

# Message from the President



As a core operating company of the Mitsubishi Chemical Holdings Group, Mitsubishi Chemical seeks to provide solutions to environmental and social issues and to 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

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## The Role of Chemistry amid the COVID-19 Pandemic

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To begin, on behalf of the Mitsubishi Chemical (MCC) Group, I extend my deepest condolences to all those who have lost loved ones to COVID-19 and wish those still fighting it a swift and full recovery. I also wish to express my profound gratitude to the healthcare professionals working tirelessly on the front lines to treat patients as well as the many others working to keep society running in this challenging time.

The negative impacts of the COVID-19 pandemic—from economic damage to the lifestyle changes we have all been forced to make—have reached a previously unimaginable scale. At the same time, however, the pandemic has yielded discoveries that will be useful to our work going forward.

One such discovery concerns workstyles. While we had already been building systems and environments to enable remote work, the pandemic has helped us all see that our office workers really can do their jobs without being in the office. However, it is also true that some employees, such as those in manufacturing and R&D, must be physically present, putting them at risk of infection. Innovating our workplaces to maintain stable operations while ensuring employee safety is therefore an urgent task. To this end, we continue to advance initiatives to enable remote operations by, for example, adopting digital transformation and robotics, as well as initiatives to create workplaces that function with as few people as possible.

Another discovery has been a renewed awareness of the role of chemistry in preventing the spread of infectious disease. Many of the MCC Group's businesses support the physical foundations of society, and the Group manufactures numerous industrial materials that are crucial to the stability of everyday life. Since the start of the pandemic, many ideas have emerged within the company for ways to modify and apply these materials in order to create products that will help prevent the spread of infection, and we have successfully worked to quickly provide such products to society. These achievements were driven by the desire of our employees to contribute to society in the midst of this global pandemic using the power of chemistry.

<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.

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## Working to Realize KAITEKI

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At the same time, in addition to combating infectious disease, it is our responsibility as a chemical company to provide solutions to such global issues as climate change, natural resource and energy depletion, disparities

in water and food resource distribution and problems caused by plastic waste. The chemical industry today has been built by taking things produced in the natural world and, through man-made processes, using them to create products with added functionality at low cost and in high volume. While this basic approach will remain the same, going forward, an additional focus on avoiding negative environmental impact will be indispensable.

To date, we have provided materials that are lighter than metals, such as plastics and carbon fiber, and thus helped improve automobile fuel economy and reduce CO<sub>2</sub> emissions, but such efforts cannot fully eliminate emissions. To help reduce atmospheric CO<sub>2</sub>, a cause of climate change, MCC is taking part in ARPChem,<sup>2</sup> a NEDO<sup>3</sup> project aimed at realizing artificial photosynthesis in order to utilize CO<sub>2</sub> as a source of carbon, a valuable raw material for chemical products. Through this project, we are developing technologies to use sunlight to manufacture chemical products from CO<sub>2</sub> and water.

To address problems caused by plastic waste, we have for some time been developing a variety of recycling technologies and biodegradable plastics made from renewable resources to reduce environmental burden as well as working with CLOMA<sup>4</sup> and other external organizations to expand collaboration across value chains. At present, however, most plastic is made from fossil fuels and, after use, either incinerated for heat recovery, emitting CO<sub>2</sub>, or buried in landfills. In April 2020, MCC established the Circular Economy Department, dedicated to promoting the realization of a circular economy that effectively uses finite resources to simultaneously realize sustainability and growth. Going beyond simply recycling industrial materials, we will contribute to the realization of a carbon-neutral society by controlling CO<sub>2</sub> emissions over entire product life cycles. If used incorrectly, chemistry can be destructive to the environment. However, I believe that, going forward, only chemical companies can save our planet. MCC will put its full strength into confronting global-scale issues head-on. This is how we will realize KAITEKI.

2 ARPChem: Japan Technological Research Association of Artificial Photosynthetic Chemical Process

3 NEDO: New Energy and Industrial Technology Development Organization

4 CLOMA: Clean Ocean Material Alliance

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## People—Our Most Important Resource for Realizing KAITEKI

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Ensuring that every employee can exercise their abilities is the most important thing we can do to realize KAITEKI. Even as workstyles change, our people remain our greatest resource. We are therefore implementing a range of measures to create workplaces where diverse human resources can thrive. We have distilled these efforts into 30 declarations under the title “Mitsubishi Chemical Has Decided” that we have published both within the Group and externally. To accelerate these efforts, we have been implementing personnel system reforms since October 2020. These reforms are focused on the three key themes of self-directed career development; transparent working conditions and compensation structures (in line with individuals’ duties and performance); and promoting and supporting workforce diversity. Through these changes, we aim to empower all employees to take up new challenges and demonstrate creativity. Even as the external environment and workstyles change, if each employee exercises their abilities to the fullest in the pursuit of the realization of KAITEKI, we will overcome the present challenging circumstances.

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## To Our Stakeholders

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On top of ongoing global-scale environmental problems, society now confronts the grave threat of infectious disease. At the same time, social issues, including human rights issues, are growing increasingly pressing. Resolving such issues and, beyond that, realizing KAITEKI, will require working in harmony with stakeholders. MCC will marshal its full strength to contribute to the realization of KAITEKI through its businesses, which are built on a foundation of chemistry. We ask for your continued understanding and support.