

Governance

Message from an Outside Director of the Board

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Monitoring the operational status of the organization from an outside perspective and supervising decision-making to maximize corporate value

Oversight of management policy formulation and business execution to increase shareholder value

Mitsubishi Chemical Group Corporation has worked to formulate a new management policy in the short time since Jean-Marc Gilson was appointed president in April 2021. Such rapid and decisive progress was achieved through dedicated efforts by the executive officers and the leadership of the president, plus lively discussions at Board of Directors' meetings.

All five strategic priorities hammered out in the "Forging the future" management policy, announced in December 2021, reflect our goal of streamlining businesses to maximize corporate value. MCG has long focused on finding business opportunities that address social issues to develop a sustainable business, but using "carbon neutrality" as an assessment criteria for selecting markets will make this sustainability focus even more tangible.

From April 2022, MCG has moved to a globally integrated structure for the Group's businesses and corporate functions. This new organization is expected to make MCG more efficient, enabling faster decision-making and lower cost structures, but it will only function if all employees fully understand the "One Company, One Team" concept and communicate with each other effectively to achieve it. In the new structure, we seek to oversee all aspects of operational execution by the executive officers. From a business perspective, we will be closely monitoring whether we have the right processes and investment decisions in place to achieve key financial targets and how we are progressing. As for corporate management, we will be

monitoring operational matters including workplace safety and corporate governance, compliance, internal controls, and human resources development. There will also be rigorous debate by the Board of Directors on the approach to risks taken by the executive team, including the president, and whether the business portfolio transformation is sustainable.

Expressing views based on external perspectives, and enhancing the auditing structure

My appointment as chairperson of the Audit Committee in April 2022 marks the first time an outside director has taken on this role at MCG. The Audit Committee members are responsible for auditing the execution of duties by the executive officers, preparing audit reports, and evaluating the execution of duties by the accounting auditors. To fulfill these duties, we need to gather information from diverse sources and investigate matters from wide-ranging perspectives, while making appropriate decisions on important matters in a timely manner. The Audit Committee secretariat supports us in the execution of our duties. I am heartened by MCG's decision to increase the number of secretariat staff from three to six people (as of October 2022) in order to enhance our ability to gather information. With this new organizational structure, I expect to utilize my position as an outside director in the chairperson role by bringing external perspectives not confined by standard business practice in the industry, and also by drawing on my expertise in accounting and auditing. I look forward to discharging our Audit Committee duties in a fair and transparent manner through active debate.