

Human Resource Strategy

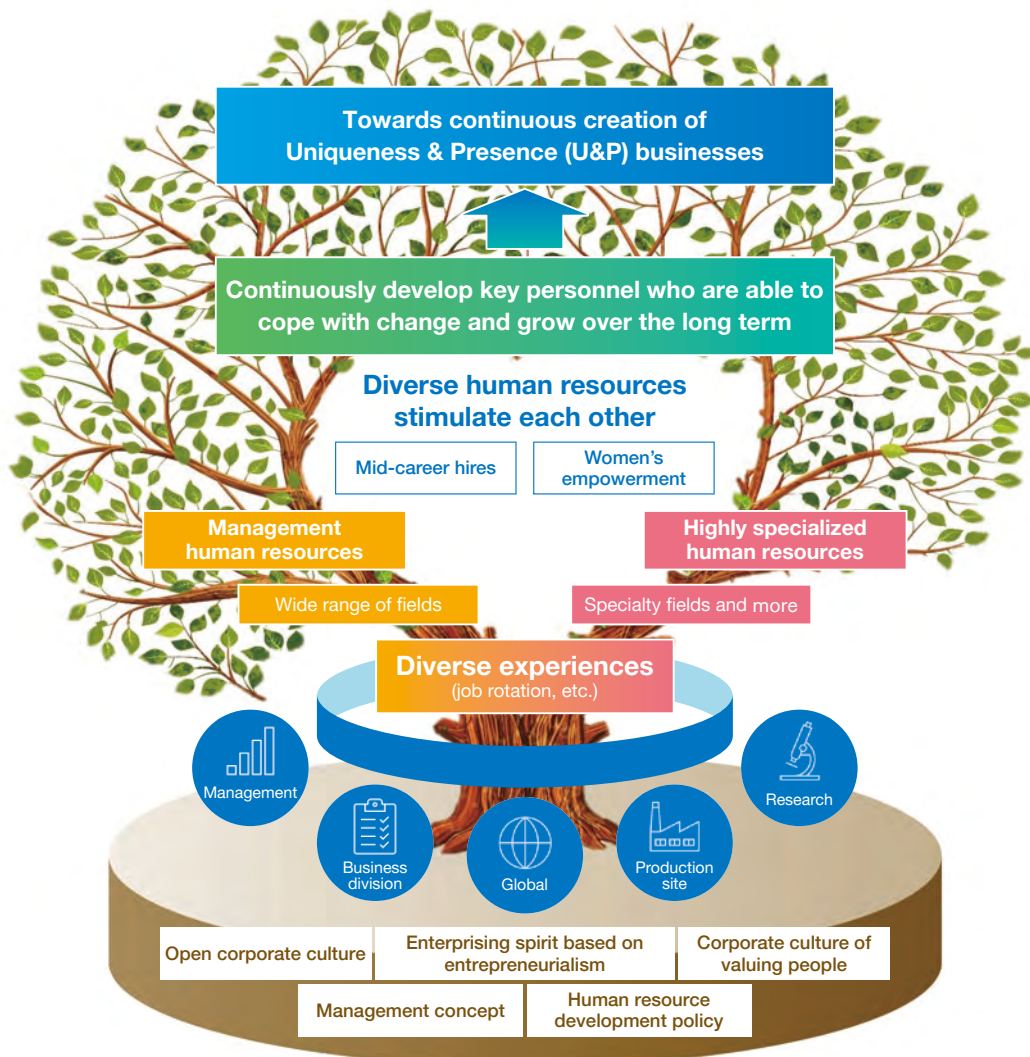
MGC's Human Capital Management

MGC's defining philosophy begins with "striving to create a place where there is job satisfaction and a dynamic group in which motivations and abilities are respected," and our management approach considers people to be the most important capital for value creation. The human resource vision articulated in our basic human resource development policy is one of "autonomous and highly motivated employees," "warmhearted and sensitive employees," and "employees that think and learn through work."

Enhancing human capital management is one of our policies for promoting sustainability management cited in the current medium-term management plan (MTMP 2026), which started in April 2024. To enhance human capital in coordination with our management strategy, we are promoting a human resource strategy of conducting optimal career formation and skills development of employees, while enhancing key personnel who are able to cope with change and grow over the long term.

Our human resource strategy promotion is rooted in the principles that the Company has cultivated—an open corporate culture, an enterprising spirit based on entrepreneurialism, and a corporate culture of valuing people—based on the belief that it is autonomous human resources and organizations that lead to a robust company able to respond to changes in the business environment. We have used the term "key personnel" to refer to management and highly specialized human resources who will lead each business division based on the Company's overall policy and individual business strategies amid accelerating changes in society. By allowing human resources to accumulate diverse experience and stimulate each other, we will draw out their full potential, continuously producing key personnel and creating U&P businesses with the aim of increasing corporate value over the medium to long term.

Overall Image of Human Resource Strategy



Focused Strategy

Maintaining a Good Corporate Culture, We Are Embarking on a Review of Our Personnel System to Build a Foundation for HR Information

Yasumoto Aoki

Executive Officer
In charge of Administrative & Personnel Division
Division Director of Administrative & Personnel Division and QOL Innovation Center Shirakawa



Since our founding, MGC has valued and promoted people-focused management. Every new employee goes through a series of job rotations to build a career, conscious of the potential to excel regardless of the situation. In addition to on-the-job training at every worksite, we gather employees from various jobs and provide off-the-job training opportunities to build a broad, big-picture viewpoint. Combining the knowledge and experience of diverse employees, including mid-career hires, we champion chemical reactions that lead to the creation of new businesses. A culture of reform and challenge is also a core feature of MGC. We encourage unrestrained, open discussion in every workplace and delegate authority to employees, giving each of them challenging opportunities that lead to innovation. We are proud of the generous

benefits package we offer our employees as it helps create environments where they can work with peace of mind, urged to use as much paid holiday each year as possible, take childcare leave regardless of gender, and make the most of housing assistance and special leave for family support and work-life balance.

We review our HR programs and systems to suit the times. Examples of such include programs to support employees in long-term, continuing endeavors and improvements to our information infrastructure to consolidate HR information in one place for more active use. By maintaining the corporate culture we value and continuing to take on challenges, we make MGC a creative company we take pride in and can present to those within and outside the Company with honor in the years to come.

Human Resource Diversification and Career Formation for the Sustainable Development of Key Personnel

The defining characteristics of the MGC Group are the broad scope of its business domains and its business expansion in the global market. We have been working to increase the number of researchers. We are conscious of medium- to long-term business expansion and plan to continue increasing recruitment of new graduates and mid-career hires going forward.

We conduct career recruitment for securing diverse human resources through flexible year-round recruitment according to the experience of the candidates. We also started operation of a system in fiscal 2024 that serves as a portal for alumni recruitment^{*1}. Moreover, in initiatives aimed at promoting women's empowerment, we are continuously implementing proactive recruitment of women as new graduates and mid-career hires with an eye to forming a population that will become a group of future management candidates. In conjunction with this, we have created an environment where diverse human resources can thrive, including the revision of our personnel systems to ensure that promotion opportunities are not affected by life events

and that employees can be selected.

Career-track employees experience overseas assignments and projects while they are young to form careers based on an understanding of their individuality, while technical employees are also deliberately rotated through jobs in sales, corporate planning, and management divisions. This is to provide opportunities for them to accumulate diverse experiences by making use of the Group's characteristic of wide-ranging business domains. Furthermore, in addition to career formation through ordinary work, we also implement grade-specific and job-specific education and training curricula to promote skills development and stimulate ambition.

By forming careers through the abovementioned diverse experiences and training, we have created a system for continuously developing key personnel.

^{*1} A method of recruitment that involves approaching people who have retired from the Company and re-hiring them as a workforce ready for immediate deployment.

A New Initiative in Human Resource Development: MGC Learning Circle

In fiscal 2024, we introduced the MGC Learning Circle as an initiative to strengthen our development of key personnel. The program is a half-year education course for the Group's junior and mid-level employees. Participants acquire skills and front-line practical experience for problem solving in their own organizations. Through interaction with other program participants and with innovators inside and outside the Company, they acquire a multifaceted viewpoint, a broader scope, and higher-level perspective, helping them to grow into human resources who are capable of thinking and acting autonomously.

MGC Education System

	Grade-specific education	Job-specific and specialist education	Self-development, other
Managerial level	- Organizational management training - Mid-level manager training - New manager training	- Business skills (Logical communication, problem-solving skills, negotiation strategy, facilitation, coaching skills, design thinking) - GLOBIS Management School - MGC Learning Circle - MGC Group cross-industry social events - Mitsubishi Marketing Association - Global human resource development - DX education - Marketing education - Engineer development - Patent study sessions - Environmental management, quality management, and health and safety education - HAZOP^{*2} - Placements at research institutions, such as universities - Other specialized education and seminars	Self-development - Languages - Business skills - Management - Technology and skills - Other online training Other - Compliance and internal control education - Education raising awareness for human rights - Sustainability education - Diversity, equity, and inclusion (DEI) promotion education - Others
Mid-level employees	- Manager candidate training - Mid-level employee training		
Junior employees	- Junior employee training - Mid-career hire training - Follow-up training - New employee basic training - New employee training		

^{*2} An acronym for Hazard and Operability Studies, a technique for identifying risks for complex processes and equipment

Employee Well-Being

We aim to be a company where employees feel “a sense of well-being.” To achieve this goal, we strive to balance individual employees’ sense of achievement and growth in their work and the Company’s sustainable growth. By offering opportunities and an environment where people can refine their individuality and capabilities and build on their strengths, and allowing employees to engage in diverse work styles, we aim to become an organization with higher productivity over the medium to long term. In addition, we assign personnel according to individual skills and work to enhance our education and training programs to encourage autonomous career formation. In conjunction with these efforts, we also seek to promote co-creation with various partners while making use of the MGC Commons innovation center, which was established in 2023 as a space to provide opportunities for further internal and external human resource exchanges, with the end goal of creating new businesses and products.

In terms of work-life balance, MGC also endeavors to create systems and an environment in which each employee can maintain their motivation for work, taking an active role over the long term in ways befitting their individual circumstances. Until now, we have focused on the reduction of working hours by reviewing workflows and shortening meeting times to enable work styles that

are diverse, flexible, and do not rely on long work hours. Recently, we have been accelerating operational efficiency improvement through measures such as digitalization of our business processes and DX with regard to R&D activities.

At the same time, we are checking to see how well established these measures are, while working to reduce total working hours and improve productivity. In addition, we have also built systems regarding working spaces and times in stages, through the introduction of flextime without core time and working from home, which became a permanent part of our systems in 2023. Another feature of the Company is its full-range of employee benefits, such as a housing allowance to relieve the economic burden on employees, creating an environment where they are able to work with a sense of security. In 2023 and again in 2024, we took steps to improve working conditions such as wages, with increases in base salaries, including for employees rehired after retirement. For young employees in particular, we focused on improving compensation to reward them for the roles expected of them.

We will promote the above measures for increasing employee well-being in conjunction with our DEI initiatives designed to leverage the individuality and diverse approaches, experiences, and abilities of each employee.

Encouraging Male Employees to Take Parental Leave

MGC encourages male employees to take parental leave, believing that it has a positive impact on themselves and their families, leading to higher job satisfaction. Since fiscal 2023, the percentage of eligible men who use their leave has been above 70% (77.5% in fiscal 2024), with the period of leave being around two months. Furthermore, to create a culture that supports the balance of work and family life throughout the entire workplace, we are engaged in providing a range of pamphlets, etc. introducing systems, as well as activities, to raise awareness of taking parental leave among all employees.

56 days

Average number of days of parental leave taken by male employees (non-consolidated) (fiscal 2024)

Introduction of Life Support Leave System

One of the Company's KPIs under the previous medium-term management plan (MTMP 2023) was to have 0% of employees taking fewer than 10 days of annual paid leave, and we achieved this in fiscal 2023, the final year of the plan. From fiscal 2025, we will introduce the new Life Support Leave system, a special type of paid leave that is separate from annual paid leave, with the objective of improving working conditions for employees and promoting the use

of annual paid leave. Employees are granted 10 days per year of Life Support Leave, regardless of their employment type and length of service. The leave can be used when unavoidable events such as illness occur, or to support daily life, such as health checkups or fertility treatment. This will make it even easier than before for employees to use their annual leave for purposes such as their own leisure or self-improvement.

Permitted uses of the Life Support Leave system:

(1) Own illness or injury, (2) Nursing a sick family member, (3) Nursing a sick child, (4) Child-rearing, (5) Supporting a family member with a disability, (6) Providing long-term care for a family member, (7) When affected by a natural disaster, (8) Fertility treatment of self or spouse, (9) Health checkup, (10) Volunteer activities, and (11) Hospitalization for organ donation

Promoting Health and Productivity Management

MGC established the Basic Policy on Health & Productivity Management in October 2022 to further promote the creation of an environment in which employees can work in good physical and mental health. Based on this policy, we are further diversifying, expanding, and improving the effectiveness of measures to maintain and improve health.

The checkup compliance rate for regular health checkups of all officers and employees was over 99% in fiscal 2024. Industrial physicians and public health nurses actively provide guidance when the results of tests indicate the need for retesting or in the event that there are any specific findings. In addition, with a view to preventing illnesses while people are still young, from fiscal 2024, we have reinforced the regular checkup for younger employees by adding relevant items to it.

A comprehensive Employee Assistance Program (EAP), including a stress check, is implemented to ensure mental well-being, providing employees with an environment in which they can freely consult outside specialists regarding their concerns. Furthermore, we endeavor to continuously improve our workplace environment and raise employee awareness by providing appropriate feedback of group analysis results of the stress checks to each organization head and by implementing mental health training at the time of entry into the Company and when a promotion is earned.

In recognition of the initiatives implemented to date, MGC was certified as a Health & Productivity Management Outstanding Organization 2025 (large enterprise category) by the Japan Health Council and the Ministry of Economy, Trade and Industry. This is the sixth consecutive year that we have been certified.

Ensuring the Safety of and Providing Medical Support for Employees Traveling or Posted Overseas

By engaging an outside consultant for security and medical assistance, and receiving advice based on analysis of threats to safety by country, we are able to promptly acquire accurate information, and, when necessary, provide that information to employees posted or traveling on business overseas, as well as using it to determine whether it is advisable to travel or not, and on appropriate safety measures for travel.

In terms of medical care, we have established a comprehensive support system for employees posted or traveling on business overseas, including referrals to local hospitals, telephonic consultations with doctors in Japanese, preventive advice on local infectious diseases, and arrangement of medical transport in case of emergencies.

Union and Labor-Management Relations

With a positive relationship of mutual trust and respect, labor and management at MGC work together to address a variety of issues. We hold regular management council meetings with the aim of sharing our understanding of management policies and the business environment, including such key topics as work styles, employee benefits, and treatment, and meetings of the Personnel System Review Committee for joint labor-management discussion of various programs throughout the year.

Together, we have revised the personnel system and the welfare system, among others. Other issues such as wages and bonuses are determined through yearly collective bargaining and administrative negotiations.

Note that there were 1,925 labor union members as of the end of March 2025. Average employee tenure was 18.4 years (19.0 years for men, 13.5 years for women)*3.

*3 Including employees seconded to subsidiaries

Focus

Implementing Strategic Rotations

Development Leveraging the Characteristics of All Employees

With the aim of realizing our Group Mission of “creating value to share with society,” we have established a basic human resource development policy to create vibrant workplaces where employees achieve self-fulfillment by refining their individuality, improving their knowledge and capabilities, consciously setting high goals, and achieving those goals.

Our basic human resource development policy includes “development leveraging the characteristics of all employees,” and we believe that we should leverage and utilize the strengths of all employees, focusing on

each person’s characteristics through the development process. However, for career-track employees in particular, one of the distinctive programs of MGC is job rotations for long-term career formation. The MGC Group is distinguished by the broad scope of its business domains. By accumulating diverse experiences in these domains and broadening their perspectives, employees can grow to become key personnel—management or highly specialized human resources. Moreover, shared enthusiasm among employees who have gained experience leads to increased long-term organizational capabilities.

Employee Comments

On Track to Become a Specialist in Design and Construction through Diverse Experience

Hidemi Hirashima

MGC PURE CHEMICALS AMERICA, INC. (Construction Manager)



My first assignment was at the Yokkaichi Plant, where I worked on process inspection. My life as a working professional was one where every day brought about a different experiment. In my third year, I was selected to work in the future on designing plant expansions. To acquire the necessary skills, I was transferred to an engineering team at the Tokyo Research Laboratory, where I spent one year learning about the work of plant design. That experience was an opportunity for me to develop further expertise in the field of construction and design.

My first overseas assignment was a polyacetal plant expansion project in Thailand. It made a deep impression on me, and when this plant whose design and construction I had been in charge of started operating without any problems, I shared a moment of joy with the local employees who had worked with me. Using these diverse experiences in Japan and overseas, and what I have learned from our excellent local partners, I am now managing overall construction for the expansion of a semiconductor chemical plant at the Texas Plant in the United States. It is quite a challenge to build a new facility adjacent to a facility that is operating, and I feel a tremendous responsibility and sense of mission every day. MGC has plans to make investments to expand various facilities going forward. I will use my own experience to contribute to the construction of competitive plants.

1. Basic skills acquisition at Yokkaichi Plant and Tokyo Research Laboratory (7 years)

I learned about the basics of process inspection while working at the OPE™ plant, and about plant design while working at the laboratory. After that I was responsible for design and construction of a hybrid chemical manufacturing plant at the plant, and experienced the whole process from creating specifications to commissioning.

2. Challenge of overseas work, from Yokkaichi Plant to an overseas site (2.5 years)

I participated in a polyacetal plant construction project in Thailand. After approximately one year working in detailed design work with the project team for the Yokkaichi Plant, I was assigned to Thailand to take charge of construction management, on-site inspections, and commissioning.

3. Accumulation of diverse experience, from Niigata Plant to an overseas site (4 years)

I participated in a methanol and DME plant construction project in Trinidad and Tobago. After familiarizing myself with the equipment at the Niigata Plant and Saudi Methanol Company (AR-RAZI) in Saudi Arabia, I was assigned to the area. I was responsible for overall project management and technical inspections by the government.

4. Providing technical support from the Tokyo Research Laboratory (3 years)

We considered increasing production at the Thailand Plant, and have constructed a pilot plant in the laboratory to support the research themes it has undertaken.

5. Promoting construction management at an overseas site (2.5 years)

I was assigned to MGC PURE CHEMICALS AMERICA, INC., where I work on a project to expand the Texas Plant. I cooperate with local employees to carry out the construction project with a team mainly comprising members on assignment from MGC. I am responsible for overall management of the project, including construction schedule and budget management.

Strategic Rotations Tailored to Each Person's Individuality

The Company consciously conducts job rotations that offer wide-ranging experience in multiple business locations and divisions to help employees form their careers over the medium to long term. For example, there are cases of young employees experiencing overseas assignments or projects and technical employees working not only in laboratories and plants, but also in sales, corporate planning, and management divisions. Few companies in the chemical industry conduct this kind of cross-divisional human resource transfer, and it is a distinctive characteristic of MGC. By conducting diverse rotations, human resources gather a wide range of experience without becoming set in one mold. This helps to draw out their individual qualities and potential, leading them to be active in various fields in the future while confirming their own career aspirations. The Company also provides one or more opportunities each year for employees to consider career formation through consultation with their supervisor, during which they set personal targets and check on

the status of achievement. In the setting of work targets, there is an emphasis on taking on new challenges, and on promoting personal growth while staying conscious of the long-term goals of the Company. Managers who conduct consultations as supervisors undergo training to make them aware of guiding their subordinates to growth and for acquiring management capabilities.

While conducting strategic personnel rotations, we also take steps to continuously develop more diverse human resources. We proactively recruit diverse human resources, including new graduates, people with experience at other companies, women, non-Japanese people and so forth, without concern for such attributes, seeking to further enhance our human capital. Looking ahead, we will take a more systematic approach to human resource development and advance management of key position successors and so forth, including visualization of human resource information.

Employee Comments

Financial Accounting Skills and Knowledge of Product Lines Acquired Working at a Plant Help When Talking with Shareholders and Investors

Naomi Kano

Manager, Investor Relations Department, CSR & IR Division



I have worked in the head office's Finance & Accounting Division, where I was first assigned, and the Mizushima Plant Accounting Department. These roles revolved around interaction with various divisions in the Company, enabling me to acquire a deeper knowledge of the Company's general activities. After moving to the Corporate Communications Division, I experienced a marked increase in contact outside the Company through interviews with institutional investors and analysts and planning and operation of IR events. I often encountered people outside the Company who had objective views and piercing questions. As a result, I naturally developed an ability to grasp the issues and main points in the process of explaining the Company's business strategies, growth scenarios, and other aspects in a clear manner. Furthermore, the financial accounting skills and knowledge of product lines and the manufacturing site that I acquired working at a plant are of tremendous help in my current division when analyzing business performance and giving external explanations.

Looking ahead, I aim to help build even stronger trust relationships by helping shareholders and investors to gain a deeper understanding of the Group's value creation objectives, such as U&P businesses, while increasing opportunities for constructive two-way dialogue.

1. Head office Finance & Accounting Division (3 years)

This was my first assignment after joining the Company. I acquired a general knowledge of accounting, centering on financial accounting, through my work in preparing various materials. I held responsibility for fixed assets, labor costs, and technology sales, and I also gained experience in introducing new systems for my own role.

2. Mizushima Plant Accounting Department (3 years)

I was mainly responsible for calculating costs for product lines made at the plant. Through my role in estimating running costs and cost of goods, I was involved in various projects such as new product launches and production process changes. Another important job I had was to act as a bridge for passing information between the head office and the manufacturing front line.

3. Head office Corporate Communications Division (2 years)

In this role, I was mainly responsible for IR operations, and updating the Company's website and intranet. Using the knowledge I acquired in accounting, I took on challenges that were new to me, such as selecting information to communicate to external stakeholders and exploring optimal communication methods.

4. Head office Investor Relations Department, CSR & IR Division (5 years)

In this position, my role expanded with responsibility for dealing with shareholders and investors, publishing information such as integrated reports and shareholder communications, and planning and operating IR events, in addition to developing junior team members as a manager. I am constantly alert to new information and searching every day for ways to disseminate information about the Company and our growth strategies. I also took leave during this period for childbirth and childcare.