Message from the Chief Supply Chain Officer



23 Members of the One Global Leadership Team

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Responding flexibly to the supply chain business climate, aiming to function as a world-leading organization

Three key priorities to improve productivity

I took over as Chief Supply Chain Officer in April 2023. I plan to draw on my previous experience managing a specialty materials business to build new supply chains that feature stronger mutual cooperation.

The business climate in which the Mitsubishi Chemical Group operates has undergone significant changes over the past few years. Energy costs have risen, driven by geopolitical risk and other factors, and global efforts to become carbon neutral have picked up in pace. Higher interest rates and logistics costs, plus surging raw material costs, have been a major factor hindering the recovery in the MCG Group's financial position. These business conditions are not just a transient trend, and they could force us down an increasingly difficult path. As such, we need to urgently improve productivity if we are to achieve our "Forging the future" strategy. I see three key priorities to improve productivity.

Tackling organizational change at a global level by combining new and existing technologies

We need to completely transform supply chain management to achieve these key priorities. Two factors are of particular importance here: the establishment of a flat management structure that can respond flexibly to environmental change and the development of specialists with technological expertise.

To achieve these goals on a global scale, we will embark on a new, unique challenge to combine our

Three key priorities

1. Be known for world-leading reliability

We will ensure that our production activities are extremely safe, our due diligence on human rights in procurement and logistics is rigorous, and our reputation is all about quality.

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2. Build on our competitive edge

We will achieve operational excellence based on our cost advantages and technical capabilities.

3. Execute sustainable programs

We will formulate GX and circular economy policies so we become carbon neutral by 2050.

world-leading technologies for customization, developed through improvement and production innovation initiatives in Japan, with DX and other cutting-edge technologies for standardization.

For sustainability initiatives, we will continue with existing efforts to reduce GHG emissions from energy use and increase materials recycling, while bringing in process improvements to enhance energy efficiency and optimize production allocation.

We have a difficult journey ahead of us, but our employees will work together to chart a course through this uncertain future, boldly moving our business forward and creating a distinctive and outstanding organization unlike any other. Chapter 2