Mitsui Chemicals

MITSUI CHEMICALS REPORT 2025

About This Report

Driving business portfolio transformation with strong determination toward becoming a global specialty company

In May 2025, the Mitsui Chemicals Group announced its policy to split off the Basic & Green Materials business. With regard to this business, we aim to establish a strong business entity—a basic and green materials company—that supports Japanese industry. At the same time, we are accelerating Group-wide business portfolio reorganization with nothing off-limits in the specialty chemicals domains, with the goal of becoming a high-growth, high-profitability global specialty company. We will also increase our corporate value by steadily pursuing ESG initiatives that contribute to achieving our financial targets.

We hope that this report will help all stakeholders to more clearly understand the path our Group is taking to improve corporate value by integrating financial and non-financial aspects.

Top 3 Takeaways from Mitsui Chemicals Report 2025

1 Improving capital efficiency through business portfolio transformation

- CEO's strong determination to realize a global specialty company
- CFO's strong commitment to improving capital efficiency and corporate value
- Specific details of strategic initiatives by the CSO and each business sector president, as well as the direction of pursuing business portfolio transformation through linkage with human resources strategy

CEO Message, p. 03
CFO Message, p. 08
CSO Message, p. 24
Messages from the Four Business Sector Presidents, p. 30
Business Portfolio and Corporate Culture Transformation through Human Resources Strategy, p. 42

2 Competitive advantages that support high growth

We systematically explain the competitive advantages of our Group, which support high growth as we work toward becoming a global specialty company, as three key drivers: "World-leading technological and R&D capabilities," "Market-leading product strength," and "Global expansion capabilities."

CTO Message, p. 51
Three key drivers, p. 56

3 Improving management quality through strengthened governance

We feature our efforts to strengthen governance in order to bridge the perception gap with stakeholders, with the aim of increasing corporate value by minimizing the cost of capital.

Efforts toward effective corporate governance p. 75

In creating and editing this report, we have drawn on the International Integrated Reporting Framework issued by the International Financial Reporting Standards (IFRS) Foundation and the Guidance for Collaborative Value Creation provided by the Ministry of Economy, Trade and Industry. The process involved cooperation among the Corporate Communications Division and other divisions across our Group. I have confirmed that the process of creating the report was appropriate and that the content is valid.

We will continue to use this report and other tools to enhance our disclosure efforts, and enrich dialogues with our stakeholders, thereby reflecting the insights we gain through that engagement in our strategies.

I hope that you will provide us with your continued support and feedback.

HASHIMOTO Osamu
Representative Director, President & CEO

Scope and Principles

- Period: April 1, 2024 to March 31, 2025 (fiscal 2024). Please note some data may postdate April 2025.
- Scope: Mitsui Chemicals, Inc. and the Mitsui Chemicals Group (Other entities, if included, are identified in the text.)
- Accounting principles: International Financial Reporting Standards (IFRS)

Editorial Policy

In compiling this Mitsui Chemicals Report 2025, we sought to present a comprehensive overview of our various strategies and performance from both the financial and non-financial perspectives with the ultimate goal of creating a platform for meaningful dialogue with all stakeholders. While we have drawn on the International Integrated Reporting Framework issued by the International Financial Report Standards (IFRS) Foundation and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation, we have tried to avoid a rigid format. Our goal has been to provide a useful document that allows readers to gain a deeper understanding of our efforts toward the creation of value through innovation over the medium- to long-term.

Forward-Looking Statements

This report contains forward-looking statements about future plans and strategies as well as forecasts and expectations regarding the performance of the Mitsui Chemicals Group. Actual results may differ materially from those projected due to a variety of factors, and the Mitsui Chemicals Group cannot guarantee that any forward-looking statements herein are accurate or that targets will be achieved. The outlook for fiscal 2025 contained in this report is as of May 13, 2025.

Note: Some sections were prepared using machine translation. See p. 01 for details.

How to View Mitsui Chemicals Report 2025

This report has a variety of navigation options to improve the viewability of this report for our stakeholders.

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XXXXXX, p. XX	Go to relevant page

MITSUI CHEMICALS REPORT

2025

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About Translations
Portions of this English report were prepared using machine translation and subsequently reviewed (pp. 1–2, 14–23, 28–29, 42–50, 56–108). Automated translation can introduce errors; therefore, please refer to the Japanese version as the official text in case of any inconsistency.

Inclusion in ESG investment indices
(as of September 2025)

External Assessments: https://jp.mitsuichemicals.com/en/sustainability/others/evaluation/index.htm

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX
2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

FTSE4Good

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

2025 Sompo Sustainability Index

FTSE4Good Index
https://www.lseg.com/en/ftse-russell/indices/ftse4good

FTSE Blossom Japan Index Series
https://www.ftserussell.com/products/indices/blossom-japan

FTSE Blossom Japan Sector Relative Index
https://www.ftserussell.com/products/indices/blossom-japan

Introduction

CEO Message

HASHIMOTO Osamu
Representative Director
President & CEO

As CEO, I am committed to taking bold steps to stay ahead in an increasingly competitive environment and to accelerating our growth to establish ourselves as a truly global specialty company.

—Reflections on fiscal 2024 performance and key challenges—

Taking swift action to address emerging challenges and return to a growth trajectory.

In fiscal 2024, the Mitsui Chemicals Group achieved year-on-year growth in both revenue and profit, driven by our solid expansion in the specialty chemicals domains. However, due to the impact of a plant-related issue, we were unable to achieve the level of profit expansion we had initially projected. I recognize that while our specialty chemicals domains continue to grow steadily, the pace has yet to meet our initial expectations. I also view improving capital efficiency as an urgent and critical priority, given the low level of net income attributable to owners of the parent relative to operating income before special items.

Looking back at our initiatives in fiscal 2024, we advanced restructuring measures in the Basic & Green Materials (B&GM) business as planned, including studies aimed at optimizing cracker operations. In western Japan, we have been working toward the optimization of our production system and the transition to carbon neutrality in ethylene manufacturing facilities, through a three-company collaboration with Asahi Kasei Corporation and Mitsubishi Chemical Corporation. Based on ongoing deliberations, including potential applications for the Green Innovation Fund, I expect that we will be able to finalize a concrete grand design within fiscal 2025. I recognize that we are also making solid progress in restructuring our derivatives operations in both Japan and overseas, including bringing forward a certain facility shutdown ahead of schedule. At the same time, we are facing rising cost pressures across

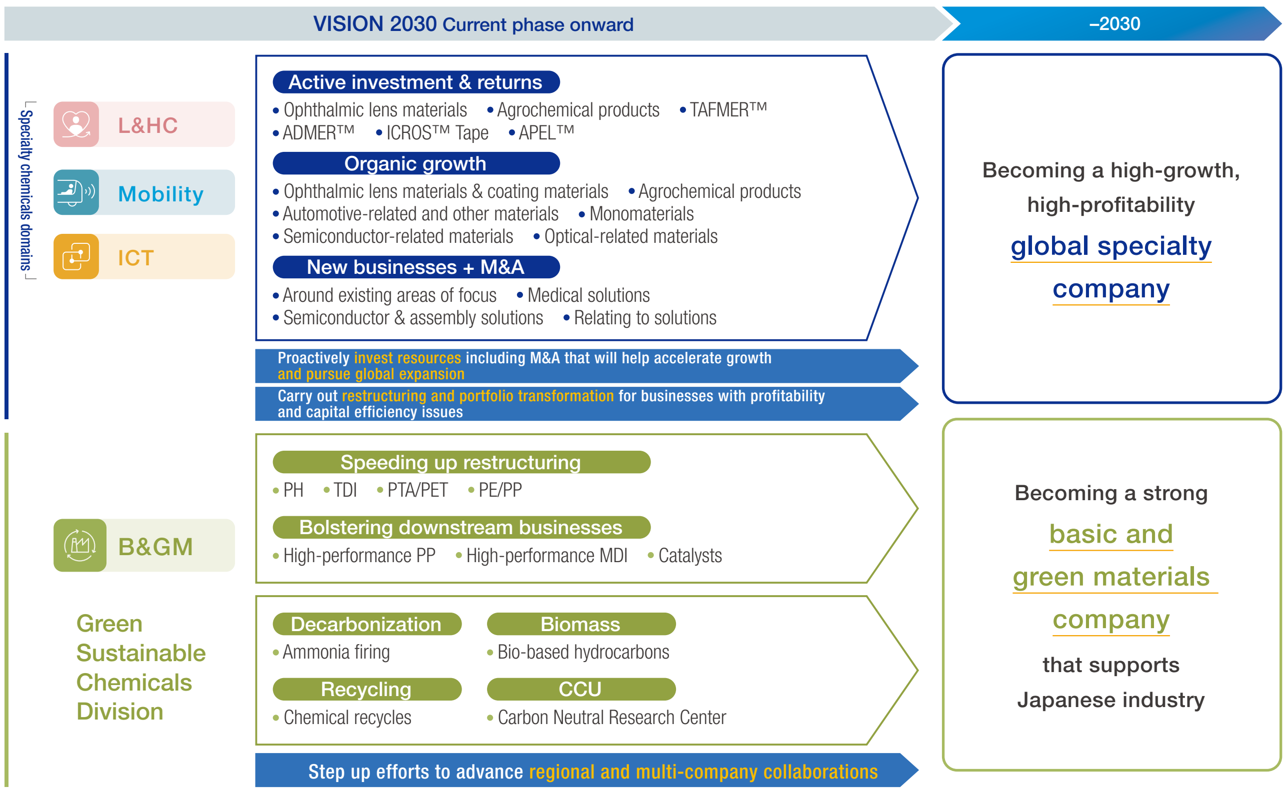
CEO Message

the Mitsui Chemicals Group, particularly in labor and facility maintenance. I view the improvement of our cost structure through stronger cash flow management as an urgent priority in our efforts to enhance capital efficiency. Going forward, we must accelerate our business portfolio transformation through focused resource allocation, with a greater emphasis on capital efficiency, to return to a growth trajectory and move toward becoming a global specialty company.

—Current business environment and future management direction—

Accelerating our business portfolio transformation with a shared sense of urgency across the Group amid an increasingly challenging landscape.

In today's global business environment, the rise of competitors—particularly in China—is exerting a significant impact. In the petrochemicals sector in particular, global markets are experiencing excess supply due to China's capacity expansion. In addition, the country has been rapidly catching up in terms of technological capabilities in high-end fields, and is becoming an increasingly significant competitive threat across a broad range of applications, including semiconductor, automotive, and healthcare.



Against this backdrop, we announced our intention to split off the B&GM business at our CEO Presentation on May 30, 2025. Over the past two to three years, we have conducted extensive internal discussions regarding the potential split. What led us to make this announcement at this juncture is the growing recognition, amid global shifts, of the urgent need for transformation across the chemical industry. Another key factor behind this announcement is that, having made progress in restructuring through our own efforts, we as a Group are now firmly convinced that our next step must be to build a strong business entity with robust domestic competitiveness and ample resources. To make this vision a reality, accelerating partnerships with other companies and industry realignment will be essential. In addition, B&GM differs from our specialty chemicals domains in terms of strategic objectives and required decision-making speed. While our specialty chemicals domains are focused on succeeding in fierce global competition, B&GM aims to become Japan's leading basic and green materials company by supporting a wide range of domestic customers—including from an economic security perspective—and realizing the shift toward green chemicals as an essential industry. These differences call for a distinct governance structure, and we have therefore set a target to complete the split by around 2027. This sense of

CEO Message

urgency is shared both within and beyond the chemical industry, and I believe that the pace of transformation will only continue to accelerate going forward.

At the same time, we also anticipate intensifying global competition in our specialty chemicals domains. For example, Japan's manufacturing industry has historically succeeded with a business model that integrates both upstream and downstream operations. In recent years, however, emerging companies from China and other parts of Asia are on the rise even within downstream fields where Japanese firms once held a clear advantage. This is already evident in sectors such as automotive, semiconductors, and steel—and similar seismic shifts are now underway in the chemical industry as well. To remain competitive in this environment and pursue our vision of becoming a global specialty company, we must accelerate forward-looking development. Strengthening the fundamentals—technology, talent, capital, and other resources—through alliances and M&A will be our top strategic priority in the specialty chemicals domains.

—Key challenges and strategies in specialty chemicals domains—

Expanding our business globally through continued proactive investments while remaining mindful of capital efficiency.

While the overall growth rate of our specialty chemicals domains since fiscal 2019 has not reached the level we initially expected, Life & Healthcare Solutions (L&HC) is currently growing steadily at around 18%, and Mobility Solutions at approximately 9%. We believe both businesses are firmly on track to meet their targets. On the other hand, for ICT Solutions, we have set a target of doubling the current growth rate by fiscal 2030. Achieving this will require improved capital efficiency and focused, selective investment in key businesses. In 2025, we invested in Shinko Electric Industries to lay the groundwork for business expansion in semiconductor packaging materials—a field where demand is expected to grow significantly. Shinko brings strong capabilities in evaluation technologies for semiconductor manufacturing processes, and we see significant potential for synergies with our own materials technologies, particularly in back-end processes. To strengthen our presence in front-end processes of semiconductor manufacturing as well, we are also exploring additional M&A opportunities as needed.

As the global market landscape is undergoing significant changes due to the shifts in the business environment described above, it is becoming increasingly essential to accelerate the global expansion of our specialty chemicals domains, including into emerging markets. We must move away from our historically centralized structure, in which local market intelligence was first brought back to Japan for investment decisions and R&D. Going forward, we will accelerate our regional strategies by advancing localization—integrating production, sales, and R&D within each region—to respond to local needs with greater speed and precision. Under this policy, we will delegate greater authority to our regional headquarters, enabling them to take on strategic functions, including promoting collaboration with affiliates and overseeing

R&D. One example of this commitment is the appointment of Antonios Grigoriou, President of Mitsui Chemicals America, as Business Sector Vice President of L&HC. This move reflects both the growing importance of the U.S. healthcare market and our focus on future expansion. Another critical initiative is breaking down silos between business sectors. By shifting away from individually optimized operations toward a more integrated management model, we aim to share assets across businesses wherever possible and enhance efficiency on the operational front. To support these efforts, our newly established Regional Strategy Division, inaugurated in 2025, will play a central role in formulating roadmaps and milestones and ensuring the swift execution of concrete measures. Additionally, the CxO Working Group, launched in 2024, has been conducting focused discussions across business sectors to drive functional strategies under each CxO's leadership.

CEO Message

While accelerating the execution of these initiatives, we will also take concrete steps to improve capital efficiency. To that end, it is essential not only to enhance our earning power via revenue growth but also to practice more rigorous cash flow management than ever before. We will thoroughly review the outcomes of our past investments and promptly take corrective action for any businesses or affiliates that are not generating returns commensurate with the capital invested. With a more stringent and systematic approach than in the past, we will re-evaluate the positioning of each business, including affiliates. For areas with profitability or capital efficiency issues, we will establish restructuring milestones, monitor progress annually, and, where appropriate, consider exploring more suitable owners. By thoroughly implementing these initiatives, we will move closer to achieving our numerical targets, including ROIC and ROE. In terms of cash allocation, we aim to increase our dividend levels by generating and expanding free cash flow. This, in turn, could make it possible for us to further raise our dividends on equity (DOE) target—a key focus for the Group's dividend policy—from the current 3% to the 4% range.

—Promoting new business and product development—

Driving a shift toward design thinking across all Group businesses to realize a solutions-based business model.

Since the announcement of VISION 2030, we have continued to increase investment in building solutions-based business models and in developing new products and businesses. However, I recognize that the results achieved so far have not been fully satisfactory. One of the main reasons is that our approach to business creation has remained largely within the bounds of a conventional B2B mindset. In developing B2C businesses, or B2P (business-to-professional) businesses that are central to L&HC such as oral care, it is essential to adopt a downstream perspective—one that reflects the standpoint of consumers and actual users of our products and services. The appointment of OMOTE Toshihiko as our new CTO, who brings deep expertise in these areas, is part of our broader efforts to accelerate this shift. In alignment with the regional strategy mentioned earlier, we are also reallocating R&D resources—including talent—closer to the markets and consumers. Equally important is moving away from the conventional business of supplying materials focused solely on aligning with immediate customer needs, and instead prioritizing business design from the outset. A case in point is our 2024 investment in Glydways. Our collaboration began by aligning on a shared vision for the company's envisioned next-generation transportation system, including its overall concept and ultimate form. We then identified areas—from development through to maintenance and recycling—where our Group could contribute, and adopted a holistic approach to deliver a full suite of materials and technologies. This kind of approach—first gaining a comprehensive understanding of the overall business, then pinpointing where our strengths can be applied—is key to building strong, defensible competitive advantages that are difficult for others to replicate. This way of thinking is steadily taking root within the Mitsui Chemicals Group. Under the leadership of CTO Omote, we intend to expand this mindset beyond the New Business Incubation Center, where promising ventures have already begun to take shape, and embed it across all business segments.

—Status of non-financial KPIs and our approach to sustainability—

Believing that sustainability lies at the very heart of our business, we are committed to it with sincerity.

While we have generally met the annual targets for the non-financial KPIs set under VISION 2030, I believe it is essential to continuously assess whether these indicators are genuinely linked to financial metrics.

One particularly important set of KPIs for the Group—also factored into executive compensation—is the sales revenue ratios of Blue Value™ and Rose Value™ products. However, these ratios have recently shown signs of slowing growth. As these KPIs are fundamentally underpinned by the performance of new business and product development, I believe they will naturally improve as design thinking becomes further embedded throughout the Group and the pace of innovation accelerates.

Moreover, regarding the material topics of safety and stable production, the 2024 plant incident had a substantial impact on our financial performance. In response, we plan to rapidly reinforce our production technology framework and to undertake a comprehensive review that extends beyond technology to include our work styles and

CEO Message

organizational structure. In other words, non-financial indicators such as safety and stable production also serve as measures of how well the organizational foundation supporting them is in place.

While we have not yet reached fully satisfactory levels in human capital-related KPIs such as the ratio of women in management positions and the number of executive officers with diverse backgrounds, we are making steady progress in advancing diversity. On the other hand, our employee engagement score in fiscal 2024 remained at the same level as the previous fiscal year, and we are currently analyzing the underlying causes for not meeting our target. However, one encouraging sign is improvement in the STRIVE category, which is strongly correlated with employee productivity. To support our digital transformation, we launched a new data scientist and specialist program in 2025. This initiative is designed to ensure appropriate compensation for highly skilled digital professionals and to create an environment where they can fully demonstrate their abilities. In addition, under the CxO Working Group, we are discussing enhancements to recruitment and development programs for professionals, as well as designing more flexible HR systems that accommodate employees' various life stages.

While there has been some recent backlash against ESG initiatives in regions such as the United States, the Mitsui Chemicals Group's view on material topics and sustainability is neither transient nor merely a means of driving business or management. Rather, it represents a fundamental corporate policy and sits at the core of our management approach. As such, I see no need to alter this stance.

—My mission as CEO—

Fulfilling our responsibilities as a corporate group and living up to the expectations of all our stakeholders.

I believe that building a company where both the organization and its employees grow together is vital. Beyond that, I see it as my responsibility as CEO to take a broader view—one that includes shareholders and all other stakeholders—enhancing corporate value while clearly communicating the direction our Group is pursuing, and guiding our journey in a way that earns their confidence and support. I also believe that our relationships with stakeholders should be built on equal footing. In line with this belief, we have introduced a stock incentive plan for employees, creating an environment in which they can share the same perspective as our shareholders and think in alignment with them. This fundamental mindset serves as a guiding principle behind our management planning framework, and it will remain unchanged. In 2025, we announced our intention to split off the B&GM business, marking a major policy shift for the Mitsui Chemicals Group. The announcement prompted significant responses from top executives of chemical companies around the world. This reaffirmed the magnitude of the decision and reminded me of the expectations placed on our Group—and the weight of the responsibility we carry. The announcement renewed my conviction that we must build a company in which all stakeholders—including our employees and shareholders—can place their full confidence. It strengthened my resolve to see that mission through to completion. Our business portfolio transformation remains a work in progress. Even amid an increasingly challenging external environment, we are committed to taking swift and necessary actions toward becoming a global specialty company with a strong global presence. Through these efforts, we aim to deliver tangible results and live up to your expectations.

CFO Message

We will enhance capital efficiency and corporate value through rigorous cash flow management.

YOSHIDA Osamu
Managing Executive Officer & CFO

My aspirations as the new CFO

I began my career in factory accounting, where I built a solid foundation in cost management on the manufacturing floor. Through secondments to affiliated companies, I gained broad-based experience in all aspects of business management, including not only accounting and finance but also the operation of the Board of Directors. I later worked in the finance department at the head office, where I had extensive exposure to the financial markets through activities such as bond issuance and dialogue with credit rating agencies. In my approximately ten years of experience in business performance management in various business divisions, the global financial crisis triggered by the collapse of Lehman Brothers remains particularly memorable. On the front lines during this period, I gained first-hand experience in financial crisis management, including excess inventory reduction and financing. I subsequently spent six years in the investor relations department, engaging in direct dialogue with investors. Through these exchanges—which at times included candid feedback—I gained experience in feeding those insights back into management. It was during this period that I came to deeply appreciate the importance of dialogue with the capital markets. By engaging proactively, we strive to accurately identify their true concerns and priorities, and feed those insights back into management to drive continuous improvement. I intend to put this mindset into practice in my role as CFO and further strengthen our relationship of trust with the capital markets.

The environment surrounding corporations—and the resulting structural changes in industry—continues to evolve rapidly and unpredictably, as exemplified by the global financial crisis, COVID-19, and today's geopolitical risks. In such an environment, companies are expected to build business portfolios adaptable to change, strengthen their financial foundations, and enhance both flexible business operations and cost competitiveness. As CFO, I will support the realization of VISION 2030 by helping ensure that the Mitsui Chemicals Group remains a company that remains resilient to environmental changes by constantly transforming itself.

Current perception of our stock price and efforts to improve P/B ratio

Gap with market expectations

Although the Mitsui Chemicals Group's price-to-book (P/B) ratio exceeded 1.0x at certain points during the first half of fiscal 2024, the subsequent decline in stock price has brought it back below 1.0x, and we must acknowledge that the market continues to take a cautious view of our valuation. We have steadily reduced earnings volatility over time by advancing business portfolio transformation, with a particular focus on expanding the specialty chemicals domains. We have also prioritized dividends on equity (DOE) in our approach to shareholder returns and maintained stable dividends, thereby delivering total shareholder return (TSR) that exceeds our cost of equity. While the overall direction of our Group's VISION 2030 initiative has been well received, we recognize that there remains a gap between market expectations and the perceived credibility and speed of our business portfolio transformation toward becoming a truly global specialty company—particularly in terms of achieving earnings targets in the specialty chemicals domains and advancing the restructuring of the Basic & Green Materials business (B&GM). We believe this gap has contributed to our current low price-to-earnings (P/E) ratio. In addition, we recognize that short-term factors—such as our adaptability to environmental changes in certain business domains and the impact of plant-related incident in fiscal 2024—have heightened earnings volatility and contributed to stock price instability.

CFO Message

Stock price performance to date with April 2020 as the reference point

Total Shareholder Return (TSR)

(FY)	2019	2020	2021	2022	2023	2024
Year-end stock price (yen)	2,051	3,495	3,090	3,410	4,331	3,342
Dividend per share (yen)		100	120	120	140	150
Cumulative dividends per share (yen)		100	220	340	480	630
TSR		175.3%	161.4%	182.8%	234.6%	193.7%
TOPIX Total Return		142.1%	145.0%	153.4%	216.8%	213.4%

* The total shareholder return is calculated based on an investment made at the closing stock price at the end of fiscal 2019, and reflects the return as of each fiscal year-end of fiscal 2020 and beyond.

Price-to-Book (P/B) Ratio

(FY)	2019	2020	2021	2022	2023	2024
P/B Ratio	0.74	1.13	0.84	0.82	0.95	0.74

Financial strategy to bridge the gap

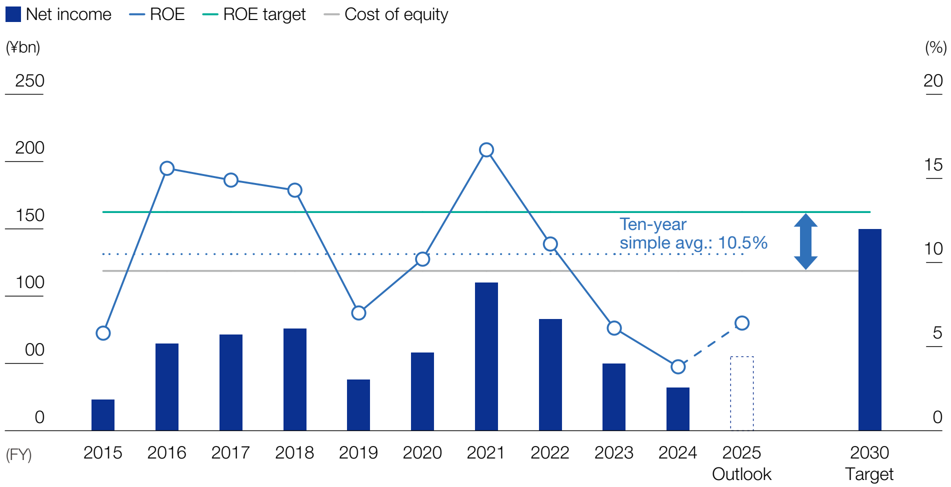
To address these challenges, we will be firmly committed to relentlessly pursuing the following three priorities: (i) enhancing capital efficiency through the ROIC-driven management, (ii) reinforcing our cash generation capabilities, and (iii) maintaining appropriate leverage control while keeping financial discipline in mind. By steadily executing these initiatives, we will enhance capital efficiency, improve ROE, and close the gap with market expectations. In fiscal 2024, we revised our fiscal 2030 targets upward—raising ROE from 10% or more to 13% or more, and ROIC from 8% or more to 9% or more. This upward revision reflects our view that the previous targets are no longer adequate as we strive to further enhance corporate value as a global specialty company. It also reflects our commitment to achieving levels that clearly exceed our estimated cost of equity, which we consider to be approximately 9–10%. We will also continue our efforts to lower the cost of capital. In addition to reducing earnings volatility through business portfolio transformation, we will actively engage in dialogue with stakeholders to build understanding of our Group's strategy for sustainable growth, while responding flexibly and attentively to their concerns and expectations. By steadily executing these initiatives and demonstrating convincing progress toward the realization of VISION 2030 to the market, we believe our P/B ratio will naturally improve over time.

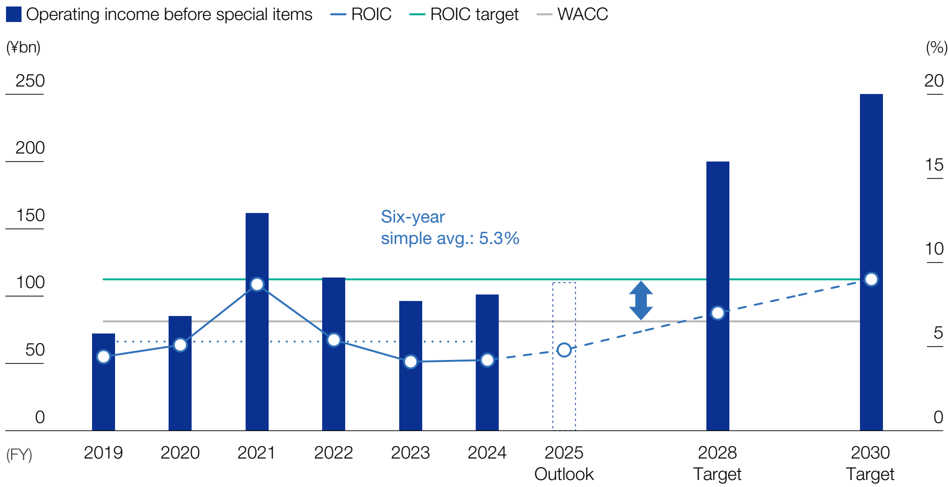
CFO Message

ROIC-driven management to realize our target business portfolio

Improving return on sales (ROS) is essential to enhancing ROIC. At present, our Group-wide ROS stands at around 5 to 6%, which we recognize as being at a relatively low level compared to our industry peers. Rising fixed costs are also putting pressure on earnings. To address this, we will reinforce cost control with a clear focus on breakeven points in each business and actively promote operational efficiency through digital transformation (DX) in both production and corporate functions. Going forward, the use of M&A—or consideration of such options—will also be necessary as we seek to expand our specialty chemicals domains. That said, we recognize that M&A execution capability remains one of the Group's key challenges. Looking back on our track record, we have achieved certain successes in M&A activities, such as in the agrochemicals business where we have a solid understanding of the overall market structure. However, in new markets and product areas, we have at times been forced to revise our plans due to insufficient insight into market trends and the resulting delays in taking appropriate action. Going forward, we will enhance our information-gathering and analytical capabilities to thoroughly assess potential M&A targets—not only for alignment with overall corporate strategy, but also in terms of their business lifecycle, time to profitability, and the resources required for post-merger integration (PMI)—in order to pursue dependable returns. We will also apply even greater rigor in assessing the profitability of each business, not just in terms of resource allocation. Regardless of whether a business is in

a specialty chemicals domain, if it delivers low ROIC and lacks prospects for future profit growth, we will accelerate restructuring. Where appropriate, this may involve seeking a more suitable owner or withdrawing from the business altogether, as we take further steps in transforming our business portfolio with nothing off-limits. To support this,





CFO Message

we are currently classifying our businesses based on ROIC and growth in operating income before special items. For affiliates, we are also incorporating economic value added (EVA) as an evaluation metric (CSO Message, p. 24). By thoroughly assessing alignment with our Group-wide strategy and executing bold initiatives, we will realize our target business portfolio and pursue more sharply focused resource allocation.

Effective capital policies and cash flow management will be essential to achieving these targets.

As for capital policies, while our fundamental policy on optimal capital structure remains unchanged—aiming to maintain a net debt-to-equity (D/E) ratio of 0.8 or lower—we may temporarily exceed this threshold during periods of increased growth investment, including large-scale M&A, provided there is a well-grounded expectation of recovery based on a defined timeline. Needless to say, the careful selection of investment projects and strong execution capabilities will be critical.

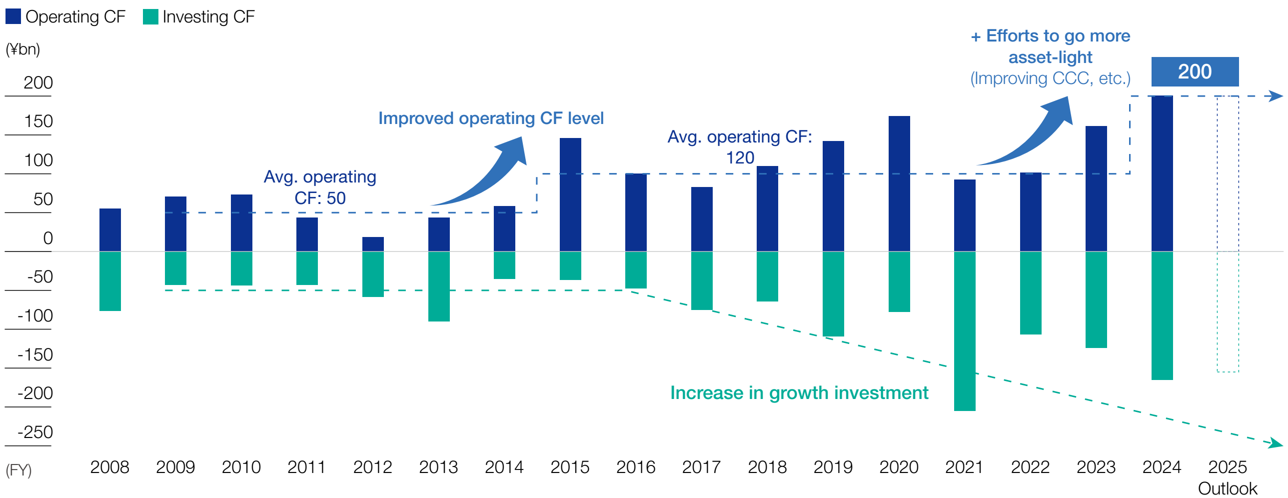
Cash flow management to enhance capital efficiency

As for cash flow management, we prioritized improving our financial structure in the wake of the global financial crisis, which limited our ability to proactively allocate capital to growth investments. However, since fiscal 2017, we have expanded such investments and, by fiscal 2024, successfully increased cash inflows from operating activities to a scale of 200 billion yen. As we seek further growth as a global specialty company, it is critical that we manage cash flow at an even higher level. This means balancing earning power, investment, and shareholder returns. We plan to allocate a total of 1.6 trillion yen in cash outflows for growth and maintenance investments through fiscal 2030, while targeting annual cash generation of approximately 240 billion yen.

In terms of earning power, in addition to the previously mentioned improvements in ROS, we are working to enhance our cash conversion cycle (CCC) and review our cross-held shares. To improve our CCC, we are prioritizing tighter inventory control and shortening accounts receivable turnover periods. We will also drive efficiency and automation in our supply chain planning processes using DX, enabling us to respond more nimbly to sudden changes in the environment. With regard to cross-shareholdings, we have been progressively selling off the vast majority of our holdings. We will monitor the rationale for any remaining shares on an annual basis and maintain our fundamental policy of reducing such holdings to essentially zero.

Regarding our investment recovery framework, in addition to our ongoing evaluation approach—based on metrics such as internal rate of return (IRR), achievement of incremental profit targets, and cumulative project cash flow—we recognize the importance of developing contingency plans that account for changes in the environment and sharing lessons learned from past investment setbacks. In particular, past projects with underwhelming returns often suffered from delayed responses to shifts in end markets, changes in supply-demand dynamics, or intensifying competition. For large-scale facilities, it can

Cash flows (CF)



Sale of cross-shareholdings	8.8	10.3	10.7	24.1	35

CFO Message

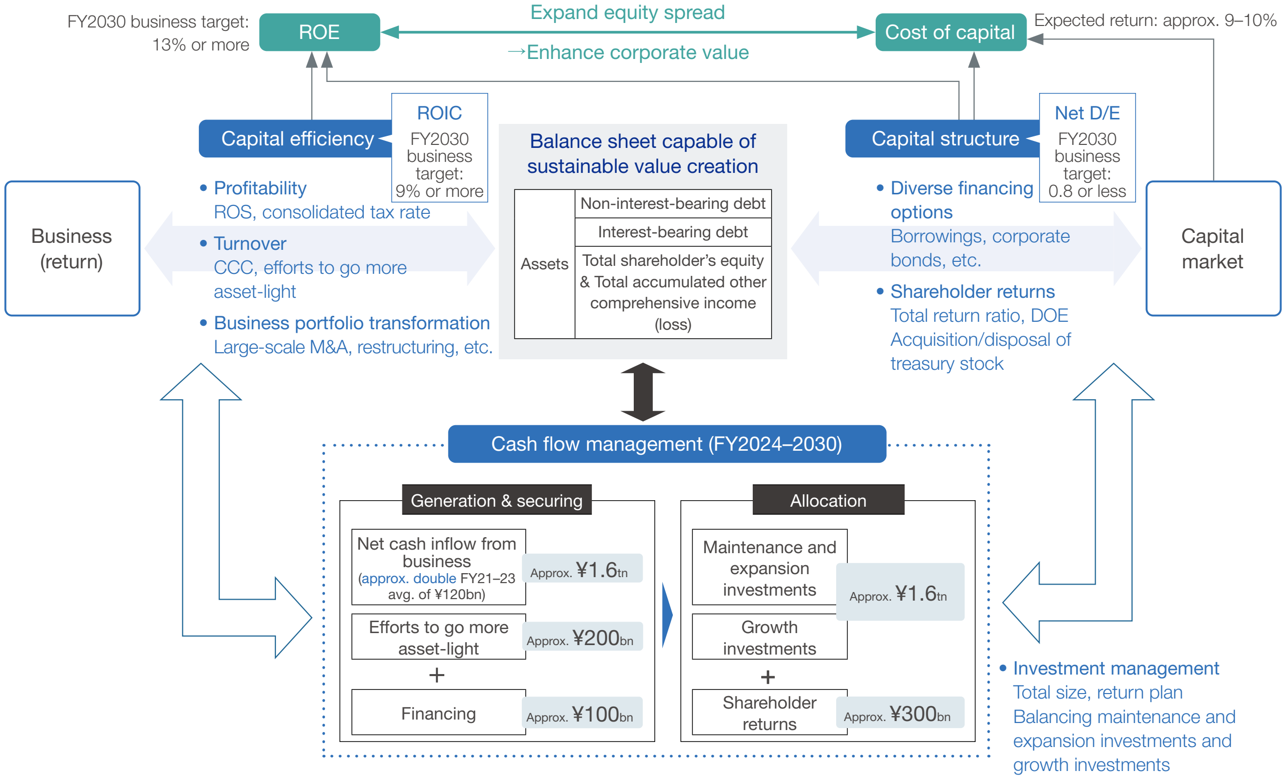
take around three years from planning to the start of operations. Early decision-making with a full value chain perspective is therefore critically important.

On the financing side, we also believe it is essential to maintain at minimum our current credit rating, both to secure access to diverse financing options amid a rising interest rate environment and to signal corporate credibility to the market. We will continue to monitor this as an important metric.

Credit ratings (As of March 31, 2025)

Rating agencies	Rating
Japan Credit Rating Agency, Ltd. (JCR)	AA–
Rating and Investment Information, Inc. (R&I)	A+

Cash flow management



Achieving growth through balanced cash allocation

We plan to invest a total of 1.6 trillion yen by fiscal 2030. This includes both growth investments and the maintenance of existing facilities, with a certain portion allocated to maintaining and strengthening aging facilities in the B&GM business. These investments are essential to ensuring the safe and stable operation of our plants and sustaining cost competitiveness. Going forward, however, we plan to place greater emphasis on growth investments by strengthening earning power through business portfolio transformation and optimizing facility capacity through the restructuring of our B&GM business. In balancing both the restructuring and shift toward green chemicals within this business, we will also explore collaboration with outside parties.

In recent years, we have made growth investments such as capital expenditures and M&A aimed primarily at strengthening and expanding existing businesses—particularly in areas like vision care materials, agrochemicals, and ICT. We will continue to pursue such investments that are expected to yield returns relatively quickly. At the same time, to realize VISION 2030, we recognize the need to consider larger-scale M&A in the specialty chemicals domains.

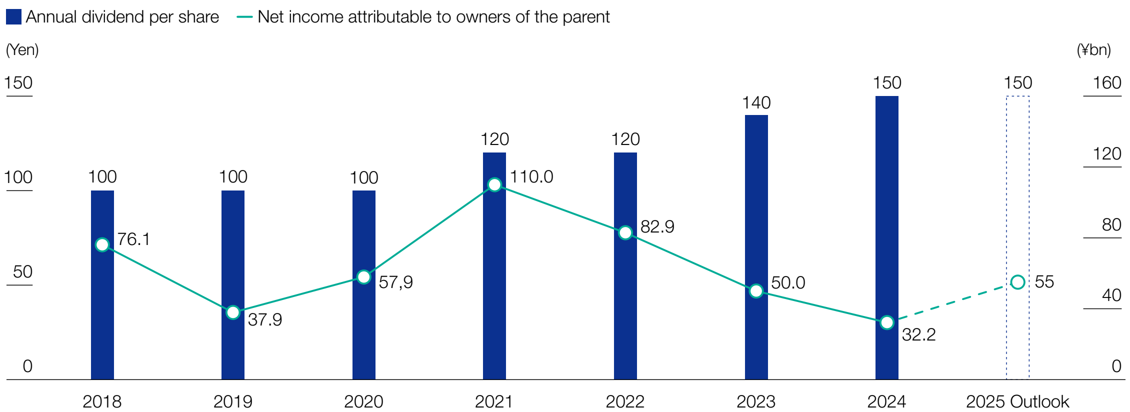
As CFO, I will ensure balanced management through a cycle of investment, enhancement of earning power, and reinvestment, to drive business portfolio transformation as a global specialty company.

CFO Message

By executing this balanced approach to cash management, we also believe we can naturally enhance shareholder returns.

Starting in fiscal 2025, we have revised our total shareholder return ratio target upward from 30% or more to 40% or more. This new level reflects our commitment to appropriate capital control as part of cash flow management and is aligned with our higher ROE target. In addition, we place strong emphasis on DOE, which has supported our track record of stable dividend payments. While our current DOE target is 3.0% or more, we will consider raising this also in line with progress toward VISION 2030 and improvements in capital efficiency.

Shareholder returns



(FY)	2018	2019	2020	2021	2022	2023	2024	2025 Outlook
Annual dividend per share (Yen)	100	100	100	120 (Memorial dividend: ¥5)	120	140	150	150
Net income attributable to owners of the parent (¥bn)	76.1	37.9	57.9	110.0	82.9	50.0	32.2	55
Total return ratio (%)	39.0 (Acquisition of treasury stock: ¥10bn)	77.2 (Acquisition of treasury stock: ¥10bn)	33.9	30.3 (Acquisition of treasury stock: ¥10bn)	39.8 (Acquisition of treasury stock: ¥10bn)	53.2	118.8 (Acquisition of treasury stock: ¥10bn)	40.0 or more
DOE (%)	3.7	3.6	3.4	3.5	3.1	3.2	3.3	3.0 or more

* Mitsui Chemicals has voluntarily adopted International Financial Reporting Standards (IFRS) from fiscal 2020. Figures for fiscal 2019 and before are profit attributable to owners of parent under Japanese Generally Accepted Accounting Principles (J-GAAP).

To our shareholders and investors

As outlined above, the Mitsui Chemicals Group remains firmly committed to enhancing capital efficiency and earning power as we work toward realizing VISION 2030. By deeply understanding the market's underlying concerns and expectations—and responding to them with sincerity—we seek to build trust while delivering tangible results. We believe this approach will ultimately contribute to enhancing corporate value. Change in the business environment is inevitable. That is why it is essential to steadily track our progress under VISION 2030, strengthen our capacity to adapt when change occurs, and clearly communicate the measures we put in place. As CFO, I will continue to closely monitor the drastic changes in the business environment and implement financial strategies that strengthen Mitsui Chemicals' resilience to change. At the same time, I remain committed to active and transparent communication with capital markets to address your concerns and meet your expectations.

History of Our Value Creation

Trajectory of transformation and challenges

1912–1953

Origin of Mitsui Chemicals

Challenge to develop Japan's first coal chemical industry

Mitsui Chemicals' coal chemical operations date back to the completion of the Koppers (by-product recovery) coke oven in Omuta in 1912. Starting with the production of chemical fertilizers from by-products that had previously been discarded, we have manufactured a variety of chemical products and responded to the cutoff of chemical imports due to the war and the postwar food crisis. As such, our history of solving social challenges is the DNA that leads to the present.

1954–2019

The Turning Point of Mitsui Chemicals

Challenge to develop Japan's first petrochemical industry

In line with the postwar energy revolution from coal to petroleum, Mitsui Chemicals was one of the first movers to adopt cutting-edge technologies in Europe and the U.S. and made a full-scale entry into the petrochemical industry. Completed in 1958, Japan's first integrated petrochemical complex supported Japan's rapid economic growth period.

General situation

1914
Outbreak of World War I

1939
Outbreak of World War II

Cutting off of chemical imports

1950–
Energy revolution
Rapid increase in imports of synthetic resins, etc.

1955–
Period of the rapid economic growth

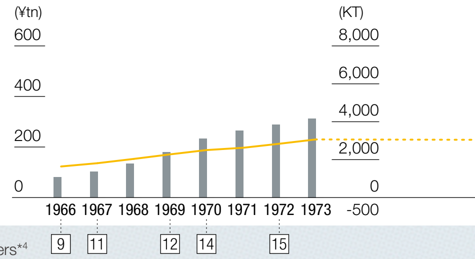
Industry trend

1918
End of World War I

1945
End of World War II

Severe postwar food crisis

Domestic production of petrochemical products promoted as a national policy



*1 & 4: Prepared based on data from the Japan Petrochemical Industry Association
*2: Prepared based on data from Trade Statistics of Japan published by the Ministry of Finance
*3: Prepared based on data from the Cabinet Office

Mitsui Chemicals

1912
Mitsui Mining built Japan's first Koppers coke oven to start full-scale chemical operations (now Omuta Works)

Promoted domestic production of chemicals

1915
Started production of Japan's first synthetic dye alizarin (Omuta)

1916
Started production of phenol (Omuta)

1924
Started production of Japan's first synthetic ammonia (now Shimonoseki Mitsui Chemicals)

1932
Started production of synthetic dye indigo (Omuta)

1948
Started Japan's first mass production of urea for fertilizer (now Hokkaido Mitsui Chemicals)

Increased chemical fertilizer production to end the food crisis

1954
Decided to enter the polyethylene business after meeting with Dr. Ziegler (Nobel Prize winner)

1955
Established Mitsui Petrochemical Industries

1958
Started operations at the Iwakuni Works (now Iwakuni-Ohtake Works, Japan's first petrochemical complex

Drove a period of rapid economic growth

1962
Manufactured polypropylene for the first time in Japan (Iwakuni-Ohtake)

1967
Started production of ethylene at the Chiba Works (now Ichihara Works)

1968
Toyo Koatsu Industries and Mitsui Chemical Industry merged to form Mitsui Toatsu Chemicals

1970
Ethylene plant completed by Ukishima Petrochemicals* (Ukishima) (now ENEOS Corporation Kawasaki Refinery)
Started production of ethylene at Osaka Petrochemicals (Osaka)

* A joint venture between Nippon Petrochemicals (now ENEOS Holdings, Inc.) and Mitsui Petrochemical Industries

Technologies Supporting Mitsui Chemicals Products

Precision synthesis technology derived from coal chemicals

Polymer science to meet various customer needs

Manufacturing process technology, the bedrock of our strong competitive advantage

The oil crisis broke out as we were steadily expanding our petrochemical business. In the course of getting through this crisis, we shifted our focus to high-value-added products and created a number of core businesses that support the Mitsui Chemicals Group today.

The chemical industry then entered an era of further intensified international competition. Following the global recession triggered by the collapse of Lehman Brothers and the launch of a large-scale commodity products plant in China, the Mitsui Chemicals Group has actively invested in growth domains while advancing the restructuring of our commodity product businesses under a new business plan.

2020–

Prospects for the Future

Challenges to achieve a sustainable society

The Mitsui Chemicals Group has change and innovation woven into its very DNA that has been passed down throughout its more than 100-year history, from taking on the challenge of the first-generation coal chemical industry to the shift from coal to petroleum in the second generation. In transforming our business portfolio, we have promoted strategies for each of our specialty chemicals domains and the Basic & Green Materials business, which have different decision-making speeds. As we move forward with bold portfolio transformation across the entire Group, we will start considering splitting off the Basic & Green Materials business, promoting collaboration with other companies and aiming to transform the business into a strong basic and green materials company that supports Japanese industry, including the shift to green chemicals. In specialty chemicals domains, we will aggressively invest resources and reorganize our entire portfolio with nothing off-limits, further expanding our global operations and aiming to become a global specialty company with a strong presence around the world.

General situation

1973 Outbreak of the first oil crisis

1979 Outbreak of the second oil crisis

1997 Asian currency crisis

2008 Collapse of Lehman Brothers

Global recession

2015 SDGs adopted at UN Summit
COP21 decided on an international framework for reducing greenhouse gas emissions

2020 The Japanese government announced that it would achieve carbon neutrality by 2050.

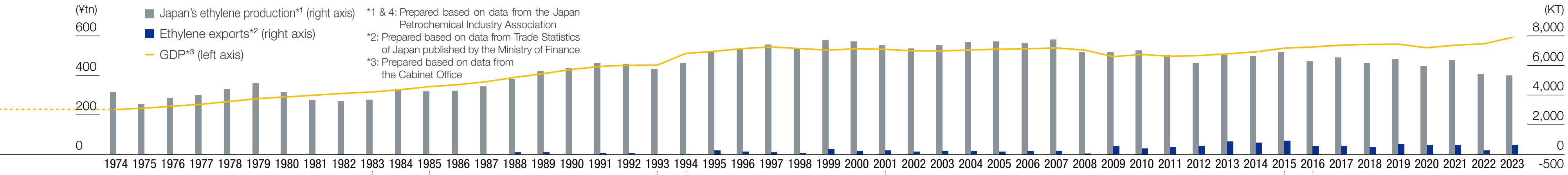
Industry trend

Accelerated restructuring in the chemical industry

A series of giant companies emerged through M&A in the Western economies.

A series of large-scale commodity chemicals plants started their operations in China.

Accelerated efforts toward a sustainable society



Number of ethylene crackers*4 14 (1983), 15 (1985), 14 (1993), 15 (1994), 14 (2001), 13 (2014), 12 (2015) 12 crackers since then to date

1978
Ethylene plant completed at Ukishima Petrochemicals (Chiba) (now Ethylene Plant at the Ichihara Works)

Promoted a shift to high-value-added products

Products developed in this period
1975: TAFMER™, ADMER™, TPX™ / 1987: MR™, TREBON™, ICROS™ Tape / 1995 APEL™

1985
No. 3 Ethylene Plant at the Iwakuni-Otake Works suspended (complete shutdown in 1993)

1997
Mitsui Petrochemical Industries and Mitsui Toatsu Chemicals merged to form Mitsui Chemicals

2014–2016
Mid-Term Business Plan ▶▶ p. 20

2017–2021
Long-Term Business Plan VISION 2025 ▶▶ p. 20

2021–
Long-Term Business Plan VISION 2030 ▶▶ p. 20

Active investment in growth domains

Resource investment to accelerate growth and global expansion

Restructuring of struggling businesses

Becoming a high-growth, high-profitability global specialty company

2019-2025 Major investment projects

L&HC	Increase to MR™ production capacity, acquisition of ophthalmic lens processing equipment maker, acquisition of Meiji Seika Pharma's agrochemicals business, tender offer for DNA Chip Research
Mobility	Increase to TAFMER™ production capacity and increase to compounding capacity in various regions
ICT	Acquisition of pellicle business, establishment of new equipment for mass production of EUV and CNT pellicles, increase to ICROS™ Tape production capacity in Taiwan, joint tender offer for Honshu Chemical Industry, investment in SHINKO ELECTRIC INDUSTRIES

Scheduled to be split off by around 2027

Becoming a strong basic and green materials company that supports Japanese industry

Restructuring of commodity product businesses

2020
Declared to be a carbon-neutral company by 2050

2021
Started production of Japan's first bio-based plastics from bio-based hydrocarbons

Second phase of restructuring

Bolstering downstream businesses

Shift to green chemicals

Regional and multi-company collaborations

▶▶ Transformation progress, p. 41

Precision synthesis technology

Polymer science

Manufacturing process technology

Our Values

Corporate Mission & Future Vision
https://jp.mitsuichemicals.com/en/corporate/management/index.htm

Corporate Mission

Contribute broadly to society by providing high-quality products and services to customers through innovation and the creation of materials, while keeping in harmony with the global environment

Corporate Target

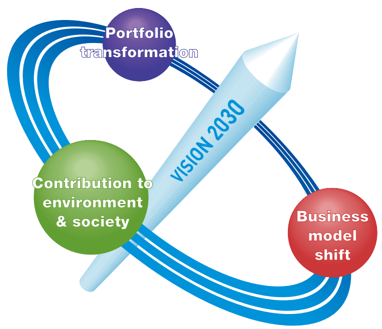
To be a corporate group that continues to grow by solving social challenges and creating diverse value with the power of chemistry

When establishing our new Long-Term Business Plan, VISION 2030, we revised our Corporate Target for the next 15 to 20 years. With this revision, we return once again to our purpose of solving challenges faced by society, and redefine our direction going forward.
Tackling a wide range of social challenges arising from accelerating environmental changes, we will continuously provide solutions making full use of the power of chemistry—the very thing that allows us to create diverse value.

Our Ideal Vision for 2030

Chemistry for a Sustainable World

A global solutions company that leads change and contributes to a sustainable future
Mitsui Chemicals



Our Values

Action Guidelines and Core Values

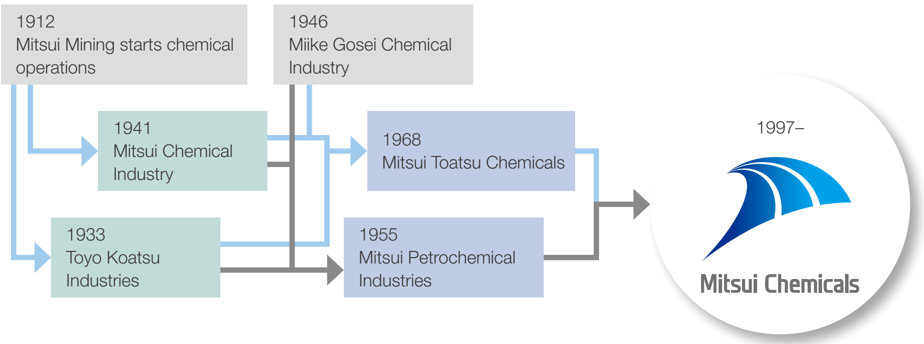
Action guidelines for realizing the sustainable development of society and the company through efforts to contribute to stakeholders

The three pillars of the Action Guidelines are: "Always in good faith," "For people and society," and "Dream-inspiring innovation." "Always in good faith" forms the basic premise of our corporate existence. Meanwhile, "For people and society" represents our attitude of respecting all stakeholders. "Dream-inspiring innovation" was formulated based on the infinite possibilities of chemistry, which can create something out of nothing, and the voices of our employees who wish to make the Mitsui Chemicals Group a company with hopes and dreams, and one that they can be proud of.

Mitsui Chemicals' core values etched in history

Challenge, Diversity, and One Team

The core values of the Mitsui Chemicals today were shaped by our history going back to the coal chemical business of Mitsui Mining in 1912, where multiple companies joined forces to pursue solutions to social challenges through various chemical businesses.



Ideal Future Society

We have defined the ideal future society as "a circular society in harmony with the environment," "a comfortable society in which people can enjoy healthy lives and well-being," and "an inclusive society creating diverse value."
In order to realize such a society, we have identified material topics that should be addressed, and incorporated them into the Basic Strategy of VISION 2030.

A circular society in harmony with the environment

Based on our Corporate Mission of keeping in "harmony with the global environment," we aim to realize "a circular society in harmony with the environment" through the provision of products and services that contribute to reducing environmental impact and effectively utilizing resources.

A comfortable society in which people can enjoy healthy lives and well-being

Based on "Promoting human well-being," one of the five social contribution areas of our Corporate Mission, we aim to realize a "a comfortable society in which people can enjoy healthy lives and well-being," through the provision of products and services that contribute to improving the health, well-being, and comfort in the lives of the people from all walks of life, even in the face of various changes in the environment.

An inclusive society creating diverse value

In order to fulfill our mission of "contributing to society through innovation and the creation of materials," as set forth in our Corporate Mission, we will create new value by sparking chain reactions through recognizing and utilizing diversity, the source of innovation, thereby aiming to realize "an inclusive society creating diverse value."

Material Topics

In VISION 2030, the Mitsui Chemicals Group identified the topics material to our business in order to achieve its ideal future society redefined from the standpoints of transitioning to a circular economy, pursuing diverse value chains, and achieving a flexible and resilient society. These material topics are the premise of our Basic Strategy for VISION 2030. We will also monitor key performance indicators (KPIs) related to our material topics as non-financial metrics for VISION 2030, and will ensure that they translate into steady improvement of our corporate value.
(For more information on non-financial metrics, see ▶▶ p, 21.)

Ideal future society

- A circular society in harmony with the environment
  ▶ Transitioning to a circular economy
- An inclusive society creating diverse value
  ▶ Pursuing diverse value chains
- A comfortable society in which people can enjoy healthy lives and well-being
  ▶ Achieving a flexible and resilient society

Material topics of the Mitsui Chemicals Group

Contributing to a sustainable society

Product design considering the entire product life cycle

- Blue Value™: Climate change; Circular economy
- Rose Value™: Health and livelihood; Highly livable communities; Food security

Prerequisites for business continuity

Safety | Respect for human rights | Compliance | Product quality | Stable production

Abilities essential to business continuity

Corporate culture | Human capital | Innovation | Digital transformation | Partnerships

Our materiality process
https://jp.mitsuichemicals.com/en/sustainability/mci_sustainability/materiality/process/index.htm

Our materiality process

Step 1
Identify issues

◆ Identify issues comprehensively with reference to the following:

- Dialogue with stakeholders
- Information gathering regarding global social challenges
- Guidelines for sustainability information disclosure and assessment items used by sustainability rating agencies
- Group policies such as our Corporate Mission and Action Guidelines
- Content of discussions during the formulation of VISION 2030
- Risks and opportunities raised in the Group-wide risk management process
- Content of discussions by committees

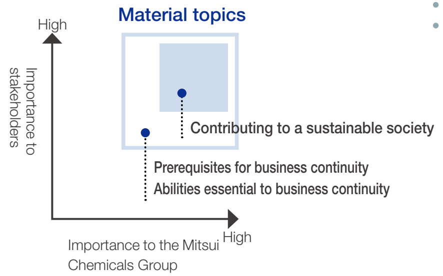
Step 2
Classify issues by topic

◆ Classify the identified issues by topic mainly with reference to guidelines for sustainability information disclosure and assessment items used by sustainability rating agencies.

Step 3
Prioritize and organize topics

◆ Prioritize topics by mapping them along the two dimensions of importance to stakeholders, as well as importance to the Mitsui Chemicals Group. Then, select some candidate material topics. Discuss these decisions within the Corporate Sustainability Committee, Management Committee, and the Board of Directors.

◆ Identify material topics by organizing the candidate topics under the categories of “contributing to a sustainable society,” “prerequisites for business continuity,” and “abilities essential to business continuity.”



Step 4
Confirm validity

◆ Confirm the validity of the identified material topics with the Corporate Sustainability Committee, Management Committee, and Board of Directors. Then, acquire final approval from the Board of Directors.

◆ To ensure our material topics and related KPIs take into account changes in the importance of issues and the appearance of new ones, the Corporate Sustainability Committee and Company-wide Strategy Committee review the issues and discuss the necessity of revision on an annual basis.

◆ Acquire approval from the Management Committee and Board of Directors regarding the revised material topics and KPIs.

Material Topics

Contributing to a sustainable society

◎◎ Opportunities ●● Risks (Examples)

Product design considering the entire product life cycle

Issues Due to the intricately intertwined nature of social challenges, we need to adopt a big-picture approach when tackling them. Therefore, our business activities need to take into account the environment and society throughout the entire product life cycle, from raw material procurement, processing, and usage, to disposal and recycling.

Challenges The Mitsui Chemicals Group aims to capture new business opportunities and help solve social challenges by cooperating with industry, government, and academia, and by designing businesses that recognize and consider the impact on the environment and society throughout the full product life cycle.

Climate change

Issues In order to achieve the globally shared long-term goals set forth in the Paris Agreement, the realization of carbon neutrality throughout society is imperative, and efforts to achieve a decarbonized society (climate change mitigation) must be accelerated. There is also a need to adapt to environmental changes, such as the intensification of natural disasters caused by climate change.

Challenges We aim to achieve carbon neutrality by 2050, by reducing greenhouse gas (GHG) emissions within our Group, and working to decarbonize the entire value chain, including all products and services. Furthermore, in order to respond to storms, flooding and droughts, which are expected to increase due to climate change, we will conduct water risk assessments, and strive to use water resources appropriately and preserve the water environment.

- ◎● Shift to EVs, renewable energies becoming mainstream
- ◎● Transition to renewable raw materials
- ◎ Increased demand for low-carbon and decarbonized products and technologies
- ◎ Increased demand for products that support disaster prevention/mitigation, infection control, etc.
- ● Tightening of regulations such as restrictions on GHG emissions and carbon taxes
- ● Decreased demand for products with high environmental impact
- ● Shortage and depletion of water resources
- ● Damage to production sites from storms and flooding
- ● Supply chain interruptions

Circular economy

Issues As the world's population grows and global economic activity increases, conventional linear economic activities, based on the premise of mass consumption and disposal of resources, are placing a heavy burden on the global environment. In addition, the garbage problem caused by improper disposal of waste has led to the loss of natural capital. Cooperative and collaborative efforts are required across society as a whole, in order to facilitate the transition to and strengthen support for a "circular economy," which enables greater environmental and social sustainability.

Challenges We are working to enlarge and widen the circle of the circular economy through the development of new materials, recycling systems, and value chains, in order to expand our product lineup of bio-based chemicals and bio-based plastics, promote their usage across society, and accelerate the recycling of plastic resources.

- ◎ Expansion of solutions business that take an ecosystem perspective
- ◎ Increased demand for resource conservation and recycling technologies
- ◎ Increased importance of traceability throughout the product life cycle
- ● Tightening of regulations on use of single-use plastics and decreased demand for plastics
- ● Tightening of regulations/international standards related to natural capital
- ● Increased litigation arising from extended producer responsibility, etc.
- ● Reputational damage due to shift in consumer sentiment

Health and livelihood

Issues Health is a fundamental human right, and good health forms the basis of social activities. Therefore, efforts are needed to create a society where each and every person can lead a fulfilling life.

Challenges We aim to support the realization of well-being by providing products and services that contribute to universal health coverage*, including vision care, dental care, medical supplies, hygiene products, and universal design products.

* Universal health coverage: All people can access appropriate health promotion, prevention, treatment, and rehabilitation services at an affordable cost.

- ◎ Increased demand for products in mobility, medical equipment, pharmaceutical packaging materials, ICT fields, and residential construction materials in line with growing demand for healthier and more affluent lifestyles for all
- ◎ Increased demand for services/products that support participation in society by all people regardless of age, gender, race, disability, etc.
- ◎ Growing needs for comfortable and safe lifestyles and support for pre-symptomatic illness, in addition to measures concerning illness and health
- ◎ Increased demand for products that improve hygiene and prevent the occurrence and spread of infectious diseases
- ● Uncertainty in the VUCA era
- ● Increased litigation in the healthcare and medical sectors

Highly livable communities

Issues In order to continue providing a sense of safety and security in people's lives, there is a need to develop communities that are durable, adaptable, and able to respond to changes in the natural environment and the population structure.

Challenges We aim to contribute to the building of resilient communities that can flexibly respond to any type of change, by expanding our lineup of products and services that contribute to disaster prevention and mitigation, the extension of infrastructure lifespan, and the strengthening of networks.

- ◎ Increased demand for smart and resilient community development in accordance with population size (community ICT/infrastructure improvements)
- ◎ Increased demand for products that support disaster prevention/mitigation, etc.
- ● Recruitment and training of personnel for an advanced ICT society

Food security

Issues Food shortages due to poor harvests and supply chain disruptions, which are caused by climate change and international conflicts, have become a social issue. Furthermore, particularly in developed countries, there is a need to address food loss and food waste that occur in supply chains and households.

Challenges We are working to innovate agrochemicals and agricultural technology, as well as to improve food packaging products. By improving food productivity and ensuring safety and stability in food distribution, we aim to contribute to the reduction of food loss and food waste, and to the assurance of food security*.

* Food security: A state in which all people have physical and economic access to sufficient, safe, and nutritious food at all times

- ◎● Response to improvement of food preservation/distribution technologies (cold supply chains, etc.)
- ◎ Increased demand for products and services that contribute to stable production and supply of food, as well as to reduced burden on workers
- ◎ Development of new technologies and expansion into new markets through collaboration with food and beverage manufacturers
- ◎ Increased demand for packaging containers that contribute to reduced food loss/food waste
- ● Tightening of regulations on agrochemicals and food packaging materials

Long-Term Business Plan VISION 2030

Based on the Mitsui Chemicals Group's Corporate Vision (Corporate Mission and Corporate Target) established in 1997, we have defined our ideal vision for 2030 that accurately reflects changes in the internal and external environment. To realize this vision, we have set out a five-prong Basic Strategy in our Long-Term Business Plan VISION 2030, which incorporates our Corporate Vision and material topics, and are promoting initiatives based on the five pillars. To successfully "pursue business portfolio transformation," which is the first and most important pillar, we "build solutions-based business models" and "bolster circular economy initiatives." In addition, we "achieve corporate transformation through digital transformation," and "accelerate management and business transformation," which are the drivers for implementing these strategic pillars and the foundations supporting our continuous growth. By steadily implementing these five prongs of the Basic Strategy, we aim to increase our corporate value.

Our Values, p. 16 Material Topics, p. 18

History of business plans

2014–2016 Mid-Term Business Plan

Basic Strategy

- Completing the restructuring of the bulk and commodity product businesses
- Expanding earnings by recouping growth investments
- Concentrating management resources in targeted business domains
- Accelerating the creation of new business and products
- Improving and strengthening the Group's financial structure

Review

- Operating income in three target domains: Increased 52% over the three-year period from FY2014 to FY2016
- Basic Materials segment: Implemented structural reform such as the withdrawal from Keiyo Ethylene

Main KPIs and achievement status

	Achievement status	2016	2016 Targets
Operating income	Achieved	¥102.1bn	¥60bn
Net income	Achieved	¥64.8bn	¥30bn
Net sales from new businesses/products*	Not achieved	¥75.0bn	¥100bn

* Total net sales from new businesses/new products launched from 2012 to 2016

Issues identified

- Target for net sales from new businesses and products for the period not achieved due to delays in their development
- Further portfolio transformation and reduction in the volatility of the Basic Materials business

Long-Term Business Plan VISION 2025

Basic Strategy

- Pursuing innovation (shift to a customer-driven business model)
- Accelerating global expansion
- Strengthening the competitiveness of existing business

Review

- Three target domains: Profit levels have remained largely unchanged at around 73 billion yen since FY2017.
- Promoting restructuring efforts made the Basic Materials business segment less volatile.

Main KPIs and achievement status

	2017	2020	2025
Operating income/Operating income before special items	¥103.5bn	¥85.1bn	¥200bn
Net sales	¥1,328.5bn	¥1,211.7bn	¥2,000bn
ROE	14.9%	10.2%	10% or more
Net D/E	0.75	0.60	0.8 or less
Blue Value™ products sales revenue ratio	17%	15%	30%
Rose Value™ products sales revenue ratio	14%	19%	30%

Issues identified

- Still only partway through our portfolio transformation, and need to further increase resilience against market fluctuations
- Need to further accelerate the implementation of our growth investments in line with changes in the business environment

Long-Term Business Plan VISION 2030

Basic Strategy

- Pursuing business portfolio transformation
- Building solutions-based business models
- Bolstering circular economy initiatives
- Achieving corporate transformation through digital transformation
- Accelerating management and business transformation

Review of the past four years

- Specialty chemicals domains: Steady growth has been achieved, and earning power has improved due to profit expansion, but the growth speed has been lower than expected.
- Basic & Green Materials: Although substantial progress has been made with internally driven restructuring, the business is speeding up transformation due to sluggish demand in the medium to long term.

Main KPIs and achievement status

	2021	2022	2023	2024	2030 Targets
Operating income before special items	¥161.8bn	¥113.9bn	¥96.2bn	¥101.0bn	¥250bn
Net income attributable to owners of the parent	¥110.0bn	¥82.9bn	¥50.0bn	¥32.2bn	¥150bn
ROE	16.7%	11.1%	6.1%	3.8%	13% or more
ROIC	8.7%	5.4%	4.1%	4.2%	9.0% or more
Net D/E	0.75	0.77	0.69	0.73	0.8 or less
Total return ratio	30.3%	39.8%	53.2%	118.8%	40.0% or more

Issues identified

- Specialty chemicals domains: Continue to actively invest resources and further promote portfolio transformation based on ROIC and profit growth
- Basic & Green Materials: Generate stable cash flow and improve profit through reduced volatility, and achieve a self-sustaining business structure

Long-Term Business Plan VISION 2030

Numeric targets for VISION 2030 and the status of their progress

Material topics	Non-financial KPIs	FY2024 Results	2025 Outlook	2030 Targets	Responsible executive officer
• Climate change • Circular economy • Health and livelihood • Highly livable communities • Food security • Product design considering the entire product life cycle	Blue Value™ products sales revenue ratio	26%	28%	**40%**	MATSUE Kaori Responsible officer for Corporate Sustainability Division
	Rose Value™ products sales revenue ratio	25%	26%	**40%**	
	GHG emissions reduction rate (Scopes 1 and 2) * compared to FY2013	28%	28%	**40%**	YOSHINO Tadashi Responsible officer for Carbon Neutral Strategy
• Safety	Incidence of major accidents & serious occupational injuries	2 cases	Zero	**Zero** (over the course of VISION 2030)	OKADA Kazunari Center Executive, Production & Technology Center
• Respect for human rights	Response to human rights risks	Implemented human rights due diligence (reorganization of the risk assessment process)	Implementation of human rights due diligence (improvement of the risk assessment process)	Identification & correction of risks by setting up a human rights due diligence system for all of our bases, both domestic and abroad	MATSUE Kaori Responsible officer for Corporate Sustainability Division
• Compliance	Incidence of major legal and regulatory violations	Zero	Zero	**Zero** (over the course of VISION 2030)	MIGITA Ken Responsible officer for Corporate Administration & Legal Division
• Product quality	Incidence of PL accidents & serious product quality incidents	Zero	Zero	**Zero** (over the course of VISION 2030)	MATSUE Kaori Responsible officer for RC & Quality Assurance Division
• Stable production	Production and equipment reliability No. of problems involving high-value losses	3 cases	6 or less	**Zero**	OKADA Kazunari Center Executive, Production & Technology Center
• Corporate culture	Improvement of employee engagement Engagement score	36%	40%	**50%**	ANDOU Yoshinori Chief Human Resources Officer
• Human capital	Key talent management Successor coverage rate for critical positions	235%	250%	**250%**	
	Diversity • Number of executive officers with diverse backgrounds (women, non-Japanese, mid-career hires) * Mitsui Chemicals, Inc. • Ratio of women in management positions (manager-level or above) * Mitsui Chemicals, Inc.	• Diversity rate of future executives: 24.1% • 8%	• Diversity rate of future executives: 25% or more • 9% or more	• **10 or more (including at least 3 women)** • **15%**	
	Health-focused management • Average rate of lifestyle-related disease * Male employee of Mitsui Chemicals, Inc. • Frequency of absences from work due to mental health disorders * Mitsui Chemicals, Inc.	• 10.32% • 0.69	• Less than 9.50% • Less than 0.55	• **8.0% or less** • **0.25**	
• Digital transformation	Training of DX specialists Number of data scientists	104	165 or more	**165** (by FY2025)	SAMBE Masao Chief Digital Officer
• Innovation	Pipeline expansion Number of development themes in the latter half of our Stage Gate System	Percentage advanced to preliminary market development stage: 11%	Percentage advanced to preliminary market development stage: 20% or more	**Double** or more (vs. FY2020)	SHIBATA Shingo Center Executive, R&D Center
	Value creation for beyond 2030 Number of new areas of development at our Frontier Technology Center	R&D themes: 5	• Themes advanced from initial research stage to technological development: 5 or more • Identification of social challenges to engage with in future: 5 or more	**3** or more areas	
• Partnerships	Sustainable procurement ratio	Dissemination to partners Briefings to explain procurement guidelines to key partners in each domain: 19 companies	Dissemination to partners Meet with suppliers amounting to 95% of total transaction value to explain procurement guidelines & get written agreement	**80%**	SAMBE Masao Chief Digital Officer

* The calculation is based on adjusted emissions that exclude temporary factors such as fluctuations in ethylene operating rates.

Value Creation Model

Based on a management stance aimed at increasing corporate value, the Mitsui Chemicals Group is making maximum use of key drivers that provide competitive advantages and is promoting three transformation initiatives over the short, medium, and long term in order to become a truly global specialty company. To realize our vision set in our corporate target and ideal future society, we will continue to help solve social challenges with the power of chemistry and build a sustainable future society while achieving sustainable growth for our Group.

Our Vision

Corporate Target

To be a corporate group that continues to grow by solving social challenges and creating diverse value with the power of chemistry

Ideal Future Society

- A circular society in harmony with the environment
- A comfortable society in which people can enjoy healthy lives and well-being
- An inclusive society creating diverse value

Direction of corporate transformation —Through corporate transformation, we aim to become a truly global specialty company—

Short- to medium-term measures

- Business portfolio transformation with nothing off-limits p. 24
- Business portfolio and corporate culture transformation through human resources strategy p. 42

Medium- to long-term measures

- Business model transformation centered on the circular economy p. 48

Key drivers (Competitive advantages)

World-leading technological and R&D capabilities

p. 56

Precision synthesis technology derived from coal chemicals, polymer science that meets various customer needs, and manufacturing process technology that is the bedrock of our strong competitive advantage

Market-leading product strength

p. 59

Unique products backed by technology, Blue Value™ and Rose Value™ products and services, resulting in numerous high market share products

Global expansion capabilities

p. 64

A strong global customer base and localized operations based on local production for local consumption

Management stance to increase corporate value —Through active stakeholder engagement, we shape and refine our strategies and measures—

Maximizing future cash flows

Strengthening earning power

While further strengthening the specialty chemicals domains and high-added-value fields, we will continue to reduce volatility and build a structure that achieves high profitability.

Maximizing investment efficiency

In addition to optimizing our capital structure, we continue to improve our management system, thoroughly implement ROIC management at the business level, and promote the efficient allocation of management resources.

Minimizing risks and capital costs

Improving management quality

We aim to minimize risks and reduce cost of capital by deepening our sustainability management based on material topics and strengthening governance.

Direction of corporate transformation

To become a truly global specialty company, the Mitsui Chemicals Group is promoting three transformation initiatives over the short, medium, and long term: "business portfolio transformation with nothing off-limits," "business portfolio and corporate culture transformation through human resources strategy," and "business model transformation centered on the circular economy."

Business Portfolio Transformation with Nothing Off-limits: CSO Message

VISION 2030 Basic Strategy

Basic Strategy	Pursuing business portfolio transformation	• Pursue regional and multi-company collaborations to speed up the second phase of restructuring for B&GM (including by creating an optimal cracker production setup), in turn reducing volatility and generating a more stable cash flow **to achieve a self-sustaining business structure** • **Accelerate growth and improve capital efficiency by** focusing resource investments (including M&A and tie-ups) toward differentiated fields where we can exhibit our strengths, **speeding up restructuring, and reorganizing our entire portfolio with nothing off-limits** • Maximize the use of Group resources from a global perspective **to accelerate global expansion (including in emerging markets)**, especially in the specialty chemicals domains
	Building solutions-based business models	
	Bolstering circular economy initiatives	
	Achieving corporate transformation through digital transformation	• Strengthen our cultivation of new businesses by pursuing cross-organizational ties within the Group (an effort centered around our Technology Strategy Division) and optimizing resource allocation; additionally, make active use of newly established co-creation spaces to enhance collaboration with both internal and external partners, with all of this then aiding in business model transformation
	Accelerating management and business transformation	

Pursuing strategies to achieve diverse growth, encompassing both financial and non-financial initiatives

Amid significant changes in the market environment, the Mitsui Chemicals Group must now manage its operations with greater capital efficiency than ever before. Optimizing at the business sector level alone is no longer sufficient; instead, we must drive Group-wide optimization that cuts across organizational boundaries and spans our global operations. To achieve this, we need to reassess and categorize our businesses and products, and focus Group-wide efforts on the highest-priority areas. As CSO, I see it as my responsibility to drive these strategies from a Group-wide perspective. For the Group to achieve sustainable growth, we must focus not only on financial metrics such as operating income before special items, but also on diverse forms of growth—including non-financial metrics, such as increasing the sales revenue ratio of our Blue Value™ and Rose Value™ products. While there has been some recent pushback against ESG in certain circles, sustainability remains indispensable to the ongoing development of both business and society. Accordingly, we do not intend to revise our non-financial targets or material topics in response to such short-term trends. As CSO, I am committed to driving the sustainable and diverse growth of the Group by staying true to our fundamental philosophy while flexibly advancing strategies in response to an evolving external environment—ensuring we remain firmly on course toward achieving VISION 2030.

Business Portfolio Transformation with Nothing Off-limits: CSO Message

Rethinking the role of solutions-based business in the post-COVID-19 era

When we announced VISION 2030 in June 2021, we were in the midst of the COVID-19 pandemic. At the time, we formulated our plans under the assumption that, once the situation subsided, the world would return to one where global logistics and the free movement of goods would resume as before. However, what we are seeing today is quite the opposite: fragmentation across countries and regions is accelerating, and the trend toward producing and consuming essential goods domestically is gaining strength. For example, China has traditionally been both a major consumer of chemical products and a global processing hub, sourcing materials from around the world. But today, the country is moving toward self-sufficiency across the entire value chain—from upstream to downstream—including large-scale expansions of crackers for material production. Amid these environmental changes, the challenges businesses are expected to address are shifting from relatively universal global issues to more localized and specific ones.

In light of this shift, it is time to revisit our approach to one of the Basic Strategy of VISION 2030: building solutions-based business models. This initiative aims to go beyond being a mere materials manufacturer and instead build a business model that creates added value and enables higher profitability. However, due to the significant environmental changes that have occurred, progress has not been as swift as initially anticipated. I believe now is the right moment to reconsider what we mean by *solutions*.

Many of the highly profitable products within our Group have earned their position by capturing and responding to customers' complex needs through finely tuned formulations—creating unique offerings that are difficult for competitors to replicate. While this may appear at first glance to be a conventional materials business, from the perspective of solving customer challenges, it can also be a form of solution offering. To pursue this type of solution-based business—one that captures nuanced needs—I believe it is essential to once again clarify the areas in which our Group excels, systematically organize and classify the technologies we can leverage, and then deploy them globally.

To align the unique needs of each customer with our technologies and products, it is essential to break down barriers—both between ourselves and our customers, and across internal departments. Creation Palette YAE™ serves as an ideal space to achieve this. It showcases all the products offered by the Group, allowing visiting customers to experience their features and performance firsthand. Since we cannot anticipate which products visitors will be interested in, our staff need to be well-versed in products from other departments as well. Moreover, they may also ask about uses we never imagined, or about the inspiration behind the product's development. Through these interactions, I believe Creation Palette YAE™ can serve as a valuable training ground for deepening our understanding of the Group's technologies and products, as well as our customers' perspectives.

▸▸ TOPICS: Co-Creation Spaces—Creation Palette™, p. 57

Pursuing an ideal business portfolio through Group-wide optimization

Our efforts in pursuing business portfolio transformation—the number one priority in the VISION 2030 Basic Strategy—have revealed a number of challenges over the past few years. In the past, each business sector formulated its own targets and strategies. However, this approach has not yielded the level of progress we had envisioned under VISION 2030, and we have had to postpone our interim target of achieving 200 billion yen in operating income before special items. Under these circumstances, to reaccelerate growth and remain on course to achieve our firmly held targets for fiscal 2030, we must promptly shift from optimization at the business sector level to Group-wide, cross-organizational optimization. Achieving this will require each CxO to play a proactive, cross-domain leadership role with comprehensive oversight. From fiscal 2025, the CxO Working Group is now fully operational. Members from diverse divisions—including production, R&D, and HR—are working with each CxO in subcommittees to discuss strategic direction and concrete implementation plans.

▸▸ CxO-Led Operational Reform in Functional Divisions, p. 79

In addition, the three specialty chemicals domains and the Basic & Green Materials (B&GM) business, which is undergoing restructuring, differ in terms of the required speed of decision-making, governance structure, and their ideal visions. Accordingly, we need to take different approaches for each.

For the specialty chemicals domains, the key lies in realizing the Group's ambition to become a global specialty company. To truly embody a *global* and *specialty* business, it is not enough to simply have operational bases around the world or a high overseas sales ratio. What is essential is strengthening the regional axis within our three-axis management framework—comprising business, function, and region. At present, even in our overseas operations, it is still common for head office staff to accompany local

Business Portfolio Transformation with Nothing Off-limits: CSO Message

employees on customer visits and then bring discussions back to Japan for further consideration—a practice that is essentially no different from running domestic business. Ideally, we should build systems that empower local staff to handle everything from development to customer proposals. In the Mobility Solutions business in North America, for example, there are already cases where local employees are identifying the needs of local automakers and delivering tailored solutions—partially realizing this ideal. In February 2025, we also established a technical support site in India in response to growing demand for sustainable packaging materials. This facility enables local testing and evaluation of our products. Going forward, we will work to establish similar "local for local" models across other businesses and regions.

▸▸ Global Expansion Capabilities, p. 64

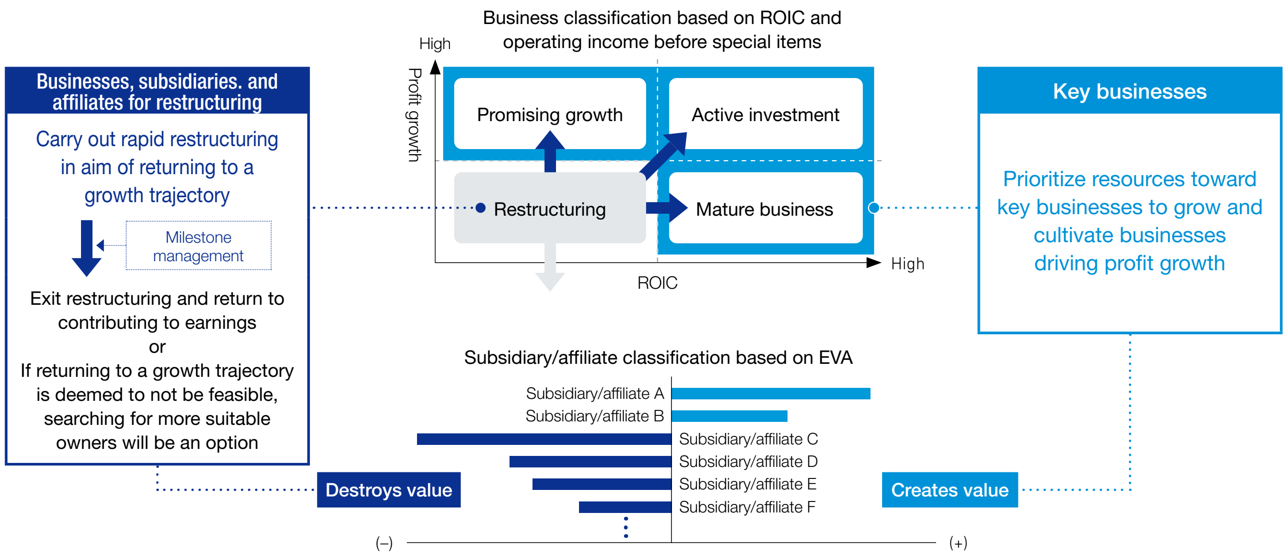
For the Basic & Green Materials business, we will pursue a different strategic approach in response to a contracting global market—driven in part by China's growing material production capabilities as stated above. Rather than pursuing emerging global demand, the vision for this business is to become a basic and green materials company representing Japan, which will fulfill our vital role in supporting Japanese industry by continuing to supply essential materials as well as lead the shift toward green chemicals, chemical recycling, and mechanical recycling. Going forward, we will accelerate transformation and collaborations with other companies more than ever before to realize this vision at an early stage, while also moving forward with preparations for splitting off this business by around 2027.

Further enhancing capital efficiency and creating next-generation growth businesses through structural reform with nothing off-limits

To accelerate growth toward achieving VISION 2030, we remain committed to proactive investment. The key to success will be our ability to anticipate emerging needs and pinpoint priority areas where we can deliver meaningful differentiation. At the heart of these efforts within the Group is the New Business Incubation Center (NBIC), which fosters collaboration with academia and start-ups. Our second CVC fund, established in the U.S. in May 2025, is also playing a key role in identifying emerging frontier fields. One recent example is our acquisition of DNA Chip Research Inc. as a subsidiary—a move that secured technologies vital for our entry into those identified next-generation fields. The company possesses genetic testing technologies focused primarily on lung cancer treatment, and we expect that synergies with our Group will enable expansion into a broader range of fields.

While M&A is an effective means of establishing next-generation business pillars, our past cases suggest that success has been more common in existing businesses and established markets. In contrast, deals involving new products or entry into new markets have tended to fall short of expectations, often due to a lack of sufficient insight, and post-merger integration (PMI) has not always

Classifying businesses in the specialty chemicals domains based on operating income before special items, ROIC, and EVA



Business Portfolio Transformation with Nothing Off-limits: CSO Message

been successful. Nevertheless, we are steadily accumulating valuable lessons and knowledge from these experiences. Previously, each business sector created its own long and short lists of M&A targets. Going forward, however, we will develop a list from a Group-wide perspective and allocate our limited resources in line with a Group-wide optimization policy.

Feature: Review of M&A Initiatives and Future Strategy, p. 28

In parallel with these proactive resource allocations, improving capital efficiency calls for structural reforms with nothing off-limits—even in our specialty chemicals domains. To this end, we have shifted from our traditional approach of managing numerical targets at the business sector level, where overall performance was considered acceptable as long as the sector as a whole met the required thresholds. Today, we take a more granular approach by classifying each individual business based on ROIC and profit growth to enable more precise performance evaluation. We deem structural reform necessary for any business that falls into a category underperforming on both indicators, and develop a turnaround plan accordingly. When formulating turnaround plans, we establish a concrete roadmap through a committee including the CEO. Affiliates are likewise managed through economic value added (EVA)-based classifications, with regular reporting and milestone tracking. Naturally, each business and affiliate faces different circumstances and challenges. Rather than applying uniform benchmarks, we engage in thorough discussions within the aforementioned committee to formulate and implement tailored improvement plans. Where appropriate, we will also consider seeking more suitable owners. As CSO, I will lead these initiatives with a strong sense of urgency.

Integrating financial and non-financial initiatives to drive sustainable growth

As I have consistently stated, integrating financial and non-financial initiatives is essential to achieving VISION 2030. To this end, we are particularly focused on embedding ROIC-oriented thinking across the organization, including in non-financial administrative functions such as those responsible for quality and production. Corporate Planning Division is leading workshops across a wide range of departments to deepen their understanding of how their daily work contributes to improving ROIC. Going forward, we will incorporate the ROIC-oriented thinking into training programs and other initiatives to further embed it across the Group.

We are also strengthening our risk management practices. To identify the most important risks for our Group, we began by collecting over 250 risks from all business sectors. These were then consolidated into about 30 items and classified into four quadrants: short-term vs. long-term and financial vs. non-financial. While short-term financial risks are more prominent, it is the long-term non-financial risks that are of greater strategic importance. The fact that four out of the five most important risks are non-financial reflects this awareness.

Risk Management, p. 86

We will also continue focusing on expanding revenue from our Blue Value™ and Rose Value™ product lines, which exemplify our integration of financial and non-financial value creation. For example, in the Life & Healthcare Solutions business—where Rose Value™ products represent a particularly large share—these products already account for over 70% of sales revenue, reflecting solid progress. However, to achieve our Group-wide sales revenue ratio targets for Blue Value™ and Rose Value™ products, we must accelerate the shift toward green chemicals in the Basic & Green Materials business and drive top-line growth in our specialty chemicals domains. I believe this will naturally be achieved as we advance the aforementioned strategy for business portfolio transformation.

Expanding Sales of Blue Value™ and Rose Value™ Products and Services, p. 61

Amid a turbulent external environment, the challenges facing the Group have continued to evolve significantly since the formulation of VISION 2030. Even as we respond to these changes, our policy of enhancing corporate value through sustainable growth remains unchanged. By executing strategies aligned with our Group-wide vision, we aim to drive transformation across the entire Group.

Feature: Review of M&A Initiatives and Future Strategy

In order to achieve VISION 2030, the Mitsui Chemicals Group will continue to make active resource investments including M&As that contribute to accelerating growth, in addition to pursuing organic growth. In this feature on our M&A initiatives—a topic which has drawn many questions from investors—we highlight specific policies for increasing the probability of success of future projects, based on the knowledge and insight gained from our past projects.

Past M&A cases

In past M&A cases, projects that were an extension of existing business areas had a high probability of success, but those aiming to acquire both new products/technologies and new markets have tended not to produce the results expected, as they have taken longer than expected to get on a growth trajectory.

In the figure below, we have divided M&As into the Ansoff Matrix with two axes: market (new/existing) and product/technology (new/existing). Looking back at specific past projects, the Group's M&A initiatives since fiscal 2010 have focused on the specialty chemicals domains, particularly Life & Healthcare Solutions. Projects involving existing products and markets (①-③), such as those aimed at expanding vision care-related areas and expanding markets through overseas agrochemicals partnerships, had a relatively high probability of success. Examples of the area ④ (new products and new markets) include the acquisitions of Kulzer GmbH and ARRK Corporation. This field had a high difficulty level and took time to produce results.

The Ansoff Matrix and specific past cases

Market \ Product/Technology	Existing	New
New	③ (Example: Overseas agrochemicals partnerships)	④ High difficulty (Examples: Kulzer GmbH, ARRK Corporation)
Existing	①	② (Examples: Vision care-related areas, acquisition of pellicle business)

	Business	FY	Major M&As and partnerships
Life & Healthcare	Vision care	2011-2022	Expansion of vision care-related areas • 2011 Acquisition of ACOMON s.r.l., a company in the low refractive index field • 2012 Acquisition of shares of KOC Solution Co., Ltd., a company in the medium to high refractive index field • 2020 Acquisition of COTEC GmbH, a company in the field of super hydrophobic and anti-reflective coating materials • 2022 Acquisition of Coburn Technologies, Inc., a manufacturer of ophthalmic lens processing equipment
Life & Healthcare	Oral care	2013	Acquisition of Kulzer GmbH
Life & Healthcare	Oral care	2020	Business and capital alliance with SHOFU Inc.
Life & Healthcare	Medical care	2021	Acquisition of partial shares of Japan MDM, Inc.
Life & Healthcare	Medical care	2025	Acquisition of DNA Chip Research Inc. as a wholly owned subsidiary through a tender offer
Life & Healthcare	Agrochemical products	2011-2017	Market expansion through overseas agrochemicals partnerships • 2011 Acquisition of partial shares of Sotus International Co., Ltd. in Thailand • 2011 Acquisition of partial shares of Iharabras S.A. in Brazil • 2016 Establishment of a joint venture for agrochemical registration in India • 2016 Business partnership with Cuulong Joint Stock Company in Vietnam • 2017 Business partnership with PT Agriculture Construction in Indonesia
Life & Healthcare	Agrochemical products	2022	Pipeline expansion • 2022 Acquisition of Meiji Seika Pharma Co., Ltd.'s agrochemicals business
Mobility	Solutions business	2014	Acquisition of Kyowa Industrial Co., Ltd.
Mobility	Solutions business	2017	Acquisition of ARRK Corporation as a wholly owned subsidiary through a tender offer
ICT	Semiconductor & optical materials	2023	Acquisition of Asahi Kasei Corporation's pellicle business
ICT	Common	2021	Acquisition of Honshu Chemical Industry Co., Ltd. as a wholly owned subsidiary through a tender offer
ICT	Common	2024	Investment to strengthen materials development in semiconductor & assembly solutions

Future strategy

Based on the lessons and knowledge gained from past projects, we will focus our M&As on projects that are extensions of existing products and technologies or existing markets, and pursue the following initiatives.

Main M&A target areas

We will focus on the area ② (new technology and existing markets) and the area ③ (existing technology and new markets), which have a high probability of success.

Restructuring of decision-making process with emphasis on PMI

Recognizing that post-merger integration (PMI) is paramount in any M&A, we have established a decision-making process in which strategic fit, synergies, and the direction of the business after the acquisition are discussed not only by management but also by the Board of Directors.

Investment decision-making process

Large-scale M&A cases

Before DD*1	M&A preliminary review meeting*2
	Board of Directors discussion*2
Before negotiating terms	M&A review meeting*2
	Board of Directors discussion*2
Before concluding DA*3	Investment deliberation meeting (discussion of projects including PMI)
	Management Committee
	Board of Directors
Day 1 to within 6 months	Investment deliberation meeting (PMI plan review, progress confirmation, discussion)
After 1 year	PMI progress confirmation meeting
After 2 years	Investment deliberation meeting (PMI progress confirmation, discussion)

*1 DD: Due diligence *2 Held based on monetary criteria
*3 DA: Definitive agreement

History of Our Business Portfolio Transformation

Concentrating on specialty chemicals domains

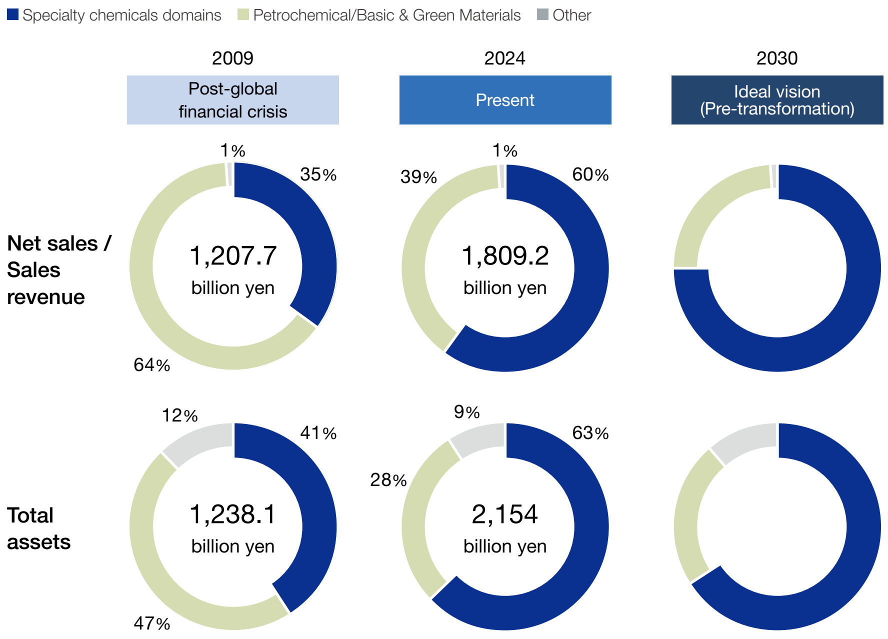
The Mitsui Chemicals Group has formulated its mid-term* and long-term business plans based on a clear understanding of changes in the internal and external environment and the social challenges it should help address through its business activities. We have steadily pursued strategies toward these goals and continued to grow our business.

Following a period that reported net loss in three consecutive years (fiscal 2011 through 2013), the Group developed strategies for each business so that it could achieve growth in fiscal 2014 and onward in areas of higher specialization that would be less susceptible to market environments. Since then, the entire Group has made concerted efforts to propel restructuring in the commodities field and drive Group-wide portfolio transformations.

Conditions remained grueling in fiscal 2016 through 2020, but the Group pressed on with further measures. Working toward their targets, our businesses tirelessly drove expansion of specialty chemicals fields and strove for profit growth. Such efforts paid off with the operating income before special items of growth domains increasing from 71.4 billion yen in fiscal 2016 to 115.9 billion yen in fiscal 2024. Furthermore, the proportion of specialty chemicals domains in our sales revenue and total assets is steadily increasing, and we aim to further increase that proportion towards fiscal 2030.

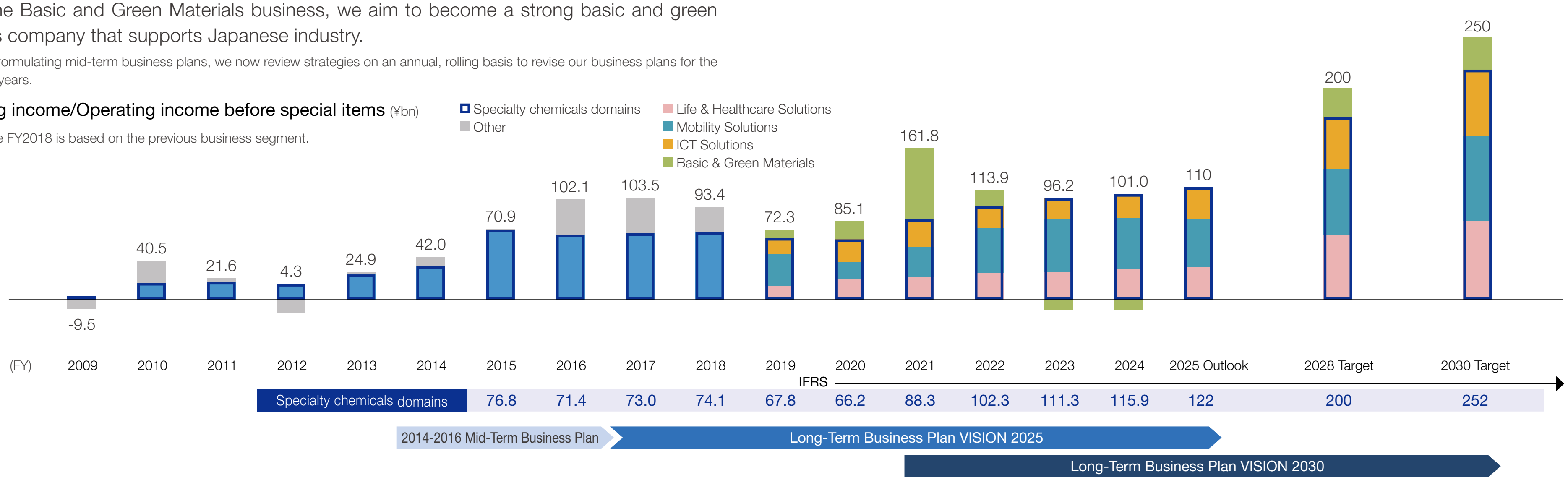
Determined to maintain that momentum, we will continue to pursue the business portfolio transformation in hopes of rolling out a social issue perspective in all of our businesses and achieving growth by expanding and deep diving into our business domains. In specialty chemicals domains, we aim to become a global specialty company that achieves high growth and high profitability, and in the Basic and Green Materials business, we aim to become a strong basic and green materials company that supports Japanese industry.

* Instead of formulating mid-term business plans, we now review strategies on an annual, rolling basis to revise our business plans for the next three years.



Operating income/Operating income before special items (¥bn)

* Data before FY2018 is based on the previous business segment.



Message from the Life & Healthcare Solutions Business Sector President

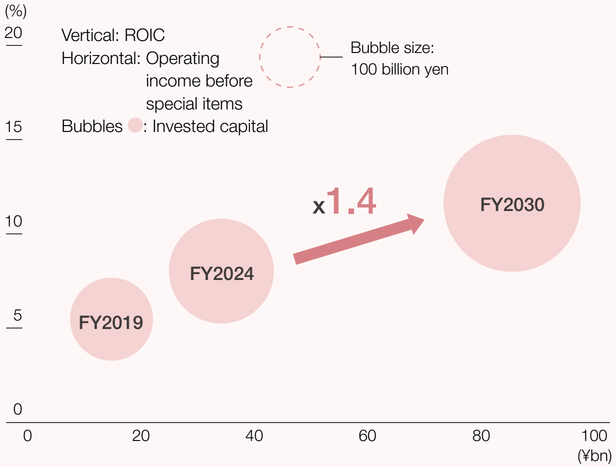
HAYASHIDA Hiromi
Managing Executive Officer
Business Sector President,
Life & Healthcare Solutions
Business Sector

Toward accelerating growth even further

In fiscal 2024, the Life & Healthcare Solutions Business Sector achieved year-on-year growth in both sales revenue and operating income before special items. This performance was helped by steady sales growth in our core businesses—vision care materials and agrochemical products. On the other hand, although our non-core businesses are also growing steadily, the pace of that growth has yet to reach our target levels. Strengthening their earning power remains a key challenge going forward.

Since the launch of VISION 2030 four years ago, this business sector has focused on expanding high-growth businesses and improving low-profit segments across our three areas of business: life care solutions, wellness solutions, and medical solutions. Life care solutions and wellness solutions have generally expanded as planned, but further acceleration is needed in medical solutions to achieve our fiscal 2030 targets. In the medical solutions area of business, we are working to cultivate a new testing and diagnostics business by pursuing synergies between the strengths of the Mitsui Chemicals Group and DNA Chip Research Inc., which we recently made a consolidated subsidiary.

Our business sector currently has an ROIC of 8%, with a goal of reaching 12% by fiscal 2030. Currently, we are making proactive growth investments in vision care materials and agrochemical products, which have led to a modest increase in capital invested by this business sector. Going forward, we will continue to pursue growth-oriented investments—such as capacity expansion and technology acquisition—as opportunities arise. While these investments may temporarily cause our ROIC to plateau from a numerical standpoint, our policy is to steadily expand profits toward our targets by recovering returns on these investments.



FY2024 → FY2030
Direction of invested capital

Invested capital x1.4

Continuously investing in vision care and agrochemical products while also actively investing in medical solutions to turn it into a third pillar of business

FY2019–FY2025 Key investment initiatives

Increase to MR™ production capacity and acquisition of ophthalmic lens processing equipment maker
Acquisition of Meiji Seika Pharma's agrochemicals business and strengthening of capital tie-up with SHOFU
Investment in orthopedics company Japan MDM and tender offer for testing and diagnosis company DNA Chip Research

Driving solutions-based business through proactive investment, talent development and acquisition, and intellectual property focus while keeping a close eye on environmental changes

Compared to the Group's other business sectors, our business sector is less vulnerable to economic fluctuations, and we are not seeing any direct impact on shipments from U.S. reciprocal tariffs at present. That said, potential risks do exist, and it is essential that we accurately monitor any changes in the environment and respond appropriately. We are also paying close attention to factors that could pose future risks, such as the rapid emergence of competitors, especially in Asia. We recognize that accelerating our growth is essential to maintaining our competitive edge. We will continue to accurately capture changing local needs across regions in response to shifts in the global landscape, ensuring agile development and delivery of products and solutions. It is also essential that we view the rising tide of environmental awareness—particularly in Europe—as a new business

Message from the Life & Healthcare Solutions Business Sector President

opportunity and work to clearly differentiate our offerings.

We are also working to build solutions-based business models, with specific approaches varying by business. For example, in vision care materials, we are expanding our portfolio of coating materials and equipment for lens processing to meet emerging consumer needs such as UV protection and anti-fog functionality. In medical solutions, which provides products such as dental and orthopedic materials for doctors and other professionals, we are working to build partnerships with companies that possess relevant expertise. Across all areas, we are advancing our businesses with a focus on delivering new technologies and services in areas further downstream in the value chain. By collaborating with companies that bring extensive experience in these downstream areas, we are supplementing areas of expertise lacking within our Group. Taking downstream needs into account, we are also engaging in open, wide-ranging discussions to explore how best to generate synergies between our materials and technologies and the expertise of our partners. In doing so, we are actively exploring pathways to co-creation.

To accelerate these strategies, we are placing strong emphasis on talent development and acquisition. In particular, as we aim to accelerate expansion in the U.S.—a major market in the healthcare field—we recognize the importance of cultivating global talent. To this end, Antonios Grigoriou, President of Mitsui Chemicals America, was appointed as Business Sector Vice President in April 2025. As mentioned above, the customers we provide solutions to in medical solutions are typically professionals in their respective fields. Accordingly, we are actively working to develop highly specialized talent and recruit experienced professionals from outside the Company, so that we ourselves can approach our work with the same level of professionalism as the customers we serve.

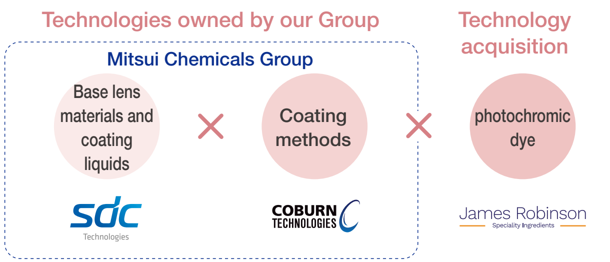
We also place strong emphasis on intellectual property. Our strategy is therefore designed to encompass not only product formulations and applications, but also the entire process of delivering solutions to customers through each product—ensuring that we acquire the necessary intellectual property across all aspects of our services. For example, our Group company SDC Technologies has formed a strategic partnership with James Robinson Specialty Ingredients through the acquisition of intellectual property and an exclusive license related to photochromic dyes.

Acquired photochromic dye technology from James Robinson Speciality Ingredients (U.K.)

Technology acquired by purchasing intellectual property relating to photochromic dyes

- Stable procurement of dyes required for the photochromic business
- Creating differentiated products by combining photochromic dyes with the strengths of base lens materials, coating liquids and coating methods held by our Group

Three key factors in differentiating photochromic lens performance



Enhancing earning power and establishing a global business through proactive partnership-building

Our target operating income before special items in fiscal 2030 is 86 billion yen—twice the current level. This is by no means an easy goal. As a strategy to achieve this, it is essential that we first strengthen the region-based structure of our ongoing global operations across the entire business sector. Each business focuses on different priority areas, so it is important that we establish and accelerate operations that address the specific needs of each regional market. In medical solutions, for example, we position the U.S. as our highest-priority market and are working to expand our business there through collaborations with other companies. As for the Indian market, which has a strong global presence, other business sectors within our Group are also actively expanding their operations there. In this context, we are strengthening cross-sector collaboration that transcends internal boundaries.

In vision care materials and agrochemical products, it is important that we continue to recover returns on the growth investments made to date, while also advancing product development with a forward-looking perspective—anticipating two, even three steps ahead. To that end, in vision care, as noted above, we have acquired technologies related to photochromic lenses. In agrochemical products, we are also collaborating with academia (Tohoku University) and have established the Biological Solutions Research Center to strengthen our biological solutions research based on our natural product-based drug discovery platform.

Next, in order to establish medical solutions as our third business pillar, we will focus on three key areas: testing

Message from the Life & Healthcare Solutions Business Sector President

and diagnosis, orthopedics, and oral care. DNA Chip Research Inc., which we have recently made a wholly owned subsidiary, possesses some of the most advanced genetic testing technologies in Japan, particularly in the area of companion diagnostics for lung cancer. Our Group also possesses gene-related technologies, such as bio-catalysts used in the production of fine chemicals, including acrylamide, which are highly compatible with the technological areas of DNA Chip Research Inc. In addition, we intend to create new businesses in testing and diagnosis by leveraging the biotech capabilities we have cultivated through the development of agrochemical products (based on natural product-based drug discovery), along with our corporate venture capital (CVC) function. We also plan to expand these businesses into global markets via our networks.

Since 2021, we have been engaged in a business partnership with Japan Medical Dynamic Marketing, INC. By combining the technologies, we have cultivated in oral care with the company's expertise and network in orthopedics, we will provide new solutions that address emerging needs in the healthcare field—such as the use of alternative materials to replace metal in medical devices. We are currently accelerating efforts to further strengthen the profitability of our oral care business, with a particular focus on Kulzer GmbH. Kulzer began full-scale implementation of lean management in 2018, with the first phase of its transformation focused on improving production efficiency. This has resulted in a certain level of profitability improvement. To accelerate this improvement, a new CEO was appointed in 2024 and the management structure was overhauled to launch the second phase of reform, aimed at further enhancing operational efficiency. Building on these initiatives, we will further improve our product portfolio and deepen collaboration across the Group—such as by developing new products and services that leverage the respective strengths of our partnerships with SHOFU INC. and SUN MEDICAL Co., Ltd. Through these efforts, we aim to generate tangible results within the next few years.

In this way, the Life & Healthcare Solutions Business Sector will continue to promote the establishment and acceleration of business in global markets. By driving steady growth in our core businesses, improving profitability through operational streamlining, and rapidly establishing medical solutions as our third pillar of earnings—through M&A and strategic partnerships—we aim to position this sector as a key earnings driver in the Group's specialty chemicals domains and contribute to the achievement of our VISION 2030 targets.

Generating synergies with DNA Chip Research Inc.

DNA Chip Research Inc.

Highly sensitive genetic analysis tech
Capabilities in development, pharmaceuticals, testing operations, sales and more

×

Mitsui Chemicals

Biotech infrastructure, management resources, global network, CVC capabilities

- Expand & grow the range of unique testing and diagnosis offerings and create new business
- Advance into global markets
  e.g. the U.S.
- Source technology through partnerships with startups

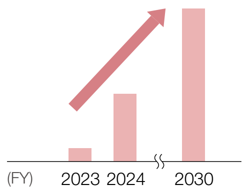
Develop DNA Chip Research's existing business

- Bolster sales and marketing for the Lung Cancer Compact Panel™*, DNA Chip Research's mainstay product
- Flesh out range of offerings for diseases beyond lung cancer

Jointly developed items

Development started on one in FY2024 and one in FY2025

Testing & diagnosis business sales revenue



* DNA Chip Research's trademarked name for a genetic testing service to help select treatment for cancer and other diseases for an individual patient

Pursuing business restructuring of oral care

Milestone management: –FY2024 → Decision → FY2030

Oral care business (Kulzer)	–FY2024	Decision	FY2030
	Reorganizing sales sites (in India, Singapore)	**Improving cost structure** Optimizing number of sales & administration employees (15% reduction) **Bolstering marketing & sales capabilities in the U.S. and Europe** Reforming sales avenues via digital transformation **Improving product portfolio** Using Group ties to focus resources on high-earning products	Becoming a global leader in dental preservation by leveraging polymer science technologies and Group ties

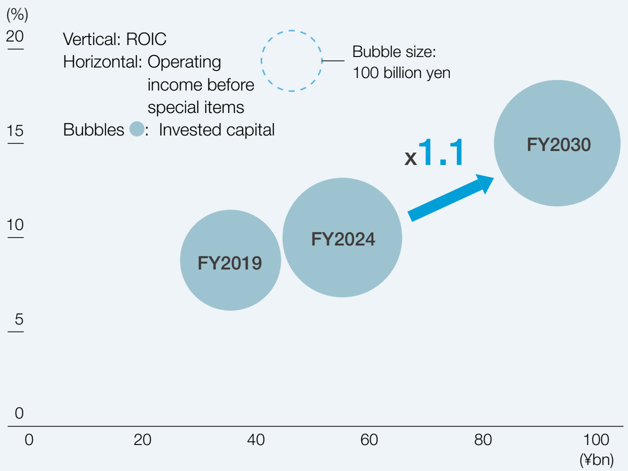
Message from the Mobility Solutions Business Sector President

Steady growth trajectory despite short-term profit pause

This business sector has identified growth areas by application and by region, and selected those where the Mitsui Chemicals Group's strengths can be fully leveraged. By focusing on our management resources in these areas, we have achieved continuous profit growth since fiscal 2021.

However, temporary deterioration in terms of trade for certain products resulted in a year-on-year decline in operating income before special items to 55.1 billion yen in fiscal 2024. On the other hand, the PP compounds business has increased sales volumes and expanded operating income before special items by responding to diverse needs in each region, even as global automobile production has remained flat.

In fiscal 2025, profit growth is expected to plateau due to higher fixed costs from the start-up of multiple new plants, but overall, the businesses are expected to remain on a growth trajectory. This business sector currently maintains an ROIC of around 10%, and aims to achieve 15% by fiscal 2030 by expanding existing businesses and developing the solutions business.



FY2024 → FY2030 Direction of invested capital

Invested capital x1.1

Investing in an agile and global manner including in emerging markets in elastomers, composite materials, etc. that fit our strategy of "focus on growth markets and differentiation"

FY2019–FY2025 Key investment initiatives

Increase to LUCANT™ and TAFMER™ production capacity
New site in Europe for PP compounds and increase to compounding capacity in various regions

Focusing on "growth areas × differentiation" within existing businesses, while strengthening new business development

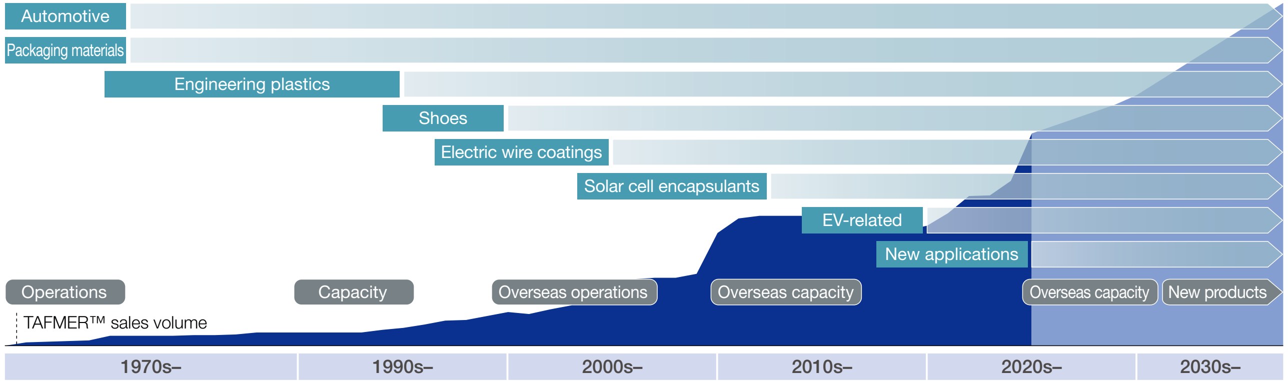
In the TAFMER™ business, we launched Japan's first dedicated plant for differentiated polyolefin elastomers and, ahead of our competitors, adopted metallocene catalysts, enabling us to dominate the Japanese market. As globalization progressed and Japanese competitors were forced to withdraw, we established a large-scale plant in Singapore and expanded our markets across Asia and worldwide.

Although the current business environment is being temporarily affected by changes in the supply and demand environment, we are shifting our sales portfolio toward other applications—such as automotive interior and exterior materials, packaging materials, and EV-related uses—while accelerating new product development and cultivating new applications. Through these initiatives, we aim to achieve sustained business growth going forward.

The PP compounds business has developed a local production-for-local consumption model in markets worldwide, enabling us to secure a leading global position. While global automobile production—the main application for these products—is expected to remain in a low-growth phase, ongoing trends such as CASE (Connected, Autonomous, Shared & Electric) and SDV (Software Defined Vehicle) are driving strong demand for lightweight materials. This is increasing the amount of PP compounds used per vehicle, creating further opportunities for business expansion. In particular, in China and Japan, a large amount of metal is still used in battery covers for EVs and PHEVs (Plug-in

Message from the Mobility Solutions Business Sector President

History of the TAFMER™ business



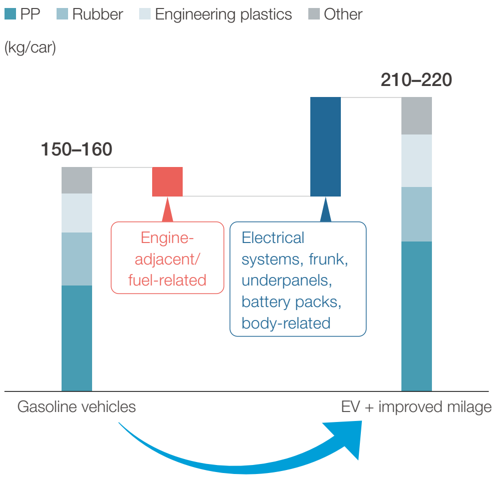
- Cultivating markets and pursuing portfolio transformation
- Achieving further growth and leaping forward by investing appropriate resources and introducing new products in the market as the leader in the field

Hybrid Electric Vehicles). We are accelerating the shift to PP composite materials by proposing concepts based on "lightweight and recyclable" and by providing a wide range of engineering services during the development phase.

As for new businesses, we are proactively pursuing opportunities originating from social challenges, positioning them as solutions businesses. For example, we are collaborating with Glydways, Inc. on the social implementation of PRT, a new transportation system that could help alleviate issues such as traffic congestion. We are also developing carbon fibers that reduce energy consumption and GHG emissions through the use of microwaves. These and other initiatives are being advanced across a wide range of fields with the aim of commercialization within the next few years.

Collaboration with Glydways, Inc.
https://jp.mitsuichemicals.com/en/release/2024/2024_0530_1/index.htm

Changes in plastic products amid the trend toward EVs



Potential 40% increase in the volume of MCI products used

* In the case of a mid-size, five-seater car weighing 1,300–1,400 kg

		Exterior components	Interior components	Drive system	Battery	Electrical components
		Bumpers, liftgates, trunks, etc.	Instrument panels, seats, surface materials, etc.	Motors, inverter cooling systems, etc.	Battery, casing, cooling systems, etc.	Wire harnesses, connectors, busbars, etc.
Changes in powertrain type (such as batteries and motors)		Weight reduction	Weight reduction	Weight reduction	Weight reduction	Weight reduction
	Extending driving range (improving energy efficiency and increasing battery capacity)	Improved aerodynamic performance (design)			Improved aerodynamic performance (underbody)	
				Miniaturization	Higher capacity (larger size)	Space-saving design and high-voltage compatibility
	Suppressing heat generation during driving			Thermal management		
	Fast charging				Thermal management	High voltage compatibility
	Utilization of the engine compartment	Conversion to a front trunk (frunk)				
Enhancing the added value of EVs	Improving cabin comfort		Noise reduction and vibration absorption			
	Reducing environmental impact	Use of recycled and bio-based materials	Use of recycled and bio-based materials			
			Shift away from genuine leather			

The shift to EVs is creating new demands, offering further opportunities for the expansion of material applications.

Message from the Mobility Solutions Business Sector President

The development support capabilities of ARRK Corporation—which became a wholly owned subsidiary in 2020—are key to our expansion of these types of concept proposal-based and new solutions-based business models. Although ARRK experienced a temporary downturn in performance due to the suspension of development during the COVID-19 pandemic, its performance is now recovering thanks to a rebound in orders and stronger collaboration with this business sector. Going forward, we aim to return ARRK to a growth trajectory by positioning it as a partner for customers—such as start-ups—taking on new business challenges, and by providing one-stop services from development through to small-scale commercial production.

Transforming the structure for overall optimization and strengthening the non-financial foundations that support the strategy

This business sector consists of three business clusters: elastomers and composite materials in existing materials businesses, and the new solutions business. We implement cluster strategies that integrate product-specific strategies under a common framework. In these cluster strategies, we focus not only on the product perspective but also on the regional perspective, promoting initiatives such as mutual utilization of production sites, sharing of market information, and strengthening of sales capabilities.

As an intangible asset that supports these business strategies, intellectual property (IP) is becoming more important than ever. In particular, in businesses such as elastomers, which require a certain amount of time for product development, building a robust IP network is essential to prevent competitor entry. To accelerate our overseas business expansion, we believe it will be necessary to strengthen local development capabilities, which in turn will require actively hiring local talent. As many core technologies are shared across products and business clusters, we will advance technical talent management from the perspective of the entire Mobility Solutions business sector.

Although the business environment is becoming increasingly uncertain due to factors such as the impact of U.S. tariffs and the emergence of new competitors in China, this business sector has a history of pioneering and developing markets as a front-runner. By leveraging the strengths we have built in this way, we will continue to stay ahead of competitors, capture emerging needs, and sustain our growth.

▶▶ A wide range of patents supporting TAFMER™, p.73

Contribute to solve social challenges through materials

- Materials business
  - Elastomers
  - Composite materials

Offering solutions that combine materials with services

- Solutions business
  - Providing services
  - Mobility of the future

Message from the ICT Solutions Business Sector President

HIRAHARA Akio
Representative Director,
Member of the Board,
Senior Managing Executive Officer
Business Sector President,
ICT Solutions Business Sector

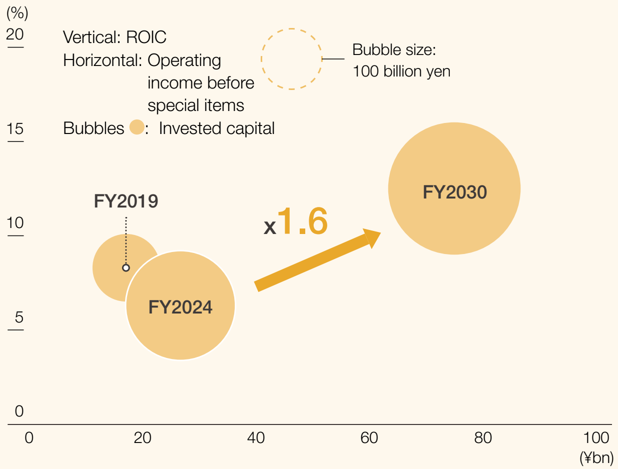
Keeping pace with the ICT sector and driving continuous cutting-edge technology development

In fiscal 2024, operating income before special items increased year on year, supported in part by higher sales volumes of semiconductor-related materials, but ultimately fell short of the initial forecast. Although demand in the semiconductor market—a key focus for this business sector—is on a recovery trend, it is also an area with significant cyclical volatility. We therefore recognize the need to closely monitor market trends while accelerating our pace of growth toward 2030.

One of our main initiatives in fiscal 2024 was the decision to invest in production facilities to establish a mass production system for CNT pellicles for next-generation EUV lithography. Normally, the Mitsui Chemicals Group undertakes large-scale capital investment only after its products have been formally adopted into customer specifications in the market and have reached the stage where mass production is expected to generate stable returns. In the case of CNT pellicles, however, we moved forward with a major investment decision during the development phase (scheduled for market launch in 2026) to keep pace with the speed demanded by the ICT sector.

We also recognize that the business environment is becoming increasingly competitive, with rival companies catching up technologically at a rapid pace. This business sector has many products with high market share, and at present we are maintaining strong share for these mainstay products. However, competitors are actively seeking to enter these fields. In this environment, the only way to maintain and strengthen our competitive advantage is to continue advancing technological development through rapid responses to customer needs. With the awareness that easing our efforts in technology development would allow competitors to catch up and take market share, we operate with a constant sense of urgency and a commitment to always remaining at the forefront.

Our Group has traditionally excelled in businesses such as polymers and automotive materials, where markets can be developed over a relatively long-term horizon. In these fields, a gradual growth strategy—identifying applications one by one and building new plants when demand expands in specific regions—has proven effective. We also have a wealth of human resources within the Group that are highly skilled in managing such businesses. On the other hand, this business sector's products are deployed in limited applications, and success hinges on fast-paced, application-specific technological development. Accordingly, while we are developing talent internally to match these business characteristics, we are also actively recruiting highly specialized personnel from outside the organization.



FY2024 → FY2030 Direction of invested capital

Invested capital x1.6

Focusing investment on key businesses such as semiconductors & assembly solutions (e.g. ICROS™ Tape, pellicles, next-gen materials) and coating & engineering materials

FY2019–FY2025 Key investment initiatives

Increase to APEL™ production capacity; acquisition of pellicle business; establishment of new equipment for mass production of EUV and CNT pellicles
Increase to ICROS™ Tape production capacity in Taiwan; increase to XDI & PUD production capacity; joint tender offer for Honshu Chemical Industry
Investment in SHINKO ELECTRIC INDUSTRIES; establishment of Creative Integration Lab.™

Message from the ICT Solutions Business Sector President

Maintaining active investment and accelerating business expansion to achieve ambitious targets

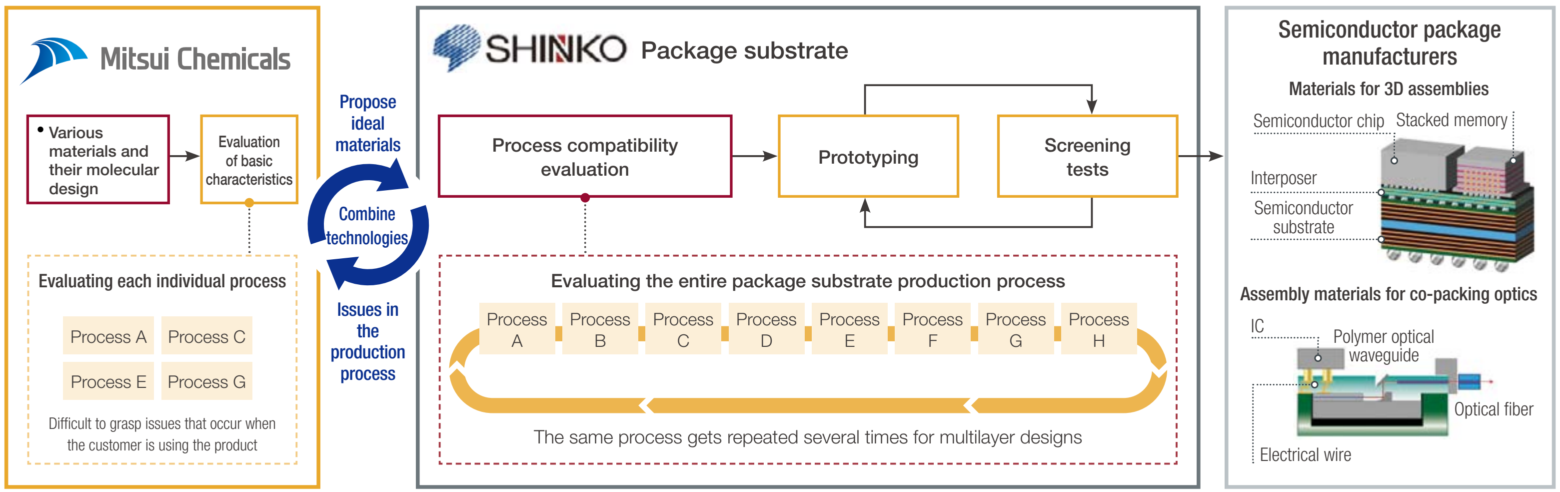
To achieve our fiscal 2030 target for operating income before special items, we will need to deliver a CAGR of 18%—nearly double our current pace. This is an extremely challenging goal. To reach it, our first priority is to fully realize the benefits of the active investments made since the launch of VISION 2030, including capacity expansion for ICROS™ Tape and the EUV pellicle project. In addition, we are focused on creating new businesses. A recent example is our investment in SHINKO ELECTRIC INDUSTRIES CO., LTD. Through this investment, Mitsui Chemicals' materials can now be evaluated within SHINKO ELECTRIC INDUSTRIES' manufacturing processes. By gaining the capability to assess process compatibility for semiconductor materials, we aim to accelerate the development of materials for next-generation semiconductor packaging. At our Creative Integration Lab.™ (CIL), completed last year at the Nagoya Works, we have consolidated facilities for process evaluation, performance evaluation, and reliability testing, and established a space for joint prototyping and evaluation with customers. This enables us to verify in-house how our materials are evaluated on customers' production lines.

We are also advancing our global business expansion. In coating & engineering materials, following the recent establishment of a technical center in India, we are now considering entry into Africa, thereby capturing growth opportunities worldwide. In doing so, we will respond to diverse local needs by taking into account the characteristics and the required material standards of each region, and by introducing products in a phased manner. For example, in Europe there is strong demand for environmentally friendly packaging materials, representing a market entirely different from those in India or Africa. While international responses to environmental measures have varied in recent years, we believe this trend will remain unchanged over the long term, and we view it as one of our major business opportunities going forward.

Cultivating the next growth pillars and addressing current challenges toward 2030 and beyond.

Among the new products we expect to become future pillars of growth is Diffrar™, a polymer wafer for AR glasses.

Impact of investment in SHINKO ELECTRIC INDUSTRIES




Observation area with a view of the cleanroom inside the CIL

Message from the ICT Solutions Business Sector President

Moving away from a traditional raw materials sales model, we are developing this as a processed offering with ICT-enabled added value, leveraging our Group's synthesis technology and working directly with customers who manufacture the final products. While XR devices have been slower to gain market traction than initially anticipated, breakthrough device development continues, and we expect full-scale market expansion to begin around 2027.

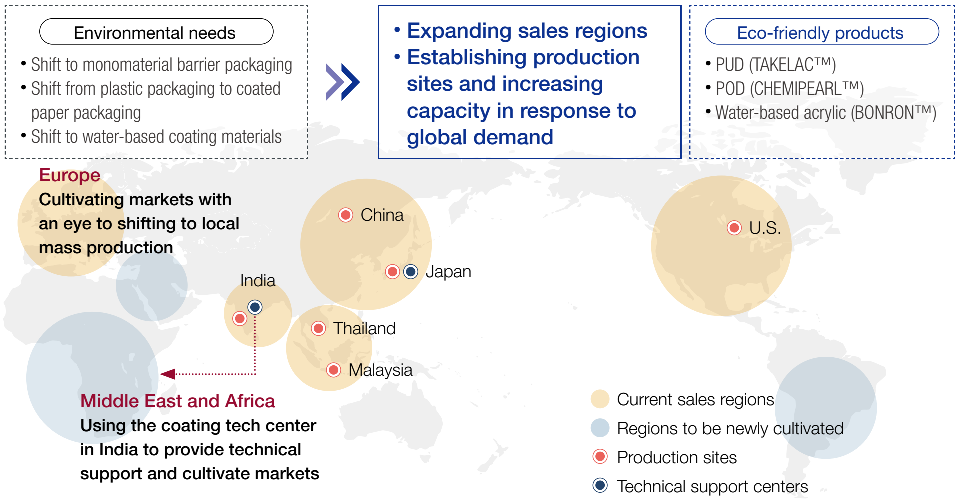
We are also working with Honshu Chemical Industry Co., Ltd., which was transferred to this business sector in fiscal 2024, seeking to generate synergies through initiatives such as sharing marketing information, while exploring themes for future joint development.

Turning to CNT pellicles, our Group has signed a licensing agreement with ASML Holding N.V. —the sole player in the EUV lithography equipment field—and has also formed a strategic partnership with imec, an international semiconductor research institute and the global leader in CNT pellicle research. These relationships give us a significant competitive advantage in future development. As R&D progresses and pellicle transmittance improves, we expect to see broader adoption in cutting-edge applications, with strong market growth potential.

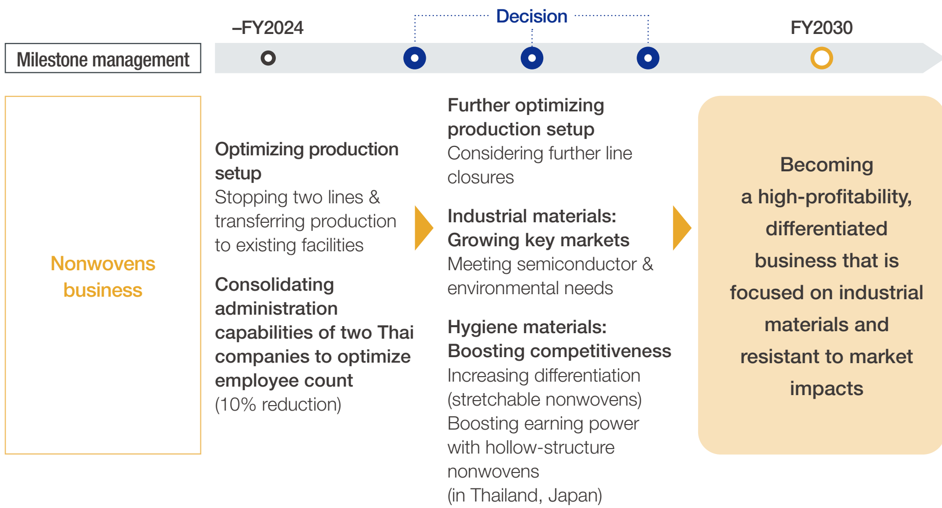
Our ROIC target for 2030 is set significantly higher than current levels. Achieving this will require not only securing returns on investment but also restructuring unprofitable businesses. From the perspective of identifying more suitable owners, we have already taken steps to streamline assets through the divestment of affiliates. However, a key current challenge is improving profitability in our nonwovens business through structural reform. Specifically, alongside restructuring measures such as plant closures we plan to shift to a business structure with clearly defined priorities by, for example, increasing the share of high-margin industrial materials and concentrating on differentiated products.

In this way, this business sector not only already boasts products with high global market share, but also holds many new products with the potential to become future pillars of our business. By steadily overcoming current challenges, we believe we can achieve our 2030 targets and drive significant growth beyond that horizon.

Global expansion of coating & engineering materials



Driving structural reform of nonwovens business



Message from the Basic & Green Materials Business Sector President

Staying the course on the shift toward green chemicals amid a challenging business environment

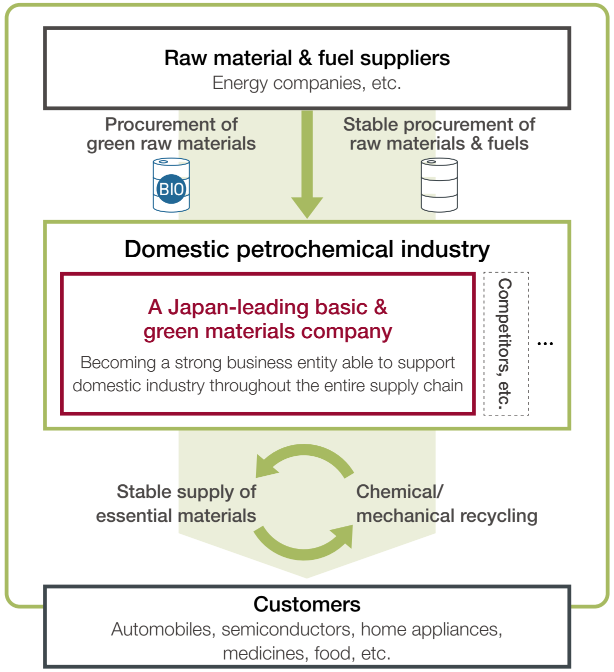
In fiscal 2024, the business environment was extremely challenging, marked by persistent overproduction and weak market conditions in Asia. This business sector made efforts to reduce costs and revise product pricing, which yielded some positive results. However, an issue at one of our production facilities ultimately led to an operating loss before special items of 11.4 billion yen in fiscal 2024. Despite these challenges, we gained valuable insights through our conversations with customers—such as reaffirming the unique functions and hard-to-replace characteristics of the Mitsui Chemicals Group's products, and identifying areas where price is the primary deciding factor. These findings will serve as important inputs as we consider our product portfolio going forward.

Since the launch of VISION 2030, this business sector has pursued restructuring to enhance capital efficiency and has focused on bolstering downstream businesses, particularly in high-value-added derivatives. In addition, for our crackers, we are working to meet the demands of carbon neutrality and the shift toward green chemicals, while also aiming to establish a production system aligned with domestic demand. To this end, we are pursuing partnerships with other companies for each of the crackers our Group operates in eastern and western Japan. In eastern Japan, we have been jointly operating crackers through an LLP with Idemitsu Kosan Co., Ltd. since 2010, and we plan to further optimize production through consolidation of complexes. In western Japan, we are collaborating with Asahi Kasei Corporation and Mitsubishi Chemical Corporation to explore production optimization while focusing primarily on building Japan's most advanced carbon-neutral cracker. Unlike in eastern Japan, where products can be exchanged via pipeline, the situation in western Japan requires more extensive study. Nevertheless, the three companies are aligned in their objectives, and discussions are progressing smoothly.

Beyond these initiatives to advance the shift toward green chemicals, we are also making progress in developing bio-based derivatives, as well as chemical and mechanical recycling technologies. At this stage, our Group is accumulating valuable assets—drawn from both successes and lessons learned through setbacks. Our task going forward is to turn these assets into financial value. While it may take more time for society as a whole to change its mindset, we believe that the broad trends toward green chemicals and decarbonization will remain unchanged. Guided by this conviction, we will continue to stay committed without wavering.

Partnering with other companies to become a business entity that shoulders the responsibility of supporting Japanese industry

When selecting competitive derivatives, we consider not only factors such as capital efficiency and environmental value, but also each product's position within our Group's value chain. In addition, the perspective of economic security is crucial. The petrochemical products of this business sector are sold to an exceptionally broad range of industries—including semiconductors, automobiles, and



Message from the Basic & Green Materials Business Sector President

pharmaceuticals, which are also specialty chemicals domains for our Group—and play a vital role in supporting the foundations of Japan's industrial base. This perspective is directly tied to our vision for the future: to become a basic and green materials company that supports Japanese industry.

To maintain our competitive edge in an increasingly challenging global market while advancing initiatives toward green chemicals and achieving carbon neutrality, we will need substantial resources and a further strengthening of our technological capabilities. The review we announced in May 2025 on a potential split-off, as a step toward integration and transformation, reflects this understanding of the current environment. By combining our management resources with those of other companies, we aim to share capabilities and enhance our technologies and operations.

While a split-off would have a substantial impact on all stakeholders, including employees, I want to emphasize that this is a positive decision to help realize our vision of becoming a Japan-leading basic and green materials company. For employees as well, I hope this will be viewed as a major opportunity—a forward-looking challenge to be embraced with optimism and determination.

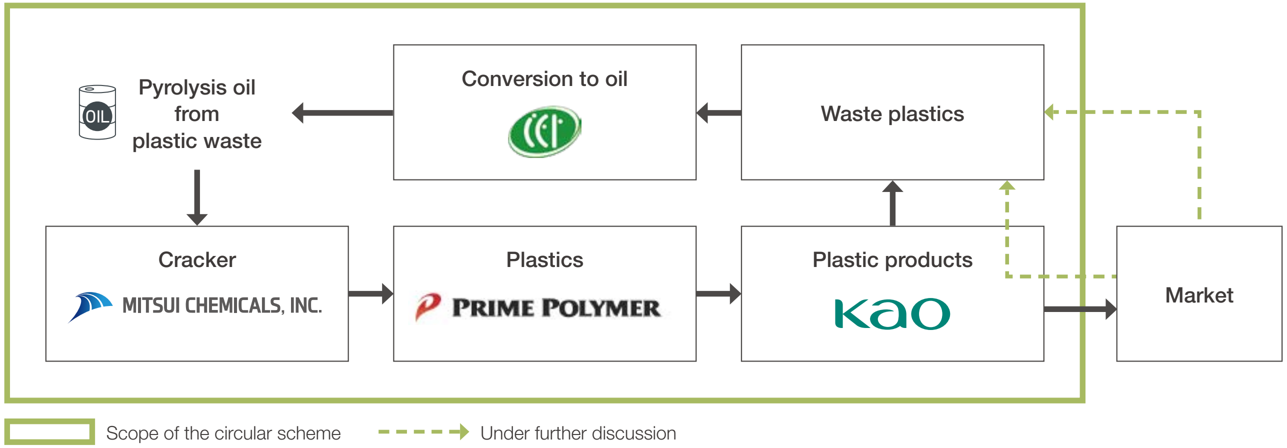
Leading the shift toward green chemicals and taking Japan's petrochemical industry to a new stage.

One of our major initiatives for the shift toward green chemicals is bio-based products, where our customer base—both in Japan and overseas—expanded beyond initial expectations. While challenges remain, such as enhancing price competitiveness, the expertise we have built through our early start as a first mover, combined with the marketing efforts of the Green Sustainable Chemicals Division, is bearing fruit. Public awareness is also growing, and we believe a tipping point will come when adoption accelerates dramatically.

At the same time, we are advancing mechanical and chemical recycling through technological development and partnerships with other companies, including Kao Corporation. The key point—much like transformation in petrochemicals—is that these initiatives can drive societal transformation more effectively when pursued through broad collaboration, sharing technologies and resources, rather than each company acting alone. Above all, Japan is among the most recycling-conscious countries in the world. I believe this positions us to become a global first mover in addressing the challenges of the shift toward green chemicals and carbon neutrality.

While the business environment for the petrochemical industry remains challenging, the restructuring initiatives this business sector has pursued to date are steadily delivering results. We have also built a strong foundation of technologies in high-performance products, catalysts, and the shift toward green chemicals. Now is the time for us to take a decisive step toward the next stage. By partnering with other companies to integrate management resources, we will create a Japan-leading basic and green materials company. Through this, we intend to contribute meaningfully to achieving carbon neutrality in Japan and to further advancing the domestic industries that are our customers. This is the unwavering ambition and guiding policy of the Basic & Green Materials Business Sector.

Flowchart of the circular scheme with Kao



Message from the Basic & Green Materials Business Sector President

— Transformation progress: Towards becoming a Japan-leading basic and green materials company —

Substantial progress made with internally driven restructuring

Since fiscal 2013, the Mitsui Chemicals Group has steadily promoted restructuring and bolstering downstream businesses. Currently, we are working on downsizing naphtha crackers and restructuring and improving the functionality of derivatives such as phenol and polyolefins. Regarding crackers, in Eastern Japan (Chiba), we are considering consolidating ethylene complexes through LLP with Idemitsu Kosan Co., Ltd. in fiscal 2027. By this consolidation, we expect to see an increase in the operating rate and a significant cost improvement effect. Additionally, in Western Japan (Osaka), we are investigating optimal production setup through a three-company collaboration with Asahi Kasei Corporation and Mitsubishi Chemical Corporation. For phenol, we have decided to go asset-light by transferring our shares in our overseas business and close Ichihara plant in fiscal 2025, and are considering a stable supply system through multi-company collaborations. These efforts are expected to reduce volatility and improve capital efficiency.

In this way, we have made substantial progress with internally driven restructuring and, as a result, with securing self-sustaining cash flows. Going forward, we will proceed with measures to further strengthen our competitiveness.

Progress on restructuring and bolstering downstream businesses

	FY2013–2022	FY2023–	Ideal state
PH	AC-based IPA production starts up Honshu Chemical Industry takeover bid	AC-based IPA capacity boost Rollout of Honshu Chemical Industry's lens material (bolstering production of PH chain)	Highly capital-efficient PH chain
	Chiba BPA/PH plant closed MPS share transfer	SSMC share transfer Stable supply network through collaboration with other companies Closure of Ichihara PH plant in second half of 2025 (brought forward)	
PTA & PET	Indonesia PTA business share transfer Thailand PTA & PET business partial share transfer	2023: Iwakuni-Ohtake PTA plant closed 2024: Iwakuni-Ohtake PET plant closed	Securing profit through optimal business structure
Polyurethane	Bio-PPG joint venture established	2023: PPG LLP founded 2024: Vertical startup of high-performance MDI plant → Beginning study into next production increase for debottlenecking	High-profitability polyurethane business centered on high-performance MDI
	Kashima TDI plant closed Omuta MDI plant closed MCNS dissolved	2025: Omuta TDI plant downsized	
PP & PE	High-performance PE plant established PP catalyst plant starts up	2025: High-performance PP plant starts up	Highly capital-efficient high-performance polyolefins business
	2 PE lines at Chiba closed 1 PP line at Chiba closed	2023: 1 PP line at Chiba closed 2026: 1 PP line at Chiba to close Mulling optimization via multi-company collaborations	
Crackers	Chiba LLP founded Withdrawal from Keiyo Ethylene	(East Japan) 2027: Study into consolidation at Chiba LLP (West Japan) Study into optimal cracker production setup by three companies	Competitive crackers

Red type: Restructuring Blue type: Bolstering downstream businesses

Considering split to further transform portfolio

In order to accelerate the business portfolio transformation under the Basic Strategy of VISION 2030, we are promoting strategies, including collaboration with other companies, in both our specialty chemicals domains and Basic & Green Materials (B&GM). Each has a different time frame. While agile decision-making is required for proactive resource allocation—including M&A—in specialty chemicals domains, B&GM aims to pursue green chemicals business by regional and multi-company collaborations through the development and investment in technologies that support the shift to green chemicals. Therefore, we have decided to split off B&GM, which follows a different strategic direction and proceed with transformation. The split will enable the specialty chemicals domains and B&GM, which have different decision-making speeds, to execute their strategies under their own governance structures.

As for B&GM, we are working to build a strong green chemicals business that will support Japanese industry through restructuring, enhancement of product functionality and a shift to green chemicals. To operate independently as a strong green chemicals business with international competitiveness, we believe that it is necessary to forge alliances with other companies that have the same business and direction, and furthermore, to integrate management resources in order to realize a business entity that is robust in terms of human resources, technologies, competitiveness, business foundations, and other areas.

We plan to split off B&GM by around 2027 and establish a core business entity for the integration and transformation. By implementing management specialized in the petrochemical business, rapid decision-making, and green investments using our own cash flows, we aim to smoothly advance integration and transformation and become a strong basic and green materials company that supports Japanese industry.

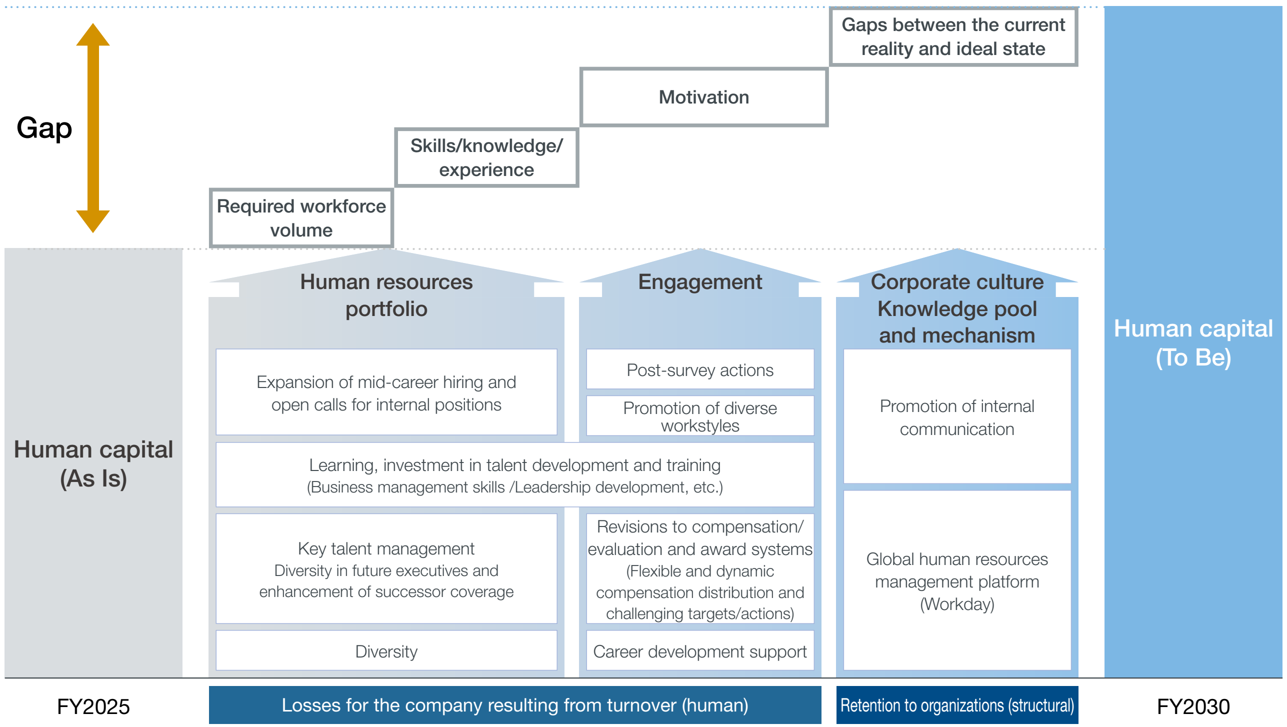
Business Portfolio and Corporate Culture Transformation through Human Resources Strategy

Steadily implementing our human resources strategy to drive business portfolio transformation in pursuit of VISION 2030

In the four years since the start of VISION 2030, the Mitsui Chemicals Group has formulated and implemented human resources strategy aligned with its business plan and promoted human capital management. As we work to become a global specialty company, we are currently in the process of transforming our business portfolio and building solutions-based business models. We are also working on human resources measures that will support the realization of this vision, updating them as the environment changes.

In preparing for our human resources strategy, we measure both the quantitative and qualitative gaps between the as is and to be conditions pertaining to our human capital to identify issues to address on a priority basis, and then implement necessary measures derived from that process. We classify these gaps into three perspectives and implement a variety of measures to fill the gap. Specifically, they are classified into (1) quantitative and qualitative perspective pertaining to our "human resources portfolio": knowledge, skills, experience, and abilities that human resources offer, which represent assets that the company loses with employee turnover; (2) perspective of employee motivation, which impacts our human resources' output and outcomes as represented by "employee engagement"; and (3) perspective that focuses on structural elements, such as organizational norms and systems, centered on "corporate culture."

Key perspectives in our human resource strategy and key initiatives to be taken over the course of VISION 2030



* Created by Mitsui Chemicals based on the MERITUM Project Guidelines (2002)

Initiatives to build a human resources portfolio

Promotion system

Under the leadership of the CHRO, who is the chief of human resources management, we have established a system that enables us to strengthen the linkage between business plans and human resources strategies from a medium- to long-term perspective, and to boldly invest and reallocate human capital for business portfolio transformation in a more timely manner on a Group and global level.

As a headquarters function, we have established an HR management team*1 and HRBP*2 to grasp and share in a timely manner the progress of management strategies in each business sector and functional division. Based on this understanding, we have been driving effective human resources measures after annually reviewing our human resources strategies.

*1 A policy and initiatives formulation body within the Human Resources Division, composed of executive officers with specific titles in charge of the Human Resources Division and the Global Human Resources Division, general managers, and directors from the Human Resources Division and the Global Human Resources Division.

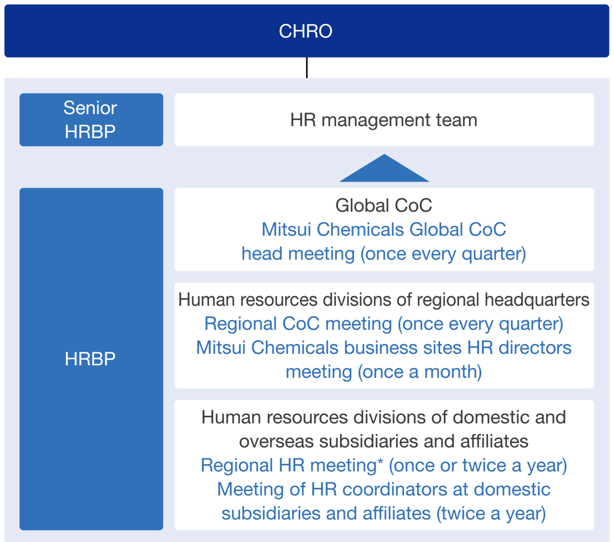
Business Portfolio and Corporate Culture Transformation through Human Resources Strategy

*2 Human Resources Business Partner (HR Business Partner).
As the partners to the heads of each business sector and functional division, HRBPs are responsible for planning and executing human resource strategies and initiatives that align with various business and functional strategies.
The HRBP structure includes both HRBPs who drive initiatives within their assigned sectors or divisions on a day-to-day basis, and Senior HRBPs who cover multiple sectors or divisions, providing timely advice and support to HRBPs and facilitating coordination across sectors, divisions, and among HRBPs.

We have also organized a global CoC*3 system that includes HR representatives from Japan(headquarters), as well as from regional headquarters in Europe, the Americas, and Asia to formulate and implement human resources strategies and measures on a Group and global level, revolving around five functions: 1) Talent management, 2) Organizational and human development, 3) Global compensations and benefits, 4) Global platform & analytics, and 5) Global recruitment and branding.

*3 Center of Competence: A designated human resources function that oversees the entire Group.

Human resources management system



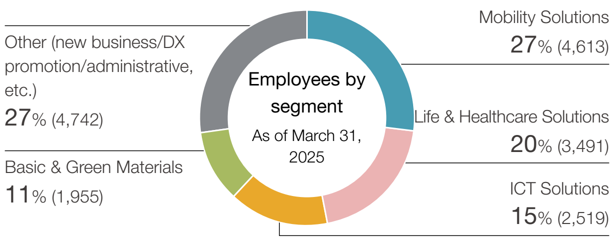
* Comprehensive regular meetings for HR coordinators from each company in the region (the Americas, Europe, China, and Asia Pacific) to exchange information and promote human resources measures specific to each region. The meeting frequency varies depending on the region.

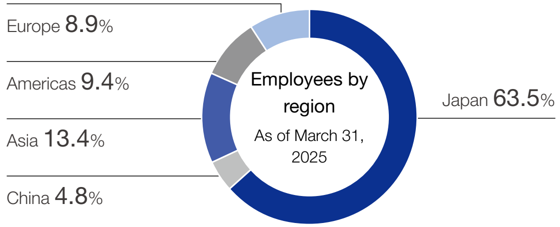
Under this system, the measures are shared and implemented by the human resources divisions of each regional headquarters, the management of domestic and overseas subsidiaries and affiliates, the human resources division, and HRBPs.

In addition, the human resources divisions of the regional headquarters regularly share and discuss the progress of measures with the human resources representatives of the domestic and overseas subsidiaries and affiliates.

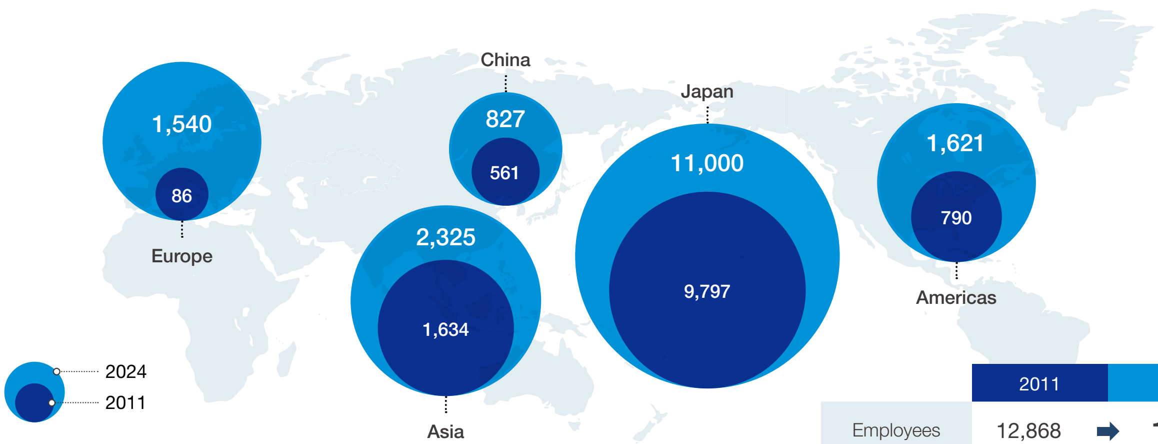
The Mitsui Chemicals Group's Human Resources Portfolio

In order to pursue business portfolio transformation and build solutions-based business models, which are the main propositions of the VISION 2030 Basic Strategy, it is essential





Subsidiaries and affiliates 156 Employees 17,320 As of March 31, 2025 not including contract employees



	2011		2024
Employees	12,868	➡	17,320*
The ratio of employees based overseas	Approx. 24%	➡	Approx. 37%

* The total number of employees includes 7 from other regions.

Business Portfolio and Corporate Culture Transformation through Human Resources Strategy

to acquire and develop talent with the expertise and ability to execute in order to carry out these goals. Based on our human resources strategy linked to Long-Term Business Plan, our Group has steadily led the business portfolio transformation and global expansion on a Group and global level from the perspective of human resources management. Through M&As in specialty chemicals domains and other initiatives, we are seeing significant progress in diversifying and globalizing our human resources portfolio. As a result, as of March 31, 2025, the number of consolidated companies has reached 156, and the number of consolidated employees has reached 17,320 (excluding contract employees), and the ratio of employees based overseas has increased to approximately 37%.

Talent acquisition

Our group has been strengthening our mid-career recruitment in order to acquire talent with diverse backgrounds who can drive the business portfolio transformation. Since fiscal 2016, we have been working to hire more mid-career professionals in line with VISION 2025, and from fiscal 2021, when VISION 2030 was launched, we have been focusing even more on hiring talent who will contribute to the business portfolio transformation. Of the 426 mid-career hires over the past three years (FY2022-2024), 299 (approximately 70%) were hired from industries other than the chemical industry. By incorporating knowledge and experience that was not previously available within our Group, we are accelerating our business portfolio transformation from a human resources perspective. We are also working to diversify our recruitment methods, and from fiscal 2022 we introduced a referral recruitment system in which employees act as recruiters and introduce their acquaintances. Over the past three years, the referral ratio of mid-career hires has been 12%. Many of the referrals come from mid-career hires, and the system is proving effective in expanding recruitment channels and diversifying the target demographic in order to acquire talent with expertise beyond our traditional business areas.

Talent development and training

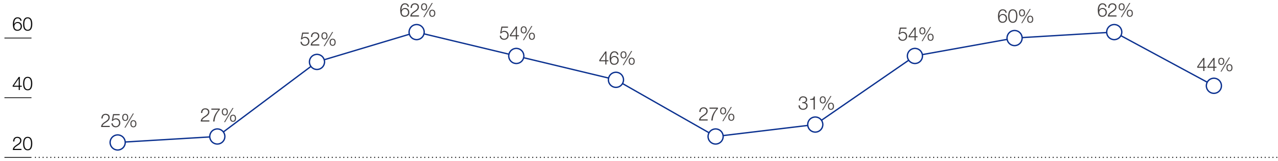
When building a human resources portfolio, it is also important to develop and train internal talent on a Group and global level. Since fiscal 2012, the Group has been conducting Global Leadership Program for future executives currently employed at locations around the world. This program is an approximately eight-month program run by the global CoC and is unique to our Group, and is continually updated in response to changes in the internal and external environment. Starting in fiscal 2024, we have evolved the content to focus on building the skill sets and mindsets necessary for leadership and organizational development, with the aim of developing talent who can demonstrate leadership in a wide range of fields in a world of increasing uncertainty.

Global Leadership Program

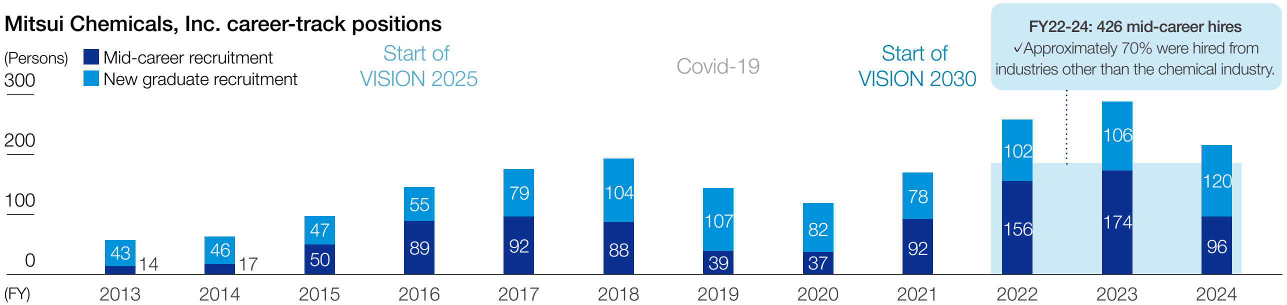
Utilization of human resources

We are also promoting the use of acquired and developed human resources for the right positions from a Group and global perspective. Approximately 70% of our Group employees work for subsidiaries and affiliates in Japan and overseas, and we are working to identify, discover and actively promote talented personnel outside Mitsui Chemicals, Inc. As one example, in April 2025, we promoted a non-Japanese employee hired by an overseas affiliate to Business Sector Vice President of Life & Healthcare Solutions Business Sector. By permanently stationing the Business Sector Vice President in North America, the world's largest healthcare market, we are strengthening our system to accelerate our business portfolio transformation and global expansion. Additionally, we have introduced the Group-wide integrated human resources platform "Workday" to keep track of human resources information around the world. This has enabled the integration of human resources operations across our entire Group, enabling centralized management and visualization of human resources information. From fiscal 2025, we have begun formulating succession

Ratio of mid-career recruitment



Mitsui Chemicals, Inc. career-track positions



Business Portfolio and Corporate Culture Transformation through Human Resources Strategy

plans for key positions at each company globally across the Group, making local talent visible and reflecting this in strategic training and promotion plans.

Furthermore, we are also working to create an environment in which the highly specialized talent we have acquired and developed can play an active role over the long term. Starting in fiscal 2025, we started operating the Data Scientist Specialist System. This system provides highly specialized personnel in the field of data science with a clear career path and compensation structure. This ensures that the expertise is properly recognized, further improving technical skills and fostering motivation to contribute to projects. Based on VISION 2030, starting from fiscal 2021, our Group established a digital transformation (DX) human resources development system centered on improving the digital literacy of all employees and developing specialized human resources, defining four skill levels, from level 0 to 3, and developing training plans according to each level. Under this system, DX professionals at level 2 or above will be certified as data scientists/specialists by gaining practical experience and will be treated according to their level of expertise. Going forward, in addition to in-house training, we plan to actively expand this system to data scientists hired from outside the company, further strengthening our support for career development centered on expertise and the retention of talent.

In acquiring and utilizing human resources, the Group will continue to promote measures based on the spirit of challenge that has propelled bold endeavors to find solutions to social challenges, which stretch all the way back to our founding, and the corporate culture that embraces diversity cultivated through numerous mergers and integrations involving other companies and businesses. We will encourage each employee to take the initiative and aim to realize a human resources portfolio that serves as the driving force for the achievement of VISION 2030.

Key talent management

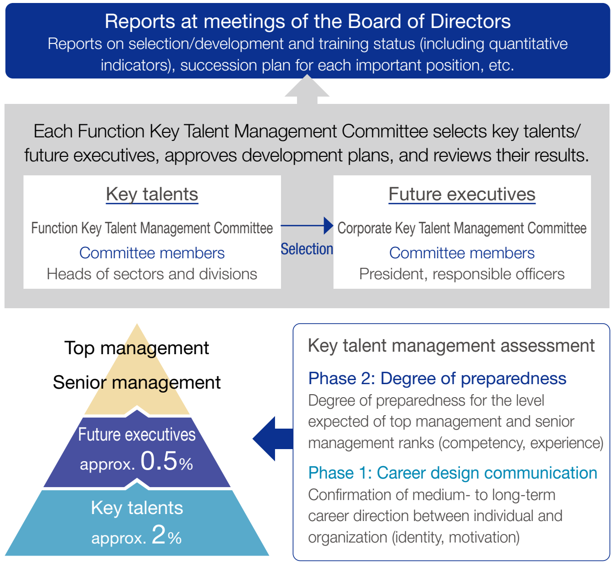
In fiscal 2016, we introduced and started operating key talent management as a Group-wide, global system with the aim of clarifying the qualities necessary for executives and quickly selecting and strategically developing leader candidates with the potential to become future executives. This initiative is at the core of our Group's human resources management, and has established a culture within the organization of discussing the careers, personal interests and aspirations, and development plan of each leader candidate.

In fiscal 2024, we established a key talent management code as a new initiative that defines the specific job performance required for each executive position, with the aim of promoting employees to executive positions. The code defines five expected outcomes for executives, including M&A, new business creation, and strategic planning from a Group and global perspective. As domestic and international environments change rapidly, executives who lead business portfolio transformation and the creation of solutions-based business models are being required to have more diverse and advanced roles and more expertise. In the development of leader candidates, based on this code, we prioritize the necessary assignments required for each job, and accelerate the development according to the direction of the job to be achieved.

In addition, in the key talent management process, we identify and certify critical positions that are considered important in executing each strategy, and develop succession plans for those positions. The status of successor candidates is quantified as the successor coverage rate for critical positions and set as a non-financial KPI. The quality and effectiveness of succession plans are evaluated qualitatively and quantitatively over time. The successor coverage rate for critical positions for fiscal 2024 was 235%, up 15 points from the previous year, maintaining the level of two or more people prepared as successor candidates for each position (over 200%).

The status of these key talent management initiatives is reported to the Board of Directors every year, and we strive to improve the effectiveness of our measures based on the feedback received at the meetings.

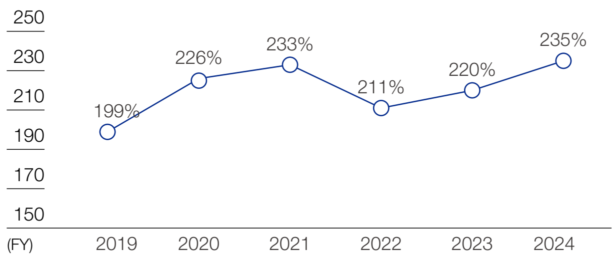
Key talent management process



*1 Percentage of Group employees who are future candidates for Mitsui Chemicals Inc. sector presidents and center executives

*2 Percentage of Group employees who are future candidates for Mitsui Chemicals Inc. general managers

Successor coverage rate for critical positions



Business Portfolio and Corporate Culture Transformation through Human Resources Strategy

Initiatives to improve employee engagement

Definition of our engagement score

To achieve VISION 2030, each and every employee is required to think and act independently and tackle unprecedented difficult challenges. For this reason, the Group has positioned improving employee engagement as an important issue in its human resources strategy, and has been conducting engagement surveys of all Group employees since fiscal 2018.

Our Group measures its engagement score based on a set of six statements on employee engagement-related behaviors (SAY, STAY, and STRIVE). Employees with an average score of at least 4.5 out of 6 on the statements are defined as engaged employees with a high desire to contribute, and the percentage of such employees is calculated as the engagement score.

Having highly engaged employees who have a sense of purpose that aligns with our Group's Corporate Mission and Vision and act autonomously is essential for driving future transformation. Based on this idea, we have set a goal of achieving an engagement score of 50% by fiscal 2030, which would put us in the upper echelons of Japan-based global corporations. In response to issues identified in the annual survey, we implement specific improvement measures as post-survey actions both Group-wide and at each organizational level.

Furthermore, from fiscal 2023 onwards, we have figured this engagement score into performance evaluation metrics (bonus formula/non-financial metric) for determining executive compensation to promote initiatives that are linked to the commitment of management.

Areas for improvement identified through FY2024 survey

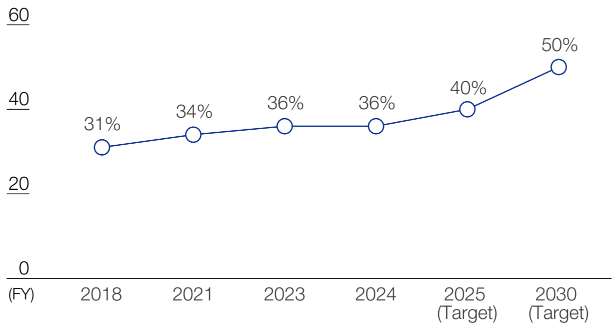
Subordinate management	39 pts in the previous survey ⇒ 42 pts
Total compensation and recognition	23 pts in the previous survey ⇒ 25 pts

Every strategy and initiative are implemented by each and every employee, and in order to increase the number of highly engaged employees, it is extremely important to improve the quality of management and human resources development in each workplace. The items "subordinate management" and "total compensation and recognition" are considered to be indicators that reflect the quality of subordinate management by superiors, satisfaction with feedback and performance evaluation, and the Group has been making continuous efforts to improve in these areas. For example, the Leadership Development Program, which was introduced in fiscal 2011, has been taken by over 1,000 people to date, helping to strengthen the leadership skills of managers. Furthermore, we are focusing on improving the quality and transparency of feedback from superiors to their subordinates, such as by introducing performance management training from fiscal 2022 and starting to disclose the full text of comments from superiors in performance evaluations from fiscal 2023. Through these efforts, we hope to establish a virtuous cycle in which employees are encouraged to take on difficult challenges and grow through appropriate feedback and evaluation, which then leads to results for the entire organization and ultimately to the realization of VISION 2030.

Challenges going forward

Building solutions-based business models will require more collaboration across divisions than ever before, and the process of implementing portfolio transformation will require optimal human resources deployment on a Group and global level. For this reason, our Group recognizes that "teamwork" and "utilization and placement of human resources" are challenges going forward in terms of engagement in improving corporate value. As mentioned above, we have been working on various measures to build a human resources portfolio and have also been taking continuous improvement actions in response to the engagement survey results. We have seen some progress, with each item improving by +1 point from the previous year's survey score, but we believe that further action is needed to achieve improvement. For example, in fiscal 2024, we worked to strengthen internal communication through the use of our newly opened Creation Palette YAE™ co-creation space. In addition to dialogue between superiors and subordinates, we are also working to stimulate diagonal communication across divisions. Going forward, we will also use Workday to develop human resources on a Group and global level, and to lay the foundation for accelerating transfers across countries and companies. Through these

Engagement score trends and targets



Business Portfolio and Corporate Culture Transformation through Human Resources Strategy

efforts, we will foster a corporate culture in which employees can easily work together to take on the challenge of transformation, thereby improving employee engagement.

Diverse talent driving portfolio transformation

Aiming to establish a core business that contributes to life and health - testing and diagnosis solutions (Medical Business Development Division)

As an example of building a human resources portfolio to realize business portfolio transformation, we would like to introduce the members working on business development for testing and diagnosis solutions in the Medical Business Development Division of the Life & Healthcare Solutions Business Sector. In the medical field, which handles testing and diagnosis, oral care, and orthopedics, we are proactively investing resources and are acquiring business foundations in new fields through M&A and external alliances. In fiscal 2025, we acquired DNA Chip Research Inc. as a wholly owned subsidiary through a tender offer, and are now fully beginning to build the foundation for our testing and diagnosis solutions business. This project is being carried out by a team of highly specialized personnel recruited through mid-career recruitment, as well as highly motivated personnel who have volunteered to transfer within the company despite having different areas of expertise. They are at the forefront of driving the business portfolio transformation. By combining the specialized knowledge of our mid-career hires with the technology and know-how our Group has cultivated, we will lead to the creation of new value.

VOICE Members' comments

* Affiliation and position as of May 2025

HASHIMOTO Yoshiaki

Deputy General Manager, Medical Business Development Division

After serving as domestic business manager of the healthcare business at a foreign-affiliated consulting firm and a foreign-affiliated chemical company, I joined Mitsui Chemicals. I joined the company because I sympathized with the business portfolio transformation and strengthening of the healthcare business set forth in VISION 2030, and wanted to launch a new business by making use of my experience so far. Our mission is to innovate medical technology through the power of chemistry and contribute to people's lives and health, and we are working together as a team to establish and expand our business foundation. Since July 2025, I have been serving as President & CEO of DNA Chip Research Inc. and am striving to rapidly expand testing and diagnosis solutions business.

In my previous job, I worked in academia, where I was involved in cancer drug discovery research and supervised graduate students. While working on generating the seeds for drug discovery and diagnostic technologies, I wanted to be involved in the phase of clinical application and new business development that is closer to societal implementation, so I decided to join Mitsui Chemicals, which is moving forward with its entry into the field of genetic diagnostics. Currently, I am utilizing the expertise I have cultivated to explore technological seeds in the testing and diagnosis fields, create new businesses, and collaborate with the DNA Chip Research Inc.

INOUE Jun

Manager, GD Strategy Development Section, IVD Business Development Department, Medical Business Development Division

KAGA Ayaka

GD Strategy Development Section, IVD Business Development Department, Medical Business Development Division

After graduating from graduate school, I worked as a postdoctoral researcher researching bacterial infections at research institutes in Japan and overseas, and then worked at a corporate company in research and development related to genetic testing for pets and in the operation of a testing laboratory. I wanted to take on the challenge of developing new businesses by utilizing the experience I had gained in both academia and a corporate company, and when I found out that Mitsui Chemicals was recruiting personnel to launch a new genetic diagnosis business, I thought, "This is it!" and decided to join the company. Since joining the company, I have been in charge of discovering new testing and diagnosis items and collaborating with the DNA Chip Research Inc.

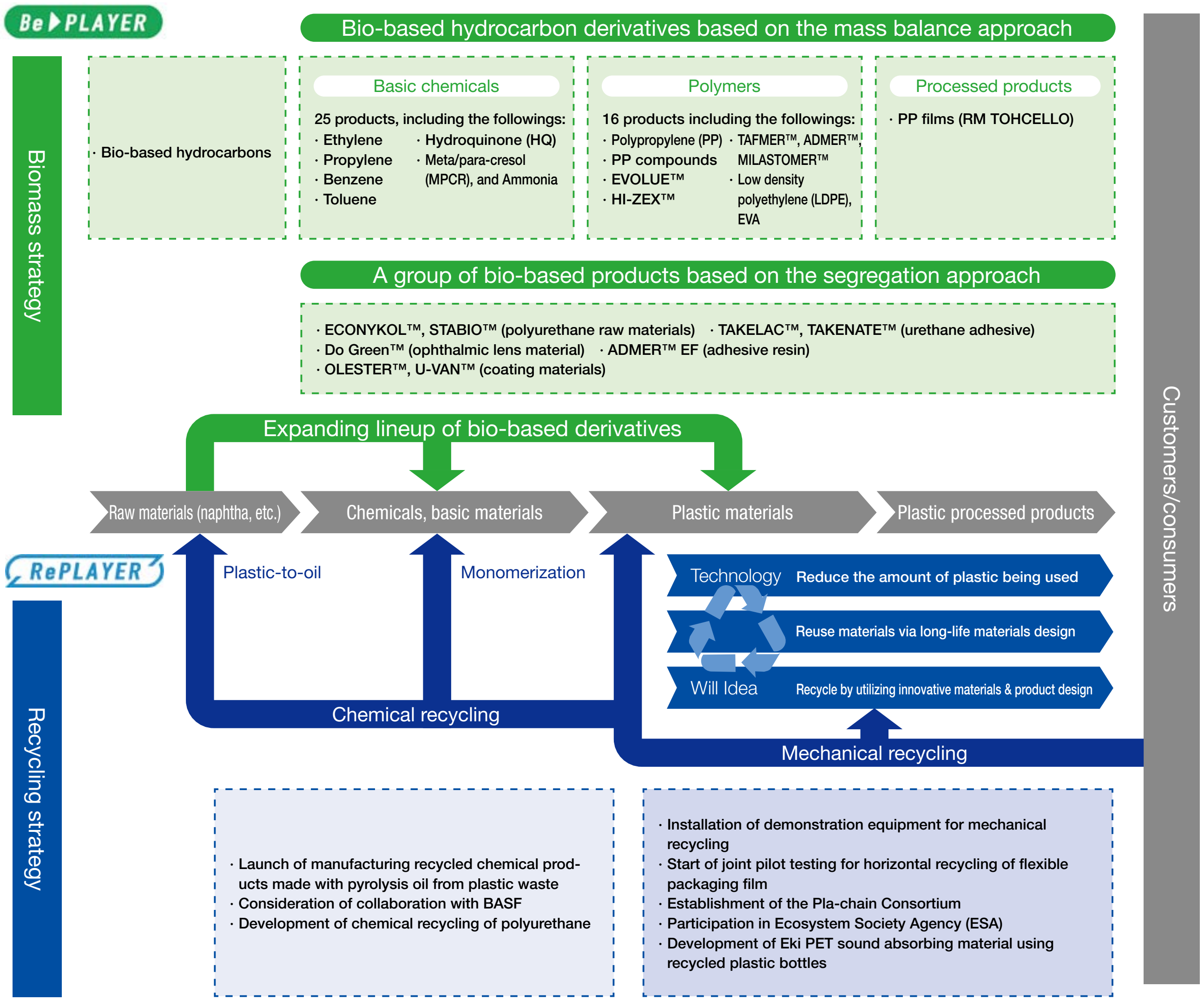
Business Model Transformation Centered on the Circular Economy

Conventional linear economic activities, based on the premise of mass consumption and disposal of resources, are placing a heavy burden on the global environment. For over 100 years, the Mitsui Chemicals Group has supported rich and comfortable living through our philosophy of innovating and creating materials as a materials manufacturer. Going forward, we will continue to contribute to solving social challenges by bolstering circular economy initiatives which enhances environmental and social sustainability.

Based on this thinking, the Basic Strategy of VISION 2030 calls for building circular economy-based business models for all businesses. We are focusing on biomass and recycling strategies with a view to the entire supply chain for plastics, which are one of our Group's main products.

Biomass strategy

As we believe that a shift to bio-based raw materials encourages resource recycling, curbs the further use of fossil resources, and therefore helps mitigate climate change, we aim to expand our lineup of bio-based plastic products. Starting in fiscal 2021, we have been using bio-based hydrocarbons produced from waste cooking oil and other materials as raw material for our naphtha cracker, thereby converting the various chemicals and plastics derived from it into bio-based products. In order to expand the lineup of bio-based hydrocarbon derivatives that we can offer, we are working to obtain ISCC PLUS certification for each product, and as of September 2025, approximately 40 products have been certified, including products produced from naphtha and their downstream products.



Business Model Transformation Centered on the Circular Economy

Recycling strategy

As social challenges related to waste management, such as resource depletion and problem of plastic waste, become more serious, the Group regards waste plastic and other materials as resources and is working to make effective use of them. We believe that promoting resource recycling can contribute not only to the effective use of resources such as the reduction of the use of fossil raw materials and fuels, but also to the reduction of waste through the recycling of waste plastics and to the reduction of GHG emissions throughout the entire value chain.

Specifically, we supply products through mechanical recycling, in which waste plastics and other waste are considered as raw materials and reused as raw materials for products, and chemical recycling, in which used resources such as waste plastics are chemically and thermally processed and decomposed into raw materials and monomers, and then recycled as plastics and chemicals. In addition to this, we will expand the circle of the circular economy through the development of new materials, recycling systems, and value chains, such as the conversion of packaging materials to monomaterials to promote recycling, and the provision of the digital resource circulation platform that realizes traceability of plastic recycling.

Please see our sustainability website for examples of biomass and recycling strategies.
Specific examples introduced on our website include the development of pouches made from horizontally recycled flexible packaging film, efforts to implement chemical recycling technology for MR™ ophthalmic lens material, and the development of refining technology for pyrolysis oil from plastic waste (adopted by the NEDO Practical Application Development Program).
The English version of our sustainability website is scheduled to be updated at the end of October 2025.
https://jp.mitsuichemicals.com/en/sustainability/mci_sustainability/circular_economy/recycle/index.htm

BePLAYER™ and RePLAYER™ for realizing a regenerative lifestyle

A significant social transformation is necessary to realize carbon neutrality and a circular economy society. As a materials manufacturer, our Group has the potential to change people's lifestyles from the ground up and has the responsibility to broadly provide solutions to society. For this reason, it is important to continue proactive communications and gain recognition as a comprehensive solutions company. Therefore, the Group has launched two brands: BePLAYER™, which achieves carbon neutrality with biomass, and RePLAYER™, which creates a circular economy through recycling. Through these brands, we aim to resolve multi-faceted and complex social challenges and take sustainability a step further and provide regenerative lifestyles.

Realizing a regenerative society together with our customers through enhanced communication

For customers who wish to advance their environmental initiatives, we proactively communicate the latest information, our Group's initiatives, and the background behind them through seminars, white papers, e-mail newsletters, etc. This has led to numerous inquiries and the development of specific themes. As companies are required to disclose sustainability information, it is becoming increasingly important to take concrete steps to reduce CO_2 emissions throughout the entire value chain and to work toward Scope 3 reductions. In this regard, low carbon footprint materials will play an important role as a specific reduction measure for Scope 3 Category1*. By reconsidering the origins of carbon and "changing materials of materials," the Group is contributing to improving the bio-based content and recycling rate in society and proposing concrete solutions to reduce CO_2 emissions throughout the entire value chain.

* GHG emissions generated during the manufacturing process of products and services purchased by the company, such as raw materials

Mitsui Chemicals' biomass & recycling solutions
https://jp.mitsuichemicals.com/en/sustainability/beplayer-replayer/

Key drivers

The Mitsui Chemicals Group leverages its three key drivers of competitive advantage—world-leading technological and R&D capabilities, market-leading product strength, and global expansion capabilities—to achieve sustainable growth and contribute to a sustainable future society.

CTO Message

Toward technology management committed to results and profitability

OMOTE Toshihiko
Managing Executive Officer & CTO

Harnessing diverse experiences to lead: the required perspective on technology management and the expected role of the CTO

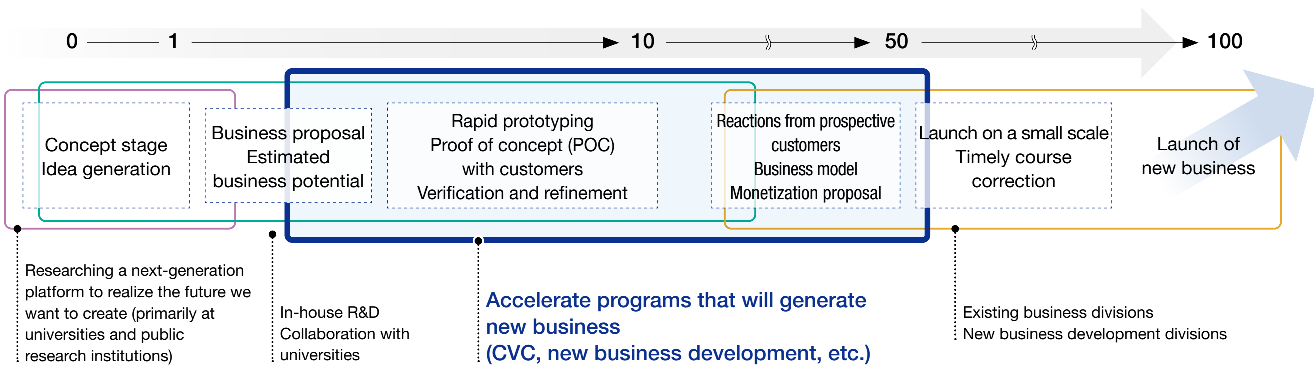
I began my career as a researcher at Nitto Electric Industrial Co., Ltd. (now Nitto Denko Corporation). However, a few years after joining the company, I felt the limits of my own ability and chose to return to university for a doctoral program. What I gained most from my time in academia was learning how to take the most direct path to achieving a goal. I also came to deeply understand the differences between academia and industry—their respective values and the nature of their output. I feel this awareness has become a significant asset for me in the years since.

After returning to industry from academia, I was given the opportunity to lead projects from the ideation stage through R&D and commercialization, including the launch and management of large-scale factories in Japan and abroad with workforces numbering in the thousands. Later, I gained firsthand experience in technology management from the standpoint of a CTO. Furthermore, in roles such as CIO and the director of the management headquarters, I was also entrusted with leading company-wide operational reforms on the corporate back end. While I still regard myself as a pure engineer at heart, I have learned through these experiences how technology should exist within the context of management—and have come to realize that it only gains true meaning once implemented in society. That is why the experiences I gained in my previous position—overseeing the entire innovation process from the research stage to manufacturing at factories and commercialization, and engaging in technology and corporate management—have become invaluable assets to me.

Through this experience spanning both academia and industry, I have always felt that what we broadly refer to as "technical fields" actually encompass a wide spectrum, from science to technology to engineering, each requiring a completely different way of thinking. While science is about pursuing a single answer or universal principles, technology can offer multiple solutions depending on the objective. If science is about discovery, then technology is about invention. Engineering, in turn, places greater emphasis on profitability and manufacturing efficiency. Since science often takes time and does not necessarily lead to profit, corporate activities generally focus more on technology and engineering—areas where the objectives are clearer. However, in relatively young academic fields such as biotechnology and AI, I believe it is essential to advance science and technology concurrently.

Even within technology management in companies, activities span the full spectrum from science to engineering. In the realm of R&D&E, research (R) and development (D)

Innovation process: from 1 to 100



CTO Message

also differ in terms of objectives, expected outcomes, and evaluation methods. Research may primarily focus on developing future technologies to strengthen the business over a longer time horizon, as well as exploring new businesses that could become next-generation pillars, even if they are somewhat removed from current core businesses. In contrast, development should ideally involve the continuous launch of products with sufficient value to be commercialized within a timeframe of around three years. Put differently, one could argue that research creates tomorrow's businesses, while development creates new products. In other words, technology management requires executing development investments (as OPEX) aimed at maximizing today's cash generation to enable future reinvestment, alongside research investments (as CAPEX) that commit to delivering value over a longer time horizon—all in alignment with the corporate strategy. It is therefore essential to continuously reassess what kind of organizational structure is best suited to each activity and to redesign it flexibly in accordance with the corporate strategy—in other words, to view organizational change as a means of executing strategy.

At the CEO Presentation held in May 2025, we articulated the Mitsui Chemicals Group's future direction, clarifying that our execution strategies and tactics differ between the Basic & Green Materials (B&GM) business—the upstream of the chemical industry—and the three specialty chemicals domains we aim to pursue going forward. Therefore, in order to further accelerate each of these activities, we must adopt distinct management approaches for each, and accordingly, evolve our approach to technology management in line with this thinking. Although the three specialty chemicals domains are steadily advancing toward the targets set out in VISION 2030, they have yet to reach the desired quantitative milestones. Moving forward, we must consider not only how to accelerate further growth, but also how to strengthen the platforms that will enable these specialty chemicals domains to continuously deliver value. From a technology management perspective, aligning our approach with these strategic imperatives is essential. Of course, there may be no one "best" model for management, but I believe that technology management must play a central role in driving business portfolio transformation by striving for better allocation and optimal management of our technology assets—both of which are key to becoming a global specialty company. To achieve this objective, I believe it is my responsibility as CTO to ensure the seamless, cross-functional allocation of technology management assets related to both research and development. At the same time, I must ensure that these allocated assets are supported by systems—both hard and soft—that enable them to operate efficiently and deliver the intended impact.

Leveraging core strengths to build a market-connected technological foundation

The core strength of the Group in the technology domain lies, above all, in polymer science. This is an exceptionally strong and one-of-a-kind technology, with potential applications extending into diverse products such as olefins, isocyanates, and urethane resins derived from diols. In addition, composite materials design is a key technology that enables flexible adaptation to a wide range of applications through formulation. Of course, having in-house materials that can demonstrate value through such processing technologies is also a significant strength. In the past, we also ventured into processed components and materials, such as optical discs, organic lasers, PDP filters, and circuit board substrates. However, I wonder if it was a loss that both human resources and technologies became dispersed and were not retained within the Group following the withdrawal from those businesses. That said, the Group still possesses considerable potential in processing technologies. Going forward, we will aim to actively combine our materials with a variety of processing techniques to develop products with a clear line of sight to end-user value. To this end, we are currently working to classify and map the Group's technologies to make key themes visible in real time.

This initiative is underpinned by organizational elements such as our R&D sites in Japan and overseas, business sectors, the Creation Palette YAE™ co-creation space, and the New Business Incubation Center (NBIC). I am confident that linking these elements organically will form a powerful platform. Moving ahead, we will swiftly build a structure that enables strategic decision-making—for example, determining where on this platform to place our technology assets and how much resource to invest there. Over the past three years, I have worked to strengthen the NBIC's functions and establish a foundation for consistent technology management. Looking ahead, I believe we will be increasingly able to articulate a clear vision of our future direction and the Group's overall technological landscape

CTO Message

to both internal and external stakeholders.

We are fortunate to have many talented, sincere, and diligent employees, as well as a positive corporate culture. However, within our traditional materials business structure, the gap between research and the market has been large. This has limited our opportunities to fully understand market challenges and has led to insufficient understanding of the value chain, including suppliers. Winning in business today requires more than just superior technology. It demands a deep understanding of value delivery models, market characteristics, evolving external environments, and competitive players, along with a sound strategy. The Creation Palette YAE™ co-creation space was established in light of these challenges, as one initiative to help bring us closer to the market. However, for this co-creation space to function as intended, it must be clearly recognized as the first customer touchpoint, and its design must be aligned with that purpose. We need to grow the number of human resources who can understand our existing assets across functions and fully leverage that knowledge to win over more customers—turning them into fans of Mitsui Chemicals. To achieve this, it is essential to thoroughly research each customer's current challenges and develop hypotheses for potential solutions before they visit our facility. On the day of their visit, we must be able to validate those hypotheses through carefully designed demos. It is critically important to apply advanced communication and questioning techniques to draw out candid feedback from customers, make full use of analytical skills to identify any gaps between our hypotheses and actual responses, and then share those insights with relevant departments to formulate appropriate development strategies. This co-creation space should also serve as a learning environment that fosters these behaviors and hypothesis-driven thinking skills, and I feel that assigning young technical personnel there for fixed periods will be especially critical.

Identifying niches through co-creation

I place a great deal of importance on the concept of "niches." Here, I do not mean niches in the sense of simply being small in terms of market or business size. Rather, I am referring to finding a unique position within an ecosystem that allows us to coexist. Instead of competing head-on with global suppliers, including those in China, we must demonstrate unique value that they cannot easily imitate. By doing so, I believe we can create many opportunities to play a meaningful role as part of the ecosystem in the Chinese market as well.

From this perspective, enhancing complexity—by developing novel and distinctive polymers, compounding and blending them, and processing them into components—becomes a vital source of competitiveness. It is management's role to support new product development within our business sectors—those closest to our customers, markets, and society—and to put in place systems that accelerate time to market. To that end, it is essential to move beyond the constraints of traditional annual budgeting and reallocate both budgets and personnel flexibly in response to evolving needs. At the same time, it is essential to fully understand the characteristics of each division and manage the R&D theme portfolio not for local optimization at the business-unit level, but for maximizing the overall benefit of the Group. As part of our efforts to

globalize R&D across the Group, it is also imperative that we quickly establish a system that allows us to operate with agility in global regions where our value propositions are most likely to land. This involves integrating top local talent and functioning as though we were the R&D division of a local company—adhering to local rules—while keeping investment returns as a prerequisite.

Challenges are not limited to our organizational structure—they also exist within our research activities. Because business sectors are multifunctional and closely connected to markets, customers, and regions, they are well-positioned to accelerate product development with agility. Meanwhile, the corporate research teams, which are more distant from the market and tasked with promoting highly uncertain themes, tend to have limited functions. Moreover, since many of their themes are still in the early stages and they remain far removed from the market, they often end up setting inward-looking, technology-oriented themes. The key to bridging these gaps is NBIC. As mentioned earlier, I see NBIC as an organization that serves a marketing function for new business creation. To that end, I have been working to strengthen NBIC's function of

CTO Message

seamlessly connecting R&D and the business divisions, and to reinforce the process of launching market-oriented businesses through collaboration with internal and external assets—including startups, CVCs, and other external partners. I believe that, even in a large corporation, new business creation initiatives are essentially like startups. There are business concept ideas, and funds are raised based on business hypotheses. In startups, these investors are typically angel investors, venture capital firms, or CVCs. In a large corporation, by contrast, the investor is the company itself—in our case, Mitsui Chemicals—and the structure can be seen as something akin to an equity fund. So, who takes on the role of developing and nurturing new businesses in the startup ecosystem? I believe this is typically done by accelerators and incubators. This is precisely the kind of role that an organization like NBIC can fulfill. Accordingly, NBIC can be seen as an accelerator. It is expected to function as a mechanism that promotes new business development themes from the research departments by applying the knowledge, skills, and drive characteristic of accelerators. Of course, our current capabilities remain insufficient, and we must continue to build up NBIC's functions and expertise at pace. At the same time, we aim to bring NBIC closer to our research teams to enable more integrated collaboration.

In pursuing new technological themes, we will manage operations with a strong awareness of cash flow and ensure, at a minimum, a return that exceeds the cost of capital. Seeking returns that meet the expected cost of capital is a fundamental principle of management—and only by doing so can reinvestment in the next challenge become possible. At the same time, we have high hopes for collaboration with startups as a new means of achieving even greater returns. Our Group is engaged in what is commonly referred to as the deep tech domain—an area in which results often take time to materialize. Nevertheless, in the few years since the launch of our CVCs, we have begun to see steady signs of progress. Some themes are already being pursued through collaboration, while others are beginning to emerge with the potential to lead to future new businesses. Relying solely on in-house efforts will not allow us to move quickly. We will seamlessly reconfigure the various functional units that have until now operated in isolation, aligning them with the direction we need to pursue. Furthermore, in order to concentrate resources on more essential work, we will advance the use of digital technologies with both speed and precision—without losing sight of their intended purpose.

Laying the foundation for sustainable growth by leveraging intellectual property and human capital

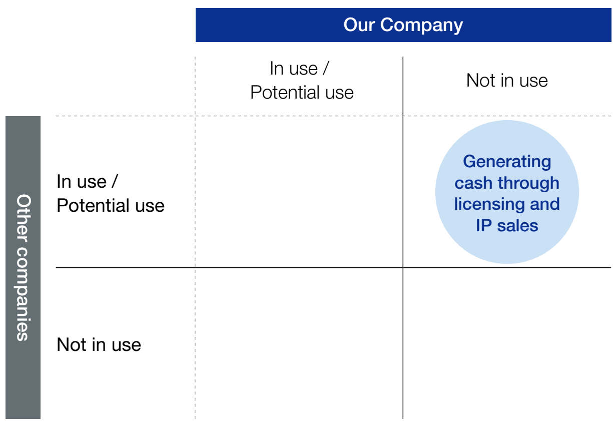
One of our challenges is translating the Group's intellectual property (IP) into revenue. Because IP strategy is led by business strategy, we will aim to monetize IP by constantly linking and coordinating the two.

Intellectual property is the platform for all our technological assets. It is essential to consider the potential of a broad range of intellectual property—not only patents in technical fields, but also trademarks, designs, and beyond—and to utilize it strategically. In that context, the IP division should serve as a profit center. It is essential to generate returns from intellectual property—such as licensing royalties and proceeds from IP sales—that exceed the costs associated with IP, thereby contributing to the enhancement of corporate value.

Based on this approach, it is necessary to conduct an annual review of our intellectual property portfolio and clearly distinguish between IP that should be strategically retained and that which should not. To achieve this, it is essential to visualize the entire technology pipeline and identify the technologies that are critical and valuable to the business. We will also seek to generate cash by taking measures such as selling non-essential intellectual property. In this way, I believe our IP division is entering a phase in which it must adopt not only a defensive mindset but also a proactive, sales-oriented approach. It may be time to consider even more assertive initiatives in this direction.

Going forward, I intend to build a cross-functional structure that enables the IP division to collaborate more closely with other departments. I believe that one of the key responsibilities of the CTO, who oversees overall

A sales-oriented IP division perspective



CTO Message

technology management, is to establish a structure that enables the IP division to operate more effectively and to guide it in the best possible direction at any given time.

Integrating advanced and distinctive processing technologies with materials technologies

When it comes to delivering value through the products and businesses targeted by our three specialty chemicals domains, combining them with processing technologies is becoming increasingly important in many respects. In order to develop and implement these processing technologies, it is important to analyze the product cost structure. This means we need to consider both the contribution margin and how best to incorporate processing technologies. In recent years, as the need to accelerate development continues to grow, digital technologies—especially materials informatics, which enables the comprehensive analysis of the vast body of internally accumulated experience data and publicly available external knowledge—have become essential. These technologies make it possible not only to predict candidate materials with potential value, but also to accelerate the cycles of their synthesis, evaluation, and more. In this way, we are expected to further advance the integration of newly developed materials and combine them with sophisticated processing technologies tailored to our customers' needs, thereby delivering unique and indispensable functions. To that end, I believe we must build and run a system that allows specialists from a wider range of fields than before to form cross-functional teams and create integrated knowledge through agile collaboration. In April 2025, the Fabrication Process Engineering Division was placed directly under the CTO's remit. This change puts us in a strong position to swiftly establish a framework that facilitates project-based, cross-organizational collaboration from the early stages of research in developing new process and production technologies.

Talent is ultimately the foundation of everything we do

I believe that engineers who feel a genuine fondness for the company, who embrace the culture of the Mitsui Chemicals Group, pursue self-fulfillment with a sense of enjoyment, and continue making efforts even under tough conditions, are essential to the sustainable growth of the Group. Our strategy for remaining competitive in the specialty chemicals field is to foster and maintain a technical community that not only draws on our existing strengths, but also eagerly absorbs the specialist knowledge required in the new fields our Group seeks to enter. As I have said before, I hope to build a team that shares the values of the Group's culture, possesses a strong will to see commitments through—even when difficult—with a sense of enjoyment, and where members mutually trust, recognize, and respect one another. Of course, things don't always go as planned, and we will often fall short of our goals. When that happens, I hope to build a resilient team—one that earnestly reviews what went wrong, considers how to leverage the assets gained through the process, and takes on new challenges once again. Ultimately, our goal is to build a technology management framework in which our R&D organization is not merely a group of people, but a true collective of valuable talent.

Becoming a company that continues to earn trust through challenge and value creation

Taking on new businesses and technologies to secure a future pipeline through the creation of new businesses is essential for the Group's sustainable value creation. However, costs of capital for new businesses involving uncertainty are naturally higher. Therefore, unless we aggressively aim from the outset to deliver high added value to the market and achieve returns that exceed costs of capital, the creation of those new businesses will not be productive. Our focus is not solely on short-term results. What truly matters is demonstrating medium- to long-term, sustainable growth—being able to say, "Look—we delivered!" I believe this is the key to earning the trust of the many stakeholders who support our Group. It is vital that we always act with a strong sense of professionalism and remain firmly committed to achieving results and delivering profits. In my role as a bridge between management and technology, I will continue to work steadily toward the creation of sustainable value, building on each of our successes along the way.

World-leading technological and R&D capabilities

The Mitsui Chemicals Group products are supported by three unique technologies: precision synthesis technology that derived from coal chemicals, polymer science that has developed alongside the development of petrochemicals in Japan, and manufacturing process technology that forms the basis of our strong competitive advantage. These technologies have been cultivated and refined over our long history.

Our precision synthesis technology began with the production of fertilizer from exhaust gas, a by-product of the coal business, and we have since refined the technology in the process of producing a variety of products, including ophthalmic lens material (MR™) and agrochemical products.

In the area of polymer science, starting with the licensing of Ziegler's polyethylene technology in the mid-1950s, we have accumulated catalyst technology, molecular design technology, and composite materials design technology through the development of polymers that meet various needs.

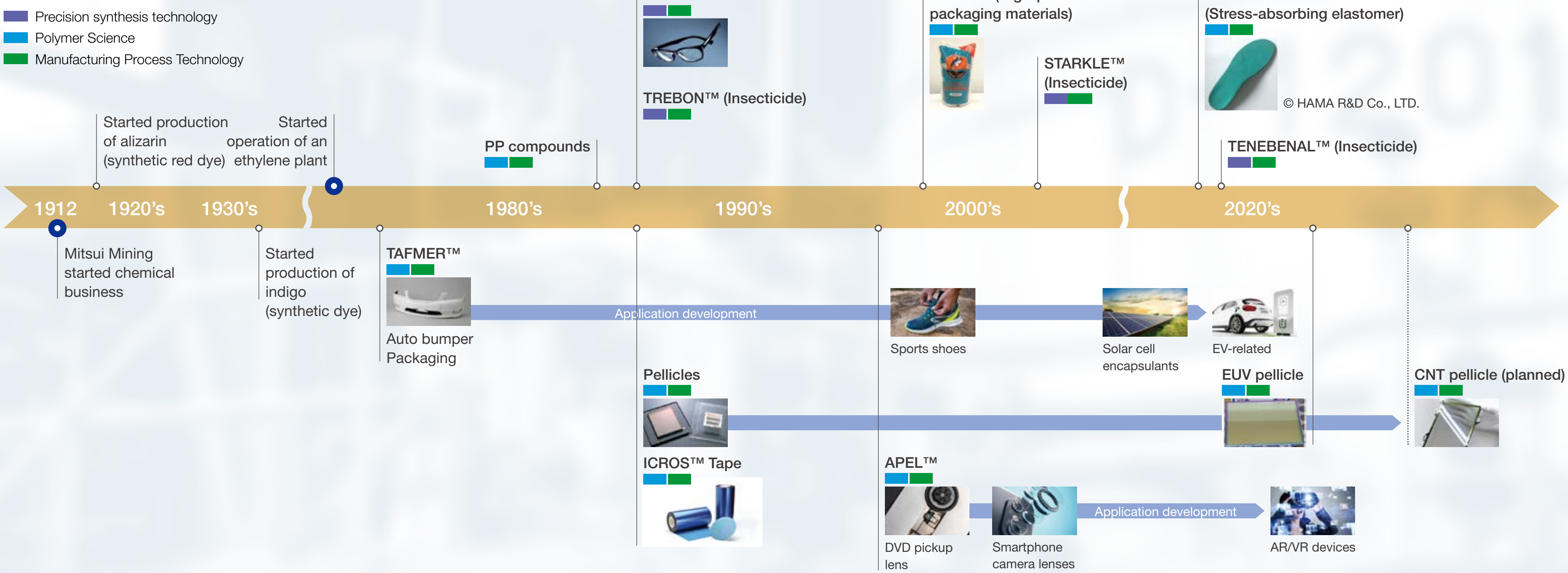
Over the course of our long history of manufacturing, we have developed and improved various manufacturing methods (synthesis, polymerization, and processing) to provide customers with a stable supply of high-quality products and have improved our manufacturing process technology.

The source of sustainable business growth is these technologies and the ability to combine them together, and the deepening of these technologies will be the key driver for creating new products.

We are also actively developing and expanding technologies that go beyond the boundaries of our existing businesses, and by adding additional functions to existing products, we are developing them as new, high-value-added products.

Going forward, we will continue to combine these technologies to drive further innovation and strive to be a global solutions company that leads change and contributes to a sustainable future.

Chronological table of our Group's key products and applied technologies



World-leading technological and R&D capabilities

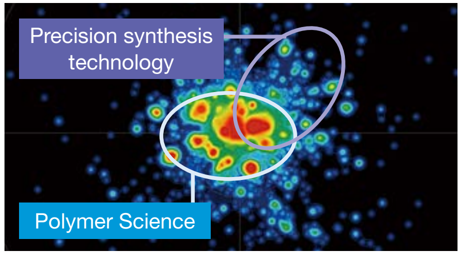
Intellectual property strategy to enhance competitive advantage

The three technologies that we have accumulated and refined for over 100 years are the core fundamental technologies that will increase our competitive advantage and realize sustainable growth.

As shown in the figure on the right, our Group's patent portfolio is broadly comprised of patents related to precision synthesis technology and polymer science. These patents have been strategically filed with an eye toward the entire value chain, from material development to product design and even solving social challenges, and are deeply rooted in our actual business activities. Furthermore, in order to maintain and strengthen the reliability and market competitiveness of the products born from these technologies, the Group is also committed to protecting and enhancing its global brand value through intellectual property protection activities. (Key Drivers: Intellectual Property Initiatives Linked to Business, p. 73)

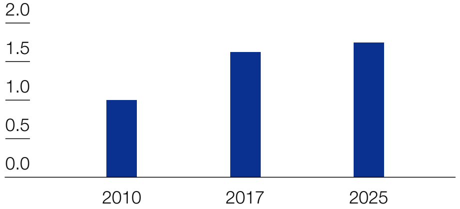
Furthermore, our other important technology, manufacturing process technology, is an accumulation of advanced know-how that has been honed through many years of worksite experience and trial and error. In some cases, we keep this know-how confidential rather than disclosing it as a patent, which is a unique strength of our Group.

By strategically acquiring and utilizing intellectual property based on these technologies, the Group is securing its technological superiority while advancing its business portfolio transformation. For example, our focus on the ICT materials field is reflected in the continued rise in patent value indexes* in the semiconductor and battery fields, including those related to ICROS™ Tape, indicating that our technologies are strengthening their presence in new specialty chemicals domains.



* Prepared using VALUENEX Radar provided by VALUENEX Japan Inc.
A contour visualization of patents in highly relevant fields based on the patent text content.

Trends in patent value indexes in the semiconductor and battery fields



* Prepared using PatentSight+ provided by LexisNexis.
Vertical axis: Number assuming the patent value index as of 2010 is 1.

Furthermore, the Group is considering ways to maximize the value of the intellectual property created through its technology, including the possibility of external use through licensing or selling of intellectual property. In this way, we aim to actively utilize intellectual property not only as a means to support the competitiveness of our own business, but also as a starting point for the creation of profit opportunities and new businesses in society.

Going forward, we will continue to steadily advance initiatives that link technology and intellectual property strategy, not just focusing on short-term results, but also looking to improve our corporate value over the medium- to long-term.

* Value per patent (average)

TOPICS Co-creation space —Creation Palette™—

Our group is working together with our customers to create businesses that contribute to solving social challenges.

As social challenges and demands become more complex, co-creation with a diverse range of people, including our customers, is essential to confront issues that the Group cannot solve alone. To promote co-creation, our Group opened Creation Palette YAE™ at our Yaesu headquarters in October last year as a gateway to co-creation.

Creation Palette YAE™ was opened as a space where visitors can experience our Group through an introduction to our assets, including the technologies that support Mitsui Chemicals products, and is intended to create opportunities for new co-creation through dialogue and empathy.

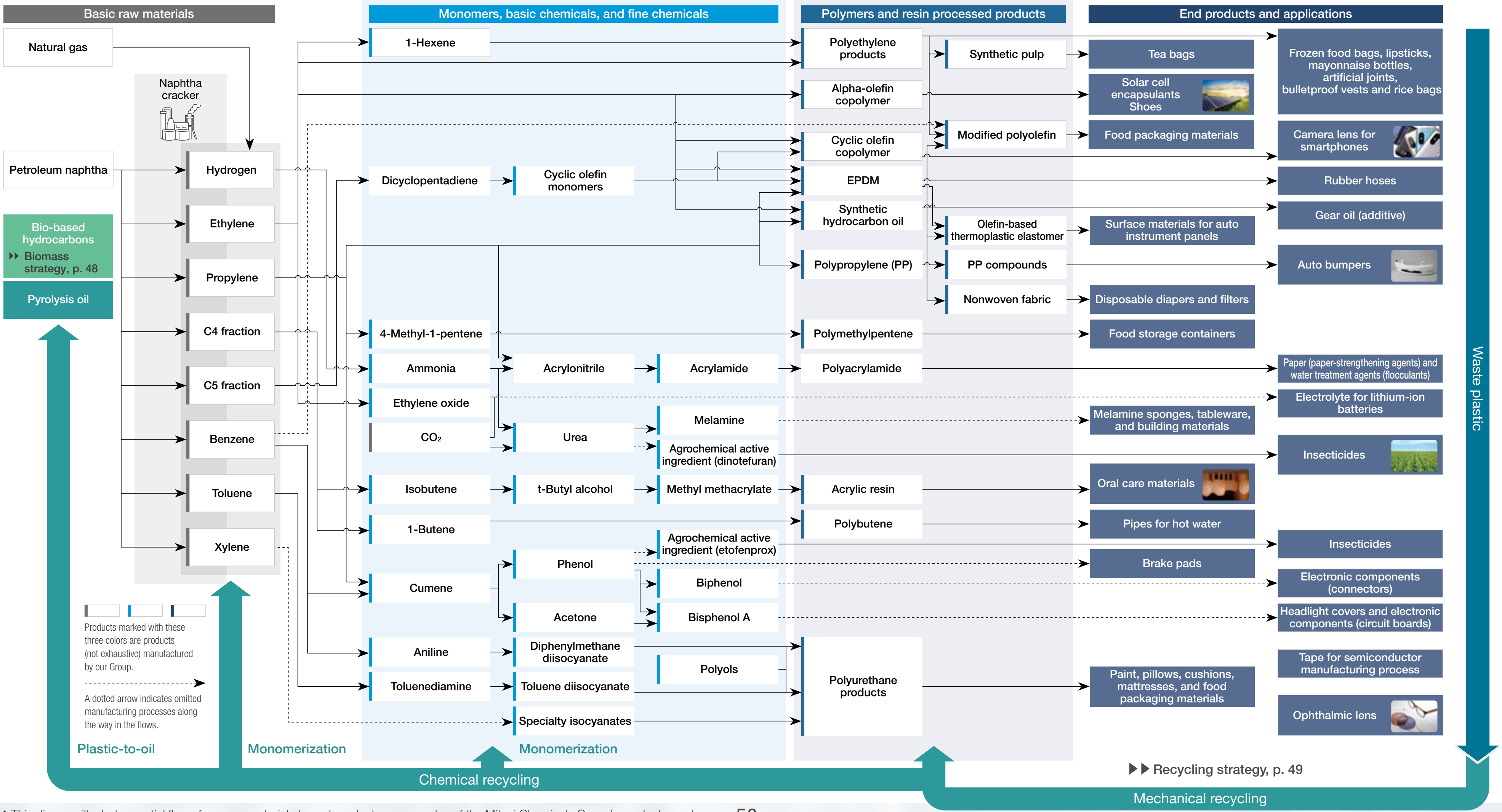
We will use Creation Palette YAE™ as the base and cooperate with our R&D bases Creation Palette™ SODEGAURA, Creation Palette™ NAGOYA, and Creation Palette™ NIIGATA to materialize co-creation themes with customers while leveraging the unique functions and technologies of each, and quickly connect them to business opportunities.

World-leading technological and R&D capabilities

Our value chain

The strengths that the Mitsui Chemicals Group has built up, including precision synthesis technology, polymer science, and manufacturing process technology, are reflected in a wide variety of products that enrich people's lives. By utilizing the extensive value chain made up of these products, we are working with our customers to solve social challenges and contribute to the realization of a sustainable society.

Additionally, by changing our raw material from conventional petroleum naphtha to bio-based hydrocarbons and by recycling products as resources rather than just producing products, we are working to transform into green chemicals by increasing the bio-based content and recycling rate not only of final products but of the entire value chain.



* This diagram illustrates partial flows from raw materials to end products as examples of the Mitsui Chemicals Group's products, and does not represent our Group's commercial flows.

Market-Leading Product Strength

What supports the Mitsui Chemicals Group today and what will accelerate its future growth is the power of our unique, market-leading products. Based on our track record of having earned high praise from leading companies in various industries, we will continue to meet market needs while maintaining and developing our competitive advantage.

In addition, by certifying Blue Value™ and Rose Value™ products based on our defined criteria, we will visualize the contributions our Group's products and services make to the environment and society and share those values with stakeholders.

	MR™ (ophthalmic lens materials)	ICROS™ Tape	TREBON™ (etofenprox) / STARKLE™ (dinotefuran)
Main applications	Plastic ophthalmic lens materials	Semiconductor manufacturing process tapes	Insecticides
Market share	No. 1 in the world (Share: 45%)	No. 1 in the world	TREBON™: No. 1 in Japan; STARKLE™: No. 2 in Japan
Market growth rate (Global)	Overall: 3%* High refractive index: 6%*	7%	— (Overall agrochemicals: 3-4%*)
Market needs/ Contribution to solving social challenges	Eye health management and disease prevention through improved quality of vision (QOV)	Increased functionality and efficiency of electronic equipment	Stable supply of safe and secure food
Utilized technology	Precision synthesis technology Manufacturing process technology	Polymer science Manufacturing process technology	Precision synthesis technology Manufacturing process technology

* FY2021-2024

Market-Leading Product Strength

APEL™
(cyclic olefin copolymer)

Main applications
Smartphone camera lens materials

Market share
No. 1 in the world
(Share: 50%+) (convex-lens)

Market growth rate (Global)
Smartphone lens market: 2%*1

Market needs/ Contribution to solving social challenges
Contributes to digitalization as a lens material for various IT devices

Utilized technology
Polymer science
Manufacturing process technology

TAFMER™
(alpha-olefin copolymer)

Main applications
Auto bumper and instrument panel materials
Solar cell encapsulants

Market share
No. 2 in the world
No. 1 in Asia No. 1 in Japan

Market growth rate (Global)
—

Market needs/ Contribution to solving social challenges
Automobile lightweighting
Spread of renewable energy

Utilized technology
Polymer science
Manufacturing process technology

Pellicles

Main applications
Dust covers for photomasks

Market share
No. 1 in the world

Market growth rate (Global)
10%*2 (cutting-edge area)

Market needs/ Contribution to solving social challenges
Improves semiconductor productivity

Utilized technology
Polymer science
Manufacturing process technology

Polypropylene compounds

Main applications
Auto bumper and instrument panel materials

Market share
No. 2 in the world
No. 2 in Asia No. 1 in Japan

Market growth rate (Global)
—

Market needs/ Contribution to solving social challenges
Automobile lightweighting

Utilized technology
Polymer science
Manufacturing process technology

*1 FY2024-2028 *2 2025-2030 CAGR

Market-Leading Product Strength

Blue Value™ / Rose Value™
https://jp.mitsuichemicals.com/en/sustainability/mci_sustainability/contribution_value/ms/index.htm

Increasing sales of Blue Value™ and Rose Value™ products and services

The Mitsui Chemicals Group's Blue Value™ and Rose Value™ help visualize the contributions our products and services make to the environment and society and enable us to share those values with stakeholders. We express environmental contributions as Blue Value™ and quality-of-life (QOL) improvements as Rose Value™. We certify Blue Value™ and Rose Value™ products by assessing and reviewing candidates based on our unique criteria set for each of them.

We also believe Blue Value™ and Rose Value™ inform our efforts to address the following material topics of our Group, which were set in order to realize our ideal future society: climate change, a circular economy, health and livelihood, highly livable communities, food security, and product design considering the entire product life cycle. By maximizing our contributions throughout the entire product life cycle through expanding and providing Blue Value™ and Rose Value™ products and services, we hope to achieve corporate growth for the Group and realize our ideal future society.

Incorporating into management policy

Blue Value™ and Rose Value™ products and services are intended to contribute to solving social challenges, and an increase in the sales revenue ratios from certified product and services represents the progress of the shift to solutions-based business models and circular economy-based business models. In VISION 2030, we set the ratios of sales revenue from Blue Value™ and Rose Value™ products and services to consolidated sales revenue as non-financial metrics, with their targets both set at 40%. Each business divisions sets an annual goal of increasing sales revenue from certified product and services and incorporates this into its business strategies.

Ideal future society

- A circular society in harmony with the environment
  ▶ Transitioning to a circular economy
- An inclusive society creating diverse value
  ▶ Pursuing diverse value chains
- A comfortable society in which people can enjoy healthy lives and well-being
  ▶ Achieving a flexible and resilient society

Environmental contributions
Blue Value™

Earth blue: Instead of green, which is associated with nature and ecology, blue represents something much bigger—the earth. It is also our corporate color and signifies harmony with the global environment and our contributions to society.

Certify products and services that make significant environmental contributions throughout the life cycle

- Life cycle assessment (LCA)
- Two-step assessment based on our unique criteria (1) Approach to social challenges (2) Our reasonable involvement
- Assessment by application

Visualization of provided value

Maximizing products and services to achieve a low-carbon, recycling-oriented, and cohesive society in harmony with the environment

- Reducing CO_2
- Conserving resources
- Coexisting with nature

QOL improvements
Rose Value™

La Vie en rose: Rose symbolizes days brimming with happiness and hope for people from all walks of life.

Certify products and services that improve everyone's QOL

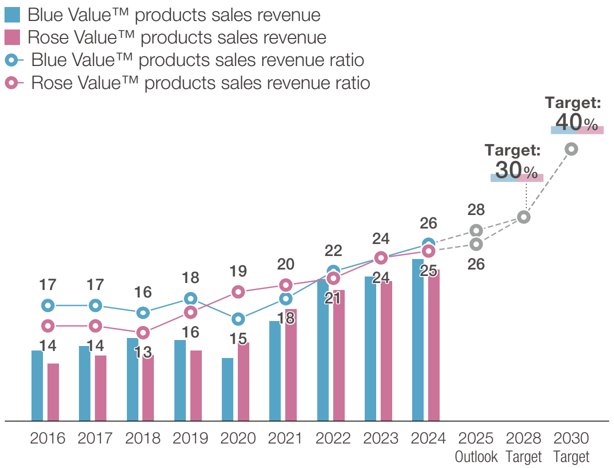
- SDGs
- Two-step assessment based on our unique criteria (1) Approach to social challenges (2) Our reasonable involvement
- Assessment by application

Visualization of provided value

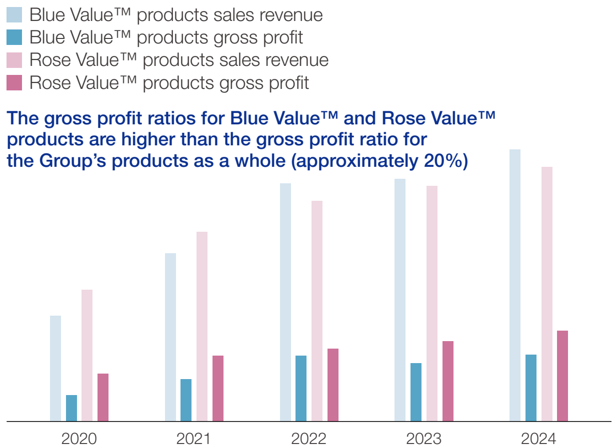
Maximizing products and services to achieve better QOL and a smart society

- Enriching life and society
- Extending healthy life-span
- Protecting food

Blue Value™ and Rose Value™ products sales revenue ratios



Blue Value™ and Rose Value™ products gross profit



Market-Leading Product Strength

Structure and processes

The policies, strategies, and plans for promoting the expansion of Blue Value™ and Rose Value™ products are discussed at the Corporate Sustainability Committee, reported to the Management Committee, and supervised by the Board of Directors. In addition, we have established a review board chaired by the general manager of the RC & Quality Assurance Division and set up processes, involving management and the review board, for system design, review and certification, and KPI management.

Summary of the FY2024 results of the review

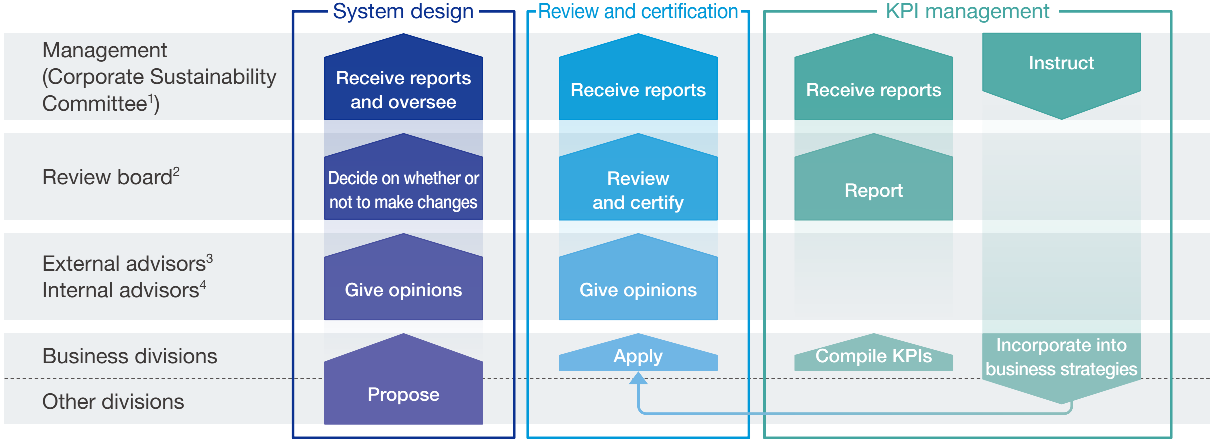
At the FY2024 review board, 66 products and services were certified as Blue Value™ and 42 as Rose Value™.

Chemical products derived from bio-based hydrocarbons and plastic raw materials made from recycled materials have been newly certified as Blue Value™ products. In addition, release film that improves product yields during press processing has been recertified during certification renewal review, which is conducted every five years to reflect changes in societal demands and the market environment.

Newly certified Rose Value™ products include breathable film that reduces discomfort caused by leaks and stuffiness in masks and diapers, and a business that recycles industrial waste into chemicals that can be used as raw materials for semiconductors and other products. During the certification renewal review, water pipe that is less likely to break in an earthquake was once again certified.

On the other hand, applications that lack trade-off information, those that set comparison targets that do not take into account improvements in technological standards, and those that provide insufficient explanation of the contribution to improving the environment and quality of life are deemed inappropriate and are not certified. Additionally, for Rose Value™, applications in which the role of our products in solving social challenges is unclear are also not certified.

Roles of bodies and individuals involved in each process



1. The Corporate Sustainability Committee is comprised of president (chair), responsible officer, executive officers with specific titles, business sector presidents, and relevant general managers
2. The review board is comprised of general manager of the RC & Quality Assurance Division (chair), general managers of business divisions, and general managers of the New Business Incubation Center, Corporate Planning Division, R&D Planning & Coordination Division, and Corporate Sustainability Division
3. External advisors are Dr. ITSUBO Norihiro (Blue Value™ advisor), Professor, School of Creative Science and Engineering, Waseda University and Japan Research Institute, Limited (Rose Value™ advisor).
4. Internal advisors are director of the Chemicals Safety Department, general manager of the Intellectual Property Division, and director of the Co-Creation Promotion Department

External advisors

When determining the assessment methods and review criteria for Blue Value™ and Rose Value™ products, we receive advice from external advisors from a specialist perspective. In addition, the opinions of external advisors are also incorporated into the level of contribution made by the product in question, and the review board determines whether it meets the criteria.

Blue Value™ advisor
Dr. ITSUBO Norihiro
Professor, School of Creative Science and Engineering, Waseda University

Rose Value™ advisor
Japan Research Institute, Limited

Dr. ITSUBO Norihiro
Blue Value™ advisor

Meeting with Japan Research Institute
Rose Value™ advisor

Market-Leading Product Strength

Status of Blue Value™ and Rose Value™ products and services

Life & Healthcare Solutions

The Life & Healthcare Solutions Business Sector's certified Rose Value™ products include vision care materials, personal care materials, oral care, and agrochemical products, which contribute to a more comfortable lifestyle and to improving food productivity. For agrochemical products, we are working to ensure food security for a growing global population and to eradicate malaria in emerging and developing countries through the global expansion of our unique proprietary insecticides. Moreover, for oral care, we will strive to develop and launch new products in the core dental sectors. With respect to Blue Value™ products, we manufacture acrylamide, a raw material for polymer flocculants used in wastewater treatment, via the eco-friendly bio-catalytic method. By licensing this manufacturing technology and supplying highly active bio-catalysts on a global scale, we also contribute to the reduction of global greenhouse gas emissions.

Ophthalmic lens materials
MR™
- Contributes to the vision correction for people across the world and makes their daily lives more comfortable through superior optical performance

Enriches life and society

Insecticide
STARKLE™
- Helps boost food production and stabilize agricultural production in rice paddies, farms, and orchards through its insecticidal effect against a variety of pests

Protects food

Acrylamide
- Reduces the energy required to manufacture acrylamide by using the eco-friendly biocatalytic method

Reduces CO_2

Mobility Solutions

The Mobility Solutions Business Sector is working to develop products and services that contribute to improving the energy efficiency of automobiles via lighter weight and recyclability, as well as increasing the usage of renewable energy, in line with development trends in the value chain that are occurring in response to growing environmental awareness around the world. In fiscal 2024, we continued to work on increasing sales of Blue Value™ products, mainly PP compounds products and ADMER™ that contribute to a reduction in energy consumed in manufacturing and processing throughout the supply chain. Going forward, we will strive to contribute to society through our business by continuing to enhance the performance and quality of our Blue Value™ products. We will achieve this by developing products and services that help realize a circular economy and by pushing forward with sales, development, and production strategies with the same objective, such as through efforts to support recycling.

Auto bumper and instrument panel materials
PP compounds
- Can reduce greenhouse gas (GHG) emissions by 13% as painting process is no longer required

Reduces CO_2
Conserves resources

Adhesive polyolefin for plastic fuel tanks
ADMER™
- Lightens fuel tanks by 10–30% with the use of plastics instead of metal. Enables realization of small welfare vehicles due to increased design flexibility of tank shape

Reduces CO_2
Enriches life and society

Lubricant additive for automobiles
LUCANT™
- Improves fuel efficiency by reducing the dependence of lubricant viscosity on temperature

Reduces CO_2

ICT Solutions

The ICT Solutions Business Sector provides products and solutions that contribute to the evolution of technologies such as AI and beyond-5G/6G, which support the realization of the following goals: "Ensuring the sustainability of communities" and "Improving comfort in people's lives." We provide various ICT materials with unique properties, such as pellicles and APEL™, as Rose Value™ products, and contribute to the advancement of ICT technology and the resolution of issues related to society and human health through it. In addition, products such as CHEMIPEARL™ and TPX™ are certified as Blue Value™ products, which contribute to reducing manufacturing and processing energy throughout the supply chain. We will continue to transform our portfolio in line with changing societal demands, including our nonwovens business, which joined our business sector in fiscal 2025.

Dust cover for photomasks
MITSUI PELLICLE™
- Improves productivity of semiconductors through high light transmittance and its function of protecting photomasks. Helps to realize the miniaturization of semiconductors, which contributes to the sophistication of communication infrastructure

Reduces CO_2
Conserves resources
Enriches life and society

Imaging lens
APEL™
- Contributes to improving the functionality of various services, such as automobile safety control using image data as a lens material essential for the advanced functionality of smartphones and in-vehicle cameras

Enriches life and society

Heat sealant for environmentally friendly paper packaging materials
CHEMIPEARL™
- Enables coatings with a smaller environmental impact than polyethylene (PE) laminated paper. Paper coated with it is easily turned into a recycled pulp slurry, improving recyclability

Reduces CO_2
Conserves resources

Basic & Green Materials

In line with our Group's carbon neutral strategy, we are promoting a shift to bio-based and recycled raw materials. In addition to bio-based products and mechanically recycled products that have been certified as Blue Value™ products to date, in fiscal 2024 we certified chemically recycled products (ISCC PLUS certified) as Blue Value™ products. In addition, utilizing our distinctive catalyst and resin design technologies, to date, we have certified products including EVOLUE™, Nextyol™, and ECONYKOL™, which is derived from bio-based raw materials, as Blue Value™ products. Furthermore, we have certified products including HI-ZEX™, NEO-ZEX™, Prime Polypro™, and ACTOCOL™ as Rose Value™ products. We have also started handling certified products at overseas sites, and are promoting the expansion of Blue Value™ and Rose Value™ products globally. We will continue to contribute to solving social challenges through the supply chain.

Bio-based and chemically recycled products
- Reduce the use of fossil resources and contribute to reduction of GHG emissions by using bio-based hydrocarbons and pyrolysis oil from plastic waste as raw materials

Reduce CO_2
Conserve resources

Seat cushion material
Nextyol™
- Contributes to mitigating climate change and improving comfort in people's lives by omitting the manufacturing processes and significantly reducing volatile organic compounds (VOCs)

Reduces CO_2
Coexists with nature
Extends healthy life-span
Enriches life and society

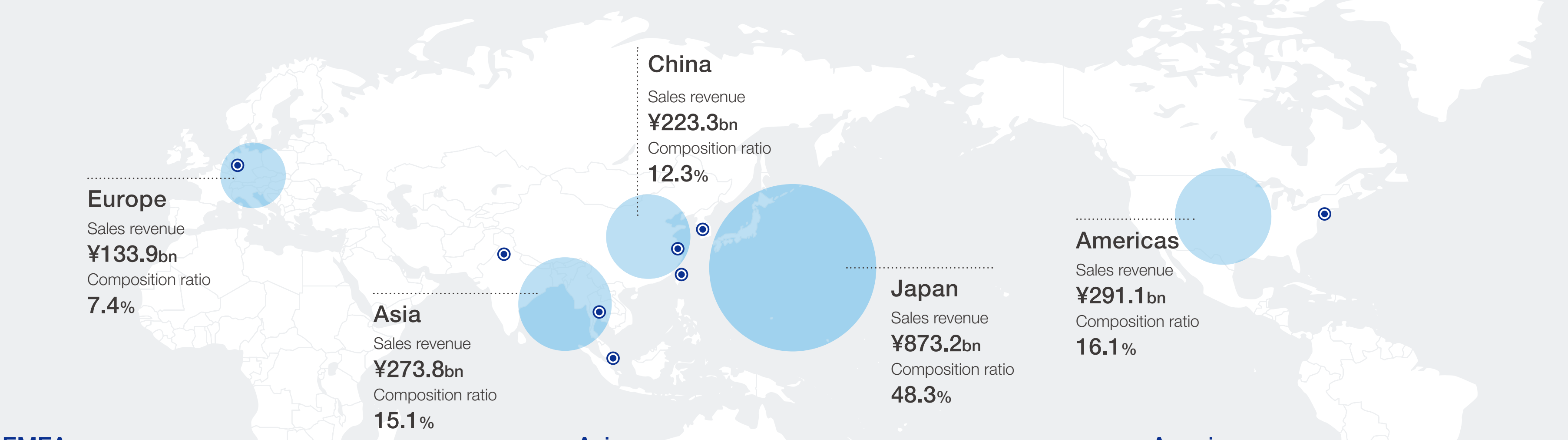
Seat cushion material
ECONYKOL™
- Reduces the use of fossil resources by using bio-based raw materials

Reduces CO_2
Conserves resources

Global Expansion Capabilities

The Mitsui Chemicals Group is actively expanding globally with the aim of becoming a global specialty company with a strong presence around the world. The Group currently has 156 subsidiaries and affiliates (50 domestic and 106 overseas) in 31 countries and regions around the world, and the overseas sales revenue ratio has reached 52%. As international competition intensifies, we recognize that localization will be an important issue going forward. We will expand our business more quickly than ever before by establishing bases in each region to complete the process from development to sales, and by giving our regional headquarters more authority and by having them play a strategic role. Furthermore, rather than pursuing individual optimization for each affiliated company, the regional headquarters will have a cross-functional capability, optimizing operations within the regional strategies and further strengthening competitiveness.

Regional headquarters and regional bases | Sales revenue ratio * Other regions composition ratio: 0.8% | Life & Healthcare Solutions | Mobility Solutions | ICT Solutions



EMEA

- Grow in Europe via dental materials M&A
- Further strengthen as a key healthcare market

- Early rollouts of e.g. composite materials to Europe
- Speed up European rollouts in differentiated areas, e.g. eco-friendly packaging & automotive sector

- Speed up European rollouts in differentiated areas, e.g. eco-friendly packaging, while pursuing market development in Africa (looking at establishing a sales & technical support site for coating & engineering materials)

Asia

- Bolster business in India and elsewhere as key markets for agrochemicals

- Pursue steady growth as a key market
- Continue to use local production for local consumption as a basis to expand in differentiated areas, including in India

- Pursue steady growth as a key market
- Continue to use each site's technical support capabilities to strengthen our ability to offer solutions, and in turn expand business
- Establish a technical support site for coating & engineering materials in India

Americas

- Permanently station the Business Sector Vice President in what is the largest healthcare market to strengthen e.g. medical sector operations
- Continue to focus on South America as a key market for agrochemicals

- Pursue steady growth centered on the automotive sector as a key market
- Continue to use local production for local consumption as a basis to strengthen business in differentiated areas

- Speed up offering of solutions in cutting-edge fields, e.g. for GAFAM

Agrochemical products | Key driver

Leveraging overseas bases and partnerships

p. 66

PP compounds | Key driver

Development centers established at each overseas base

p. 70

Coating & engineering materials | Key driver **Technical support base established in India**

The Group established Coating Technical Center in India where demand for sustainable packaging materials is increasing. By performing product testing and evaluation in India, which previously required bringing the products to Japan, we will be able to respond swiftly to customer needs.

Coating machine

Global Expansion Capabilities

Developing the foundation for region-led business and aiming for sustainable growth

KASHIMORI Masashi
Executive Officer
General Manager of
Regional Strategy Division

The Group's overseas sales revenue accounts for 52% of Group-wide sales revenue, and in specialty chemicals domains, it has expanded approximately 2.6 times over the past 15 years, reaching a level of more than 70% by fiscal 2024. In order to achieve VISION 2030, expanding our overseas business is becoming more and more important. The Regional Strategy Division was established in April 2025 as a department responsible for formulating, developing and promoting regional strategies with the aim of maximizing the Group's corporate value by revitalizing global activities. Aiming to achieve sustainable business growth by shifting from the traditional export-led business from Japan to activities that meet the social needs of each region, our division will support the creation of region-led businesses through the design and operation of platforms that promote co-creation between regions and businesses, the creation of locally-based business models, and the establishment of systems to promote the development of new markets, thereby contributing to solving social challenges around the world.

COLUMN Turning employee ideas into business

Every year, our Group holds an in-house event called "Business Idea World Cup" with the aim of utilizing the creativity of each employee and discovering the seeds of new businesses that respond to local issues and social needs. We call for ideas for new businesses and new products that utilize the resources of our Group from consolidated subsidiaries around the world. After review by directors, outstanding proposals will be supported in commercialization by the sponsor business division.

Final round participants at headquarters

VOICE Overview of mission as Vice President of Life & Healthcare Solutions Business Sector

As Vice President of the Life & Healthcare Solutions Business Sector, my primary role is to build a viable third pillar of stable earnings by focusing on and expanding the Mitsui Chemicals Group's medical business within the United States, the world's largest healthcare market. This will be achieved through collaboration among medical-related Group companies across Europe and the U.S., as well as through targeted M&A initiatives and strategic partnership projects. Additionally, I will drive new healthcare initiatives through our Group's New Business Incubation Center and Corporate Venture Capital programs to ensure sustainable and diversified growth within the healthcare sector.

Antonios GRIGORIOU
Managing Executive Officer
Representative in America
President, Mitsui Chemicals America, Inc.
Business Sector Vice President, Life & Healthcare Solutions Business Sector

VOICE Accelerating the region-led business

In India, where sales are growing across all business areas, we will accelerate business development with a focus on region-led initiatives in order to achieve further expansion. For coating products, we established a technical center with the aim of quickly resolving technical issues for customers, but in the future we plan to expand this to other products and enhance our function as a solutions base.

Currently, there are over 15 local production projects underway, both large and small, and we are playing a central role in supporting these projects to ensure they are launched smoothly and to maximize their effectiveness. We are also preparing to enter the Middle East and African markets, which will become easier to access through localized manufacturing in India. Furthermore, we will begin collaborating with local companies, startups, universities, etc. to launch unique businesses originating from India that are rooted in the local community. We will work in every direction, without restrictions, to solve social challenges in India and create new value.

KAWAGUCHI Jun
President of MITSUI CHEMICALS INDIA, PVT. LTD.

Key Drivers: Case Study—Agrochemical Products

Going beyond agriculture to contribute to humanity / New agrochemical TENEBENAL™

Agrochemicals, one of the core businesses of Life & Healthcare Solutions, are developed, manufactured, and sold by a Mitsui Chemicals Group company, Mitsui Chemicals Crop & Life Solutions, Inc. A pioneer in the agrochemical field with a history of over 100 years, it was the first in Japan to manufacture and sell synthetic agrochemicals and has since contributed to ensuring food safety and reliability and improving the quality of life for people around the world. It is always committed to pursuing technological innovation and contributing to society, striving to be a leading provider of new agrochemicals and solutions.

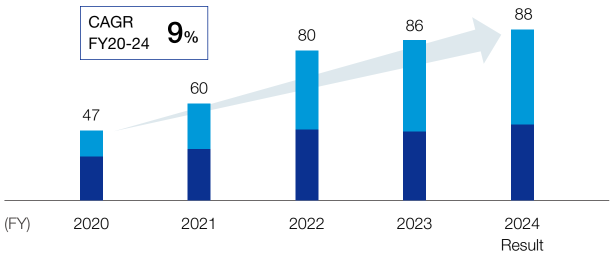
Agrochemical products | Key driver

World-leading technological and R&D capabilities

Leveraging our strengths in research and development, which enable us to create and develop unique active ingredients and develop products tailored to market needs, we have created 12 types of active ingredients over the past 20 years, including TENEBENAL™, and have brought to market numerous formulations using these ingredients.

In recent years, requirements for product safety and low environmental impact have become more stringent worldwide, making product development more difficult. However, by integrating the research and development capabilities we have cultivated thus far, introducing new ideas and technologies, and leveraging open innovation, we are working to improve and sophisticate our technological capabilities and address two major issues: pursuing the safety and reduction of environmental impact of agrochemicals and strengthening biological solutions using natural product-related technologies.

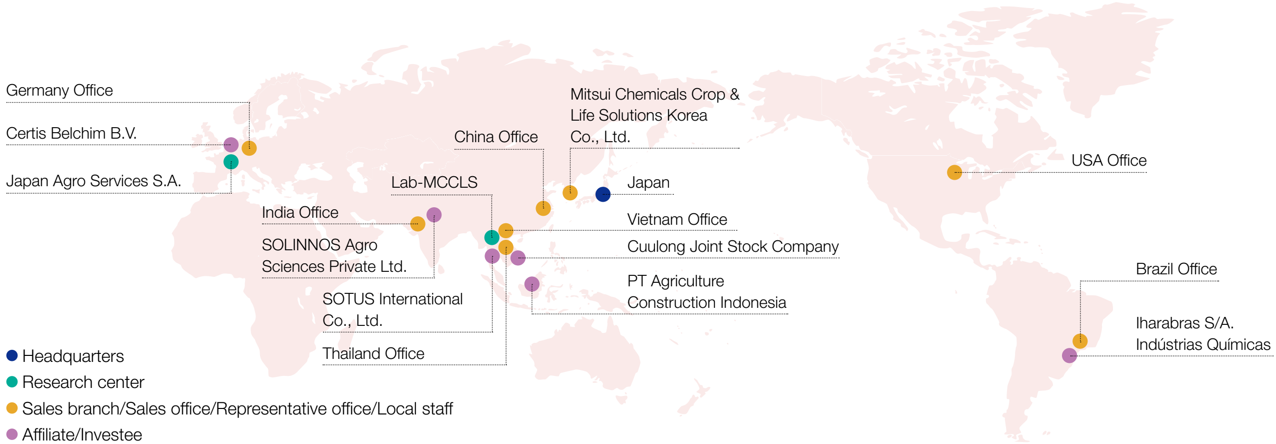
Sales revenue (¥bn) ■ Japan ■ Overseas



Agrochemical products | Key driver

Global expansion capabilities

In order to maximize the potential of our product lineup and increase our competitiveness in a global market crowded with multinational companies, we are also focusing on establishing overseas bases, strengthening partnerships, and expanding our portfolio. We have our own bases in the growing markets of Brazil and India, as well as South Korea, China, Vietnam, Thailand, Germany, and the United States, and we actively invest in partner companies. We have obtained agrochemicals registrations in over 100 countries and regions, and are strengthening our product deployment and marketing functions in these countries and regions through the distribution of our products to partners and sales bases. Additionally, we continue to expand our strategic business foundations both domestically and overseas, including through the acquisition of the agrochemicals business of Meiji Seika Pharma Co., Ltd. In response to the needs of each country and region, we will accelerate the development and strengthening of sales of safer and higher-performance active ingredients with lower environmental impact, with the aim of achieving both sustainable business growth and contributions to solving social challenges.



Key Drivers: Case Study—Agrochemical Products

Agrochemical products Key driver

Market-leading product strength

The new active ingredient, TENEBENAL™, has been recognized by the Insecticide Resistance Action Committee (IRAC)*1 as having a completely new mode of action, and has been classified in Group 30*2 for the first time in the world. It is highly active against various pests and is expanding worldwide in both agricultural and non-agricultural fields.

In the agricultural field, our control agent BROFREYA™ for lepidopteran and leaf beetles contributes to ensuring stable food production around the world. We are also expanding applications in the non-agricultural field, including high-performance termite control agent, treatment methods adapted to changes in housing construction styles, insecticides for pets, and general household chemicals. In the livestock field, we launched LIVCARE™, a chicken mite control agent for poultry houses, in 2025, which helps prevent diseases and reduce stress in industrial animals, as well as improve the working environment for employees. Furthermore, in the field of vector control, which aims to protect humans from pests that transmit infectious diseases, we launched VECTRON™ T500, a chemical that is effective against mosquitoes that are resistant to existing chemicals, in 2023. Going forward, we will accelerate our expansion into regions centered around Africa and work to solve the social challenges of eradicating malaria.

*1 A global organization that conducts awareness-raising activities to prevent the development of insecticides resistance in pests
*2 A new mode of action that is highly effective against pests resistant to existing chemicals

Key Drivers: Case Study—Vision Care Products

Lighter, stronger, clearer eyeglasses. MR™ is the de facto standard brand of high refractive index lens materials currently advancing the evolution of eye care.

The Group's ophthalmic lens material MR™ is the first in the world to use thiourethane polymers in ophthalmic lens materials, achieving outstanding properties not found in conventional polymers, enabling lenses to be thin and light, safe and resistant to breakage, as well as have a lasting appeal and clear views. Today, MR™ is used in countries and regions around the world as the most reliable high refractive index ophthalmic lens material.

Vision care products Key driver

World-leading technological and R&D capabilities

The Group identified the potential of urethane polymers, which have excellent impact resistance, for use in ophthalmic lens materials, and has established a new concept called thiourethane-based materials, which increases the refractive index by introducing sulfur atoms. In 1987, an optical lens material with an innovative molecular structure called MR™-6, the first MR™ brand product, achieved a refractive index of 1.60, a high Abbe number*, and a low specific gravity, and opened a new era of high refractive index lenses. This makes use of the precision synthesis technology that our Group has developed over its many years of history. We subsequently developed materials with even higher refractive indices of 1.67 and 1.74, contributing to the development of thinner and lighter ophthalmic lenses.

As a pioneer in the development of high refractive index lens materials, we also utilize high-performance technologies such as chemical synthesis, light wavelength control, and photochromic technology to enhance manufacturing and quality, thereby responding to social needs such as eye health and comfort. We are also focusing on expanding our range of environmentally friendly products, such as Do Green™, which uses raw materials derived from plants. In addition, we are also working on developing technology for chemical recycling, which involves collecting swarf and waste lenses generated during the ophthalmic lens manufacturing process and reusing them to produce high-quality MR™, in an effort to realize a circular economy.

Furthermore, we are pursuing the acquisition of patent rights for our technologies around the world, which we view as important assets that support our competitive advantage, and we review and renew these rights as necessary in line with technological innovation.

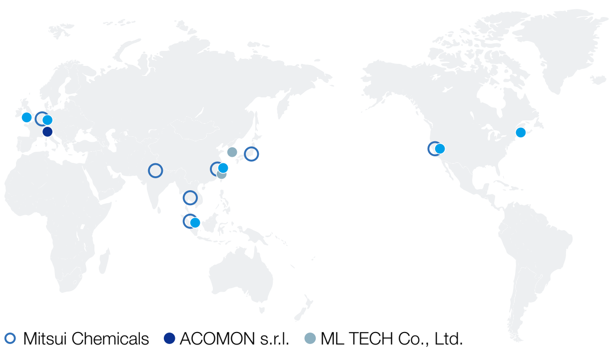
* An index showing the degree of light dispersion. The higher the Abbe number, the smaller the dispersion, the less color bleeding, and the better the visibility.

Key Drivers: Case Study—Vision Care Products

Vision care products Key driver

Global expansion capabilities

We have subsidiaries and affiliates, such as ACOMON s.r.l. in Italy, ML TECH Co., Ltd. in South Korea, and SDC Technologies, Inc. in the United States, that serve as bases for the manufacturing, sales, and marketing of vision care materials. We offer products that meet the ophthalmic lens needs of each country and region, and provide high-quality services. By having subsidiaries and affiliates with expertise in low and medium refractive index ophthalmic lens materials and coating materials, we are able to offer not only services for our ophthalmic lens materials such as MR™, but also a wide range of vision care solutions, thereby supporting lens manufacturers around the world.

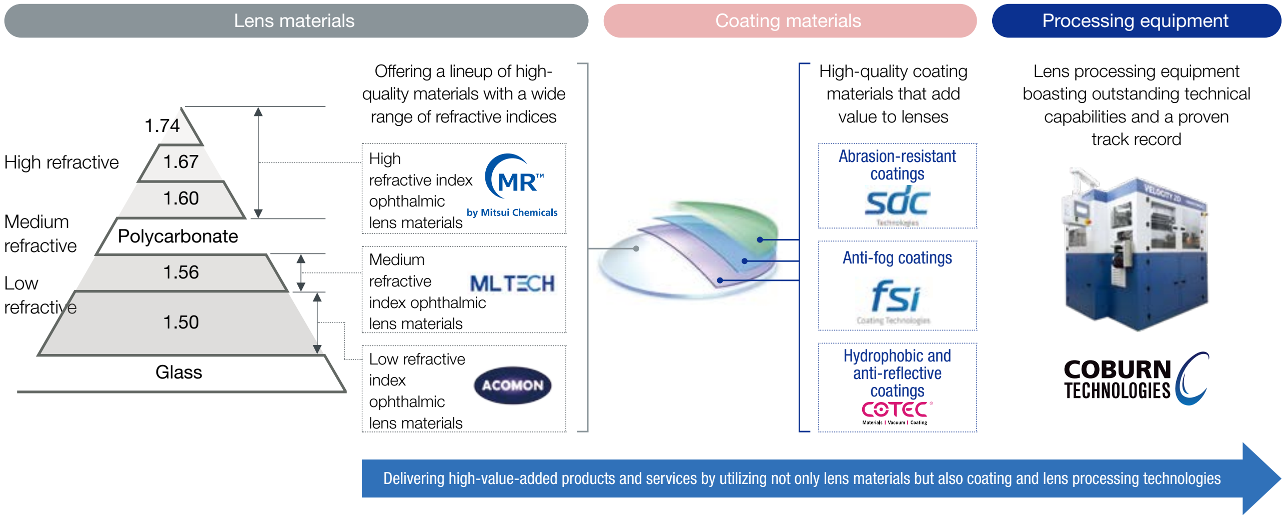


Vision care products Key driver

Market-leading product strength

Demand for high refractive index ophthalmic lens is expected to grow in the long term due to the continued increase in the global population and the number of people with myopia, as well as the expansion of the Asian market seeking high-performance products. In order to ensure supply capacity that meets growing demand, the Group began operation of a new MR™ manufacturing facility in fiscal 2023, and decided on further expansion in fiscal 2024.

Furthermore, the Group captures market needs in each country and region by offering a wide range of plastic ophthalmic lens materials, from low to high refractive indices. At the same time, through the acquisition of companies such as SDC Technologies, Inc., which develops high-quality coating materials, and Coburn Technologies, Inc., which has strengths in lens processing equipment, the Group has developed materials with a variety of properties, such as light-curing and anti-fog coatings, ahead of the market, and has a business foundation capable of delivering optimal solutions desired by optical lens manufacturers.



Key Drivers: Case Study—TAFMER™

A soft yet tough "unsung hero" capitalizing on polyolefin technology and global expansion

TAFMER™ is a differentiated polyolefin elastomer developed by the Mitsui Chemicals Group using its proprietary polymerization technology, which gives polyolefin the flexibility of rubber. When mixed with polypropylene (PP) or polyethylene (PE), it strengthens the original material and makes it easier to bond to different materials. For this reason, it is widely used around the world as a modifier to improve the properties of polyolefin, including in packaging materials and automotive parts. Furthermore, taking advantage of its characteristics of being soft, light, and transparent, it is also used in the soles of running shoes and solar power generation modules.

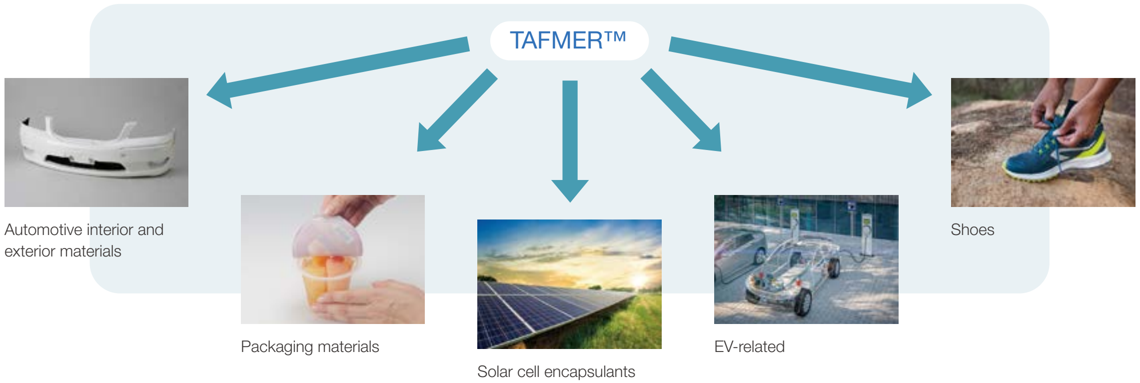
TAFMER™ Key driver

World-leading technological and R&D capabilities / Market-leading product strength

Since commencing Japan's first commercial production of high-density polyethylene in 1958, the Group has continued to refine its catalyst and manufacturing technologies for approximately 70 years. Taking advantage of these technologies, in recent years we have been focusing on developing differentiated products, particularly TAFMER™.

The TAFMER™ business began in 1970 as a modifier for PP compounds for automobiles and packaging materials. Since then, we have been actively developing a variety of applications, such as engineering plastics modifiers and for shoes in the 1990s, and for wire coatings and solar cell encapsulants since the 2000s, and have developed and sold grades optimal for each application. Going forward, we will continue to develop new applications by utilizing the catalyst and manufacturing technologies we have cultivated over the years, and will continue to develop markets where we can provide unique value by actively promoting proposals to customers.

▸▸ **History of the TAFMER™ business, p. 34**
▸▸ **Broad patent network supporting TAFMER™, p. 73**



TAFMER™ Key driver

Global expansion capabilities

In response to the new demand generated by these efforts, in 2003, our Group established a new production base for TAFMER™ in Singapore, in addition to our mother plant in Japan, thus establishing a more stable supply system. Furthermore, in 2011, we moved the head office functions of TAFMER™ to Singapore, and have since built a global network for both production and sales. As a front-runner in polyolefin elastomers, our Group will continue to look one step ahead of our customers, offer valuable proposals in the global market, and engage in marketing activities rooted in each region.

TAFMER™ manufacturing plant in Singapore

Key Drivers: Case Study—PP compounds business

Realizing growth that exceeds market growth, driven by global expansion in eight countries and differentiated materials

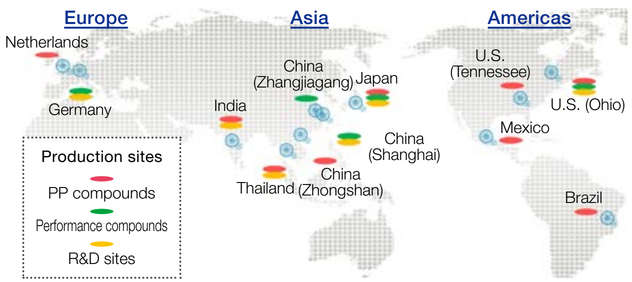
PP compounds are polymers made by mixing polypropylene (PP) with various additives and fillers to give them properties and functions that cannot be achieved with PP alone. In order to accommodate the global expansion of automobile manufacturers, the Mitsui Chemicals Group has built a system capable of supplying PP compounds with the same quality from any of its bases in eight countries around the world. Furthermore, we are developing new differentiated products to capture changing needs such as the shift to electric vehicles (EVs) and sustainability. As a result, we have achieved business growth that exceeds the global automobile production growth.

PP compounds business | Key driver

Global expansion capabilities

In 1986, the Group established its first overseas site for PP compounds business in the United States. At the time, Japanese automobile manufacturers were one after another starting production in the United States, and our Group also aimed for on-time delivery through local production for local consumption. As our customers expanded their production sites globally, we have increased our bases to eight countries around the world. Each base has its own development center, so we can not only provide products with consistent quality and prompt technical support but also carry out product development at each location.

The value we provide through this system has been highly rated not only by Japanese but also by American and European manufacturers, giving us a competitive advantage and enabling us to achieve steady growth.



PP compounds business | Key driver

World-leading technological and R&D capabilities

For approximately 70 years, the Group has continued to refine its polyolefin catalytic technologies and manufacturing technologies. By utilizing the high-performance polyolefins developed using these technologies, we can create PP compounds with even higher added value.

For example, in recent years, there has been a growing need to reduce the environmental impact of automobiles, especially in Europe and the United States. To meet this need, we have developed recycled PP compounds that contain 20-50% post-consumer plastic, and they have been adopted by several customers in the United States.

We have also developed PP compounds that give a gloss to parts as if they were painted. The new material is expected to streamline the painting process, which emits a large amount of GHG, and has been adopted by several customers.

PP compounds business | Key driver

Market-leading product strength

As a new initiative to create high added value, we are promoting solution proposals centered around concepts for modules and components. As the shift to EVs continues, there is an increasing need for modules and parts that did not exist in internal combustion engine vehicles, such as battery-related parts. To meet the need for polymer materials that can reduce vehicle weight, as well as to address potential concerns held by customers who have never used PP compounds before, we offer comprehensive solutions in addition to our materials, from proposing new module and part concepts to providing the functions necessary for implementing the concepts—such as design, molding, molds, and materials—in a single package.

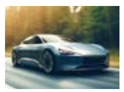
Expansion of recycled PP compounds

Waste plastics

Compound manufacturing using unique know-hows

PP compounds containing 20-50% recycled materials

Automotive materials (exterior/interior)



Sales volume of recycled PP compounds

New paintless materials

Developing materials that streamline painting processes and meet demand to reduce environmental impact

Optimizing coloring and colorant dispersal technologies

Key Drivers: Case Study—ICROS™ Tape

Surface protection tapes with the world's top market share, supporting semiconductor manufacturing with a wide range of products

ICROS™ Tape is a process tape used in the semiconductor manufacturing process, and holds the world's top share as a surface protection tape for backgrinding of silicon wafers. Among our major competitors, the Mitsui Chemicals Group is the only company that manufactures and processes polymers, and our strengths lie in differentiating ourselves through polymer design, film forming technology, and adhesive design. In addition to offering a wide range of products suited to customer products and processes, we are expanding our business in the global market through production and provision of technical services at two bases in Japan and Taiwan.

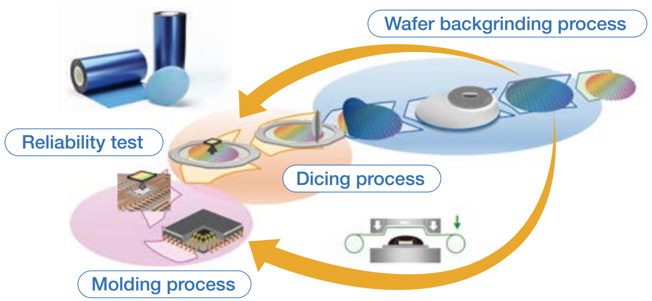
ICROS™ Tape Key driver

Market-leading product strength

ICROS™ Tape has excellent low contamination properties, improving yields in customer manufacturing processes. In addition, it simplifies the cleaning process after the tape is removed.

Another feature is the low breakage rate during the wafer backgrinding process. This is due to the fact that the variation in tape thickness is small and that its ability to absorb bumps on the wafer surface reduces unevenness in grinding of thin wafers.

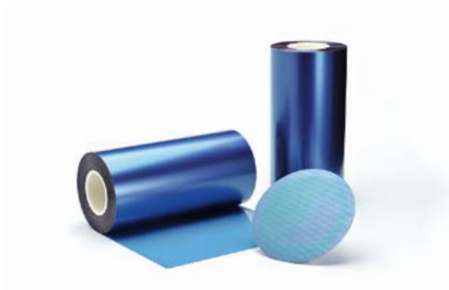
Our bumped wafer compatible grades achieve both low contamination and bump absorption at a high level, and are high-value-added products that contribute greatly to stabilizing our customers' supply of products in the increasingly complex world of cutting-edge semiconductor manufacturing.



ICROS™ Tape Key driver

World-leading technological and R&D capabilities

We have developed tapes with a wide range of properties, including heat resistance, chemical resistance, transparency, viscosity, and bump absorption, and have developed products used for a variety of processes—not only the wafer backgrinding process, but also the dicing process (functional dicing tape), packaging process (thermal release adhesive tape), and inspection process (functional dicing tape).



ICROS™ Tape

ICROS™ Tape Key driver

Global expansion capabilities

ICROS™ Tape is produced at two locations, in Japan and Taiwan. The second-phase plant in Taiwan started commercial operations in June 2024, which not only significantly expanded the supply capacity, but also ensured business continuity across all processes. In addition, we are able to conduct evaluations similar to those in our customers' production processes at both sites, thereby facilitating new product development.

We also have trained engineers stationed at subsidiaries and affiliates in various countries and regions. By maintaining close contact with customers and providing detailed technical ssupport in these markets, we have gained the support of semiconductor manufacturers globally.

Plant in Taiwan (after capacity expansion)

Key Drivers: Case Study—Pellicles

The world's No. 1 diversified pellicle manufacturer that supports next-generation semiconductor manufacturing

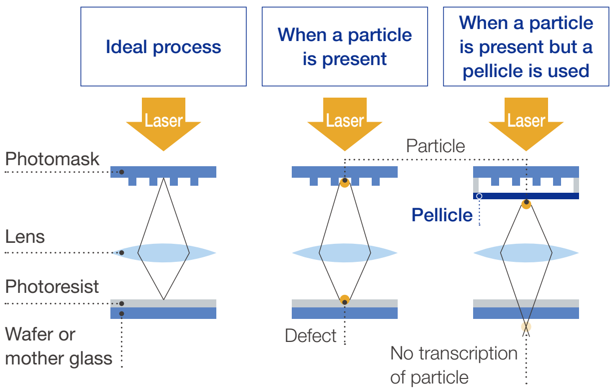
MITSUI PELLICLE™ achieves high transmittance and long service life in photolithography, contributing to improved productivity in semiconductor manufacturing. Furthermore, through continuous technological development and investment, including the integration of Asahi Kasei's pellicle business, we deliver high-performance pellicles that meet increasingly sophisticated standards for quality assurance for a wide range of applications. For EUV pellicles used in cutting-edge EUV lithography, we are working with external organizations to further advance semiconductor technology and further strengthen our position as the world's No. 1 diversified pellicle manufacturer.

Pellicle Key driver

Market-leading product strength

MITSUI PELLICLE™ is a dust cover for photomasks that prevents scratches and dust from accumulating on the photomasks (original pattern of the circuit design) used in the photolithography process, and helps improve customers' manufacturing yields.

In addition, by selecting film materials that are light-resistant to each lithography wavelength used in photolithography, we have achieved high transmittance and a long pellicle life, contributing to improved productivity for our customers.



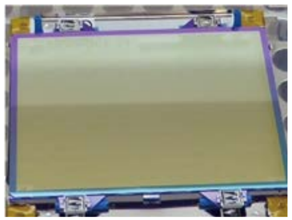
Principle of pellicle

Pellicle Key driver

World-leading technological and R&D capabilities

The Mitsui Chemicals Group acquired Asahi Kasei's pellicle business in 2023, and by combining the technologies of the two companies, it is moving forward with launching products for cutting-edge semiconductor applications.

Our high-quality pellicles are stably produced in high-precision clean rooms and supplied to customers. The Group engages in quality management around two pillars—quality control, which involves activities to build quality into products, and quality assurance, which involves activities to gain the trust of customers—and aims to improve the management level throughout the entire supply chain. This allows us to continue to provide our customers with consistent, high-quality pellicles.



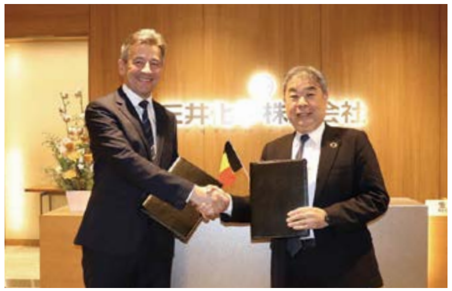
EUV pellicle

CNT pellicle

Pellicle Key driver

Global expansion capabilities

Regarding EUV pellicles, we are strengthening collaboration with external organizations. For example, we signed a license agreement for the EUV pellicle business with ASML Holding N.V., an equipment manufacturer with a dominant market share in the semiconductor lithography field, and in 2021 we became the first in the world to commercialize EUV pellicles. Additionally, we signed a strategic partnership agreement with imec, a world-leading research and innovation organization in nanoelectronics and digital technologies, to advance the commercialization of carbon nanotube (CNT) pellicle technology, further strengthening our position as the world's No. 1 diversified pellicle manufacturer.



Partnership with imec

Key Drivers: Intellectual Property Initiatives Linked to Business

Collaboration with Danyang City administration in intellectual property protection activities in China's eyewear market

The Mitsui Chemicals Group held a discussion with the Danyang Municipal Administration for Market Regulation (hereinafter, Danyang Municipal Administration) regarding the infringement of patent and trademark rights related to MR™ in China's eyewear industry, and agreed to implement new intellectual property protection activities through collaboration between the two parties.

In China, MR™ is widely recognized as a premium product, and there have been cases of lens manufacturers that do not use MR™ being found to be misusing the MR™ trademark.

This situation is affecting the MR™ brand and its customers, lens manufacturers as well as eyewear retailers. For this reason, in order to protect not only the MR™ brand but also lens manufacturers, eyewear retailers, and others, in 2024, our Group held a discussion with the Danyang Municipal Administration, one of the major ophthalmic lens production areas in China. Through two meetings and market research conducted by the Danyang Municipal Administration, the Danyang Municipal Administration came to understand the importance of protecting and promoting MR™'s patent rights and trademark rights, and the Danyang Municipal Administration agreed to continue collaborating with our Group to protect intellectual property rights and conduct awareness-raising activities. Through this initiative, we aim to create a fair market for China's eyewear industry.

In addition to the continuous improvement of our technologies, our Group is also actively pursuing the acquisition of patent and related trademark rights in countries and regions around the world. As a leading company that innovates eyewear starting from lens materials, we consider intellectual property to be an important intangible asset that supports the competitive advantage of our Group. We have formed intellectual property through technological innovation and research and development and have expanded it globally.

We will continue to cooperate with China's administrations for market regulation and other relevant authorities to protect and strengthen patent and trademark rights for MR™ series products. Through these efforts, we will support our customers' sustainable business activities and continue to provide a stable supply of high-quality MR™ related products.

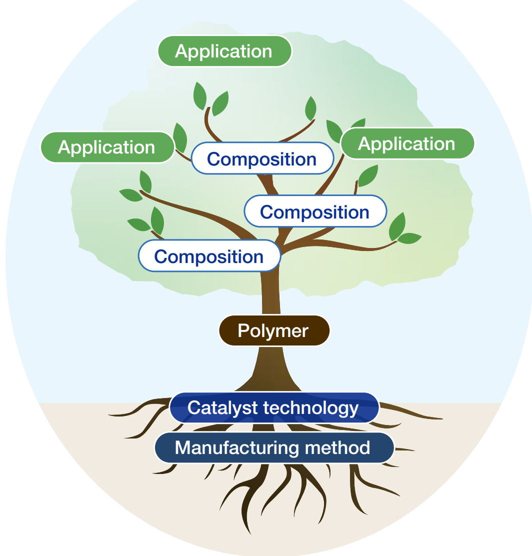
MR™ by Mitsui Chemicals
MR-7™ MR-8™ MR-10™ MR-174™

Source: Danyang Municipal Administration for Market Regulation, China

A wide range of patents supporting TAFMER™

From upstream to downstream, our Group holds patents for catalysts and processes for manufacturing TAFMER™, as well as polymer patents, composition patents, and application patents for TAFMER™ products. In this way, we are building a patent network that covers a wide range of business and development themes, which will lead to further application development.

Patent network illustrated as a tree (TAFMER™)



Management foundation

The Mitsui Chemicals Group is striving to improve the quality of its management in order to become a global specialty company, and is further strengthening its initiatives in areas such as corporate governance and sustainability governance.

Engagement with Investors

The Group believes that engagement with investors is important for enhancing corporate governance. In addition to engagement by the CEO, CFO, and the IR department, opportunities for engagement by outside directors have also been established since fiscal 2022. Alongside participating in ESG presentations, they are committed to active dialogue in discussion forums primarily led by outside directors, including small group meetings and individual sessions with investors. Through such engagement, we will continue to strive to improve the quality of our management, based on the opinions and questions we receive regarding our corporate strategies and corporate governance, in order to achieve VISION 2030.

Main opinions and questions regarding corporate strategies and corporate governance raised during engagement activities conducted by outside directors with investors

Outside directors as respondents

MABUCHI Akira, Director

MIMURA Takayoshi, Director

KIHARA Tami, Director

Progress of VISION 2030

Q. What mechanisms will you establish and implement to enhance the effectiveness of strategies for achieving VISION 2030?

Q. What have you learned from past M&A cases, and how are you applying those lessons to your current business?

p. 76

Nomination/Succession

Q. What is the concept of the skills matrix for the Board of Directors?

Q. How do you evaluate the succession process?

p. 82

Executive compensation

Q. Are the performance index and evaluation index for variable compensation linked to the achievement of VISION 2030?

Q. What is your view on the current high proportion of fixed compensation?

p. 84

Risk management

Q. How do you evaluate the risk management system from the perspective of outside directors?

p. 86

Corporate Governance for Achieving VISION 2030

Q. What mechanisms will you establish and implement to enhance the effectiveness of strategies for achieving VISION 2030?

A. With the interim targets being pushed back, we understand that investors are increasingly focused on how we can increase the likelihood of achieving our business goals and realizing our strategies. We believe it is important to quickly identify the reasons for failure to achieve goals and develop and implement measures to make up for them. In the past, our Group was perceived as being primarily focused on petrochemicals, with its three specialty chemicals domains functioning somewhat independently, as if they were small standalone entities. While it is natural for each business sector president to bear responsibility for its own profitability, we appreciate the establishment of the cross-functional CxO Working Group in the course of discussions on revising the plan. If this structure functions effectively, it will enable discussions not only from technical or financial perspectives, but from a higher perspective—focusing on how the Group can drive future growth through its businesses. Furthermore, entering areas that are different from existing business will require human resources with different skills than before. We will focus on how to achieve human resources portfolio management by identifying required skills and visualizing human resources information.

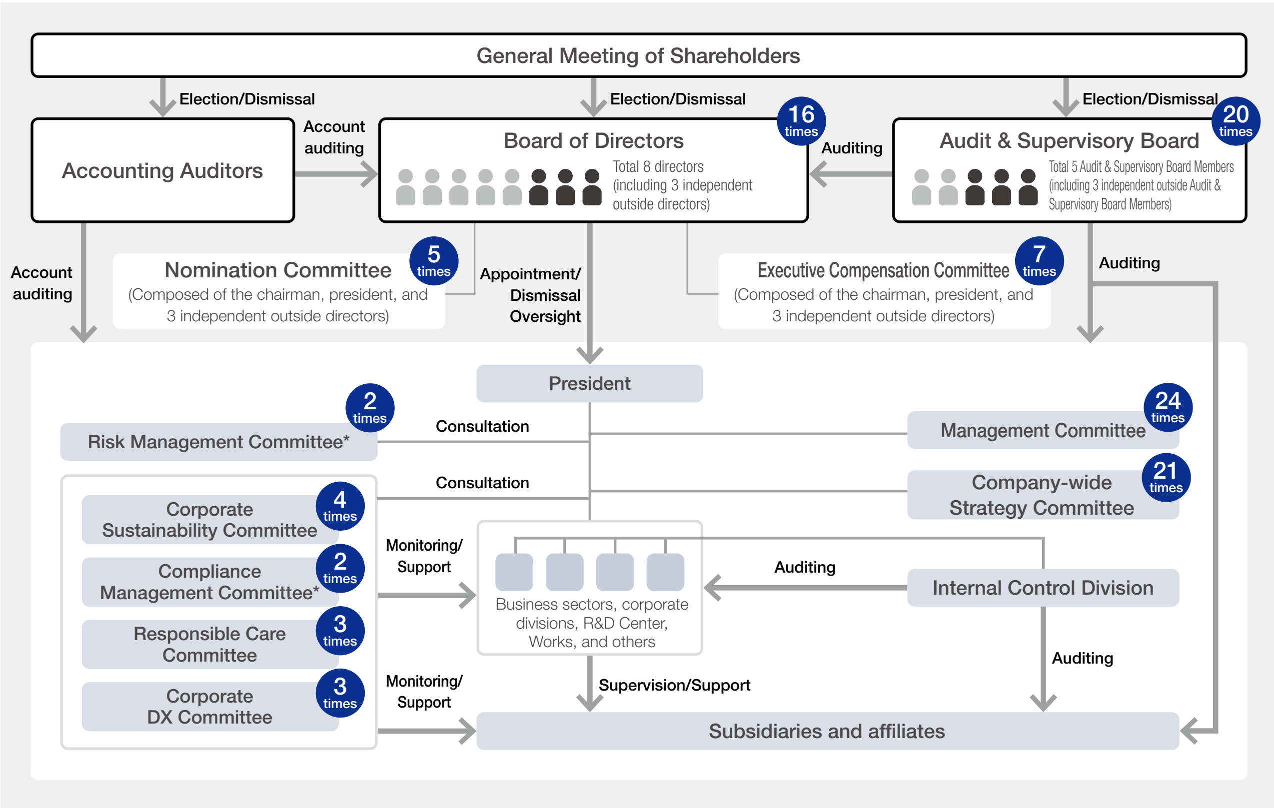
Q. What have you learned from past M&A cases, and how are you applying those lessons to your current business?

A. M&A is essential for accelerating growth, but once undertaken, it rarely goes according to the initial plan. In past M&A projects, one issue has been a lack of consideration of next-best options when the environment changes from the original plan. To effectively address such an issue, it is essential to establish a framework in which the entire Group, rather than individual business divisions alone, can take responsibility and supervise; otherwise, the lessons cannot be carried forward. Although not perfect, the process for how projects are handled has evolved considerably compared to a few years ago. In addition, the materials related to projects that were carried out before we took office, such as the M&A of Kulzer GmbH and ARRK Corporation, are also shared, which we can use for discussions at the meetings of the Board of Directors. On the other hand, the startup area managed by CTO Omote seems to be systematic and the way things are done is quite sophisticated, due to his experience in his previous job. With Omote now in the role of CTO and head of the division responsible for creating new businesses, we expect strengthened execution capabilities in M&A, including human resource development.

Corporate governance framework

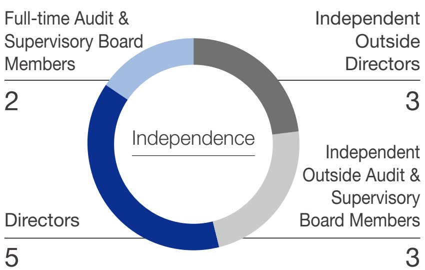
At Mitsui Chemicals, the Board of Directors, which includes outside directors who are independent of the business execution, makes material management decisions and oversees the execution of duties by each director and the duties of executive officers and others. As a company with an Audit & Supervisory Board, the status of each director's execution of his/her duties is audited by Audit & Supervisory Board Members and the Audit & Supervisory Board, which are independent of the Board of Directors. In accordance with such organizational design, the Company aims to realize smooth and efficient management through initiatives such as to clarify official authority and decision-making rules based on company rules, clarify the division of responsibilities between management oversight and business execution by introducing an executive officer system, deliberate on important matters at the Management Committee, and discuss strategies from a Company-wide perspective at the Company-wide Strategy Committee. In addition, the Company strives to ensure soundness and appropriateness through an internal control system based on serious regard for the roles of Audit & Supervisory Board Members, auditing of appropriateness of business operations by the Internal Control Division, and sound risk management.

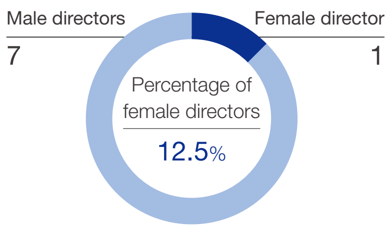
Corporate Governance for Achieving VISION 2030

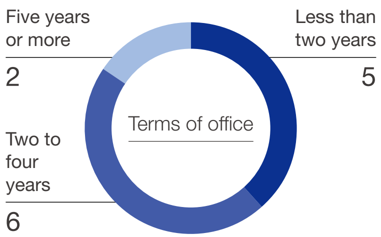


* ● Number of meetings held in fiscal 2024

Composition of directors and Audit & Supervisory Board Members







Outline of boards and committees

Board of Directors	Chair: TANNOWA Tsutomu, Member of the Board, Chairman The Board of Directors decides business strategies, business plans, and all other important matters related to the management of Mitsui Chemicals pursuant to laws, ordinances, the Company's Articles of Incorporation, and Rules for Meetings of the Board of Directors. The Board of Directors also oversees the overall management of the Group through reporting on matters such as the execution of duties of individual directors, the execution of important operations of subsidiaries and affiliates, and the implementation status of compliance and risk management systems by the Company and its subsidiaries and affiliates. In addition, the Board of Directors works to strengthen its management oversight role by discussing the important policies related to the running of the Company from an intermediate stage while providing advice to the persons executing business.
Audit & Supervisory Board	Chair: NISHIO Hiroshi, Full-time Audit & Supervisory Board Member The Audit & Supervisory Board prepares the audit report, selects and dismisses full-time Audit & Supervisory Board Members, and determines audit policies, etc., in accordance with laws, ordinances, the Company's Articles of Incorporation, and Rules for Meetings of the Audit & Supervisory Board.
Nomination Committee	Chair: MIMURA Takayoshi, Outside Director The Company has established the Nomination Committee as an advisory body to the Board of Directors to strengthen the independence, objectivity, and accountability of the Board of Directors' roles related to the election and dismissal of directors, president/CEO and the nomination of candidates for these positions.
Executive Compensation Committee	Chair: MABUCHI Akira, Outside Director The Company has established the Executive Compensation Committee as an advisory body to the Board of Directors to strengthen the independence, objectivity, and accountability of the Board of Directors' roles related to compensation for directors and other executive officers.
Risk Management Committee	Chair: HASHIMOTO Osamu, President Vice Chair: ICHIMURA Satoshi, CSO To achieve sustainable growth and enhance medium- to long-term corporate value by minimizing the threats posed by risks surrounding our Group and maximizing opportunities, the Company has established the Risk Management Committee and operates a Group-wide, cross-functional risk management system. The Committee deliberates on important matters such as proposed basic policies for risk management across the Group and proposed key Group-wide risks. It also reports and discusses the overall status of risk management within the Group, including the monitoring status of key Group-wide risks.
Corporate DX Committee	Chair: HASHIMOTO Osamu, President Vice Chairs: OMOTE Toshihiko, CTO and SAMBE Masao, CDO To establish a competitive advantage and ensure the sustainable growth of the Group, the Company has established the Corporate DX Committee. This committee drives transformation not only in the products, services, and business models based on customer and societal needs through the use of data and digital technologies but also in the operations, organizational structure, processes, and corporate culture.

Corporate Governance for Achieving VISION 2030

History of corporate governance reform

Since the founding of Mitsui Chemicals in 1997, we have continued to implement reforms with the aim of achieving more effective corporate governance.

- In fiscal 2022, we reviewed the composition of the Executive Compensation Committee and the Nomination Committee so that independent outside directors make up the majority of their members. Additionally, we appointed an independent outside director as the chair of the Executive Compensation Committee, and are working to accelerate the transformation into executive compensation system that is aligned with VISION 2030.
- In fiscal 2023, we established and began operating a Group-wide risk management system. We aim to minimize the threats posed by risks surrounding the Group and maximize the opportunities, thereby achieving sustainable growth and improving corporate value over the medium- to long-term.
- From fiscal 2025, we have appointed an independent outside director as the chair of the Nomination Committee, and we will accelerate the sophistication of our nomination system to further improve the fairness, transparency and objectivity of nominations and support the achievement of VISION 2030. Additionally, we have abolished a Senior Advisor, Advisor system in order to further improve management transparency and effectiveness.

Going forward, the Group will continue to strive to improve its corporate governance in order to increase its corporate value.

(FY)	2009-2018	2019	2020	2021	2022	2023	2024	2025-
Number of directors	2009: 15 ▶ 2016: 8	8 (37.5% outside directors, 12.5% women)						
Number of outside directors	2–3 (2011-2015: 2)	3						
Number of outside audit and supervisory board members	3							
Executive compensation/ executive officer appointments — Composition of each committee (2022-) Chairman, President, Outside director (3)	Executive Compensation Committee				2022: Outside director as chair			
	2017: Introduced a Restricted Stock Compensation Plan					2023: Increased rate		
	2017: Nomination Committee							2025: Outside director as chair
Senior advisor /advisor system								Abolished
Related committees	Responsible Care Committee							
	CSR Committee	Corporate Sustainability Committee						
	Risk & Compliance Committee					Risk Management Committee		
						Compliance Management Committee		
				Corporate DX Committee				
Opportunities for engagement between outside directors and investors					• ESG Presentation	• ESG Presentation • Small group meeting	• ESG Presentation • Small group meeting • One-on-one meeting	

Corporate Governance for Achieving VISION 2030

Toward deeper discussions at the meetings of the Board of Directors

At the meetings of the Board of Directors, we also discuss medium- to long-term issues, such as the status of our rolling strategic plans, changes in the internal and external environment since the formulation of VISION 2030, and efforts to improve our competitiveness based on a review of past investments.

Additionally, we strive to deepen the understanding of our Group's business among outside directors and Audit & Supervisory Board Members by enhancing information sharing with them as follows, and to deepen discussions at the meetings of the Board of Directors.

- Advance explanation of the agenda for the meetings of the Board of Directors (held multiple times depending on the importance of the proposals)
- Understanding of the status of important matters through attendance at important internal meetings
- Inspections of domestic and overseas bases, etc.

M&A discussion

We believe that M&A for disruptive growth is essential to achieving VISION 2030. We are also taking the following steps to deepen discussions and improve the effectiveness of M&A.

- Sharing of materials of past M&A projects (Kulzer GmbH, ARRK Corporation, etc.)
- Pre-briefing of proposals (including individual exchange of opinions with knowledgeable outside director as appropriate)
- Multiple discussions at the meetings of the Board of Directors (including extraordinary meetings of the Board of Directors as necessary)
- Inspections of overseas bases by outside directors and feedback to members of the Board of Directors, etc.

Engagement by outside directors

We also actively provide opportunities for outside directors to engage in dialogue with investors, and feedback the opinions received to management as appropriate.

- Participation in ESG presentation
- Small group meeting by outside directors
- One-on-one meetings between outside directors and investors

Operational reform of functional divisions under CxO leadership (CxO Working Group)

In order for the Group to grow and achieve VISION 2030, it is necessary to strengthen cross-functional capabilities and promote strategies that pursue efficiency across the entire Group. To achieve this goal, we are launching Group-wide activities led by the CxOs, reforming our functional divisions and working to strengthen our competitiveness.

We will pursue medium- to long-term, essential issues from a holistic perspective on the following themes.

Owner	Project	Themes under consideration
CTO	Production and technology	Fundamental safety measures and maintenance and improvement of production technology
	Research and development	Strengthening of core technologies and early realization of demand for developed items
CDO, CFO	Digital transformation (DX) implementation Operational efficiency improvement	Operational efficiency improvement through DX and operational reform in functional divisions
CHRO	Human resources and regional strategy	Development of competitive talent globally and enhancement of regional management structure

Specific examples of initiatives

For each of the themes under consideration, we will proceed with the following initiatives to improve our competitiveness from a Group-wide perspective.

- Establishment of a safety foundation and cultivation of a safety culture and development of technical specialists and managerial talent beyond the boundaries of business sector
- Technology management by CTO, scrutiny of research themes, early realization of demand for development themes (utilization of MI, etc.)
- Discussion on early implementation of streamlining operations to quickly realize efficiency and fundamental structural reforms rooted in corporate culture
- Discussion on the Group's global policies and ideal vision

Evaluation of the effectiveness of the Board of Directors

The Board of Directors strives to improve its meetings by analyzing and evaluating the effectiveness of the Board of Directors as a whole every year following self-evaluations performed by directors and Audit & Supervisory Board Members, various discussions (among outside directors and outside Audit & Supervisory Board Members only, among internal directors and Full-time Audit & Supervisory Board Members only and with all members of the Board of Directors), discussions at meetings of the Board of Directors, and other activities.

Issues and initiatives in fiscal 2024

❶ Selection of meeting agenda for the Board of Directors
We timely and appropriately selected strategic and governance-related agenda items, such as the revision of financial targets in line with the progress of VISION 2030, the restructuring of subsidiaries and affiliates, and discussions on key M&A projects.

❷ Improvement of the operation of the Board of Directors to deepen discussions on the day of a meeting
We provided information to deepen understanding of agenda items by outside directors and outside Audit & Supervisory Board Members by holding multiple pre-briefing sessions depending on the importance of the agenda, and through visits to overseas sites related to the agenda.

We also arranged opportunities for free discussion among outside directors and outside Audit & Supervisory Board Members, where issues related to operations of the Board of Directors, M&A, and DX were shared.

❸ Improvement of reports on the operation of our internal control system
We revised the reporting format for internal control system operations, which had previously been presented separately by each responsible committee (the Risk Management Committee, Compliance Management Committee, and Corporate Sustainability Committee, etc.) at different times. Now, the heads of each committee report sequentially at the same meeting of the Board of Directors, enabling the members of the Board of Directors to grasp the overall structure of the internal control system and engage in deeper discussions.

Survey results for directors and Audit & Supervisory Board Members

Evaluation items	Compared to other companies*	Questions
Composition	–	Ratio of internal directors to outside directors
Operation	+	Free, vigorous and constructive discussion and exchange of opinions, rather than formal discussion and exchange of opinions
Discussion	+	Follow-up on the progress of the business plan
	+	Design of executive compensation system and determination of specific compensation amounts
	+	Proactive involvement in the development and operation of succession plans for CEO and others
	+	Allocation of management resources to human capital and other capitals and oversight of implementation of business portfolio strategy
Monitoring function	–	Oversight and monitoring of the development and operation of the internal control system, including subsidiaries
Support system	–	Collaborative structure between the Board of Directors, Audit & Supervisory Board Members, and the Internal Control Division
Operation of committees	+	Free, vigorous and constructive discussion and exchange of opinions, rather than formal discussion and exchange of opinions
	+	Effectiveness of each voluntary committee
	+	Deliberations for developing the selection criteria for CEO (including succession plans for CEO and clarification of the dismissal process)
	+	Sufficient deliberations to set an appropriate percentage of performance-based compensation

* Main items for which the difference between our score and the average score of other companies is ±0.3 points or more.

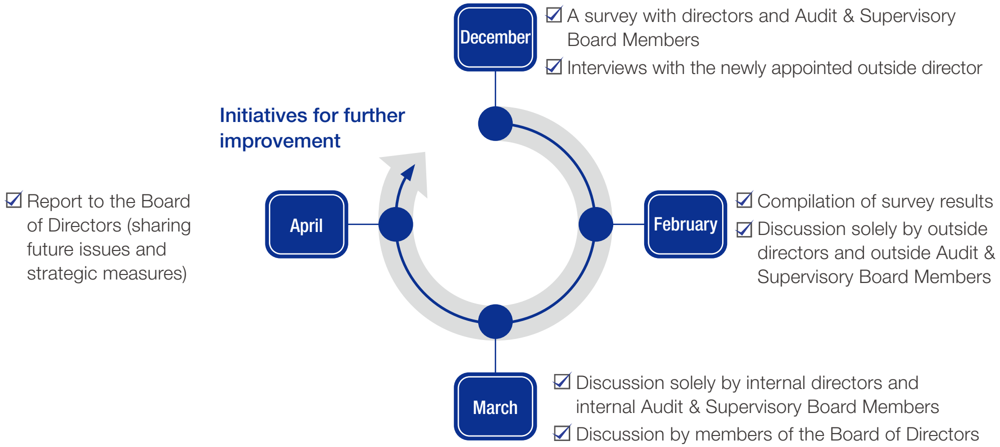
The Board of Directors was confirmed to have been improved and invigorated by implementing measures to enhance its oversight functions. Therefore, the effectiveness of the Board of Directors was evaluated as fully sufficient, as was the case in the previous fiscal year.

The evaluation results indicated that the Board of Directors had free, vigorous and constructive discussion and exchange of opinions, rather than formal discussion and exchange of opinions. Discussions within each voluntary committee are also active, including thorough deliberations on the design of compensation as appropriate incentives for achieving long-term goals.

On the other hand, as for items for which our score was low compared to the average score of other companies, we recognize the need to work on improving those areas by digging deeper into the specific issues and addressing them appropriately in order to make the operation of the Board of Directors more effective. We will implement necessary measures as appropriate to enhance the oversight functions of the Board of Directors in light of the results of these effectiveness evaluations.

Corporate Governance for Achieving VISION 2030

Process for evaluating the effectiveness of the Board of Directors



Future issues and initiatives

(1) Further improvement of risk management monitoring functions

In order for the Board of Directors to properly monitor the risk management implemented by the executive side, regular opportunities will be established to report to the Board of Directors on the overall progress of risk management and the status of individual management of the Company's most important risks.

(2) Expansion of support that contributes to prompt and appropriate decision-making

Prior to discussions at the meeting of the Board of Directors, the members of the Board of Directors will share the details of discussions held by the executive side and the questions from outside directors and outside Audit & Supervisory Board Members during pre-briefings on agenda items, thereby further deepening understanding of the agendas and promoting further in-depth discussions at the meetings of the Board of Directors and swift and appropriate decision-making.

VOICE Opinions of outside directors and outside Audit & Supervisory Board Members

- Although the Board of Directors is currently functioning well, it is true that there are no foreign nationals as members, and I think it is necessary to consider the qualities and backgrounds of individuals who should be added to the board from the perspective of internationality.
- I think it would be better to correct the balance between outside directors and internal directors, including Audit & Supervisory Board. Ideally, it would be desirable for outside directors and outside Audit & Supervisory Board Members to make up the majority.
- I believe that each of the outside director actively speaks out from their professional perspective and is functioning well. I feel that the system for outside directors to demonstrate their capabilities, including pre-briefings, is running smoothly.
- I would like the meetings of the Board of Directors to be able to hold more effective data-based discussions regarding the state of human capital, which is a resource for realizing corporate strategies.
- In addition to utilizing external talent, a human resources strategy could also involve breaking down and identifying the necessary skills and providing training for internal talent.
- When reviewing a withdrawn project, it is better to clearly explain the results as well as points for reflection and improvement.
- With many of the affiliates and subsidiaries being small-scale, there appears to be insufficient discussion on how to effectively operate internal control system. It is necessary for the Board of directors, Audit & Supervisory Board Members, Internal Control Division, and other related parties to recognize and execute their effective roles in terms of the functions they will perform.
- The exchange of opinions regarding overseas inspections by outside directors and discussions among outside directors and outside Audit & Supervisory Board Members are meaningful and should be continued.
- It would be better to increase the frequency of reports from the Internal Control Division a little more.
- Communication among outside directors and outside Audit & Supervisory Board Members is good, but I hope there will be more opportunities to exchange opinions than there are now.

Nomination/Succession

Q. What is the concept of the skills matrix for the Board of Directors?

A. Our Company limits the number of items checked for each individual to those areas in which they are particularly expected to contribute. The reason for checking the "business portfolio transformation" item for outside directors is to express the intention of encouraging a review of the business from an external perspective and leveraging insights gained in different fields. This does not imply that internal members are not involved in business portfolio transformation. We believe that the skills matrix itself is not limited to knowledge within the Company, but also includes skill and experience items related to personality and work methods.

Q. How do you evaluate the succession process?

A. The Nomination Committee is composed of a majority of outside directors, and information regarding candidates is disclosed openly. In addition, outside directors are given sufficient opportunities to observe and assess the individuals. Therefore, the process is considered to be highly transparent. We have been discussing for several years how to develop leaders suitable for the next generation, and we are building a system to select and narrow down candidates from both inside and outside the Company, and determine whether they have the necessary skills.

Skills Matrix—Skills and experience expected of directors and Audit & Supervisory Board Members to achieve VISION 2030

Skills and experience	Definition (the skills and experience to oversee execution in relation to each item)	TANNOWA Tsutomu	HASHIMOTO Osamu	HIRAHARA Akio	ANDOU Yoshinori	ICHIMURA Satoshi	MABUCHI Akira	MIMURA Takayoshi	KIHARA Tami	NISHIO Hiroshi	HOSOMI Yasuhiro	GOTO Yasuko	ONO Junshi	KIKUCHI Shin
		Member of the Board, Chairman	Representative Director, Member of the Board, President and Chief Executive Officer	Representative Director, Member of the Board, Senior Managing Executive Officer	Member of the Board, Senior Managing Executive Officer	Member of the Board, Managing Executive Officer	Independent Outside Director	Independent Outside Director	Independent Outside Director	Full-time Audit & Supervisory Board Member	Full-time Audit & Supervisory Board Member	Independent Outside Audit & Supervisory Board Member	Independent Outside Audit & Supervisory Board Member	Independent Outside Audit & Supervisory Board Member
		Chair of the Board of Directors					Chair of the Executive Compensation Committee	Chair of the Nomination Committee						
		13 years	7 years	Newly appointed	3 years	Newly appointed	4 years	3 years	1 year	3 years	1 year	2 years	2 years	Newly appointed
Corporate management and planning	• Establishment of the corporate vision and long-term/short-term management plans from a Group-wide, long-term perspective • Decision making that immediately responds to changes in an uncertain environment • Engagement activities with various stakeholders	●	●	●		●		●						
Business portfolio transformation	• Business management and the formulation of marketing and business strategies from a social issue perspective for the business domains we focus on			●			●	●	●					
Production and technology/R&D	• R&D activities towards realizing a competitive advantage beyond 2030 from a long-term perspective • R&D processes that set issues in a backcasting style • Advancing development processes in the areas of production and technology						●		●		●			
New business creation/M&A	• Various measures related to new business creation, M&A, alliances, other strategic planning, and integration activity to achieve long-term value creation		●	●		●		●					●	●
Global business	• Strategic planning, decision making, and stakeholder management from a global perspective				●			●						
Finance and accounting	• Monitoring and reporting of corporate performance in an appropriate manner, from both financial and non-financial perspectives • Measures in relation to finance, including capital policies, investment plans, and financing plans						●			●		●	●	
Risk management	• Building of an appropriate Group-wide risk management system and monitoring activities for various risks that may arise in corporate activities in the Group and globally						●		●	●		●	●	●
Diversity/ Organization and HR management	• Promoting the HR strategy and HR portfolio transformation • Improving organizational diversity, equity, and inclusion • Building a corporate culture that embodies self-initiative, autonomy, and collaboration, and increasing the engagement of each individual employee	●			●				●					
Sustainability	• Appropriate understanding of the essentials of social challenges and social demands that could affect the success or failure of achieving sustainable improvement of corporate value • Sustainability initiatives of our Group based on the above considerations	●	●			●					●	●		

* In this skills matrix, we have set a maximum number of items to be certified per each director and Audit & Supervisory Board Member and have marked ●. The skills matrix does not represent all of the skills and experience possessed by our directors and Audit & Supervisory Board Members.

Nomination/Succession

Election and dismissal of senior management and nomination of candidates for directors and Audit & Supervisory Board Members

The Nomination Committee deliberates the draft of a proposal on candidates for directors, by taking into consideration the qualifications necessary for the Board of Directors to oversee the progress of the long-term business plan and the standards for electing directors and Audit & Supervisory Board Members, as deliberated and determined by the Committee, and reports the deliberation results to the Board of Directors. The Board of Directors determines the final list of candidates for directors by giving consideration to the results report from the Nomination Committee.

In nominating directors, we strive to strengthen the oversight function of the Board of Directors as a whole by taking into consideration diversity, including internationality, gender, and race.

In addition, the president formulates a proposal on candidates for Audit & Supervisory Board Members in consultation with the full-time Audit & Supervisory Board Members in advance, and reports the proposal to the Board of Directors after obtaining the consent of the Audit & Supervisory Board, and the Board of Directors deliberates and determines the proposal.

Skills matrix

Toward promoting and achieving VISION 2030, we have defined the skills (knowledge, experience, and capabilities) required for the Board of Directors.

In designing the skills matrix, we have covered the supervisory skills necessary to appropriately oversee the overall business management, and identified the specific skills necessary to direct the long-term business plan (decision-making).

Skills and experiences particularly expected of directors and Audit & Supervisory Board Members are categorized into nine items, and the number of items assigned to each member of the Board of Directors is limited. This approach enables appropriate visualization and management of the overall skill balance of the Board of Directors, while also ensuring the effectiveness of future succession plan for the Board of Directors. Therefore, this skills matrix does not represent all the skills and experiences possessed by each member of the Board of Directors.

Internal directors are certified based on the skills and experiences particularly expected of them as drivers of sustainable enhancement of corporate value, while outside directors and Audit & Supervisory Board Members are recognized for their roles in oversight and auditing taking into account each individual's insights, experiences, and responsibilities. The reasons for the appointment of each director and Audit & Supervisory Board Member, as well as the roles expected of them, are disclosed in the Convocation Notice for the Ordinary General Meeting of Shareholders.

Succession activities

CEO succession

The Nomination Committee selects and evaluates candidates and deliberates on the direction of their development and placement in accordance with the position-specific requirements for the President/CEO and the selection and evaluation process defined by the committee. We also utilize assessments based on position-specific requirements by external specialist institutions, and we are continually improving the content to make it even more useful for identifying suitable talent, such as incorporating perspectives from liberal arts and management philosophy. We also strive to ensure that the succession process takes into account an objective perspective, by setting up opportunities for direct dialogue between the CEO candidates and the member of the Nomination Committee (outside directors only).

Additionally, in order to strengthen the oversight function of the Nomination Committee and further increase the transparency of the succession process, since April 2025, we have appointed an outside director as the chair.

Position-specific requirements for the President/CEO

1. Summary of roles and responsibilities

- To foresee how the global environment and human society should be in the future, and to envision the path that the chemical industry should take. To resolve social challenges and drive the realization of the ideal future society.
- To enhance our corporate value on a continuous basis while fulfilling commitment and accountability for delivering results as the person ultimately responsible for the overall management.

2. Assessment items

Achievements	Performance and results for the past several years
Position-specific requirements	Competencies
	Personal attributes
	Experience
Management philosophy	Perspective and vision as the management
	Will and determination
Humanity	Ethics
	Fairness/unselfishness
Attribute	Age

CxOs/sector presidents and center executives succession

Successors to CxOs and sector presidents and center executives are selected through a systematic key talent management process. We are also working to make the process more effective by gradually conducting assessments by external organizations to confirm each candidate's potential and level of preparation for the role. The Nomination Committee also receives reports on the results of the assessments of each candidate by external organizations and the status of the successor coverage rate as appropriate, and holds discussions aimed at selecting even more suitable talent.

Key talent management, p. 45

The operational status of the key talent management process is reported to the Board of Directors on a regular basis, and appropriate improvements are made based on the opinions expressed at the meetings. The succession process also leads to the selection of internal director candidates, and the Nomination Committee deliberates based on the assessment results of this process.

VOICE Voice of the chair of the Nomination Committee

MIMURA Takayoshi
Chair

In April 2025, I became the chair of the Nomination Committee.
The Nomination Committee has been working to establish an appropriate succession process, and I believe that the process is now in place.
We will continue to hold discussions to improve the process and strive to assign the appropriate talent to achieve VISION 2030.

Executive Compensation System

Q. Are the performance index and evaluation index for variable compensation linked to the achievement of VISION 2030?

A. The variable compensation amount for each fiscal year is linked to business performance results such as operating income before special items, and the degree of achievement of targets for ROE and non-financial metrics for each fiscal year based on VISION 2030. In both cases, the actual performance for each fiscal year is the basis for calculating the variable compensation amount. However, while business performance results are evaluated as absolute values, evaluation index including ROE are designed to reflect the progress toward achieving targets for each fiscal year. Therefore, if the achievement of the VISION 2030 targets is delayed, the variable compensation amount will be lower than if the targets were achieved.

Q. What is your view on the current high proportion of fixed compensation?

A. Recently, the operating income before special items and net income attributable to owners of the parent have been sluggish, which has resulted in a relative decrease in the variable compensation amount and a rise in the proportion of fixed compensation. In the past, we received an assessment of executive compensation in general from an external expert, identified issues, and have been working on revising the system since fiscal 2022. Before the revision, the proportion of fixed compensation was high, but we revised the compensation system to be more performance-linked and increased the proportion of variable compensation. For example, if the VISION 2030 targets are achieved, the president's fixed compensation ratio will be approximately 25%.

Summary of compensation items (fixed compensation, bonuses, and restricted stock compensation)

	Compensation items	Payment details	Payment method	Performance index/ Evaluation index	Formula	Recipient: (Representative) Directors	Recipient: Executive officers	Recipient: Member of the Board, Chairman	Recipient: Outside directors	Recipient: Audit & Supervisory Board Members/Outside Audit & Supervisory Board Members
Fixed compensation	Executive portion	Paid for business execution	Monetary compensation	—	—	●	●	—	—	—
	Oversight portion	Paid to directors who are responsible for overseeing management				●	—	—	—	—
	Representation portion	Paid to directors who have authority to represent the Company				● (only for representative directors)	—	—	—	—
	Paid to those in positions dedicated to overseeing and auditing management					—	—	●	●	●
Variable compensation	Bonuses	Short-term incentives to encourage the steady achievement of performance targets each fiscal year		· Operating income before special items · Non-financial metrics* · Performance of divisions in charge	Operating income before special items x Coefficient x Director title-specific index x (evaluation coefficient for non-financial metrics + evaluation coefficient for the performance of the division in charge)	●	●	—	—	—
	Restricted stock compensation	Medium- to long-term incentives to encourage the enhancement of corporate value and shareholder value	Non-monetary compensation (stock)	· Net income attributable to owners of the parent · ROE* · TSR*	((Net income attributable to owners of the parent × Coefficient) × ROE evaluation coefficient) × Director title-specific index × TSR coefficient	●	●	●	—	—

*1 Non-financial metrics: Blue Value™/Rose Value™ products sales revenue ratio; GHG emissions reduction rate (Scope 1 and 2); Number of serious accidents occurred; Number of serious violations of laws, regulations, and rules; and Employee engagement score
*2 Return on equity (ROE): We measure the achievement rate of target ROE each fiscal year, aiming to efficiently improve return on equity
*3 Total Shareholder Return (TSR): We evaluate our TSR each fiscal year, aiming to improve our overall corporate value and shareholder value reflecting our share prices as well as operating performance.

Executive Compensation Committee

To further enhance the objectivity and transparency of the compensation determination process, we revised the structure of the Executive Compensation Committee in October 2022, appointing independent outside directors as the majority of its members and selecting an independent outside director as the committee chair.

In fiscal 2024, the committee convened seven times to continuously assess the validity of the compensation system, taking into account internal and external factors such as benchmarking compensation levels, studying trends in executive compensation systems, and identifying key issues.

Executive Compensation System

Revision of the compensation system

In response to changes in the environment surrounding executive compensation governance, including the revision of the Corporate Governance Code in June 2021, and the launch of VISION 2030, we revised our executive compensation system in fiscal 2023 to ensure that it meets the governance standards appropriate for a company listed on the Prime Market. One of the key points of the revision is to pursue the perspective of shareholders and investors. Previously, we had introduced a restricted stock compensation system that used net income attributable to owners of the parent as a performance index, and sought to share value with shareholders and investors. However, we have now revised the system to further enhance shareholder value and corporate value by revising the bonus system (including the introduction of non-financial metrics as valuation items), the restricted stock compensation system (including an increase in stock compensation and the introduction of ROE and TSR evaluations as evaluation indices), and the composition ratio of compensation and establishing guidelines for ownership of Mitsui Chemicals shares.

Evaluation index

In pursuing the perspective of shareholders and investors, we believe that evaluation index that contributes to improving capital profitability and shareholder and corporate value is important, and we have introduced evaluation coefficients related to ROE and TSR in restricted stock compensation in a manner that corresponds to each of these. One of the targets set by the Group in VION 2030 is an ROE of 13% or more. Based on the belief that steadily achieving the backcasted target figures for each fiscal year will lead to the achievement of VION 2030, our ROE evaluation is structured to assess the annual budget achievement rate. The evaluation coefficient is determined within the range of 90% to 110%. In line with our commitment to monitoring not only business performance but also stock price trends, our TSR evaluation is structured as a relative assessment comparing our TSR with that of the JPX-Nikkei Index 400 (including dividends). The evaluation coefficient is determined within the range of 70% to 130%.

Composition ratio of compensation

In order to share value with shareholders and investors, the compensation composition is designed so that the ratio of performance-based bonuses and restricted stock compensation will be higher for positions with greater executive responsibility. For example, composition ratio of compensation for Representative Director, Member of the Board, President would look like this:

■ Variable compensation (bonuses/restricted stock compensation) ■ Fixed compensation (execution portion)

Performance		Composition ratio of compensation by performance	
Operating income before special items	Net income attributable to owners of the parent	Variable compensation	Fixed compensation
FY2024 Results			
101 billion yen	32.2 billion yen	44%	56%
When VISION 2030 is achieved			
250 billion yen	150 billion yen	75%	25%

Towards a more effective compensation system

The Executive Compensation Committee comprehensively deliberates on executive compensation, including system design, individual evaluations of directors, and effectiveness evaluation of the Executive Compensation Committee. Feedback from investors is also incorporated as appropriate. Taking these insights into account, we will continue striving to establish a more effective executive compensation system.

VOICE Voice of the chair of the Executive Compensation Committee

As the chair of the Executive Compensation Committee, I have been leading efforts to revise the compensation system, and we have now put in place a basic structure for the compensation system that will contribute to achieving VISION 2030. Going forward, we will continue to verify the effectiveness of the system we have established, while working to further promote understanding of the system within the Company and to lead to management that is more conscious of the perspective of shareholders and investors.

We will continue to hold discussions at the Executive Compensation Committee, taking into account the external environment, to determine what kind of executive compensation system will contribute to enhancing our corporate value and shareholder value.

MABUCHI Akira
Chair

Risk Management

Q. How do you evaluate the risk management system from the perspective of outside directors?

A. Previously, although there were meetings such as the Compliance Management Committee and the Responsible Care Committee, Group-wide risk decisions were left to the discretion of individual officers and divisions, and the overall risk management system for the Group was not sufficiently established. Therefore, we have strongly requested the establishment of a proper system and have been working on improvements such as creating risk maps and activating the internal reporting system. Under the new risk management system, while key Group-wide risks have been identified, the prioritization still remained unclear. Rather than addressing all issues simultaneously, we believe it is necessary for our Group to focus on truly critical risks. Therefore, we pointed out the need to select key priorities, held discussions at the meetings of the Board of Directors after internal discussions, and ultimately narrowed the focus down to five key risks. There have been medium- to long-term risks raised from within the Company, such as human resources and carbon neutrality, and I feel that these are being thoroughly discussed. The system we built has finally started full-scale operation, and we recognize the need to reliably continue the PDCA cycle going forward.

Basic philosophy

The Mitsui Chemicals Group aims to achieve sustainable growth and increase corporate value over medium- to long-term by taking full advantage of opportunities without missing any, while working to minimize threats from risks from a medium- to long-term and continuous perspective.

In our risk management system, risks are evaluated based on VISION 2030 and our material topics, and those deemed particularly significant are managed as priority risks across the entire Group.

The most important risk for fiscal 2024

The most important risk identified for fiscal 2024, "Business Continuity Plan (BCP)," has been incorporated into the budgets of all divisions, enabling verification and enhancement of response status from a Group-wide perspective. In addition to the traditionally recognized BCP risks such as major accidents and natural disasters, we have also considered a wide range of issues, including rising international tensions, social demands related to ESG, and cybersecurity, striving to strengthen resilience on a Group and global level.

Examples of responses

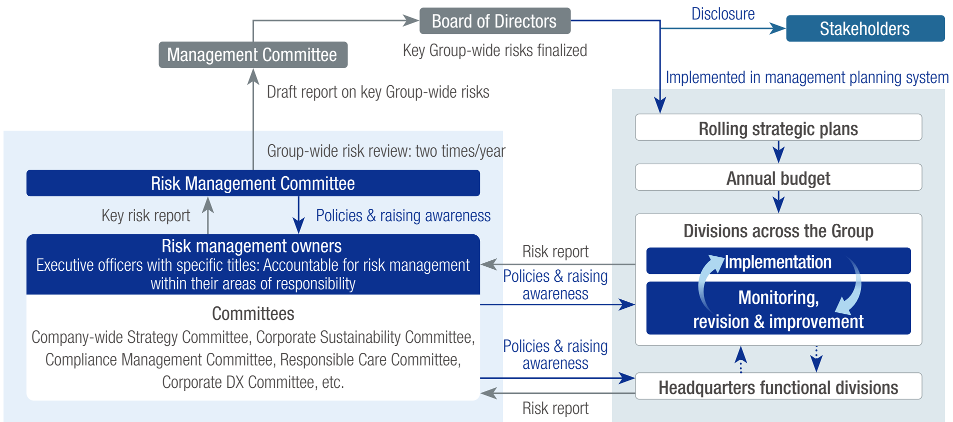
- Promotion of mutual utilization of global production sites across products
- Promotion of the multiple routing of logistics by strengthening collaborations with domestic and international logistics and shipping companies
- Development of a tool to track GHG emissions and reduction achievements during transportation using DX technology
- Strengthening of vulnerability countermeasures based on information system security check results of domestic and overseas subsidiaries and affiliates
- Implementation of measures to strengthen protection against internal information leakage through cross-divisional projects within the Company.

As mentioned later, five risks—including "Information security," "Global expansion," and "Execution of the carbon neutral strategy," which are components of this risk (BCP)—have been selected as particularly important risks. Based on this, BCP has been reassessed as the most important risk.

Risk management process

The following process (Group-wide risk review) will be used to determine key Group-wide risks, thereby implementing the PDCA cycle.

1. The risk management owner shall comprehensively and thoroughly understand the risks in the business areas of their responsibility, prioritize them, and report to the Risk Management Committee on risks that are deemed to be of Group-wide importance.
2. The Risk Management Committee shall evaluate the materiality of risks reported by each risk management owner from long-, medium-, and short-term perspectives and formulate a draft report on key Groupwide risks.
3. Key Group-wide risks (draft) are deliberated by the Management Committee and determined as key Group-wide risks by resolution of the Board of Directors.
4. The key Group-wide risks are used to develop rolling strategic plans, annual budgets, and action plans, among other things, and they are practiced by each division under the responsibility of each risk management owner.
5. The Risk Management Committee shall consistently monitor the key Group-wide risks and take timely measures to, for example, respond to changes in risks as a result of environmental changes.



Risk Management

Key Group-wide risks for fiscal 2025

Based on the status of responses to the most important risk for fiscal 2024, the following have been set as key Group-wide risks through the Group-wide risk review.

Risk categories	Envisaged threats and opportunities
① Business continuity risks	Business Continuity Plan (BCP), Supply chain disruptions, Overseas contingencies, Plant-related problems
② Production/quality risks	Safety and environment, Quality management, Chemicals regulations
③ Compliance risks	Compliance, Strengthening and revision of laws and regulations
④ Technological innovation risks	Creation of new businesses, Technological innovation
⑤ Climate change risks	**Execution of the carbon neutral strategy**
⑥ Natural capital risks	Plastic waste problem, Conservation of natural capital
⑦ Human rights risks	Respect for human rights
⑧ Business infrastructure risks	**Human resources management**, DE&I promotion, Stakeholder communication
⑨ Digital transformation risks	Use of DX technologies, **Information security**, Updates of business systems
⑩ Corporate management and supervision risks	Management with awareness of capital efficiency, Allocation of management resources, Investment decisions, M&A and business transfers
⑪ Macroenvironmental risks	Intensifying competitiveness in markets, **Strengthening of strategic alliances,** Changes in market needs, Rise in product costs, **Global expansion**

* In blue: risks to be prioritized for management in FY2025

Priority risks to be managed

In fiscal 2025, we further organized and classified key Group-wide risks from the perspectives of financial and non-financial aspects and time frame. Five priority risks for our Group to manage have been selected: 'Execution of the carbon neutral strategy,' 'Human resources management,' 'Information Security,' 'Strengthening of strategic alliances,' and 'Global expansion.' Risk owners have been assigned to each risk. Each risk owner consolidates the risk management policies of the respective risk management owner for the risks they are responsible for, aiming to enhance management efficiency and achieve higher outcomes by ensuring uniformity and consistency across the Group.

The five risks mentioned above include not only those with a high urgency of response, such as information security, but also risks that require focused attention from the current point in time based on a long-term perspective, such as the execution of the carbon neutral strategy, which is essential for achieving our corporate mission and VISION 2030.

Among the five risks, the "Information security" risk is deemed urgent, and there is a need for efficient visualization of Group-wide initiatives. Therefore, it is incorporated into the budgets of all divisions Group-wide in fiscal 2025, with specific measures formulated, and the progress will be reviewed by the Risk Management Committee.

Priority risks to be managed and risk owners

Risks		Envisaged events	Risk owner (sub-owner)
Execution of the carbon neutral strategy	[Threats]	Reputation decline due to delays in GHG emissions reduction plans, cost increases associated with carbon pricing, and failure to achieve value appeal due to sluggish development and sales of Blue Value™ and Rose Value™ products and services	Senior Executive Advisor responsible for the Production & Technology Center and Green Sustainable Chemicals Division (Executive officer with specific titles responsible for the Production & Technology Center/Executive officer with specific titles responsible for the R&D Center)
	[Opportunities]	• Achievement of both corporate growth and carbon neutrality • Mitigation of the impact of increased carbon costs resulting from GHG emissions reduction	
Human resources management	[Threats]	Failure to recruit and retain necessary talent, resulting in the inability to execute the growth strategy	Executive officer with specific titles responsible for the Human Resources Division and Global Human Resources Division (CTO/Senior Executive Advisor responsible for the Production & Technology Center and Green Sustainable Chemicals Division)
	[Opportunities]	Achievement of corporate culture transformation through the acquisition and utilization of new talent.	
Information security	[Threats]	Significant damage to performance and reputation caused by data leaks due to cyberattacks or inadequate internal access management	Executive officer with specific titles responsible for the Corporate Administration & Legal Division (Executive officer with specific titles responsible for the Information System Division)
Strengthening of strategic alliances	[Threats]	Growing importance of responding to industry transformation movements, mainly among domestic competitors	Executive officer with specific titles responsible for the Corporate Planning Division (Executive officer with specific titles responsible for the Basic & Green Materials Business Sector)
	[Opportunities]	Transformation to capital-efficient businesses through appropriate responses to industry transformation movements, including expansion of regional and multi-company collaborations	
Global expansion	[Threats]	Competitive disadvantage and loss of growth opportunities overseas due to inability to respond to diversified needs and pain points in each country/region	Executive officer with specific titles responsible for the Regional Strategy Division (Executive officer with specific titles responsible for the Corporate Planning Division)
	[Opportunities]	Realization of global business growth through timely responses to market environments in each region	

Key Group-wide risks classification table

○ Priority risks to be managed

	Short-term risks	Medium- to long-term risks
Financial	· Management with awareness of capital efficiency · Supply chain disruptions · Rise in product costs · Intensifying competitiveness in markets · Business Continuity Plan (BCP) · M&A and business transfers · Allocation of management resource	○ **Strengthening of strategic alliances** · Changes in market needs · Creation of new business · Investment decisions
Non-financial	· Overseas contingencies · Plant-related problems · Quality management ○ **Information security**	· Strengthening and revision of laws and regulations · Chemicals regulations · Safety and environment · Compliance · Use of DX technologies · Technological innovation · Updates of business systems · Stakeholder communication ○ **Global expansion** ○ **Human resources management** ○ **Execution of the carbon neutral strategy** · Plastic waste problem · DE&I promotion · Respect for human rights · Conservation of natural capital

Directors and Audit & Supervisory Board Members (As of June 24, 2025)

Directors

TANNOWA Tsutomu

Member of the Board, Chairman

Meetings of the Board of Directors attended/held: **16/16**

Term of office: **13 years**

Number of shares of the Company owned: **83,994**

Apr. 1976 Joined the Company
Apr. 2023 Member of the Board, Chairman of the Company

Significant concurrent positions
Outside Director of KDDI CORPORATION (since Jun. 2022)
Outside Director of TOKYO GAS Co., Ltd. (since Jun. 2023)

HASHIMOTO Osamu

Representative Director, Member of the Board, President & CEO

Meetings of the Board of Directors attended/held: **16/16**

Term of office: **7 years**

Number of shares of the Company owned: **50,292**

Apr. 1987 Joined the Company
Apr. 2020 Representative Director, Member of the Board, President of the Company

HIRAHARA Akio

Representative Director, Member of the Board, Senior Managing Executive Officer

Newly appointed

Number of shares of the Company owned: **22,000**

Apr. 1987 Joined the Company
Jun.2025 Representative Director, Member of the Board, Senior Managing Executive Officer of the Company

ANDOU Yoshinori

Member of the Board, Senior Managing Executive Officer & Chief Human Resources Officer

Meetings of the Board of Directors attended/held: **16/16**

Term of office: **3 years**

Number of shares of the Company owned: **24,021**

Apr. 1986 Joined the Company
Jun.2022 Member of the Board, Senior Managing Executive Officer of the Company

ICHIMURA Satoshi

Member of the Board, Managing Executive Officer & Chief Strategy Officer

Newly appointed

Number of shares of the Company owned: **3,742**

Apr. 1992 Joined the Company
Jun.2025 Member of the Board, Managing Executive Officer of the Company

Independent Outside Directors

MABUCHI Akira

Member of the Board, Outside Director

Meetings of the Board of Directors attended/held: **16/16**

Term of office: **4 years**

Number of shares of the Company owned: **2,900**

Apr. 1979 Joined Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION)
Jun.2010 Director of the Board and Executive Vice President of Fuji Heavy Industries Ltd.
Jun.2015 Corporate Auditor of Fuji Heavy Industries Ltd.
Jun.2021 Member of the Board of the Company
Oct.2022 Chair of the Executive Compensation Committee of the Company

· He has in-depth knowledge of the mobility field, on which we are focusing. He expresses opinions for sound and efficient corporate management at meetings of the Board of Directors.
· As the Chair of the Executive Compensation Committee, he is committed to realizing a more effective executive compensation system. As a member of the Nomination Committee, he also oversees the selection process of candidates for directors or Audit & Supervisory Board Members from an objective and neutral standpoint.

MIMURA Takayoshi

Member of the Board, Outside Director

Meetings of the Board of Directors attended/held: **15/16**

Term of office: **3 years**

Number of shares of the Company owned: **1,800**

Apr. 1977 Joined Terumo Corporation
Apr. 2017 Chairman of the Board of Terumo Corporation
Jun.2022 Member of the Board of the Company
Apr. 2025 Chair of the Nomination Committee of the Company

Significant concurrent positions
Outside Director of Niterra Co., Ltd. (since Jun. 2023)

· He has in-depth knowledge of the healthcare field, on which we are focusing. He expresses opinions for sound and efficient corporate management at meetings of the Company's Board of Directors.
· As the Chair of the Nomination Committee, he is committed to realizing a more effective executive nomination system. As a member of the Executive Compensation Committee, he also oversees the decision-making process of executive compensation from an objective and neutral standpoint.

KIHARA Tami

Member of the Board, Outside Director

Meetings of the Board of Directors attended/held: **13/14**

Term of office: **1 year**

Number of shares of the Company owned: **—**

Apr. 1985 Joined Ricoh Company, Ltd.
Apr. 2021 Director of Digital Talent Strategy Center, Digital Strategy Div. of Ricoh Company, Ltd.
Jun.2024 Member of the Board of the Company

Significant concurrent position
Outside Director of Seven Bank, Ltd. (since Jun. 2023)
Outside Director of Yamato Holdings Co., Ltd. (since Jun. 2025)

· She was responsible for leading a digital talent strategy at the listed company and has in-depth knowledge of it. She expresses opinions for sound and efficient corporate management at meetings of the Company's Board of Directors.
· As a member of the Nomination Committee and the Executive Compensation Committee, she oversees the selection process of candidates for directors or Audit & Supervisory Board Members and the decision-making process of executive compensation from an objective and neutral standpoint.

Full-time Audit & Supervisory Board Members

NISHIO Hiroshi

Full-time Audit & Supervisory Board Member

Meetings of the Board of Directors attended/held: **16/16**

Meetings of the Audit & Supervisory Board attended/held: **20/20**

Term of office: **3 years**

Number of shares of the Company owned: **11,579**

Apr. 1984 Joined the Company
Jun.2022 Full-time Audit & Supervisory Board Member of the Company

HOSOMI Yasuhiro

Full-time Audit & Supervisory Board Member

Meetings of the Board of Directors attended/held: **14/14**

Meetings of the Audit & Supervisory Board attended/held: **17/17**

Term of office: **1 year**

Number of shares of the Company owned: **18,660**

Apr. 1985 Joined the Company
Jun.2024 Full-time Audit & Supervisory Board Member of the Company

Directors and Audit & Supervisory Board Members

Independent Outside Audit & Supervisory Board Members

GOTO Yasuko

Outside Audit & Supervisory Board Member

Meetings of the Board of Directors attended/held: **16/16**

Meetings of the Audit & Supervisory Board attended/held: **19/20**

Term of office: **2 years**

Number of shares of the Company owned: —

Apr. 1980 Joined the Ministry of Transport (currently the Ministry of Land, Infrastructure, Transport and Tourism)
Jun.2023 Audit & Supervisory Board Member of the Company

Significant concurrent positions
Outside Auditor of DENSO CORPORATION (since Jun. 2019)
Audit and Inspection Commissioner of the Tokyo Metropolitan Government (since Oct. 2023)
External Director of Shiseido Company, Limited (since Mar. 2024)

- She has held important positions at central and local governments and has experience as a corporate manager and an outside officer of listed companies. She expresses opinions for sound and efficient corporate management at meetings of the Company's Board of Directors.

ONO Junshi

Outside Audit & Supervisory Board Member

Meetings of the Board of Directors attended/held: **16/16**

Meetings of the Audit & Supervisory Board attended/held: **20/20**

Term of office: **2 years**

Number of shares of the Company owned: —

Oct.1985 Joined Asahi Shinwa & Co (currently KPMG AZSA LLC)
Mar.1989 Registered as a certified public accountant
Jun.2023 Audit & Supervisory Board Member of the Companyy

Significant concurrent position
Director of Junshi Ono Certified Public Accountant Office

- He has extensive experience as a certified public accountant over many years. He expresses opinions for sound and efficient corporate management at meetings of the Company's Board of Directors.

KIKUCHI Shin

Outside Audit & Supervisory Board Member

Newly appointed

Number of shares of the Company owned: —

Apr. 1989 Registered as an attorney and joined Associate, Mori Sogo (currently Mori Hamada & Matsumoto)
Jun.2025 Audit & Supervisory Board Member of the Company

Significant concurrent position
Partner, Gaien Partners (since Apr. 2020)
Outside Director of Hakuhodo DY Holdings Inc. (since June 2022)
Outside Director of Integral Corporation (since Mar. 2025)

- He has specialist knowledge and extensive experience especially in corporate legal affairs not only as a longstanding lawyer but also as an outside officer of other companies.

* Please also see our Convocation Notice for General Meeting of Shareholders for the career summary of each of our directors and Audit & Supervisory Board Members.

Convocation Notice for General Meeting of Shareholders:
https://jp.mitsuichemicals.com/en/ir/library/notice/index.htm

Executive Officers

President
- **HASHIMOTO Osamu** (CEO)

Senior Managing Executive Officers
- **ANDOU Yoshinori** (CHRO)
- **HIRAHARA Akio** (Business Sector President of ICT Solutions Business Sector)
- **IZAWA Kazumasa** (Business Sector President of Basic & Green Materials Business Sector)

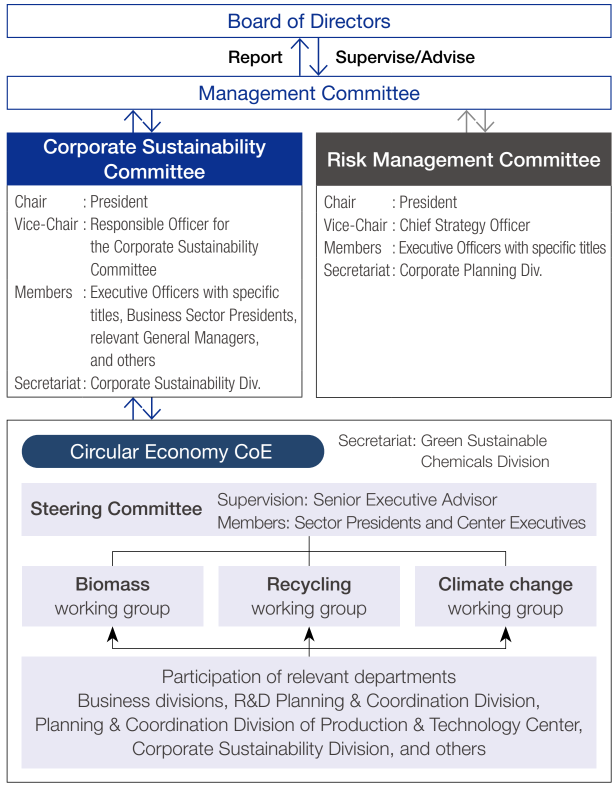
Managing Executive Officers
- **SHIBATA Shingo** (Center Executive of R&D Center)
- **KOMORIYA Atsushi** (Business Sector President of Mobility Solutions Business Sector)
- **YOSHIZUMI Fumio** (President of Prime Polymer Co., Ltd., Managing Executive Officer, Corporate Fellow)
- **SAMBE Masao** (CDO, Sector President of Digital Transformation Sector)
- **OKADA Kazunari** (Center Executive of Production & Technology Center)
- **ICHIMURA Satoshi** (CSO)
- **HAYASHIDA Hiromi** (Business Sector President of Life & Healthcare Solutions Business Sector)
- **OMOTE Toshihiko** (CTO)
- **MIGITA Ken**
- **YOSHIDA Osamu** (CFO)
- **Antonios GRIGORIOU** (Representative in America, President of Mitsui Chemicals America, Inc., Business Sector Vice President of Life & Healthcare Solutions Business Sector)

Executive Officers
- **MATSUZAKA Shigeharu** (President of RM TOHCELLO CO., LTD., Executive Officer, Corporate Fellow)
- **FUNAKOSHI Hiromitsu** (Business Sector Vice President of Basic & Green Materials Business Sector)
- **TSURUDA Satoshi** (General Manager of Omuta Works)
- **ZENKOH Hirofumi** (Executive Assistant to Center Executive of R&D Center)
- **ABE Shinji** (General Manager of Ichihara Works)
- **MATSUE Kaori** (General Manager of Corporate Sustainability Division)
- **URAKAWA Toshiya** (Sector Vice President of Digital Transformation Sector, General Manager of Digital Transformation Planning & Coordination Division)
- **KOUZUMA Yasuhisa** (General Manager of Iwakuni-Ohtake Works)
- **SAKAMOTO Akihiro** (General Manager of Technology Strategy Division)
- **OGIZAWA Masaaki** (General Manager of Internal Control Division)
- **MAEDA Mitsutoshi** (General Manager of Corporate Administration & Legal Division)
- **MOROZUMI Naoki** (President of ARRK Corporation, Executive Officer, Corporate Fellow)
- **ANAMIZU Takayoshi** (General Manager of Osaka Works)
- **KAKIMOTO Takeshi** (President of Mitsui Chemicals Crop & Life Solutions, Inc., Executive Officer, Corporate Fellow)
- **KASHIMORI Masashi** (General Manager of Regional Strategy Division)
- **DEMOTO Yuko** (General Manager of Finance & Accounting Division)

Sustainability Governance

The Mitsui Chemicals Group has established the Corporate Sustainability Committee as a platform for cross-group discussion on ESG-related policy, strategy, and planning. The Committee holds sessions four times a year. The results of the Committee's discussions and activities conducted are reported to the Management Committee. Furthermore, particularly important matters are determined and supervised by the Board of Directors after deliberation at the Company-wide Strategy Committee and the Management Committee.

The management of significant risks, including corporate sustainability issues, are integrated into the Group-wide risk management system. Under the supervision of the Board of Directors, those risks are managed by the Risk Management Committee in terms of the significant issues that are deemed to be of Group-wide importance.



Circular economy-related governance

To bolster circular economy initiatives, we have established the Circular Economy Center of Excellence (CoE) as a subcommittee under the Corporate Sustainability Committee. The Circular Economy CoE comprises the Steering Committee and three working groups on biomass, recycling, and climate change. The Green Sustainable Chemicals Division serves as its secretariat. Through participation in each working group by related departments and information sharing and discussion, it is working to efficiently promote both projects run individually by departments and cross-organizational projects. Moreover, the policies discussed at the Steering Committee are fed back to the working groups to ensure consistency with the Group-wide strategy.

Main discussion topics of the Corporate Sustainability Committee (FY2024)

- Material topics/non-financial KPIs review
  - Human capital: Progress in empowerment of women in the workplace (KPI management)
  - Changes in innovation KPIs (KPI review)
  - Recognizing risks (opportunities) that capture social needs/business opportunities
  - Results against non-financial budget targets for FY2024, and setting targets for FY2025
- Expansion of Blue Value™ and Rose Value™ products and services
  - FY2023 performance, framework development status, review results, related investments
  - Response to greenwashing
- Climate change
  - Basic policy and schedule for fuel conversion
  - Circular Economy Center of Excellence (CoE) steering committee
    - Common: Promotion system, carbon neutral/circular economy related research and development, digital marketing, carbon neutral strategy rolling, circular economy goals
    - Biomass working group: Raw material procurement, sales plans/sales expansion strategies, calculation method for product PCF
    - Recycling working group: Raw material procurement, business feasibility studies, domestic trends (mandatory use of recycled materials), revision of guidelines for using recycled materials, calculation method for product PCF
    - Climate change working group: Promotion of Scope 1 + 2 reduction, expansion of Scope 3 calculation
  - GX League/GX-ETS activity status, schedule, and business flow
- Natural capital
  - Policy review, schedule, scoping
- Chemicals management
  - Policy to enhance regulated substances control
- Respect for human rights
  - Progress in efforts to establish a human rights due diligence system
  - Formation of a cross-functional working group
- Information disclosure
  - Trends in non-financial information disclosure, response schedule
  - Non-financial requests from shareholders and investors in FY2023
  - External ESG assessment results: Initiatives required of companies
- Promoting awareness and embedding
  - Internal education and awareness-raising system for promoting sustainability

Sustainability Governance

Respect for human rights

Basic philosophy

The Mitsui Chemicals Group pursues just business throughout the supply chain based on the belief “having a high regard for people” is important. The Group lists “respect for human rights” as part of the Group’s material topics as one of its prerequisites for business continuity and incorporates its status of response to human rights risks into its business targets as non-financial metrics in VISION 2030.

The Group revised its Human Rights Policy (in July 2022), after obtaining approval from the Board of Directors. In order to implement management that respects human rights, we have declared our commitment both within and outside the Group to take further initiatives in line with the latest global developments.

Mitsui Chemicals Group Human Rights Policy https://jp.mitsuichemicals.com/en/sustainability/society/rights/ms/index.htm

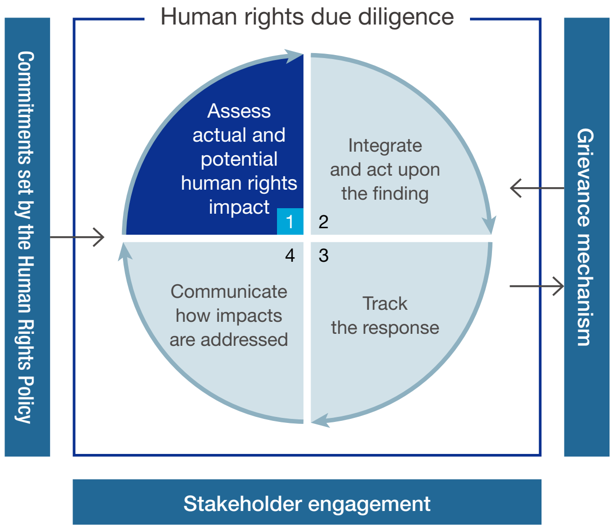
Human rights due diligence: Assessment of actual and potential human rights impacts

Based on the above philosophy, we will establish a system of human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights to prevent and mitigate any adverse human rights impacts that our business activities may have on the rights holders.

In fiscal 2024, taking into account that three years have passed since the last human rights risk assessment, we once again conducted a risk mapping with the cooperation of external experts, with reference to international guidelines and indicators, from the perspective of the possibility of each human rights issue occurring and the severity of the issue if it does occur, with the participation of relevant business divisions and functional divisions. As a result, we identified 13 human rights issues as issues that should be given particular priority within the Group, including “violations of the right to enjoy safe and healthy working conditions,” “human rights violations during transportation routes,” “impacts on the lives of local residents (impact on the environment),” and “human rights violations in the procurement of raw materials.”

Of the 34 sites subject to the human rights risk assessment for fiscal 2024, we conducted a human rights impact assessment at one manufacturing site of a domestic affiliated company. This survey did not reveal any apparent negative impacts on human rights. However, in regard to matters identified as human rights risks requiring attention, feedback was provided to the 34 sites surveyed, and responses are being considered, discussed, and implemented.

Additionally, regarding the priority issues of “human rights violations in the procurement of raw materials” and “human rights violations during transportation routes,” the head office’s purchasing division and logistics division both evaluated their current efforts. In light of recent growing societal demands regarding corporate activities and human rights, we plan to consider more specific human rights risk management policies at a Group level.



Overview of our human rights risk assessment and human rights impact assessment
The English version of our sustainability website is scheduled to be updated at the end of October 2025.
https://jp.mitsuichemicals.com/en/sustainability/society/rights/initiative/index.htm

Implementing the Recommendations of the TCFD

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

For details, visit our Sustainability website.
https://jp.mitsuichemicals.com/en/sustainability/mci_sustainability/circular_economy/tcfd/index.htm

The Mitsui Chemicals Group announced its support of the recommendations of the Task Force on Climate-related Disclosures (TCFD) in January 2019 and continues to disclose information on its efforts to tackle climate change.

Disclosure item 1 Governance

- Policy, strategy, and planning to address climate change are discussed at the Corporate Sustainability Committee. Results of discussions are reported to the Management Committee. Particularly important matters are decided and supervised by the Board of Directors upon discussion at the Company-wide Strategy Committee and deliberation by the Management Committee.

For details, see Sustainability Governance, p. 90

Disclosure item 2 Risk management

- We manage risks posed by climate change across the entire Group by integrating such risks into our Group-wide risk management system.
- We identify climate change-related risks as our key Group-wide risks and reflect them in the management planning system, such as rolling strategic plans, annual budgets, and action plans, thereby implementing the PDCA cycle.

For details, see Risk Management, p. 86

Disclosure item 3 Strategy

- We analyzed risks posed by and opportunities airing from climate change based on views of potential worlds (scenarios) that reflect predictions of how climate change may affect our Group's business environment.
- We also reflect the results of the analyses in VISION 2030—our transition plan for achieving a low-carbon society—and our carbon neutral strategy to guide progress.

For details on views of potential worlds (scenarios), see "Implementing the recommendations of the TCFD, Disclosure item 3" on our Sustainability website.
https://jp.mitsuichemicals.com/en/sustainability/mci_sustainability/circular_economy/tcfd/index.htm#dataList03

For details on risks and opportunities, see "Quantifying business impacts" on the right.

Disclosure item 4 Metrics and targets

- Our Group sets metrics and targets for use in managing climate-related risks and opportunities. We have positioned these as non-financial metrics and business targets for VISION 2030 and are managing their progress.

Classification		Metric	Target	FY2024 results
Mitigation	GHG emissions reduction (Scopes 1 and 2)	GHG emissions reduction rate (vs. FY2013)*	40% (FY2030) 100% (FY2050)	28%
	Maximization of avoided emissions	Blue Value™ products sales revenue ratio	40% (FY2030) 70% (FY2050)	26%
Adaptation	Contribution to disaster prevention/ mitigation measures and prevention of infectious disease, etc.	Rose Value™ products sales revenue ratio	40% (FY2030)	25%

* The calculation is based on adjusted emissions that exclude temporary factors such as fluctuations in ethylene operating rates.

For details, see Numeric targets for VISION 2030 and the status of their progress, p. 21 and Carbon neutral strategy, p. 94

- Our Group's GHG emissions are as follows.

GHG emissions (FY2024)	Emissions: Scope 1: 3.53 million tCO_2e Scope 2: 0.9 million tCO_2e Scope 3: 15.70 million tCO_2e Per unit of sales revenue for Scopes 1 and 2: 2.45 million tCO_2e/billion yen

For other information disclosed in accordance with the climate-related metrics categories, see "Implementing the recommendations of the TCFD, Disclosure item 4" on our sustainability website. The English version of our sustainability website is scheduled to be updated at the end of October 2025.
https://jp.mitsuichemicals.com/en/sustainability/mci_sustainability/circular_economy/tcfd/index.htm#dataList04

Quantifying business impacts

We have estimated the anticipated Group-wide impact upon implementing decarbonization measures toward VISION 2030, including the carbon neutral strategy. We also examined business risks and opportunities, accounting for changes in related markets.

Long-Term Business Plan VISION 2030, p. 20 **Carbon neutral strategy, p. 94**

Group-wide risks

Classification	Events	Impact calculation target	Calculation approach	Impact: Medium-term (2030)	Impact: Long-term (2050)
3–4°C world					
Physical risks	Catastrophic worsening of natural disasters	Increase in damage at production sites due to river and coastal flooding	Calculated asset damage and economic losses from suspended operations at production sites due to flooding, taking into account the probability of occurrence * FY2020 baseline * Reference: IPCC RCP8.5	¥-10bn	¥-33bn
1.5–2°C world					
Transition risks	Strengthened laws and regulations	Increased costs due to introduction of carbon tax * Carbon tax calculated based on predicted carbon price (with reference to IEA NZE2050) and FY2021 GHG emissions	Cost increases calculated assuming that no decarbonization measures are taken	¥-104bn	¥-185bn
			Cost increases calculated assuming that decarbonization measures are taken * Investments related to the carbon neutral strategy up to 2030 are estimated at 140 billion yen.	¥-78bn (GHG emissions reduction rate* compared to FY2013: 40%)	¥0 (GHG emissions reduction rate*: 100%)
Transition risks	Market changes	Increased cost of fuel and electricity	Cost increases of fuel and electricity calculated based on inflation rate	¥-15bn	¥-23bn * 2040

* GHG emissions reduction rate (Scopes 1 and 2)

Group-wide opportunities

Classification	Events	Impact calculation target	Calculation approach	Impact: Medium-term (2030)	Impact: Long-term (2050)
3–4°C world					
Opportunities	Increased demand for products and services that contribute to adaptation	Increased sales revenue of Rose Value™ products, which contribute to disaster prevention/mitigation measures and prevention of the spread of infectious disease, etc.	Set as a non-financial metric * FY2024 Rose Value™ product results: sales revenue of 450.0 billion yen, sales revenue ratio of 25% * Reference: our Group's VISION 2030	Rose Value™ products sales revenue ratio: 40%	–
1.5–2°C world					
Opportunities	Increased demand for products and services that contribute to mitigation	Increased sales revenue of Blue Value™ products, which contribute to reduction of GHG emissions	Set as a non-financial metric * FY2024 Blue Value™ product results: sales revenue of 480.0 billion yen, sales revenue ratio of 26% * Reference: our Group's VISION 2030	Blue Value™ products sales revenue ratio: 40%	Blue Value™ products sales revenue ratio: 70%

Implementing the Recommendations of the TCFD

Risks and opportunities for individual business segments

Opportunity for Blue Value™ products Opportunity for Rose Value™ products Risk

Changes in related markets	Life & Healthcare Solutions Business Sector	Mobility Solutions Business Sector	ICT Solutions Business Sector	Basic & Green Materials Business Sector
3–4°C world				
(1) Stable food supply	Creation of agrochemical active ingredients and expansion of overseas operations		Expanded demand for ICT products with spread of smart agriculture technology (semiconductor components/ gas-permeable films)	Expanded demand for packaging raw materials that help maintain food quality
(2) Infrastructure service-life extension and disaster prevention/ mitigation			Expanded demand for components for solar panels and stationary-storage batteries as corresponding needs grow Expanded demand for drinking-water filters Expanded green-infrastructure demand for nonwovens	Expanded demand for raw materials for polyethylene pipes, etc.
(3) Public health and hygiene	Development and marketing of new insecticides for malaria vector mosquitoes to help eradicate the disease Provision of high-performance antibacterial and anti-mold agents Growing needs and expanded demand for simple testing and diagnosis solutions to prevent the spread of infectious disease			
1.5–2°C world				
(1) Reduction of environmental impact in the supply chain	Expanded demand for lens materials using plant-derived raw materials (Do Green™) Development of chemical recycling technology for ophthalmic lens materials Sales promotion for highly active biocatalysts (acrylamide, etc.)	Expanded demand for parts for renewable-energy applications (highly durable TAFMER™) Expanded demand for products contributing to reductions in painting processes (PP compounds) Creation of products utilizing renewable raw materials Expanded demand for lithium-ion battery components Expanded demand for the development of materials to reduce the weight of EVs, extending their driving range (rigid and lightweight PP) Expanded demand for EV components due to the shift to EVs Difficulties in passing on the costs of decarbonization measures Reduced demand for components for gasoline vehicles as the shift to EVs continues	Expanded demand for eco-friendly packaging materials (coating materials and paper replacements for plastic) Growing needs for recycling (mono-material packaging) Improved functionality of semiconductor components and expanded demand for such components	Expanded demand for the development of materials to reduce the weight of EVs, extending their driving range (rigid and lightweight PP, polyurethane materials) Expanded demand for eco-friendly packaging materials Difficulties in passing on the costs of decarbonization measures Expanded demand for lithium-ion battery components for EVs Reduced demand for components for gasoline vehicles as the shift to EVs continues
(Reference) Scenario-independent market environment				
(1) Economic growth, population growth, and urbanized, health-conscious lifestyles in emerging countries	Further spread of high refractive index ophthalmic lens materials (MR™) Expanded demand for oral care and oral diagnostics Pursuit of higher quality medical care and longer healthy life expectancy: Entry into new business areas (orthopedics, testing and diagnosis, nucleic acid medicine CDMO, nutrition)	Development of module concepts for vehicle interiors, etc. that help enhance comfort in mobile spaces Decline in number of new vehicles being manufactured	Expanded semiconductor & assembly solutions market Expanded smartphone and XR markets Expanded demand for disposable diapers	Development of module concepts for vehicle interiors, etc. that help enhance comfort in mobile spaces Decline in number of new vehicles being manufactured
(2) Changes in the mobility market			Expanded demand for automotive lenses and sensors Expanded demand for EV batteries	
(3) Consideration of environmental impact	Expanded demand for natural product-based agrochemicals Waste reduction/labor saving by producing dental prosthetics through 3D printing and related products			

	Life & Healthcare Solutions Business Sector	Mobility Solutions Business Sector	ICT Solutions Business Sector	Basic & Green Materials Business Sector
Measures for risks and opportunities				
	• Improvement of our production and supply capacity to respond to market changes and expanded demand • Further increase in the resilience of our global supply chain • Creation of new products and businesses that lead to solving social challenges	• Improvement of our production and supply capacity to respond to market changes and expanded demand • Further increase in the resilience of our global supply chain	• Shift to solutions-based business	• Reliable supply of raw materials for growth businesses • Strengthening of response to green chemical products • Expanded provision of high value-added products
Financial information related to Blue Value™ and Rose Value™ products				
Blue Value™ products sales revenue ratio		54% (FY2024) 80% (FY2030)	35% (FY2024) 56% (FY2030)	10% (FY2024) 12% (FY2030)
Rose Value™ product sales revenue ratio	76% (FY2024) 85% (FY2030)		48% (FY2024) 60% (FY2030)	
Businesses with strengths (FY2024 information)	• Ophthalmic lens materials Global market share: 45% (Market growth: 3% annually) • Agrochemical products Sales revenue: 150 billion yen (2030)	• PP compounds Market share: No.2 in the world, No.2 in Asia • Weight reduction and unpainted design of bumpers, instrument panels, and other components • Raw materials for various battery components	• ICROS™ Tape Global market share: No.1 • Pellicles Global market share: No.1 • APEL™ cyclic olefin copolymer: Global market share: No.1 (smartphone convex lens market)	• Production of derivatives using bio-based raw materials, development of advanced recycling technology • Provision of green materials to other business divisions
Financial target (FY2030 operating income before special items)	86 billion yen Rose Value™ products make a major contribution	93 billion yen Blue Value™ products make a major contribution	73 billion yen Blue Value™ and Rose Value™ products make a major contribution	36 billion yen

Toward minimizing risks

- We assess the business impact of catastrophic worsening of natural disasters from the perspective of asset damage and economic losses from suspended operations. We will incorporate the business impact identified through the assessment into the Basic Strategy of VISION 2030, "Accelerating management and business transformation," in order to respond thereto.
- The business impact of increased costs due to introduction of carbon tax and increased cost of fuel and electricity will become large over the medium- to long-term. As part of our carbon neutral strategy measures, we will promote carbon-free raw materials and fuels and energy efficiency, while also pushing forward with introducing renewable energy by fiscal 2030. Furthermore, we will progress with steady reductions of GHG emissions through further considerations.
- The cumulative investment estimated by our Group for the carbon neutral strategy through 2030 amounts to 140 billion yen. Considering that our decarbonization measures are expected to reduce the annual carbon tax burden by 26 billion yen, we believe that the investment amount to be appropriate in scale.

Toward maximizing opportunities

- By reflecting many potential opportunities for Blue Value™ and Rose Value™ products identified through the impact assessment in our Group-wide strategy, we will work to contribute to the building of a sustainable society and seize more opportunities for our Group.
- Reductions in GHG emissions are deeply related to expanding the revenue of our Group, and it is therefore necessary to not only execute the announced carbon neutral strategy measures but also continually examine and add further measures.
- In addition to further increasing the resilience of our global supply chain by adding to the number of our raw-materials suppliers and production sites, we will also improve our production and supply capacity to cope with market changes and meet market needs as we look to successfully seize business opportunities.
- As capturing the opportunities listed in the table links into the growth of our Group, we have set them as VISION 2030 business targets (non-financial targets) and will continue to manage their progress.

Improving resilience

- The results of the scenario analyses validated the resilience of our strategies for the 1.5–2°C and 3–4°C worlds. We will continue to enhance the precision of our impact assessments.
- In our Group-wide strategies, including our business strategies and site strategies, we will work to improve our Group's resilience in the aim of minimizing risk and maximizing opportunities.

Bolstering Circular Economy Initiatives

The Mitsui Chemicals Group has contributed to improving convenience in people's lives and helped solve challenges in society through the supply of chemical products and high-performance plastic products. At the same time, our business activities require the substantial use of fossil resources and energy, which emits large volumes of greenhouse gasses (GHGs). Also, there are concerns over environmental pollution caused by plastic waste flowing into the oceans and other areas.

In view of these circumstances, we have positioned climate change coupled with plastic waste problems as especially important social challenges, and moved ahead with our carbon neutral strategy, biomass strategy, recycling strategy, and our initiatives to address the plastic waste problem. These strategies and initiatives help drive the recycling of resources, which we believe are aimed at realizing a transition from conventional linear economic activities, based on the premise of mass consumption and disposal of resources, to a circular economy, which allows for greater environmental and social sustainability. The Mitsui Chemicals Group contributes to solving social challenges by bolstering circular economy initiatives.

Business Model Transformation Centered on the Circular Economy, p. 48

Carbon neutral strategy

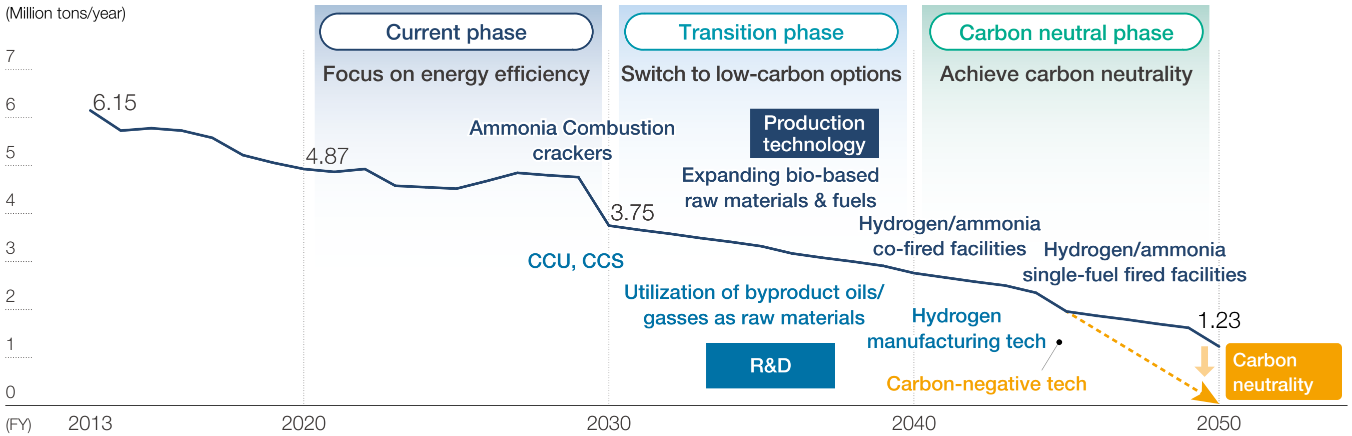
The Mitsui Chemicals Group believes that, as a chemicals company, we have an important role to play in helping to build a sustainable society that can limit the average global temperature rise to 1.5 degrees Celsius. Therefore, in November 2020, we declared our commitment to become carbon neutral by 2050. We developed a carbon neutral strategy which is centered around the two pillars of (1) reducing our own GHG emissions (Scopes 1 and 2), and (2) maximizing the avoided emissions of our products over their entire life cycle, and have implemented concrete measures that contribute to the transformation of society.

We are considering investing an amount to the scale of 140 billion yen in carbon neutrality by 2030, and we will flexibly invest funds across the entire Group.

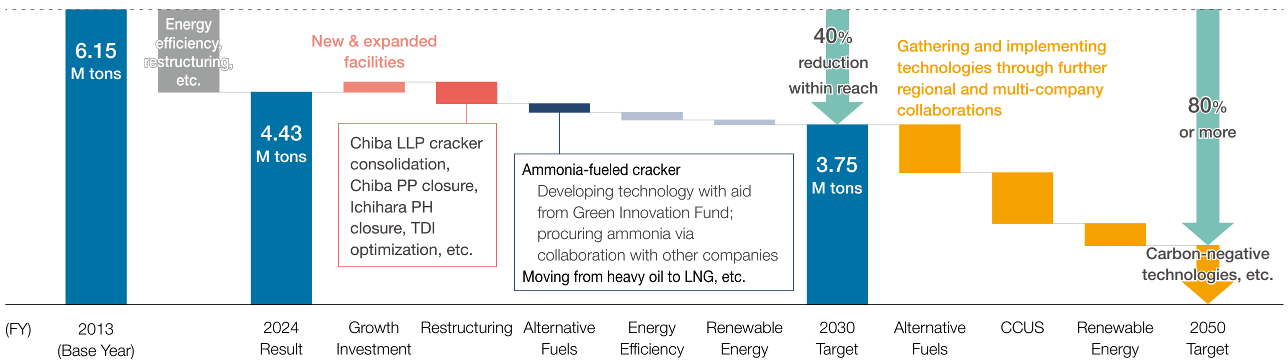
Strategy (1) Reducing GHG emissions (Scopes 1 and 2) of the Mitsui Chemicals Group

The Mitsui Chemicals Group aims to reduce its GHG emissions by 40% by fiscal 2030 relative to fiscal 2013 levels to make important progress toward the goal of achieving carbon neutrality by 2050. This is one of our non-financial targets in VISION 2030. To this end, we have made progress toward achieving our FY2030 GHG emissions reduction target by advancing discussions on several initiatives, including: the consolidation of naphtha crackers within the LLP with Idemitsu Kosan Co., Ltd. in the Keiyo area; the installation of ammonia-fueled crackers at our Osaka Works with aid from Green Innovation Fund; and the promotion of energy efficiency and the introduction of renewable energy.

Carbon neutral roadmap



Measures and outcomes of the Group



Bolstering Circular Economy Initiatives

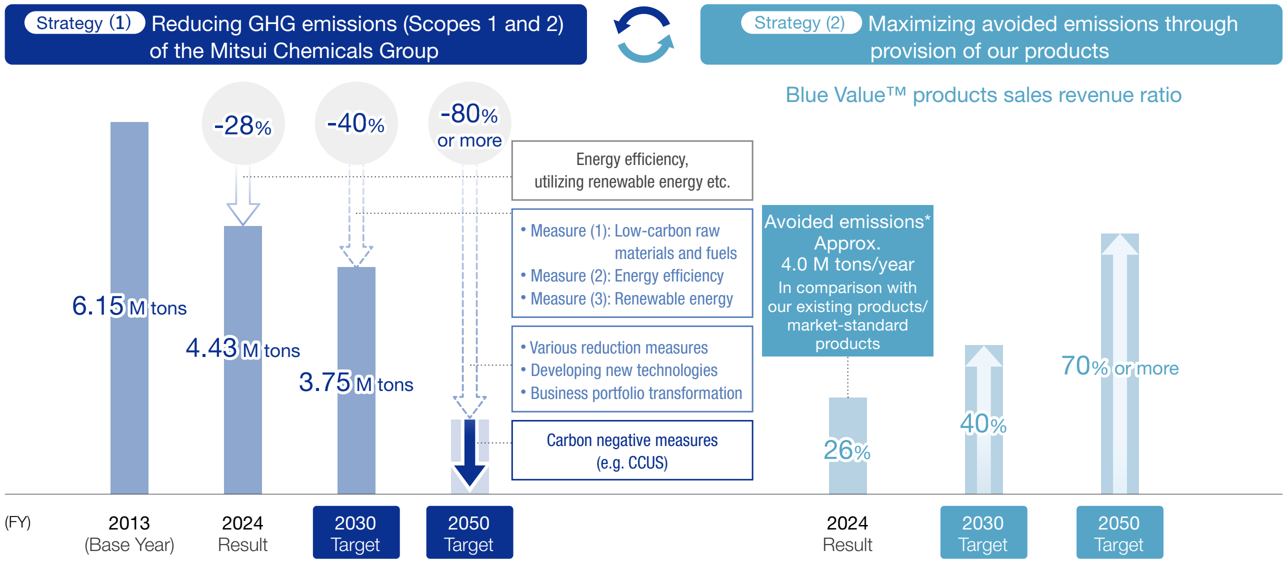
We will continue to implement low-carbon and decarbonization measures in sequence. By 2050, in addition to implementing the aforementioned measures, we intend to achieve 80% or more of these reductions mainly through the development of new technologies and the transition of our business portfolio—though this presupposes markets, customers, and other aspects of the external environment falling into place or changing. We also plan to move forward with the development and implementation of carbon-negative technologies, such as carbon capture, utilization, and storage (CCUS), to handle the remaining 20%.

Strategy (2) Maximizing avoided emissions through provision of our products

Through our supply of Blue Value™ products that make significant environmental contributions, we aim to maximize GHG emissions avoided over the entire product life cycle. In this way, we intend to help all of society achieve carbon neutrality. We have set a 40% or greater Blue Value™ products sales revenue ratio as one of our non-financial targets in VISION 2030, and we have reflected this in the strategy of each business. In addition, for some of our Blue Value™ products, we calculate the contribution of avoided emissions under the review of outside experts. By sharing the results of the calculations with our stakeholders, we have continued efforts to make our contributions more visible.

Problems with plastic waste

The problem with plastic waste stems from plastics that have escaped from the process for resource recycling and ended up in marine environments due to inappropriate waste management. To prevent leakage into rivers and oceans, it requires a united effort by companies in the entire plastics value chain. We have worked to manage plastic waste properly and promote its recycling by participating in global and Japanese alliances such as the Alliance to End Plastic Waste (AEPW) and Japan Clean Ocean Material Alliance (CLOMA).



* For automotive and solar power generation applications
Reference guidelines: The World Business Council for Sustainable Development (WBCSD), GX League

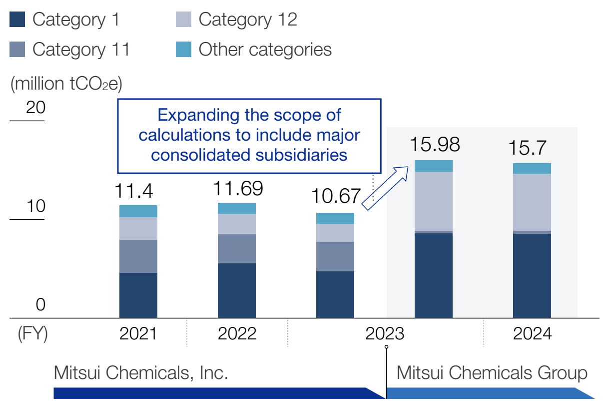
TOPICS Expanding the scope of calculations to include major consolidated subsidiaries for Scope 3*

Until now, we have calculated and disclosed Scope 3 figures for Mitsui Chemicals, Inc. However, in order to more accurately grasp the environmental impact of the entire Group supply chain and use this information for evaluation and management, we have expanded the scope of calculations to include major consolidated subsidiaries from fiscal 2023 results. As we expand the scope of calculations, we are also working to improve accuracy by changing the calculation method.

Going forward, we plan to further expand the scope of our calculations to grasp emissions across the Group, evaluate the environmental impact of a wider range of supply chain, and promote efforts to realize a sustainable society.

* Scope 3: GHG emissions associated with corporate activities in the supply chain

Details of Scope 3 calculation method
The English version of our sustainability website is scheduled to be updated at the end of October 2025.
https://jp.mitsuichemicals.com/en/sustainability/rc/environment/ghg/index.htm



* Category 11 previously included estimated emissions from the indirect use phase for certain plastic-based products in addition to direct use-phase emissions. However, in consideration of accuracy and validity, we have revised the calculation method and now include only emissions from the direct use phase.

Safe and Stable Production Activities

Aiming for zero incident in fiscal 2030

We recognize that safety initiatives and maintaining stable production activities are the foundation for the sustainable growth of the Mitsui Chemicals Group. We believe that they are also the foundation for trust from society, and that they will also improve the quality of our manufacturing and increase our corporate value. Our Group's material topics also lists safety and stable production as prerequisites for business continuity.

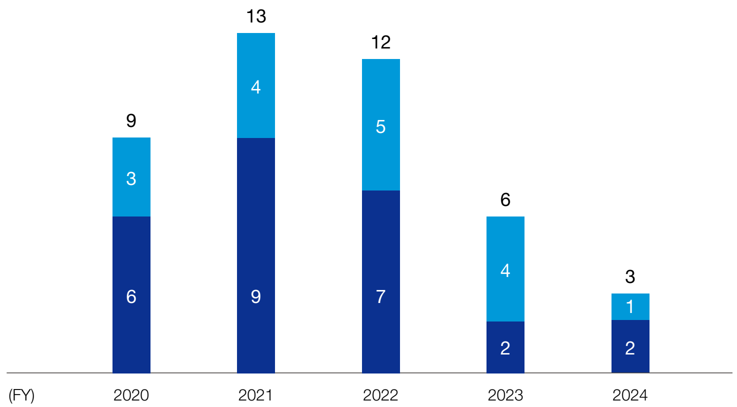
For safety, we have set the incidence of major accidents & serious occupational injuries as a non-financial KPI, with the goal of zero cases over the course of VISION 2030. For stable production, we have set production and equipment reliability as a non-financial KPI and are working to reduce the number of problems involving high-value losses, with the goal of zero cases by fiscal 2030. ▸▸ **Numeric targets for VISION 2030 and the status of their progress, p. 21**

Thanks to initiatives such as the introduction of advanced technologies that contribute to maintenance plans for aging facilities, the number of problems involving high-value losses from fiscal 2022 onwards is on a downward trend. However, we believe that further efforts must be strengthened in order to achieve our target of zero cases by fiscal 2030.

Trends in the occurrence of problems involving high-value losses* at domestic main Works (cases)

Process-related: Problems caused by operational or process design malfunctions
Equipment-related: Problems caused by maintenance or equipment malfunctions

* Production problems resulting in losses of over 100 million yen



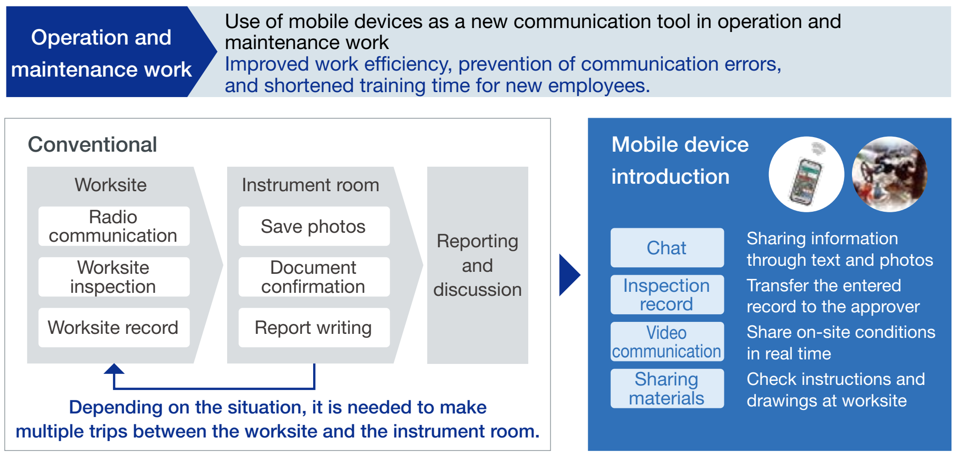
Development of automated and optimized operation technologies using AI

Based on the results of investigations into the underlying causes of past incidents, we recognize that in addition to dealing with aging equipment, we also need to strengthen our ability to respond to non-routine work caused by environmental changes such as generational change in operators, changes in work content, and changes in social systems. To address these challenges, efforts have been made to automate tasks and improve efficiency through digital transformation. However, the scope of applicable equipment is broad, and while these efforts have been possible for routine tasks and main processes, little progress has been made in introducing this technology to ancillary equipment and non-routine tasks.

Under these circumstances, our Group is also developing automated and optimized operation technologies using AI, particularly for startup operations, which are non-routine tasks that require the know-how of veterans and, in some cases, the most manpower.

In July 2024, with the cooperation of NEC Corporation, the National Institute of Advanced Industrial Science and Technology, and Omega Simulation Co., Ltd., we successfully started up a large boiler plant using AI guidance at our Osaka Works. Through this project, we aim to further improve the accuracy of AI and optimize automatic operation.

Examples of work transformation using advanced tools



Safe and Stable Production Activities

Aiming to evolve into equipment that does not rely on human judgment or labor

However, it is expected that it will take some time before AI assistance and automation of the countless non-routine tasks that exist can be realized.

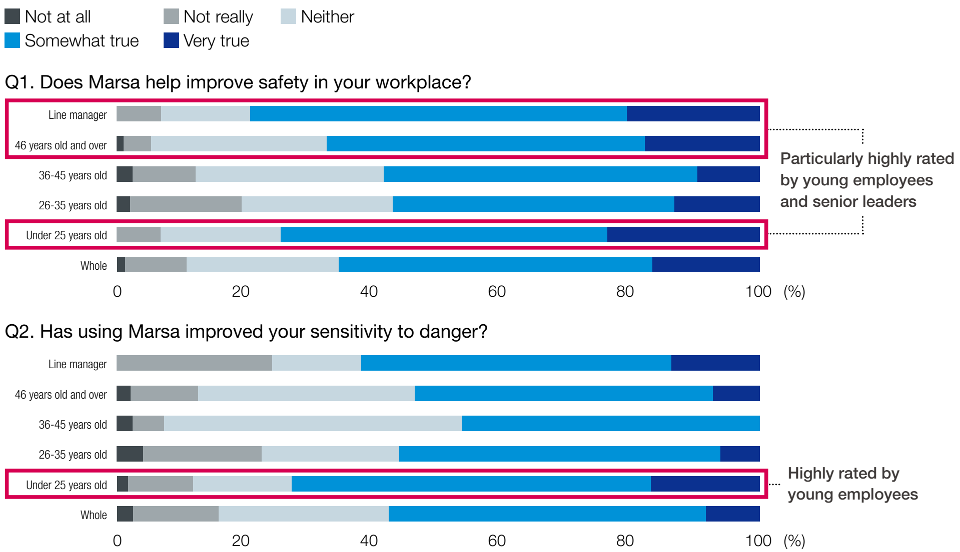
As an example of what can be done with current technology, we began using the "Mitsui AI Real-time Safety Assistant (Marsa)," an occupational injury hazard detection AI at our Osaka Works in 2021 and we are rolling this out company-wide from fiscal 2024. Marsa provides suggestions by easily extracting and classifying relevant past occupational injury information and near misses by frequency and relevance for risk assessments performed by humans during irregular situations. At the Osaka Works, which is now in the fifth year since introducing this system, 85% of employees in the manufacturing and maintenance divisions are using it, and 58% of users said that it has been useful in improving safety in their own workplaces. Additionally, 73% of employees under the age of 25 said that it has been useful in improving their own sensitivity to danger. These results were highly evaluated, and the company was awarded the 19th Japan Chemical Industry Association Responsible Care (RC) Outstanding Award.

We plan to actively utilize and expand the use of Marsa for incident reduction going forward. Of the problems involving high-value losses from fiscal 2020 to fiscal 2024, problems caused by human error and recurrence accounted for approximately 60%. Marsa also has a system that can easily classify and analyze factors, events, locations, and work content, etc. of past problems and external accident information, and is expected to be effective in providing insights from past cases, especially when managing changes to processes and equipment and performing non-routine work. By utilizing these, we hope to reduce the recurrence of accidents and problems.

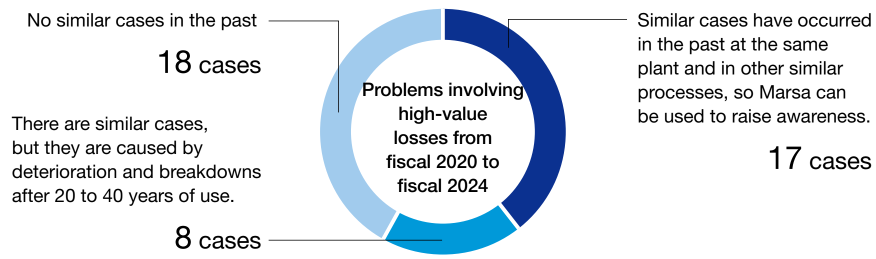
In addition, while Marsa's previous system was capable of finding highly relevant cases and analyzing case trends, it only displayed a portion of the documents searched. To make up for this shortcoming, we plan to use generative AI to add features such as the ability to summarize each case by dividing it into what occurred, its cause, and countermeasures, thereby improving the system so that it can collect necessary information more efficiently.

In addition to the environmental changes mentioned on the previous page, the domestic working population is likely to decline in the future, so we expect it will be necessary to expand the scope of automation and efficiency improvements. Going forward, we will further strengthen our replacement of production operations through the introduction of advanced technologies, aiming to evolve our equipment to not rely on human judgment or labor (eliminating dependency on individuals) and improve production efficiency.

Survey results regarding the use of Marsa at the Osaka Works



43 problems involving high-value losses from fiscal 2020 to fiscal 2024 analyzed by Marsa

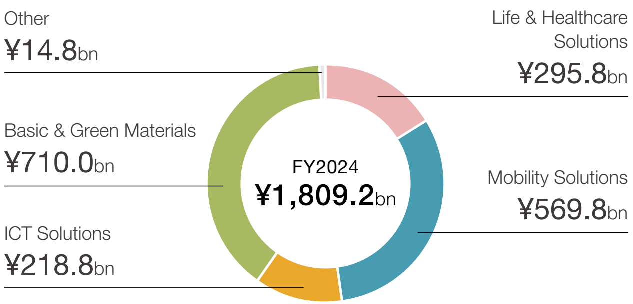


Financial and company data

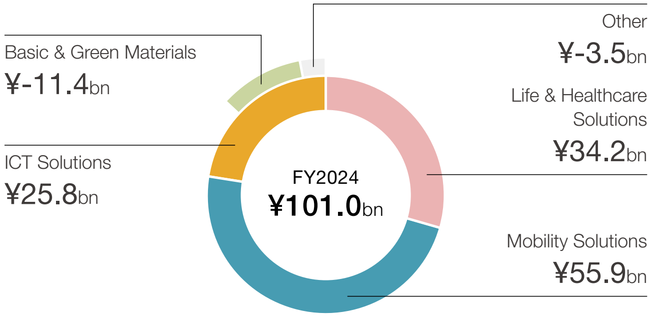
Data by Business Segment

Life & Healthcare Solutions · Mobility Solutions · ICT Solutions · Basic & Green Materials

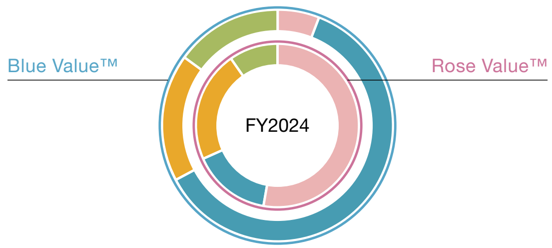
Sales revenue



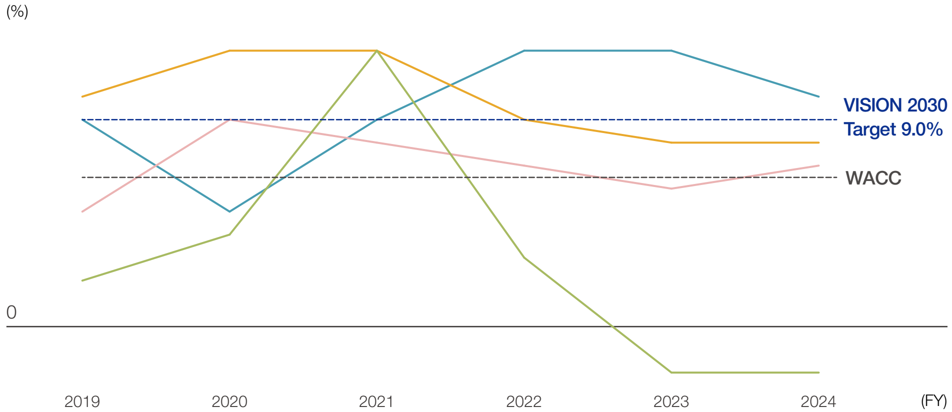
Operating income before special items



Sales revenue by business segment of Blue Value™ and Rose Value™ products



ROIC by business segment*



* In order to promote the Group-wide Basic Strategy under the VISION 2030 Long-Term Business Plan, we implemented a Group-wide organization restructuring effective April 1, 2022. Segment information for fiscal 2019 through 2021 is disclosed based on the reportable segment classifications after the revisions.
Segment information from fiscal 2022 onward is prepared based on the reportable segment classifications as of each respective fiscal year. Please note that due to organization restructuring and other factors, the reportable segment classifications may differ between fiscal years.

Status of major investment projects

	Major investment projects	Timing	Capacity	FY2023	FY2024	FY2025	FY2026 and onward
Life & Healthcare Solutions	Increased capacity of ophthalmic lens materials in Japan	Jan. 2024	–				
	Increased capacity of ophthalmic lens materials in Japan (Announced on January 15, 2025)	First half of FY2028	–				
	Acquisition of DNA Chip Research Inc. as a wholly owned subsidiary	First quarter of FY2025	–				
Mobility Solutions	Establishment of a new TAFMER™ plant in Singapore	Second half of FY2025	120 kt				
	New plant for high-performance PP in Japan	Second half of FY2025	200 kt				
ICT Solutions	Increased capacity of ICROS™ Tape in Taiwan	Jun. 2024	3.8 million m^2				
	A share split and a partial share transfer of Mitsui Chemicals Tohcello, Inc.	Apr. 2024	–				
	Increasing the capacity of polyurethane dispersions (PUD) in Japan	Jun. 2025	+100%				
	Increasing the capacity of XDI special isocyanate in Japan	Sep. 2025	+20%				
	Production facilities in Japan for CNT pellicles to be used in next-generation EUV lithography	Dec. 2025	5,000 pellicles				
	Investment to bolster the development of materials in semiconductor assembly	Mar. 2025	–				
Basic & Green Materials	Increased capacity of MDI at Kumho Mitsui Chemicals Inc. in South Korea	Sep. 2024	200 kt				

Data by Business Segment

Life & Healthcare Solutions

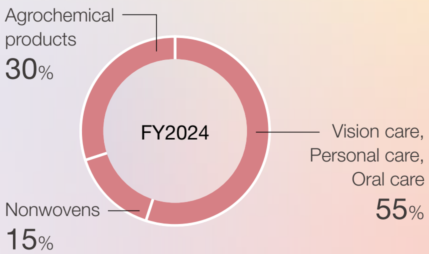
Business vision (Our ideal vision for 2030)

Contributing to improved quality of life and the assurance of food safety and security by offering solutions that support life, health, and comfortable lifestyles

FY2024 results

Sales revenue:	295.8 billion yen
Operating income before special items:	34.2 billion yen

Sales revenue by product



* Starting from fiscal 2025, we have revised the segment to which Mitsui Chemicals Asahi Life Materials Co., Ltd. belong from Life & Healthcare Solutions to ICT Solutions as well as that of certain other affiliates from Mobility Solutions to ICT Solutions.
The above figures for fiscal 2024 are based on the reportable segment classifications before the change in the attributable segments.

Market share and market growth rate of key products (FY2024)

		Share		Market growth rate	
Vision care materials	Ophthalmic lens materials (MR™ series, KOC/KR, RAV 7™ series)	Global	45%	Overall High refractive index	3%* 6%*
Agrochemical products		—		Global	3-4%*
Oral care materials	Dental materials	Germany	No. 1 in market	Global	3%*

* FY2021-2024

	Competitive advantages	Main products
Life care solutions 	**Vision care materials** • Product lineup and supply capacity that can meet a wide range of customer needs and expanding demands • Global brand power • Development capabilities to continuously create new materials and technologies that meet market needs, such as comfortable vision, eye health, and reduced environmental impact **Personal care materials** • R&D capabilities founded on enzyme technology and organic synthesis technology	**Vision care materials** • Plastic ophthalmic lens materials (MR™, KOC/KR, RAV 7™, Do Green™ products) • Photochromic lens material (SunSensors™) • Coating materials (Crystal Coat™) • Lens processing equipment (Velocity™, Cobalt™, CrystalChrome™) **Personal care materials** • Acrylamide, Acrylamide biocatalyst (YURIKOS™), Methacrylamide, Synthetic pulp (SWP™) • Antibacterial and anti-mold agents (YOHTOL™ DP95, YOHTOL™ DP-CD), DMI™
Wellness solutions 	**Agrochemical products / Non-crop specialty chemicals** • Highly unique drug discovery capabilities and production technology based on organic synthesis • Portfolio of products derived from natural materials that are safe and have a low environmental impact • Formulation development capabilities that can meet a wide range of customer needs **Personal care materials** • Stable supply of high-quality products **New fields** • Enzyme improvement technology cultivated through bio-catalyst development	**Agrochemical products / Non-crop specialty chemicals** • Insecticides, Fungicides, Herbicides / Commercial and household products, Pet medication ingredients, Vector control **Personal care materials** • Taurine **New fields** • Bio-catalyst
Medical solutions 	**Oral care materials** • Global brand power • Product development capabilities through the combination of polymer science, precision synthesis technology, and clinical dental knowledge **Orthopedic materials** • Materials technology applied to dental materials, etc. **Testing and diagnosis** • Cutting-edge genetic analysis technology	**Oral care materials** • Restorative materials (Venus™, Charisma™), Dental cement (Super-Bond™) • Denture-related products (PALA™), 3D printable material (DIMA™) **Testing and diagnosis** • Companion diagnostics* (Lung Cancer Compact Panel™ Dx Multiplex Companion Diagnostic System) * A test to detect genetic mutations before administration in order to determine the effectiveness of certain drugs (molecular targeted drugs).

Data by Business Segment

Mobility Solutions

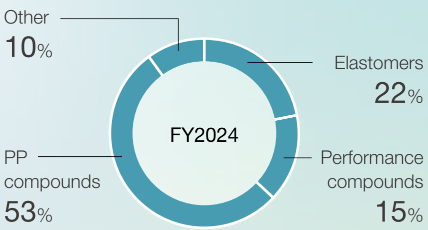
Business vision (Our ideal vision for 2030)

Providing unique materials, features, and services to help solve social challenges and achieve sustainable business growth

FY2024 results

Sales revenue:	569.8 billion yen
Operating income before special items:	55.9 billion yen

Sales revenue by product



* Starting from fiscal 2025, we have revised the segment to which Mitsui Chemicals Asahi Life Materials Co., Ltd. belong from Life & Healthcare Solutions to ICT Solutions as well as that of certain other affiliates from Mobility Solutions to ICT Solutions.
The above figures for fiscal 2024 are based on the reportable segment classifications before the change in the attributable segments.

Market share of key products (FY2024)

		Share
TAFMER™	Global	No.2 in market
	Asia	No. 1 in market
	Japan	No. 1 in market

		Share
PP compounds	Global	No.2 in market
	Asia	No. 2 in market
	Japan	No. 1 in market

	Competitive advantages	Main products
Materials business  	• Extensive lineup of materials • Advanced technological capabilities and product quality • Extensive customer base that taps into our global network • Technical services • Ability to propose concepts by utilizing the Group's functions	**Elastomers** • Ethylene-propylene terpolymer (Mitsui EPT™), Alpha-olefin copolymer (TAFMER™), Liquid polyolefin oligomer (LUCANT™) **Composite materials** • Adhesive polyolefin (ADMER™), Thermo-plastic elastomer (MILASTOMER™), Engineering plastics (ARLEN™, AURUM™), PP compounds
Solutions business	• Design and analysis functions • Prototype and LVP (low volume production) functions • Molding technology • Development support functions	• ARRK Group ARRK, Kyowa Industrial Co., Ltd KYOWA

Data by Business Segment

ICT Solutions

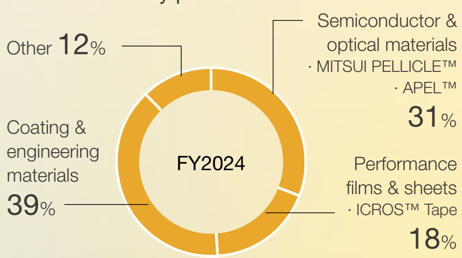
Business vision (Our ideal vision for 2030)

Creating and growing a “unique” ICT Solutions business that contributes to the evolution of AI, beyond-5G, and other such technologies that can support safe and pleasant infrastructure, healthy living, and a sustainable global environment

FY2024 results

Sales revenue:	**218.8** billion yen
Operating income before special items:	**25.8** billion yen

Sales revenue by product

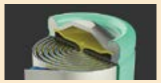


* Starting from fiscal 2025, we have revised the segment to which Mitsui Chemicals Asahi Life Materials Co., Ltd. belong from Life & Healthcare Solutions to ICT Solutions as well as that of certain other affiliates from Mobility Solutions to ICT Solutions.
The above figures for fiscal 2024 are based on the reportable segment classifications before the change in the attributable segments.

Market share and market growth rate of key products (FY2024)

		Share	Market growth rate
ICROS™ Tape, semiconductor manufacturing process tapes	Global	No. 1 in market	7%
APEL™, cyclic olefin copolymer	Global	Over 50% (No. 1) (convex lens)	Smartphone lens market 2%*1
Pellicles	Global	No. 1 in market	10%*2 (cutting-edge area)
Nonwovens, spunbonded nonwoven fabric (hygiene materials)*3	ASEAN Japan	No. 2 No. 1	8% -1%

*1 FY2024-2028 *2 2025-2030 CAGR *3 FY2024

	Competitive advantages	Main products
Semiconductor & assembly solutions 	• Unique products with high market share in the semiconductor and assembly field as well as the imaging field • Advanced technological capabilities and product quality, and technical support • Global customer base • Ability to propose total solutions across the value chain • Production and technological capabilities that leverage synergies from integration in the Nonwovens business	• Dust covers for photomasks (MITSUI PELLICLE™), High-purity gas for deposition process (silane/disilane), Photoresist raw material (MILEX™), Tape for semiconductor manufacturing process (ICROS™ Tape), Silicone-coated film (SP-PET™), Heat-resistant release film (Opulent™), Low-dielectric monomer, Catalyst for hydrogen peroxide production, Filters (EUTEC™), Nonwovens for filters (SYNTEX™ MB, Precise™)
Imaging solutions 		• Lens materials (APEL™), Materials for reflective films (TPX™), LCD and OLED sealing materials (STRUCTBOND™)
Battery material solutions 		• Materials for LiB separator (HI-ZEX MILLION™), Electrolyte for LiB (MILLET™), Adhesive for LiB pouch (UNISTOLE™), Heat resistant coating material (BONRON™), Solar cell encapsulant sheets (SOLAR ASCE™)
Converting solutions 		• Heat sealant for environmentally friendly paper packaging materials (CHEMIPEARL™), Barrier coating materials for sustainable packaging materials (TAKELAC™ WPB), Packaging adhesives (TAKENATE™, TAKELAC™), Nonwovens (AIRYFA™, ECORISE™), Shape holding material (TEKNOROTE™), Breathable films (ESPOIR™), Unsaturated polyester (POLYHOPE™), Molding compound (POLYMAL™ MAT)

Data by Business Segment

Basic & Green Materials

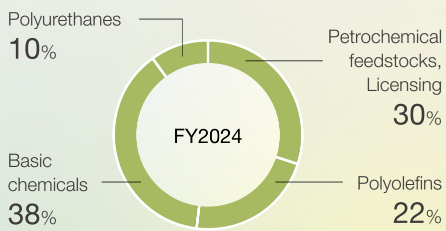
Business vision (Our ideal vision for 2030)

Accomplishing business restructuring as well as leading the Mitsui Chemicals Group's efforts to bring about a circular economy revolution with the aim of reducing environmental impacts and realizing a decarbonized society

FY2024 results

Sales revenue:	710.0 billion yen
Operating income before special items:	-11.4 billion yen

Sales revenue by product

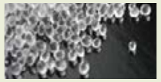


Competitive advantages

- Globally competitive naphtha crackers
- Metallocene and other polyolefin catalytic technologies
- High-performance polyols and high-performance MDIs to differentiate polyurethane products
- Development of bio-polyols and related manufacturing technology
- Development of a wide range of bio-based and chemically recycled products by introducing bio-based hydrocarbons and pyrolysis oil from plastic waste

Main products

Petrochemicals



- Ethylene, Propylene, High density polyethylene, Metallocene linear low density polyethylene (EVOLUE™), Linear low density polyethylene, Polypropylene, Olefin polymerization catalysts

Basic chemicals

- Phenol, Bisphenol A, Acetone, Isopropyl alcohol, Methyl isobutyl ketone, Purified terephthalic acid, PET resin, Ethylene oxide, Ethylene glycol, Hydroquinone, Meta/Para-cresol, Ammonia, Urea, Melamine

Polyurethane raw materials

- TDI (COSMONATE™), MDI (COSMONATE™), PPG (ACTCOL™, ECONYKOL™, Nextyol™)

News releases related to the restructuring of Basic & Green Materials from fiscal 2023 onward

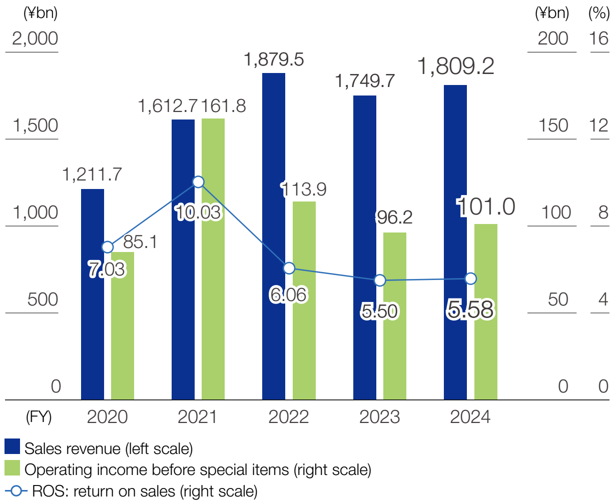
- Collaboration to Strengthen the Competitiveness of the Domestic Polyolefin Business
  https://jp.mitsuichemicals.com/en/release/2025/2025_0910_1/index.htm
- Making overseas phenol operations more asset-light
  https://jp.mitsuichemicals.com/content/dam/mitsuichemicals/sites/mci/documents/release/2025/250624_1e.pdf
- Consideration of spitting off Basic & Green Materials Business
  https://jp.mitsuichemicals.com/content/dam/mitsuichemicals/sites/mci/documents/release/2025/250530_2e.pdf
- Study into optimal cracker production setup in western Japan
  https://jp.mitsuichemicals.com/en/release/2024/2024_0508_1/index.htm
- Phenol plant at Ichihara Works to be closed (brought forward to the second half of 2025)
  https://jp.mitsuichemicals.com/en/release/2024/2024_0404/index.htm
- Study into consolidation at Chiba LLP
  https://jp.mitsuichemicals.com/en/release/2024/2024_0327/index.htm
- Closure of PET plant at Iwakuni-Ohtake Works
  https://jp.mitsuichemicals.com/en/release/2023/2023_1121/index.htm
- Downsizing of TDI plant at Omuta Works
  https://jp.mitsuichemicals.com/en/release/2023/2023_0328/index.htm
- Closure of PTA plant at Iwakuni-Ohtake Works
  https://jp.mitsuichemicals.com/en/release/2022/2022_0315/index.htm

Data Highlights

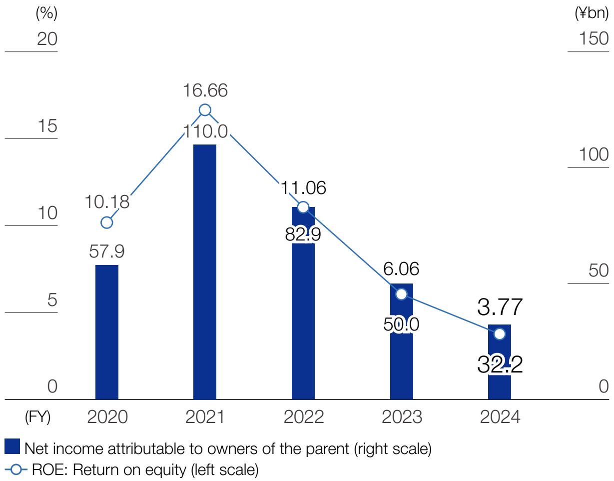
Data Highlights https://jp.mitsuichemicals.com/en/ir/fact_book/

Financial highlights

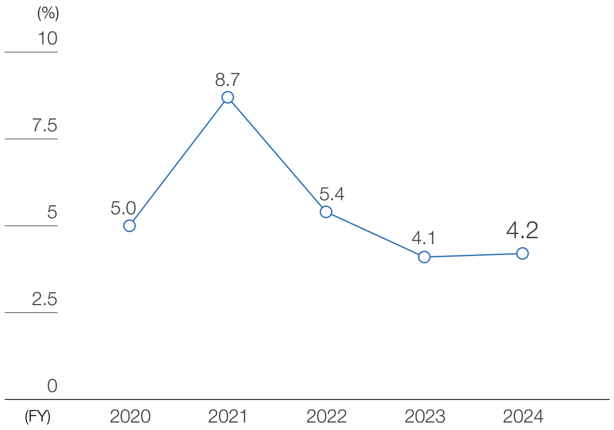
Sales revenue/Operating income before special items/ROS



ROE/Net income attributable to owners of the parent

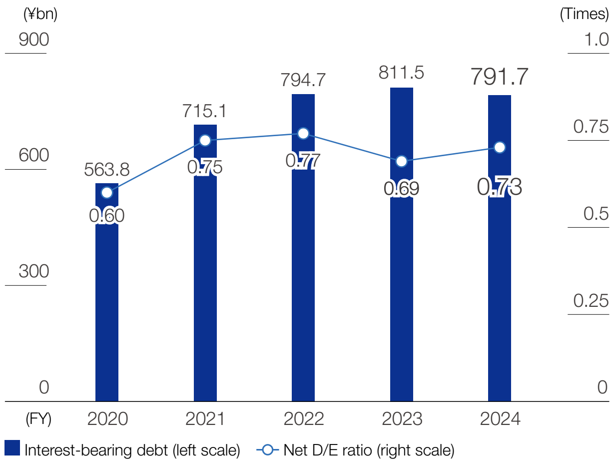


ROIC

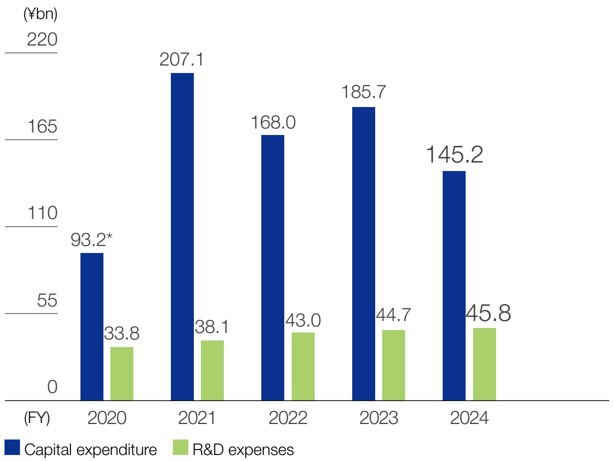


* ROIC: Return on invested capital=NOPAT/Invested capital

Interest-bearing debt/Net D/E ratio

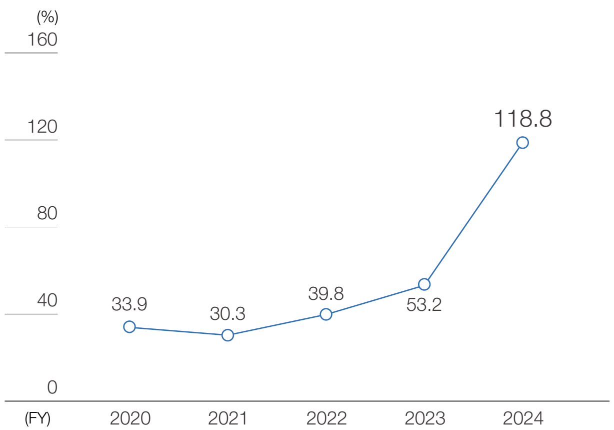


Capital expenditure/R&D expenses



* Includes increase from the recognition of regular maintenance and repair costs, etc., under IFRS

Total return ratio



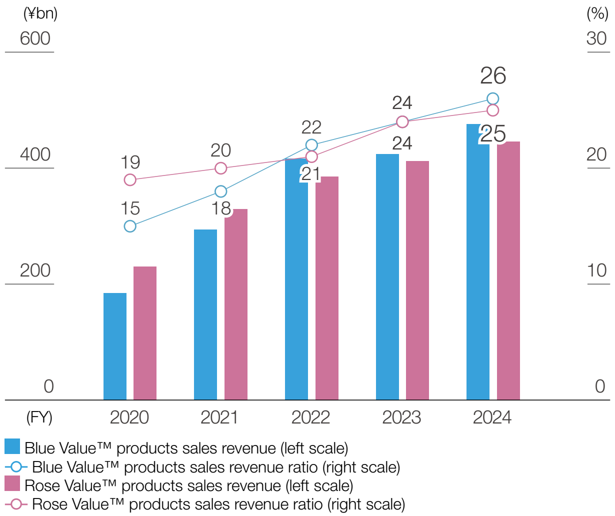
Data Highlights

* We plan to obtain a third-party guarantee on the data for fiscal 2024. In this process, some of the numerical data may be revised. The most updated data is as shown below.

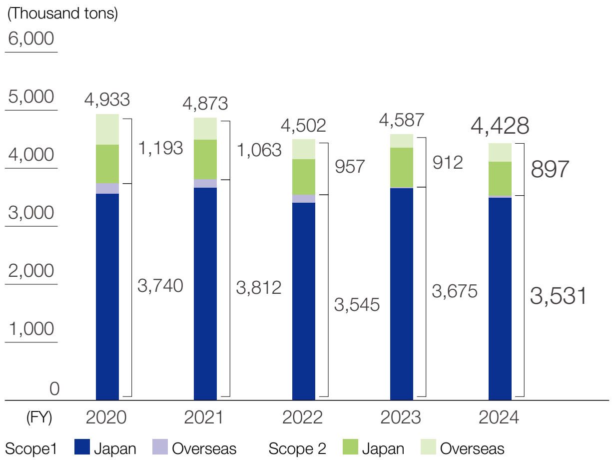
ESG Performance Data – Environment https://jp.mitsuichemicals.com/en/sustainability/others/esg_performance/environment/index.htm
ESG Performance Data – Society https://jp.mitsuichemicals.com/en/sustainability/others/esg_performance/society/index.htm

Non-financial highlights

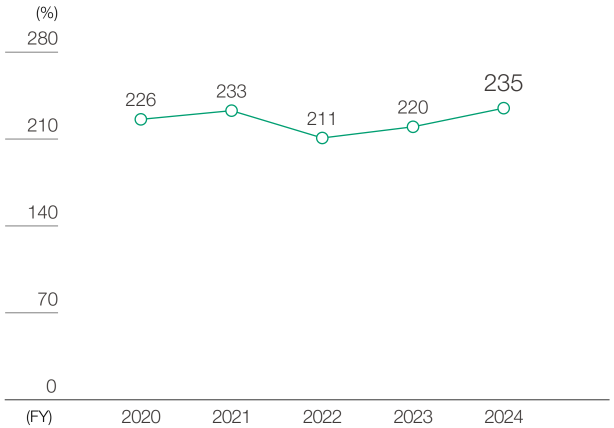
Blue Value™ and Rose Value™ products sales revenue ratios TCFD



GHG emissions (Scope 1 and 2) TCFD

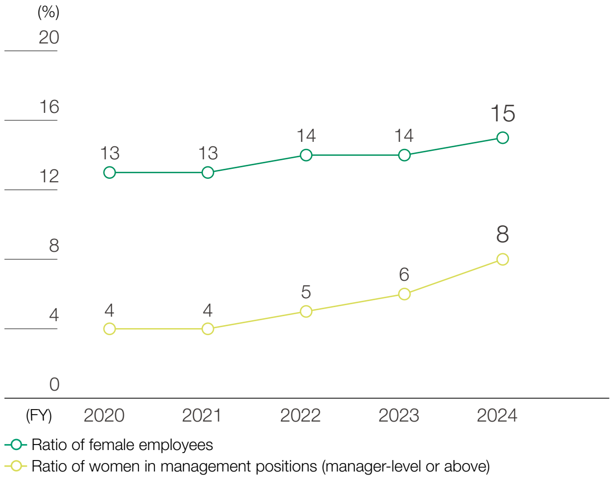


Successor coverage rate for critical positions*



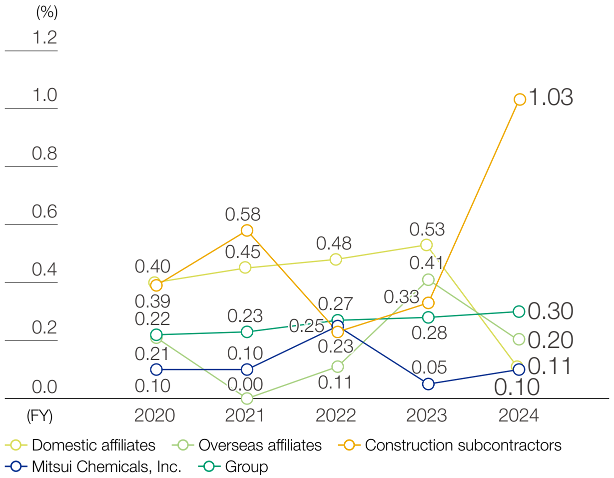
* Successor coverage rate for critical positions: Number of successor candidates for critical positions/Number of critical positions

Ratio of female employees/Ratio of women in management positions (manager-level or above)



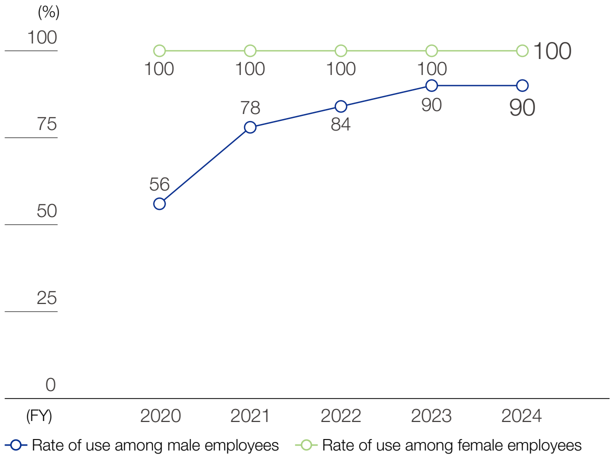
* Mitsui Chemicals, Inc. registered employees
* The ratio of women in management positions (manager-level or above) has included only the full-time employees (excluding the rehired employees).

Significant occupational injury* frequency



* Significant occupational injuries (SOIs) refer to occupational injuries that resulted in absence from work or death. SOIs also include lighter occupational injuries that, due to the potential danger in the cause of the injury, could have led to absence from work or death. SOIs do not include those injuries that are not directly related to operations.

Childcare leave usage rate



* Mitsui Chemicals, Inc. registered employees

11-Year Overview of Major Financial and Non-Financial Indicators

J-GAAP / For the Fiscal Year	2014	2015	2016	2017	2018	2019	IFRS*1 2019
Financial Data							
Operating Results (for the year)							
Net Sales/Sales revenue	¥1,550,076	¥1,343,898	¥1,212,282	¥1,328,526	¥1,482,909	¥1,338,987	¥1,349,522
Operating income/Operating income before special items	42,040	70,926	102,149	103,491	93,427	71,636	72,330
Profit before income taxes	35,840	41,302	85,772	94,208	105,297	68,460	60,824
Profit attributable to owners of parent/Net income attributable to owners of the parent	17,261	22,963	64,839	71,585	76,115	37,944	33,970
Net cash provided by operating activities	58,287	145,913	100,440	82,660	109,492	114,974	142,232
Net cash used in investing activities	(35,036)	(36,365)	(47,395)	(75,041)	(64,255)	(85,168)	(109,112)
Free cash flows	23,251	109,548	53,045	7,619	45,237	29,806	33,120
Financial Position (at year-end)							
Total current assets	¥ 731,708	¥ 628,210	¥ 678,938	¥ 731,326	¥ 786,677	¥ 781,347	¥ 781,834
Property, plant and equipment, net/Property, plant and equipment and Right-of-use assets, net	433,629	413,402	409,429	432,908	443,063	485,531	499,650
Total intangible assets, investments and other assets	246,453	217,336	237,158	267,075	271,334	213,189	249,031
Total assets	1,411,790	1,258,948	1,325,525	1,431,309	1,501,074	1,480,067	1,530,515
Total current liabilities	448,499	364,259	392,783	443,105	458,758	478,498	485,674
Total non-current liabilities/Total non-current liabilities	491,992	451,452	418,107	400,982	410,577	393,548	435,134
Total shareholder's equity & Total accumulated other comprehensive income/Total equity attributable to owners of the parent	406,235	381,971	449,692	511,586	551,915	527,589	529,220
Interest-bearing debt	548,713	472,986	439,868	463,658	485,043	554,243	599,388
Other							
Depreciation and amortization	¥ 48,251	¥ 48,640	¥ 44,057	¥ 45,654	¥ 49,504	¥ 52,106	¥ 76,009
Capital expenditures	47,531	43,405	45,383	81,248	61,924	76,294	106,539
R&D expenses	32,473	31,493	30,777	33,377	35,796	36,368	36,081
Per Share Data*2							
Net income per share (basic)	¥ 86.20	¥ 114.75	¥ 324.05	¥ 358.38	¥ 385.60	¥ 194.94	¥ 174.52
Cash dividends per share	25.00	40.00	70.00	90.00	100.00	100.00	100.00
Ratios							
Return on sales	2.71	5.28	8.43	7.79	6.30	5.35	5.36
Return on equity	4.55	5.83	15.59	14.89	14.31	7.03	6.28
Return (Operating income) on assets/Return (Operating income before special items) on assets	2.96	5.31	7.90	7.51	6.37	4.81	4.63
Net D/E Ratio	1.22	1.03	0.79	0.75	0.68	0.76	0.81

For the Fiscal Year		2014	2015	2016	2017	2018	2019
Non-Financial Data							
Social and Environmental*3 Data							
Employees	Consolidated	14,363	13,447	13,423	17,277	17,743	17,979
	Mitsui Chemicals, Inc. registered employees	6,931	6,733	6,516	6,541	6,670	6,773
Ratio of female employees	Mitsui Chemicals, Inc. registered employees	12	12	12	13	13	13
SOI*4 frequency*5	Consolidated	0.18	0.30	0.23	0.24	0.33	0.31
GHG emissions (Scopes1 and 2)*6	Consolidated*7	501	5,780	5,730	5,580	5,220	5,060
Energy consumption	Consolidated	86	95	97	95	93	89.3
Industrial waste	Landfill disposal volume (Consolidated)	0.7	1.0	0.9	0.7	0.7	0.8
	Landfill rate (Consolidated)*8	0.2	0.4	0.4	0.3	0.3	0.4

11-Year Overview of Major Financial and Non-Financial Indicators

IFRS*1

For the Fiscal Year	2020	2021	2022	2023	2024	
Financial Data						
Operating Results (for the year)					(Millions of yen)	
Sales revenue	¥1,211,725	¥1,612,688	¥1,879,547	¥1,749,743	¥1,809,164	
Operating income before special items	85,140	161,815	113,903	96,234	100,957	
Income before income taxes	74,243	141,274	117,278	73,331	71,647	
Net income attributable to owners of the parent	57,873	109,990	82,936	49,999	32,242	
Net cash provided by operating activities	174,323	92,584	101,241	161,339	200,501	
Net cash used in investing activities	(77,555)	(205,234)	(106,340)	(123,939)	(165,012)	
Free cash flows	96,768	(112,650)	(5,099)	37,400	35,489	
Financial Position (at year-end)					(Millions of yen)	
Total current assets	¥ 787,572	¥1,033,445	¥1,094,286	¥1,150,579	¥1,041,171	
Property, plant and equipment and Right-of-use assets, net	501,960	553,584	600,887	652,098	669,240	
Intangible assets and Investments and other assets	268,593	347,936	373,030	413,142	443,542	
Total assets	1,558,125	1,934,965	2,068,203	2,215,819	2,153,953	
Total current liabilities	466,305	706,569	695,444	676,579	605,927	
Total non-current liabilities	409,663	421,274	489,456	554,434	577,422	
Total equity attributable to owners of the parent	607,921	712,654	786,827	862,851	848,284	
Interest-bearing debt	563,791	715,059	794,700	811,456	791,743	
Other					(Millions of yen)	
Depreciation and amortization	¥ 76,621	¥ 84,222	¥ 92,080	¥ 95,249	¥ 99,768	
Capital expenditures	93,170	207,132	168,002	185,703	145,213	
R&D expenses	33,802	38,124	42,954	44,695	45,781	
Per Share Data					(Yen)	
Net income (loss) per share (basic)	¥ 298.00	¥ 565.45	¥ 431.17	¥ 262.99	¥ 170.56	
Cash dividends per share	100.00	120.00	120.00	140.00	150.00	
Ratios						
Return on sales	7.03	10.03	6.06	5.50	5.58	(%)
Return on equity	10.18	16.66	11.06	6.06	3.77	(%)
Return (Operating income (loss) before special items) on assets	5.51	9.26	5.69	4.49	4.62	(%)
Net D/E Ratio	0.60	0.75	0.77	0.69	0.73	(Times)
Return on invested capital	5.0	8.7	5.4	4.1	4.2	(%)

For the Fiscal Year		2020	2021	2022	2023	2024	
Non-Financial Data							
Social and Environmental*3 Data							
Employees	Consolidated	18,051	18,780	18,933	19,861	17,320	(Persons)
	Mitsui Chemicals, Inc. registered employees	6,809	6,899	7,073	7,265	7,358	(Persons)
Ratio of female employees	Mitsui Chemicals, Inc. registered employees	13	13	14	14	15	(%)
SOI*4 frequency*5	Consolidated	0.22	0.23	0.27	0.28	0.30	
GHG emissions (Scopes 1 and 2)*6	Consolidated*7	4,933	4,873	4,502	4,587	4,428	(Thousand tons)
Energy consumption	Consolidated	87.1	88.0	82.8	77.8	74.9	(PJ)
Industrial waste	Landfill disposal volume (Consolidated)	0.7	0.7	0.6	1.9	1.6	(Thousand tons)
	Landfill rate (Consolidated)*8	0.3	0.3	0.3	0.5	0.5	(%)

*1 The Mitsui Chemicals Group adopted IFRS in fiscal 2020. Comparisons with fiscal 2019 have been made using data adjusted to IFRS.

*2 On October 1, 2017, Mitsui Chemicals, Inc. conducted a 5-to-1 share consolidation. Net income (loss) per share is calculated as if the consolidation had been conducted at the start of fiscal 2016. The figures listed for cash dividends per share have also been retroactively adjusted to account for the impact of the consolidation.

*3 Due to changes in aggregation methods and legal revisions, only data that complies with such methods and laws is presented.

*4 "Significant Occupational Injuries (SOIs)" refer to occupational injuries that resulted in absence from work or death. SOIs also include lighter occupational injuries that, due to the potential danger in the cause of the injury, could have led to absence from work or death. SOIs do not include those injuries that are not directly related to operations.

*5 SOI frequency: The number of deaths or SOIs per million hours worked.

*6 We had disclosed our GHG emissions as a combination of both Scope 1 and 2 less the amount of electricity and steam sold up to fiscal 2014. Since fiscal 2015, we have been disclosing the sum of Scope 1 and 2, and complied with the GHG protocol in fiscal 2023.

*7 GHG emissions for overseas consolidated subsidiaries are calculated in accordance with Japan's Law Concerning the Promotion of Measures to Cope with Global Warming based on energy consumption figures. (CO_2 emission factors from electricity generation were retroactively changed to the International Energy Agency (IEA) emission factors for each country.) Data reflect the total of domestic and overseas consolidated subsidiaries.

*8 Figures are calculated based on global data. However, figures before the fiscal year ended March 31, 2018 are calculated based on consolidated data in Japan.

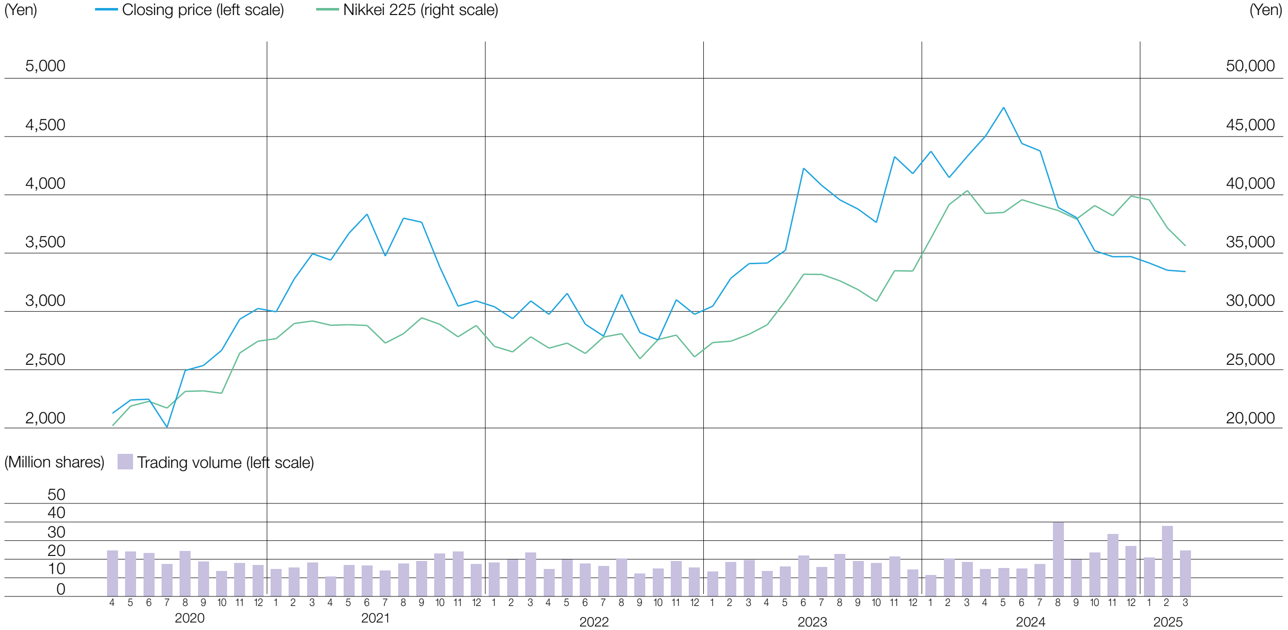
* We plan to obtain a third-party guarantee on the data for fiscal 2024. In this process, some of the numerical data may be revised. The most updated data is as shown below.

ESG Performance Data—Environment
https://jp.mitsuichemicals.com/en/sustainability/others/esg_performance/environment/index.htm

ESG Performance Data—Society
https://jp.mitsuichemicals.com/en/sustainability/others/esg_performance/society/index.htm

Stock Information

Common Stock Price and Trading Volume



Total Shareholder Return (TSR)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Year-end stock price (yen)	2,051	3,495	3,090	3,410	4,331	3,342
Dividend per share (yen)		100	120	120	140	150
Cumulative dividends per share (yen)		100	220	340	480	630
TSR		175.3%	161.4%	182.8%	234.6%	193.7%
TOPIX Total Return		142.1%	145.0%	153.4%	216.8%	213.4%

* Total shareholder return is the value as of the end of the year in fiscal 2020 and thereafter assuming investment at the closing price at the end of fiscal 2019.

Credit Ratings (As of March 31, 2025)

Rating Agencies	Rating
Japan Credit Rating Agency, Ltd. (JCR)	AA-
Rating and Investment Information, Inc. (R&I)	A+

Corporate Information (As of March 31, 2025)

Date of Establishment	October 1, 1997
Paid-in Capital	125,738 million yen
Employees	17,320 (Consolidated)
Subsidiaries and Affiliates	156 (Domestic 50, Overseas 106)
Shares of Common Stock Issued	200,843,815
Number of Shareholders	85,522
Stock Exchange Listing	Prime Market, Tokyo Stock Exchange (Code: 4183)
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited

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