

Message from the President

**To restore the health of the planet,
Mitsubishi Chemical will contribute as a
chemical company to the creation of
a circular economy.**

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President & CEO

To begin, on behalf of the entire Mitsubishi Chemical Group, I would like to extend my deepest sympathies to all who have lost loved ones to COVID-19 and wish those battling the illness a swift recovery. I also wish to express my heartfelt gratitude to the healthcare professionals working on the front lines to treat patients as well as the many other working tirelessly to prevent the spread of virus and maintain the functioning of society in this difficult time.

Providing “Beyond Zero” Technologies is the Mission of Chemical Companies

This year has been a trying one as we were battered by wave after wave of COVID-19 cases. Even as restrictions lift in many places, the deep scars left on society by the pandemic remain. This experience has transformed values, and companies are now called upon to change in response. The promotion of remote work has led us to reexamine previously unquestioned norms about work hours and location, which I think has contributed to workstyle reforms at many companies. Mitsubishi Chemical (MCC) expanded its remote work system, first adopted in

fiscal 2017, consolidating main offices and opening satellite offices, with around 20% of employees at our head office campus working on site. I believe that our success in this area has been due to our efforts to take into consideration the life plans of individuals and to build systems that allow diverse human resources to remain highly motivated in their work—efforts undertaken with the aim of looking beyond conventional workstyles and creating environments in which diverse human resources can work and thrive. Indeed, I think that one of the few positive



byproducts of the pandemic has been the impetus it has provided for companies to change and evolve.

Chemical companies must not only provide safe and stable industrial materials, but materials that are low-cost, high-quality and unique. Figuring out how to do so is our greatest management task. The COVID-19 pandemic has not changed this. In particular, chemical companies are called upon to operate with due consideration given to the external environment. We must, of course, work to achieve reduced or even zero emissions of greenhouse

gases (GHGs). Beyond curbing our own emissions, however, we are also tasked with providing solutions that eliminate or capture the GHG emissions that are currently unavoidable. Only a limited sector of industry, including the chemical industry, can proactively provide environmental solutions. As a chemical company, it is MCC's mission to provide technologies to achieve not only zero, but "beyond zero" emissions, actually reducing greenhouse gases in the atmosphere.

Sharing the MCC Group's Purpose with All Employees

The MCC Group aims to realize KAITEKI¹ to enable the sustainable development of people, society and our planet Earth. To further clarify this aim, in April 2021 we worked with employees to designate a mission and values. In conjunction with the

organizational, R&D, personnel system and other wide-ranging reforms we have been implementing since the creation of the new MCC in 2017, the mission and values are intended to clearly communicate the company's orientation to employees.

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Determining the future direction of the MCC Group is a task shared by both current management and the young employees who will take the helm in the future. To help as many employees as possible directly see and understand management's approach to day-to-day leadership and the processes involved, we included younger employees and overseas employees in discussions of the new mission and values.

Our mission, "THE POWER OF CHEMISTRY, Saving Our Planet and Creating Our Future Together," lays out the MCC Group's purpose in society. It reflects our strong determination to squarely face the challenges of enabling social development while solving environmental problems and creating a future in which both are achieved through the power of chemistry. In addition to the mission, we have designated five values: Excellence in Safety & Quality, Accepting Challenges, Unlimited Creativity, Growing Connectivity and Experience Pride. Of these,

I especially hope that our employees will practice Accepting Challenges; we seek to make the idea of constantly embracing challenges, unafraid of failure, one of our core values and standards of conduct. The key to accepting challenges is not working merely to extend the areas where we are already successful, but to take on difficult endeavors in areas in which we are not, outside the familiar territory of our established corporate culture. Only by doing are we truly embracing challenges. As long as we don't give up on a challenge, it cannot be called a failure. Indeed, giving up is the only true failure. We are sharing this mission and these values with our employees, so that they may help our people navigate when they are not sure how to proceed in efforts to save our planet.

¹ 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.

Saving Our Planet with the Power of Chemistry—Uniting Diverse People and Mindsets as One MCC

The MCC Group's new medium-term management plan launched in fiscal 2021 includes shifting toward circular business models. In our manufacturing processes, we will replace the use of fossil resources with renewable resources and strive to reduce waste. For example, by using carbon dioxide (CO₂) in place

of oil as a raw material, we may be able to turn CO₂, until now emitted from disposal processes, back into products. Doing so effectively turns a waste product into a resource for reuse as a raw material. This is the basic model of a circular economy. Artificial photosynthesis technology uses CO₂, a major GHG, as a raw material for photocatalytic reactions in which sunlight is used to break down water into oxygen and hydrogen. The hydrogen produced can then be reacted with CO₂ to synthesize methanol, which, in turn, can be used to produce olefins, a raw material for plastics. This technology could enable us to capture CO₂ and produce chemical products without relying on fossil resources.

As a first step toward a circular economy, MCC is working to provide environmental solutions leveraging new technologies. These include reverting used plastic into its raw materials, designing products to facilitate plastic reuse and recycling, green hydrogen production and CO₂ capture and utilization (CCU).



The MCC Group will leverage the strength of its extremely wide-ranging technological platform to provide solutions through innovation based on chemistry, thereby contributing to the creation of a circular economy.

In April 2021, we implemented organizational reforms, reducing our 10 business domains to five. To continue to provide optimal solutions to the needs of diversifying customers and markets, we transitioned to a market-oriented structure that is more closely attuned to customers and markets. We consolidated the business domains according to products and market segments and reorganized the corporate function domains into larger organizational units. By doing so, we have removed organizational barriers, enabling greater personnel exchange between neighboring business domains with the aim of promoting synergy and increasing the quality of solutions. In addition, by collaborating and sharing functions and systems across our approximately 300 Group companies, we will advance the interchange of people and knowledge and increase operational efficiency. We call this push “One MCC,” and will work to foster awareness and promote initiatives accordingly.

“Utilizing People’s Capabilities” is a component of the MCC Group’s basic management policy. We carry out management with the aim of empowering every Group member to work with enthusiasm, motivation and initiative, allowing each individual to



exercise their abilities to the fullest while promoting diversity and viewing the diversity of human resources as a strength. A third of Group employees are non-Japanese nationals. Given the considerable diversity of our employees in terms of nationality and language, it only makes sense that our employees’ ways of thinking are diverse, too. That said, I hope that all of our employees will take pride in directly or indirectly providing useful value to the world through their work—to use the language of our mission, in playing a part in saving our planet—and that they understand the significance of their work in the MCC Group. Within our overall organization made up of diverse human resources, this shared spirit unites us as One MCC.

To Our Stakeholders

Chemical companies create environmental burden in the process of manufacturing products. With a history of using technology to overcome pollution problems, Japan is a global leader in pollution prevention technologies. Now, we face the new challenge of achieving carbon neutrality. The MCC Group will help solve this challenge by providing environmental

solutions. Mustering our full range of technological capabilities as an integrated chemical company under the banner of “One MCC,” we will continue working toward the realization of KAITEKI. I ask for our stakeholders’ understanding of this stance and our businesses, and for your continued support.