



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.



Toward our vision of realizing KAITEKI, in April 2021 we designated a mission and values for the MCC Group.

Mission

THE POWER OF CHEMISTRY
Saving Our Planet and
Creating Our Future Together

Values

1. Excellence in Safety & Quality
2. Accepting Challenges
3. Unlimited Creativity
4. Growing Connectivity
5. Experience Pride

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

- GHG Reduction: We reduce greenhouse gas emissions to contribute to climate change mitigation.
- Food and Water Supply: We contribute to alleviating concerns about food and water supplies.
- Human Interface: We address safety and security to create true comfort.
- Digital Society Infrastructure: We support the next-generation digital society.
- Carbon Cycle: We pursue sustainable comfort in a carbon-circulating 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 of 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.



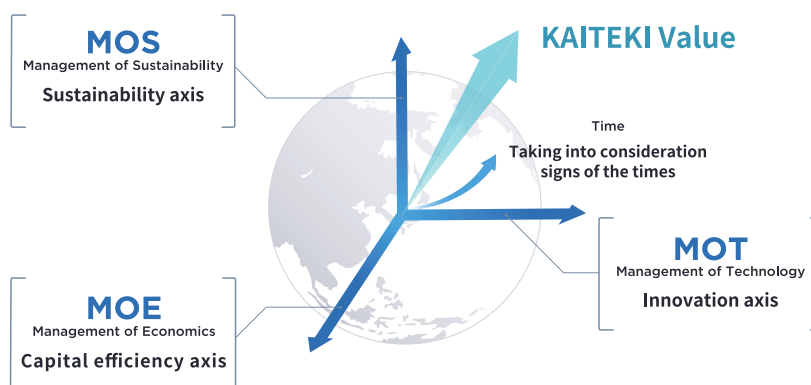
Aiming to Realize KAITEKI

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 have created the term KAITEKI Value to refer to the corporate value defined by the combination of these three axes. By further enhancing said value, we get closer to realizing KAITEKI while improving the Group's sustainability. As an operating company, MCC 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



Management of Economics (MOE)

Management that focuses on capital efficiency. Pursuing profits by efficiently using various forms of capital, including human resources, assets and funds.

Management of Technology (MOT)

Management that strives to create innovation for society. Creating innovative products and services through the differentiation of technology that we possess.

Management of Sustainability (MOS)

Management that aims to improve sustainability. Contributing to the resolution of a variety of environmental and social issues through corporate activities that consider the future of people, society and the Earth.

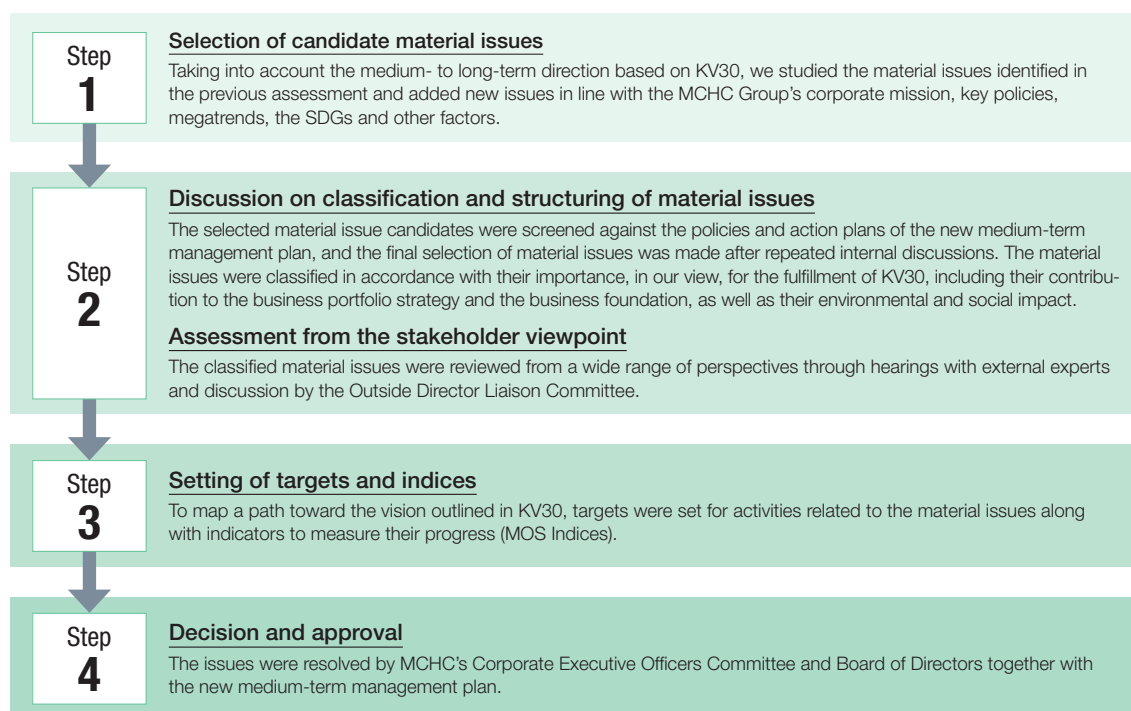
Time

Taking into consideration signs of the times

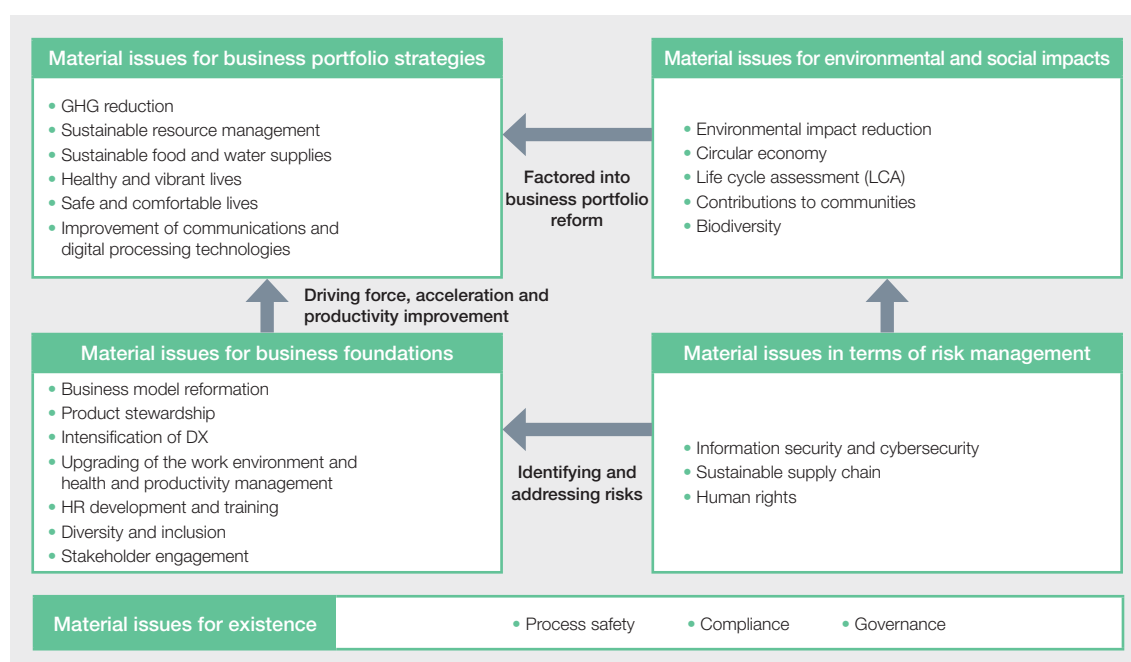
Materiality Assessment

Backcasting from its vision of an ideal society in 2050, Mitsubishi Chemical Holdings (MCHC) formulated the medium- to long-term basic management strategy KAITEKI Vision 30 (KV30), clearly defining the vision and the goals of the Group for 2030 and its growth path. MCHC has furthermore identified the material issues to be addressed by the MCHC Group as part of the new medium-term management plan, *APTS/S 25*, which is based on KV30. Sharing MCHC's material issues, Mitsubishi Chemical is working toward the realization of KAITEKI.

Identification Process of Material Issues



Overview of Material Issues





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 solving wide-ranging environmental and social issues in order to improve the present and future of 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. In addition, the MCHC Group uses the MOS Indices to measure progress made on material issues identified with the formulation of its new medium-term management plan, *APTSIS 25*. By steadily implementing initiatives to address these issues, the Group aims to achieve KAITEKI Vision 30.

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

Material Issues for Business Portfolio Strategies

Material issues
GHG reduction
Sustainable resource management
Sustainable food and water supplies
Healthy and vibrant lives
Safe and comfortable lives
Improvement of communications and digital processing technologies
Switch to a business portfolio centered on growth businesses that contribute to resolving social issues
MOS Indices
Percentage of sales revenue from the growth businesses (businesses that contribute to solving social issues)

Material Issues for Business Foundations

Material Issues
Business model reformation
Product stewardship
Intensification of DX
Upgrading of the work environment and health and productivity management
HR development and training
Diversity and inclusion
Stakeholder engagement
Contribution to and acceleration of growth by strengthening and enhancing the business foundation
MOS Indices
Employee engagement
Diversity among management
Wellness awareness
Lost time injury frequency rate
Level of customer satisfaction
Evaluation related to the ESG stock index

Material Issues for Environmental and Social Impacts

Material Issues
Environmental impact reduction
Circular economy
Life cycle assessment (LCA)
Contributions to communities
Biodiversity
Reduction of negative impact, environmental and social contribution, and appropriate evaluation of impact
MOS Indices
Percentage of sales revenue from products ¹ that contribute to the circular economy or mitigate and adapt to climate change
GHG emissions
COD emissions
Progress of LCA activities
Amount of landfill waste ²

- 1 GHG reduction and carbon cycle sectors among growth businesses (businesses that contribute to solving social issues)
- 2 Amount of landfill waste regularly generated in the Group's routine production and logistics activity

Material Issues for Existence

Material issues
Compliance
Process safety
Governance

Material Issues in Terms of Risk Management

Material Issues
Information security and cybersecurity
Sustainable supply chain
Human rights

Appropriate risk management to avoid threats to continued corporate existence

MOS Indices
Number of serious compliance violations
Number of accidents
Security accidents
Environmental accidents
Participation rate in information security training