



## Message from the President



As a core operating company of the Mitsubishi Chemical Holdings (MCHC) Group, Mitsubishi Chemical (MCC) seeks to provide solutions to environmental and social issues and contribute to the sustainable development of people, society and the Earth through its businesses built on a foundation of chemistry. In this way, we aim to realize KAITEKI.<sup>1</sup>

Masayuki Waga  
President & CEO

### A Time of Transition

2017 saw the launch of the new MCC and marked the start of a time of transition encompassing all aspects of society. Technologies previously regarded as mere possibilities—IoT, AI, self-driving vehicles and others—rapidly took on greater, more impactful roles. Even as debates over their feasibility continue, their use has begun to spread.

Technology is not the only factor driving us toward such change. Numerous global-scale risks have materialized in recent years: climate change is worsening, natural resources are being depleted, disparities in water resource distribution are increasing, populations around the world are expanding and graying, and new food and agricultural issues are emerging. These and other issues have brought the problem of sustainability, for individuals, society and the global environment, to a head. Unless we take action, there will be no future. Sustainability is no longer just an ideal; it is a challenge to which we absolutely must rise.

All of these issues are interlinked. For example, what impact might the widespread adoption of self-driving vehicles have? Human drivers present the risk of collisions, necessitating sturdy, heavy vehicle frames for passenger safety. But what if self-driving vehicles could virtually eliminate that risk? A new type of vehicle designed to put passenger safety first but with a lighter frame could become viable. Vehicle weight reductions could improve energy efficiency, creating less environmental burden.

This kind of push and pull between technological development and the critical need for sustainability is creating major waves all around us. These forces are on the verge of changing not only industrial structures, but our lifestyles and the ways we think about value.

<sup>1</sup> KAITEKI: KAITEKI means “the sustainable well-being of people, society and our planet Earth.” It is an original concept of the Mitsubishi Chemical Holdings Corporation Group that proposes a way forward in the sustainable development of society and the planet, in addition to serving as a guide for solving environmental and social issues.

## Aiming to Realize KAITEKI

The MCC Group is composed of approximately 40,000 employees who bring to the table a wide range of cultures and, together, provide a wide range of products and services. Two common themes run through all we do. The first is providing solutions through chemistry-based products and services, and the second is contributing broadly to environmental and social sustainability through our businesses, that is, realizing KAITEKI. These are our starting point and our ultimate goal; they are at the core of the MCC Group's identity, its pride and are the foundation of its management. Our commitment to these two points will not waver, whatever the future may bring.

The path from the starting point to the goal, however, is subject to constant evolution and change. Keeping our finger on the pulse of such change and anticipating the twists and turns to come is a vital part of what we do. Building on such insight, we will generate innovation and provide solutions through flexible, nimble business. Our focus on the unchanging goal of realizing KAITEKI will keep us from losing our way, no matter how the path we walk changes.

## Health and Productivity Management and Workstyle Reforms

In this time of transition, how should we proceed along this ever-changing path? Our greatest asset is our people; we believe that nothing is more important than ensuring that every employee can exercise their abilities to the fullest. To this end, we must look beyond convention and fundamentally reexamine our ways of working, asking basic questions about whether our existing approaches are really optimal and what the essence of our work really is. Creating environments that enable employees to make full use of their abilities is also crucial. We must maintain and improve our health, realize flexible working styles suited to each individual and build strength from diversity. This is the essence of health and productivity management and our workstyle reforms. By striving to change employee mindsets while investing management capital, the company and its employees will work together to this end. When all employees can give their best, the MCC Group will produce even better results. I hope to make this approach a constant going forward.

## To Our Stakeholders

There is no future in merely carrying on as we have. As we head into a time of discontinuous change, we must not lose sight of our starting point or our goal. We must flexibly adapt while reshaping the road toward that goal and push forward with all that we have. By doing so, I am confident that we can get closer to our goal—realizing KAITEKI—one step at a time.

Building on a foundation of chemistry, MCC will contribute to realizing KAITEKI through its businesses. We ask for your continued understanding and support.