

Aiming to Realize KAITEKI

As a core operating company of the Mitsubishi Chemical Holdings (MCHC) Group, Mitsubishi Chemical (MCC) shares the MCHC Group's mission, vision and core values, working to realize KAITEKI by providing solutions to environmental and social issues and contributing to the sustainable development of people, society and the Earth.



MCC is working to address the following specific environmental and social issues.

- Efficient use of resources and energy
- Climate change (reducing CO₂)
- Securing clean water resources
- Food and agriculture problems
- Health maintenance and disease treatment
- Developing a smart society

What is KAITEKI?

Humanity has advanced to where it is today as a result of diverse economic activities as well as scientific and technological progress. At the same time, however, we have upset the natural balance of the global environment and are now confronted with complex problems ranging from climate change and natural resource and energy depletion to the uneven distribution of food and water. In addition to addressing these global issues, corporations are being asked by society to contribute to the fields of healthcare and medicine and to explore ways to improve convenience and advance technology while coexisting harmoniously with the planet.

KAITEKI refers to “the sustainable well-being of people, society and our planet Earth.” An original concept coined by the MCHC Group, KAITEKI points to 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.

MCC shares the vision of realizing KAITEKI with MCHC and, building on a foundation of chemistry, provides solutions to environmental and social issues through businesses related to performance products and industrial materials. In addition, MCC aims to more broadly contribute to the sustainable development of people, society and the Earth.

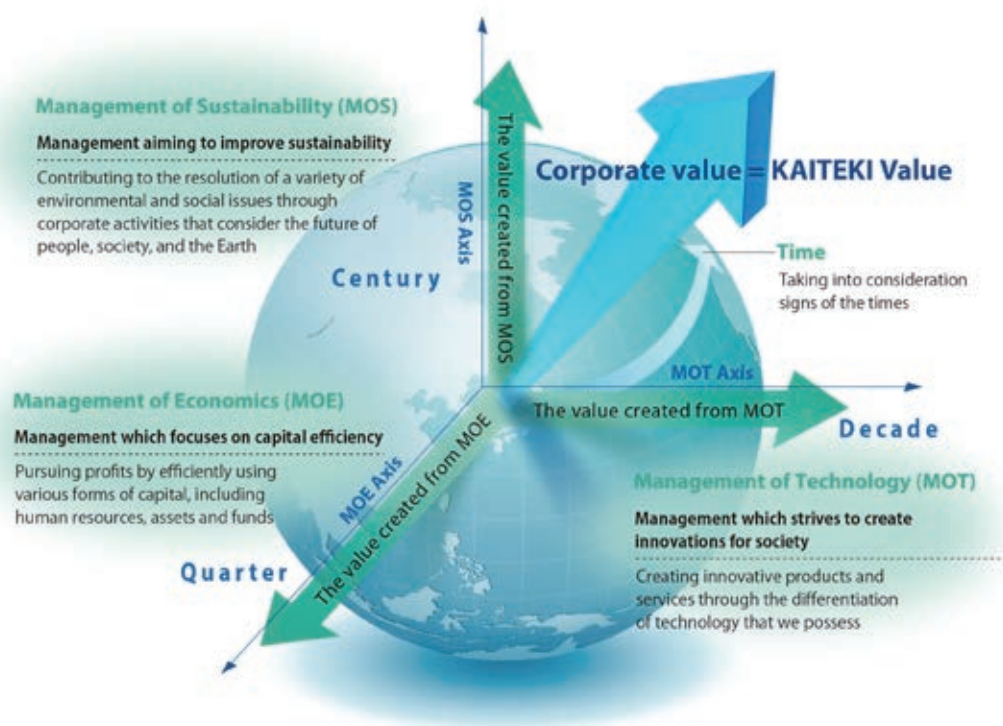
To advance corporate activities under the vision of realizing KAITEKI, we must earn the trust of stakeholders, and to do that, we must work in harmony with our stakeholders. As we advance our corporate activities, we will share our goals and the challenges we face with our stakeholders through dialogue and disclosure.

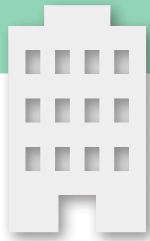
KAITEKI Management

In line with KAITEKI, the MCHC Group seeks to advance corporate activities aimed at solving environmental and social problems. To do so, however, conventional value criteria and management methods are not sufficient.

We have therefore created our own management method, which we named KAITEKI Management, and put it into practice. This method is based on three management axes: Management of Economics, which aims to increase economic value by focusing on capital efficiency, Management of Technology, which aims to foster innovation that leads to higher economic and social value, and Management of Sustainability, which aims to enhance social value through improvements in sustainability. The MCHC Group evaluates and implements corporate activities based on these axes, its mission and its core values, always informed by an awareness of shifting trends and opportunities. We refer to the corporate value constituted by these three axes as KAITEKI Value. By enhancing said value, we get closer to realizing KAITEKI while improving the Group's sustainability. As an operating company, Mitsubishi Chemical also practices KAITEKI Management, implementing PDCA cycles using quantitative scoring on each of the three axes as it strives to increase corporate value, i.e., KAITEKI Value.

The Mitsubishi Chemical Holdings Group's KAITEKI Management



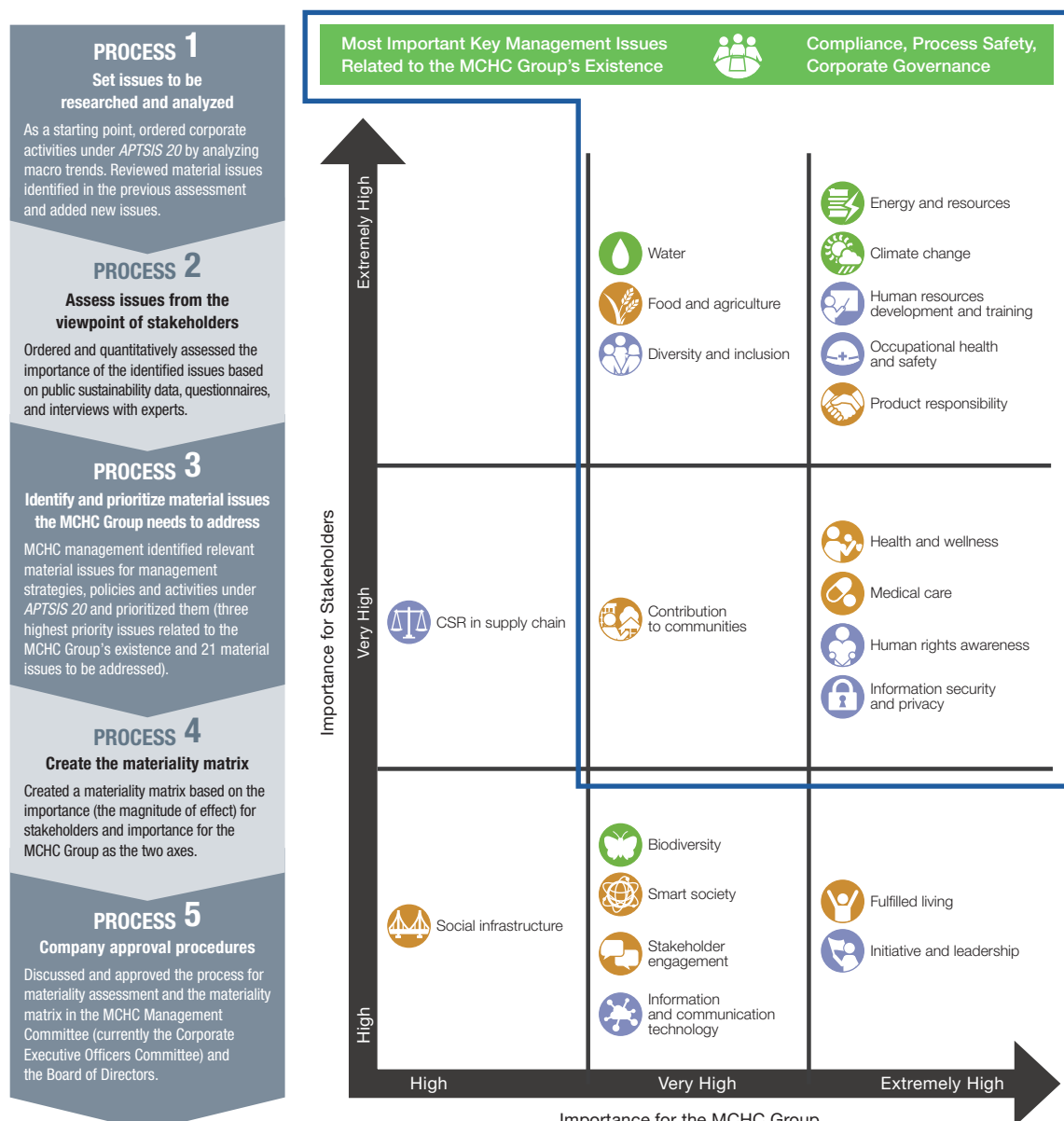


Materiality Assessment

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	Material Issues Related to Social Systems	Material Issues Related to People (the company and its organization)
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	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	Key management issues that the MCHC Group should address in its internal operations and social relations as a corporate group aiming to realize KAITEKI



MOS Indices

As part of its efforts to promote KAITEKI Management, Mitsubishi Chemical Holdings (MCHC) has created the MOS (Management of Sustainability) Indices to gauge its contribution to people, society and the Earth. MCHC uses these indices to evaluate progress made with regard to MOS, one of its management axes, which aims to enhance social value through improvements in sustainability. The MCHC Group has revised the MOS Indices and the ways it is using them in line with updates to its materiality assessments and the formulation of the medium-term management plan. The Group has been applying the new MOS Indices since fiscal 2016.

As an operating company, Mitsubishi Chemical also implements and evaluates management aimed at improving sustainability based on the new MOS Indices.

Index that needs to be achieved		Achieve zero occurrences of serious accidents and compliance violations
S Index	Contribute to reducing environmental impact (S-1)	Reduce burden on the atmospheric environment
		Reduce burden on the water environment
		Reduce burden on the soil environment
	Efficient use of resources and energy (S-2)	Promote activities to conserve energy
		Convert to resource-saving and reusable materials
		Promote use of renewable energy
	Contribute to the sustainability of the environment and resources through products and services (S-3)	Provide products and services that contribute to reducing GHG emissions
		Provide products and services that help solve water resource problems
		Provide products and services that help solve food problems
H Index	Contribute to medical treatment (H-1)	Pharmaceuticals provision
	Contribute to the prevention and early detection of diseases (H-2)	Provide vaccines
	Contribute to achieving healthy and hygienic lives through products and services (H-3)	Provide products for the health field
		Provide products for the sanitation field
		Provide products for the medical field
C Index	Endeavor to earn greater recognition of corporate trust from society (C-1)	Improve awareness of compliance
		Prevent accidents and injuries
		Initiatives to provide products and services trusted by society
	Promote communication and work in concert with stakeholders (C-2)	Promote communication with business partners
		Improve evaluation by stakeholders
		Build a dynamic and cooperative organization
	Contribute to achieving a more comfortable society and better lifestyle (C-3)	Provide products and services that contribute to a comfortable society and better lifestyles