

Materiality Assessment

Mitsubishi Chemical Holdings (MCHC) conducts materiality assessments to identify important management issues (materiality) and further enhance KAITEKI Value. While referring to processes outlined in international sustainability guidelines and incorporating the viewpoints of stakeholders, MCHC identifies and prioritizes important management issues that it needs to work toward resolving to realize KAITEKI. MCHC has reviewed its materiality assessments in light of the management strategies and corporate activities for APTSIS 20, the medium-term management plan that ends in fiscal 2020. Mitsubishi Chemical, too, is implementing activities based on the results of the MCHC Group's materiality assessments.

Materiality Matrix

Material Issues Related to the Global Environment

Key management issues that the MCHC Group should address through its corporate activities, innovation, and provision of products and services with the aim of achieving the sustainable well-being of our planet Earth

Material Issues Related to Social Systems

Key management issues that the MCHC Group should address through its corporate activities, innovation, and provision of products and services in the aim of creating the sustainable well-being of society

Material Issues Related to People (the company and its organization)

Key management issues that the MCHC Group should address in its internal operations and social relations as a corporate group aiming to realize KAITEKI

PROCESS 1

Set issues to be researched and analyzed

As a starting point, ordered corporate activities under *APTSIS 20* by analyzing macro trends. Reviewed material issues identified in the previous assessment and added new issues.

PROCESS 2

Assess issues from the viewpoint of stakeholders

Ordered and quantitatively assessed the importance of the identified issues based on public sustainability data, questionnaires. and interviews with experts.

PROCESS 3

ldentify and prioritize material issues the MCHC Group needs to address

MCHC management identified relevant material issues for management strategies, policies and activities under APTSIS 20 and prioritized them (three highest priority issues related to the MCHC Group's existence and 21 material issues to be addressed).

PROCESS 4

Create the materiality matrix

Created a materiality matrix based on the importance (the magnitude of effect) for stakeholders and importance for the MCHC Group as the two axes.

PROCESS 5

Company approval procedures

Discussed and approved the process for materiality assessment and the materiality matrix in the MCHC Management Committee (currently the Corporate Executive Officers Committee) and the Board of Directors.

