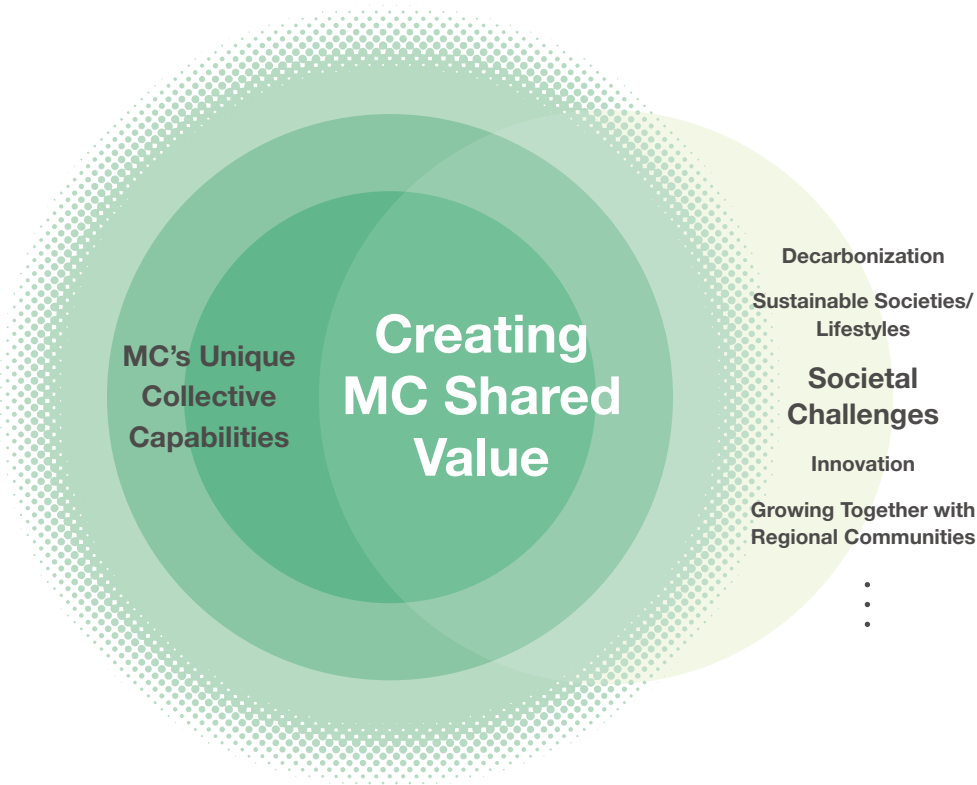


Creating MC Shared Value

Our Goals Under Midterm Corporate Strategy 2024: Creating MCSV

The continuous creation of significant shared value by elevating MC Group's collective capabilities in order to address societal challenges.



Outline of Midterm Corporate Strategy 2024

Our Goals Under Midterm Corporate Strategy 2024

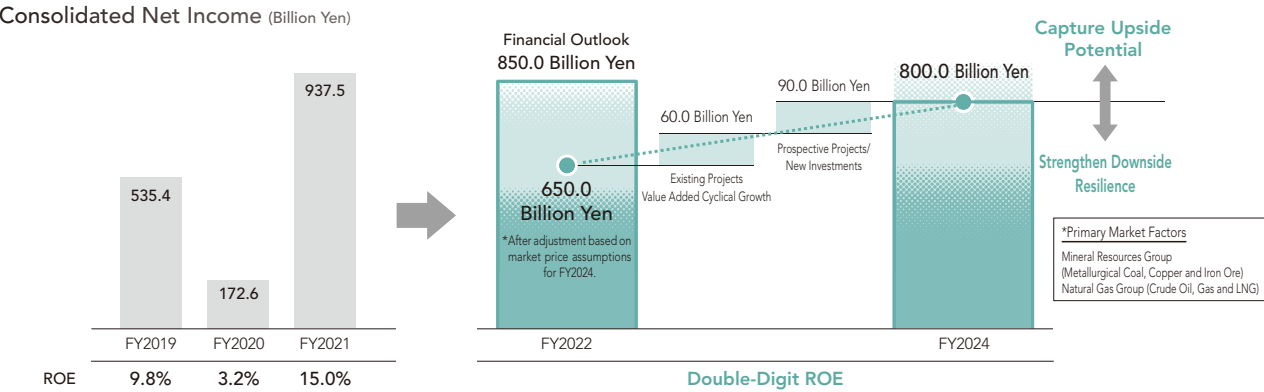
Creating MC Shared Value

Quantitative Targets / Shareholder Returns	Steady growth of earnings independent of market factors. Shareholder returns through progressive dividends and flexible company share buybacks.	Cash flow management rooted in financial discipline and investment planning/business portfolio management focused on future growth.
1	Leading Transformations and Connecting to Growth	Growth Strategies <ul style="list-style-type: none">EX Strategy (Decarbonization Solution Provider)DX Strategy (Linking Digital Technologies with the Real World)Creating a New Future (Fostering New Industries/Regional Revitalization)
2	Connecting Our Business to the Future with Disciplined Growth	Business Management <ul style="list-style-type: none">Business Management Systems
3	Connecting Diverse Sources of Intelligence	Management Mechanisms <ul style="list-style-type: none">OrganizationMaximizing Our Collective Capabilities Through Cross Organizational InitiativesManagement Mechanisms for Maximizing Our Collective Capabilities
4	Creating a Vibrant Organization by Interconnecting a Versatile and Diverse Talent Pool	HR Policies <ul style="list-style-type: none">Policies for Maximizing the Value of Human Capital
5	Interconnecting with Diverse Stakeholders and Reinforcing Our Presence as a Trusted Member of Society	Sustainability Policies <ul style="list-style-type: none">MaterialityInitiatives Related to MC's Roadmap to a Carbon Neutral Society

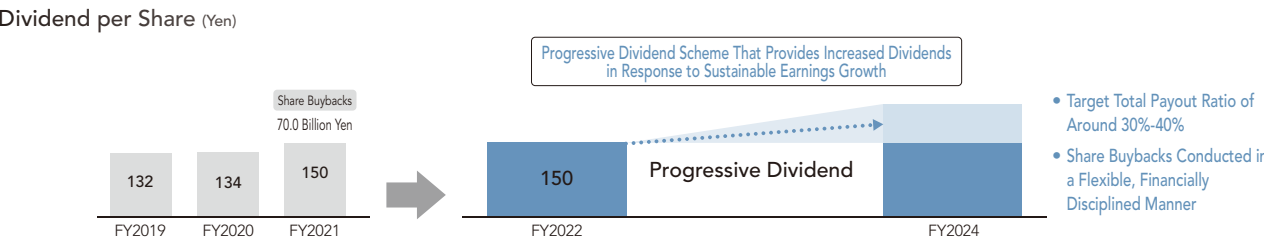
Fostering and Leveraging Connections to Maximize the MC Group's Unique Collective Capabilities

Quantitative Targets / Shareholder Returns

Quantitative Targets Steady Growth of Earnings Independent of Market Factors

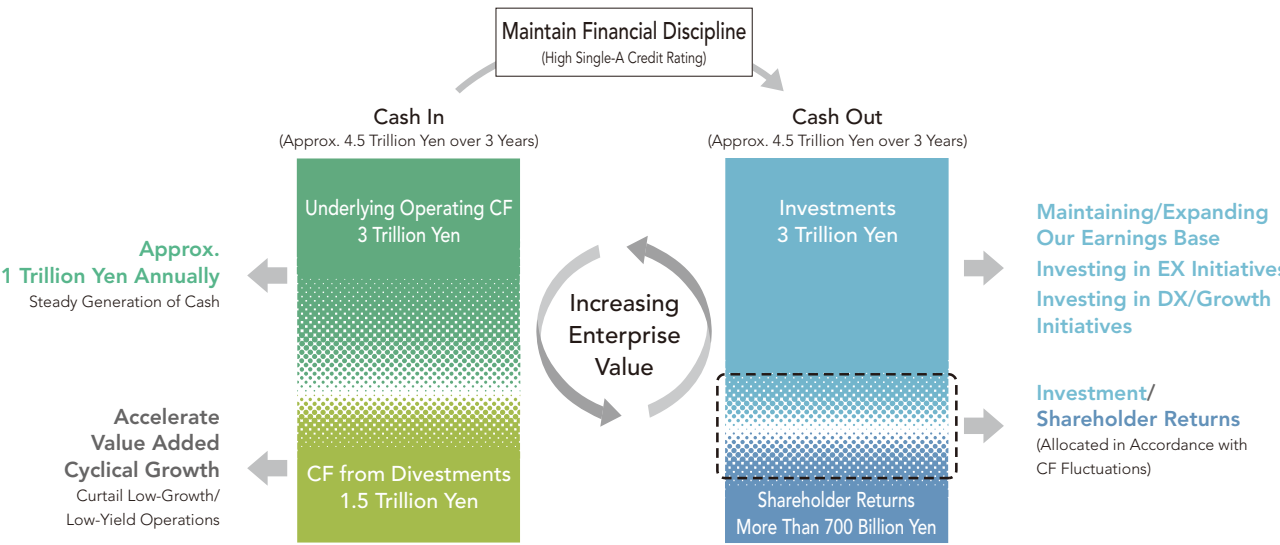


Shareholder Returns Balanced Policy of Financial Soundness, Stable Dividend Growth and Market Expectations on Shareholder Returns



Cash Flow (CF) / Capital Allocation

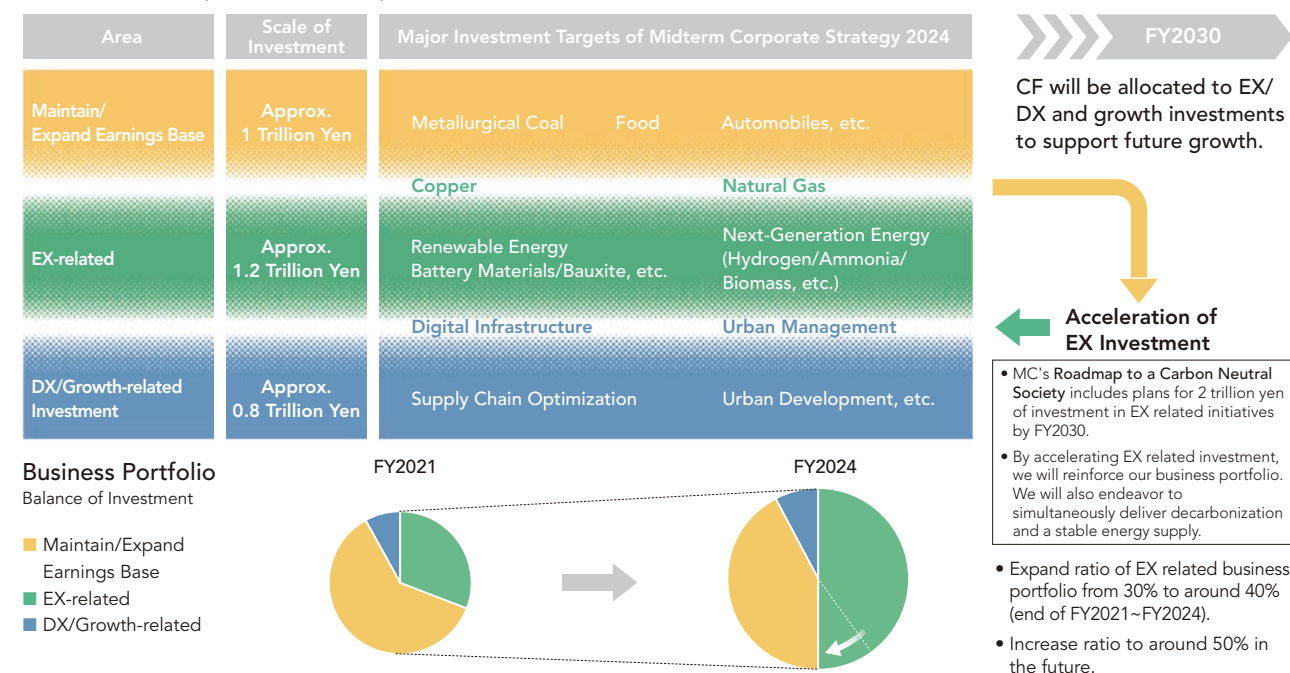
In order to increase enterprise value, we will strategically allocate CF into investments and shareholder returns, while maintaining financial discipline. We will also seek to lower our cost of capital by enhancing stakeholder confidence in our business operations through expanded disclosure and dialogues.



Investment Plan / Business Portfolio

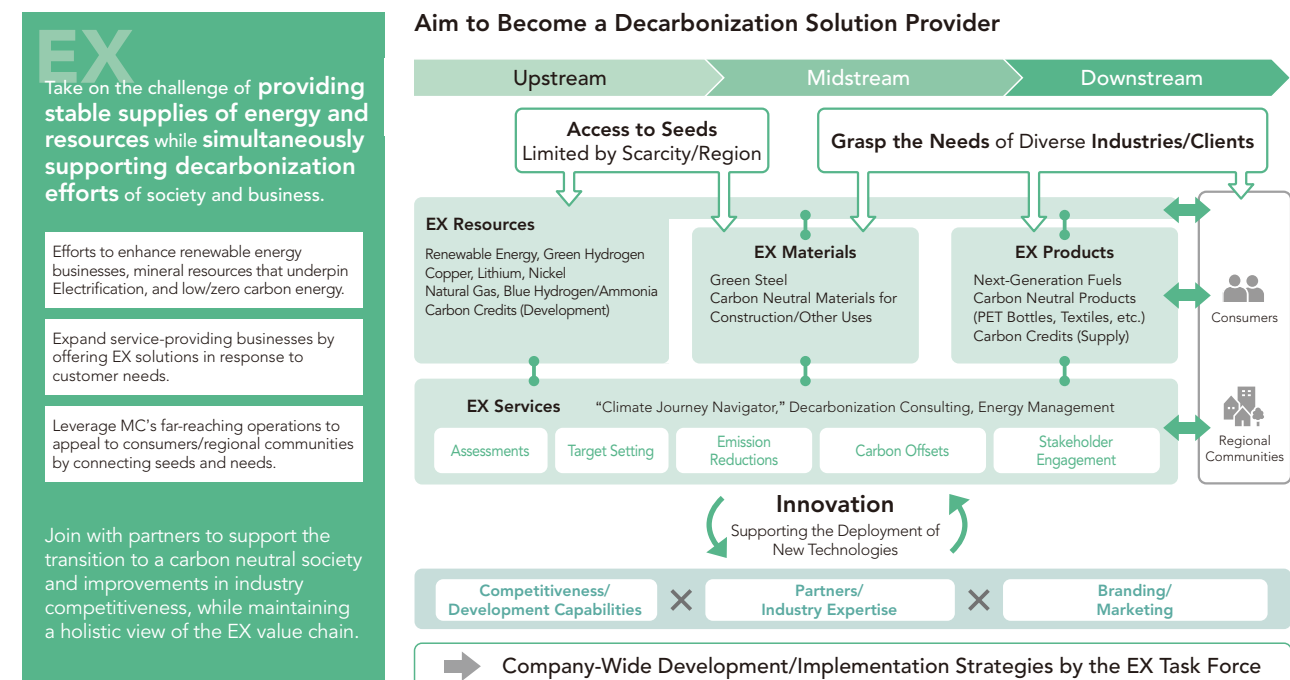
Investment of 3 trillion yen is planned during this midterm strategy; EX-related investments are to be accelerated. At the same time, we will steadily promote investment in maintaining/expanding our earnings base and in DX/growth related investment areas.

Investment Plan (FY2022-FY2024)



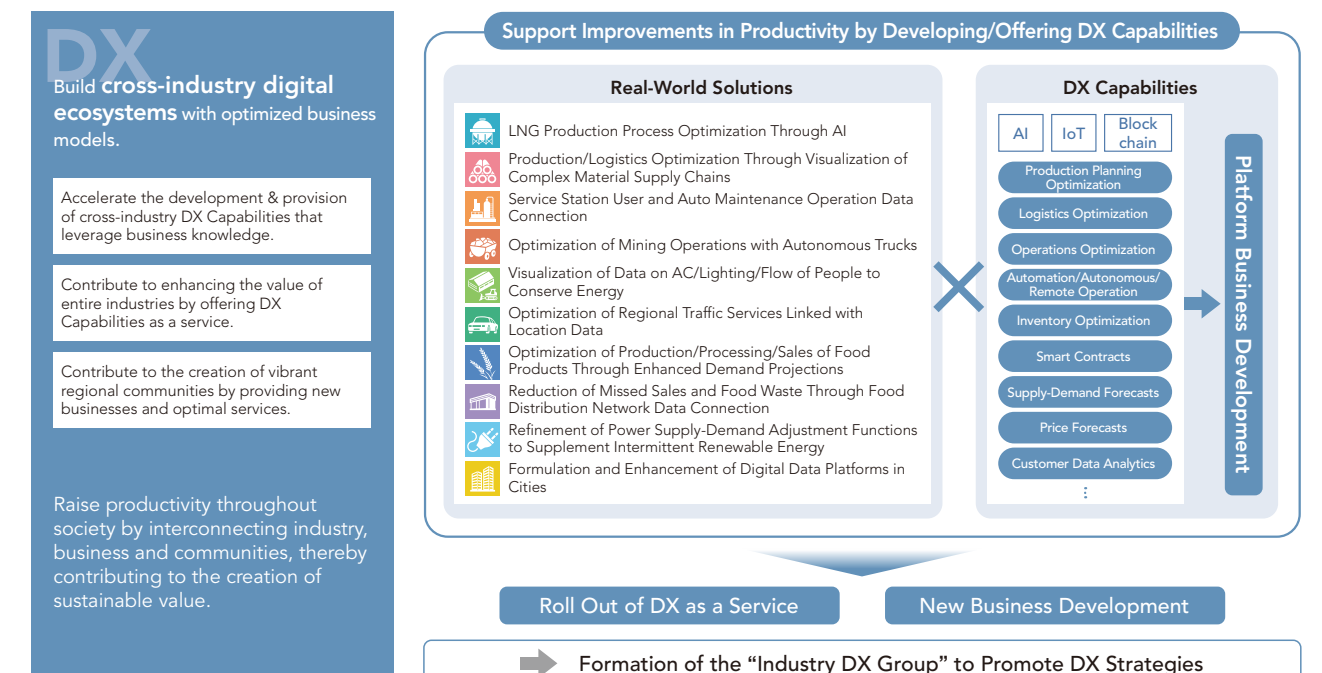
EX Strategy

- Promote low/zero carbon initiatives across the energy sector by connecting seeds (solutions) with needs related to EX Resources, Materials and Products.
- Provide solutions as EX Services while working closely with industry, consumers and regions to address emission reduction needs.



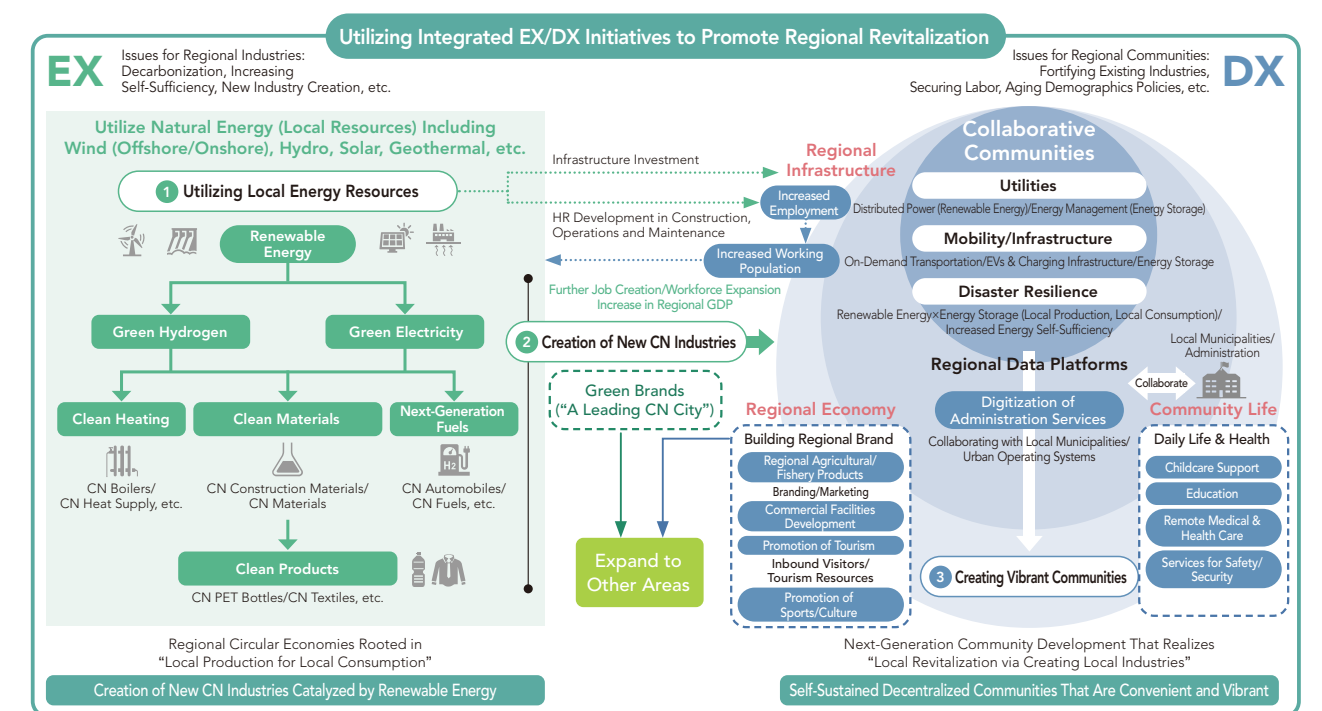
DX Strategy

- Broadly deploy MC's DX Capabilities across business operations in order to promote value enhancement through DX initiatives, targeting diverse, real-world businesses.
- Address societal challenges by linking digital technologies with the real world, thereby contributing to the development of industry and a future society with vibrant communities.



Creating a New Future (Fostering New Industries/Regional Revitalization)

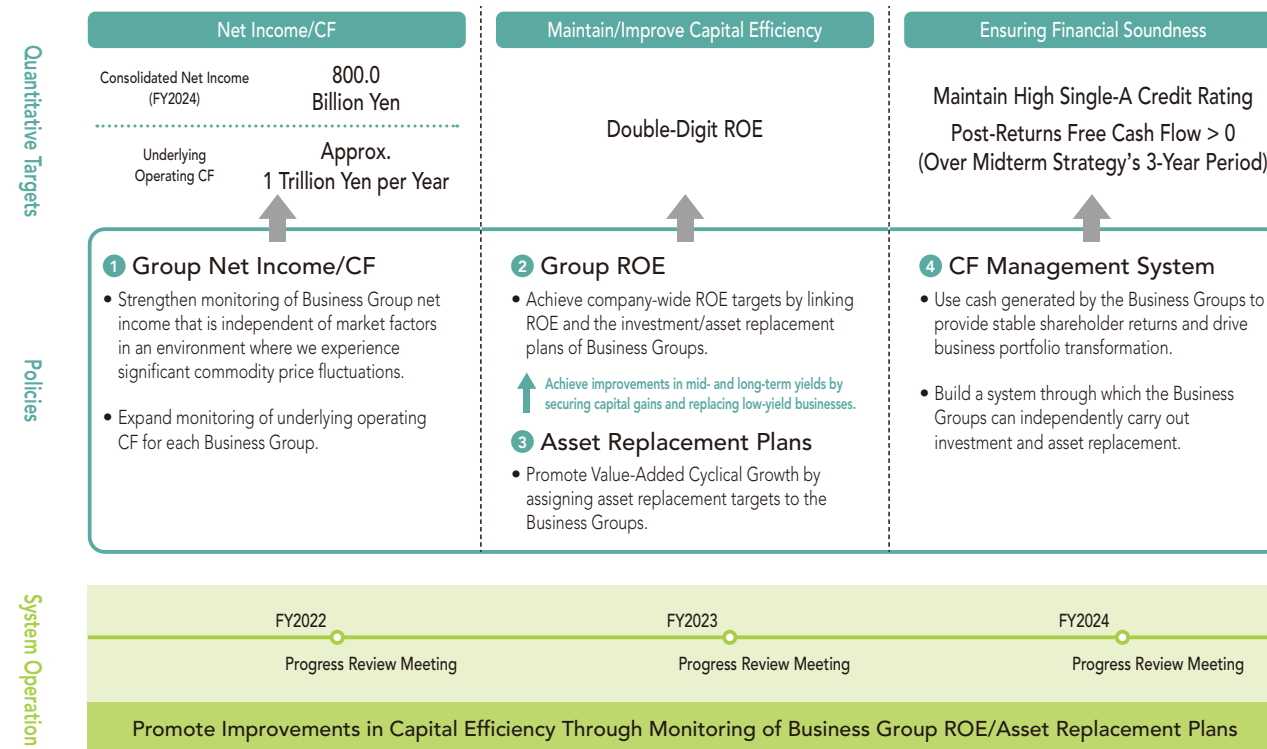
Work with partners and local municipalities to address challenges facing society and industry on the themes of (1) utilizing renewable energy and other local energy resources; (2) creating new "Carbon Neutral (CN)" industries; and (3) developing vibrant communities by helping to resolve regional issues.



Business Management Systems

2 Business Management

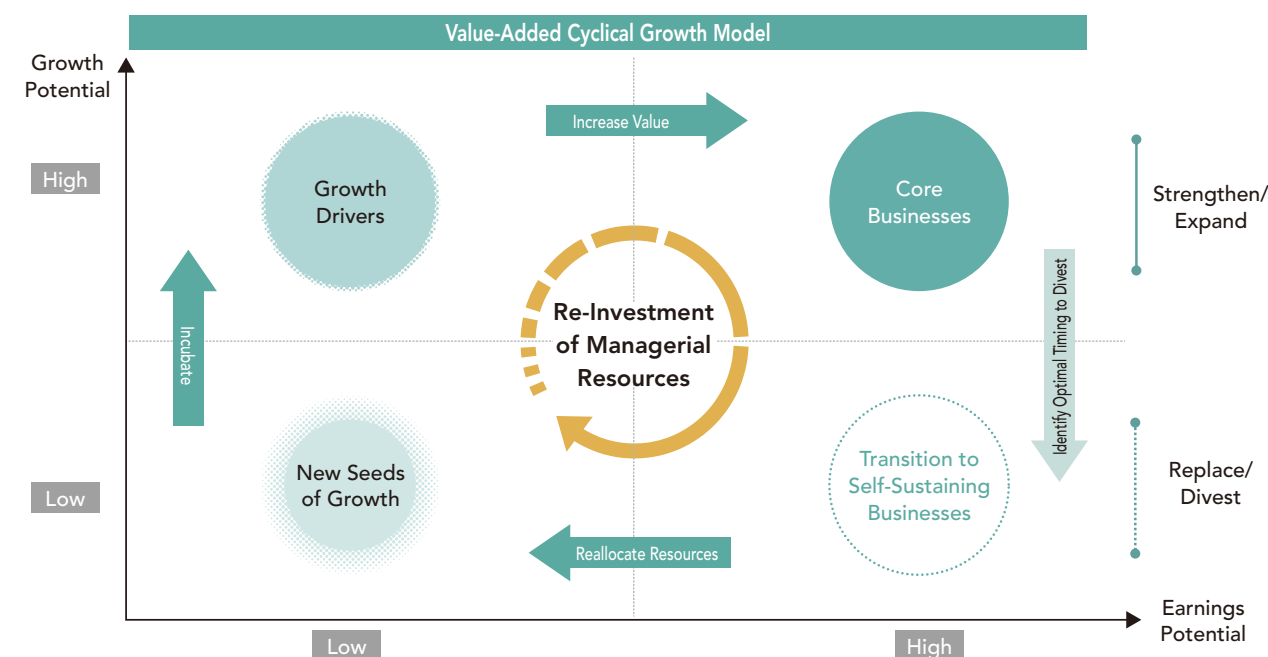
Establish management mechanisms to promote self-initiated strengthening of Business Group management with a view to achieving quantitative targets.



Business Management System: Value-Added Cyclical Growth Model

2 Business Management

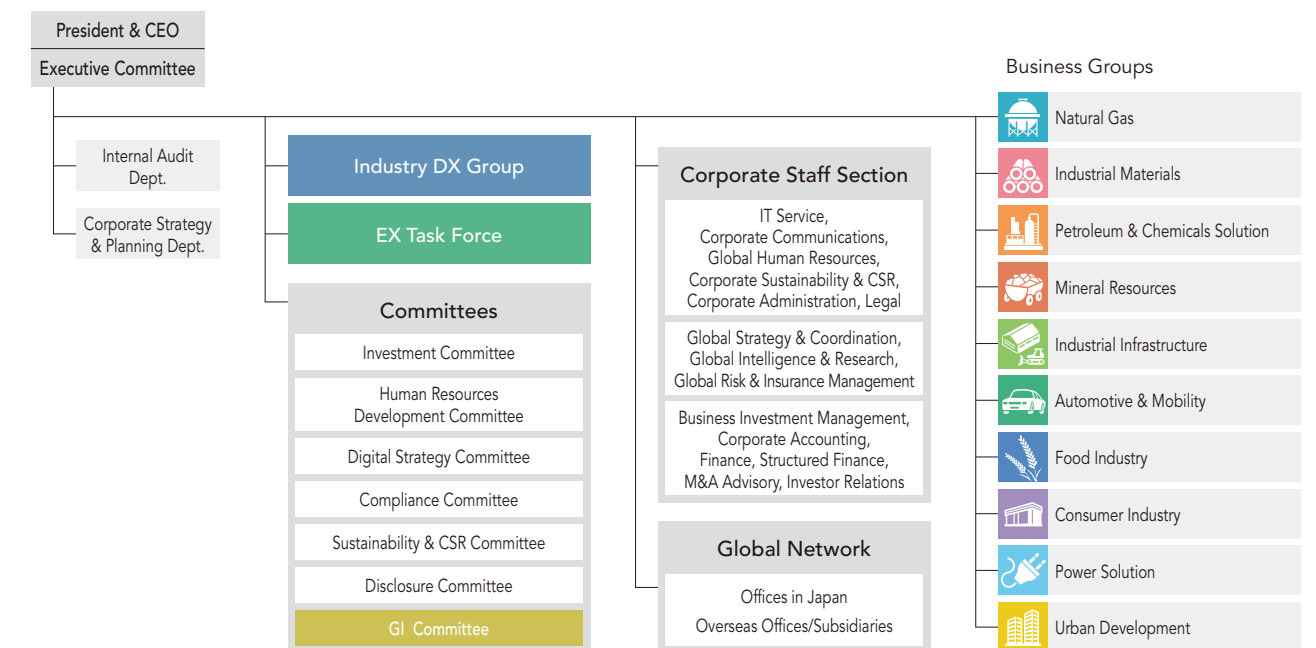
Respond to changes in the business environment by accelerating the application of the Value-Added Cyclical Growth Model and redirecting managerial resources to New Seeds of Growth and Growth Drivers.



Organization

3 Management Mechanisms

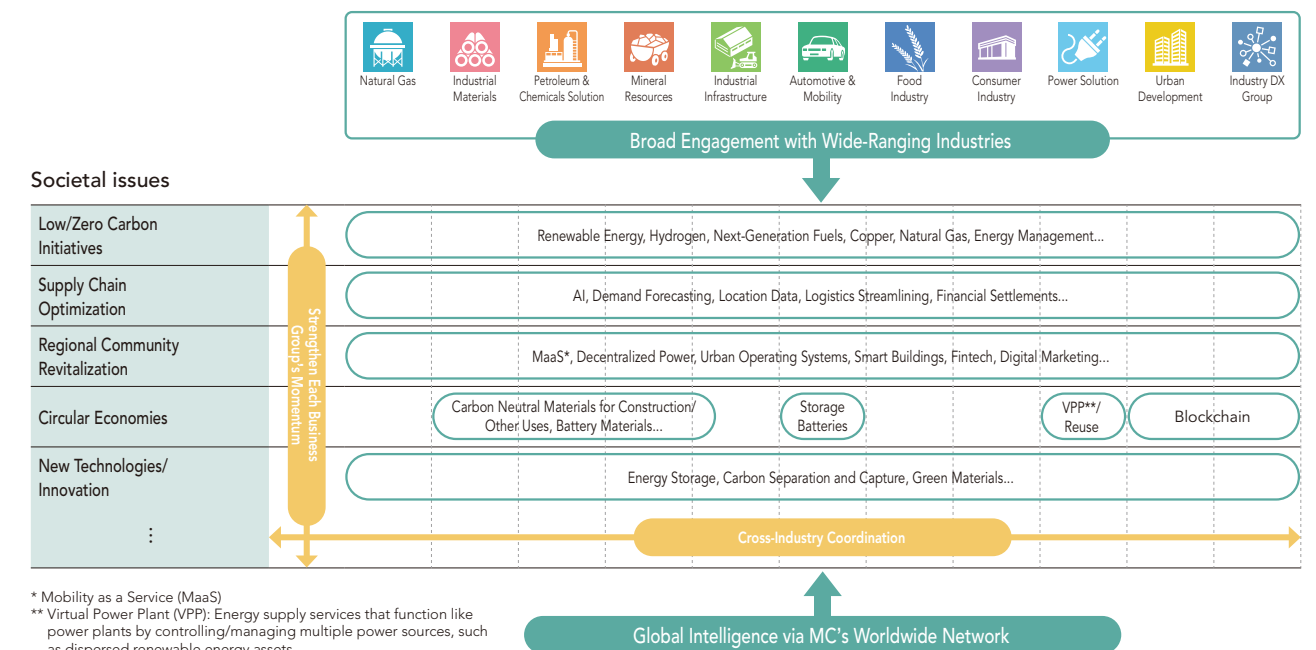
- Establish the Industry DX Group. Increase momentum in the DX area through coordination among Business Groups, MC offices/subsidiaries and the EX Task Force.
- Establish the Global Intelligence (GI) Committee as a subcommittee under the Executive Committee. Strengthen capacity to respond to rapidly-changing external environment.



Optimizing Collective Capabilities Through Cross-Organizational Initiatives

3 Management Mechanisms

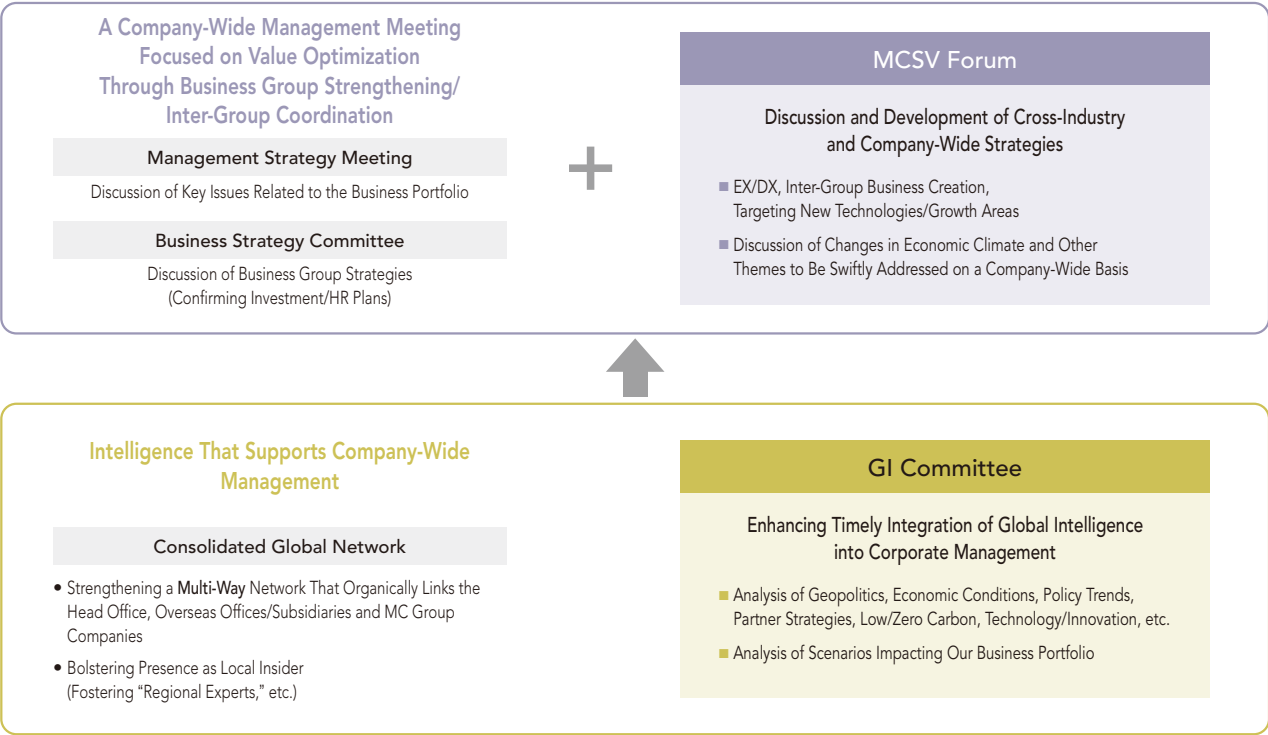
Bolster capacity for utilizing global intelligence to make timely responses and promote cross-industry initiatives to meet the challenges of a macro environment marked by geopolitical and other uncertainties, and a business environment subject to significant changes across industries.



Management Framework for Optimizing Collective Capabilities

3 Management Mechanisms

Address challenge of unpredictable changes occurring across industries by promoting cross-industry strategies on a company-wide basis through the MC Shared Value (MCSV) Forum while also incorporating input from the GI Committee.



Optimizing the Value of Human Capital

► Please refer to pages 38-45 for details on "Human Capital".

4 HR Policies

- Enable motivated professionals who take pride in actively fulfilling their responsibilities with a view toward creating MC Shared Value, while interconnecting with members of our diverse and versatile talent pool.
- Strive to optimize the value of our human capital by creating such a dynamic, spirited and vibrant organization.



Materiality

► Please refer to pages 46-47 for details on material issues.

5 Sustainability Policies

Creating MCSV by selecting a set of crucial societal issues as our unique definition of "materiality" that we will prioritize through our business activities.

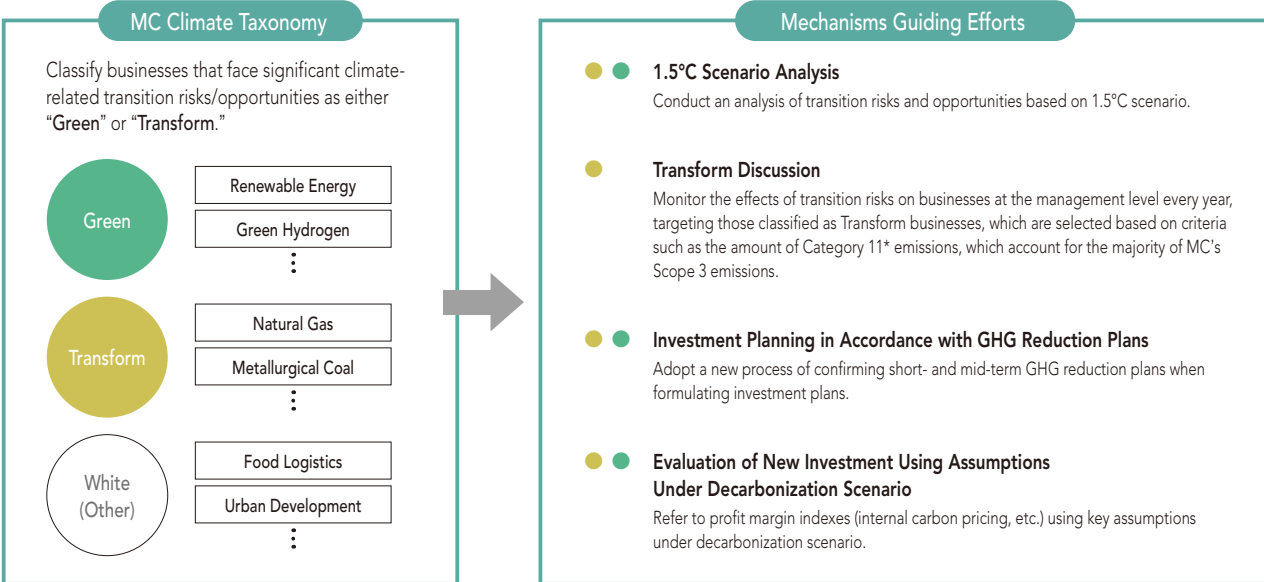
	Issues	Overview
Realizing a Carbon Neutral Society and Striving to Enrich Society Both Materially and Spiritually	Contributing to Decarbonized Societies	Contribute to the realization of decarbonized societies by striving to reduce greenhouse gas (GHG) emissions, while providing products and services that support decarbonization during the transition period.
	Conserving and Effectively Utilizing Natural Capital	Recognizing the Earth itself to be our most important stakeholder, strive to maintain biodiversity and conserve natural capital, and work to create circular economies while reducing our environmental footprint.
	Promoting Stable, Sustainable Societies and Lifestyles	Promote sustainable societies and lifestyles of the future through businesses in a diverse range of countries and industries, while fulfilling our responsibility to provide a stable supply of resources, raw materials, products, services, etc., in line with the needs of countries and customers.
	Utilizing Innovation to Address Societal Needs	Create businesses that help to address societal needs while working to spur major industry reforms that are supported by business innovation.
	Addressing Regional Issues and Growing Together with Local Communities	Strive to contribute to the development of economies and societies by addressing issues facing countries and regions, while seeking to grow together and collaborate with diverse stakeholders, regions and communities.
	Respecting Human Rights in Our Business Operations	Respect the human rights of all stakeholders involved in promoting our diverse operations worldwide, and pursue solutions for value chain-related issues, while considering the local conditions in each country.
Striving to Serve as a Platform for Generating Triple-Value Growth*	Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce	Recognizing that our human resources are the great assets of our businesses, foster a diverse and versatile talent pool that drives efforts to generate triple-value growth throughout our organization, and also seek to develop an organization where diverse human resources share common values and grow together while furthering their connections and inspiring one another to excel.
	Realizing a Highly Transparent and Flexible Organization	While swiftly responding to changes in the business environment, strive to realize effective governance on a global, consolidated basis and maintain/strengthen a sound organization that is transparent and flexible.

*Triple-value growth: the simultaneous generation of economic value, societal value, and environmental value

Initiatives Related to MC's "Roadmap to a Carbon Neutral Society"

5 Sustainability Policies

Adopt and promote mechanisms for simultaneously decarbonizing and reinforcing our portfolio by classifying each business based on climate-related transition risks and opportunities as part of our efforts to achieve the GHG reduction targets formulated last October in MC's Roadmap to a Carbon Neutral Society (halve by FY2030 and net zero by 2050).



* Scope 3 Category 11: GHG emissions from the use of sold products