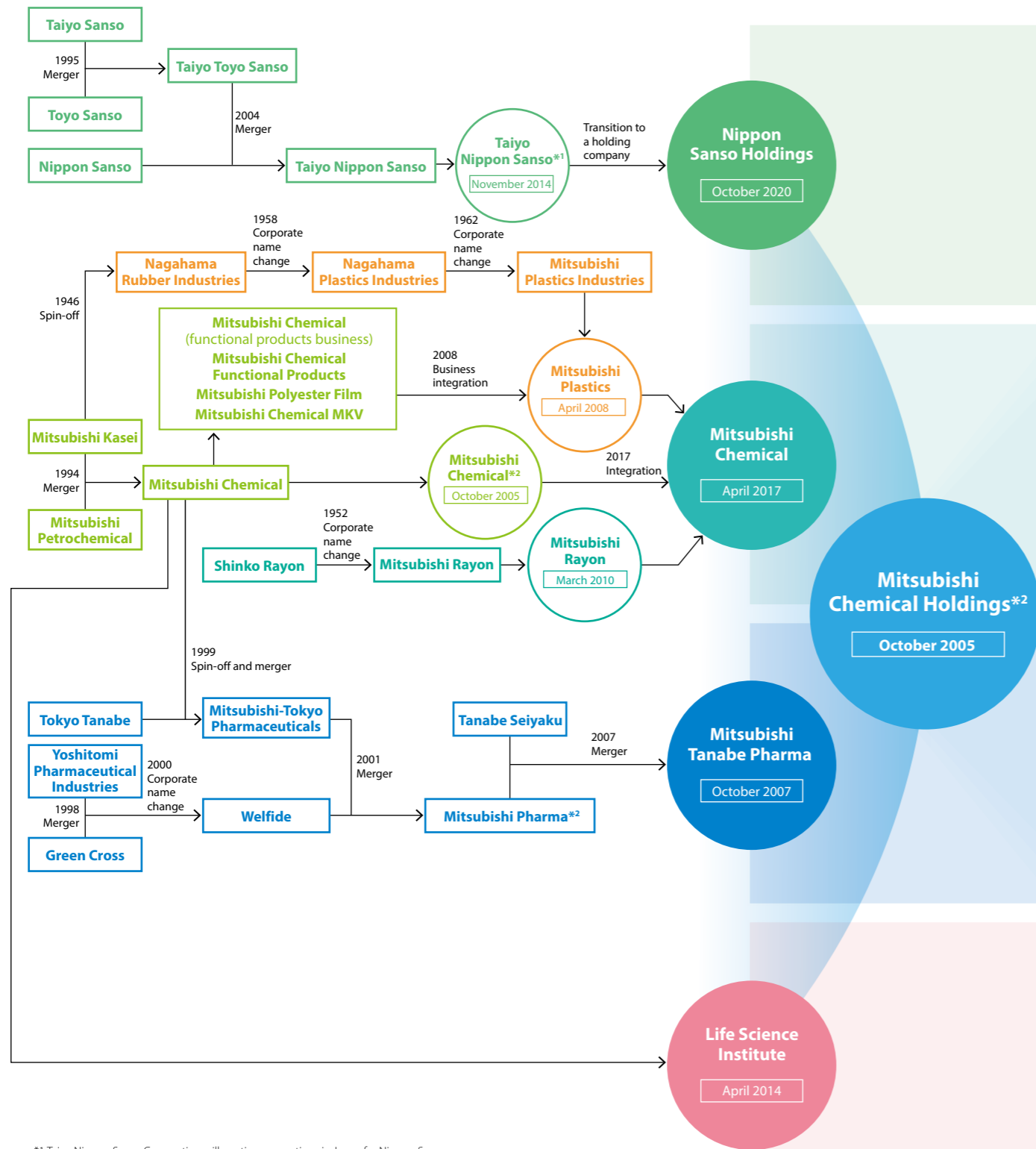


History of the MCHC Group and Its Core Technologies

Leveraging Our Proprietary and Basic Technologies, Creating New Business Opportunities

Across the MCHC Group, we have developed proprietary and basic technologies in a wide range of business domains. These core technologies are important intellectual capital for the MCHC Group and a source of our competitive edge (see P. 15). By maximizing the use of Group synergies and taking a multifaceted approach to advance innovation, we are working to enhance existing businesses and create new business opportunities.



*1 Taiyo Nippon Sanso Corporation will continue operations in Japan for Nippon Sanso Holdings Corporation.
 *2 Mitsubishi Chemical Corporation and Mitsubishi Pharma Corporation established a joint holding company, Mitsubishi Chemical Holdings Corporation.

MCHC Group core technologies

Proprietary technologies

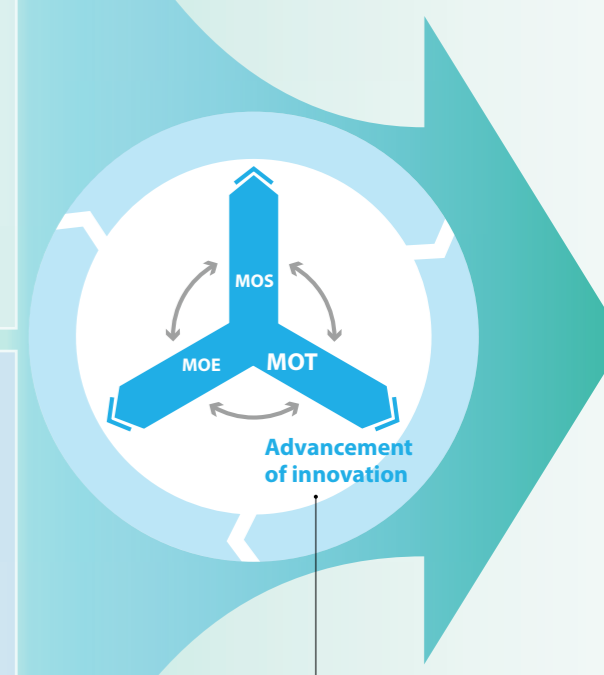
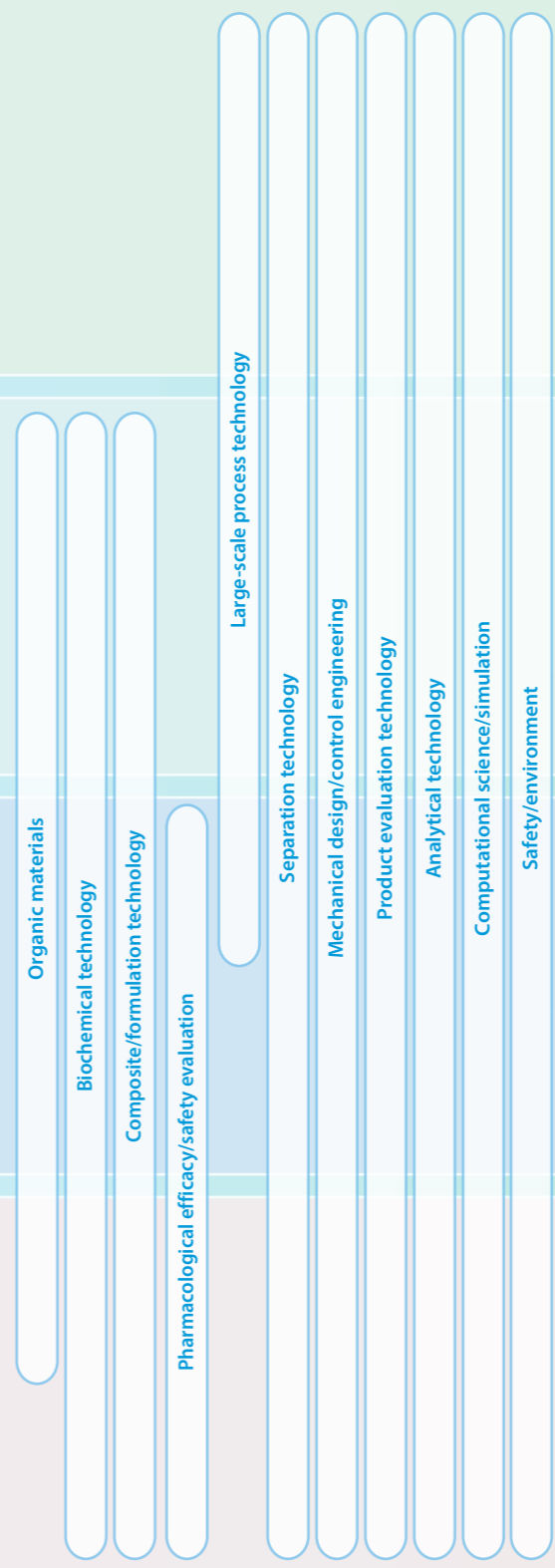
- Cryogenic/freezing technology
- Absorptive separation
- High-pressure gas control
- Oxygen combustion

- Catalyst
- Inorganic materials
- Polymer
- Fiber
- Film
- Molding

- Medicinal chemistry
- Drug discovery
- Pharma process chemistry
- Biologics

- Cell culture
- API synthesis

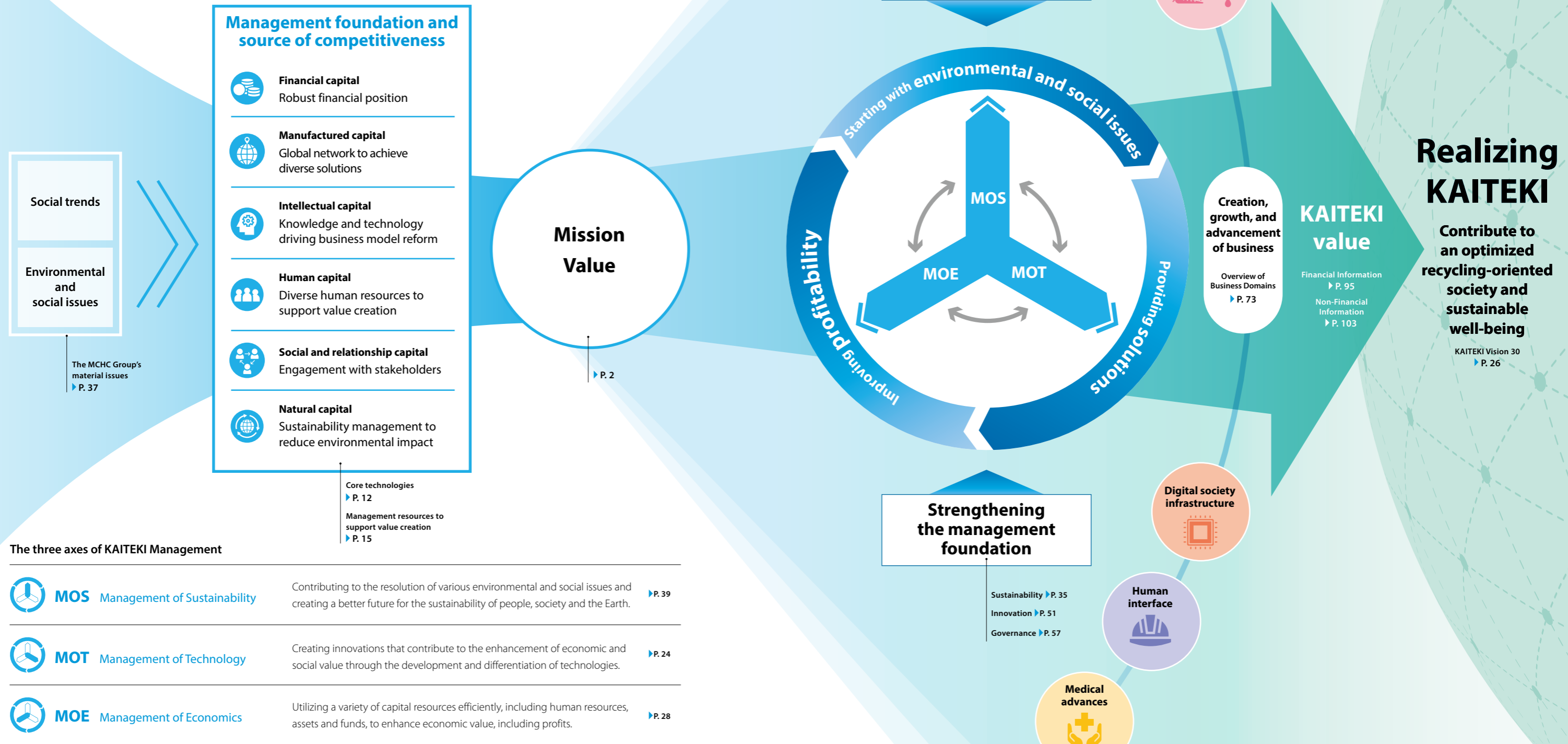
Basic technologies



Create New Value Starting with Social Issues Executing KAITEKI Management

The Mitsubishi Chemical Holdings Corporation (MCHC) Group works to increase corporate value through KAITEKI Management by implementing the three axes of sustainability (MOS), innovation (MOT) and capital efficiency (MOE) in an integrated manner.

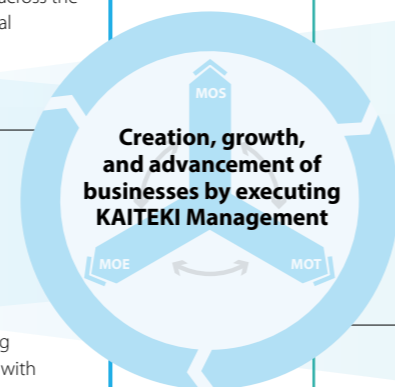
We work through our value creation cycle aimed at sustainable growth. We start with a focus on environmental and social issues as well as accelerating changes in social needs. We then identify growth business domains where the MCHC Group's business portfolio can provide solutions, in line with our mission and value.



Strengthen the Driving Force behind Value Creation Accelerating Growth to Achieve Our Vision

(As of March 31, 2021)

Management resources to support value creation	Approach
<p>Financial capital Robust financial position</p> <p>Total assets ¥5,287.2 billion</p>	A robust financial position provides the foundation for sustainable growth. We work to increase corporate value by balancing shareholder returns, improving our financial position and investing in growth businesses.
<p>Manufactured capital Global network to achieve diverse solutions</p> <p>Capital expenditures Group sites (number of countries & regions)</p> <p>¥263.7 billion 43</p>	Our global network allows us to rapidly provide solutions to regional needs or social issues. We are stepping up the use of digital technologies in our product development and optimizing our plants in order to strengthen our value creation platform.
<p>Intellectual capital Knowledge and technology driving business model reform</p> <p>R&D expenditures Core technologies ¥126.1 billion ▶ P. 12</p>	Our core technologies and the knowledge we have built up across a wide range of business domains are intangible assets that underpin business model reformation. We leverage our capabilities across the entire Group to respond to changing social needs in a fast and flexible way, and are creating new businesses to help optimize entire social systems.
<p>Human capital Diverse human resources to support value creation</p> <p>Number of employees (consolidated) 69,607</p> <p>Digital University attendees Approx. 5,000 ▶ P. 50</p>	Human resources are the key management resource for value creation. HR programs allow us to foster creativity and productivity, boost job satisfaction and create workplaces where employees with diverse values and high-level expertise can flourish, united in our mission. We are also stepping up the development of human resources with digital skills to accelerate innovation through our digital technology platforms.
<p>Social and relationship capital Engagement with stakeholders</p> <p>Dialogue with stakeholders ▶ P. 94</p> <p>More CVC programs ▶ P. 55</p> <p>Participation in initiatives ▶ P. 44</p>	We are building strong relationships of trust by engaging in active and constructive dialogue with stakeholders and by understanding and responding to expectations and demands. We are also working to build sustainable supply chains, help communities create a better society and increase brand value.
<p>Natural capital Sustainability management to reduce environmental impact</p> <p>Energy consumption Water withdrawal (excluding seawater)</p> <p>47.3 TWh 216 million m³</p> <p>Non-Financial Highlights ▶ P. 91</p>	Rigorous sustainability management is essential to solve climate change and water shortages/pollution, achieve a recycling-oriented society, and preserve biodiversity. We aim to reduce our environmental impact by reducing and making more effective use of GHGs and by promoting a circular economy.



Metrics to manage progress
APTSIS 20 overview
MOS ▶ P. 23
MOT ▶ P. 24
MOE ▶ P. 19

Value created by the MCHC Group
<p>Improvement in economic value Financial Highlights ▶ P. 89</p> <p>Sales revenue ¥3,257.5 billion</p> <p>Core operating income* ¥174.7 billion</p>
<p>Business expansion</p> <p>Ratio of overseas revenue 45% Acceleration of overseas businesses</p> <p>R&D and market indices 97% ▶ P. 24 Advancement of innovation</p> <p>Projects utilizing digital technologies 225 projects ▶ P. 53 Promoting digital transformation</p>
<p>Improvement in creativity and productivity</p> <p>Employees' vitality index 69 points ▶ P. 48</p>
<p>Contributing to the reduction of environmental impact</p> <p>Contribution to the reduction of GHG emissions through products 31.3 million t-CO₂e Response to climate change</p> <p>Amount of reused water supplied (meeting quality standards for both daily and industrial use) 970 million tons Efficient use of water</p>

The MCHC Group's vision under its medium- to long-term basic management strategy, KAITEKI Vision 30, is to solve social issues for a sustainable future through leadership as a global solutions provider, and the Group is engaged in value creation through the execution of KAITEKI Management.

By using the economic and social value created through businesses that provide solutions to social issues, we further strengthen our business foundations and continue to move through the growth cycle, creating new value as we progress.

KAITEKI Vision 30

Vision

Solve social issues for a sustainable future through leadership as a global solutions provider

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

* Core operating income is calculated as operating income (loss) excluding certain gains and expenses attributable to non-recurring factors (gains and losses incurred by business withdrawal and contraction, etc.). We disclose core operating income as unique gains/losses incurred by staged gains/losses, while considering the comparability with operating income under J-GAAP.