene isomers, derivatives thereof, and polyol	5,361	15,725	3,373 [557]	—	1,641	26,101	412
Yokkaichi Plant (Yokkaichi-shi, Mie)	Specialty Chemicals Business Sector	Chemicals for electronics industry, and hydrogen peroxide	3,506	3,569	1,112 [219]	0	6,340	14,529	189
Yamakita Plant (Yamakita- machi, Ashigarakami- gun, Kanagawa)	Specialty Chemicals Business Sector	Production facility for persulfates and chemicals for electronics industry	1,137	892	439 [65]	—	489	2,960	81

Name (Location)	Segment name	Details of facilities	Carrying amount (As of March 31, 2025)						Number of employees (Persons)
			Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) [Area: thousand m ²]	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
Kashima Plant (Kamisu-shi, Ibaraki)	Specialty Chemicals Business Sector	Production facility for hydrogen peroxide and engineering plastics	6,419	6,104	1,313 [344]	—	1,961	15,799	239
Naniwa Plant (Taisho-ku, Osaka-shi, Osaka)	Specialty Chemicals Business Sector	Production facility for lens monomers	805	935	1,715 [45]	—	130	3,587	40
Tokyo Research Laboratory (Katsushika-ku, Tokyo)	Corporate (Shared), Specialty Chemicals Business Sector	Research facilities	3,569	1,146	860 [134]	—	1,850	7,427	264
Niigata Research Laboratory (Kita-ku, Niigata-shi, Niigata)	Corporate (Shared), Green Energy & Chemicals Business Sector	Research facilities	1,642	561	196 [29]	—	906	3,306	109
Hiratsuka Research Laboratory (Hiratsuka-shi, Kanagawa)	Corporate (Shared), Green Energy & Chemicals Business Sector	Research facilities	1,138	635	2,413 [52]	—	2,006	6,194	87
QOL Innovation Center Shirakawa (Shirakawa-shi, Fukushima)	Corporate (Shared), Specialty Chemicals Business Sector	Production facility for oxygen absorbers, factory vegetable cultivation facilities	641	34	1,796 [301]	—	87	2,559	7

(2) Domestic subsidiaries

Company name	Name (Location)	Segment name	Details of facilities	Carrying amount (As of March 31, 2025)						Number of employees (Persons)
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) [Area: thousand m ²]	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
MGC Electrotechno Co., Ltd.	Shin-shirakawa Plant (Nishigo-mura, Nishi-shirakawa-gun, Fukushima)	Specialty Chemicals Business Sector	Production facility for materials for printed wiring boards	3,549	2,723	2,099 [202]	–	747	9,120	237
MGC Terminal Co., Inc.	Niigata Production Site (Kita-ku, Niigata-shi, Niigata)	Green Energy & Chemicals Business Sector	Chemical storage facilities	1,717	473	1,063 [88]	–	589	3,844	40
MITSUBISHI GAS CHEMICAL NEXT COMPANY, INC.	Niigata Plant (Kita-ku, Niigata-shi, Niigata)	Green Energy & Chemicals Business Sector	Production facility for chemicals	825	1,677	508 [58]	–	54	3,066	113
Toho Earthtech, Inc.	Head Office Plant (Nishi-ku, Niigata-shi, Niigata)	Green Energy & Chemicals Business Sector	Production facility for natural gas and iodine	2,499	7,982	1,395 [108]	–	1,282	13,160	92
MGC AGELESS Co., Ltd.	Shirakawa Production Site (Shirakawa-shi, Fukushima)	Specialty Chemicals Business Sector	Production facility for oxygen absorbers	2,626	764	102 [17]	–	61	3,555	294

(3) Foreign subsidiaries

Company name	Name (Location)	Segment name	Details of facilities	Carrying amount (As of March 31, 2025)						Number of employees (Persons)
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) [Area: thousand m ²]	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
MGC Specialty Chemicals Netherlands B.V.	Head Office Plant (Rotterdam, The Netherlands)	Green Energy & Chemicals Business Sector	Production facility for MXDA	146	–	– [53]	–	41,159	41,306	62
Thai Polyacetal Co., Ltd.	Map-Ta-Phut Plant (Rayong, Thailand)	Specialty Chemicals Business Sector	Production facility for engineering plastics	673	5,849	905 [83]	–	1,275	8,704	174
Thai Polycarbonate Co., Ltd.	Map-Ta-Phut Plant (Rayong, Thailand)	Specialty Chemicals Business Sector	Production facility for engineering plastics	526	4,100	1,391 [121]	–	287	6,305	366
Samyoung Pure Chemicals Co., Ltd.	Headquarters Plant (Cheonan, Korea)	Specialty Chemicals Business Sector	Production facility for chemicals for electronics industry	2,516	1,581	697 [26]	–	2,186	6,981	92
Taixing MGC Lingsu Co., Ltd.	Head Office Plant (Taizhou, Jiangsu, China)	Specialty Chemicals Business Sector	Production facility for chemicals for electronics industry	2,640	3,866	– [114]	–	5	6,513	84
MGC Pure Chemicals Taiwan, Inc.	Head Office Plant (Taichung, Taiwan)	Specialty Chemicals Business Sector	Production facility for chemicals for electronics industry	6,608	20,617	– [90]	–	746	27,973	137
MGC Pure Chemicals America, Inc.	Head Office Facility (Arizona, United States)	Specialty Chemicals Business Sector	Production facility for chemicals for electronics industry	3,767	2,963	618 [112]	29	8,920	16,300	102
MGC Pure Chemicals America, Inc.	Oregon Facility (Oregon, United States)	Specialty Chemicals Business Sector	Production facility for chemicals for electronics industry	5,644	5,706	712 [87]	–	165	12,228	40
MGC Pure Chemicals America, Inc.	Texas Facility (Texas, United States)	Specialty Chemicals Business Sector	Production facility for chemicals for electronics	4,923	1,149	10 [114]	–	17,785	23,869	43

Company name	Name (Location)	Segment name	Details of facilities	Carrying amount (As of March 31, 2025)						Number of employees (Persons)
				Buildings and structures (Millions of yen)	Machinery, equipment and vehicles (Millions of yen)	Land (Millions of yen) [Area: thousand m ²]	Leased assets (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
	States)		industry							
MGC Pure Chemicals Singapore Pte. Ltd.	Head Office Plant (Singapore)	Specialty Chemicals Business Sector	Production facility for chemicals for electronics industry	144	1,316	– [12]	462	3,656	5,580	82
MGC Electro-techno (Thailand) Co., Ltd.	Head Office Plant (Rayong, Thailand)	Specialty Chemicals Business Sector	Production facility for materials for printed wiring boards	2,603	1,181	738 [123]	–	10,829	15,352	323

- Notes:
1. The carrying amount of “Other” assets represents the total of tools, furniture and fixtures and construction in progress.
 2. Land, buildings, etc. of the reporting company include land and buildings for welfare and training facilities at each office.
 3. The carrying amount of MGC Electrotechno Co., Ltd., MITSUBISHI GAS CHEMICAL NEXT COMPANY, INC., and MGC AGELESS Co., Ltd. include assets leased from the reporting company.
 4. The land of MGC Specialty Chemicals Netherlands B.V., Taixing MGC Lingsu Co., Ltd., MGC Pure Chemicals Taiwan, Inc., the Texas Facility of MGC PURE CHEMICALS AMERICA, INC., and MGC Pure Chemicals Singapore Pte. Ltd. are leased from non-consolidated companies.
 5. The carrying amount and number of employees of MGC Pure Chemicals Taiwan, Inc. and MGC Pure Chemicals Singapore Pte. Ltd. are as of December 31, 2024.

3. Planned additions, retirements, etc. of facilities

Due to the diverse range of businesses conducted by the Group (the Company and its consolidated subsidiaries) both in Japan and overseas, planned additions and expansion of facilities as of the fiscal year ended March 31, 2025 are disclosed by segment.

The capital investment plan (additions and expansion, etc.) for the next year following the fiscal year ended March 31, 2025 is ¥87,000 million, and the breakdown by segment is as follows. There were no plans for significant retirement, sale, etc. of facilities.

Segment name	Estimated investment amount (Millions of yen)	Main contents and purpose of facilities, etc.	Method of financing
Green Energy & Chemicals Business Sector	22,000	Expansion, rationalization, labor-saving, maintenance and renewal, etc.	The Company's own resources and borrowings
Specialty Chemicals Business Sector	59,000	Expansion, rationalization, labor-saving, maintenance and renewal, etc.	The Company's own resources and borrowings
Other	6,000	Expansion, rationalization, labor-saving, maintenance and renewal, etc.	The Company's own resources and borrowings

Segment name	Estimated investment amount (Millions of yen)	Main contents and purpose of facilities, etc.	Method of financing
Total	87,000		

IV. Information About Reporting Company

1. Information about shares, etc.

(1) Total number of shares, etc.

(i) Total number of shares

Class	Total number of authorized shares (Shares)
Common shares	492,428,000
Total	492,428,000

(ii) Issued shares

Class	Number of shares issued as of the end of the fiscal year (Shares) (March 31, 2025)	Number of shares issued as of the filing date (Shares) (June 24, 2025)	Name of listed financial instruments exchange or registered or licensed financial instruments firms association	Description
Common shares	211,686,599	211,686,599	Tokyo Stock Exchange Prime Market	The number of shares constituting one unit: 100 shares
Total	211,686,599	211,686,599	—	—

(2) Stock acquisition rights, etc.

(i) Description of stock option plan

Not applicable.

(ii) Description of rights plan

Not applicable.

(iii) Other information about stock acquisition rights

Not applicable.

(3) Exercise status of bonds with stock acquisition rights containing a clause for exercise price adjustment

Not applicable.

(4) Changes in total number of shares issued, share capital, etc.

Date	Increase (decrease) in total number of shares issued (Shares)	Balance of total number of shares issued (Shares)	Increase (decrease) in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Increase (decrease) in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
July 29, 2022 (Note)	(3,500,000)	222,239,199	—	41,970	—	35,668
January 31, 2024 (Note)	(5,000,000)	217,239,199	—	41,970	—	35,668
March 31, 2025 (Note)	(5,552,600)	211,686,599	—	41,970	—	35,668

Note: The decrease was due to the cancellation of treasury shares.

(5) Shareholding by shareholder category

As of March 31, 2025

Category	Shareholding status (Number of shares per share unit: 100 shares)								Shares less than one share unit (Shares)
	Government and municipality	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individuals, etc.	Total	
					Non-individuals	Individuals			
Number of shareholders (Persons)	—	93	42	427	338	47	32,314	33,261	—
Number of shares held (Units)	—	1,045,583	61,891	158,446	457,860	150	390,342	2,114,272	259,399
Shareholding ratio (%)	—	49.45	2.93	7.49	21.66	0.01	18.46	100.00	—

- Notes: 1. 16,977,506 treasury shares are included in “Individuals, etc.” as 169,775 units and “Shares less than one unit” as 6 shares.
2. “Other corporations” column includes five units of shares held in the name of Japan Securities Depository Center, Incorporated.

(6) Major shareholders

As of March 31, 2025

Name	Address	Number of shares held (Thousands of shares)	Ratio of shares held to total number of shares issued (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8-1, Akasaka 1-chome, Minato-ku, Tokyo	29,563	15.18
Custody Bank of Japan, Ltd. (Trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	20,450	10.50
Meiji Yasuda Life Insurance Company	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	8,797	4.52
STATE STREET BANK AND TRUST COMPANY 505001	One Congress Street, Suite 1, Boston, Massachusetts	5,917	3.04
Nippon Life Insurance Company	5-12, Imabashi 3-chome, Chuo-ku, Osaka-shi, Osaka	5,858	3.01
The Norinchukin Bank	2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	5,026	2.58
National Mutual Insurance Federation of Agricultural Cooperatives	7-9, Hirakawa-cho 2-chome, Chiyoda-ku Tokyo	3,235	1.66
The Bank of Yokohama, Ltd.	1-1, Minatomirai 3-chome, Nishi-ku, Yokohama-shi, Kanagawa	3,085	1.58
AGC Inc.	5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	3,063	1.57
MUFG Bank, Ltd.	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	2,700	1.39
Total	–	87,697	45.04

- Notes: 1. In addition to the above, the number of treasury shares held by the Company is 16,977 thousand shares.
2. During fiscal year ended March 31, 2025, although Mitsubishi UFJ Financial Group, Inc. and its co-owners, and Sumitomo Mitsui Trust Bank, Limited and its co-owners were stated as holding the following shares in the large shareholding report available for public inspection, the actual number of shares substantially owned by the Company as of March 31, 2025, could not be confirmed, so they are not included in the major shareholders above.

Date of reporting obligation: July 22, 2024

Name	Address	Number of shares, etc. held (Thousands of shares)	Ratio of shares, etc. held (%)
MUFG Bank, Ltd.	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	2,700	1.24
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	6,184	2.85
MUFG Securities EMEA plc	Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AJ, UK	1,000	0.46
Mitsubishi UFJ Asset Management Co., Ltd.	9-1, Higashi-Shinbashi 1-chome, Minato-ku, Tokyo	1,796	0.83
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	247	0.11

Date of reporting obligation: February 14, 2025

Name	Address	Number of shares, etc. held (Thousands of shares)	Ratio of shares, etc. held (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	857	0.39
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shibakoen 1-chome, Minato-ku, Tokyo	4,343	2.00
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	7,883	3.63

(7) Voting rights
(i) Issued shares

As of March 31, 2025

Category	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (Treasury shares, etc.)	—	—	—
Shares with restricted voting rights (Other)	—	—	—
Shares with full voting rights (Treasury shares, etc.)	Common shares 17,051,000	—	The number of shares constituting one unit: 100 shares
Shares with full voting rights (Other)	Common shares 194,376,200	1,943,762	Same as above
Shares less than one share unit	Common shares 259,399	—	Shares less than one share unit (100 shares)
Total number of shares issued	211,686,599	—	—
Total number of voting rights	—	1,943,762	—

- Notes: 1. The following treasury shares and cross-held shares are included in “Shares less than one share unit.”
Treasury shares: 6 shares, Yamada Kasei Co., Ltd.: 5 shares
2. “Shares with full voting rights (Other)” column includes 500 shares (the number of voting rights: 5 units) held in the name of Japan Securities Depository Center, Incorporated.

(ii) Treasury shares, etc.

As of March 31, 2025

Name of shareholder	Location of shareholder	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Proportion of number of shares held against total number of issued shares (%)
The Company	5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo	16,977,500	—	16,977,500	8.02
Yamada Kasei Co., Ltd.	8-4, Uchi-Kanda 2-chome, Chiyoda-ku, Tokyo	70,500	—	70,500	0.03
RYOKO LOGISTICS CO., LTD.	2-81, Kamisucho, Toyonaka-shi, Osaka	3,000	—	3,000	0.00
Total	—	17,051,000	—	17,051,000	8.05

2. Acquisition and disposal of treasury shares

Class of shares, etc.: Acquisition of common shares that falls under Article 155, items (iii) and (vii) of the Companies Act

- (1) Acquisition by resolution at the General Meeting of Shareholders
Not applicable.

- (2) Acquisition by resolution at the Board of Directors meeting

Category	Number of shares (Shares)	Total value (Yen)
Resolution of the Board of Directors of November 8, 2024 (Acquisition Period: November 11, 2024 to March 24, 2025)	5,600,000	15,000,000,000
Treasury shares acquired before the fiscal year ended March 31, 2025	—	—
Treasury shares acquired during the fiscal year ended March 31, 2025	5,552,600	14,999,767,500
Total number and total amount of shares remaining as balance of resolved number of shares to be purchased	47,400	232,500
Percentage of treasury shares yet to be acquired as of March 31, 2025 (%)	0.85	0.00
Treasury shares acquired during the period after the reporting period to the filing date of this report	—	—
Percentage of treasury shares yet to be acquired as of filing date (%)	0.85	0.00

- (3) Acquisition not based on resolution at the General Meeting of Shareholders or Board of Directors meeting

Category	Number of shares (Shares)	Total value (Yen)
Treasury shares acquired during the fiscal year ended March 31, 2025	2,572	7,050,768
Treasury shares acquired during the period after the reporting period to the filing date of this report	231	510,589

Note: Treasury shares acquired during the period after the reporting period to the filing date of this report does not include the shares acquired through the purchase of odd-lot shares from June 1, 2025 until the filing date of this Annual Securities Report.

- (4) Disposal of acquired treasury shares and number of treasury shares held

Category	Fiscal year ended March 31, 2025		Period after the reporting period to the filing date of this report	
	Number of shares (Shares)	Total value of disposal (Yen)	Number of shares (Shares)	Total value of disposal (Yen)
Acquired treasury shares for which subscribers were solicited	—	—	—	—
Acquired treasury shares that were cancelled	5,552,600	10,124,396,106	—	—
Acquired treasury shares that were transferred due to a merger, share exchange, share allotment, or company split	—	—	—	—
Other (Disposal of treasury shares through requests to purchase shares less than one unit)	—	—	—	—
Other (Disposal of treasury shares associated with the restricted share-based remuneration plan)	34,800	106,557,600	—	—
Number of treasury shares held	16,977,506	—	16,977,737	—

Note: Treasury shares acquired during the period after the reporting period to the filing date of this report does not include the shares acquired through the purchase of odd-lot shares from June 1, 2025 until the filing date of this Annual Securities Report.

The calculation of treasury shares held during the period after the reporting period to the filing date of this report does not include the shares acquired through the repurchase or additional purchase of odd-lot shares from June 1, 2025 until the filing date of this Annual Securities Report.

3. Dividend policy

The 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 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. The Company's basic policy is to continue stable dividends, determines taking into consideration such as trends in business performance, to pay dividends from retained earnings twice a fiscal year, once as an interim dividend and once as a year-end dividend, and to flexibly implement acquisition of treasury shares in consideration of the level of retained earnings and shareholder returns to improve capital efficiency and enhance shareholder returns.

In addition, in the medium-term management plan "Grow UP 2026" that covers the three years from FY2024 (the fiscal year ended March 31, 2025) to FY2026 (the fiscal year ending March 31, 2027), the Group has set the medium-term guideline for total payout ratio of 50% against profit attributable to owners of parent, including the acquisition of treasury shares, and adopt a progressive dividend policy that aims to progressively increase dividends while avoiding dividend decreases to the extent that it does not impair the Group's financial soundness.

The Company provides in its Articles of Incorporation that, "except as otherwise prescribed by laws and regulations, it may make decisions on dividends of surplus and other matters set forth in each item of Article 459, paragraph (1) of the Companies Act by resolution of the Board of Directors," and the Board of Directors is the decision-making body for dividends from surplus.

Dividends for the fiscal year ended March 31, 2025 were determined based on the above policy, and the year-end dividend for the fiscal year ended March 31, 2025 was set at ¥50 per share. Since the interim dividend payout was ¥45, the annual dividend for the fiscal year ended March 31, 2025 is ¥95 per share, which resulted in 41.5% of dividend payout ratio on a consolidated basis.

Dividends for the record date for the fiscal year ended March 31, 2025 were as follows.

Date of resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
Resolution at the Board of Directors meeting on November 8, 2024	9,011	45
Resolution at the Board of Directors meeting on May 26, 2025	9,735	50

4. Status of corporate governance, etc.

(1) Overview of corporate governance

(i) Basic policy regarding corporate governance

Based on its mission of “contribute to harmony and the development of society through the creation of broader values based on chemistry,” the Company believes that it can meet the expectations of all its stakeholders, including its shareholders, by aiming to achieve both social and economic value, enhancing corporate value through its business activities, and contributing to the realization of a sustainable society, and to this end, the Company will strive to operate an effective corporate governance system and continuously strengthen and enhance it.

The specific basic policies are as follows.

(Basic policies)

- (1) Ensure the rights of and equality among shareholders.
- (2) Engage in appropriate collaboration with shareholders and other stakeholders.
- (3) Conduct appropriate information disclosures and maintain transparency.
- (4) Properly carry out the responsibilities of the Board of Directors and other bodies.
- (5) Engage in constructive dialogue with shareholders.

(ii) Summary of system of corporate governance and reasons for adopting the system

The Company has elected to have an Audit & Supervisory Board. The Company has, for the purpose of business execution, established an executive officer system that clearly separates management decision-making and supervisory functions from the business execution function. The Board of Directors decides basic management policies, matters relating to items stipulated by law and the Company’s Articles of Incorporation, and other important management matters. The Board of Directors oversees the execution of business, while executive officers are responsible for directly managing business affairs.

Directors are appointed to one-year terms to clearly delineate management responsibilities.

Directors who concurrently serve as non-Group companies’ directors and/or Audit & Supervisory Board members are limited to a maximum of three directorships or Audit & Supervisory Board memberships in principle so they can concentrate sufficiently on the Company’s management.

For matters arising in the course of business execution that may have a significant effect on the Company, the Board of Directors makes its decisions on the basis of multifaceted deliberations, including deliberations on management policies by the Management Council and deliberations on plans for executing specific policies by the Operations Council. The Board of Directors receives advice from attorneys and other experts when necessary in the course of its decision making on the corporate management and supervision of business execution.

To ensure the transparency, objectivity and reasonableness of the Company’s decision-making processes for directors and executive officers’ compensation and director, Audit & Supervisory Board member and executive officer nominations/appointments, the Board of Directors consults with the Compensation and Nominating Committee, majority of which is comprised of outside directors, before any compensation or nomination/appointment proposal is placed on a Board of Directors’ meeting agenda.

The Company’s Articles of Incorporation stipulate that the number of Directors shall not exceed 15, that the election of Directors shall be made by a majority of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present, and that cumulative voting shall not be used. In addition, to enable the flexible implementation of dividends of surplus, matters stipulated in each item of Article 459, paragraph (1) of the Companies Act shall be determined by a resolution of the Board of Directors instead of a resolution of the General Meeting of Shareholders unless otherwise stipulated by laws and regulations, and to ensure that the Board of Directors and the Audit & Supervisory Board can fully fulfill their expected roles, the Company’s Articles of Incorporation stipulate, in accordance with Article 426, paragraph (1) of the Companies Act, that the Board of Directors may exempt Directors (including former Directors) and Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from

liability for damages under Article 423, paragraph (1) of the Companies Act to the extent permitted by law, and for the smooth operation of the General Meeting of Shareholders, the quorum for special resolutions is set at one-third or more of the total number of voting rights.

The activity status of the Board of Directors in FY2024 is as follows:

Position	Name	Attendance at the Board of Directors meetings
Chairman and Representative Director	Toshikiyo Kurai	12/12
President and Representative Director	Masashi Fujii	12/12
Representative Director	Nobuhisa Ariyoshi	12/12
Director	Naruyuki Nagaoka	3/3
Director	Motoyasu Kitagawa	12/12
Director	Ryozo Yamaguchi	12/12
Director	Ko Kedo	12/12
Director	Yoshinori Isahaya	12/12
Director	Hideaki Akase	9/9
Outside Director	Haruko Hirose	12/12
Outside Director	Toru Suzuki	12/12
Outside Director	Yasushi Manabe	12/12
Outside Director	Kazue Kurihara	12/12
Full-time Audit & Supervisory Board Member	Masamichi Mizukami	12/12
Full-time Outside Audit & Supervisory Board Member	Go Watanabe	12/12
Full-time Audit & Supervisory Board Member	Masato Inari	12/12
Outside Audit & Supervisory Board Member	Yasuomi Matsuyama	3/3
Outside Audit & Supervisory Board Member	Tsuneaki Teshima	9/9

Note: The number of meetings of the Board of Directors held from April 2024 to March 2025 was 12, the number of meetings of the Board of Directors held before the retirement of Director Naruyuki Nagaoka and Outside Audit & Supervisory Board Member Yasuomi Matsuyama was three and the number of meetings of the Board of Directors held since the appointment of Director Hideaki Akase and Outside Audit & Supervisory Board Member Tsuneaki Teshima was nine.

The Board of Directors decides important matters pertaining to management policies, business, and management based on laws, regulations, the Company's Articles of Incorporation, and the regulations of the Board. It also receives reports from each director and others on the status of execution of duties, management performance, etc., and supervises the execution of duties by directors. Specific matters considered by the Board of Directors during the fiscal year under review included the annual management policy, annual policy for the implementation and operation of internal controls, verification of policy stockholdings, evaluation of the effectiveness of the Board of Directors, and important investment projects.

The activity status of the Compensation and Nominating Committee in FY2024 is as follows:

Position	Name	Attendance at the Compensation and Nominating Committee meetings
Chairman and Representative Director	Toshikiyo Kurai	7/7
President and Representative Director	Masashi Fujii	7/7
Outside Director	Haruko Hirose	7/7
Outside Director	Toru Suzuki	7/7
Outside Director	Yasushi Manabe	7/7
Outside Director	Kazue Kurihara	7/7

The Compensation and Nominating Committee functions both to determine executive officer compensation and to nominate and appoint key members of senior management. The majority of the committee is comprised of independent outside directors. The Board of Directors is responsible for appointing and dismissing key members of management, including the Chairman and President, and for nominating candidates for director and Audit & Supervisory Board member. In making decisions on total annual amounts regarding executive officer compensation, and in determining allocation of those amounts, the Compensation and Nominating Committee is consulted prior to those matters being put before the Board of Directors for discussion.

As of June 24, 2025 (filing date of the Annual Securities Report), the members of each council are as follows. * indicates Outside Directors and Outside Audit & Supervisory Board Members.

<Board of Directors>

(Directors)

Masashi Fujii (Chair), Yoshinori Isahaya, Motoyasu Kitagawa, Ryoza Yamaguchi, Ko Kedo, Hideaki Akase, Toshikiyo Kurai, Nobuhisa Ariyoshi, Haruko Hirose^(*), Toru Suzuki^(*), Yasushi Manabe^(*) and Kazue Kurihara^(*)

(Audit & Supervisory Board Members)

Masamichi Mizukami, Go Watanabe^(*), Masato Inari and Tsuneaki Teshima^(*)

<Management Council>

Masashi Fujii, Yoshinori Isahaya (Chairperson), Motoyasu Kitagawa, Ryoza Yamaguchi, Ko Kedo, Hideaki Akase, Tomoyuki Azuma and Chika Kobayashi

<Operations Council>

Masashi Fujii, Yoshinori Isahaya (Chairperson), Motoyasu Kitagawa, Ryoza Yamaguchi, Ko Kedo, Hideaki Akase, Tomoyuki Azuma, Chika Kobayashi, Akio Hashimoto, Yasuaki Matsumi, Hiroshi Ogawa, Yoshio Nishimura, Toru Harada, Takashi Nakase, Yuuichi Sugano, Masatoshi Sato, Yasumoto Aoki, Kojiro Abe, Masanori Ishikura, Hideki Honda, Hirokazu Hanawa and Masahiko Naito

<Compensation and Nominating Committee>

Masashi Fujii (Chair), Yoshinori Isahaya, Haruko Hirose^(*), Toru Suzuki^(*), Yasushi Manabe^(*) and Kazue Kurihara^(*)

The Company has submitted proposals (matters for resolution) for the “Election of Twelve Directors” and “Election of Two Audit & Supervisory Board Members” to the Ordinary General Meeting scheduled to be held on June 25, 2025. If these resolutions are approved, the members of the Board of Directors and the Compensation and Nominating Committee will be as follows.

<Board of Directors>

(Directors)

Masashi Fujii (Chair), Yoshinori Isahaya, Motoyasu Kitagawa, Ryoza Yamaguchi, Ko Kedo, Hideaki Akase, Tomoyuki Azuma, Chika Kobayashi, Yasushi Manabe^(*), Kazue Kurihara^(*), Kuni Sato^(*) and Mihoko Manabe^(*)

(Audit & Supervisory Board Members)

Go Watanabe^(*), Masato Inari, Nobuhisa Ariyoshi, Tsuneaki Teshima^(*) and Mayako Perez Takahashi^(*)

<Compensation and Nominating Committee>

Masashi Fujii (Chair), Yoshinori Isahaya, Yasushi Manabe^(*), Kazue Kurihara^(*), Kuni Sato^(*) and Mihoko Manabe^(*)

There have been no changes to the Management Council and Operations Council as of June 24, 2025 (filing date of the Annual Securities Report).

(iii) Other matters regarding corporate governance

The Company has established an Internal Control & Risk Management Committee chaired by the officer in charge of Internal Control & Risk Management to properly implement and operate internal controls, both the Company's own and Group companies', and to monitor risk management and oversee and provide guidance on priority-setting and formulation of risk mitigation measures.

The Company has established a Compliance Committee chaired by the officer in charge of Compliance, largely in the aim of dealing with compliance violations on a case-by-case basis. The Compliance Committee investigates compliance violations involving the Company and its Group companies and formulates, deliberates on and makes recommendations on corrective measures and recurrence-prevention measures. The Company has also established Compliance Hotline as an internal reporting channel to promote early detection and rectification of compliance violations.

In addition, the Company has established the Sustainability Promotion Council as a body to deliberate on and decide important matters concerning sustainability management (particularly important matters are resolved by the Board of Directors after such deliberations), and receive reports regarding the status of implementation, etc.

In the course of business execution, the Company identifies and assesses various business risks within the execution process and its internal control systems, and devises appropriate risk prevention, avoidance, mitigation and transfer measures. Whenever a severe risk manifests, the Company responds by forming an ad hoc task force in accord with its internal regulations.

The Company has entered into a Limitation of Liability Agreement with all of Outside Directors and Outside Audit & Supervisory Board Members 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.

The Company 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 the Company'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. The Company shall assume payment of the insurance policy premiums in full.

As of June 24, 2025 (filing date of the Annual Securities Report), the members of each council are as follows. * indicates Outside Directors and Outside Audit & Supervisory Board Members.

<Internal Control & Risk Management Committee>

Motoyasu Kitagawa (Chair), Chika Kobayashi (Vice-chair), Takashi Nakase, Yasumoto Aoki, Hiroshi Ogawa, Masahiro Sasa and Kazumasa Seta

<Compliance Committee>

Chika Kobayashi (Chair), Ko Kedo (Vice-chair), Tadahito Osawa, Masahiro Sasa, Sachiko Arie and Motoyuki Yamaguchi

<Sustainability Promotion Council>

Masashi Fujii, Yoshinori Isahaya (Chair), Motoyasu Kitagawa, Ryoza Yamaguchi, Ko Kedo, Hideaki Akase, Toshikiyo Kurai, Nobuhisa Ariyoshi, Tomoyuki Azuma, Chika Kobayashi, Haruko Hirose^(*), Toru Suzuki^(*), Yasushi Manabe^(*) and Kazue Kurihara^(*)

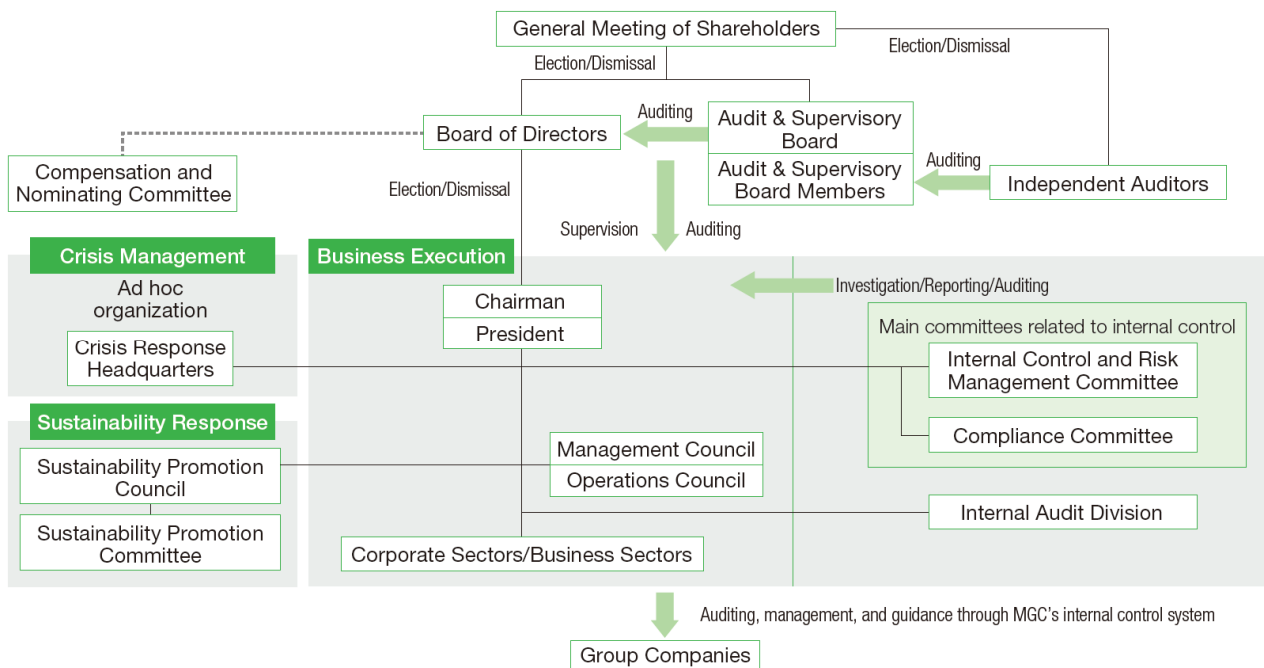
The Company has submitted proposal (matter for resolution) for the “Election of Twelve Directors” to the Ordinary General Meeting scheduled to be held on June 25, 2025. If this resolution is approved, the members of the Sustainability Promotion Council will be as follows.

<Sustainability Promotion Council>

Masashi Fujii, Yoshinori Isahaya (Chair), Motoyasu Kitagawa, Ryoza Yamaguchi, Ko Kedo, Hideaki Akase, Tomoyuki Azuma, Chika Kobayashi, Yasushi Manabe^(*), Kazue Kurihara^(*), Kuni Sato^(*) and Mihoko Manabe^(*)

There have been no changes to the Internal Control & Risk Management Committee and Compliance Committee as of June 24, 2025 (filing date of the Annual Securities Report).

A schematic diagram of the structure of corporate governance, etc. is as follows:



(2) Information about officers

(i) Officers

1. As of June 24, 2025 (filing date of the Annual Securities Report), the status of the Company's officers is as follows:

Men: 14, Women: 2 (Ratio of female officers: 12.5%)

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Chairman and Representative Director	Masashi Fujii	March 10, 1959	<p>April 1981 Joined the Company</p> <p>June 2010 General Manager, Organic Chemicals Division, Natural Gas Chemicals Company</p> <p>June 2012 Executive Officer, General Manager, Organic Chemicals Division, Natural Gas Chemicals Company</p> <p>June 2014 Executive Officer, and General Manager, Methanol Division, Natural Gas Chemicals Company</p> <p>April 2015 Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company</p> <p>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)</p> <p>April 2018 Director, Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company</p> <p>April 2019 President and Representative Director</p> <p>April 2025 Chairman and Representative Director (to the present)</p>	(Note 1)	46

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
President and Representative Director	Yoshinori Isahaya	April 18, 1965	<p>April 1991 Joined the Company</p> <p>April 2019 General Manager, Tokyo Research Laboratory, Specialty Chemicals Company</p> <p>April 2020 Executive Officer, Vice Manager, Corporate Planning Division</p> <p>April 2021 Executive Officer, in charge of Corporate Planning</p> <p>April 2023 Managing Executive Officer, responsible for Research & Development, in charge of Intellectual Infrastructure</p> <p>June 2023 Director, Managing Executive Officer, responsible for Research & Development, in charge of Intellectual Infrastructure</p> <p>April 2025 President and Representative Director (to the present)</p>	(Note 1)	17
Director Senior Managing Executive Officer In charge of Internal Control & Risk Management, responsible for Administrative & Personnel, in charge of Finance & Accounting Division, CSR & IR Division	Motoyasu Kitagawa	April 2, 1963	<p>April 1986 Joined the Company</p> <p>June 2014 President, Mitsubishi Gas Chemical America, Inc.</p> <p>April 2018 General Manager, Organic Chemicals Division, Natural Gas Chemicals Company</p> <p>April 2019 Executive Officer, General Manager, Organic Chemicals Division, Natural Gas Chemicals Company</p> <p>June 2019 Executive Officer, Manager, Corporate Planning Division</p> <p>April 2021 Managing Executive Officer, in charge of Compliance, responsible for Corporate Planning, in charge of Internal Audit Division, CSR & IR Division</p> <p>June 2021 Director, Managing Executive Officer, in charge of Compliance, responsible for Corporate Planning, in charge of Internal Audit Division, CSR & IR Division</p> <p>June 2022 Director, Managing Executive Officer, in charge of Compliance, responsible for Corporate Planning, in charge of Internal Audit Division, CSR & IR Division</p> <p>April 2025 Director, Senior Managing Executive Officer, in charge of Internal Control & Risk Management, responsible for Administrative & Personnel, in charge of Finance & Accounting Division, CSR & IR Division (to the present)</p>	(Note 1)	22

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director Senior Managing Executive Officer In charge of Specialty Chemicals Business Sector	Ryozo Yamaguchi	August 24, 1965	<p>April 1988 Joined the Company</p> <p>April 2009 General Manager, Mitsubishi Gas Chemical Shanghai Commerce Ltd., and General Manager, Shanghai Office, Administrative & Personnel Center</p> <p>June 2011 Manager, General Affairs Department, Administrative & Personnel Center</p> <p>June 2014 Manager, Personnel Department, Administrative & Personnel Center</p> <p>April 2016 Manager, Administrative & Personnel Center</p> <p>April 2020 Executive Officer, Manager, Administrative & Personnel Division, Corporate Management Sector</p> <p>April 2021 Executive Officer, in charge of Administrative & Personnel Division</p> <p>April 2022 Managing Executive Officer, in charge of Specialty Chemicals Business Sector</p> <p>June 2022 Director, Managing Executive Officer, in charge of Specialty Chemicals Business Sector</p> <p>April 2025 Director, Senior Managing Executive Officer, in charge of Specialty Chemicals Business Sector (to the present)</p>	(Note 1)	16

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director Managing Executive Officer Responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division and Purchasing & Logistics Division	Ko Kedo	February 5, 1964	<p>April 1988 Joined the Company</p> <p>April 2015 Manager, Planning & Development Division, Natural Gas Chemicals Company</p> <p>June 2018 Manager, Planning & Development Division, Natural Gas Chemicals Company, and Manager, Life Science Division, Natural Gas Chemicals Company</p> <p>April 2019 Executive Officer, Plant Manager, Mizushima Plant, Aromatic Chemicals Company</p> <p>April 2020 Executive Officer, Plant Manager, Mizushima Plant, Basic Chemicals Business Sector</p> <p>April 2021 Executive Officer, in charge of Research & Development</p> <p>April 2023 Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division</p> <p>June 2023 Director, Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division</p> <p>April 2024 Director, Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division and Purchasing & Logistics Division (to the present)</p>	(Note 1)	19
Director Managing Executive Officer In charge of Green Energy & Chemicals Business Sector	Hideaki Akase	January 13, 1967	<p>April 1989 Joined the Company</p> <p>October 2016 Manager, Administrative Division, Aromatic Chemicals Company</p> <p>April 2020 Manager, Business Administrative Division, Basic Chemicals Business Sector</p> <p>April 2021 Executive Officer, General Manager, Basic Chemicals Division II, Basic Chemicals Business Sector</p> <p>April 2024 Managing Executive Officer, in charge of Green Energy & Chemicals Business Sector</p> <p>June 2024 Director, Managing Executive Officer, in charge of Green Energy & Chemicals Business Sector (to the present)</p>	(Note 1)	10

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director	Toshikiyo Kurai	January 9, 1952	<p>April 1975 Joined the Company</p> <p>June 2003 General Manager, Inorganic Chemicals Division, Specialty Chemicals Company</p> <p>June 2006 Executive Officer, and General Manager, Inorganic Chemicals Division, Specialty Chemicals Company</p> <p>June 2008 Executive Officer, and President of Specialty Chemicals Company</p> <p>June 2009 Director, Managing Executive Officer, and President of Specialty Chemicals Company</p> <p>June 2010 Director, Managing Executive Officer, President of Specialty Chemicals Company, and General Manager, Engineering Plastics Division, Specialty Chemicals Company</p> <p>October 2011 Director, Managing Executive Officer, and President of Specialty Chemicals Company</p> <p>June 2012 Representative Director, Senior Managing Executive Officer, Assistant to President, and President of Specialty Chemicals Company</p> <p>June 2013 President and Representative Director</p> <p>April 2019 Chairman and Representative Director</p> <p>April 2025 Director (to the present)</p>	(Note 1)	63

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director	Nobuhisa Ariyoshi	November 26, 1961	<p>April 1984 Joined the Company</p> <p>June 2012 General Manager, Administrative & Personnel Center</p> <p>April 2016 Executive Officer, General Manager, Electronic Materials Division, Information & Advanced Materials Company</p> <p>April 2018 Managing Executive Officer, in charge of Finance & Accounting Center, Information Systems Division, and Purchasing & Logistics Center</p> <p>June 2018 Director, Managing Executive Officer, in charge of Finance & Accounting Center, Information Systems Division, and Purchasing & Logistics Center</p> <p>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</p> <p>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</p> <p>April 2020 Director, Managing Executive Officer, in charge of Internal Control & Risk Management, Corporate Management Sector</p> <p>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</p> <p>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</p>	(Note 1)	29

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
			<p>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</p> <p>April 2024 Representative Director, Senior Managing Executive Officer, in charge of Internal Control & Risk Management, responsible for Administrative & Personnel, in charge of Finance & Accounting Division and Information Systems Division</p> <p>April 2025 Director (to the present)</p>		
Director	Haruko Hirose	September 23, 1945	<p>December 1968 Appointed to the National Personnel Authority of Japan</p> <p>January 1992 Director, Bureau of Human Resources Management of Headquarters (Paris), United Nations Educational, Scientific and Cultural Organization (UNESCO)</p> <p>September 2002 Deputy to the Director General and Managing Director of Field Operations Division of Headquarters (Vienna), United Nations Industrial Development Organization (UNIDO)</p> <p>November 2006 Japanese Ambassador Extraordinary and Plenipotentiary to Kingdom of Morocco</p> <p>April 2013 Specially Appointed Professor, Academy for Global Leadership Tokyo Institute of Technology</p> <p>May 2014 President, Japan Morocco Association (to the present)</p> <p>June 2016 Outside Director, S&B Foods Inc.</p> <p>April 2017 Director, Ochanomizu University</p> <p>March 2018 Outside Director, Nikkiso Co., Ltd.</p> <p>June 2020 Outside Director, the Company (to the present)</p>	(Note 1)	0

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director	Toru Suzuki	July 14, 1955	<p>April 1979 Joined Mitsui & Co., Ltd.</p> <p>April 2011 Managing Officer, Performance Chemicals Business Unit, Mitsui & Co., Ltd.</p> <p>April 2014 Managing Officer, Mitsui & Co., Ltd. and President of Mitsui & Co. Vietnam Ltd.</p> <p>April 2015 Executive Managing Officers, Mitsui & Co., Ltd. and President of Mitsui & Co. Vietnam Ltd.</p> <p>June 2015 Executive Managing Officers, Chief Regional Representative of Southwest Asia, Mitsui & Co., Ltd., and President of Mitsui & Co. India Pvt Ltd.</p> <p>June 2017 Outside Audit & Supervisory Board Member, Mitsui Sugar Co., Ltd. (currently Mitsui DM Sugar Co., Ltd.)</p> <p>December 2018 Audit & Supervisory Board Member, Nutri Co., Ltd.</p> <p>June 2020 Outside Director, the Company (to the present)</p>	(Note 1)	2
Director	Yasushi Manabe	December 15, 1956	<p>April 1979 Joined Hitachi, Ltd.</p> <p>April 2012 General Manager, Sales Division Infra System Group Infra System, Hitachi, Ltd.</p> <p>April 2013 Executive Officer, General Manager Kansai Area Operation, Hitachi, Ltd.</p> <p>June 2013 Outside Audit & Supervisory Board Member, ShinMaywa Industries, Ltd.</p> <p>April 2016 Executive General Manager, Deputy Director General Corporate Sales & Marketing Group, CMO of Industry & Distribution, Water & Urban Business Unit, Hitachi, Ltd.</p> <p>April 2017 Vice President and Executive Officer, Deputy Director General Corporate Sales & Marketing Group, CMO of Industry & Distribution Business, Water & Urban Business, Hitachi, Ltd.</p> <p>April 2021 Executive Advisor, Yashima Denki Co., Ltd.</p> <p>June 2021 Outside Director, the Company (to the present)</p> <p>June 2024 Outside Director, NICHIAS Corporation (to the present)</p>	(Note 1)	2

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director	Kazue Kurihara	January 24, 1951	<p>October 1992 Associate Professor, Department of Applied Physics, Faculty of Engineering, Nagoya University</p> <p>April 1997 Professor, Institute for Chemical Reaction Science (currently Institute of Multidisciplinary Research for Advanced Materials), Tohoku University</p> <p>April 2010 Professor, Advanced Institute for Materials Research and Institute of Multidisciplinary Research for Advanced Materials, Tohoku University</p> <p>April 2016 Professor Emeritus, Tohoku University (to the present)</p> <p>April 2017 Professor, New Industry Creation Hatchery Center, Tohoku University</p> <p>December 2020 Outside Director, Hamamatsu Photonics K.K. (to the present)</p> <p>April 2021 Research Professor, Tohoku University</p> <p>January 2022 Director, SMILEco Measurement Co., Ltd. (to the present)</p> <p>June 2023 Outside Director, the Company (to the present)</p> <p>April 2025 Senior Research Fellow, New Industry Creation Hatchery Center, Tohoku University (to the present)</p>	(Note 1)	0

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Full-time Audit & Supervisory Board Member	Masamichi Mizukami	September 11, 1958	<p>April 1983 Joined the Company</p> <p>June 2012 Plant Manager, Yamakita Plant, Specialty Chemicals Company</p> <p>June 2013 Executive Officer, and Plant Manager, Yamakita Plant, Specialty Chemicals Company</p> <p>December 2013 Executive Officer, and Plant Manager, Kashima Plant, Specialty Chemicals Company</p> <p>April 2016 Managing Executive Officer, Chairman of The Committee on Future R&D, in charge of Research & Development Division and Advanced Business Development Division</p> <p>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</p> <p>January 2017 Director, Managing Executive Officer, in charge of Research & Development Division and Advanced Business Development Division</p> <p>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</p> <p>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</p> <p>April 2020 Director</p> <p>June 2020 Audit & Supervisory Board Member (to the present)</p>	(Note 2)	26

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Full-time Audit & Supervisory Board Member	Go Watanabe	September 19, 1958	<p>April 1982 Joined The Mitsubishi Bank, Ltd.</p> <p>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.</p> <p>July 2011 Executive Officer, General Manager, Global Corporate Banking Division of BTMU</p> <p>May 2012 Managing Executive Officer, Group Head, Nagoya Corporate Banking Group of BTMU</p> <p>June 2013 Managing Executive Officer, Chief Executive Officer for Asia and Oceania of BTMU</p> <p>July 2016 First Senior Vice President of Nidec Corporation</p> <p>August 2018 Senior Managing Executive Officer, Chief Administrative Officer (CAO) of Nidec Corporation</p> <p>September 2020 Chairman and Representative Director, MST Insurance Service Co., Ltd.</p> <p>June 2021 Outside Director, Mitsubishi HC Capital Inc.</p> <p>June 2022 Outside Audit & Supervisory Board Member, the Company (to the present)</p>	(Note 2)	6

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Full-time Audit & Supervisory Board Member	Masato Inari	January 23, 1961	<p>April 1985 Joined the Company</p> <p>June 2011 Plant Manager, Niigata Plant, Natural Gas Chemicals Company</p> <p>June 2014 Executive Officer, Plant Manager, Niigata Plant, Natural Gas Chemicals Company</p> <p>April 2016 Executive Officer, President of Aromatic Chemicals Company</p> <p>June 2016 Director, JSP Corporation</p> <p>April 2017 Managing Executive Officer, President of Aromatic Chemicals Company, the Company</p> <p>June 2017 Director, Managing Executive Officer, President of Aromatic Chemicals Company</p> <p>April 2019 Director, Managing Executive Officer, in charge of Production Technology Division, Environment Safety & Quality Assurance Division</p> <p>June 2019 Outside Director, Katakura & Co-op Agriculture Corporation</p> <p>April 2020 Director, Managing Executive Officer, in charge of Internal Audit Division, Environment & Total Production Sector, the Company</p> <p>April 2021 Director, Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division, Purchasing & Logistics Division</p> <p>April 2022 Representative Director, Senior Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division, Purchasing & Logistics Division</p> <p>April 2023 Director</p> <p>June 2023 Audit & Supervisory Board Member (to the present)</p>	(Note 3)	25

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Audit & Supervisory Board Member	Tsuneaki Teshima	October 21, 1960	<p>April 1983 Joined Nippon Life Insurance Company (“Nissay”)</p> <p>March 2010 Executive Officer, Manager, Product Planning Department, Nissay</p> <p>March 2011 Executive Officer, Head of Sendai Branch and Manager, Tohoku Corporate Relations Management Department, Nissay</p> <p>March 2013 Executive Officer, General Manager of Agency Marketing Headquarters and Financial Institution Relations Headquarters, Nissay</p> <p>March 2014 Managing Executive Officer, General Manager of Agency Marketing Headquarters and Financial Institution Relations Headquarters, Nissay</p> <p>July 2014 Director and Managing Executive Officer, General Manager of Agency Marketing Headquarters and Financial Institution Relations Headquarters, responsible for Agency Operations Department, Agency Marketing Headquarters, Financial Institution Relations Department and Financial Institution Relations Headquarters, Nissay</p> <p>March 2017 Director and Senior Managing Executive Officer, General Manager of Agency Marketing Headquarters and Financial Institution Relations Headquarters, responsible for Agency Operations Department, Agency Marketing Headquarters, Financial Institution Relations Department and Financial Institution Relations Headquarters, Nissay</p> <p>March 2018 Director, Nissay Director, NLI Research Institute</p> <p>April 2018 Representative Director, NLI Research Institute (to the present)</p> <p>June 2018 Outside Audit & Supervisory Board Member, Nitta Corporation</p> <p>June 2021 Outside Audit & Supervisory Board Member, Keisei Electric Railway Co., Ltd. (to the present)</p> <p>June 2024 Outside Audit & Supervisory Board Member, the Company (to the present)</p>	(Note 2)	—
Total					289

- Notes:
1. Until the conclusion of the Annual General Meeting of Shareholders concerning the last fiscal year ending within one year after appointment from June 25, 2024
 2. Until the conclusion of the Annual General Meeting of Shareholders concerning the last fiscal year ending within four years after appointment from June 27, 2023
 3. Until the conclusion of the Annual General Meeting of Shareholders concerning the last fiscal year ending within four years after appointment from June 25, 2024
 4. Director, Ms. Haruko Hirose is listed as above in her preferred name. Her name in the family register is Haruko Makinouchi.
 5. Directors, Ms. Haruko Hirose, Mr. Toru Suzuki, Mr. Yasushi Manabe and Dr. Kazue Kurihara are Outside Directors.
 6. Full-time Audit & Supervisory Board Member, Mr. Go Watanabe and Audit & Supervisory Board Member, Mr. Tsuneaki Teshima are Outside Audit & Supervisory Board Members.
 7. The Company has elected one substitute outside Audit & Supervisory Board member provided for in Article 329, paragraph (3) of the Companies Act to be ready to fill a vacant position should the number of outside Audit & Supervisory Board members fall below the number required by laws and regulations. The profile of the Substitute Outside Audit & Supervisory Board Member is as follows:

Name	Date of birth	Profile	Number of shares held (Thousands of shares)
Hiroaki Kanzaki	November 2, 1962	<p>April 1991 Admitted to the bar, Daiichi Tokyo Bar Association, Joined Sugimoto Law Office</p> <p>April 1992 Committee Member of the Committee on Human Rights Protection, Daiichi Tokyo Bar Association (to the present)</p> <p>April 1997 Joined Ichibancho Sogo Law Office</p> <p>June 2004 Director, Orifa Servicer Corporation</p> <p>April 2010 Member of the Central Election Management Council of Japan</p> <p>May 2010 Attorney at law, Representative Partner, Ichibancho Sogo Law Offices L.P.C (to the present)</p> <p>June 2010 Member of the Society for Contract Law, Ministry of Defense (to the present)</p> <p>July 2010 Director, Orifa Servicer Corporation</p> <p>April 2012 Vice-President of Daiichi Tokyo Bar Association</p> <p>April 2013 Member of Attorneys Recommendation Committee, Daiichi Tokyo Bar Association</p> <p>Member of the Finance Committee, Japan Federation of Bar Associations</p> <p>Chairperson, Central Election Management Council of Japan</p> <p>Member of the Finance Committee, Daiichi Tokyo Bar Association (to the present)</p> <p>April 2018 Auditor, Japan Federation of Bar Association</p> <p>April 2023 Executive Governor, Japan Federation of Bar Association</p>	—

8. The Company has established an executive officer system to strengthen governance and enhance the executive management system by clarifying functions and responsibilities. The Company has 22 Executive Officers, including 6 concurrently serving as Directors, and the number of Executive Officers, excluding those concurrently serving as Directors, as of June 24, 2025 (filing date of the Annual Securities Report), is as follows.

Title and position	Name	Title and position	Name
Managing Executive Officer Responsible for Research & Development, in charge of Intellectual Infrastructure	Tomoyuki Azuma	Executive Officer Plant Manager of Niigata Plant, Green Energy & Chemicals Business Sector	Yuuichi Sugano
Managing Executive Officer In charge of Compliance, responsible for Corporate Planning, in charge of Internal Audit Division, and Information Systems Division	Chika Kobayashi	Executive Officer Head of Task Force, High- performance Products Business in Europe, Green Energy & Chemicals Business Sector (Director, President of MGC Specialty Chemicals Netherlands B.V.)	Masatoshi Sato
Senior Executive Officer Deputy in charge of Green Energy & Chemical Business Sector, Division Director of GEC Business Planning Division, Green Energy & Chemical Business Sector	Akio Hashimoto	Executive Officer In charge of Administrative & Personnel Division General Manager of Administrative & Personnel Division General Manager of QOL Innovation Center Shirakawa, Administrative & Personnel Division	Yasumoto Aoki
Senior Executive Officer Deputy in charge of Specialty Chemicals Business Sector, General Manager of Engineering Plastics Division, Specialty Chemicals Business Sector	Yasuaki Matsumi	Executive Officer General Manager of Inorganic Chemicals Division and Planning & Development Division, Specialty Chemicals Business Sector	Kojiro Abe
Executive Officer In charge of Research and Development Division General Manager of Research and Development Division	Hiroshi Ogawa	Executive Officer In charge of Production Technology Division General manager of Production Technology Division	Masanori Ishikura
Executive Officer Plant Manager of Yokkaichi Plant, Specialty Chemicals Business Sector	Yoshio Nishimura	Executive Officer Director, President of Mitsubishi Gas Chemical America, Inc.	Hideki Honda
Executive Officer General Manager of Electronic Materials Division, Specialty Chemicals Business Sector	Toru Harada	Executive Officer Director, President of MGC Pure Chemicals America, Inc.	Hirokazu Hanawa
Executive Officer In charge of Corporate Planning Division General Manager of Corporate Planning Division	Takashi Nakase	Executive Officer General Manager of C1 Chemicals Division, Green Energy & Chemicals Business Sector	Masahiko Naito

2. The Company has submitted proposals (matters for resolution) for the “Election of Twelve Directors” and “Election of Two Audit & Supervisory Board Members” to the Ordinary General Meeting scheduled to be held on June 25, 2025. If these resolutions are approved, the status and terms of office of the Company’s officers will be as follows.

In addition, the positions, etc. of officers are stated including the details (positions, etc.) of the matters for resolution at the Board of Directors meeting scheduled to be held immediately after this Ordinary General Meeting of Shareholders.

Men: 13, Women: 4 (Ratio of female officers: 23.5%)

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Chairman and Representative Director	Masashi Fujii	March 10, 1959	<p>April 1981 Joined the Company</p> <p>June 2010 General Manager, Organic Chemicals Division, Natural Gas Chemicals Company</p> <p>June 2012 Executive Officer, General Manager, Organic Chemicals Division, Natural Gas Chemicals Company</p> <p>June 2014 Executive Officer, and General Manager, Methanol Division, Natural Gas Chemicals Company</p> <p>April 2015 Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company</p> <p>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)</p> <p>April 2018 Director, Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company</p> <p>April 2019 President and Representative Director</p> <p>April 2025 Chairman and Representative Director (to the present)</p>	(Note 1)	46

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
President and Representative Director	Yoshinori Isahaya	April 18, 1965	<p>April 1991 Joined the Company</p> <p>April 2019 General Manager, Tokyo Research Laboratory, Specialty Chemicals Company</p> <p>April 2020 Executive Officer, Vice Manager, Corporate Planning Division</p> <p>April 2021 Executive Officer, in charge of Corporate Planning</p> <p>April 2023 Managing Executive Officer, responsible for Research & Development, in charge of Intellectual Infrastructure</p> <p>June 2023 Director, Managing Executive Officer, responsible for Research & Development, in charge of Intellectual Infrastructure</p> <p>April 2025 President and Representative Director (to the present)</p>	(Note 1)	17
Director Senior Managing Executive Officer In charge of Internal Control & Risk Management, responsible for Administrative & Personnel, in charge of Finance & Accounting Division, CSR & IR Division	Motoyasu Kitagawa	April 2, 1963	<p>April 1986 Joined the Company</p> <p>June 2014 President, Mitsubishi Gas Chemical America, Inc.</p> <p>April 2018 General Manager, Organic Chemicals Division, Natural Gas Chemicals Company</p> <p>April 2019 Executive Officer, General Manager, Organic Chemicals Division, Natural Gas Chemicals Company</p> <p>June 2019 Executive Officer, Manager, Corporate Planning Division</p> <p>April 2021 Managing Executive Officer, in charge of Compliance, responsible for Corporate Planning, in charge of Internal Audit Division, CSR & IR Division</p> <p>June 2021 Director, Managing Executive Officer, in charge of Compliance, responsible for Corporate Planning, in charge of Internal Audit Division, CSR & IR Division</p> <p>June 2022 Director, Managing Executive Officer, in charge of Compliance, responsible for Corporate Planning, in charge of Internal Audit Division, CSR & IR Division</p> <p>April 2025 Director, Senior Managing Executive Officer, in charge of Internal Control & Risk Management, responsible for Administrative & Personnel, in charge of Finance & Accounting Division, CSR & IR Division (to the present)</p>	(Note 1)	22

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director Senior Managing Executive Officer In charge of Specialty Chemicals Business Sector	Ryozo Yamaguchi	August 24, 1965	<p>April 1988 Joined the Company</p> <p>April 2009 General Manager, Mitsubishi Gas Chemical Shanghai Commerce Ltd., and General Manager, Shanghai Office, Administrative & Personnel Center</p> <p>June 2011 Manager, General Affairs Department, Administrative & Personnel Center</p> <p>June 2014 Manager, Personnel Department, Administrative & Personnel Center</p> <p>April 2016 Manager, Administrative & Personnel Center</p> <p>April 2020 Executive Officer, Manager, Administrative & Personnel Division, Corporate Management Sector</p> <p>April 2021 Executive Officer, in charge of Administrative & Personnel Division</p> <p>April 2022 Managing Executive Officer, in charge of Specialty Chemicals Business Sector</p> <p>June 2022 Director, Managing Executive Officer, in charge of Specialty Chemicals Business Sector</p> <p>April 2025 Director, Senior Managing Executive Officer, in charge of Specialty Chemicals Business Sector (to the present)</p>	(Note 1)	16

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director Managing Executive Officer Responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division and Purchasing & Logistics Division	Ko Kedo	February 5, 1964	<p>April 1988 Joined the Company</p> <p>April 2015 Manager, Planning & Development Division, Natural Gas Chemicals Company</p> <p>June 2018 Manager, Planning & Development Division, Natural Gas Chemicals Company, and Manager, Life Science Division, Natural Gas Chemicals Company</p> <p>April 2019 Executive Officer, Plant Manager, Mizushima Plant, Aromatic Chemicals Company</p> <p>April 2020 Executive Officer, Plant Manager, Mizushima Plant, Basic Chemicals Business Sector</p> <p>April 2021 Executive Officer, in charge of Research & Development</p> <p>April 2023 Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division</p> <p>June 2023 Director, Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division</p> <p>April 2024 Director, Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division and Purchasing & Logistics Division (to the present)</p>	(Note 1)	19
Director Managing Executive Officer In charge of Green Energy & Chemicals Business Sector	Hideaki Akase	January 13, 1967	<p>April 1989 Joined the Company</p> <p>October 2016 Manager, Administrative Division, Aromatic Chemicals Company</p> <p>April 2020 Manager, Business Administrative Division, Basic Chemicals Business Sector</p> <p>April 2021 Executive Officer, General Manager, Basic Chemicals Division II, Basic Chemicals Business Sector</p> <p>April 2024 Managing Executive Officer, in charge of Green Energy & Chemicals Business Sector</p> <p>June 2024 Director, Managing Executive Officer, in charge of Green Energy & Chemicals Business Sector (to the present)</p>	(Note 1)	10

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director Managing Executive Officer Responsible for Research & Development, in charge of Intellectual Infrastructure	Tomoyuki Azuma	June 21, 1965	<p>April 1989 Joined the Company</p> <p>April 2015 Manager, Sales & Marketing Department, Electronic Materials Division, Information & Advanced Materials Company</p> <p>April 2019 General Manager, Electronic Materials Division, Information & Advanced Materials Company</p> <p>April 2020 General Manager, Electronic Materials Division, Specialty Chemicals Business Sector</p> <p>April 2021 Executive Officer, General Manager, Electronic Materials Division, Specialty Chemicals Business Sector</p> <p>April 2025 Managing Executive Officer, responsible for Research & Development, in charge of Intellectual Infrastructure</p> <p>June 2025 Director, Managing Executive Officer, responsible for Research & Development, in charge of Intellectual Infrastructure (to the present)</p>	(Note 1)	9

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director Managing Executive Officer In charge of Compliance, responsible for Corporate Planning, in charge of Internal Audit Division and Information Systems Division	Chika Kobayashi	August 25, 1966	<p>April 1990 Joined the Company</p> <p>June 2012 Manager, Administrative Division, Information & Advanced Materials Company</p> <p>April 2016 Manager, Administrative Division, Specialty Chemicals Company</p> <p>April 2018 Manager, Accounting Department, Finance & Accounting Center</p> <p>April 2020 Manager, Accounting Department, Finance & Accounting Division, Corporate Management Sector</p> <p>April 2021 Manager, Accounting Department, Finance & Accounting Division</p> <p>April 2022 Executive Officer, Manager, Accounting Department, Finance & Accounting Division</p> <p>April 2023 Executive Officer, in charge of Corporate Planning Division, General Manager, Corporate Planning Division</p> <p>April 2025 Managing Executive Officer, in charge of Compliance, responsible for Corporate Planning, in charge of Internal Audit Division and Information Systems Division</p> <p>June 2025 Director, Managing Executive Officer, in charge of Compliance, responsible for Corporate Planning, in charge of Internal Audit Division and Information Systems Division (to the present)</p>	(Note 1)	9

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director	Yasushi Manabe	December 15, 1956	<p>April 1979 Joined Hitachi, Ltd.</p> <p>April 2012 General Manager, Sales Division Infra System Group Infra System, Hitachi, Ltd.</p> <p>April 2013 Executive Officer, General Manager Kansai Area Operation, Hitachi, Ltd.</p> <p>June 2013 Outside Audit & Supervisory Board Member, ShinMaywa Industries, Ltd.</p> <p>April 2016 Executive General Manager, Deputy Director General Corporate Sales & Marketing Group, CMO of Industry & Distribution, Water & Urban Business Unit, Hitachi, Ltd.</p> <p>April 2017 Vice President and Executive Officer, Deputy Director General Corporate Sales & Marketing Group, CMO of Industry & Distribution Business, Water & Urban Business, Hitachi, Ltd.</p> <p>April 2021 Executive Advisor, Yashima Denki Co., Ltd.</p> <p>June 2021 Outside Director, the Company (to the present)</p> <p>June 2024 Outside Director, NICHIAS Corporation (to the present)</p>	(Note 1)	2

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director	Kazue Kurihara	January 24, 1951	<p>October 1992 Associate Professor, Department of Applied Physics, Faculty of Engineering, Nagoya University</p> <p>April 1997 Professor, Institute for Chemical Reaction Science (currently Institute of Multidisciplinary Research for Advanced Materials), Tohoku University</p> <p>April 2010 Professor, Advanced Institute for Materials Research and Institute of Multidisciplinary Research for Advanced Materials, Tohoku University</p> <p>April 2016 Professor Emeritus, Tohoku University (to the present)</p> <p>April 2017 Professor, New Industry Creation Hatchery Center, Tohoku University</p> <p>December 2020 Outside Director, Hamamatsu Photonics K.K. (to the present)</p> <p>April 2021 Research Professor, Tohoku University</p> <p>January 2022 Director, SMILEco Measurement Co., Ltd. (to the present)</p> <p>June 2023 Outside Director, the Company (to the present)</p> <p>April 2025 Senior Research Fellow, New Industry Creation Hatchery Center, Tohoku University (to the present)</p>	(Note 1)	0

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Director	Kuni Sato	August 8, 1954	<p>January 1981 Joined Ministry of Foreign Affairs of Japan (MOFA)</p> <p>July 2004 Minister of the Mission of Japan to the European Union (Brussels)</p> <p>July 2007 Minister of the Permanent Mission of Japan to the International Organizations in Geneva (Geneva)</p> <p>August 2010 Deputy Director-General of International Legal Affairs Bureau, MOFA</p> <p>September 2012 Assistant Vice-Minister, MOFA</p> <p>June 2013 Press Secretary/Director-General for Press and Public Relations, MOFA</p> <p>February 2015 Ambassador Extraordinary and Plenipotentiary of Permanent Delegation of Japan to UNESCO (Note 1)</p> <p>October 2017 Ambassador Extraordinary and Plenipotentiary of Japan to Hungary</p> <p>April 2021 Advisor, National Institutes for Cultural Heritage (to the present)</p> <p>May 2021 Auditor of Foreign Press Center Japan (to the present)</p> <p>February 2022 Ambassador, Governor for Japan, Asia Europe Foundation (ASEF) (to the present)</p> <p>May 2022 Council Member, United Nations University (to the present)</p> <p>June 2025 Outside Director, the Company (to the present)</p>	(Note 1)	-
Director	Mihoko Manabe	November 3, 1958	<p>June 1982 Joined Nissho Iwai American Corporation (now known as Sojitz Corporation of America)</p> <p>May 1988 Joined Moody's Investors Service, Inc.</p> <p>May 2013 Senior Vice President, Moody's Investors Service, Inc.</p> <p>May 2017 Associate Managing Director, Moody's Japan K.K.</p> <p>January 2019 Board Director, Moody's Japan K.K. (Note 1)</p> <p>October 2023 Financial Advisor (sole proprietor) (to the present)</p> <p>March 2024 Outside Director and Member of the Audit and Supervisory Committee, TORII PHARMACEUTICAL CO., LTD. (to the present)</p> <p>June 2025 Outside Director, the Company (to the present)</p>	(Note 1)	-

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Full-time Audit & Supervisory Board Member	Go Watanabe	September 19, 1958	<p>April 1982 Joined The Mitsubishi Bank, Ltd.</p> <p>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.</p> <p>July 2011 Executive Officer, General Manager, Global Corporate Banking Division of BTMU</p> <p>May 2012 Managing Executive Officer, Group Head, Nagoya Corporate Banking Group of BTMU</p> <p>June 2013 Managing Executive Officer, Chief Executive Officer for Asia and Oceania of BTMU</p> <p>July 2016 First Senior Vice President of Nidec Corporation</p> <p>August 2018 Senior Managing Executive Officer, Chief Administrative Officer (CAO) of Nidec Corporation</p> <p>September 2020 Chairman and Representative Director, MST Insurance Service Co., Ltd.</p> <p>June 2021 Outside Director, Mitsubishi HC Capital Inc.</p> <p>June 2022 Outside Audit & Supervisory Board Member, the Company (to the present)</p>	(Note 2)	6

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Full-time Audit & Supervisory Board Member	Masato Inari	January 23, 1961	<p>April 1985 Joined the Company</p> <p>June 2011 Plant Manager, Niigata Plant, Natural Gas Chemicals Company</p> <p>June 2014 Executive Officer, Plant Manager, Niigata Plant, Natural Gas Chemicals Company</p> <p>April 2016 Executive Officer, President of Aromatic Chemicals Company</p> <p>June 2016 Director, JSP Corporation</p> <p>April 2017 Managing Executive Officer, President of Aromatic Chemicals Company, the Company</p> <p>June 2017 Director, Managing Executive Officer, President of Aromatic Chemicals Company</p> <p>April 2019 Director, Managing Executive Officer, in charge of Production Technology Division, Environment Safety & Quality Assurance Division</p> <p>June 2019 Outside Director, Katakura & Co-op Agri Corporation</p> <p>April 2020 Director, Managing Executive Officer, in charge of Internal Audit Division, Environment & Total Production Sector, the Company</p> <p>April 2021 Director, Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division, Purchasing & Logistics Division</p> <p>April 2022 Representative Director, Senior Managing Executive Officer, responsible for Production Technology, in charge of Environment Safety & Quality Assurance Division, Purchasing & Logistics Division</p> <p>April 2023 Director</p> <p>June 2023 Audit & Supervisory Board Member (to the present)</p>	(Note 3)	25

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Full-time Audit & Supervisory Board Member	Nobuhisa Ariyoshi	November 26, 1961	<p>April 1984 Joined the Company</p> <p>June 2012 General Manager, Administrative & Personnel Center</p> <p>April 2016 Executive Officer, General Manager, Electronic Materials Division, Information & Advanced Materials Company</p> <p>April 2018 Managing Executive Officer, in charge of Finance & Accounting Center, Information Systems Division, and Purchasing & Logistics Center</p> <p>June 2018 Director, Managing Executive Officer, in charge of Finance & Accounting Center, Information Systems Division, and Purchasing & Logistics Center</p> <p>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</p> <p>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</p> <p>April 2020 Director, Managing Executive Officer, in charge of Internal Control & Risk Management, Corporate Management Sector</p> <p>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</p> <p>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</p>	(Note 4)	29

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
			<p>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</p> <p>April 2024 Representative Director, Senior Managing Executive Officer, in charge of Internal Control & Risk Management, responsible for Administrative & Personnel, in charge of Finance & Accounting Division and Information Systems Division</p> <p>April 2025 Director</p> <p>June 2025 Audit & Supervisory Board Member (to the present)</p>		

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
Audit & Supervisory Board Member	Tsuneaki Teshima	October 21, 1960	<p>April 1983 Joined Nippon Life Insurance Company ("Nissay")</p> <p>March 2010 Executive Officer, Manager, Product Planning Department, Nissay</p> <p>March 2011 Executive Officer, Head of Sendai Branch and Manager, Tohoku Corporate Relations Management Department, Nissay</p> <p>March 2013 Executive Officer, General Manager of Agency Marketing Headquarters and Financial Institution Relations Headquarters, Nissay</p> <p>March 2014 Managing Executive Officer, General Manager of Agency Marketing Headquarters and Financial Institution Relations Headquarters, Nissay</p> <p>July 2014 Director and Managing Executive Officer, General Manager of Agency Marketing Headquarters and Financial Institution Relations Headquarters, responsible for Agency Operations Department, Agency Marketing Headquarters, Financial Institution Relations Department and Financial Institution Relations Headquarters, Nissay</p> <p>March 2017 Director and Senior Managing Executive Officer, General Manager of Agency Marketing Headquarters and Financial Institution Relations Headquarters, responsible for Agency Operations Department, Agency Marketing Headquarters, Financial Institution Relations Department and Financial Institution Relations Headquarters, Nissay</p> <p>March 2018 Director, Nissay Director, NLI Research Institute</p> <p>April 2018 Representative Director, NLI Research Institute (to the present)</p> <p>June 2018 Outside Audit & Supervisory Board Member, Nitta Corporation</p> <p>June 2021 Outside Audit & Supervisory Board Member, Keisei Electric Railway Co., Ltd. (to the present)</p> <p>June 2024 Outside Audit & Supervisory Board</p>	(Note 2)	-

Title and position	Name	Date of birth	Profile	Term of office	Number of shares held (Thousands of shares)
			Member, the Company (to the present)		
Audit & Supervisory Board Member	Mayako Perez Takahashi	January 21, 1966	<p>April 1988 Joined Toa Nenryo Kogyo K.K.</p> <p>March 1989 Joined Japan Digital Equipment Corporation</p> <p>October 1992 Joined Nissan Mexicana, S.A. De C.V. (as contract employee)</p> <p>February 1997 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>December 2007 Joined KPMG Business Assurance Co., Ltd. (currently KPMG AZSA LLC)</p> <p>July 2011 Dispatched to Japan International Cooperation Agency (JICA) India Office</p> <p>June 2013 Joined Deloitte Touche Tohmatsu LLC</p> <p>August 2015 Senior Manager, Genpact Japan K.K. (currently Genpact K.K.)</p> <p>July 2017 Dispatched to JICA Panama Office</p> <p>January 2021 Joined ORIX Corporation</p> <p>December 2023 Executive Officer, Leifras Co., Ltd.</p> <p>June 2025 Outside Audit & Supervisory Board Member, the Company (to the present)</p>	(Note 4)	-
Total					214

- Notes:
1. Until the conclusion of the Annual General Meeting of Shareholders concerning the last fiscal year ending within one year after appointment from June 25, 2025
 2. Until the conclusion of the Annual General Meeting of Shareholders concerning the last fiscal year ending within four years after appointment from June 27, 2023
 3. Until the conclusion of the Annual General Meeting of Shareholders concerning the last fiscal year ending within four years after appointment from June 25, 2024
 4. Until the conclusion of the Annual General Meeting of Shareholders concerning the last fiscal year ending within four years after appointment from June 25, 2025
 5. Directors, Mr. Yasushi Manabe, Dr. Kazue Kurihara, Ms. Kuni Sato and Ms. Mihoko Manabe are Outside Directors.
 6. Full-time Audit & Supervisory Board Member, Mr. Go Watanabe and Audit & Supervisory Board Members, Mr. Tsuneaki Teshima and Ms. Mayako Perez Takahashi are Outside Audit & Supervisory Board Members.
 7. Ms. Mihoko Manabe is an Outside Director with foreign nationality.
 8. The Company has established an executive officer system to strengthen governance and enhance the executive management system by clarifying functions and responsibilities. The Company has 22 Executive Officers, including 8 concurrently serving as Directors, and the number of Executive Officers, excluding those concurrently serving as Directors is as follows.

Title and position	Name	Title and position	Name
Senior Executive Officer Deputy in charge of Green Energy & Chemical Business Sector, Division Director of GEC Business Planning Division, Green Energy & Chemical Business Sector	Akio Hashimoto	Executive Officer Head of Task Force, High-performance Products Business in Europe, Green Energy & Chemicals Business Sector (Director, President of MGC Specialty Chemicals Netherlands B.V.)	Masatoshi Sato
Senior Executive Officer Deputy in charge of Specialty Chemicals Business Sector, General Manager of Engineering Plastics Division, Specialty Chemicals Business Sector	Yasuaki Matsumi	Executive Officer In charge of Administrative & Personnel Division General Manager of Administrative & Personnel Division General Manager of QOL Innovation Center Shirakawa, Administrative & Personnel Division	Yasumoto Aoki
Executive Officer In charge of Research and Development Division General Manager of Research and Development Division	Hiroshi Ogawa	Executive Officer General Manager of Inorganic Chemicals Division and Planning & Development Division, Specialty Chemicals Business Sector	Kojiro Abe
Executive Officer Plant Manager of Yokkaichi Plant, Specialty Chemicals Business Sector	Yoshio Nishimura	Executive Officer In charge of Production Technology Division General manager of Production Technology Division	Masanori Ishikura
Executive Officer General Manager of Electronic Materials Division, Specialty Chemicals Business Sector	Toru Harada	Executive Officer Director, President of Mitsubishi Gas Chemical America, Inc.	Hideki Honda
Executive Officer In charge of Corporate Planning Division General Manager of Corporate Planning Division	Takashi Nakase	Executive Officer Director, President of MGC Pure Chemicals America, Inc.	Hirokazu Hanawa
Executive Officer Plant Manager of Niigata Plant, Green Energy & Chemicals Business Sector	Yuuichi Sugano	Executive Officer General Manager of C1 Chemicals Division, Green Energy & Chemicals Business Sector	Masahiko Naito

(ii) Information about outside corporate officers

In order to ensure the fair and objective oversight of management, particular attention is paid to the independence of outside corporate officers (outside directors and outside Audit & Supervisory Board members), in accordance with criteria set by the Tokyo Stock Exchange regarding independence. The Company appoints only candidates who have no conflict of interest with general shareholders.

The Company nominates as independent all outside directors and outside Audit & Supervisory Board members who satisfy the requirements for being an independent director/auditor.

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

- Notes:
1. Business execution manager: Either a director overseeing business execution, an executive officer, other officer involved in business execution, or an employee.
 2. The Group: The Company or one of its subsidiaries.
 3. Major shareholders of the Company: A shareholder currently holding, either directly or indirectly, 10% or more of total shares issued.
 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 Company in the event the Group is the seller, or to the partner in the event the Group is the buyer.
 5. High compensation: In the case of an individual, an annual amount of ¥10 million 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.

As of June 24, 2025 (filing date of the Annual Securities Report), the Company has four outside directors and two outside Audit & Supervisory Board members.

There is no special interest between the Outside Director, Ms. Haruko Hirose and the Company. While there are transactional relationships between the Company and Nikkiso Co., Ltd. where she was an outside director until March 2025, including the purchase of equipment, the amount was less than 1% of consolidated net sales of said company for the fiscal year ended March 31, 2025.

There is no special interest between the Outside Director, Mr. Toru Suzuki and the Company. Although he was a business execution manager until June 2017 at Mitsui & Co., Ltd., a business partner of the Company, over seven years have passed since his retirement. While there are transactional relationships between the Company and said company including the sale of products and materials, the amount was less than 1.6% of consolidated net sales of the Company for the fiscal year ended March 31, 2025. Also, while there are transactional relationships between the Company and said company including the purchase of materials, the amount was less than 1% of consolidated net sales of said company for the fiscal year ended March 31, 2025.

There is no special interest between the Outside Director, Mr. Yasushi Manabe and the Company. He was a business execution manager until March 2021 at Hitachi, Ltd. While there are transactional relationships between the Company and said company including the sale of products, the amount was less than 1% of consolidated net sales of the Company for the fiscal year ended March 31, 2025. Also, while there are transactional relationships between the Company and said company including payment of equipment maintenance cost, the amount was less than 1% of consolidated net sales of said company for the fiscal year ended March 31, 2025. Furthermore, he was Executive Advisor until March 2024 at Yashima Denki Co., Ltd. While there are transactional relationships between the Company and said company including the purchase of machines, the amount was less than 1% of consolidated net sales of said company for the fiscal year ended March 31, 2025. Also, while there are transactional relationships between the Company and NICHIAS Corporation where he serves as an outside director, including the purchase of products, the amount was less than 1% of consolidated net sales of said company for the fiscal year ended March 31, 2025.

There is no special interest between the Outside Director, Dr. Kazue Kurihara and the Company. There are transactional relationships between the Company 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 of the Company for the fiscal year ended March 31, 2025. Also, while there are transactional relationships between the Company and Tohoku University, where she serves as Professor Emeritus, including payment of consideration for joint research, the amount during the fiscal year ended March 31, 2025 was insignificant, totaling ¥31 million.

There is no special interest between the Outside Audit & Supervisory Board Member, Mr. Go Watanabe and the Company. Although he was a business executive manager until June 2016 at The Bank of Tokyo-Mitsubishi UFJ (currently MUFG Bank, Ltd.), over eight years have passed since his retirement. While there are transactional relationships between the Company and said company including the borrowing of funds, the amount of borrowings from said company was less than 3.7% of consolidated total assets as of March 31, 2025. Furthermore, although said company holds shares of the Company, the percentage is 1.2% of issued shares.

There is no special interest between the Outside Audit & Supervisory Board Member, Mr. Tsuneaki Teshima and the Company. Although he was a business executive manager until July 2018 at Nippon Life Insurance Company, over six years have passed since his retirement. While there are transactional relationships between the Company and said company including the borrowing of funds, the amount of borrowings from said company was less than 0.5% of consolidated total assets as of March 31, 2025. Furthermore, although said company holds shares of the Company, the percentage is 2.7% of issued shares.

Based on the above, the Company believes that the six Outside Directors and Outside Audit &

Supervisory Board Members have no special interest in the Company and are able to perform their duties fairly and objectively from an independent standpoint, and has designated them as independent officers as stipulated by the Tokyo Stock Exchange, and has notified the exchange of such designation.

Outside Director, Ms. Haruko Hirose has many years of abundant experience overseas and insight as director at international organizations on a global scale, and provides appropriate supervision and advice to the Company's management including actively expressing her opinions based on these at the Board of Directors. So, it is deemed that she contributes to ensuring the validity and appropriateness of the Company's decision making. 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 contributes to ensuring the validity and appropriateness of the Company's decision making.

Outside Director, Mr. Toru Suzuki has many years of experience overseas at a company operating on a global scale as well as insight and experience in general management as a manager, and provides appropriate supervision and advice to the Company's management including actively expressing his opinions based on these at the Board of Directors. So, it is deemed that he contributes to ensuring the validity and appropriateness of the Company's decision making.

Outside Director, Mr. Yasushi Manabe has many years of experience at a company operating on a global scale as well as insight and experience in general management as a manager, and provides appropriate supervision and advice to the Company's management including actively expressing his opinions based on these at the Board of Directors. So, it is deemed that he contributes to ensuring the validity and appropriateness of the Company's decision making.

Outside Director, Dr. Kazue Kurihara has highly advanced expertise in wide fields of study in chemicals, and provides appropriate supervision and advice to the Company's management including actively expressing her opinions based on these at the Board of Directors. So, it is deemed that she contributes to ensuring the validity and appropriateness of the Company's decision making.

Outside Audit & Supervisory Board Member Go Watanabe has abundant experience at a financial institution and a manufacturing industry etc., both in Japan and overseas, as well as possesses insight and experience in general management as a manager and considerable expertise in finance and accounting. Therefore, he is suited for an Outside Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of directors' duties.

Outside Audit & Supervisory Board Member, Mr. Tsuneaki Teshima has many years of experience at a financial institute, etc. as well as possesses insight and experience in general management as a manager and considerable expertise in finance and accounting. Therefore, he is suited for an Outside Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of directors' duties.

The Company has appointed two outside Audit & Supervisory Board members who have no special interests in the Company and in whom the Company has no special interest. The Company believes they are objectively fulfilling a neutral management oversight function through their audits and involvement in important decision-making processes. Additionally, the Company has appointed four independent outside directors in the aim of further enhancing management transparency and impartiality vis-à-vis shareholders by obtaining appropriate oversight of its management and advice from an outsider's perspective. The Company accordingly considers its governance regime as stated above to be the best fit for itself in terms of ensuring management transparency and impartiality.

The shareholding status of each Outside Director and Outside Audit & Supervisory Board Member in the Company is as described in "(i) Officers."

In addition, the Company has submitted proposals (matters for resolution) for the "Election of Twelve Directors" and "Election of Two Audit & Supervisory Board Members" to the Ordinary General Meeting scheduled to be held on June 25, 2025. If these resolutions are approved, the Company will have four Outside Directors and three Outside Audit & Supervisory Board

Members.

There is no special interest between the both Outside Directors, Ms. Kuni Sato and Ms. Mihoko Manabe, and the Company.

There is no special interest between the Outside Audit & Supervisory Board Member, Ms. Mayako Perez Takahashi and the Company.

The relationships between the Company and its Outside Directors Mr. Yasushi Manabe and Dr. Kazue Kurihara and its Outside Audit & Supervisory Board Members Mr. Go Watanabe and Mr. Tsuneaki Teshima are as indicated as of June 24, 2025 (the filing date of this Annual Securities Report).

Based on the above, the Company believes that the seven Outside Directors and Outside Audit & Supervisory Board Members have no special interest in the Company and are able to perform their duties fairly and objectively from an independent standpoint, and has designated them as independent officers as stipulated by the Tokyo Stock Exchange, and has notified the exchange of such designation.

Outside Director, Ms. Kuni Sato has many years of abundant experience overseas and insight, and it is deemed that she would provide appropriate supervision and advice based on these to the Company's management. So, she is expected to contribute to ensuring the validity and appropriateness of the Company's decision making. Although she has not been directly involved in corporate management, since she has served in important positions at government agencies, etc., she is deemed to be able to appropriately execute her duties as an Outside Director.

Outside Director, Ms. Mihoko Manabe has many years of international experience at a company operating on a global scale as well as considerable expertise in finance and accounting, and it is deemed that she would provide appropriate supervision and advice based on these to the Company's management. So, she is expected to contribute to ensuring the validity and appropriateness of the Company's decision making.

Outside Audit & Supervisory Board Member, Ms. Mayako Perez Takahashi has many years of experience at audit firms, etc. as well as considerable expertise in finance and accounting.

Therefore, she is suited for an Outside Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of directors' duties.

Regarding Outside Directors Mr. Yasushi Manabe and Dr. Kazue Kurihara and Outside Audit & Supervisory Board Members Mr. Go Watanabe and Mr. Tsuneaki Teshima, it is as indicated as of June 24, 2025 (the filing date of this Annual Securities Report).

The Company has appointed three outside Audit & Supervisory Board members who have no special interests in the Company and in whom the Company has no special interest. The Company believes they objectively fulfill a neutral management oversight function through their audits and involvement in important decision-making processes. Additionally, the Company has appointed four independent outside directors in the aim of further enhancing management transparency and impartiality vis-à-vis shareholders by obtaining appropriate oversight of its management and advice from an outsider's perspective. The Company accordingly considers its governance regime as stated above to be the best fit for itself in terms of ensuring management transparency and impartiality.

The shareholding status of each Outside Director and Outside Audit & Supervisory Board Member in the Company is as described in "(i) Officers."

- (iii) Relationship between supervision or audit by Outside Directors or Outside Audit & Supervisory Board Members, and internal audits, audits by Audit & Supervisory Board Members, and accounting audits, and relationship with internal control division

Each Outside Director attends meetings of the Board of Directors and receives regular reports on matters including basic policies and plans for the implementation and operation of internal controls, and the status of internal audits. To give part-time outside directors and outside Audit & Supervisory Board members a better understanding of Board of Directors meetings' agenda items, the Company briefs them beforehand. Outside directors also engage in discussions with Audit & Supervisory Board members to share information.

Additionally, outside directors and outside Audit & Supervisory Board members hold regular discussions solely among themselves to share information.

For newly appointed outside directors and outside Audit & Supervisory Board members, individual business units provide briefings on their business and its operations and the Company offers opportunities to tour plants and other sites.

One of the Outside Audit & Supervisory Board Members performs duties as a Full-time Audit & Supervisory Board Member.

The activities of the Full-time Audit & Supervisory Board Member are as described in “(3) Information about audit, (i) Information about auditing by Audit & Supervisory Board members, 2. Activity status of Audit & Supervisory Board members and the Audit & Supervisory Board.”

(3) Information about audit

(i) Information about auditing by Audit & Supervisory Board members

1. Organization, personnel, and procedures

As of June 24, 2025 (filing date of the Annual Securities Report), the Audit & Supervisory Board consists of four Audit & Supervisory Board members (including three full-time Audit & Supervisory Board members), two of whom are outside Audit & Supervisory Board members. Full-time Audit & Supervisory Board Member, Mr. Masamichi Mizukami served in important positions in the Company’s Specialty Chemicals Business Sector, Research & Development, Internal Control, etc. and possesses abundant experience in the Company’s business and corporate management.

Full-time Outside Audit & Supervisory Board Member Go Watanabe worked for financial institutions for many years and has experience in corporate management at a manufacturing industry etc., giving him considerable finance, accounting and risk management expertise as well as abundant experience regarding corporate management both in Japan and overseas.

Full-time Audit & Supervisory Board Member, Mr. Masato Inari served in important positions in the Company’s Green Energy & Chemicals Business Sector, Production Technology, Environment Safety, etc. and possesses abundant experience in the Company’s business and corporate management.

Outside Audit & Supervisory Board Member, Mr. Tsuneaki Teshima worked for financial institutions for many years and possesses insight and experience in general management as a manager as well as a considerable degree of knowledge regarding finance and accounting.

In addition, the Company has submitted proposal (matter for resolution) for the “Election of Two Audit & Supervisory Board Members” to the Ordinary General Meeting scheduled to be held on June 25, 2025. If this resolution is approved, the Audit & Supervisory Board will consist of five members (three full-time Audit & Supervisory Board members), three of whom will be outside Audit & Supervisory Board members.

Full-time Audit & Supervisory Board Member, Mr. Nobuhisa Ariyoshi served in important positions in the Company’s Corporate Management Sector, Compliance, Internal Control & Risk Management, etc. and possesses abundant experience in the Company’s business and corporate management.

Outside Audit & Supervisory Board Member, Ms. Mayako Perez Takahashi has many years of experience at audit firms, etc. as well as considerable expertise in finance and accounting.

The information about Full-time Outside Audit & Supervisory Board Member, Mr. Go Watanabe, Full-time Audit & Supervisory Board Member, Mr. Masato Inari, and Outside Audit & Supervisory Board Member, Mr. Tsuneaki Teshima is the same as stated as of June 24, 2025 (filing date of the Annual Securities Report).

One staff member dedicated to audit functions based on instructions from Audit & Supervisory Board members is placed, and in the case that the Audit & Supervisory Board requests the use of independent external specialists, the Company shall bear those costs.

The Audit & Supervisory Board sets auditing policies, assigns auditing duties and formulates audit

plans. Audit & Supervisory Board members perform their duties in accord with the Company's audit standards for Audit & Supervisory Board members.

2. Activity status of Audit & Supervisory Board members and the Audit & Supervisory Board

The Audit & Supervisory Board's topics includes formulation of auditing policies and audit plans, internal control systems' implementation/operation status and the reasonableness of the Independent Auditor's audit methods and findings. Additionally, the Audit & Supervisory Board endeavors to form audit opinions by sharing individual Audit & Supervisory Board members' audit findings.

The three full-time Audit & Supervisory Board members endeavor to stay informed of important decision-making processes and the state of business execution through such means as attending important meetings, including Operations Council meetings in addition to Board of Directors meetings, auditing individual organizational units, surveying subsidiaries and reviewing key documents.

Audit & Supervisory Board members regularly exchange views with directors, periodically and promptly receive reports on the status of business execution and other important matters from directors and office staff, request explanations whenever necessary, and express opinions.

Additionally, the Audit & Supervisory Board members endeavor to improve audit effectiveness through such means as coordinating with the Independent Auditor and Internal Audit Division and attending Internal Control & Risk Management Committee and Compliance Committee meetings. The one part-time Audit & Supervisory Board member's role includes conferring about and offering opinions on important auditing-related matters in accord with auditing policies set by the Audit & Supervisory Board. Furthermore, all Audit & Supervisory Board members have regular exchanges of opinions with the representative director, directors, and outside directors regarding the status of internal controls, and related matters.

In the fiscal year under review, the Audit & Supervisory Board met 14 times, and the status of attendance of each individual Audit & Supervisory Board Member is as follows.

Title and position	Name	Attendance at the Audit & Supervisory Board meetings
Full-time Audit & Supervisory Board Member	Masamichi Mizukami	14/14
Full-time Audit & Supervisory Board Member (Outside)	Go Watanabe	14/14
Full-time Audit & Supervisory Board Member	Masato Inari	14/14
Audit & Supervisory Board Member (Outside)	Yasuomi Matsuyama	5/5
Audit & Supervisory Board Member (Outside)	Tsuneaki Teshima	9/9

Note: The number of meetings of the Audit & Supervisory Board held from April 2024 to March 2025 was 14, the number of meetings of the Board of Directors held before the retirement of Outside Audit & Supervisory Board Member Yasuomi Matsuyama was five and the number of meetings of the Board of Directors held since the appointment of Outside Audit & Supervisory Board Member Tsuneaki Teshima was nine.

(ii) Information about internal audit

1. Organization, personnel, and procedures

To enhance internal control and improve management efficiency, the Internal Audit Division conducts internal audits based on an annual plan to ensure that the operations of the Company and its Group companies are properly executed. All internal audit reports are reported to the President and Representative Director and the director in charge of the Internal Audit Division, and are also reported at the same time to the full-time Audit & Supervisory Board members. The Board of Directors receives one regular report per year as well as reports from the director in charge of the

Internal Audit Division as necessary. Moreover, the Internal Audit Division also assesses and reports on the effectiveness of internal controls over financial reporting in accord with the Financial Instruments and Exchange Act.

The Internal Audit Division is staffed with a total of 14 personnel, including nine internal auditors (three of whom are exclusively internal auditors; the other six split their time between internal auditing and other duties) and five staff in charge of the internal control reporting system.

2. Mutual cooperation among internal audits, audits by Audit & Supervisory Board Members, and accounting audits

1) Status of cooperation between internal audits and audits by Audit & Supervisory Board Members

The Internal Audit Division forwards copies of its internal audit reports to Audit & Supervisory Board members on an ad hoc basis to help them perform their audits more efficiently, holds quarterly reporting meetings with full-time Audit & Supervisory Board members and reciprocally shares and discusses audit plans and findings with Audit & Supervisory Board members. Audit & Supervisory Board members are also briefed by the Internal Audit Division on its assessments of the effectiveness of internal controls over financial reporting and discuss prospective corrective measures with the Internal Audit Division in the aim of improving the reliability of financial reporting.

2) Status of cooperation between internal audits and accounting audits

The Internal Audit Division discusses auditing matters with the Independent Auditor whenever necessary in addition to meeting regularly with the Independent Auditor.

3) Status of cooperation between audits by Audit & Supervisory Board Members and accounting audits

Early in the fiscal year, Audit & Supervisory Board members are briefed by the Independent Auditor on its audit plan. They also receive first-hand input on accounting procedures and internal controls from the Independent Auditor while accompanying its staff during accounting audits of the Company's plants, Group companies and other sites. Additionally, they discuss issues pertaining to quarterly financial reporting procedures and internal controls with the Independent Auditor on a quarterly basis.

Audit & Supervisory Board Members have conferred with the Independent Auditor and the Company's executive staff on individual risks posed by potential KAMs (key audit matters) identified by the Independent Auditor and received reports on audit status with respect to such risks. Throughout the fiscal year, Audit & Supervisory Board members engaged in in-depth discussions with the Independent Auditor in connection with the Independent Auditor's process of finalizing its KAM selections, taking into account management impact, materiality and other relevant factors.

3. Relationship between the Internal Audit Division, Audit & Supervisory Board Members, and the Independent Auditor and the internal control division

The Internal Audit Division, Audit & Supervisory Board Members, and the Independent Auditor hold regular meetings with each other to report on internal controls and exchange opinions. The Independent Auditor also exchanges opinions with other related departments through the Finance & Accounting Department as necessary.

(iii) Information about accounting audit

a. Name of the audit firm

Crowe Toyo & Co.

b. Length of continuous tenure

66 years

The rotation of the Engagement Partners is appropriately implemented, and in principle, they are not involved in the audit work for more than seven consecutive accounting periods.

The Lead Engagement Partner not been involved in audit work for more than five consecutive accounting periods.

c. Certified public accountants who executed audit duties

Akio Enokura
Shoichi Oyama
Ryuji Soda

d. Assistants who participated in audits

Assistants who participated in accounting audit operations of the Company are 11 certified public accountants and seven other persons.

e. Policy and reason for selecting the audit firm

• Policy for selecting the audit firm

The Audit & Supervisory Board of the Company has a policy of establishing evaluation and selection criteria for the Independent Auditor, which are deliberated and decided by the Audit & Supervisory Board each fiscal year.

Specifically, it makes a comprehensive judgment of the appropriateness and adequacy of the Independent Auditor's audit activities, quality control system, independence, appropriateness of the audit plan and audit fees, and opinions from the executive management division.

• 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 of the Company 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 determine the detail of an agenda item to be proposed to the General Meeting of Shareholders, regarding the dismissal or non-reappointment of the Independent Auditor.

f. Evaluation of the audit firm conducted by the Audit & Supervisory Board members and Audit & Supervisory Board

The Audit & Supervisory Board of the Company has decided to reappoint the current audit firm after careful consideration based on the above evaluation and selection criteria of the Independent Auditor.

(iv) Details of audit fee, etc.

a. Compensation for certified public accountants, etc. for audits

(Millions of yen)

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit certification services	Fees for non-audit services	Fees for audit certification services	Fees for non-audit services
Reporting company	74	2	74	2
Consolidated subsidiaries	47	2	38	2
Total	122	4	113	4

The non-audit services provided to the Company and its consolidated subsidiaries in the fiscal year ended March 31, 2024 consisted of agreed-upon procedures.

The non-audit services provided to the Company and its consolidated subsidiaries in the fiscal year ended March 31, 2025 consisted of agreed-upon procedures.

b. Compensation excluding a. for the same network of certified public accountants, etc. for audits (Crowe Global) (Millions of yen)

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit certification services	Fees for non-audit services	Fees for audit certification services	Fees for non-audit services
Reporting company	—	—	—	—
Consolidated subsidiaries	16	21	17	5
Total	16	21	17	5

Non-audit services provided to consolidated subsidiaries in the fiscal year ended March 31, 2024 included tax consulting and other services.

Non-audit services provided to consolidated subsidiaries in the fiscal year ended March 31, 2025 included tax consulting and other services.

c. Details of other major compensation for audit certification services

Fiscal year ended March 31, 2024

There are no matters to be noted.

Fiscal year ended March 31, 2025

There are no matters to be noted.

d. Policy on determining audit fee

Fees for audit certification services for the Independent Auditor of the reporting company for audit certification services is determined with the consent of the Audit & Supervisory Board based on discussions with the Independent Auditor, taking into consideration the items to be audited, the number of days, and the efficiency of audit operations, in light of factors including the Company's size and business structure.

e. Reasons for approval of the compensation, etc. for the Independent Auditor by the Audit & Supervisory Board

The Audit & Supervisory Board of the Company agreed to the above amount of fees for audit certification services borne by the reporting company for the fiscal year ended March 31, 2025 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.

- (4) Directors' and Audit & Supervisory Board members' compensation and other benefits
- (i) Policy for determining amounts of compensation and other benefits paid to directors/Audit & Supervisory Board members and the method of calculating such amount as well as the method of determination thereof

Director's compensation

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

Having taken into account discussions regarding compensation and other benefits for individual directors pertaining to the fiscal year under review, 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 Company'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 year as part of a reserved retirement benefit, which is paid to directors upon their retirement. The Company 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 actual results and the extent to which targets have been achieved, using ordinary profit, ROE, ROIC, and other financial indicators, with the aim of furnishing incentives with respect to corporate performance in individual fiscal years. Moreover, starting in FY2025, non-financial indicators (ESG indicators) such as GHG emission reduction rates, the percentage of employees who feel fulfilled in their work, and the status of compliance will also be taken into consideration when making decisions, so that we can further promote sustainability management.

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 the Company's own 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 to 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 the Company's medium- to long-term corporate value.

Regarding compensation ratios, as a general guideline, 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 the Company'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. When combined with restricted stock compensation, incentive compensation (performance-based compensation and restricted stock compensation) accounts for approximately 40% of total compensation.

In addition to these forms of compensation, the Company 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. In addition, the Board of Directors entrusts the distribution of individual compensation to the Director and President, based on the judgment that the Director and President is the most appropriate person to evaluate each Director while overseeing the Company as a whole, and the Director and President makes decisions based on discussions on the distribution of compensation at meetings of the Compensation and Nominating Committee.

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.

Audit & Supervisory Board members' compensation

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.

(ii) Total amount of compensation and other benefits, total amount of compensation and other benefits by type and number of payees by category

Category of officers	Total amount of compensation and other benefits (Millions of yen)	Total amount of compensation and other benefits by type (Millions of yen)			Number of eligible officers (Persons)
		Basic	Performance-based	Restricted Stock	
Directors (excluding outside directors)	499	311	136	50	9
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	54	54	—	—	2
Outside directors/Audit & Supervisory Board members	78	78	—	—	7
Total	632	444	136	50	18

- Notes:
- The amount of restricted stock compensation to directors is that of the provision for restricted stock compensation for the fiscal year under review.
 - 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 was 12 (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 was ten.
 - The Board of Directors has entrusted President and Representative Director Masashi Fujii with the decision on the distribution of compensation to each Director, based on the judgment that the Director and President is the most appropriate person to evaluate each Director while overseeing the Company as a whole, and the Director and President makes decisions based on discussions on the distribution of compensation at meetings of the Compensation and Nominating Committee.
 - The indicators for performance-based compensation are intended to serve as incentives for corporate performance and utilize a combination of factors including ordinary profit, ROE and ROIC, with the initial forecast figures set at ¥58,000 million for ordinary profit, 9.4% for ROE and 6.4% for ROIC (based on the definition of “Ordinary profit / Invested capital” utilized to determine compensation up to the current fiscal year), and the actual results being ¥46,040 million for ordinary profit, 6.1% for ROE and 5.4% for ROIC.
 - 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 five.

(iii) Total amount of consolidated compensation, etc. of each Director of the reporting company
The scope of disclosure is persons whose total amount of consolidated compensation, etc. is 100 million yen or more, but this information is omitted because there is no such person.

(5) Share ownership

(i) Policy and concept of the classification of investment shares

The Company defines and distinguishes between investment shares whose purpose of holding is for net investment and investment shares whose purpose of holding is other than for net investment, with net investment purposes defined as “cases where the sole objective is to profit from fluctuations in the value of the shares or from dividends associated with the shares.”

(ii) Investment shares whose purpose of holding is other than for net investment

a. Method for inspecting the holding policy and the rationality of ownership, and the details of inspections by the Board of Directors and the like concerning the propriety of the ownership of individual issues

The Company owns listed equity holdings that it deems beneficial to its Group’s businesses in pursuit of medium/long-term growth in its corporate value. Its Board of Directors annually reassesses the objectives and risks of owning each of these equity holdings, the state of transactions with the investee and returns accruing from ownership, including returns from actual transactions with the investee, relative to earnings targets with cost of capital factored in. If the Board of Directors deems the Company’s equity stake in any investee to be larger than appropriate, the Company sells down its equity holdings in the investee as appropriate.

b. Number of issues and balance sheet amount

	Number of issues (Issues)	Total value on balance sheet (Millions of yen)
Unlisted shares	53	2,185
Shares other than unlisted shares	35	26,031

(Issues whose number of shares increased in the fiscal year under review)

	Number of issues (Issues)	Total acquisition costs associated with increase in number of shares (Millions of yen)	Reason for increase in number of shares
Unlisted shares	3	133	<ul style="list-style-type: none"> Because it is judged to contribute to the Group’s business operations, mainly in the Green Energy & Chemicals Business
Shares other than unlisted shares	1	0	<ul style="list-style-type: none"> Because it is judged to contribute to the Group’s business operations, mainly in the Specialty Chemicals Business

(Issues whose number of shares decreased in the fiscal year under review)

	Number of issues (Issues)	Total sale value associated with decrease in number of shares (Millions of yen)
Unlisted shares	4	0
Shares other than unlisted shares	3	1,833

- c. Information about the numbers of specified investment shares and deemed shareholdings by issue, balance sheet amounts, etc.

Specified investment shares

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Mitsubishi UFJ Financial Group, Inc.	2,454,600	2,454,600	<ul style="list-style-type: none"> The company's shares are held because it is believed it will contribute to the stability of the Company's financing. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	4,936	3,821		
AGC Inc.	643,400	643,400	<ul style="list-style-type: none"> The company is primarily an important supplier in the Specialty Chemicals Business, and the company's shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	2,924	3,556		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
NITTO BOSEKI CO., LTD.	500,400	500,400	<ul style="list-style-type: none"> The company is primarily an important supplier in the Specialty Chemicals Business, and the company's shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	2,081	2,987		
Daishi Hokuetsu Financial Group, Inc.	622,400	311,200	<ul style="list-style-type: none"> The company's shares are held because it is believed it will contribute to the stability of the Company's financing. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	1,963	1,387		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Mitsubishi Logistics Corporation	1,817,500	363,500	<ul style="list-style-type: none"> The company's shares are held because mainly because it is deemed to contribute to the Group's business operations in terms of logistics. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. The number of shares held increased due to a stock split with a record date of October 31, 2024. 	Yes
	1,757	1,808		
Kansai Paint Co., Ltd.	787,000	787,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Green Energy & Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	1,680	1,712		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Mitsubishi Corporation	613,200	1,216,200	<ul style="list-style-type: none"> The company is primarily a joint venture partner, an important customer, and a supplier in the Green Energy & Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we sold a portion of stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	1,610	4,240		
Iwatani Corporation	999,200	249,800	<ul style="list-style-type: none"> The company is primarily an important customer in the Green Energy & Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. The number of shares held increased due to a stock split with a record date of September 30, 2024. 	Yes
	1,493	2,133		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Mebuki Financial Group, Inc.	1,519,830	1,519,830	<ul style="list-style-type: none"> The company's shares are held because it is believed it will contribute to the stability of the Company's financing. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	1,102	777		
Mitsubishi Chemical Group Corporation	1,070,500	1,070,500	<ul style="list-style-type: none"> The company is primarily a joint venture partner, an important customer, and a supplier in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	788	980		
MITSUBISHI ESTATE CO., LTD.	318,000	318,000	<ul style="list-style-type: none"> The company's shares are held because it is deemed to contribute to the operations of the Group's business, primarily in the real estate-related field. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	773	885		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Arisawa Mfg. Co., Ltd.	505,860	505,860	<ul style="list-style-type: none"> The company is primarily a joint venture partner and an important supplier in the Green Energy & Chemicals Business and the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of these businesses. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	700	575		
Veritas In Silico Inc.	731,256	731,256	<ul style="list-style-type: none"> The shares are held with the aim of expanding our business domain in the medical and food fields, which we have designated as one of our MGC strategic research areas through collaboration with the company. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	No
	575	1,450		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Nissan Chemical Corporation	127,700	127,700	<ul style="list-style-type: none"> The company is primarily an important customer in the Green Energy & Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	567	731		
The Nanto Bank, Ltd.	127,900	127,900	<ul style="list-style-type: none"> The company's shares are held because it is believed it will contribute to the stability of the Company's financing. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	505	392		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Gun Ei Chemical Industry Co., Ltd.	148,500	148,500	<ul style="list-style-type: none"> The company is primarily an important customer in the Green Energy & Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	443	571		
NIKON CORPORATION	272,000	464,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we sold a portion of stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	403	710		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
The Hyakugo Bank, Ltd.	529,000	529,000	<ul style="list-style-type: none"> The company's shares are held because it is believed it will contribute to the stability of the Company's financing. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	388	343		
Sumitomo Mitsui Trust Group, Inc.	88,804	88,804	<ul style="list-style-type: none"> The company's shares are held because it is believed it will contribute to the stability of the Company's financing. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	330	293		
Oji Holdings Corporation	476,000	476,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	298	303		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Mitsubishi Kakoki Kaisha, Ltd.	87,600	29,200	<ul style="list-style-type: none"> The company's shares are held because it is deemed to contribute to the operations of the Group's business, primarily in the facilities-related field. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. The number of shares held increased due to a stock split with a record date of March 31, 2025. 	Yes
	118	120		
Hodogaya Chemical Co., Ltd.	70,800	35,400	<ul style="list-style-type: none"> The company is primarily a joint venture partner, an important customer, and a supplier in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. The number of shares held increased due to a stock split with a record date of March 31, 2025. 	Yes
	110	129		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Hokuetsu Corporation	84,000	84,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	No
	102	161		
DAI NIPPON TORYO CO., LTD.	68,400	68,400	<ul style="list-style-type: none"> The company is primarily an important customer in the Green Energy & Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	79	82		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Mitsubishi Paper Mills Limited	105,000	105,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	68	64		
NATORI CO., LTD.	24,000	24,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	No
	49	51		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Daio Paper Corporation	48,000	48,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	No
	39	55		
TOYOBO Co., Ltd.	31,000	36,400	<ul style="list-style-type: none"> The company is primarily an important customer in the Green Energy & Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we sold a portion of stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	29	41		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
DAISHIN CHEMICAL CO., LTD.	20,000	20,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Green Energy & Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	No
	28	31		
Tokuyama Corporation	10,000	10,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Green Energy & Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	No
	27	27		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
MITSUBISHI MOTORS CORPORATION	60,000	60,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	No
	24	30		
Kawaguchi Chemical Industry Co., Ltd.	14,400	14,400	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	No
	18	20		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Origin Materials, Inc.	45,000	45,000	<ul style="list-style-type: none"> The company is primarily a related party of a new business in the Green Energy & Chemicals Business, and the company's shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	No
	4	3		
Hagoromo Foods Corporation	1,170	1,119	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Shares are acquired through regular contributions to the shareholding association to further this objective. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	No
	3	3		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
DELSOLE Corporation	1,000	1,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held because the company is deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	No
	0	0		

Note: 1. At the stage of selecting the top shares in terms of balance sheet amount, specified investment shares and deemed shareholdings are not combined.

Deemed shareholdings

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Mitsubishi Heavy Industries, Ltd.	1,500,000	1,500,000	<ul style="list-style-type: none"> The company's shares are held as they are deemed to contribute to the operations of the Group's business, primarily in the facilities-related field, and for directing the exercise of voting rights under the retirement benefit trust agreement. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	3,789	2,172		
Concordia Financial Group, Ltd.	3,647,000	3,647,000	<ul style="list-style-type: none"> The company's shares are held primarily to contribute to the stability of the Company's financing and for directing the exercise of voting rights under the retirement benefit trust agreement. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	3,578	2,807		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Mitsubishi UFJ Financial Group, Inc.	1,740,000	1,740,000	<ul style="list-style-type: none"> The company's shares are held primarily to contribute to the stability of the Company's financing and for directing the exercise of voting rights under the retirement benefit trust agreement. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	3,499	2,709		
Tokio Marine Holdings, Inc.	498,600	498,600	<ul style="list-style-type: none"> The company's shares are held as they are deemed to contribute to the operations of the Group's business, primarily in the insurance-related field, and for directing the exercise of voting rights under the retirement benefit trust agreement. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	2,859	2,344		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Japan Petroleum Exploration Co., Ltd.	1,988,760	397,752	<ul style="list-style-type: none"> The company is primarily a joint venture partner, an important customer, and a supplier in the Green Energy & Chemicals Business, and the shares are held for the purpose of directing the exercise of voting rights under the retirement benefit trust agreement, as they are deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. The number of shares held increased due to a stock split with a record date of September 30, 2024. 	Yes
	2,312	2,728		
Mitsubishi Corporation	600,000	600,000	<ul style="list-style-type: none"> The company is primarily a joint venture partner, an important customer, and a supplier in the Green Energy & Chemicals Business, and the shares are held for the purpose of directing the exercise of voting rights under the retirement benefit trust agreement, as they are deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	1,575	2,092		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Otsuka Holdings Co., Ltd.	200,000	200,000	<ul style="list-style-type: none"> The company is primarily a joint venture partner, an important customer, and a supplier in the Specialty Chemicals Business, and the shares are held for the purpose of directing the exercise of voting rights under the retirement benefit trust agreement, as they are deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	1,550	1,262		
Arisawa Mfg. Co., Ltd.	966,306	966,306	<ul style="list-style-type: none"> The company is primarily a joint venture partner and an important supplier in the Green Energy & Chemicals Business and the Specialty Chemicals Business, and the shares are held for the purpose of directing the exercise of voting rights under the retirement benefit trust agreement, as they are deemed to contribute to the operations of these businesses. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	1,337	1,098		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Nippon Yusen Kabushiki Kaisha	270,900	270,900	<ul style="list-style-type: none"> The company's shares are held as they are deemed to contribute to the operations of the Group's business, primarily in the logistics-related field, and for directing the exercise of voting rights under the retirement benefit trust agreement. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	1,333	1,103		
NIKON CORPORATION	500,000	500,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held for the purpose of directing the exercise of voting rights under the retirement benefit trust agreement, as they are deemed to contribute to the operations of mainly this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	741	765		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Mizuho Financial Group, Inc.	174,100	174,100	<ul style="list-style-type: none"> The company's shares are held primarily to contribute to the stability of the Company's financing and for directing the exercise of voting rights under the retirement benefit trust agreement. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	705	530		
Chugin Financial Group, Inc.	334,800	334,800	<ul style="list-style-type: none"> The company's shares are held primarily to contribute to the stability of the Company's financing and for directing the exercise of voting rights under the retirement benefit trust agreement. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	559	440		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
The Hachijuni Bank, Ltd.	520,000	520,000	<ul style="list-style-type: none"> The company's shares are held primarily to contribute to the stability of the Company's financing and for directing the exercise of voting rights under the retirement benefit trust agreement. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	549	540		
Daicel Corporation	380,000	380,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Green Energy & Chemicals Business, and the shares are held for the purpose of directing the exercise of voting rights under the retirement benefit trust agreement, as they are deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	493	575		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
AGC Inc.	100,000	100,000	<ul style="list-style-type: none"> The company is primarily an important supplier in the Specialty Chemicals Business, and the shares are held for the purpose of directing the exercise of voting rights under the retirement benefit trust agreement, as they are deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	454	552		
MITSUBISHI ESTATE CO., LTD.	100,000	100,000	<ul style="list-style-type: none"> The company's shares are held as they are deemed to contribute to the operations of the Group's business, primarily in the real estate-related field, and for directing the exercise of voting rights under the retirement benefit trust agreement. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	243	278		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Mitsubishi Paper Mills Limited	360,000	360,000	<ul style="list-style-type: none"> The company is primarily an important customer in the Specialty Chemicals Business, and the shares are held for the purpose of directing the exercise of voting rights under the retirement benefit trust agreement, as they are deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	235	220		
Mitsubishi Chemical Group Corporation	300,000	300,000	<ul style="list-style-type: none"> The company is primarily a joint venture partner, an important customer, and a supplier in the Specialty Chemicals Business, and the shares are held for the purpose of directing the exercise of voting rights under the retirement benefit trust agreement, as they are deemed to contribute to the operations of this business. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	221	274		

Issue name	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of holding, overview of business alliance, etc., quantitative effect of holding and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
IINO KAIUN KAISHA, LTD.	175,100	175,100	<ul style="list-style-type: none"> The company's shares are held as they are deemed to contribute to the operations of the Group's business, primarily in the logistics-related field, and for directing the exercise of voting rights under the retirement benefit trust agreement. Although quantitative holding effects are not stated due to our judgment that they are trade secrets with our business partners, we hold stocks after verifying the status of transactions, returns from actual transactions, etc., against earnings targets based on the cost of capital, risks associated with the holdings, and the purposes for which the stocks are held. 	Yes
	174	214		
Mitsubishi Electric Corporation	—	500,000	<ul style="list-style-type: none"> The sale of all shares held was completed. 	No
	—	1,256		
Sompo Holdings, Inc.	—	356,475	<ul style="list-style-type: none"> The sale of all shares held was completed. 	Yes
	—	1,137		

- Notes:
- At the stage of selecting the top shares in terms of balance sheet amount, specified investment shares and deemed shareholdings are not combined.
 - A dash “—” indicates that the issue is not held.
 - Deemed shareholdings held are fair value at the end of the fiscal year multiplied by the number of shares subject to the authority to exercise voting rights.

- (iii) Investment shares whose purpose of holding is for net investment
No such shares are held.

V. Financial Information

Basis of preparation of the consolidated financial statements and the non-consolidated financial statements

- (1) The consolidated financial statements of the Company are prepared in accordance with the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976; hereinafter the “Regulations on Consolidated Financial Statements”).
- (2) The non-consolidated financial statements of the Company are prepared in accordance with the Regulation on Terminology, Forms and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963; hereinafter the “Regulations for Non-consolidated Financial Statements”).

As the Company falls under the category of a company filing financial statements prepared in accordance with special provisions, the non-consolidated financial statements of the Company are prepared in accordance with Article 127 of the Regulations for Non-consolidated Financial Statements.

Auditing and attestation

The consolidated and the non-consolidated financial statements for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025) were audited by Crowe Toyo & Co., pursuant to the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.

Particular efforts to secure the appropriateness of the consolidated financial statements

The Company makes particular efforts to secure the appropriateness of its consolidated financial statements. Specifically, in order to properly understand the details of the accounting standards and other regulations, and to develop a system that can accurately respond to changes in accounting standards and other regulations, the Company has joined the Financial Accounting Standards Foundation (FASF) and strives to secure the appropriateness of the consolidated financial statements.

The Company also participates in workshops and other events held by the FASF.

1. Consolidated financial statements and other information

(1) Consolidated financial statements

(i) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	71,447	68,246
Notes and accounts receivable - trade, and contract assets *1, *6	165,648	*1 157,853
Merchandise and finished goods	111,668	119,814
Work in process	19,769	20,291
Raw materials and supplies	69,092	67,421
Other	26,175	27,399
Allowance for doubtful accounts	(651)	(757)
Total current assets	463,148	460,268
Non-current assets		
Property, plant and equipment		
Buildings and structures	232,324	245,699
Accumulated depreciation	(144,676)	(150,703)
Buildings and structures, net	87,647	94,996
Machinery, equipment and vehicles	535,257	582,742
Accumulated depreciation	(448,906)	(463,773)
Machinery, equipment and vehicles, net	86,350	118,969
Land	34,023	34,109
Leased assets	5,148	4,972
Accumulated depreciation	(1,731)	(2,249)
Leased assets, net	3,417	2,723
Construction in progress	94,631	106,085
Other	52,715	56,228
Accumulated depreciation	(44,161)	(46,551)
Other, net	8,553	9,677
Total property, plant and equipment *3, *4	314,624	*3, *4 366,560
Intangible assets		
Goodwill	16,868	15,310
Leased assets	54	46
Software	4,921	6,726
Other	3,026	2,912
Total intangible assets	24,871	24,995

(Millions of yen)

		As of March 31, 2024		As of March 31, 2025
Investments and other assets				
Investment securities	*2, *3	236,354	*2, *3	233,519
Long-term loans receivable		8,488		8,579
Deferred tax assets		3,180		4,058
Retirement benefit asset		11,005		15,418
Other	*2	7,854	*2	8,044
Allowance for doubtful accounts		(1,518)		(1,758)
Total investments and other assets		265,365		267,863
Total non-current assets		604,861		659,419
Total assets		1,068,010		1,119,688

(Millions of yen)

	As of March 31, 2024		As of March 31, 2025	
Liabilities				
Current liabilities				
Notes and accounts payable - trade	*6	109,013		103,087
Short-term borrowings	*3	51,818	*3	75,617
Current portion of bonds payable		—		10,000
Accrued expenses		19,781		25,752
Lease liabilities		1,001		970
Income taxes payable		6,134		9,092
Provision for bonuses		5,116		5,509
Provision for business restructuring		683		2,521
Other provisions		122		462
Other	*5	47,809	*5	41,916
Total current liabilities		241,480		274,929
Non-current liabilities				
Bonds payable		30,000		35,000
Long-term borrowings	*3	69,671	*3	79,441
Lease liabilities		2,511		1,948
Deferred tax liabilities		16,334		11,794
Other provisions		2,620		926
Retirement benefit liability		4,257		4,015
Asset retirement obligations		5,707		7,022
Other		10,593		7,234
Total non-current liabilities		141,696		147,382
Total liabilities		383,177		422,312
Net assets				
Shareholders' equity				
Share capital		41,970		41,970
Capital surplus		35,551		35,554
Retained earnings		536,232		554,224
Treasury shares		(26,127)		(30,956)
Total shareholders' equity		587,627		600,792
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		17,573		13,472
Deferred gains or losses on hedges		171		232
Foreign currency translation adjustment		40,143		44,892
Remeasurements of defined benefit plans		12,229		8,831
Total accumulated other comprehensive income		70,117		67,429
Non-controlling interests		27,087		29,153
Total net assets		684,832		697,375
Total liabilities and net assets		1,068,010		1,119,688

(ii) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

		Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025
Net sales	*1	813,417	*1	773,591
Cost of sales	*2, *4	640,227	*2, *4	609,298
Gross profit		173,189		164,293
Selling, general and administrative expenses	*3, *4	125,852	*3, *4	113,442
Operating profit		47,337		50,851
Non-operating income				
Interest income		1,775		1,841
Dividend income		3,205		3,218
Foreign exchange gains		3,472		–
Share of profit of entities accounted for using equity method		–		10,956
Other		2,964		1,907
Total non-operating income		11,417		17,924
Non-operating expenses				
Interest expenses		2,564		2,374
Personnel expenses for seconded employees		1,405		1,164
Loss on disposal of non-current assets		1,165		1,445
Foreign exchange losses		–		1,364
Rental expenses		660		240
Share of loss of entities accounted for using equity method		5,696		–
Other		1,221		1,869
Total non-operating expenses		12,714		8,458
Ordinary profit		46,040		60,316

(Millions of yen)

		Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025
Extraordinary income				
Gain on sale of investment securities		2,830		1,480
Subsidy income	*5	893	*5	1,419
Insurance claim income	*6	1,434	*6	167
Gain on step acquisitions	*7	15,085		—
Gain on liquidation of subsidiaries and associates		325		—
Total extraordinary income		20,568		3,067
Extraordinary losses				
Loss compensation		—	*8	2,325
Loss on valuation of investment securities		—		1,384
Business restructuring expenses		—	*9	1,013
Loss on tax purpose reduction entry of non-current assets	*10	704	*10	963
Impairment losses	*11	1,488	*11	723
Provision of allowance for doubtful accounts	*12	200	*12	250
Loss on disposal of non-current assets	*13	307	*13	200
Office relocation expenses		—	*14	175
Loss on sale of shares of subsidiaries and associates		2,843		—
Loss on disaster	*15	177		—
Total extraordinary losses		5,722		7,037
Profit before income taxes		60,887		56,347
Income taxes - current		14,528		14,080
Income taxes - deferred		(456)		(8,671)
Total income taxes		14,072		5,409
Profit		46,815		50,937
Profit attributable to non-controlling interests		7,996		5,393
Profit attributable to owners of parent		38,818		45,544

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	46,815	50,937
Other comprehensive income		
Valuation difference on available-for-sale securities	8,789	(4,050)
Deferred gains or losses on hedges	(84)	59
Foreign currency translation adjustment	16,189	2,433
Remeasurements of defined benefit plans, net of tax	10,995	(2,713)
Share of other comprehensive income of entities accounted for using equity method	5,048	1,562
Total other comprehensive income	*	*
Comprehensive income	87,753	48,229
Comprehensive income attributable to:		
Owners of parent	75,162	42,855
Non-controlling interests	12,591	5,373

(iii) Consolidated statement of changes in net assets

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	41,970	34,293	521,426	(23,838)	573,852
Changes during period					
Dividends of surplus			(16,367)		(16,367)
Profit attributable to owners of parent			38,818		38,818
Purchase of treasury shares				(10,005)	(10,005)
Disposal of treasury shares		25		45	70
Cancellation of treasury shares		(7,670)		7,670	—
Transfer from retained earnings to capital surplus		7,645	(7,645)		—
Change in ownership interest of parent due to transactions with non-controlling interests		1,258			1,258
Net changes in items other than shareholders' equity					—
Total changes during period	—	1,258	14,805	(2,288)	13,775
Balance at end of period	41,970	35,551	536,232	(26,127)	587,627

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,950	110	22,894	1,805	33,760	63,636	671,249
Changes during period							
Dividends of surplus							(16,367)
Profit attributable to owners of parent							38,818
Purchase of treasury shares							(10,005)
Disposal of treasury shares							70
Cancellation of treasury shares							–
Transfer from retained earnings to capital surplus							–
Change in ownership interest of parent due to transactions with non-controlling interests							1,258
Net changes in items other than shareholders' equity	8,622	61	17,249	10,423	36,356	(36,549)	(192)
Total changes during period	8,622	61	17,249	10,423	36,356	(36,549)	13,582
Balance at end of period	17,573	171	40,143	12,229	70,117	27,087	684,832

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	41,970	35,551	536,232	(26,127)	587,627
Changes during period					
Dividends of surplus			(17,021)		(17,021)
Profit attributable to owners of parent			45,544		45,544
Purchase of treasury shares				(15,006)	(15,006)
Disposal of treasury shares		53		53	106
Cancellation of treasury shares		(10,124)		10,124	—
Transfer from retained earnings to capital surplus		10,071	(10,071)		—
Change in scope of consolidation			(547)		(547)
Change in scope of equity method			87		87
Change in ownership interest of parent due to transactions with non-controlling interests		2			2
Net changes in items other than shareholders' equity					—
Total changes during period	—	2	17,991	(4,828)	13,165
Balance at end of period	41,970	35,554	554,224	(30,956)	600,792

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	17,573	171	40,143	12,229	70,117	27,087	684,832
Changes during period							
Dividends of surplus							(17,021)
Profit attributable to owners of parent							45,544
Purchase of treasury shares							(15,006)
Disposal of treasury shares							106
Cancellation of treasury shares							–
Transfer from retained earnings to capital surplus							–
Change in scope of consolidation							(547)
Change in scope of equity method							87
Change in ownership interest of parent due to transactions with non-controlling interests							2
Net changes in items other than shareholders' equity	(4,101)	61	4,749	(3,397)	(2,688)	2,066	(621)
Total changes during period	(4,101)	61	4,749	(3,397)	(2,688)	2,066	12,543
Balance at end of period	13,472	232	44,892	8,831	67,429	29,153	697,375

(iv) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	60,887	56,347
Depreciation	36,304	34,672
Loss (gain) on disposal of non-current assets	1,254	1,637
Amortization of goodwill	1,929	1,734
Share of loss (profit) of entities accounted for using equity method	5,696	(10,956)
Impairment losses	1,488	723
Loss compensation	—	2,325
Subsidy income	(893)	(1,419)
Insurance claim income	(1,493)	—
Loss (gain) on sale of shares of subsidiaries and associates	2,843	—
Increase (decrease) in allowance for doubtful accounts	172	368
Increase (decrease) in retirement benefit liability	(407)	(2,308)
Interest and dividend income	(4,980)	(5,059)
Interest expenses	2,564	2,374
Loss (gain) on sale of short-term and long-term investment securities	(2,866)	(1,600)
Loss (gain) on valuation of short-term and long-term investment securities	118	1,525
Loss (gain) on step acquisitions	(15,085)	—
Decrease (increase) in trade receivables	16,865	9,268
Decrease (increase) in inventories	(742)	(5,477)
Increase (decrease) in trade payables	(14,286)	(7,631)
Increase (decrease) in accrued consumption taxes	(772)	(991)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(63)	(54)
Other, net	(15,437)	(3,542)
Subtotal	73,096	71,933
Interest and dividends received	4,986	5,053
Dividends received from entities accounted for using equity method	8,473	12,898
Interest paid	(2,565)	(2,260)
Income taxes paid	(12,588)	(11,082)
Subsidies received	574	633
Compensation paid	—	(1,906)
Proceeds from insurance income	1,496	169
Net cash provided by (used in) operating activities	73,473	75,440

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Purchase of non-current assets	(80,815)	(85,366)
Proceeds from sale of non-current assets	404	391
Purchase of investment securities	(550)	(5,256)
Proceeds from sale of investment securities	5,372	2,226
Loan advances	(4,179)	(535)
Proceeds from collection of loans receivable	296	31
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 11,894	—
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	*3 (7,941)	—
Other, net	(653)	(2,485)
Net cash provided by (used in) investing activities	(76,172)	(90,994)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,528)	25,214
Proceeds from long-term borrowings	10,254	14,717
Repayments of long-term borrowings	(23,234)	(7,118)
Proceeds from issuance of bonds	9,952	14,931
Purchase of treasury shares	(10,005)	(15,006)
Proceeds from sale of treasury shares	0	—
Dividends paid	(16,367)	(17,021)
Dividends paid to non-controlling interests	(7,023)	(2,932)
Other, net	(2,736)	(8,076)
Net cash provided by (used in) financing activities	(40,689)	4,707
Effect of exchange rate change on cash and cash equivalents	7,601	1,818
Net increase (decrease) in cash and cash equivalents	(35,787)	(9,027)
Cash and cash equivalents at beginning of period	101,185	65,397
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	615
Cash and cash equivalents at end of period	*1 65,397	*1 56,985

Significant matters forming the basis for preparation of consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 45

Names of major consolidated subsidiaries:

Omitted because they are provided in “I. Overview of the Company, 4. Overview of subsidiaries and associates.”

- (2) Cultivecs Inc. has been included in the scope of consolidation due to an increase in its materiality. Japan U-Pica Co., Ltd. has been excluded from the scope of consolidation due to its dissolution through an absorption-type merger with Japan Finechem Co., Inc. as the surviving entity. In conjunction with this merger, Japan Finechem Co., Inc. has changed its trade name to MITSUBISHI GAS CHEMICAL NEXT COMPANY, INC. MEP Shanghai Co., Ltd. was excluded from the scope of consolidation due to dissolution and liquidation.
- (3) Hubei Lingyong Electronic Materials Co., Ltd. and other non-consolidated subsidiaries are excluded from the scope of consolidation due to the fact that the total assets, net sales, profit or loss, retained earnings corresponding to the Company’s interest in said companies are small and do not have a significant impact overall on the consolidated financial statements.

2. Application of the equity method

(1) Number of associates accounted for using equity method: 14

Names of major entities accounted for using equity method

Omitted because they are provided in “I. Overview of the Company, 4. Overview of subsidiaries and associates.”

- (2) Appi Geothermal Energy Corporation has been included in the scope of equity method accounting due to an increase in its materiality.
- (3) The equity method was not applied to non-consolidated subsidiaries including Hubei Lingyong Electronic Materials Co., Ltd. and affiliates such as Polyxylenol Singapore Pte. Ltd. since the profit or loss, retained earnings, and the like corresponding to the Company’s interest in said companies are small and do not have a significant impact overall on the consolidated financial statements.

3. Fiscal year, etc. of consolidated subsidiaries

The business years of the consolidated subsidiaries are the same as the fiscal year of the Company with the exception of MGC Pure Chemicals Singapore Pte. Ltd., MGC Pure Chemicals Taiwan, Inc., and ten other companies. In the case of the foregoing companies, December 31 marks the end of the business year, and non-consolidated financial statements as of said date are used. However, adjustment required in terms of consolidated financial statements is made with respect to major transactions taking place from January 1 to the end of the fiscal year-end date of the Company.

4. Accounting policies

(1) Valuation standard and method for important assets

(i) Valuation standard and method for securities

Held-to-maturity bonds:

Stated at amortized cost (straight-line method).

Available-for-sale securities

(Securities apart from shares, etc. without market prices):

Stated at fair value (valuation differences are directly recorded in net assets, and the cost of securities sold is computed based on the moving-average method).

(Shares, etc. without market prices):

Stated at cost using the moving average method.

(ii) Valuation standard and method for derivatives

Mainly stated at fair value.

(iii) Valuation standard and method for inventory

Mainly stated at cost based on weighted average method (The amounts on the balance sheet have been calculated using the cost accounting method of reducing book value based on declining profitability.)

(2) Depreciation or amortization method for important depreciable or amortizable assets

(i) Property, plant and equipment (excluding leased assets)

Mainly straight-line method

Major useful lives are as follows:

Buildings and structures 7 to 50 years

Machinery, equipment and vehicles 8 to 15 years

(ii) Intangible assets (excluding leased assets)

Straight-line method

Software for internal use is amortized using the straight-line method over the useful life for internal use (5 years).

(iii) Leased assets

Finance lease transactions that do not transfer ownership to the lessee:

Straight-line method for the duration of the lease period with a residual value of zero.

(3) Standards for recording significant provisions and allowances

(i) Allowance for doubtful accounts

Estimated uncollectible amounts are accounted for based on historical rate of credit loss in the case of general receivables and based on case-by-case examination of collectability in the case of specific receivables, including doubtful receivables, in preparation against credit losses on trade receivables, loans receivable, and the like.

(ii) Provision for bonuses

Estimated bonus payments for the fiscal year ended March 31, 2025 are accounted for in preparation for payment of bonuses to employees.

(iii) Provision for business restructuring

A reasonably estimated amount is accounted for in preparation for loss expected to be incurred in the structural reform of businesses.

(4) Accounting methods for retirement benefits

(i) Method of attributing expected retirement benefits to periods

In the calculation of retirement benefit obligations, the method for attributing expected retirement benefits to the period up to the end of the fiscal year ended March 31, 2025 is based on the benefit formula standard.

(ii) Method of amortizing actuarial gains and losses and past service cost

Past service cost is amortized mainly by the straight-line method over a portion (10 years) of the estimated average remaining service years of employees at the time the cost was incurred.

Actuarial gains and losses are amortized mainly by the declining balance method over a portion (10 years) of the estimated average of remaining service years of employees at the time the gains or losses are incurred, from the following fiscal year.

(5) Basis for recognizing significant revenue and expenses

The Group mainly engages in the manufacture and sale of products in the Green Energy & Chemicals and Specialty Chemicals Businesses, and revenue from sales of these products is recognized when they are delivered to the customer, as the Group determines that the customer acquires control over the products at the time of delivery of the products to the customer and the performance obligations are deemed to be satisfied. For transactions in which the Group's role in the sale of merchandise, etc. to the customer is that of an agent, revenue from sales of such merchandise, etc. is recognized at the net amount of the amount received from the customer less the amount to be paid to the suppliers of such merchandise, etc.

(6) Accounting policy for translation of significant foreign currency assets or liabilities into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate prevailing as of the fiscal year-end date, and translation differences are accounted for as profit or loss.

Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot exchange rate prevailing as of the fiscal year-end date, and their revenue and expenses are translated into Japanese yen at the average exchange rate during the period. Translation differences are included in foreign currency translation adjustment and non-controlling interests under net assets.

(7) Significant hedge accounting methods

(i) Hedge accounting methods

Deferred hedge accounting methods are applied. Also, allocation treatment is applied to exchange fluctuation risk hedging in cases where requirements are met and "Exceptional accounting" is applied to interest rate swaps in cases where conditions are met.

(ii) Hedging instruments and hedged items

Forward exchange contracts hedge against accounts receivable and payable denominated in foreign currencies and forecasted transactions denominated in foreign currency, and interest rate swaps hedge against interest rate transactions associated with borrowings.

(iii) Hedging policy

The Company follows the policy of utilizing hedging instruments in the amount of the actual demand based on the maximum limit of the derivative transactions and does not enter into derivative transactions for speculative purposes.

(iv) Method of evaluation of effectiveness of hedging

Comparison is made between market fluctuations of the hedged items or their cumulative cash flow fluctuations, and market fluctuations of the hedging instruments or their cumulative cash flow fluctuations, and effectiveness is evaluated based on the proportion of the amount of fluctuation.

However, effectiveness evaluation is omitted for interest rate swaps applying exceptional accounting.

(8) Method and period for amortization of goodwill

Periods for which the effects of investments are generated are estimated for each investment target, and goodwill is amortized over that period, within 20 years, using the straight-line method.

(9) Scope of cash and cash equivalents in consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows are comprised of cash in hand, deposits that can be withdrawn at any time, and short-term investments with maturities of three months or less from the acquisition date that are readily convertible into cash and are exposed to only an insignificant risk of fluctuations in value.

Significant accounting estimates

Impairment of non-current assets

(1) Amounts recognized in the consolidated financial statements for the fiscal year

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Property, plant and equipment	314,624	366,560
Intangible assets (excluding goodwill)	8,002	9,685
Goodwill	16,868	15,310
Impairment losses	1,488	929

(2) Information on details of significant accounting estimates pertaining to identified items

Non-current assets held by the Company and consolidated subsidiaries are to be accounted for on the basis of the “Accounting Standard for Impairment of Fixed Assets.” Accordingly, certain assumptions have been made regarding years of remaining economic useful life, future cash flows, discount rates and other such variables in calculating recoverable amounts used in measuring impairment.

Goodwill represents the expected future excess earning power of the acquired company as a result of its future business development and is recorded as the difference between the acquisition price and the fair value of the acquired company’s identifiable assets and liabilities at the date of the business combination.

Whereas these assumptions are based on best estimates of management, they may be subject to changes with respect to future uncertainties in terms of economic conditions. Accordingly, any necessary revision in that regard could materially affect amounts recognized in the consolidated financial statements of subsequent fiscal years.

Details of impairment losses recorded in the consolidated financial statements for the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2025 are presented in “Notes to consolidated financial statements, Consolidated statements of income *9 and *11.”

Changes in accounting policies

Application of the “Accounting Standard for Current Income Taxes,” etc.

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter the “Revised Accounting Standard of 2022”), etc. from the beginning of the fiscal year ended March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2(2) of the “Guidance on Accounting

Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter the “Revised Guidance of 2022”). This change in accounting policies has no impact on the consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies is applied retrospectively, and consolidated financial statements for the fiscal year ended March 31, 2024 are after retrospective application. This change in accounting policies has no impact on the consolidated financial statements for the fiscal year ended March 31, 2024.

New accounting standards not yet applied

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024, ASBJ)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024, ASBJ), etc.

(1) Overview

As part of its efforts for ensuring that Japanese GAAP is consistent with international accounting standards, the ASBJ conducted a review, taking into consideration international accounting standards, toward the development of the Accounting Standard for Leases for recognizing assets and liabilities for all leases held by a lessee. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc., which were developed under a basic policy with the aim of being simple and highly convenient by incorporating only the key provisions of IFRS 16 instead of all the provisions, despite being based on the single accounting model of IFRS 16, while also making revisions basically unnecessary even when the provisions of IFRS 16 are applied for non-consolidated financial statements.

Regarding the method for allocating the lessee’s lease expenses in the lessee’s accounting treatment, a single accounting model is applied for recording the depreciation related to right-of-use assets and the amount equivalent to the interest on lease liabilities for all leases regardless of whether a lease is a finance lease or an operating lease. This is the same as under IFRS 16.

(2) Scheduled date of application

The accounting standards and other relevant ASBJ regulations will be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Impact from the application of the accounting standards and other relevant ASBJ regulations

The impact from the application of the “Accounting Standard for Leases,” etc. on the consolidated financial statements is currently under evaluation.

Changes in presentation

Consolidated balance sheets

“Provision for bonuses for directors (and other officers),” which was separately stated under “Current liabilities” in the fiscal year ended March 31, 2024, has been included in “Other provisions” from the fiscal year ended March 31, 2025 due to a decrease in its quantitative materiality. The consolidated financial statements for the fiscal year ended March 31, 2024 have been reclassified to reflect this change in presentation.

As a result, in the consolidated balance sheets for the fiscal year ended March 31, 2024, the amount of ¥27 million previously presented as “Provision for bonuses for directors (and other officers)” under “Current liabilities” has been reclassified as “Other provisions.”

“Provision for business restructuring,” “Provision for retirement benefits for directors (and other officers),” “Provision for environmental measures,” and “Provision for loss on business of subsidiaries and associates,” which were separately stated under “Non-current liabilities” in the fiscal year ended March 31, 2024, have been included in “Other provisions” from the fiscal year ended March 31, 2025

due to a decrease in their quantitative materiality. The consolidated financial statements for the fiscal year ended March 31, 2024 have been reclassified to reflect this change in presentation.

As a result, in the consolidated balance sheets for the fiscal year ended March 31, 2024, the amounts of ¥1,875 million previously presented as “Provision for business restructuring,” ¥340 million previously presented as “Provision for retirement benefits for directors (and other officers),” ¥23 million previously presented as “Provision for environmental measures,” and ¥15 million previously presented as “Provision for loss on business of subsidiaries and associates” under “Non-current liabilities,” have been reclassified as “Other provisions.”

Consolidated statement of cash flows

“Subsidy income” and “Subsidies received” included in “Other, net” under “Cash flows from operating activities” in the fiscal year ended March 31, 2024, have been separately stated from the fiscal year ended March 31, 2025 due to an increase in their quantitative materiality. The consolidated financial statements for the fiscal year ended March 31, 2024 have been reclassified to reflect this change in presentation.

As a result, in the consolidated statement of cash flows for the fiscal year ended March 31, 2024, the amount of ¥(15,755) million previously presented as “Other, net” under “Cash flows from operating activities” has been reclassified as “Subsidy income” of ¥(893) million, “Subsidies received” of ¥574 million, and “Other, net” of ¥(15,437) million.

Consolidated balance sheets

*1 Notes and accounts receivable - trade, and contract assets from contracts with customers are as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Notes receivable - trade	10,749	10,073
Accounts receivable - trade	154,800	147,653
Contract assets	98	125

*2 Investments and other assets invested in unconsolidated subsidiaries and associates are as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Investment securities (shares)	195,705	198,998
Other (investments in capital)	1,517	1,514

*3 Pledged assets and secured liabilities

Assets pledged as collateral are as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Land	765 (738)	738 (738)
Buildings and structures	513 (483)	498 (498)
Machinery, equipment and vehicles	666 (666)	749 (749)
Investment securities ^(Note)	6,738 (—)	7,314 (—)
Total	8,683 (1,887)	9,300 (1,986)
As of March 31, 2024		

Note: ¥2,614 million in shares of Yuzawa Geothermal Power Corporation is pledged for its borrowings, and others.

As of March 31, 2025

Note: ¥3,248 million in shares of Appi Geothermal Energy Corporation is pledged for its borrowings, and others.

Secured liabilities are as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Current portion of long-term borrowings	328 (328)	358 (358)
Long-term borrowings	753 (753)	662 (662)
Total	1,082 (1,082)	1,021 (1,021)

Of the above, the figures in parentheses indicate factory foundation mortgages and related liabilities.

*4 Accumulated depreciation includes accumulated impairment losses.

*5 The amounts of contract liabilities are as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Contract liabilities	1,047	231

*6 Regarding accounting treatment of notes that mature at the end of the fiscal year, they are settled on the clearance date or settlement date. As the last day of the fiscal year ended March 31, 2024 was a holiday of financial institutions, the following notes that mature at the end of the fiscal year are included in the balance at the end of the fiscal year.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Notes receivable - trade	1,438	—
Notes payable - trade	939	—

7 Guarantee obligations

The Company has the following guarantee obligations as contingent liabilities.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
DP Engineering Plastics (Nantong) Co., Ltd.	6,031	9,922
Hubei Lingyong Electronic Materials Co., Ltd.	2,269	1,896
Abashiri Biomass Power 2 LLC.	1,584	1,466
Abashiri Biomass Power 3 LLC.	1,686	1,396
Employee	7	5
6 other companies	2,909	2,463
Total	14,489	17,150

Consolidated statements of income

*1 Revenue from contracts with customers

For net sales, revenue from contracts with customers and other revenue are not presented separately. The amount of revenue from contracts with customers is presented in “Notes to consolidated financial statements, Revenue recognition, 1. Breakdown of revenue from contracts with customers.”

*2 Ending inventory is the amount after reducing book value based on declining profitability, and the following loss on valuation of inventories is included in cost of sales.

(Millions of yen)

Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
385	1,824

*3 Main items and amounts of selling, general and administrative expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Freight cost	25,923	23,793
Stevedoring and warehouse fee	5,731	4,984
Salaries	24,696	21,587
Bonuses, provision for bonuses	6,360	5,281
Retirement benefit expenses	1,173	350
Legal and other welfare expenses	5,500	4,884
Travel and transportation expenses	2,572	2,309
Depreciation	7,802	7,021

R&D costs included in selling, general and administrative expenses are as follows and are included in each of the above items and others.

(Millions of yen)

Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
24,362	25,014

*4 R&D costs included in general and administrative expenses and manufacturing costs for the current fiscal year are as follows:

(Millions of yen)

Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
25,629	26,182

*5 Details of subsidy income are as follows:

(Millions of yen)

Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Subsidy income 893	1,419

“Subsidy income” in the fiscal year ended March 31, 2024 represents subsidies granted by the National Research and Development Agency New Energy and Industrial Technology Development Organization (NEDO) and other organizations.

“Subsidy income” in the fiscal year ended March 31, 2025 represents Okayama Prefecture Subsidies System for Large-Scale Investment/Base Development Promotion granted by Okayama Prefecture and subsidies granted by the National Research and Development Agency New Energy and Industrial Technology Development Organization (NEDO) and other organizations.

*6 Details of insurance claim income are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Insurance claim income	1,434	167
“Insurance claim income” in the fiscal year ended March 31, 2024 relates to the suspension of production facilities, etc.		
“Insurance claim income” in the fiscal year ended March 31, 2025 relates to accidents at production facilities, etc.		

*7 Details of gain on step acquisitions are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Gain on step acquisitions	15,085	—
“Gain on step acquisitions” in the fiscal year ended March 31, 2024 is due to the additional acquisition of shares of Mitsubishi Engineering-Plastics Corporation, which had been accounted for using equity method, and making it a consolidated subsidiary during the fiscal year ended March 31, 2024.		

*8 Details of loss compensation are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Loss compensation	—	2,325
“Loss compensation” in the fiscal year ended March 31, 2025 is due mainly to compensation to customers for defects in certain electronic materials products manufactured and sold by the Company and its consolidated subsidiaries.		
The breakdown is ¥1,906 million for loss compensation and ¥419 million for provision for loss compensation.		

*9 Details of business restructuring expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Business restructuring expenses	—	1,013
“Business restructuring expenses” in the fiscal year ended March 31, 2025 are expenses associated with the restructuring, such as the engineering plastics business, and xylene isomers and derivatives thereof, which are being implemented by the Group. The breakdown of business restructuring expenses is ¥669 million for provision for business restructuring, ¥206 million for impairment losses, ¥128 million for loss on valuation of inventories, and ¥9 million for other losses.		

Significant impairment losses included in business restructuring expenses

Location	Usage	Category	Impairment losses
Kurashiki-shi, Okayama	Production facility for xylene isomers and derivatives thereof	Machinery and equipment, etc.	¥206 million

The long-lived assets that are used for business are grouped according to the classification which is used for monitoring the profit and loss continuously under the management accounting system, and the idle assets are grouped individually by each item.

Regarding some of the production facilities for xylene isomers and derivatives thereof owned by the Company, the carrying amount was reduced to the recoverable amount as the recoverable amount fell below the carrying amount, and the reduction was recorded as an impairment loss of ¥206 million. The breakdown is ¥173 million for machinery, equipment and vehicles, and ¥32 million for buildings and structures.

The recoverable amount of the production facilities for xylene isomers and derivatives thereof owned by the Company is normally measured based on value in use. However, due to negative future cash flows, it is valued based on the memorandum value.

*10 Details of loss on tax purpose reduction entry of non-current assets are as follows:

(Millions of yen)

Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Loss on tax purpose reduction entry of non-current assets	704
	963
“Loss on tax purpose reduction entry of non-current assets” in the fiscal year ended March 31, 2024 is the amount directly deducted from the acquisition cost due to subsidy income.	
“Loss on tax purpose reduction entry of non-current assets” in the fiscal year ended March 31, 2025 is the amount directly deducted from the acquisition cost due to subsidy income.	

*11 Details of impairment losses are as follows:

(Millions of yen)

Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Impairment losses	1,488
	723

Significant impairment losses recorded in the fiscal year ended March 31, 2024 are as follows:

Location	Usage	Category	Impairment losses
Toyonaka-shi, Osaka	Production facilities for synthetic resins	Machinery and equipment, etc.	¥859 million
Tainai-shi, Niigata	Production facilities for natural gas and crude oil	Machinery and equipment, etc.	¥429 million

The long-lived assets that are used for business are grouped according to the classification which is used for monitoring the profit and loss continuously under the management accounting system, and the idle assets are grouped individually by each item.

Regarding the production facilities for synthetic resins owned by consolidated subsidiaries, and the production facilities for natural gas and crude oil owned by the Company, their carrying amount was reduced to the recoverable amount as the recoverable amount fell below the carrying amount, and the reduction was recorded as an impairment loss of ¥1,289 million. The breakdown is ¥789 million for machinery and equipment, and ¥500 million for others.

The recoverable amount of the production facilities for synthetic resins owned by a consolidated subsidiary is measured by the net selling value, which is calculated mainly based on the real estate appraisal value. The recoverable amount of the production facilities for natural gas and crude oil owned by the Company is measured based on value in use, and the future cash flows used in the measurement of value in use are discounted at 6%.

The information on impairment losses other than the above is omitted as it is immaterial.

Significant impairment losses recorded in the fiscal year ended March 31, 2025 are as follows:

Location	Usage	Category	Impairment losses
Hiratsuka-shi, Kanagawa, etc.	Research and development facilities, etc.	Machinery and equipment, etc.	¥483 million
Shirakawa-shi, Fukushima	Rental facilities	Construction in progress, etc.	¥187 million

The long-lived assets that are used for business are grouped according to the classification which is used for monitoring the profit and loss continuously under the management accounting system, and the idle assets are grouped individually by each item.

Regarding the research and development facilities, etc. owned by consolidated subsidiaries, and some of the rental facilities leased to subsidiaries and associates owned by the Company, their carrying amount was reduced to the recoverable amount as the recoverable amount fell below the carrying amount, and the reduction was recorded as an impairment loss of ¥671 million. The breakdown is ¥330 million for machinery, equipment and vehicles, ¥206 million for construction in progress, ¥38 million for buildings and structures, ¥23 million for software, ¥4 million for leased assets, and ¥66 million for other.

The recoverable amount of the research and development facilities, etc. owned by consolidated subsidiaries, and some of the rental facilities leased to subsidiaries and associates owned by the Company is normally measured based on value in use. However, due to negative future cash flows, it is valued based on the memorandum value.

The information on impairment losses other than the above is omitted as it is immaterial.

*12 Details of provision of allowance for doubtful accounts are as follows:

(Millions of yen)		
Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	
Provision of allowance for doubtful accounts	200	250
“Provision of allowance for doubtful accounts” in the fiscal year ended March 31, 2024 is for subsidiaries and associates.		
“Provision of allowance for doubtful accounts” in the fiscal year ended March 31, 2025 is for subsidiaries and associates.		

*13 Details of loss on disposal of non-current assets are as follows:

(Millions of yen)		
Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	
Loss on disposal of non-current assets	307	200
“Loss on disposal of non-current assets” in the fiscal year ended March 31, 2024 is due to the removal of buildings, etc.		

“Loss on disposal of non-current assets” in the fiscal year ended March 31, 2025 is due to the removal of production facilities.

*14 Details of office relocation expenses are as follows:

(Millions of yen)		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Office relocation expenses	—	175
“Office relocation expenses” in the fiscal year ended March 31, 2025 is due to the relocation of the offices of consolidated subsidiaries.		

*15 Details of loss on disaster are as follows:

(Millions of yen)		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Loss on disaster	177	—
“Loss on disaster” in the fiscal year ended March 31, 2024 includes repair costs of non-current assets related to the 2024 Noto Peninsula Earthquake at consolidated subsidiaries.		

Consolidated statements of comprehensive income

* Reclassification adjustments, income taxes and tax effects relating to other comprehensive income

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Valuation difference on available-for-sale securities:		
Arising during the year	13,321	(4,280)
Reclassification adjustment	(2,682)	(1,360)
Before income taxes and tax effect adjustment	10,638	(5,641)
Income taxes and tax effects	(1,849)	1,590
Net-of-tax amount	8,789	(4,050)
Deferred gains or losses on hedges:		
Arising during the year	(122)	85
Reclassification adjustment	—	—
Before income taxes and tax effect adjustment	(122)	85
Income taxes and tax effects	37	(26)
Net-of-tax amount	(84)	59
Foreign currency translation adjustment:		
Arising during the year	16,837	2,433
Reclassification adjustment	(648)	—
Before income taxes and tax effect adjustment	16,189	2,433
Income taxes and tax effects	—	—
Net-of-tax amount	16,189	2,433
Remeasurements of defined benefit plans, net of tax:		
Arising during the year	11,989	4,948
Reclassification adjustment	(730)	(2,837)
Before income taxes and tax effect adjustment	11,258	2,111
Income taxes and tax effects	(262)	(4,825)
Net-of-tax amount	10,995	(2,713)
Share of other comprehensive income of entities accounted for using equity method:		
Arising during the year	5,048	1,562
Reclassification adjustment	—	—
Net-of-tax amount	5,048	1,562
Total other comprehensive income	40,938	(2,708)

Consolidated statement of changes in net assets

Fiscal year ended March 31, 2024

1. Class and total number of issued shares, and class and number of treasury shares

	Number of shares at beginning of the fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at end of the fiscal year (shares)
Issued shares				
Common stock ^(Note 1)	222,239,199	—	5,000,000	217,239,199
Total	222,239,199	—	5,000,000	217,239,199
Treasury shares				
Common stock ^(Notes 2, 3)	17,660,740	4,382,663	5,033,669	17,009,734
Total	17,660,740	4,382,663	5,033,669	17,009,734

- Notes:
1. The decrease of 5,000,000 shares of common stock is due to the cancellation of treasury shares.
 2. The increase of 4,382,663 shares in the number of common stock held as treasury stock reflects the increase of 4,380,300 shares from acquisition of treasury shares in accordance with a resolution of the Board of Directors and the increase of 2,363 shares from the purchase of fractional shares.
 3. The decrease of 5,033,669 shares in the number of common stock held as treasury stock was attributable to the decrease of 5,000,000 shares from cancellation of treasury shares, the decrease of 33,600 shares from disposal of treasury shares as restricted stock compensation to Directors (excluding Outside Directors) and Executive Officers of the Company, and the decrease of 69 shares due to sale of shares less than one unit to shareholders upon request.

2. Dividends

(1) Dividends paid

Resolution	Class of stock	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting on May 26, 2023	Common stock	8,183	40	March 31, 2023	June 8, 2023
Board of Directors meeting on November 8, 2023	Common stock	8,184	40	September 30, 2023	December 6, 2023

(2) Dividends for which record date falls in the fiscal year ended March 31, 2024 but effective date falls in the following fiscal year

Resolution	Class of stock	Total amount of dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting on May 27, 2024	Common stock	8,009	Retained earnings	40	March 31, 2024	June 6, 2024

Fiscal year ended March 31, 2025

1. Class and total number of issued shares, and class and number of treasury shares

	Number of shares at beginning of the fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at end of the fiscal year (shares)
Issued shares				
Common stock ^(Note 1)	217,239,199	–	5,552,600	211,686,599
Total	217,239,199	–	5,552,600	211,686,599
Treasury shares				
Common stock ^(Notes 2, 3)	17,009,734	5,555,172	5,587,400	16,977,506
Total	17,009,734	5,555,172	5,587,400	16,977,506

- Notes:
1. The decrease of 5,552,600 shares of common stock is due to the cancellation of treasury shares.
 2. The increase of 5,555,172 shares in the number of common stock held as treasury stock reflects the increase of 5,552,600 shares from acquisition of treasury shares in accordance with a resolution of the Board of Directors and the increase of 2,572 shares from the purchase of fractional shares.
 3. The decrease of 5,587,400 shares in the number of common stock held as treasury stock was attributable to the decrease of 5,552,600 shares from cancellation of treasury shares, and the decrease of 34,800 shares from disposal of treasury shares as restricted stock compensation to Directors (excluding Outside Directors) and Executive Officers of the Company.

2. Dividends

(1) Dividends paid

Resolution	Class of stock	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting on May 27, 2024	Common stock	8,009	40	March 31, 2024	June 6, 2024
Board of Directors meeting on November 8, 2024	Common stock	9,011	45	September 30, 2024	December 5, 2024

(2) Dividends for which record date falls in the fiscal year ended March 31, 2025 but effective date falls in the following fiscal year

Resolution	Class of stock	Total amount of dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting on May 26, 2025	Common stock	9,735	Retained earnings	50	March 31, 2025	June 6, 2025

Consolidated statement of cash flows

*1 Reconciliation of closing balance of cash and cash equivalents and the related account on the consolidated balance sheet

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and deposits	71,447	68,246
Time deposits with maturity of over three months	(6,049)	(11,260)
Cash and cash equivalents	65,397	56,985

*2 Major components of assets and liabilities of consolidated subsidiaries acquired by purchase of shares

Fiscal year ended March 31, 2024

The components of assets and liabilities of Mitsubishi Engineering-Plastics Corporation at the time of its consolidation due to the purchase of its shares, and the relationship between the acquisition cost and the proceeds from the purchase (net amount) are as follows.

(Millions of yen)

Current assets	118,376
Non-current assets	11,101
Goodwill	16,835
Current liabilities	(101,007)
Non-current liabilities	(4,310)
Non-controlling interests	(9,495)
Investment value accounted for by the equity method prior to obtaining control	(5,914)
Gain on step acquisitions	(15,085)
Stock acquisition cost	10,500
Cash and cash equivalents of the new consolidated subsidiary	(22,394)
Net: Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	11,894

***3 Major components of assets and liabilities of companies excluded from scope of consolidation due to sale of shares**

Fiscal year ended March 31, 2024

The components of assets and liabilities of JSP Corporation at the time of sale of its share that resulted in JSP Corporation ceasing to be a consolidated subsidiary, and the relationship between the selling value of shares of JSP Corporation and the payment for the sale are as follows.

	(Millions of yen)
Current assets	79,909
Non-current assets	73,516
Current liabilities	(41,502)
Non-current liabilities	(11,843)
Valuation difference	(2,615)
Purchase of treasury shares through tender offer	5,979
Non-controlling interests	(50,088)
Valuation difference on available-for-sale securities	(40)
Foreign currency translation adjustment	(635)
Remeasurements of defined benefit plans, net of tax	159
Goodwill	2,548
Investment account after sale of shares	(46,331)
Other	(233)
Loss on sale of shares	(2,843)
<hr/>	
Selling value of shares of JSP Corporation	5,979
Commission on sale of shares of JSP Corporation	(22)
Cash and cash equivalents of JSP Corporation	(13,855)
<hr/>	
Net: Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(7,897)

Leases

(As lessee)

1. Finance lease transactions

Finance lease transactions that do not transfer ownership to the lessee

(i) Components of leased assets

Mainly storage facilities (structures)

(ii) Depreciation or amortization method for leased assets

The information is as stated in Significant matters forming the basis for preparation of consolidated financial statements, “4. Accounting policies (2) Depreciation or amortization method for important depreciable or amortizable assets.”

2. Operating lease transactions

Future lease payments under non-cancellable leases of operating lease transactions

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Due within one year	248	499
Due after one year	415	1,175
Total	664	1,674

Financial instruments

1. Status of financial instruments

(1) Policy on Financial Instruments

The Group primarily takes the plans for future cash flow into account when procuring necessary funds (mainly through bank loans and bond issues). Temporary surplus of funds is managed through secure financial assets and short-term working capital is financed through bank loans. The Group uses derivatives for the purpose of mitigating the risks described below and does not engage in transactions for speculative purposes.

(2) Details and risks of financial instruments

Notes and accounts receivable - trade are trade receivables, which are subject to the credit risks of the customers. Notes and accounts payable - trade are trade payables due within one year. Although a portion of the Group's trade receivables and trade payables, being denominated in foreign currencies, are subject to risks associated with changes in the foreign currency exchange rates, the net position is basically hedged through the use of forward exchange contracts.

Securities and investments in securities mainly comprise stocks of companies with which the Group has business relations, and are subject to risks associated with fluctuations of their market prices.

Borrowings, bonds payable and lease liabilities associated with finance lease transactions (see Note 2 for repayment schedule) are primarily for the procurement of funds necessary for capital expenditures and working capital. Although a portion of these funds, having floating interest rates, is subject to risks associated with fluctuating interest rates, such risks are hedged through the use of derivative transactions (interest rate swap agreements).

Derivative transactions include forward exchange contracts used for the purpose of hedging against risks of exchange rate fluctuations of foreign-currency denominated trade receivables and payables and forecasted transactions denominated in foreign currency, and interest rate and currency swap contracts used for the purpose of hedging against risks associated with the payment of interest and changes in the foreign currency exchange rates of borrowings.

For hedging instruments, hedged items and hedging policy related to hedge accounting, please refer to the aforementioned Significant matters forming the basis for preparation of consolidated financial statements "4. Accounting policies (7) Significant hedge accounting methods."

(3) System of risk management for financial instruments

(i) Management of credit risks (risks associated with breach of contract by the customer)

The Company and its consolidated subsidiaries, in accordance with the Rules on the Management of Trade Receivables, manage their trade receivables at each Division regularly monitor the status of their major customers and keep track of the payment dates and outstanding balances of each customer, while also enabling early recognition and mitigation of cases where there is concern for collection due to deteriorating financial conditions and other factors. Held-to-maturity bonds,

pursuant to the Rules on Investment of Surplus Funds, are managed as bonds that may be converted into cash at any time.

The maximum risk amount as of the end of the fiscal year ended March 31, 2025 has been represented as the amount on the balance sheet for the financial assets subject to credit risk.

(ii) Management of market risks (risks associated with changes in exchange and interest rates)

The Company and its consolidated subsidiaries, in accordance with the Financial Rules and the Rules for the Management of Derivatives, engage in transactions entailing market risks only after the division in charge of finances has obtained the approval of the officer in charge or other authorized decision-making parties.

Risks associated with trade receivables and payables denominated in foreign currencies, forecasted transactions denominated in foreign currency and surplus funds that have been monitored on a monthly basis and according to each currency are basically hedged through the use of forward exchange contracts. Additionally, interest rate and currency swap contracts are used to hedge against the risks associated with the payment of interest and changes in the foreign currency exchange rates of borrowings.

In terms of short-term and long-term investment securities, their fair values and the financial status of the issuers (customers) are monitored on a regular basis; while the holding status of securities classified in categories other than held-to-maturity bonds are continuously reviewed.

(iii) Management of liquidity risk (risk of not being able to execute payment on payment date)

The Company and its consolidated subsidiaries manage liquidity risks by having the divisions in charge of finances prepare and update cash flow plans, as necessary, and maintain a certain level of liquidity at hand.

(4) Supplementary explanation of fair value, etc. of financial instruments

Since certain variable factors are incorporated into the calculation of the fair values of financial instruments, they may differ when adopting different assumptions. The contract amount, etc. for derivative transactions in “2. Fair value, etc. of financial instruments” does not in itself indicate the market risks associated with derivative transactions.

2. Fair value, etc. of financial instruments

The amounts recorded on the consolidated balance sheet, fair values and the differences between them are as follows:

As of March 31, 2024

	Consolidated balance sheet amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Short-term and long-term investment securities ^{(*)2}	38,323	38,323	—
Total assets	38,323	38,323	—
(1) Bonds payable	30,000	29,611	[388]
(2) Long-term borrowings	69,671	67,409	[2,262]
Total liabilities	99,671	97,021	[2,650]
Derivative transactions ^{(*)4}			
(i) Derivative transactions not qualifying for hedge accounting	75	75	—
(ii) Derivative transactions qualifying for hedge accounting	[97]	[97]	—
Total derivative transactions	[21]	[21]	—

(*)1 Notes on cash are omitted, as are notes on deposits, notes and accounts receivable - trade, and contract assets, notes and accounts payable - trade, short-term borrowings, accrued expenses and income taxes payable, as these are settled in a short period of time, and the carrying amount approximates fair value.

(*)2 Shares, etc. without market prices are not included in “(1) Short-term and long-term investment securities.” The carrying amount of these financial instruments on the consolidated balance sheet are as follows:

Category	As of March 31, 2024 (Millions of yen)
Unlisted shares	197,809

(*)3 Investments in partnerships, etc., which are carried on the consolidated balance sheet at the net value of the equity interest, are not included in “(1) Short-term and long-term investment securities” as the Company applies the provisions of Paragraph 24-16 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021). The carrying amount of these financial instruments on the consolidated balance sheet are as follows:

Category	As of March 31, 2024 (Millions of yen)
Investments in partnerships, etc.	220

(*)4 Net receivables and payables generated through derivative transactions are presented as net amounts and in cases where the total amount represents a net payable, such amounts are shown in square brackets.

As of March 31, 2025

	Consolidated balance sheet amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Short-term and long-term investment securities ^{(*)2}	32,208	32,208	–
Total assets	32,208	32,208	–
(1) Current portion of bonds payable	10,000	9,976	[23]
(2) Bonds payable	35,000	33,873	[1,126]
(3) Long-term borrowings	79,441	75,898	[3,542]
Total liabilities	124,441	119,748	[4,692]
Derivative transactions ^{(*)4}			
(i) Derivative transactions not qualifying for hedge accounting	[41]	[41]	–
(ii) Derivative transactions qualifying for hedge accounting	[11]	[11]	–
Total derivative transactions	[52]	[52]	–

(*)1 Notes on cash are omitted, as are notes on deposits, notes and accounts receivable - trade, and contract assets, notes and accounts payable - trade, short-term borrowings, accrued expenses and income taxes payable, as these are settled in a short period of time, and the carrying amount approximates fair value.

(*)2 Shares, etc. without market prices are not included in “(1) Short-term and long-term investment securities.” The carrying amount of these financial instruments on the consolidated balance sheet are as follows:

Category	As of March 31, 2025 (Millions of yen)
Unlisted shares	201,205

(*)3 Investments in partnerships, etc., which are carried on the consolidated balance sheet at the net value of the equity interest, are not included in “(1) Short-term and long-term investment securities” as the Company applies the provisions of Paragraph 24-16 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021). The carrying amount of these financial instruments on the consolidated balance sheet are as follows:

Category	As of March 31, 2025 (Millions of yen)
Investments in partnerships, etc.	105

(*)4 Net receivables and payables generated through derivative transactions are presented as net amounts and in cases where the total amount represents a net payable, such amounts are shown in square brackets.

Note 1. Projected future redemption of monetary receivables and securities with a maturity after the fiscal year-end date
As of March 31, 2024

	Within 1 year (Millions of yen)	After 1 year through 5 years (Millions of yen)	After 5 years through 10 years (Millions of yen)	After 10 years (Millions of yen)
Cash and deposits	71,447	—	—	—
Notes and accounts receivable - trade, and contract assets	165,550	—	—	—
Short-term and long-term investment securities				
Held-to-maturity bonds:				
Government bonds, municipal bonds, etc.	—	—	—	—
Negotiable certificates of deposit	—	—	—	—
Available-for-sale securities with a maturity (bonds)	—	—	—	1,476
Total	236,997	—	—	1,476

As of March 31, 2025

	Within 1 year (Millions of yen)	After 1 year through 5 years (Millions of yen)	After 5 years through 10 years (Millions of yen)	After 10 years (Millions of yen)
Cash and deposits	68,246	—	—	—
Notes and accounts receivable - trade, and contract assets	157,727	—	—	—
Short-term and long-term investment securities				
Held-to-maturity bonds:				
Government bonds, municipal bonds, etc.	—	—	—	—
Negotiable certificates of deposit	—	—	—	—
Available-for-sale securities with a maturity (bonds)	—	—	—	1,354
Total	225,973	—	—	1,354

Note 2. Projected future repayment of bonds payable, long-term borrowings and lease liabilities with a maturity after the fiscal year-end date
As of March 31, 2024

	Within 1 year (Millions of yen)	After 1 year through 2 years (Millions of yen)	After 2 years through 3 years (Millions of yen)	After 3 years through 4 years (Millions of yen)	After 4 years through 5 years (Millions of yen)	After 5 years (Millions of yen)
Bonds payable	—	10,000	—	—	10,000	10,000
Long-term borrowings	7,071	4,502	12,597	5,965	7,512	39,093

As of March 31, 2025

	Within 1 year (Millions of yen)	After 1 year through 2 years (Millions of yen)	After 2 years through 3 years (Millions of yen)	After 3 years through 4 years (Millions of yen)	After 4 years through 5 years (Millions of yen)	After 5 years (Millions of yen)
Bonds payable	10,000	—	—	10,000	15,000	10,000
Long-term borrowings	4,903	24,232	6,436	8,002	6,920	33,849

3. Breakdown of financial instruments by level of fair value

The fair value of financial instruments is classified into the following three levels based on the observability and significance of the inputs used to calculate fair value.

Level 1 fair values: Fair values calculated using (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 fair values: Fair values calculated using directly or indirectly observable inputs other than those in Level 1

Level 3 fair values: Fair values calculated using significant unobservable inputs

When multiple inputs that may have a material impact on the calculation of fair value are used, the calculated fair value is classified at the lowest level of the inputs used.

(1) Financial instruments carried on the consolidated balance sheet at fair value

As of March 31, 2024

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Short-term and long-term investment securities				
Available-for-sale securities				
Shares	36,857	—	—	36,857
Bonds	—	1,466	—	1,466
Total assets	36,857	1,466	—	38,323
Derivative transactions				
Derivative transactions not qualifying for hedge accounting				
Currency-related	—	[17]	—	[17]
Interest-related	—	93	—	93
Derivative transactions qualifying for hedge accounting				
Currency-related	—	[97]	—	[97]
Total derivative transactions	—	[21]	—	[21]

(*) Net receivables and payables generated through derivative transactions are presented as net amounts and in cases where the total amount represents a net payable, such amounts are shown in square brackets.

As of March 31, 2025

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Short-term and long-term investment securities				
Available-for-sale securities				
Shares	30,917	–	–	30,917
Bonds	–	1,290	–	1,290
Total assets	30,917	1,290	–	32,208
Derivative transactions				
Derivative transactions not qualifying for hedge accounting				
Currency-related	–	[57]	–	[57]
Interest-related	–	16	–	16
Derivative transactions qualifying for hedge accounting				
Currency-related	–	[11]	–	[11]
Total derivative transactions	–	[52]	–	[52]

(*) Net receivables and payables generated through derivative transactions are presented as net amounts and in cases where the total amount represents a net payable, such amounts are shown in square brackets.

(2) Financial instruments other than those carried on the consolidated balance sheet at fair value

As of March 31, 2024

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Bonds payable	29,611	–	–	29,611
Long-term borrowings	–	67,409	–	67,409
Total liabilities	29,611	67,409	–	97,021

As of March 31, 2025

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Current portion of bonds payable	9,976	–	–	9,976
Bonds payable	33,873	–	–	33,873
Long-term borrowings	–	75,898	–	75,898
Total liabilities	43,850	75,898	–	119,748

Note: Explanation of the valuation techniques used to calculate fair value and inputs for the calculation of fair value

Short-term and long-term investment securities

Because shares are traded in active markets, their fair value is classified as Level 1. However, because the markets for bonds are not regarded as active markets due to the low frequency of transactions, their fair value is classified as Level 2.

Derivative transactions

Fair value is calculated based on the prices provided by the Company's partner financial institutions, etc., and is classified as Level 2.

Bonds payable

The fair value of bonds issued by the Company is calculated based on market prices, etc., and is classified as Level 1.

Long-term borrowings

Fair value is calculated as the present value of the sum of principal and interest amounts, discounted using the estimated rates for new borrowings, and is classified as Level 2.

Securities

1. Held-to-maturity bonds

As of March 31, 2024

Not applicable.

As of March 31, 2025

Not applicable.

2. Available-for-sale securities

As of March 31, 2024

	Category	Consolidated balance sheet amount (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
Securities whose amount recorded on the consolidated balance sheet exceeds acquisition cost	(1) Shares	36,739	11,969	24,769
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Subtotal	36,739	11,969	24,769
Securities whose amount recorded on the consolidated balance sheet does not exceed acquisition cost	(1) Shares	118	125	(6)
	(2) Bonds	1,466	1,476	(10)
	(3) Other	—	—	—
	Subtotal	1,584	1,601	(16)
Total		38,323	13,571	24,752

Unlisted shares (consolidated balance sheet amount: ¥2,104 million) are not included in "Available-for-sale securities" in the above table because they do not have market prices.

As of March 31, 2025

	Category	Consolidated balance sheet amount (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
Securities whose amount recorded on the consolidated balance sheet exceeds acquisition cost	(1) Shares	30,713	11,403	19,309
	(2) Bonds	—	—	—
	(3) Other	—	—	—
	Subtotal	30,713	11,403	19,309
Securities whose amount recorded on the consolidated balance sheet does not exceed acquisition cost	(1) Shares	204	210	(6)
	(2) Bonds	1,290	1,354	(64)
	(3) Other	—	—	—
	Subtotal	1,495	1,565	(70)
Total		32,208	12,969	19,238

Unlisted shares (consolidated balance sheet amount: ¥2,207 million) are not included in “Available-for-sale securities” in the above table because they do not have market prices.

3. Available-for-sale securities sold

Fiscal year ended March 31, 2024

Category	Sale proceeds (Millions of yen)	Total gain on sale (Millions of yen)	Total loss on sale (Millions of yen)
Shares	5,372	2,839	—
Bonds	—	—	—
Total	5,372	2,839	—

Fiscal year ended March 31, 2025

Category	Sale proceeds (Millions of yen)	Total gain on sale (Millions of yen)	Total loss on sale (Millions of yen)
Shares	2,185	1,639	—
Bonds	—	—	—
Total	2,185	1,639	—

4. Securities for which impairment losses were recognized

For the fiscal year ended March 31, 2024, impairment losses of ¥46 million was recorded for securities.

For the fiscal year ended March 31, 2025, impairment losses of ¥1,459 million was recorded for securities.

For those securities with market prices, if their fair value at the end of the fiscal year declines by 50% or more from the acquisition cost, the Company records an impairment loss, and if their fair value declines by at least 30% but less than 50%, the Company records an impairment loss when deemed necessary in consideration of the recoverability and other factors. The Company recognizes impairment losses on shares, etc. without market prices when the value declines significantly due to deterioration in the financial condition of the issuer.

Derivatives

1. Derivative transactions not qualifying for hedge accounting

(1) Currency-related

As of March 31, 2024

Category	Type of transaction	Contract amount, etc. (Millions of yen)	Contract amount, etc. of over 1 year (Millions of yen)	Fair value (Millions of yen)	Gain (loss) on valuation (Millions of yen)
Transactions other than market transactions	Forward exchange contract				
	To sell foreign currency:				
	U.S. dollar	16,023	—	(5)	(5)
	Euro	2,988	—	1	1
	New Taiwan dollar	896	—	(6)	(6)
	Chinese Yuan	5,943	—	(7)	(7)
	To buy foreign currency:				
	Chinese Yuan	6	—	(0)	(0)
Total		25,858	—	(17)	(17)

As of March 31, 2025

Category	Type of transaction	Contract amount, etc. (Millions of yen)	Contract amount, etc. of over 1 year (Millions of yen)	Fair value (Millions of yen)	Gain (loss) on valuation (Millions of yen)
Transactions other than market transactions	Forward exchange contract				
	To sell foreign currency:				
	U.S. dollar	16,442	—	1	1
	Euro	2,557	—	(18)	(18)
	New Taiwan dollar	1,035	—	(45)	(45)
	Chinese Yuan	3,714	—	(2)	(2)
	Korean Won	1,015		7	7
	To buy foreign currency:				
	U.S. dollar	138	—	(0)	(0)
Total		24,902	—	(57)	(57)

(2) Interest-related

As of March 31, 2024

Category	Type of transaction	Contract amount, etc. (Millions of yen)	Contract amount, etc. of over 1 year (Millions of yen)	Fair value (Millions of yen)	Gain (loss) on valuation (Millions of yen)
Transactions other than market transactions	Interest rate swaps Receive floating and pay fixed	2,680	1,706	93	93
Total		2,680	1,706	93	93

As of March 31, 2025

Category	Type of transaction	Contract amount, etc. (Millions of yen)	Contract amount, etc. of over 1 year (Millions of yen)	Fair value (Millions of yen)	Gain (loss) on valuation (Millions of yen)
Transactions other than market transactions	Interest rate swaps Receive floating and pay fixed	1,685	696	16	16
Total		1,685	696	16	16

2. Derivative transactions qualifying for hedge accounting

Currency-related

As of March 31, 2024

Hedge accounting method	Type of transaction	Major hedged items	Contract amount, etc. (Millions of yen)	Contract amount, etc. of over 1 year (Millions of yen)	Fair value (Millions of yen)
Allocation treatment of forward exchange contracts, etc.	Forward exchange contract				
	To sell foreign currency: U.S. dollar	Accounts receivable - trade	5,033	—	(437)
	To buy foreign currency: U.S. dollar	Accounts payable - trade	532	—	6
	To sell foreign currency: U.S. dollar	Forecast transactions	2,706	—	(97)
	To buy foreign currency: U.S. dollar	Forecast transactions	223	—	0
Total			8,495	—	(527)

As of March 31, 2025

Hedge accounting method	Type of transaction	Major hedged items	Contract amount, etc. (Millions of yen)	Contract amount, etc. of over 1 year (Millions of yen)	Fair value (Millions of yen)
Allocation treatment of forward exchange contracts, etc.	Forward exchange contract				
	To sell foreign currency: U.S. dollar	Accounts receivable - trade	638	—	(45)
	To buy foreign currency: U.S. dollar	Accounts payable - trade	46	—	(0)
	To sell foreign currency: U.S. dollar	Forecast transactions	739	—	(11)
	To buy foreign currency: U.S. dollar	Forecast transactions	90	—	0
Total			1,515	—	(58)

Retirement benefits

1. Overview of retirement benefit plans adopted

The Company and its consolidated subsidiaries have lump-sum retirement benefit plans and defined benefit corporate pension plans as defined benefit plans, and defined contribution pension plans as defined contribution plans.

The Company has also established a retirement benefit trust.

For defined benefit corporate pension plans and lump-sum retirement benefit plans that certain consolidated subsidiaries have, retirement benefit liability and retirement benefit expenses are calculated by the simplified method.

During the fiscal year ended March 31, 2025, the Company's former subsidiary Japan U-Pica Co., Ltd. was dissolved as part of an absorption-type merger that left Japan Finechem Co., Inc. as the surviving company (in addition, Japan Finechem Co., Inc. changed its trade name to MITSUBISHI GAS CHEMICAL NEXT COMPANY, INC.). In conjunction with this merger and dissolution, the method of calculating the retirement benefit obligations that were inherited from Japan U-Pica Co., Ltd. have been changed from the simplified method to the principle method.

2. Defined benefit plans

- (1) Reconciliation between balances of retirement benefit obligations at beginning of period and end of period (excluding plans applying the simplified method, as described in (3))

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance of retirement benefit obligations at beginning of period	42,010	33,434
Service cost	2,054	1,687
Interest cost	357	273
Actuarial gains and losses incurred	(119)	(424)
Retirement benefits paid	(2,496)	(2,119)
Effect of the change from the simplified method to the principle method at consolidated subsidiaries	—	784
Increase (decrease) due to change in scope of consolidation	(8,481)	—
Other	111	7
Balance of retirement benefit obligations at end of period	33,434	33,644

(2) Reconciliation between balances of plan assets at beginning of period and end of period (excluding plans applying the simplified method, as described in (3))

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance of plan assets at beginning of period	41,472	43,301
Expected return on plan assets	435	345
Actuarial gains and losses incurred	11,339	4,524
Contribution from employer	821	667
Retirement benefits paid	(1,488)	(1,249)
Increase (decrease) due to change in scope of consolidation	(9,337)	—
Other	59	6
Balance of plan assets at end of period	43,301	47,596

(3) Reconciliation between balances of retirement benefit liability at beginning of period and end of period of plans applying the simplified method

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance of retirement benefit liability at beginning of period	2,529	3,118
Retirement benefit expenses	575	797
Retirement benefits paid	(98)	(194)
Contribution to plans	(175)	(461)
Increase (decrease) due to change in scope of consolidation	219	—
Effect of the change from the simplified method to the principle method at consolidated subsidiaries	—	(802)
Other	68	91
Balance of retirement benefit liability at end of period	3,118	2,548

(4) Reconciliation between ending balance of retirement benefit obligations and plan assets, and retirement benefit liability/asset recorded in the consolidated balance sheet

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Retirement benefit obligations of funded plans	35,203	34,684
Plan assets	(47,025)	(51,354)
	(11,822)	(16,670)
Retirement benefit obligations of unfunded plans	5,073	5,267
Net amount of liabilities and assets recorded in the consolidated balance sheet	(6,748)	(11,403)
Retirement benefit asset	(11,005)	(15,418)
Retirement benefit liability	4,257	4,015
Net amount of liabilities and assets recorded in the consolidated balance sheet	(6,748)	(11,403)

(5) Amounts of retirement benefit expenses and their components

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Service cost	2,054	1,687
Interest cost	357	273
Expected return on plan assets	(435)	(345)
Amortization of actuarial gains and losses	(721)	(2,811)
Amortization of past service cost	(25)	(25)
Retirement benefit expenses applying the simplified method	575	797
Retirement benefit expenses for defined benefit plans	1,803	(424)

(6) Remeasurements of defined benefit plans included in other comprehensive income

The breakdown of remeasurements of defined benefit plans (before deduction of income taxes and tax effects) is as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Past service cost	(95)	(25)
Actuarial gains and losses	11,354	2,137
Total	11,258	2,111

(7) Remeasurements of defined benefit plans included in accumulated other comprehensive income

The breakdown of remeasurements of defined benefit plans (before deduction of income taxes and tax effects) is as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Unrecognized past service cost	(170)	(144)
Unrecognized actuarial gains and losses	(14,040)	(16,149)
Total	(14,210)	(16,293)

(8) Plan assets

(i) Major components of plan assets

The ratio of major categories to total plan assets is as follows:

	As of March 31, 2024	As of March 31, 2025
Debt securities	12 %	9 %
Equity securities	63	57
Cash and deposits	8	18
Other	17	16
Total	100	100

(ii) Method for determining expected long-term rate of return on plan assets

To determine the expected long-term rate of return on plan assets, the Company takes into account current and expected allocation of plan assets, and current and expected long-term return rate on various types of assets constituting plan assets.

(9) Actuarial assumptions

Major actuarial assumptions are as follows:

	As of March 31, 2024	As of March 31, 2025
Discount rate	Mainly 0.8%	Mainly 0.8%
Expected long-term rate of return on plan assets	Mainly 2.0%	Mainly 2.0%

3. Defined contribution plans

The required contribution of the Company and consolidated subsidiaries to the defined contribution plans amounted to ¥967 million and ¥793 million as of March 31, 2024 and 2025, respectively.

Share options, etc.

Not applicable.

Tax effect accounting

1. Breakdown of deferred tax assets and liabilities by major components

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Tax loss carryforwards ^(Note 2)	9,224	9,206
Retirement benefit liability	6,994	2,472
Loss on valuation of investment securities	1,334	2,251
Provision for bonuses	1,429	1,451
Elimination of intercompany profits	2,419	2,960
Depreciation	329	333
Impairment losses	2,925	2,986
Asset retirement obligations	1,763	2,232
Other	3,835	5,618
Subtotal deferred tax assets	30,257	29,514
Valuation allowance for tax loss carryforwards ^(Note 2)	(7,176)	(6,362)
Valuation allowance for the total amount of deductible temporary differences	(13,436)	(9,215)
Total valuation allowance ^(Note 1)	(20,613)	(15,577)
Total deferred tax assets	9,643	13,937
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(7,316)	(5,765)
Gain on contribution of securities to retirement benefit trust	(1,255)	(1,172)
Tax purpose reserves, etc.	(1,959)	(1,922)
Asset retirement cost for asset retirement obligations	(154)	(165)
Retained earnings of overseas consolidated subsidiaries and others	(8,214)	(8,149)
Other	(3,898)	(4,495)
Total deferred tax liabilities	(22,797)	(21,673)
Net deferred tax assets (liabilities)	(13,154)	(7,736)

Note 1. The change in valuation allowance is primarily due to a decrease in valuation allowance for retirement benefit trust.

Note 2. Amounts of tax loss carryforwards and their deferred tax assets by expiration

As of March 31, 2024

	Within 1 year (Millions of yen)	After 1 year through 2 years (Millions of yen)	After 2 years through 3 years (Millions of yen)	After 3 years through 4 years (Millions of yen)	After 4 years through 5 years (Millions of yen)	After 5 years (Millions of yen)	Total (Millions of yen)
Tax loss carryforwards(*)	1,328	1,244	1,889	1,648	408	2,704	9,224
Valuation allowance	(1,183)	(1,095)	(1,108)	(1,413)	(408)	(1,966)	(7,176)
Deferred tax assets	144	149	781	235	—	738	2,048

(*) Tax loss carryforwards represent the amount multiplied by the effective statutory tax rate.

As of March 31, 2025

	Within 1 year (Millions of yen)	After 1 year through 2 years (Millions of yen)	After 2 years through 3 years (Millions of yen)	After 3 years through 4 years (Millions of yen)	After 4 years through 5 years (Millions of yen)	After 5 years (Millions of yen)	Total (Millions of yen)
Tax loss carryforwards(*)	1,385	1,149	1,616	1,152	236	3,667	9,206
Valuation allowance	(921)	(1,090)	(1,391)	(365)	—	(2,593)	(6,362)
Deferred tax assets	463	58	224	786	236	1,073	2,843

(*) Tax loss carryforwards represent the amount multiplied by the effective statutory tax rate.

2. Reconciliation of significant differences between the statutory tax rate and the effective income tax rate after application of deferred tax accounting by major components causing the differences

	As of March 31, 2024		As of March 31, 2025	
Statutory tax rate	30.6	%	30.6	%
(Adjustments)				
Share of loss (profit) of entities accounted for using equity method	2.8		(5.9)	
Effect of dividend income eliminated in consolidation	15.6		14.0	
Gain on step acquisitions	(7.6)		—	
Changes in valuation allowance	(0.3)		(8.9)	
Income not taxable permanently, such as dividend income	(13.7)		(14.0)	
Foreign taxes	0.6		0.7	
Tax credit for experimental and research expenses	(2.3)		(2.8)	
Other	(2.6)		(4.2)	
Effective income tax rate after application of deferred tax accounting	23.1		9.6	

3. Amendments to the amounts of deferred tax assets and deferred tax liabilities due to changes in tax rate of income taxes

Due to the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) in the Japanese Diet on March 31, 2025, the “Special Corporation Tax for National Defense” will be imposed from the fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be reversed in the fiscal years beginning on or after April 1, 2026 are calculated by changing the statutory tax rate from 30.62% to 31.52%.

As a result of this change, the amount of deferred tax assets (the amount after deducting deferred tax liabilities) decreased by ¥427 million, income taxes - deferred increased by ¥117 million, valuation difference on available-for-sale securities decreased by ¥162 million, and remeasurements of defined benefit plans decreased by ¥146 million in the fiscal year ended March 31, 2025.

Business combinations

Transactions, etc. under common control

Absorption-type merger between consolidated subsidiaries

1. Overview of transaction

(1) Name and description of the business of companies involved in the business combination

(i) Surviving company

Name of the surviving company:

Japan Finechem Co., Inc.

Description of business:

Manufacture and sale of intermediates for pharmaceuticals and agrochemicals, electronic components, etc.

(ii) Absorbed company

Name of the absorbed company:

Japan U-Pica Co., Ltd.

Description of business:

Manufacture and sale of unsaturated polyester resins, etc.

(2) Date of business combination

October 1, 2024

(3) Legal form of business combination

Absorption-type merger where Japan Finechem Co., Inc. is the surviving company and Japan U-Pica Co., Ltd. is the absorbed company.

(4) Name of company after business combination

MITSUBISHI GAS CHEMICAL NEXT COMPANY, INC.

(5) Matters related to the overview of other transactions

The purpose of the merger is to combine the strengths of both companies to solve issues, thereby addressing each company's challenges of "creating new revenue-generating businesses" and "expanding existing businesses," as well as implementing "restructuring of unprofitable businesses," and to develop the company as a core manufacturing company in the Green Energy & Chemicals Business Sector.

2. Overview of the accounting treatment applied

In accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019), the transaction was treated as a transaction under common control.

Asset retirement obligations

1. Asset retirement obligations carried on the consolidated balance sheet

Overview of the asset retirement obligations

The Company is obligated to restore the natural gas mining facilities it owns (excluding those described in 3. below) to their original condition in accordance with laws and regulations and land lease contracts. The Company has recorded asset retirement obligations for the facilities based on a reasonable estimate of

future cash flows required to fulfill the obligations. The timing for fulfilling the obligations is set at the end of the estimated mine life (19 to 70 years), and discount rates ranging from 0.735% to 2.385% are applied.

Asbestos is used in certain non-current assets held by the Company and certain consolidated subsidiaries. The Company is obligated to take a special treatment when removing asbestos. Asset retirement obligations are recognized based on reasonable estimates of future cash flows required to fulfill such obligations. As a general rule, the timing for fulfilling the obligations is set at the end of the useful life of property, plant and equipment that is the principal component (mainly 8 years), and a discount rate of 1.035% is mainly applied.

Increase or decrease in the total amount of the asset retirement obligations

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance at beginning of period	5,312	5,707
Increase due to acquisition of assets	88	97
Increase due to change in estimate	590	1,225
Adjustments due to passage of time	39	42
Decrease due to fulfillment of obligations	(39)	(10)
Other Increase (decrease)	(284)	(39)
Balance at end of period	5,707	7,022

2. Change in estimate of the amount of asset retirement obligations

In the fiscal year ended March 31, 2025, the Company revised its estimate for the asset retirement obligations previously recorded for a portion of its natural gas mining facilities to restore them to their original condition in accordance with laws and regulations, based on new information obtained regarding mine abandonment costs and other items.

The increase of ¥826 million due to this change in estimate has been added to the balance of asset retirement obligations before the change.

3. Asset retirement obligations not carried on the consolidated balance sheet

The Company is obliged to restore its natural gas mining facilities to their original condition in accordance with laws and regulations and land lease contracts. However, for some of these facilities, the Company plans to continue using them as business facilities for the storage of natural gas after mining. In addition, the Company and certain consolidated subsidiaries are obliged to restore their piers and pipelines to their original condition in accordance with laws and regulations and lease contracts, but the piers and pipelines can be used for a substantially long-term with appropriate repairs. Asset retirement obligations are not recognized relating to these assets because it is extremely difficult to reasonably estimate the timing for fulfilling the obligations.

Rental property

1. Overview of rental property

The Company and certain subsidiaries have land and buildings for rent in Tokyo and other regions.

2. Amounts recorded on consolidated balance sheet for rental property, increase or decrease during period and fair value at end of period

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Consolidated balance sheet amount		
Balance at beginning of period	6,516	4,416
Increase (decrease) during period	(2,100)	(1,551)
Balance at end of period	4,416	2,864
Fair value at end of period	7,895	5,580

- Notes:
1. The amount recorded on the consolidated balance sheet is the amount of acquisition cost less accumulated depreciation and accumulated impairment losses.
 2. Of the increase (decrease) during period, the decrease for the fiscal year ended March 31, 2024 was mainly due to a decrease of ¥1,855 million resulting from changes in the scope of consolidation. The decrease for the fiscal year ended March 31, 2025 was mainly due to a decrease of ¥1,401 million resulting from changes in the scope of consolidation.
 3. Fair value at end of period is mainly based on roadside value and other indices.

3. Profit or loss relating to rental property

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit or loss from rent on rental property	156	117
Profit or loss on sales of rental property	(13)	—

Revenue recognition

1. Breakdown of revenue from contracts with customers

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment		Other (Note)	Adjustments	Total
	Green Energy & Chemicals Business Sector	Specialty Chemicals Business Sector			
Japan	190,835	120,611	67	—	311,515
Asia (China)	37,392	93,992	—	—	131,384
Asia (Other)	81,791	139,423	—	—	221,215
U.S.A.	30,547	30,787	—	—	61,334
Other regions	63,995	23,909	1	—	87,906
Revenue from contracts with customers	404,562	408,724	68	—	813,355
Other revenue	—	—	61	—	61
Revenues from external customers	404,562	408,724	130	—	813,417

Note: “Other” includes businesses such as real estate that do not belong to a reportable segment.

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment		Other (Note 1)	Adjustments	Total
	Green Energy & Chemicals Business Sector	Specialty Chemicals Business Sector			
Japan	147,311	93,927	8,707	—	249,946
Asia (China)	23,534	123,326	3,903	—	150,764
Asia (Other)	66,981	163,097	3,210	—	233,288
U.S.A.	20,472	35,189	30	—	55,692
Other regions	55,093	28,188	558	—	83,841
Revenue from contracts with customers	313,392	443,728	16,411	—	773,532
Other revenue	—	—	59	—	59
Revenues from external customers	313,392	443,728	16,470	—	773,591

Notes: 1. “Other” includes businesses such as purchase and sales that do not belong to a reportable segment.

2. The allocation method for each reportable segment has been changed from the fiscal year ended March 31, 2025, in order to more appropriately reflect the management performance of each reportable segment following the system upgrade at certain consolidated subsidiaries, which enabled more accurate aggregation.

2. Information that provides a basis for understanding revenue from contracts with customers

The Group recognizes revenue in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to customers, based on the following five-step procedure for revenue recognition.

Step 1: Identify the contract with a customer

Step 2: Identify performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) performance obligations are satisfied

The main business of the Group is the manufacture and sale of various products in the Green Energy & Chemicals Business and Specialty Chemicals Business. Revenue from the sale of these products is recognized at the time of delivery, because the Group considers that, at the time of delivery, the customer gains control over the product, and the Group has therefore satisfied its performance obligations.

Revenue is estimated as the net consideration promised under the contract with the customer, after deducting discounts, rebates, returns, etc. Moreover, for transactions where the role of the Group in the sale of products, etc. to customers is that of an agent, the Group only recognizes the net amount after deducting the amount payable to the supplier of the products, etc. as revenue.

The consideration under product sales contracts is generally collected within one year after control over the product is transferred to the customer, and therefore does not include a significant element of finance.

3. Information to enable an understanding of the amount of revenue for the fiscal year ended March 31, 2025 and the following fiscal years

(1) Balance of contract assets and contract liabilities

The balance of contract assets and contract liabilities for the Group is omitted because the amounts are immaterial and there has been no significant change in the amounts. The amount of revenue recognized in the fiscal year ended March 31, 2025 from performance obligations satisfied (or partially satisfied) in previous periods is also immaterial.

(2) Transaction prices allocated to remaining performance obligations

The Group has applied practical expediency and omitted presentation of the transaction price allocated to remaining performance obligations for the Group because there are no material contracts for which the initially expected contract term exceeds one year, with the exception of royalties based on net sales or usage volumes. Moreover, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction price.

Segment information, etc.

Segment information

1. Overview of reportable segments

The Company's reported segments consist of "Green Energy & Chemicals Business Sector" and "Specialty Chemicals Business Sector" for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic investigation to determine distribution of management resources and evaluate their business results.

"Green Energy & Chemicals Business Sector" mainly produces and sells methanol, chemical products for methanol and ammonia, life science products, general aromatic products, specialty aromatic products, foaming plastics and electric power.

“Specialty Chemicals Business Sector” mainly produces and sells inorganic chemicals, plastic lens monomer, engineering plastics, electronic materials and oxygen absorbers.

Change in the name of reportable segment

The reportable segment operations previously classified as “Basic Chemicals” were renamed “Green Energy & Chemicals” in the fiscal year ended March 31, 2025.

This change is only to the segment name and has no impact on segment information. Moreover, segment information for the fiscal year ended March 31, 2024 has been presented under the segment name after this change.

2. Method for calculating amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

Segment sales, profit, assets, liabilities and others are calculated by accounting methods similar to those employed to prepare the consolidated financial statements. Profits of the reportable segments are figures based on ordinary profit. Intersegment revenue or transfers are primarily based on actual market price.

Change in measurement method for segment profit or loss

The allocation method for each reportable segment has been changed from the fiscal year ended March 31, 2025, in order to more appropriately reflect the management performance of each reportable segment following the system upgrade at certain consolidated subsidiaries, which enabled more accurate aggregation.

As a result of this change, segment net sales for the fiscal year ended March 31, 2025 decreased by ¥9,934 million in “Green Energy & Chemicals Business Sector,” ¥6,404 million in “Specialty Chemicals Business Sector,” and ¥2,685 million in “Adjustments,” while increasing by ¥19,024 million in “Other,” compared to the previous method.

The impact of this change on segment profit or loss is immaterial.

3. Information on amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2024

(Millions of yen)

	Green Energy & Chemicals Business Sector	Specialty Chemicals Business Sector	Other (Note 1)	Adjustments (Note 2)	Amount recorded in the consolidated financial statements (Note 3)
Net sales					
Revenues from external customers	404,562	408,724	130	0	813,417
Intersegment sales or transfers	8,316	492	12	(8,821)	—
Total	412,878	409,217	142	(8,821)	813,417
Segment profit (Ordinary profit)	10,138	38,689	110	(2,898)	46,040
Segment assets	451,530	590,343	28,259	(2,123)	1,068,010
Other items					
Depreciation	17,364	16,886	18	2,034	36,304
Amortization of goodwill	343	1,413	—	—	1,757
Interest income	990	1,190	1	(406)	1,775
Interest expenses	525	2,386	0	(348)	2,564
Share of profit (loss) of entities accounted for using equity method	(8,487)	2,782	—	7	(5,696)
Investments in entities accounted for using equity method	133,831	42,330	—	(0)	176,162
Increase in property, plant and equipment and intangible assets	37,026	41,930	1	2,794	81,753

Notes: 1. “Other” includes businesses such as real estate that do not belong to a reportable segment.

2. Adjustments are as follows:

(1) Adjustments in segment profit of ¥(2,898) million consist of ¥(170) million in elimination of intersegment transactions and ¥(2,727) million in company-wide income or expenses not allocated to reportable segments.

Company-wide income or expenses are administrative expenses, financial income and expenses and other income and expenses which are not allocated to reportable segments.

(2) Adjustments in segment assets of ¥(2,123) million consist of ¥(72,527) million in elimination of intersegment transaction and ¥70,403 million in company-wide assets which are not allocated to reportable segments.

Company-wide assets include cash and deposits which are not allocated to reportable segments.

(3) Adjustments in depreciation of ¥2,034 million are mainly related to company-wide assets which are not allocated to reportable segments.

(4) Adjustments in interest income of ¥(406) million are mainly elimination of intersegment transactions.

(5) Adjustments in interest expenses of ¥(348) million are mainly elimination of intersegment transactions.

(6) Adjustments in investments in entities accounted for using equity method of ¥(0) million are mainly investments which are not allocated to reportable segments.

- (7) Adjustments in increase in property, plant and equipment and intangible assets of ¥2,794 million are mainly related to company-wide assets which are not allocated to reportable segments.
3. Segment profit is adjusted to ordinary profit in the consolidated financial statements.

Fiscal year ended March 31, 2025

(Millions of yen)

	Green Energy & Chemicals Business Sector	Specialty Chemicals Business Sector	Other (Note 1)	Adjustments (Note 2)	Amount recorded in the consolidated financial statements (Note 3)
Net sales					
Revenues from external customers	313,392	443,728	16,470	—	773,591
Intersegment sales or transfers	9,806	454	2,693	(12,954)	—
Total	323,199	444,183	19,163	(12,954)	773,591
Segment profit (Ordinary profit)	20,516	43,922	1,125	(5,248)	60,316
Segment assets	464,140	587,193	46,517	21,835	1,119,688
Other items					
Depreciation	13,751	18,520	126	2,273	34,672
Amortization of goodwill	155	1,402	—	—	1,558
Interest income	503	1,163	0	175	1,841
Interest expenses	584	2,095	—	(305)	2,374
Share of profit (loss) of entities accounted for using equity method	8,035	2,914	—	6	10,956
Investments in entities accounted for using equity method	140,689	39,165	—	(0)	179,855
Increase in property, plant and equipment and intangible assets	34,967	50,032	90	3,703	88,794

- Notes: 1. “Other” includes businesses such as purchase and sales that do not belong to a reportable segment.
2. Adjustments are as follows:
- (1) Adjustments in segment profit of ¥(5,248) million consist of ¥6 million in elimination of intersegment transactions and ¥(5,254) million in company-wide income or expenses not allocated to reportable segments.
- Company-wide income or expenses are administrative expenses, financial income and expenses and other income and expenses which are not allocated to reportable segments.
- (2) Adjustments in segment assets of ¥21,835 million consist of ¥(54,211) million in elimination of intersegment transactions and ¥76,047 million in company-wide assets which are not allocated to reportable segments.
- Company-wide assets include cash and deposits which are not allocated to reportable segments.
- (3) Adjustments in depreciation of ¥2,273 million are mainly related to company-wide assets which are not allocated to reportable segments.
- (4) Adjustments in interest income of ¥175 million are mainly elimination of intersegment transactions.
- (5) Adjustments in interest expenses of ¥(305) million are mainly elimination of intersegment transactions.
- (6) Adjustments in investments in entities accounted for using equity method of ¥(0) million are mainly investments which are not allocated to reportable segments.
- (7) Adjustments in increase in property, plant and equipment and intangible assets of ¥3,703 million are mainly related to company-wide assets which are not allocated to reportable segments.

3. Segment profit is adjusted to ordinary profit in the consolidated financial statements.

Related information

Fiscal year ended March 31, 2024

1. Information about products and services

This information is omitted because the classification of products and services is the same as the classification of reportable segments, and are disclosed in “Segment information.”

2. Information about geographical areas

(1) Net sales

(Millions of yen)

Japan	Asia		U.S.A.	Other regions	Total
	China	Other			
311,576	131,384	221,215	61,334	87,906	813,417

Note: Net sales are classified by country or region based on customers' location.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	U.S.A.	Other regions	Total
175,981	74,292	40,093	24,256	314,624

3. Information about main customers

This information is omitted because there were no external customers who accounted for 10% or more of net sales in the consolidated statements of income.

Fiscal year ended March 31, 2025

1. Information about products and services

This information is omitted because the classification of products and services is the same as the classification of reportable segments, and are disclosed in “Segment information.”

2. Information about geographical areas

(1) Net sales

(Millions of yen)

Japan	Asia		U.S.A.	Other regions	Total
	China	Other			
250,005	150,764	233,288	55,692	83,841	773,591

Note: Net sales are classified by country or region based on customers' location.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	U.S.A.	Other regions	Total
185,864	85,163	54,203	41,329	366,560

3. Information about main customers

This information is omitted because there were no external customers who accounted for 10% or more of net sales in the consolidated statements of income.

Information about impairment losses on non-current assets by reportable segment

Fiscal year ended March 31, 2024

(Millions of yen)

	Green Energy & Chemicals Business Sector	Specialty Chemicals Business Sector	Other	Adjustments	Total
Impairment losses	489	934	—	64	1,488

Fiscal year ended March 31, 2025

(Millions of yen)

	Green Energy & Chemicals Business Sector	Specialty Chemicals Business Sector	Other	Adjustments	Total
Impairment losses	258	483	—	187	929

Note: Part of the above impairment losses is included in “Business restructuring expenses.” Please refer to “Notes to consolidated financial statements, Consolidated statements of income *9” for details.

Information about amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended March 31, 2024

Goodwill

(Millions of yen)

	Green Energy & Chemicals Business Sector	Specialty Chemicals Business Sector	Other	Adjustments	Total
Balance at end of period	1,436	15,432	—	—	16,868

Negative goodwill

Not applicable.

Note: Information on amortization of goodwill is omitted because the same information is disclosed in “Segment information.”

Fiscal year ended March 31, 2025

Goodwill

(Millions of yen)

	Green Energy & Chemicals Business Sector	Specialty Chemicals Business Sector	Other	Adjustments	Total
Balance at end of period	1,280	14,029	—	—	15,310

Negative goodwill

Not applicable.

Note: Information on amortization of goodwill is omitted because the same information is disclosed in “Segment information.”

Information about gain on bargain purchase by reportable segment

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

Related party information

Fiscal year ended March 31, 2024

The information is omitted as it is immaterial.

Fiscal year ended March 31, 2025

The information is omitted as it is immaterial.

Per share information

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	3,284.96 yen	3,431.90 yen
Basic earnings per share	190.97 yen	228.93 yen

- Notes:
1. The amount of diluted earnings per share in the fiscal years ended March 31, 2024 and 2025 is not provided because there are no potential dilutive shares.
 2. The bases for calculating basic earnings per share are as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (Millions of yen)	38,818	45,544
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	38,818	45,544
Average number of shares during the period (shares)	203,277,084	198,940,429

Significant subsequent events

Issuance of unsecured bonds

At the Board of Directors meeting held on May 12, 2025, the Company made a comprehensive resolution to issue domestic unsecured straight bonds.

- | | | |
|-----|----------------------|---|
| (1) | Total amount issued | ¥20,000 million or less |
| (2) | Term of redemption | Within 10 years |
| (3) | Redemption method | Lump-sum redemption at maturity |
| (4) | Interest rate | +0.9% or less of the yield on government bonds of the same maturity |
| (5) | Amount to be paid in | ¥100 or more per ¥100 of each bond |

- | | | |
|-----|-------------------------|--|
| (6) | Scheduled issuance date | Until September 30, 2025 |
| (7) | Use of funds | Funds are planned to be used for redemption of bonds, redemption of commercial paper, repayment of borrowings, capital investment, working capital, acquisition of securities and investment. |
| (8) | Other | The determination of the matters listed in each item of Article 676 of the Companies Act and all other matters necessary for the issuance of bonds shall be entrusted to Director in charge of finance within the scope described above. |

(v) Annexed consolidated detailed schedules

Consolidated detailed schedule of corporate bonds

Company name	Issue name	Date of issuance	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Interest rate (%)	Collateral	Date of redemption
Mitsubishi Gas Chemical Company, Inc.	The 22nd Series Unsecured Bonds	Sept. 3, 2020	10,000	10,000 (10,000)	0.170	None	Sept. 3, 2025
Mitsubishi Gas Chemical Company, Inc.	The 23rd Series Unsecured Bonds	Sept. 3, 2020	10,000	10,000	0.340	None	Sept. 3, 2030
Mitsubishi Gas Chemical Company, Inc.	The 24th Series Unsecured Bonds	Oct. 18, 2023	10,000	10,000	0.608	None	Oct. 18, 2028
Mitsubishi Gas Chemical Company, Inc.	The 25th Series Unsecured Bonds	Dec. 11, 2024	—	15,000	0.999	None	Dec. 11, 2029
Total		—	30,000	45,000 (10,000)	—	—	—

Notes: 1. The figures shown in brackets represent the amount to be redeemed within one year.

2. The redemption schedule of bonds for the five years after the fiscal year-end date is as follows:

Within 1 year (Millions of yen)	After 1 year through 2 years (Millions of yen)	After 2 years through 3 years (Millions of yen)	After 3 years through 4 years (Millions of yen)	After 4 years through 5 years (Millions of yen)
10,000	—	—	10,000	15,000

Consolidated detailed schedule of borrowings, etc.

Category	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (%)	Payment due
Short-term borrowings	131,747	149,216	2.4	—
Current portion of long-term borrowings	9,382	5,318	0.3	—
Current portion of lease liabilities	1,001	970	—	—
Long-term borrowings (excluding current portion)	72,161	84,169	0.6	2026 to 2037
Lease liabilities (excluding current portion)	2,511	1,948	—	2026 to 2056
Other interest-bearing debt Commercial papers (due within 1 year)	18,000	11,000	0.5	—
Subtotal	234,804	252,622	—	—
Elimination of internal transactions	(91,801)	(83,646)	—	—
Total	143,002	168,976	—	—

Notes: 1. Average interest rate represents weighted average interest rate with respect to the ending balance of borrowings, etc. at the end of the current fiscal year

2. The average interest rate on lease liabilities is not presented because lease liabilities are recorded on the consolidated balance sheet at the amount before deducting the amount equivalent to interest included in the total lease payments.

3. The repayment schedule of long-term borrowings and lease liabilities (excluding current portion) for the five years after the fiscal year-end date is as follows:

	After 1 year through 2 years (Millions of yen)	After 2 years through 3 years (Millions of yen)	After 3 years through 4 years (Millions of yen)	After 4 years through 5 years (Millions of yen)
Long-term borrowings	24,232	6,436	8,002	6,920
Lease liabilities	368	211	157	151

Consolidated detailed schedule of asset retirement obligations

Pursuant to the provision of Article 92-2 of the Regulations on Consolidated Financial Statements, the information is omitted, because the amounts of asset retirement obligations at the beginning and the end of the fiscal year ended March 31, 2025 were not more than 1% of the total of liabilities and net assets at the beginning and the end of the fiscal year ended March 31, 2025, respectively.

(2) Other information

Semi-annual information for the fiscal year ended March 31, 2025

	Six months ended September 30, 2024	Fiscal year ended March 31, 2025
Net sales (Millions of yen)	388,130	773,591
Profit before income taxes (Millions of yen)	36,884	56,347
Profit attributable to owners of parent (Millions of yen)	24,724	45,544
Basic earnings per share (Yen)	123.47	228.93

2. Non-consolidated financial statements and other information

(1) Non-consolidated financial Statements

(i) Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	33,043	20,449
Notes and accounts receivable - trade, and contract assets	117,287	110,195
Merchandise and finished goods	39,787	44,883
Work in process	14,388	15,068
Raw materials and supplies	43,845	39,468
Prepaid expenses	2,151	2,369
Short-term loans receivable	30,169	24,316
Accounts receivable - other	8,206	7,458
Other	5,923	5,144
Allowance for doubtful accounts	(894)	(823)
Total current assets	293,908	268,529
Non-current assets		
Property, plant and equipment		
Buildings	26,957	28,240
Structures	14,526	15,287
Machinery and equipment	44,533	49,508
Vehicles	34	59
Tools, furniture and fixtures	4,982	5,855
Land	19,115	19,115
Leased assets	83	24
Construction in progress	18,776	17,488
Total property, plant and equipment	*2 129,008	*2 135,580
Intangible assets		
Patent right	79	74
Software	2,914	4,728
Other	19	30
Total intangible assets	3,013	4,833
Investments and other assets		
Investment securities	*1 34,150	*1 29,507
Shares of subsidiaries and associates and investments in capital of subsidiaries and associates	*1 140,103	*1 152,909
Long-term loans receivable	8,718	11,000
Long-term prepaid expenses	663	421
Prepaid pension costs	—	233
Deferred tax assets	—	1,257
Other	1,557	2,244
Allowance for doubtful accounts	(1,797)	(1,771)
Total investments and other assets	183,394	195,802
Total non-current assets	315,417	336,216

Total assets	609,326	604,746
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(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	164	47
Accounts payable - trade	55,787	53,374
Short-term borrowings	57,208	46,736
Commercial papers	18,000	11,000
Current portion of bonds payable	–	10,000
Lease liabilities	53	10
Accounts payable - other	9,597	9,863
Income taxes payable	911	4,380
Accrued expenses	16,829	21,636
Deposits received	363	394
Provision for bonuses	2,906	2,924
Provision for business restructuring	683	2,521
Provision for loss compensation	–	70
Other	5,340	2,936
Total current liabilities	167,847	165,897
Non-current liabilities		
Bonds payable	30,000	35,000
Long-term borrowings	51,000	52,804
Lease liabilities	40	16
Provision for retirement benefits	2,432	–
Provision for business restructuring	1,789	–
Provision for loss on business of subsidiaries and associates	15	46
Asset retirement obligations	4,288	5,144
Deferred tax liabilities	6,559	–
Other	1,681	2,146
Total non-current liabilities	97,808	95,158
Total liabilities	265,655	261,055

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	41,970	41,970
Capital surplus		
Legal capital surplus	35,668	35,668
Total capital surplus	35,668	35,668
Retained earnings		
Legal retained earnings	6,999	6,999
Other retained earnings		
Reserve for mine prospecting	2,119	2,022
Reserve for tax purpose reduction entry of non-current assets	2,617	2,462
General reserve	76,500	76,500
Retained earnings brought forward	189,540	197,593
Total retained earnings	277,775	285,577
Treasury shares	(26,127)	(30,956)
Total shareholders' equity	329,287	332,260
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,383	11,431
Total valuation and translation adjustments	14,383	11,431
Total net assets	343,671	343,691
Total liabilities and net assets	609,326	604,746

(ii) Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	400,848	432,839
Cost of sales	336,217	358,296
Gross profit	64,631	74,543
Selling, general and administrative expenses	*2 48,985	*2 51,961
Operating profit	15,645	22,581
Non-operating income		
Interest and dividend income	24,444	19,123
Other	3,186	2,584
Total non-operating income	27,631	21,708
Non-operating expenses		
Interest expenses	1,179	1,379
Other	4,536	6,335
Total non-operating expenses	5,715	7,714
Ordinary profit	37,561	36,575
Extraordinary income		
Subsidy income	*3 893	*3 1,419
Gain on sale of investment securities	2,830	1,361
Reversal of allowance for doubtful accounts	—	*4 310
Insurance claim income	*5 1,434	*5 167
Gain on sale of shares of subsidiaries and associates	4,028	109
Gain on liquidation of subsidiaries and associates	317	—
Total extraordinary income	9,504	3,369
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	8,296	3,551
Business restructuring expenses	—	*6 1,013
Loss on tax purpose reduction entry of non-current assets	*7 704	*7 963
Loss compensation	—	*8 807
Provision of allowance for doubtful accounts	*9 510	*9 250
Impairment losses	*10 628	*10 240
Loss on disposal of non-current assets	*11 307	*11 200
Total extraordinary losses	10,448	7,026
Profit before income taxes	36,617	32,918
Income taxes - current	4,738	4,754
Income taxes - deferred	148	(6,730)
Total income taxes	4,887	(1,976)
Profit	31,730	34,894

(iii) Non-consolidated statement of changes in net assets

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for mine prospecting	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	41,970	35,668	—	35,668	6,999	2,240	2,762	76,500	181,556	270,058
Changes during period										
Dividends of surplus									(16,367)	(16,367)
Profit									31,730	31,730
Reversal of reserve for tax purpose reduction entry of non-current assets							(144)		144	—
Provision of reserve for mine prospecting						330			(330)	—
Reversal of reserve for mine prospecting						(451)			451	—
Purchase of treasury shares										
Disposal of treasury shares			25	25						
Cancellation of treasury shares			(7,670)	(7,670)						
Transfer from retained earnings to capital surplus			7,645	7,645					(7,645)	(7,645)
Net changes in items other than shareholders' equity										
Total changes during period	—	—	—	—	—	(121)	(144)	—	7,983	7,717
Balance at end of period	41,970	35,668	—	35,668	6,999	2,119	2,617	76,500	189,540	277,775

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of period	(23,838)	323,859	8,063	331,922
Changes during period				
Dividends of surplus		(16,367)		(16,367)
Profit		31,730		31,730
Reversal of reserve for tax purpose reduction entry of non-current assets		—		—
Provision of reserve for mine prospecting		—		—
Reversal of reserve for mine prospecting		—		—
Purchase of treasury shares	(10,005)	(10,005)		(10,005)
Disposal of treasury shares	45	70		70
Cancellation of treasury shares	7,670	—		—
Transfer from retained earnings to capital surplus		—		—
Net changes in items other than shareholders' equity			6,320	6,320
Total changes during period	(2,288)	5,428	6,320	11,748
Balance at end of period	(26,127)	329,287	14,383	343,671

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for mine prospecting	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	41,970	35,668	—	35,668	6,999	2,119	2,617	76,500	189,540	277,775
Changes during period										
Dividends of surplus									(17,021)	(17,021)
Profit									34,894	34,894
Reversal of reserve for tax purpose reduction entry of non-current assets							(154)		154	—
Provision of reserve for mine prospecting						322			(322)	—
Reversal of reserve for mine prospecting						(419)			419	—
Purchase of treasury shares										
Disposal of treasury shares			53	53						
Cancellation of treasury shares			(10,124)	(10,124)						
Transfer from retained earnings to capital surplus			10,071	10,071					(10,071)	(10,071)
Net changes in items other than shareholders' equity										
Total changes during period	—	—	—	—	—	(96)	(154)	—	8,053	7,802
Balance at end of period	41,970	35,668	—	35,668	6,999	2,022	2,462	76,500	197,593	285,577

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of period	(26,127)	329,287	14,383	343,671
Changes during period				
Dividends of surplus		(17,021)		(17,021)
Profit		34,894		34,894
Reversal of reserve for tax purpose reduction entry of non-current assets		—		—
Provision of reserve for mine prospecting		—		—
Reversal of reserve for mine prospecting		—		—
Purchase of treasury shares	(15,006)	(15,006)		(15,006)
Disposal of treasury shares	53	106		106
Cancellation of treasury shares	10,124	—		—
Transfer from retained earnings to capital surplus		—		—
Net changes in items other than shareholders' equity			(2,952)	(2,952)
Total changes during period	(4,828)	2,973	(2,952)	20
Balance at end of period	(30,956)	332,260	11,431	343,691

Notes to non-consolidated financial statements

Significant accounting policies

1. Valuation standard and method for securities
 - (i) Shares of subsidiaries and associates
Stated at cost using the moving average method
 - (ii) Available-for-sale securities
(Securities apart from shares, etc. without market prices):
Stated at fair value (valuation differences are directly recorded in net assets, and the cost of securities sold is computed based on the moving-average method)
(Shares, etc. without market prices):
Stated at cost using the moving average method
2. Valuation standard and method for derivatives
Stated at fair value
3. Valuation standard and method for inventory
Stated at cost based on weighted average method (The amounts on the balance sheet have been calculated using the cost accounting method of reducing book value based on declining profitability.)
4. Depreciation or amortization method for non-current assets
 - (i) Property, plant and equipment (excluding leased assets)
Straight-line method
 - (ii) Intangible assets (excluding leased assets)
Straight-line method
Software for internal use is amortized using the straight-line method over the useful life for internal use (5 years).
 - (iii) Leased assets
Finance lease transactions that do not transfer ownership to the lessee:
Straight-line method for the duration of the lease period with a residual value of zero.
5. Standards for recording provisions and allowances
 - (i) Allowance for doubtful accounts
Estimated uncollectible amounts are accounted for based on historical rate of credit loss in the case of general receivables and based on case-by-case examination of collectability in the case of specific receivables, including doubtful receivables, in preparation against credit losses on trade receivables, loans receivable, and the like.
 - (ii) Provision for bonuses
Estimated bonus payments for the fiscal year ended March 31, 2025 are accounted for in preparation for payment of bonuses to employees.
 - (iii) Provision for business restructuring
A reasonably estimated amount is accounted for in preparation for loss expected to be incurred in the structural reform of businesses.

(iv) Provision for loss compensation

A reasonably estimated amount is accounted for in preparation for loss expected to be incurred from compensation for damages to business partners.

(v) Provision for loss on business of subsidiaries and associates

An estimated loss amount to be borne by the Company is accounted for in preparation for loss concerning the business of subsidiaries and associates, in consideration of the financial condition, etc. of those subsidiaries and associates.

(vi) Provision for retirement benefits

To prepare for retirement benefits for employees, a provision is recorded based on the estimated amounts of retirement benefit obligations and plan assets at the end of the fiscal year ended March 31, 2025.

The Company has also established a retirement benefit trust.

In the calculation of retirement benefit obligations, expected retirement benefits are attributed to the period up to the end of the fiscal year ended March 31, 2025 on a benefit formula basis.

Past service cost is amortized by the straight-line method over a portion (10 years) of the estimated average remaining service years of employees at the time the cost was incurred.

Actuarial gains and losses are amortized by the declining balance method over a portion (10 years) of the estimated average of remaining service years of employees at the time the gains or losses are incurred in each fiscal year, from the following fiscal year.

6. Basis for recognizing revenue and expenses

The Company mainly engages in the manufacture and sale of products in the Green Energy & Chemicals and Specialty Chemicals Businesses, and revenue from sales of these products is recognized when they are delivered to the customer, as the Company determines that the customer acquires control over the products at the time of delivery of the products to the customer and the performance obligations are deemed to be satisfied.

7. Other significant matters forming the basis for preparation of non-consolidated financial statements

(i) Hedge accounting treatment

Exceptional accounting is applied to interest rate swaps that meet the requirements.

(ii) Accounting methods for retirement benefits

The accounting methods for unrecognized actuarial gains and losses and unrecognized past service cost related to retirement benefits differ from those used in the consolidated financial statements.

Significant accounting estimates

Impairment of non-current assets

(1) Amounts recognized in the non-consolidated financial statements for the fiscal year

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Property, plant and equipment	129,008	135,580
Intangible assets	3,013	4,833
Impairment losses	628	446

(2) Information on details of significant accounting estimates pertaining to identified items

Non-current assets held by the Company are to be accounted for on the basis of the “Accounting Standard for Impairment of Fixed Assets.” Accordingly, certain assumptions have been made regarding years of remaining economic useful life, future cash flows, discount rates and other such variables in calculating recoverable amounts used in measuring impairment.

Whereas these assumptions are based on best estimates of management, they may be subject to changes with respect to future uncertainties in terms of economic conditions. Accordingly, any necessary revision in that regard could materially affect amounts recognized in the non-consolidated financial statements of subsequent fiscal years.

Details of impairment losses recorded in the non-consolidated financial statements for the fiscal years ended March 31, 2024 and 2025 are presented in “Notes to non-consolidated financial statements, Non-consolidated statements of income*6 and *10.”

Changes in accounting policies

Application of the “Accounting Standard for Current Income Taxes,” etc.

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter the “Revised Accounting Standard of 2022”), etc. from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies has no impact on the non-consolidated financial statements.

Non-consolidated balance sheets

*1 Pledged assets

Assets pledged as collateral are as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Investment securities ^(Note 1)	1,574	1,398
Shares of subsidiaries and associates ^(Note 2)	4,243	4,243

As of March 31, 2024

(Note 1) Investment securities of ¥1,574 million are pledged as collateral for bonds and borrowings of Fukushima Gas Power Co., Ltd.

(Note 2) Shares of subsidiaries and associates of ¥2,550 million are pledged as collateral for borrowings of Appi Geothermal Energy Corporation and ¥1,693 million are pledged as collateral for borrowings of Yuzawa Geothermal Power Corporation.

As of March 31, 2025

(Note 1) Investment securities of ¥1,398 million are pledged as collateral for bonds and borrowings of Fukushima Gas Power Co., Ltd.

(Note 2) Shares of subsidiaries and associates of ¥2,550 million are pledged as collateral for borrowings of Appi Geothermal Energy Corporation and ¥1,693 million are pledged as collateral for borrowings of Yuzawa Geothermal Power Corporation.

*2 Reduction entry directly deducted from the acquisition price of property, plant and equipment is as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Buildings	4,189	4,164
Structures	994	1,015
Machinery and equipment	3,012	4,004
Tools, furniture and fixtures	243	250
Land	1,527	1,527
Vehicles	15	15
Total	9,983	10,978

3 The Company has the following guarantee obligations as contingent liabilities.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
MGC Specialty Chemicals Netherlands B.V.	2,033	MGC Specialty Chemicals Netherlands B.V. 21,031
DP Engineering Plastics (Nantong) Co., Ltd.	6,031	DP Engineering Plastics (Nantong) Co., Ltd. 9,922
MGC Pure Chemicals America, Inc.	3,694	MGC Pure Chemicals America, Inc. 6,638
Taixing MGC Lingsu Co., Ltd.	5,103	Taixing MGC Lingsu Co., Ltd. 3,875
Korea Polyacetal Co., Ltd.	3,150	Korea Polyacetal Co., Ltd. 2,034
Abashiri Biomass Power 2 LLC.	1,584	Abashiri Biomass Power 2 LLC. 1,466
Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd.	5,020	Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd. 1,441
Abashiri Biomass Power 3 LLC.	1,686	Abashiri Biomass Power 3 LLC. 1,396
Appi Geothermal Energy Corporation	1,122	Appi Geothermal Energy Corporation 1,122
Employee	7	Employee 5
5 other companies	3,438	4 other companies 2,672
Total	32,872	Total 51,606

4 Monetary receivables from and monetary payables to subsidiaries and associates (excluding those presented separately) are as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Short-term monetary receivables	107,999	98,794
Long-term monetary receivables	7,178	9,784
Short-term monetary payables	78,673	72,955

Non-consolidated statements of income

1 Transactions with subsidiaries and associates are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Volume of business transactions		
Net sales	243,702	250,873
Purchase of goods	120,410	127,930
Volume of non-business transactions	35,131	22,434

*2 Main items and amounts of selling, general and administrative expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Freight cost	9,023	9,634
Stevedoring and warehouse fee	1,317	1,455
Salaries	7,146	7,600
Bonuses and provision for bonuses	2,837	2,794
Retirement benefit expenses	442	(305)
Legal and other welfare expenses	2,445	2,664
Rent expenses	1,931	2,017
Depreciation	4,112	4,687
Research supplies expenses	4,533	6,527
Outsourced labor cost	4,779	5,855
Outsourcing expenses	1,843	2,059

Of selling, general and administrative expenses, the approximate ratio of expenses categorized as selling expenses was 41% in the fiscal year ended March 31, 2024 and 40% in the fiscal year ended March 31, 2025, while the approximate ratio of expenses categorized as general and administrative expenses was 59% in the fiscal year ended March 31, 2024 and 60% in the fiscal year ended March 31, 2025.

*3 Details of subsidy income are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Subsidy income	893	1,419

“Subsidy income” in the fiscal year ended March 31, 2024 represents subsidies granted by the National Research and Development Agency New Energy and Industrial Technology Development Organization (NEDO) and other organizations.

“Subsidy income” in the fiscal year ended March 31, 2025 represents Okayama Prefecture Subsidies System for Large-Scale Investment/Base Development Promotion granted by Okayama Prefecture and subsidies granted by the National Research and Development Agency New Energy and Industrial Technology Development Organization (NEDO) and other organizations.

*4 Details of reversal of allowance for doubtful accounts are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Reversal of allowance for doubtful accounts	—	310

“Reversal of allowance for doubtful accounts” in the fiscal year ended March 31, 2025 is the reversal of allowance for doubtful accounts for subsidiaries and associates.

*5 Details of insurance claim income are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Insurance claim income	1,434	167

“Insurance claim income” in the fiscal year ended March 31, 2024 relates to the suspension of production facilities, etc.

“Insurance claim income” in the fiscal year ended March 31, 2025 relates to accidents at production facilities, etc.

*6 Details of business restructuring expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Business restructuring expenses	–	1,013

“Business restructuring expenses” in the fiscal year ended March 31, 2025 are expenses associated with the restructuring, such as the engineering plastics business, and xylene isomers and derivatives thereof, which are being implemented by the Group. The breakdown of business restructuring expenses is ¥669 million for provision for business restructuring, ¥206 million for impairment losses, ¥128 million for loss on valuation of inventories, and ¥9 million for other losses.

Significant impairment losses included in business restructuring expenses

Location	Usage	Category	Impairment losses
Kurashiki-shi, Okayama	Production facility for xylene isomers and derivatives thereof	Machinery and equipment, etc.	¥206 million

The long-lived assets that are used for business are grouped according to the classification which is used for monitoring the profit and loss continuously under the management accounting system, and the idle assets are grouped individually by each item.

Regarding some of the production facilities for xylene isomers and derivatives thereof owned by the Company, the carrying amount was reduced to the recoverable amount as the recoverable amount fell below the carrying amount, and the reduction was recorded as an impairment loss of ¥206 million. The breakdown is ¥173 million for machinery, equipment and vehicles, and ¥32 million for buildings and structures.

The recoverable amount of the production facilities for xylene isomers and derivatives thereof owned by the Company is normally measured based on value in use. However, due to negative future cash flows, it is valued based on the memorandum value.

*7 Details of loss on tax purpose reduction entry of non-current assets are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Loss on tax purpose reduction entry of non-current assets	704	963

“Loss on tax purpose reduction entry of non-current assets” in the fiscal year ended March 31, 2024 is the amount directly deducted from the acquisition cost due to subsidy income.

“Loss on tax purpose reduction entry of non-current assets” in the fiscal year ended March 31, 2025 is the amount directly deducted from the acquisition cost due to subsidy income.

*8 Loss compensation

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Loss compensation	—	807

“Loss compensation” in the fiscal year ended March 31, 2025 is due mainly to compensation to customers for defects in certain electronic materials products manufactured and sold by the Company and its consolidated subsidiaries.

The breakdown is ¥736 million for loss compensation and ¥70 million for provision for loss compensation.

*9 Details of provision of allowance for doubtful accounts are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Provision of allowance for doubtful accounts	510	250

“Provision of allowance for doubtful accounts” in the fiscal year ended March 31, 2024 is for subsidiaries and associates.

“Provision of allowance for doubtful accounts” in the fiscal year ended March 31, 2025 is for subsidiaries and associates.

*10 Details of impairment losses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Impairment losses	628	240

Significant impairment losses recorded in the fiscal year ended March 31, 2024 are as follows:

Location	Usage	Category	Impairment losses
Tainai-shi, Niigata	Production facilities for natural gas and crude oil	Machinery and equipment, etc.	¥429 million

The long-lived assets that are used for business are grouped according to the classification which is used for monitoring the profit and loss continuously under the management accounting system, and the idle assets are grouped individually by each item.

Regarding the production facilities for natural gas and crude oil owned by the Company, the carrying amount was reduced to the recoverable amount as the recoverable amount fell below the carrying amount, and the reduction was recorded as an impairment loss of ¥429 million. The breakdown is ¥422 million for machinery, equipment and vehicles, and ¥7 million for others.

The recoverable amount of the production facilities for natural gas and crude oil is measured based on value in use, and the future cash flows used in the measurement of value in use are discounted at 6%.

The information on impairment losses other than the above is omitted as it is immaterial.

Significant impairment losses recorded in the fiscal year ended March 31, 2025 are as follows:

Location	Usage	Category	Impairment losses
Shirakawa-shi, Fukushima	Rental facilities	Construction in progress, etc.	¥187 million

The long-lived assets that are used for business are grouped according to the classification which is used for monitoring the profit and loss continuously under the management accounting system, and the idle assets are grouped individually by each item.

Regarding some of the rental facilities leased to subsidiaries and associates owned by the Company, their carrying amount was reduced to the recoverable amount as the recoverable amount fell below the carrying amount, and the reduction was recorded as an impairment loss of ¥187 million. The breakdown is ¥1 million for machinery, equipment and vehicles, ¥185 million for construction in progress, and ¥0 million for others.

The recoverable amount of the rental facilities owned by the Company is normally measured based on value in use. However, due to negative future cash flows, it is valued based on the memorandum value.

The information on impairment losses other than the above is omitted as it is immaterial.

*11 Details of loss on disposal of non-current assets are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Loss on disposal of non-current assets	307	200

“Loss on disposal of non-current assets” in the fiscal year ended March 31, 2024 is due to removal of buildings, etc.

“Loss on disposal of non-current assets” in the fiscal year ended March 31, 2025 is due to removal of production facilities.

Securities

Shares of subsidiaries and associates

As of March 31, 2024

Category	Amount recorded on balance sheet (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
Shares of subsidiaries	—	—	—
Shares of associates	8,407	28,568	20,160
Total	8,407	28,568	20,160

As of March 31, 2025

Category	Amount recorded on balance sheet (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
Shares of subsidiaries	—	—	—
Shares of associates	8,407	25,462	17,054
Total	8,407	25,462	17,054

Note: Amount of shares, etc. without market prices recorded on the balance sheet not included in the above

Category	As of March 31, 2024 (Millions of yen)	As of March 31, 2025 (Millions of yen)
Shares of subsidiaries	103,143	116,178
Shares of associates	27,036	26,808

Tax effect accounting

1. Breakdown of deferred tax assets and liabilities by major components

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Provision for retirement benefits	5,703	5,915
Allowance for doubtful accounts	824	811
Revision to the carrying amount of investments	321	330
Depreciation	116	119
Impairment losses	1,212	1,135
Loss on valuation of shares of subsidiaries and associates	9,574	10,976
Loss on valuation of investment securities	622	561
Provision for bonuses	889	895
Asset retirement obligations	1,360	1,670
Other	3,168	3,914
Subtotal deferred tax assets	23,794	26,329
Valuation allowance	(21,067)	(16,935)
Total deferred tax assets	2,727	9,394
Deferred tax liabilities		
Prepaid pension costs	—	(73)
Gain on contribution of securities to retirement benefit trust	(1,255)	(1,172)
Reserve for tax purpose reduction entry of non-current assets	(1,155)	(1,131)
Valuation difference on available-for-sale securities	(5,935)	(4,848)
Reserve for mine prospecting	(782)	(774)
Asset retirement cost for asset retirement obligations	(130)	(107)
Other	(28)	(28)
Total deferred tax liabilities	(9,287)	(8,136)
Net deferred tax assets (liabilities)	(6,559)	1,257

2. Reconciliation of significant differences between the statutory tax rate and the effective income tax rate after application of deferred tax accounting by major components causing the differences

	As of March 31, 2024		As of March 31, 2025	
	30.6	%	30.6	%
Statutory tax rate				
(Adjustments)				
Expenses not deductible permanently, such as entertainment expenses	0.1		0.1	
Income not taxable permanently, such as dividend income	(20.9)		(15.5)	
Proportional resident tax	0.1		0.1	
Foreign taxes	1.0		1.3	
Tax credit for experimental and research expenses	(3.1)		(5.5)	
Changes in valuation allowance	10.6		(12.6)	
Enterprise tax-exempt income	(0.2)		(0.4)	
Other	(4.9)		(4.1)	
Effective income tax rate after application of deferred tax accounting	13.3		(6.0)	

3. Amendments to the amounts of deferred tax assets and deferred tax liabilities due to changes in tax rate of income taxes

Due to the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) in the Japanese Diet on March 31, 2025, the “Special Corporation Tax for National Defense” will be imposed from the fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be reversed in the fiscal years beginning on or after April 1, 2026 are calculated by changing the statutory tax rate from 30.62% to 31.52%.

As a result of this change, the amount of deferred tax assets (the amount after deducting deferred tax liabilities) decreased by ¥54 million, income taxes - deferred decreased by ¥83 million, and valuation difference on available-for-sale securities decreased by ¥138 million in the fiscal year ended March 31, 2025.

Revenue recognition

Information that provides a basis for understanding revenue from contracts with customers is omitted because the same information is presented in “Notes to consolidated financial statements, Revenue recognition.”

Significant subsequent events

Issuance of unsecured bonds

At the Board of Directors meeting held on May 12, 2025, the Company made a comprehensive resolution to issue domestic unsecured straight bonds.

- | | | |
|-----|-------------------------|---|
| (1) | Total amount issued | ¥20,000 million or less |
| (2) | Term of redemption | Within 10 years |
| (3) | Redemption method | Lump-sum redemption at maturity |
| (4) | Interest rate | +0.9% or less of the yield on government bonds of the same maturity |
| (5) | Amount to be paid in | ¥100 or more per ¥100 of each bond |
| (6) | Scheduled issuance date | Until September 30, 2025 |

- | | | |
|-----|--------------|--|
| (7) | Use of funds | Funds are planned to be used for redemption of bonds, redemption of commercial paper, repayment of borrowings, capital investment, working capital, acquisition of securities and investment. |
| (8) | Other | The determination of the matters listed in each item of Article 676 of the Companies Act and all other matters necessary for the issuance of bonds shall be entrusted to Director in charge of finance within the scope described above. |

(iv) Supplemental schedules

Schedule of property, plant and equipment

(Millions of yen)

Category	Type of assets	Balance at beginning of period	Increase during period	Decrease during period	Depreciation during period	Balance at end of period	Accumulated depreciation
Property, plant and equipment	Buildings	26,957	3,330	29 [13]	2,016	28,240	38,503
	Structures	14,526	2,098	57 [19]	1,280	15,287	39,120
	Machinery and equipment	44,533	17,246	1,245 [227]	11,025	49,508	251,682
	Vehicles	34	43	0	17	59	830
	Tools, furniture and fixtures	4,982	2,996	37 [0]	2,086	5,855	25,111
	Land	19,115	—	—	—	19,115	—
	Leased assets	83	—	11	48	24	24
	Construction in progress	18,776	26,832	28,120 [185]	—	17,488	—
	Total	129,008	52,547	29,502 [446]	16,474	135,580	355,273
Intangible assets	Patent right	79	10	0	15	74	—
	Software	2,914	3,025	9	1,201	4,728	—
	Other	19	12	—	1	30	—
	Total	3,013	3,047	9	1,217	4,833	—

Notes: 1. The amount in parentheses in decrease during the period is the amount of impairment loss recorded.
Of the above impairment losses, ¥206 million is included in “Business restructuring expenses.”

2. Major components of the increase during the period are as follows:

Buildings	Niigata Plant building, etc.	¥2,224 million
	Mizushima Plant building, etc.	¥343 million
Machinery and equipment	Niigata Plant production facilities, etc.	¥10,246 million
	Mizushima Plant production facilities, etc.	¥2,283 million
Construction in progress	Yokkaichi Plant production facilities, etc.	¥7,346 million
	Niigata Plant production facilities, etc.	¥6,250 million

3. Accumulated depreciation includes accumulated impairment losses.

Schedule of provisions

(Millions of yen)

Account	Balance at beginning of period	Increase during period	Decrease during period	Balance at end of period
Allowance for doubtful accounts	2,692	284	381	2,594
Provision for bonuses	2,906	2,924	2,906	2,924
Provision for loss on business of subsidiaries and associates	15	46	15	46
Provision for business restructuring	2,473	784	736	2,521
Provision for loss compensation	—	168	97	70

(2) Details of major assets and liabilities

This information is omitted because the Company prepares the consolidated financial statements.

(3) Other information

Not applicable.

VI. Overview of Share-related Administration of the Company

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	In June
Record date	March 31
Record date for dividends of surplus	September 30 March 31
Number of shares per stock transaction unit	100 shares
Shareholder register administrator	Mitsubishi UFJ Trust and Banking Corporation, 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Handling fees for repurchase or additional purchase of shares less than one unit	Free
Method of public notice	Public notices are published electronically. In case the method of electronic public notice is not available due to unavoidable circumstances, such notice shall be given by Nihon Keizai Shimbun published in Tokyo. Website for public notices https://www.mgc.co.jp/ir/publicinfo.html (in Japanese)
Special benefits to shareholders	None

- Notes:
1. The Company has introduced the additional purchase program for shares less than one unit.
 2. Pursuant to the provisions of the Company's Articles of Incorporation, holders of shares less than one unit may not exercise rights other than rights provided for in each item in Article 189, paragraph (2) of the Companies Act, that is, rights to demand acquisition of shares with put option, rights to receive the allotment of shares for subscription or share options for subscription, and rights to demand purchase of additional shares less than one unit.

VII. Reference Information on the Reporting Company

1. Information on the parent company or equivalent of the reporting company

The Company has no parent company or equivalent as prescribed in Article 24-7, paragraph (1) of the Financial Instruments and Exchange Act.

2. Other reference information

The Company filed the following documents in the period from the beginning of the fiscal year ended March 31, 2025 to the date of submission of the Annual Securities Report.

(1) Annual Securities Report and its attachments and Confirmation Letter

The 97th fiscal year (from April 1, 2023 to March 31, 2024)

Submitted to the Director-General of the Kanto Local Finance Bureau on June 25, 2024

(2) Internal Control Report and its attachments

Submitted to the Director-General of the Kanto Local Finance Bureau on June 25, 2024

(3) Semi-annual Securities Reports and Confirmation Letter

First half of the 98th fiscal year (from April 1, 2024 to September 30, 2024)

Submitted to the Director-General of the Kanto Local Finance Bureau on November 13, 2024

(4) Extraordinary Report

Submitted to the Director-General of the Kanto Local Finance Bureau on June 25, 2024

Extraordinary Report based on the provisions of Article 19, paragraph (2), item (ii)-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Disposal of treasury shares based on a restricted stock compensation plan)

Submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2024

Extraordinary Report based on the provisions of Article 19, paragraph (2), item (ix)-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Results of the exercise of voting rights at the General Meeting of Shareholders)

Submitted to the Director-General of the Kanto Local Finance Bureau on February 4, 2025

Extraordinary Report based on the provisions of Article 19, paragraph (2), item (ix) of the Cabinet Office Order on Disclosure of Corporate Affairs (Change to the representative director)

Submitted to the Director-General of the Kanto Local Finance Bureau on February 14, 2025

Extraordinary Report based on the provisions of Article 19, paragraph (2), item (ix) of the Cabinet Office Order on Disclosure of Corporate Affairs (Change to the representative director)

(5) Amended Shelf Registration Statement

Amended Shelf Registration Statement pertaining to Shelf Registration Statement (for issuance of shares and bonds, etc.) submitted on October 20, 2023

Submitted to the Director-General of the Kanto Local Finance Bureau on June 25, 2024

Amended Shelf Registration Statement pertaining to Shelf Registration Statement (for issuance of shares and bonds, etc.) submitted on October 20, 2023

Submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2024

Amended Shelf Registration Statement pertaining to Shelf Registration Statement (for issuance of shares and bonds, etc.) submitted on October 20, 2023

Submitted to the Director-General of the Kanto Local Finance Bureau on February 4, 2025

Amended Shelf Registration Statement pertaining to Shelf Registration Statement (for issuance of shares and bonds, etc.) submitted on October 20, 2023

Submitted to the Director-General of the Kanto Local Finance Bureau on February 14, 2025

- (6) Shelf Registration Supplements (for issuance of shares and bonds, etc.) and its attachments
Submitted to the Director-General of the Kanto Local Finance Bureau on December 5, 2024
- (7) Share Buyback Report
Submitted to the Director-General of the Kanto Local Finance Bureau on December 10, 2024
Submitted to the Director-General of the Kanto Local Finance Bureau on January 15, 2025
Submitted to the Director-General of the Kanto Local Finance Bureau on February 10, 2025
Submitted to the Director-General of the Kanto Local Finance Bureau on March 7, 2025
Submitted to the Director-General of the Kanto Local Finance Bureau on April 14, 2025

Part II. Information on Guarantors for the Reporting Company

Not applicable.

Independent Auditors' Audit Report and Internal Control Audit Report

June 24, 2025

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

Crowe Toyo & Co.
Tokyo office

Akio Enokura, CPA
Designated Partner,
Engagement Partner

Shoichi Oyama, CPA
Designated Partner,
Engagement Partner

Ryuji Soda, CPA
Designated Partner,
Engagement Partner

<Audit of Consolidated Financial Statements>

Opinion

For the purpose of audit certification pursuant to the provisions in Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Mitsubishi Gas Chemical Company, Inc. (the "Company") included in the "Financial Information" section, namely, the consolidated balance sheets, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statement of changes in net assets, the consolidated statement of cash flows, significant matters forming the basis for preparation of consolidated financial statements, other notes and annexed consolidated detailed schedules for the fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2025, and their financial performance and cash flows for the fiscal 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year under review. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition and measurement of impairment losses on non-current assets for Mitsubishi Gas Chemical Company, Inc.	
Description of key audit matters and reasons for determination	Auditor's responses
<p>Mitsubishi Gas Chemical Company, Inc. (the "Company") is primarily a manufacturer, and has many manufacturing bases in Japan, as stated in "III. Information About Facilities." The balance of property, plant and equipment and intangible assets as of March 31, 2025 totaled ¥366,560 million (including ¥135,580 million for the Company's portion) and ¥24,995 million (including ¥4,833 million for the Company's portion), respectively, which represents a significant 35.0% of the total assets in the consolidated financial statements. As stated in "Significant accounting estimates" in the Notes to consolidated financial statements, the Company recorded an impairment loss on non-current assets of ¥929 million (including ¥446 million for the Company's portion) in the fiscal year ended March 31, 2025.</p> <p>Under the new medium-term management plan "Grow UP 2026," the Company is promoting a "focus on 'Uniqueness & Presence'," "building new value through innovation," and "restructuring businesses requiring intensive management" as measures to strengthen the resiliency of our business portfolio. The business environment surrounding the Company during the fiscal year ended March 31, 2025 continued to be uncertain due to U.S. tariffs and other circumstances, in addition to the economic stagnation in China and the prolonged conflicts in the Middle East region and Ukraine.</p> <p>Under the above-mentioned management policy and management environment, indicators of impairment of non-current assets may arise due to deterioration of business profit or loss, withdrawal from businesses, new idle and non-operating assets arising, etc. If the total amount of future cash flows of a business related to the asset fell below the carrying amount of the non-current asset, an impairment loss on the non-current asset will be recognized.</p> <p>The business plan, which is the basis for future cash flow projection, is largely comprised of management's judgement and estimate and has possibilities to be subject to future market trends of products. Consequently, as the estimates and assumptions by the management include high uncertainty, we determined the recognition and measurement of impairment losses on non-current assets to be a key audit matter.</p>	<p>In regard to examining the recognition and measurement of impairment losses on non-current assets by the Company, we performed mainly the following audit procedures.</p> <ul style="list-style-type: none"> • Evaluating the effectiveness of design and operation of internal control over the impairment losses on non-current assets. • Holding discussions with the management and the person in charge of business, and understanding the management policy in the business plan and the capital investment plan, which are the basis of future cash flow. • Obtaining reports of market research companies on future market size and price trends, and examining the rationality of the estimates with regard to selling unit prices and sales volume of products in the business plan. • Confirming the consistency with budget approved by the Budgeting Conference with regard to the business plan for the next fiscal year. • It was confirmed that the calculation of the net sale values of important movable assets and real estate in the business plan were consistent with the appraisal reports of external experts. • We engaged our experts to review the valuation methods and assumptions used in the appraisal reports of external experts utilized by management.

Other Information

Other information consists of information contained in the Annual Securities Report other than the consolidated financial statements and non-consolidated financial statements and the audit reports thereon. 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 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. We also:

- 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 us. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, consider 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.
- Conclude 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, conclude 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, we are 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 our conclusions 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.
- Plan and perform audit of the consolidated financial statements in order to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for expressing an opinion on the consolidated financial statements. We are responsible for directing, supervising, and inspecting the audit of the consolidated financial statements, and are solely responsible for the audit opinion.

We report 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.

We report 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 our independence and any measures that are taken to eliminate obstacles or any safeguards that are applied to reduce obstacles to an acceptable level.

Of the matters discussed with Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine the matters that are considered to be particularly important for the audit of the consolidated financial statements for the fiscal year ended March 31, 2025 as key audit matters, and shall include them in the audit report. However, we do not include such matters in the audit report if the disclosure of such matters is prohibited by laws and regulations or if, although in extremely rare circumstances, we determine that such matters should not be reported because the disadvantages of reporting such matters in the audit report are reasonably expected to outweigh the public interest.

<Internal Control Audit>

Opinion

For the purpose of providing audit certification in accordance with Article 193-2, paragraph (2) of the Financial Instruments and Exchange Act, we have audited the internal control report of Mitsubishi Gas Chemical Company, Inc. as of March 31, 2025.

In our opinion, the internal control report referred to above, which represents that the internal control over financial reporting of Mitsubishi Gas Chemical Company, Inc. as of March 31, 2025 is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in conformity with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for the Opinion

We conducted our internal control audit in accordance with auditing standards on internal control over financial reporting generally accepted in Japan. Our responsibility under auditing standards on internal control over financial reporting is stated in “Auditor’s Responsibility for the Internal Control Audit.” 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.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Internal Control Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the internal control report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect misstatements in financial reporting.

Auditor’s Responsibility for the Internal Control Audit

Our responsibility is to obtain reasonable assurance about whether the internal control report is free from material misstatement and to express an opinion on the internal control report from an independent standpoint in an internal control audit report, based on our internal control audit.

We make professional judgment in the audit process in accordance with auditing standards on internal control over financial reporting generally accepted in Japan, and perform the following while maintaining professional skepticism. We also:

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in the internal control report. The procedures selected depend on our judgment, including the significance of effects on reliability of financial reporting.
- Examine representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of the internal control report.

- Plan and perform internal control audit in order to obtain sufficient and appropriate audit evidence regarding the results of the assessment of internal control over financial reporting in the internal control report. We are responsible for directing, supervising, and inspecting the audit of the internal control report, and are solely responsible for the audit opinion.

We report to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned internal control audit, the results of the internal control audit, material weaknesses in internal control identified that should be disclosed, the results of their correction, and other matters required under the auditing standards on internal control.

We report 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 our independence and any measures that are taken to eliminate obstacles or any safeguards that are applied to reduce obstacles to an acceptable level.

<Remuneration-related Information>

The amounts of fees for audit certification services and fees for non-audit services of the Company and its subsidiaries paid to our firm and those belonging to the same network of our firm are described in Status of corporate governance, etc., (3) Information about audit in “Information About Reporting Company.”

Conflicts of Interest

Our firm and its engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act.

End

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- Notes: 1. The document presented above is a digitized copy of the original version of the audit report. The original report is kept separately by the Company.
2. The XBRL data is not included in the scope of audit.

Independent Auditors' Report

June 24, 2025

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

Crowe Toyo & Co.
Tokyo office

Akio Enokura, CPA
Designated Partner,
Engagement Partner

Shoichi Oyama, CPA
Designated Partner,
Engagement Partner

Ryuji Soda, CPA
Designated Partner,
Engagement Partner

<Audit of Non-Consolidated Financial Statements> Opinion

For the purpose of audit certification pursuant to the provisions in Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, we have audited the non-consolidated financial statements of Mitsubishi Gas Chemical Company, Inc. (the “Company”) included in the “Financial Information” section, namely, the balance sheets, the statements of income, the statement of changes in net assets, significant accounting policies, other notes and supplemental schedules for the 98th fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and its financial performance for the fiscal 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 Non-consolidated 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the fiscal year under review. These matters were addressed in the context of our audit of the non-consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition and measurement of impairment losses on non-current assets for Mitsubishi Gas Chemical Company, Inc.
This information is omitted because it is identical to the key audit matter (Recognition and measurement of impairment losses on non-current assets for Mitsubishi Gas Chemical Company, Inc.) in the audit report on the consolidated financial statements.

Other Information

Other information consists of information contained in the Annual Securities Report other than the consolidated financial statements and non-consolidated financial statements and the audit reports thereon. 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 reporting process for other information.

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

Our responsibility with respect to the audit of the non-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 non-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 Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the non-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 Non-Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the non-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 non-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. We also:

- 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 us. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, consider 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 non-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.
- Conclude whether it is appropriate for management to prepare the non-consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, conclude 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, we are required to call attention to the notes to the non-consolidated financial statements in the audit report, or if the notes to the non-consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the non-consolidated financial statements. While our conclusions 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 non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the non-consolidated financial statements including related notes, and whether the non-consolidated financial statements fairly present the transactions and accounting events on which they are based.

We report 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.

We report 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 our independence and any measures that are taken to eliminate obstacles or any safeguards that are applied to reduce obstacles to an acceptable level.

Of the matters discussed with Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine the matters that are considered to be particularly important for the audit of the non-consolidated financial statements for the fiscal year ended March 31, 2025 as key audit matters, and shall include them in the audit report. However, we do not include such matters in the audit report if the disclosure of such matters is prohibited by laws and regulations or if, although in extremely rare circumstances, we determine that such matters should not be reported because the disadvantages of reporting such matters in the audit report are reasonably expected to outweigh the public interest.

<Remuneration-related Information>

Remuneration-relation information is provided in the audit report on the consolidated financial statements.

Conflicts of Interest

Our firm and its engagement partners have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

End

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- Notes: 1. The document presented above is a digitized copy of the original version of the audit report. The original report is kept separately by the Company.
2. The XBRL data is not included in the scope of audit.

[Cover]

[Document title]	Confirmation Letter
[Clause of stipulation]	Article 24-4-2, paragraph (1) of the Financial Instruments and Exchange Act
[Place of filing]	Director-General of the Kanto Local Finance Bureau
[Filing date]	June 24, 2025
[Company name]	三菱瓦斯化学株式会社 (<i>Mitsubishi Gas Kagaku Kabushiki Kaisha</i>)
[Company name in English]	MITSUBISHI GAS CHEMICAL COMPANY, INC.
[Title and name of representative]	Yoshinori Isahaya, Representative Director, President
[Title and name of chief financial officer]	Not applicable.
[Address of registered headquarters]	5-2 Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

1. Appropriateness of the descriptions in this Annual Securities Report

The Company's Representative Director Yoshinori Isahaya confirmed that information contained in the Company's Annual Securities Report for the 98th fiscal year (from April 1, 2024 to March 31, 2025) was described appropriately in accordance with the Financial Instruments and Exchange Act and related regulations.

2. Special notes

There are no matters to be noted.

[Cover]

[Document title]	Internal Control Report
[Clause of stipulation]	Article 24-4-4, paragraph (1) of the Financial Instruments and Exchange Act
[Place of filing]	Director-General of the Kanto Local Finance Bureau
[Filing date]	June 24, 2025
[Company name]	三菱瓦斯化学株式会社 (<i>Mitsubishi Gas Kagaku Kabushiki Kaisha</i>)
[Company name in English]	MITSUBISHI GAS CHEMICAL COMPANY, INC.
[Title and name of representative]	Yoshinori Isahaya, Representative Director, President
[Title and name of chief financial officer]	Not applicable.
[Address of registered headquarters]	5-2 Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

1. Basic framework for internal control over financial reporting

President and Representative Director Yoshinori Isahaya is responsible for the design and operation of internal control over financial reporting, and has designed and operated internal control over financial reporting in accordance with the basic framework for internal control set forth in “On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)” released by the Business Accounting Council.

Internal control is aimed at achieving its goal to a reasonable extent through basic elements of internal control organically intertwining and functioning in an integrated manner. Accordingly, internal control over financial reporting may not fully prevent or detect misstatements in financial reporting.

2. Scope of assessment, record date, and assessment procedures

The assessment of internal control over financial reporting was made with March 31, 2025 as the record date, which is the last day of the fiscal year ended, and in the assessment, we complied with assessment standards for internal control over financial reporting generally accepted in Japan.

In this assessment, we assessed internal control that significantly affects the entire financial reporting on a consolidated basis (Company Level Controls), and then, based on the result, selected business processes to be assessed. In the assessment of the business processes, we made an assessment of effectiveness of internal control by analyzing the selected business processes, and then identifying key controls that have significant impact on credibility of financial reporting and assessing the design and operation for the key controls.

As for the scope of the assessment of internal control over financial reporting, a necessary scope was determined from the viewpoint of materiality of impact on credibility of financial reporting for the Company and its consolidated subsidiaries and entities accounted for using equity method. Materiality of impact on credibility of financial reporting was determined in light of materiality in terms of the amount and quality. The scope of assessment of internal control over the business processes was reasonably determined based on the result of the assessment of Company Level Controls made targeting the Company and its consolidated subsidiaries as well as entities accounted for using equity method, excluding business locations which were judged to be insignificant from the perspective of materiality.

As for the scope of the assessment of internal control over the business processes, based on a perspective of monetary significance, we added up the average net sales (after elimination of transactions between consolidated companies) for the last four fiscal years of each business location in descending order based on the amount of net sales. Taking into account that they constitute approximately two-thirds of consolidated net sales, and considering the total assets of the consolidated Group and the qualitative importance to our business, we have deemed the Company and two business locations to be “significant business entities” for the current fiscal year.

In the selected significant business entities, as account items that are closely associated with the company’s business objectives, business processes concerning net sales, accounts receivable - trade, inventories, etc. were subject to the assessment. We have selected these as account items that are closely associated with the company’s business objectives, noting that account items equivalent to net sales and accounts receivable - trade are directly related to the company’s revenue-generating activities, and that net sales, accounts receivable - trade, and inventories, etc. are representative account items that have been used in various cases of fraudulent financial reporting in the past. In addition, as the Company is mainly engaged in the chemical business, where manufacturing facilities account for a large portion of business assets, we have considered the risk of misstatements regarding property, plant, and equipment, and have determined that non-current assets, which are also account items that are closely associated with the company’s business objectives, should be included in the scope of the evaluation of business processes.

Furthermore, business processes related to significant account items for which the possibility of material misstatements is high and which involve estimates and forecasts, and business processes related to businesses or operations in which transactions with a great risk are conducted were added to matters to be assessed as highly significant business processes in view of the impact on financial reporting. Concretely speaking, as part of our financial statement and financial reporting process, we individually evaluate items such as provision for bonuses, provision for retirement benefits, accounting for impairment of non-current assets, valuation of securities, calculation of income taxes, and deferred tax assets, which are important account items accompanied by estimates and management forecasts and may ultimately have a significant impact on financial reporting. In terms of business locations, consolidated subsidiaries whose sales are not included in 95% of consolidated sales were excluded from the evaluation because, after consultation with the auditor, it was determined that their impact on the Group’s business is minimal. In addition, with regard to the

consolidated subsidiaries that account for 95% of consolidated net sales, we have determined that there are no new entities to be added to the scope of evaluation for the current fiscal year, based on individual assessments considering factors such as the potential for risk occurrence immediately after a business combination or in highly independent business locations engaged in businesses that are not considered core businesses.

3. Results of the assessment

As a result of the above assessment, we judged that the Company's internal control over financial reporting was effective as of March 31, 2025.

4. Supplementary notes

Not applicable.

5. Special notes

Not applicable.