

- 3 Chapter 1 Our Vision
- 22 Chapter 2 Sustainable Growth Strategy
- 23 Members of the One Global Leadership Team
- 24 Executable Plan Based on the “Forging the future” Management Policy
- 31 Message from the CFO
 - Business Strategy
- 34 Message from the Business Unit Heads
- 35 Specialty Materials
- 39 Industrial Gases
- 40 Health Care
- 41 MMA
- 42 Petrochemicals and Carbon Products
- 43 Message from the Chief Supply Chain Officer
 - Innovation
- 44 Message from the CTO
- 45 Innovation Strategy
- 47 Intellectual Property Strategy
 - Digital
- 48 Message from the CDO
- 49 Digital Strategy
- 52 Message from the Chief Strategy Officer
- 53 Building an In-House Understanding of the Management Policy**
- 56 Chapter 3 Strengthening ESG Activities
- 95 Chapter 4 Financial/Non-Financial Information

Building an In-House Understanding of the Management Policy

YingJia Zhang
Strategy & Marketing Department
Specialty Materials Business Group
Mitsubishi Chemical (China) Co., Ltd.

Madoka Hori
Sustainability Management, Group
Sustainability Management
Nippon Sanso Holdings Corporation

Takuya Higo
Research Unit/Oncology
Sohyaku, Innovative
Research Division

Yu Ito
Data Science Department
Digital Strategic
Planning Division

Yuji Nikaido
DM Section 1
PM Production Department
Shiga Plant

Embracing change in the Company and working as a team to become a specialty materials group

Across the Mitsubishi Chemical Group, we continue to tackle a range of challenges as we restructure our organization and business portfolio.

Some of our younger members in the MCG Group, who will carry our business forward into the future, gathered to speak frankly about this restructuring and the future outlook for the Group.

“Forging the future” management policy

Experiencing firsthand how the Company is changing

Higo: I really feel that we have become a single company organization through the “One Company, One Team” concept. For example, now when I attend HR training programs, the other participants are not only employees of Mitsubishi Tanabe Pharma where I work, they also include employees from other Group companies, brought together for training.

In R&D, I have noticed that reporting lines have been

shortened. We now deliver reports and make research proposals directly to corporate executive officers in the MCG Group, so Group management now feels less distant.

Hori: Yes, there really is a strong feeling that we are working together as a Group toward the same target. Before, we used to have separate targets for each company, but now they have set common targets for us. I was able to attend some of the discussion sessions, and now we all have common targets that go beyond the individual companies. As it is part of my role to convey this

information to my own group, I try to communicate it in



Takuya Higo

Mr. Higo joined the Company as a drug discovery researcher. A two-year study posting to the United States provided an outsider's insight into the Company's technology capability. After working in the Product Strategy Division on formulating R&D strategy focused on delivering business value, in April 2023 he transferred to his present job, a management position in a frontline research setting.

3	Chapter 1 Our Vision
22	Chapter 2 Sustainable Growth Strategy
23	Members of the One Global Leadership Team
24	Executable Plan Based on the “Forging the future” Management Policy
31	Message from the CFO
	Business Strategy
34	Message from the Business Unit Heads
35	Specialty Materials
39	Industrial Gases
40	Health Care
41	MMA
42	Petrochemicals and Carbon Products
43	Message from the Chief Supply Chain Officer
	Innovation
44	Message from the CTO
45	Innovation Strategy
47	Intellectual Property Strategy
	Digital
48	Message from the CDO
49	Digital Strategy
52	Message from the Chief Strategy Officer
53	Building an In-House Understanding of the Management Policy
56	Chapter 3 Strengthening ESG Activities
95	Chapter 4 Financial/Non-Financial Information

Building an In-House Understanding of the Management Policy

a way that shows how the new targets fit with the programs we have worked on thus far.

Nikaïdo: On the manufacturing floor, we have yet to see any dramatic change. That said, we have experienced some rapid changes firsthand, like the organization of the Company and how training programs are run. I now understand how important it is for us all to embrace this change. I am also trying to get the people I work with to understand that we cannot just keep on doing what we have always done.

Zhang: I agree that we can feel the atmosphere has changed. The “One Company, One Team” concept has definitely spread as far as our offices in China. Our workplaces have been moved in together, and I come into contact with other Group company employees much more frequently. We even visit customers together sometimes.

We have much closer connections with the R&D divisions and plants in Japan, too. Overseas business trips have started up again, so we are now visiting customers with people responsible for development and manufacturing who have come over from Japan. Our customers seem to be really happy for the opportunity for these direct interactions and to see agreed actions quickly reflected in development and manufacturing processes.

Higo: For sure, in R&D where I work, it seems like the barriers that were preventing the Company from really collaborating have definitely been lowered.



Yingjia Zhang

Ms. Zhang works in the Strategy & Marketing Department, proposing ideas for automotive materials to end users, and is also involved in exhibition planning. With EV/Mobility as one of her focus areas, she finds the job both challenging and rewarding.

Ito: In the digital divisions, I can really sense that people are much more aware of the need to use digital technology to standardize operations across the whole Group. Even within my division, we are now talking about how we can drive multiple digital projects across the entire Group. Whatever we are working on, we now get all sorts of other departments to involve themselves. Everyone views this as a huge opportunity, like nothing we have seen before, to create something great for the Group.

Executing the management policy and the new Group Concept Clear a path to achieving the Group targets

Hori: At the town-hall meeting that I attended a few days ago, I felt the main message was that we need to think of this as a business opportunity to be seized, rather than some kind of top-down idea that we must deal with.

Nikaïdo: Yes, I agree. However, for the management policy, I felt that the No. 1 message was cost cuts and pursuit of profits, which means leaving no stone unturned to optimize the entire business. I do have some concerns, but now that I have seen the executable plan, I understand that we need to work with the plants to address any worries people might have.

Zhang: I was struck by the emphasis on delivering value to multiple stakeholders. Until now, we have not been that aware of stakeholders beyond our customers and other employees. I think that is why the discussions were aimed at making us realize we need to be much more aware of all sorts of stakeholders in the future.

Also, previously the only materials available on this sort of policy were in Japanese and English, but this time they had them available in Chinese, which made it all easier to understand. They are running more town-hall meetings, and the people I work with are making the effort to attend.

Hori: Thinking about how we approach stakeholders, we need to promote our sustainability initiatives to outside audiences as well. I think that if we communicate



Yu Ito

A data scientist recruited as a mid-career hire. Ms. Ito works partly in data analytics, but is mostly involved in getting data science projects off the ground and raising technology standards by working with the project members.

our current management policy clearly, all sorts of stakeholders, such as investors and others, will probably find our Company very appealing.

Ito: In the discussion on digital strategy, I was very struck by the message of unlocking potential of 80% undocumented knowledge.

Actually, the immediate reaction from many people, myself included, was to ask, “Can we actually do this?” But at the town-hall meeting and at other sessions, they gave updates on the projects to centralize and standardize operations, and we were able to see how we are somehow making steady progress and ticking off the milestones. If we can continue making this progress step by step, I believe we can actually achieve the huge target.



Introduced in fiscal 2021, town-hall meetings provide a venue for dialogue between employees and senior management. So far, the meetings have attracted a cumulative attendance among Group employees in Japan and overseas of around 20,000, including online attendance. Based on two-way dialogue, the discussion probes areas such as management policies, business plans, and the state of business.

3	Chapter 1 Our Vision
22	Chapter 2 Sustainable Growth Strategy
23	Members of the One Global Leadership Team
24	Executable Plan Based on the “Forging the future” Management Policy
31	Message from the CFO
	Business Strategy
34	Message from the Business Unit Heads
35	Specialty Materials
39	Industrial Gases
40	Health Care
41	MMA
42	Petrochemicals and Carbon Products
43	Message from the Chief Supply Chain Officer
	Innovation
44	Message from the CTO
45	Innovation Strategy
47	Intellectual Property Strategy
	Digital
48	Message from the CDO
49	Digital Strategy
52	Message from the Chief Strategy Officer
53	Building an In-House Understanding of the Management Policy
56	Chapter 3 Strengthening ESG Activities
95	Chapter 4 Financial/Non-Financial Information

Building an In-House Understanding of the Management Policy

Higo: It really is important to clearly show the way forward, is it not? In the health care division, the external environment for pharmaceuticals has changed, particularly in the wake of the pandemic, and many people have been worried about what the future would hold, so it was very good to see the executable plan unveiled and hear its policies on growth markets and key R&D fields outlined appropriately.

I also appreciated how they made the Group Concept easy to understand. The Our Way part (▶Page 73) reflected a lot of the values that are important to me, including the messages the president always tries to put across: prioritizing safety, delivering new value to stakeholders, and respect for others.

Nikaïdo: Personally speaking, I felt the Our Way concept managed to put into words my personal vision, so I really connected with it.

Zhang: I had taken part in a workshop to formulate the One Way concept, and I was really happy to be able to discuss not only the content of this idea but also how it could be communicated in Chinese. The final version is really easy to understand and inspiring.

Ito: I think the Our Way concept is also useful as a communication tool. For example, when you just say “respect for others,” different people will interpret this in different ways. But if you start discussions by talking about the Our Way concept, it provides opportunities to get into deeper communication with other people.

Thoughts on the Company’s future and direction

Personal development and change will be the driving force to build a better society

Zhang: We are currently developing our business with a focus on EVs, but I feel we still have a lot of work to do to be able to demonstrate our competitive capabilities in China, the biggest EV market in the world. I think we need better collaboration among the development, manufacturing, and sales divisions to create more

competitive products.

At the same time, we need to be able to move fast. Right now, we are taking on board customer needs and feeding this information back to the development division. If we could have better development capabilities in China with systems in place so that the entire cycle of development, commercialization, and marketing could be completed in China, we would be able to move fast to satisfy market needs more accurately.

Nikaïdo: Yes, I think there will be more changes in the environment and our systems in the future. I want to focus on creating a working environment where people feel energized and inspired. The main priority for the manufacturing division is to continue delivering value to customers through safe and reliable operations, and it is such a working environment that drives us forward. I think the first thing should be to develop a better understanding of what skills each person brings to the table. This would also help to improve employee engagement.

Hori: I think there is still room for improvement in our systems. While there has been more sharing of financial and legal data, I feel there is not yet enough sharing of non-financial data—for example, information on what we have been talking about today, such as the markets or human resource use. I think we need to be able to rapidly communicate this type of data across the entire Group if we are to maximize the benefits of the “One Company” concept.



Madoka Hori

Before her current job, Ms. Hori was part of the Corporate Planning Department, involved in training employees on our corporate mission. Using the branch office experience gained at the start of her career, she is trying to find ways to communicate abstract concepts to people working on-site or overseas.



Yuji Nikaïdo

Mr. Nikaïdo has worked at the Shiga Plant since joining the Company. The plant manufactures DIAMIRON film, which is used for food packaging. His main job roles involve managing operations and quality and investigating new technologies, as well as training operational staff and managing safety and the environment.

Ito: That remark hits home, but I think you’re right. For our Company to really function as a single organization, we need to have more in-depth discussions at the entire-Company level on what types of base systems are needed.

We then need to standardize more of our systems before optimizing them for each Group business. As we standardize the systems, we also need to clearly demonstrate what benefits this will provide to the Group over the long term.

Hori: Becoming carbon neutral is the biggest issue for sustainability, and this is another thing that individual companies cannot do alone. We obviously need to make changes within the Group, but it is also important to change in partnership with our suppliers and customers. I think we should find a number of different ways to get external stakeholders and markets involved and be proactive about changing together.

Higo: I want to emphasize this approach of involving people inside and outside the Company for product R&D as well. I am thinking we should combine new technologies—from the Group or external partners—with the core capabilities developed over Mitsubishi Tanabe Pharma’s long history to create value that only the MCG Group can provide. By discussing what kind of technology-based value is possible in the clinical setting and carefully determining how much business potential there is, I would like us to generate a series of projects that act as growth drivers.