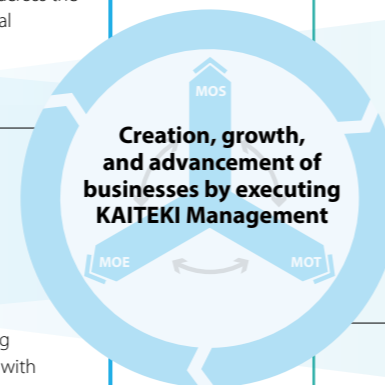


# Strengthen the Driving Force behind Value Creation Accelerating Growth to Achieve Our Vision

(As of March 31, 2021)

Management resources to support value creation	Approach
<p><b>Financial capital</b> Robust financial position</p> <p><b>Total assets</b> ¥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><b>Manufactured capital</b> Global network to achieve diverse solutions</p> <p><b>Capital expenditures</b>    <b>Group sites</b> (number of countries &amp; regions)</p> <p>¥263.7 billion    <b>43</b></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><b>Intellectual capital</b> Knowledge and technology driving business model reform</p> <p><b>R&amp;D expenditures</b>    <b>Core technologies</b> ¥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><b>Human capital</b> Diverse human resources to support value creation</p> <p><b>Number of employees (consolidated)</b> <b>69,607</b></p> <p><b>Digital University attendees</b> <b>Approx. 5,000</b> ▶ 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><b>Social and relationship capital</b> Engagement with stakeholders</p> <p><b>Dialogue with stakeholders</b> ▶ P. 94</p> <p><b>More CVC programs</b> ▶ P. 55</p> <p><b>Participation in initiatives</b> ▶ 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><b>Natural capital</b> Sustainability management to reduce environmental impact</p> <p><b>Energy consumption</b>    <b>Water withdrawal</b> (excluding seawater)</p> <p><b>47.3 TWh</b>    <b>216 million m<sup>3</sup></b></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><b>Improvement in economic value</b> Financial Highlights ▶ P. 89</p> <p><b>Sales revenue</b> ¥3,257.5 billion</p> <p><b>Core operating income*</b> ¥174.7 billion</p>
<p><b>Business expansion</b></p> <p><b>Ratio of overseas revenue</b> <b>45%</b> Acceleration of overseas businesses</p> <p><b>R&amp;D and market indices</b> <b>97%</b> ▶ P. 24 Advancement of innovation</p> <p><b>Projects utilizing digital technologies</b> <b>225 projects</b> ▶ P. 53 Promoting digital transformation</p>
<p><b>Improvement in creativity and productivity</b></p> <p><b>Employees' vitality index</b> <b>69 points</b> ▶ P. 48</p>
<p><b>Contributing to the reduction of environmental impact</b></p> <p><b>Contribution to the reduction of GHG emissions through products</b> <b>31.3 million t-CO<sub>2</sub>e</b> Response to climate change</p> <p><b>Amount of reused water supplied</b> (meeting quality standards for both daily and industrial use) <b>970 million tons</b> 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.