

Materiality KPI

| Materiality  |  | Key MGC Initiatives  | KPIs   |  |   |  | IIRC Capitals<br>(International Integrated Reporting Council)   | Relationship to SDGs<br>(Targets)  |
|--|--|--|--|--|---|--|---|--|
| Category   | Elements   |  | KPIs   | Fiscal 2023 Targets  | Fiscal 2023 Results   | Fiscal 2030 Targets  |   |  |
| <div>Creating Shared Value</div> <div><br/>CSV</div>  | <b>Contribution through business operations</b> <ul style="list-style-type: none"><li>Contribute to development of ICT/mobility society</li><li>Solve energy and climate change problems</li><li>Solve medical and food problems</li></ul> | Pursuit of the potential of chemistry and advancing a balance between social and economic value, achieving even greater corporate value.   | Sales from ICT and mobility applications                       | 320.0 bil. JPY   | 339.5 bil. JPY  | Create new businesses that accelerate digital innovation   | <b>Financial Capital</b><br>Capital generated through business activities or investments  | <div> 3.6</div> <div> 9.4</div>  |
|  |  |  | Contribution to solving energy and environmental problems      | Investment: 12.0 bil. JPY (3-year cumulative)<br>Investment: Acquisition;<br>Financing: Approval basis | Investment: 8.3 bil. JPY (3-year cumulative)<br>Investment: Acquisition;<br>Financing: Approval basis | Commercialize carbon-negative technology   |   | <div> 9.4</div>   |
|  |  |  | Sales from medical and food applications                       | 50.0 bil. JPY  | 57.4 bil. JPY   | <ul style="list-style-type: none"><li>Advance preventative/predictive medicine; enhance healthy longevity</li><li>Further advance food preservation technology</li></ul> |   | <div> 3.8</div> <div> 12.3</div> |
| <div>Foundation for shared-value creation</div> <div><br/>S</div>                                 | <b>Cultivating a corporate culture of job satisfaction</b>   | Promoting work-life balance; offering generous child/family care systems, creating dynamic workplace environments  | Percentage taking fewer than 10 days of annual paid leave*1,2  | 0%   | 0%  | 0%   | <b>Human Capital</b><br>Individuals' capabilities, experience and drive for innovation  | <div> 8.5<br/>8.8</div>   |
|  | <b>Occupational safety and health / Process safety and disaster prevention</b>   | Continuing to conduct occupational safety and health risk assessments, daily safety activities and safety education/training in the aim of zero occupational injuries  | Serious occupational accidents*1,3                             | 0  | 0   | 0  | <b>Social and Relationship Capital</b><br>Social license allowing an organization to engage in business   | <div> 3.9</div>   |
|  |  |  | Serious accidents*1,4  | 0  | 0   | 0  |   |  |
|  | <b>Highly energy- and resource-efficient production</b>  | Minimizing environmental impacts in sourcing resources; efficiently using resources (energy, raw materials, water, etc.)   | GHG emissions intensity vs. Fiscal 2013*1                      | 19.9% reduction  | 3.9% reduction  | 28.0% reduction  | <b>Manufactured Capital</b><br>Manufactured goods that can be used by the organization in the production of products or in service provision          | <div> 7.3</div>   |
|  | <b>Promotion of innovative R&amp;D</b>   | Developing/adopting new processes that maximally leverage core technologies cultivated over many years; founding and developing new businesses   | R&D investments devoted to solving climate change problems*1,5 | 5% or more of R&D expenditures   | 14.8% of R&D expenditures   | 7% or more of R&D expenditures   | <b>Intellectual Capital</b><br>Organizational, knowledge-based intangible assets  | <div> 9.5</div>   |
| <div>Harmonization of shared-value creation with environmental protection</div> <div><br/>E</div> | <b>Proactive response to environmental problems</b> <ul style="list-style-type: none"><li>Air quality control</li><li>Water and biodiversity conservation</li><li>Reduction of industrial waste</li></ul>                                  | <ul style="list-style-type: none"><li>Formulating medium-term and annual Responsible Care(RC) plans and endeavoring to achieve their targets</li><li>Reducing GHG emissions while supporting the Task Force on Climate-related Financial Disclosures</li></ul> | GHG emissions vs. Fiscal 2013*1                                | 28% reduction  | 38% reduction   | 36% reduction  | <b>Natural Capital</b><br>All renewable and non-renewable environmental resources and processes that form the foundation of an organization's success | <div> 13.2</div>  |
|  |  |  | Renewable energy as a percentage of electric power purchased*1 | 10%  | 24%   | 50%  |   | <div> 7.2</div>   |
|  |  |  | Zero waste emission rate*1,6                                   | 0.3% or less   | 0.14%   | 0.15% or less  |   | <div> 12.5</div>  |

\*1 On a non-consolidated basis  
\*2 For employees granted 20 days of annual leave  
\*3 Accidents resulting in lost work days eligible for disability compensation, including death and permanent disability, or potential disability, with four or more lost work days  
\*4 Accidents that threaten third parties, including those resulting in environmental pollution involving the community or that cause damage to local residents, and other accidents involving serious damage  
\*5 R&D investments including basic research, pilot plants, technical testing, etc.  
\*6 Amount of final disposal/total amount of waste generated