Formulating a New Medium-Term **Management Plan to Realize KAITEKI Vision 30**

Medium-term management plan formulated in two steps

Stepwise approach to formulating the plan to reflect different scenarios for global socioeconomic changes and global economic recovery

Social trends

Environmental and social issues

Major global socioeconomic changes

Including trade friction between China and the United States and COVID-19 impacts

Politics and diplomacy

- Conflict between totalitarianism and democracy Rising nationalism and
- fraying international cooperation
- Growing geopolitical risks from fragmentation
- Swifter setting of carbon-neutral targets and tighter regulations

Economy and business

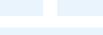
- Diversifying supply networks to hedge risks
- Switching to remote interactions through
- Significant improvements in work style reforms and operational efficiency
- Accelerating green transformation (GX) and digital transformation (DX)

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Projecting to

the medium-term

management plan



Individuals and society

- Societies increasingly valuing the environment
- People increasingly seeking safety and security
- More opportunities to enjoy services virtually
- Remote activities becoming commonplace Growing health consciousness

Global economy

Varying pace of recovery to pre-COVID-19 levels in different countries and regions

New Medium-Term Management Plan (FY2021-FY2025)

APTSIS 25

Step 1 (during the COVID-19 pandemic)

Plan formulated for FY2021-FY2022 > P. 27 MOE Indices > P. 28

Step 2 (after the pandemic)

Scheduled formulation of plan for FY2023-FY2025

New material issues ▶ P. 37-38

New MOS Indices P. 39-42

New MOT Indices

KAITEKI Vision 30 (KV30) is our medium- to long-term basic management strategy, formulated by backcasting from our vision for 2050 in order for the MCHC Group to achieve sustainable growth. With the COVID-19 pandemic, risks related to social issues specified in KV30 are starting to emerge, so the MCHC Group is responding to changing social needs and accelerating business model reformation and innovation in order to swiftly commercialize growth businesses (see P. 31). We have taken a stepwise approach to the formulation of the medium-term management plan based on KV30 in order to reflect the impacts brought about by COVID-19. By executing Step 1 of the APTSIS 25 medium-term management plan, we will strengthen our business foundation in order to accelerate growth and make steady progress toward achieving our vision.

https://www.mitsubishichem-hd.co.jp/english/group/kv30/index.html

Prospective

solutions

KAITEKI Vision 30 is presented in detail on our website

Emergence of social issues specified in KV30

Responding to changing social needs and accelerating business model reformation and innovation for swift commercialization

Backcasting approach

2050

Social vision

An optimized recycling-oriented society Sustainable well-being

Corporate approach

Identify new social issues and provide ongoing solutions

Medium- to long-term basic management strategy

KAITEKI Vision 30

MCHC Group's vision for 2030

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

- Accelerate growth and enhance corporate value by making the resolution of social issues a business opportunity
- Establish an innovative R&D structure and keep providing solutions to social issues
- Build infrastructure to ensure environmental impact neutrality by reinforcing sustainability management
- Create flexible human resources systems that embrace the diversity, expertise, and mobility of its people
- Foster digital natives who are sufficiently skilled to accelerate growth
- Intensify our global management structure to meet regional needs and accelerate growth

Three perspectives leading to the vision

1. Business portfolio transformation > P. 29-32

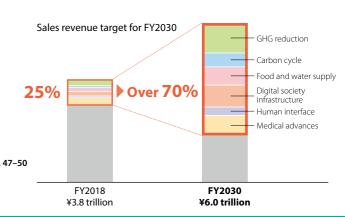
- Specify social issues that the MCHC Group should help to resolve as business areas
- Expand growth businesses (businesses that contribute to solving social issues) through business model transformation

2. Thorough sustainability management > P. 43-44

- GHG emissions: Seek to lower emissions in line with national and regional government targets
- Building a foundation for achieving environmental impact neutrality by 2050

3. Human capital system and framework reforms > P. 47-50

• Reforms to create flexible human resources systems and organizations that embrace diversity, expertise and mobility



Mitsubishi Chemical Holdings Corporation KAITEKI REPORT 2021