

New Year Message from President and Chief Executive Officer Hitoshi Ochi

Mitsubishi Chemical Holdings Corporation

Reviewing 2020

The COVID-19 pandemic of 2020 was more damaging than the Lehman Shock, as the world was already in recession owing to US-China trade friction continuing from the previous year. China was prominent among a handful of countries that have resumed economic activity. Many others have suffered from second and third infection waves. Vaccine and other treatment regimens will have to be sufficiently ubiquitous and effective for the world economy to return to 2019 levels. The strong consensus seems to be that a recovery will not be until 2022 or 2023.

COVID-19 pandemic changing work styles

One of the pandemic's greatest transformations has been of work styles. The percentage of people teleworking has rocketed. Automation and doing things remotely have progressed considerably in manufacturing and R&D. Changes in communication and the nature of work challenge us all to consider whether we are doing satisfactory work and how we can attain fulfillment.

In 2016, we rolled out KAITEKI Health and Productivity Management initiatives groupwide that focus on enhancing employee health and work practices. The pandemic has underscored the importance of such efforts. We should turn the challenges of change into new opportunities in that regard.

Mitsubishi Chemical Corporation will start a new personnel system in April 2021. The company will replace a seniority-based, lifetime employment setup with a unique job description-centric one. The prime goal here is to motivate employees and enhance work satisfaction. We will leverage our commitment to health and productivity and diversity to create vibrant workplaces.

Medium-term management plan that embraces change

The world faces increasingly grave environmental and social issues. Climate change, the quality and availability of water and food, the sustainability of social security, economic gaps, cultural divides, and other intractable problems demand urgent action. At the same time, rapid progress in digital technology, communications, biotechnology, and medicine is driving major changes.

To ensure sustainable growth, we formulated KAITEKI Vision 30, a medium- to long-term basic management strategy that backcasts from our vision for 2050 to set our goals for 2030. It is in keeping with KAITEKI Vision 30 that we are formulating a new medium-term management plan that we will launch in fiscal 2021. This plan will comprise two stages. The first is two years. The second covers three years. In view of the pandemic causing such swift and dramatic changes so fast, the first two years will focus on immediately tackling consequences while recovering from the intensive damage. We will accordingly strengthen our business foundations and implement business growth measures.

Finally, our mission statement is that, "We create innovative solutions globally based on our core values of Sustainability, Health and Comfort, striving for the well-being of people, society and our planet Earth."

Our determination to fulfill that mission is more important than ever in a constantly uncertain business climate.

I join with you in looking forward to the Group's ongoing growth under Jean-Marc Gilson, who will succeed me as president and chief executive officer in April 2021.

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