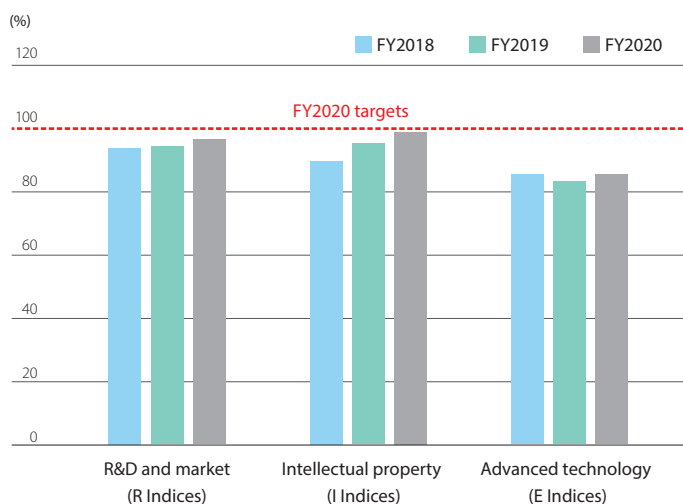


MOT Management of Technology

The MCHC Group has identified our technology and innovation capabilities, defining MOT Indices and relevant targets that serve as metrics for improvement. During *APTSIS 20*, we used these MOT Indices to advance initiatives for realizing next-generation businesses in key focus markets. The MOT Indices were updated to the current form in April 2018, prompted by the creation of the new Mitsubishi Chemical Corporation in April 2017.

Innovation targets (KPIs for the MOT Indices) and results

MOT Indices: Achievement rates over the past three years



Review

Achieved most targets for R&D and market, as well as for intellectual property, but fell short in advanced technology, including digital.

The current MOT Indices cover R&D and market (R Indices), intellectual property (I Indices), and advanced technology (E Indices). We made steady improvements in the R and I Indices between fiscal 2018 and fiscal 2020, and nearly achieved all targets in fiscal 2020. These results reflected strength in international patent applications and sales of new products. However, the E Indices did not improve as desired. To overcome this shortfall, we will focus our energies on the pursuit of digital transformation (DX) and programs across the Group to advance our key technology positions.

Promoting digital transformation

We measure 13 items to gauge our digital maturity, which is a key indicator in the E Indices (see table at right). Progress on each item is evaluated by assigning a ranking between one and four, and these rankings are combined to quantify the overall digital maturity. A score of 100% would mean that all items were ranked at the highest level (“Advanced”).

The level of digital maturity has risen each year, but we achieved a score of only 61% for fiscal 2020. Given the importance of DX to our business, we will continue to place high priority on achieving further improvements in digital maturity.

Items evaluated for digital maturity

Category	Item
Strategy	DX strategy
	Communication, penetration
Organization and human resources	Structure for DX promotion
	Human resources development
Data infrastructure	Data policy
	Data infrastructure and application
Business processes	Supply chain
	Manufacturing
	Customer contact points
	R&D
	Corporate functions
Business models	Business model reform
	Megatrends

MOT Indices under the new medium-term management plan

We must accurately gauge our technological capabilities across the MCHC Group in order to continuously hone our competitive edge. For the new medium-term management plan, *APTSIS 25*, we have revised the MOT Indices to be more straightforward, transparent and objective. We will use the insights obtained to accelerate realization of next-generation businesses.