

0→1 MAKE IT HAPPEN

FY24-1 Chemistry for Sustainable World

CEO PRESENTATION



橋本 修

HASHIMOTO Osamu

Mitsui Chemicals, Inc.

President & CEO

May 29, 2024

Message

Three years have now passed since the 2021 launch of Mitsui Chemicals' VISION 2030 Long-Term Business Plan, based on which we embarked on a process of business portfolio transformation and efforts to implement a range of reforms. Regrettably, however, one would have to say that progress toward the achievement of VISION 2030 has been delayed as a result of the harsh business environment. Contributory factors include friction between the U.S. and China, conflict in Ukraine and the Middle East, inflation in the cost of all goods and services, and a structural supply-demand gap due to oversupply resulting from major capacity increases in China.

Under these circumstances, with fiscal 2025 – the midpoint year for our fiscal 2030 goals – fast approaching, the Mitsui Chemicals Group intends to reflect seriously on the last three years and make the necessary corrections so we can return to a growth path without delay and take on the challenge of reforms aimed at achieving our fiscal 2030 goals.

Mitsui Chemicals has change and innovation woven into its very DNA, which has been shaped by more than a century of history. Starting in 1912, the first generation of our company focused on coal chemistry and the second on the petrochemicals sector. Both eras saw our company take on the challenge of solving social issues. Now, we are entering another period of great change that should be described as our third generation: the age of green chemicals, which will include replacing fossil fuels with alternative raw materials and making other efforts to reduce the environmental impact of business. The Mitsui Chemicals Group seeks to be a first mover as it works to help build a sustainable society, and we will speed up progress toward this goal not only through our own ability to harness the power of chemistry, but also via collaboration with other companies and co-creation with partners.

In addition, we will demonstrate our high regard for communication with our stakeholders as we continue, day by day, to take on the challenge of achieving VISION 2030 and sustainable growth.

May 2024
HASHIMOTO Osamu
President & CEO



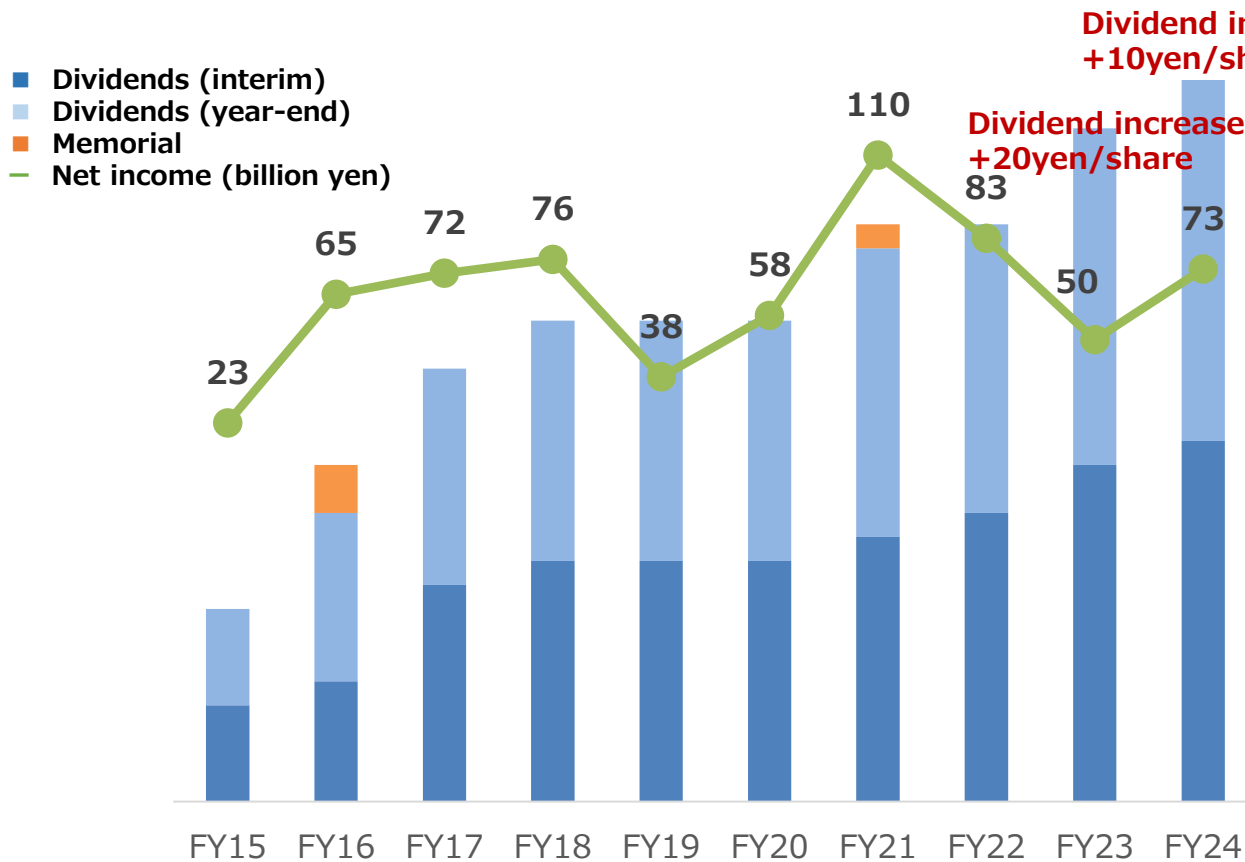
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- ▶ **Business Performance**
FY23 results and full-year outlook for FY24
- ▶ **VISION 2030**
Basic policies toward 2030
Measures in line with our five-point Basic Strategy

While profit fell in FY23 due to the harsh business environment, growth domains maintained steady profit growth. Profit is forecast to increase across the Group in FY24, but we still face challenges in achieving our FY25 checkpoint target of 200 billion yen

Items (JPY bn)	FY2021	FY2022	FY2023	FY2024	FY2023 → FY2024	
	Results	Results	Results	May Outlook	Increase (Decrease)	Rate
Sales revenue	1,613	1,880	1,750	1,850	100	6%
Operating income before special items	162	114	96	125	29	30%
Non-recurring items	△ 15	15	△ 22	△ 12	10	-
Operating income	147	129	74	113	39	52%
Financial income / expenses	△ 6	△ 12	△ 1	△ 6	△ 5	-
Net income attributable to owners of the parent	110	83	50	73	23	46%
Exchange rate (JPY/USD)	112	135	145	145	0	
Domestic standard naphtha price (JPY/KL)	56,600	76,600	69,100	75,000	5,900	
Growth domains	88	102	111	126	15	13%

Provide stable and continuous shareholder returns



FY24 dividend outlook

Interim

Year-end

Full year

$$75 \text{ JPY/share} + 75 \text{ JPY/share} = 150 \text{ JPY/share}$$

- ✓ Target DOE: 3.0% or more
- ✓ Stable and continuous dividend
- ✓ Flexible acquisition of treasury stock
- ✓ Target total return ratio: 30% or more

Dividend(yen)	40*	70*	90*	100	100	100	120	120	140	150
Acquisition of Treasury stock (billion yen)	-	-	5	10	10	-	10	10	-	-
DOE(%)	2.0	3.4	3.7	3.7	3.6	3.4	3.5	3.1	3.2	-
Total return ratio(%)	35	22	32	39	77	34	30	40	53	-

*Dividends recalculated based on share consolidation

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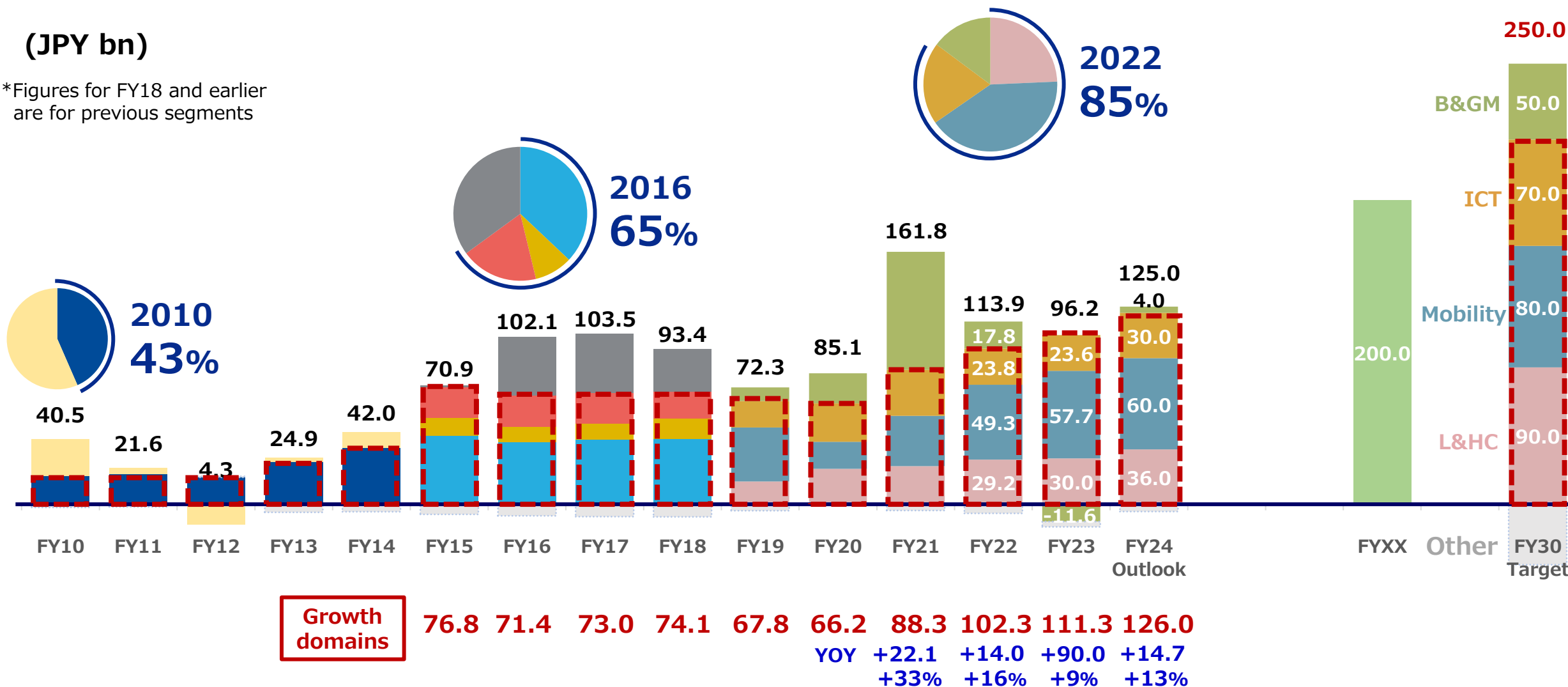
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- ◆ **We will revise the strategy, figures and timing for meeting the target of reaching 200 billion yen in operating income before special items, which is a checkpoint for achieving our 2030 goals (details of revisions to the target will be explained in the second half of the year).**
- ◆ **In fiscal 2024, we will implement strategies based on the basic policies laid out below in a speedy fashion to return to a growth path without delay.**
 - Based on the awareness that our business portfolio transformation is still a work in progress, we will revise our strategy to accelerate the slowing pace of growth in our growth domains, and will also aim to further reduce volatility by accelerating the second phase of B&GM business restructuring. This will include establishing an optimized production setup at our crackers, among other efforts.
 - We will implement thorough cash flow management to prepare for growing uncertainty posed by geopolitical risk and sudden changes in the business environment.
 - We will press on with effective KPI management based on both financial and non-financial perspectives, using these metrics to drive increases in corporate value.
 - To swiftly implement our carbon neutrality initiatives in society, we will expand and speed up regional and multi-company collaborations as a first mover.
 - We will strengthen our business foundations by pursuing digital transformation and work style reform.
 - We will further boost shareholder returns in line with the rise in profit levels and also raise the level of ROE. In addition, we will move toward an asset-light structure not only in B&GM, but also throughout the Group, and will aim for additional improvements in capital efficiency.

Returning to a growth path without delay by accelerating growth in growth domains and achieving further progress with B&GM restructuring

(JPY bn)

*Figures for FY18 and earlier are for previous segments



Making necessary revisions to VISION 2030 based on key priorities identified for each domain

Growth domains	Progress of VISION 2030	Key priorities
 L&HC	<p>Despite steady growth, the pace of growth is slowing, due to falling semiconductor demand and the impact of inventory level adjustments for some products, among other issues</p> <ul style="list-style-type: none"> ○ The vision care and agrochemicals businesses are seeing steady growth, despite a temporary impact from inventory level adjustments ● Expansion in the oral care business has been delayed; the nonwovens business – despite strengthened foundations as a result of post-merger integration following JV establishment – faces a tough battle due to intensified competition in the hygiene materials market ● Progress with new businesses and M&As has been delayed 	<p>Ramping up the pace of growth</p> <p>Cultivating a third pillar of earnings, alongside vision care and agrochemical products</p> <p>Turning around low-profitability businesses</p>
 Mobility	<ul style="list-style-type: none"> ○ Progress is forecast to be a year ahead of schedule, due to sales growth driven by a recovery in the number of vehicles produced, growth in solar cell encapsulants and other sectors of differentiation, and favorable terms of trade such as the weak yen ● Although ARRK has achieved profitability, the solutions business is struggling 	<p>Further speeding up growth by capturing demand arising from environmental changes</p>
 ICT	<ul style="list-style-type: none"> ○ Strengthening business by boosting ICROS™ Tape production capacity, acquiring a pellicle business, forming partnerships, etc. ● Slump in semiconductor demand (currently recovering) ● Sluggish sales due to a downturn in demand in the imaging market and slower-than-expected growth of the emerging XR market 	<p>Steadily tapping into growing semiconductor demand, along with rollout of products into multiple applications and next-gen development</p>
 B&GM	<ul style="list-style-type: none"> ○ Substantial progress made with the first phase of business restructuring ● Medium- to long-term downturn in demand due to structural changes in the Japanese market, stemming in turn from an influx of competitive imports triggered by the slowdown in Chinese economic growth and oversupply, along with business withdrawal by clients, etc. 	<p>Reducing volatility to stabilize and bolster profit, and improving capital efficiency</p>

Becoming a truly global specialty company by advancing strategies and pursuing multi-company collaborations in the growth domains as well as B&GM

VISION 2030
Current phase onward

Becoming a
global specialty company
by 2030

Growth domains



L&HC

Active investment & returns

Ophthalmic lens materials

Agrochemical products

TAFMER™

ADMER™

ICROS™ Tape

Organic growth

Ophthalmic lens materials

Agrochemical products

Solar cell encapsulants

Monomaterials

Semiconductor-related materials

New businesses + M&A

Around existing areas of focus

Relating to solutions

High-growth, high-profitability
global specialty chemicals
businesses

Proactively pursue multi-company tie-ups
that will help to step up the pace of growth



B&GM

Speeding up restructuring

PH

PTA/PET

TDI

PE/PP

Bolstering downstream businesses

HQ

High-performance MDI

High-performance PP

Catalysts

Sustainable **green chemicals**
business centered on
competitive derivatives

A business whose purpose and value
are appreciated by stakeholders
Transformation to a business structure
with high capital efficiency

Decarbonization

Ammonia firing

Biomass

Bio-based hydrocarbons

Recycling

Monomaterials technology

CCU

Carbon Neutral Research Center

Step up efforts to advance
regional and multi-company collaborations

Green Sustainable
Chemicals Division

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STRATEGY

01



Pursuing business portfolio transformation

- ▶ Rolling out a social issue perspective in all of our businesses
- ▶ Achieving growth by expanding and fleshing out our business domains
- ▶ Accelerating structural reform of our existing businesses and transforming businesses with a focus on green materials

STRATEGY

02



Building solutions-based business models

- ▶ Creating new businesses by bolstering our business design capabilities
- ▶ Pursuing cross-organizational ties and strengthening cross-company partnerships

STRATEGY

03



Bolstering circular economy initiatives

- ▶ Building CE-based business models for all of our businesses
- ▶ Rolling out CE-compatible products by transitioning to alternative raw materials and fuels
- ▶ Developing and acquiring foundational technologies able to contribute to carbon neutrality

STRATEGY

04



Corporate transformation through DX

- ▶ Applying DX throughout our entire Group and all business domains
- ▶ Creating value by way of business-wide transformation spanning research, production, sales and SCs

STRATEGY

05

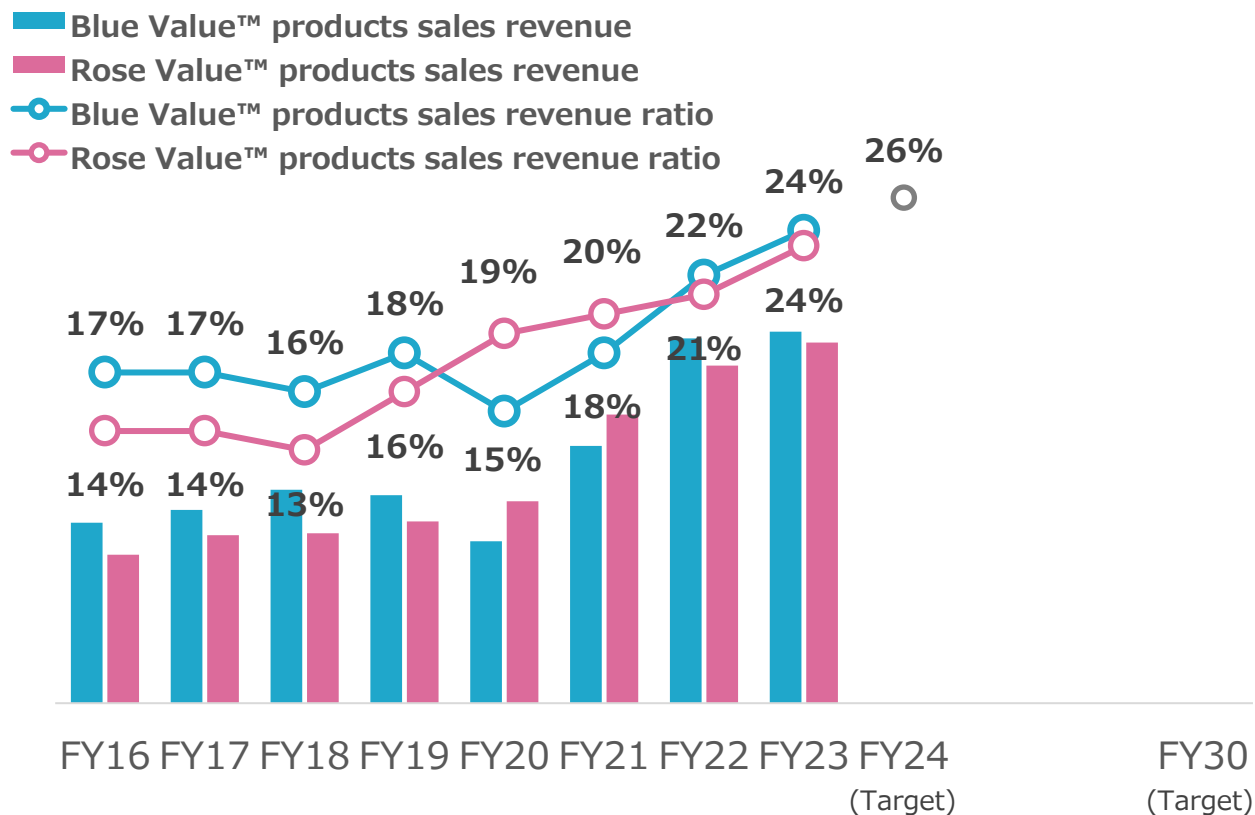


Management and business transformation

- ▶ Popularizing a committed, eager attitude
- ▶ Improving engagement to bolster our organizational strength and transform our corporate culture
- ▶ Combining safe, secure operations with improved competitiveness at all our bases around the world
- ▶ Building sustainable SCs

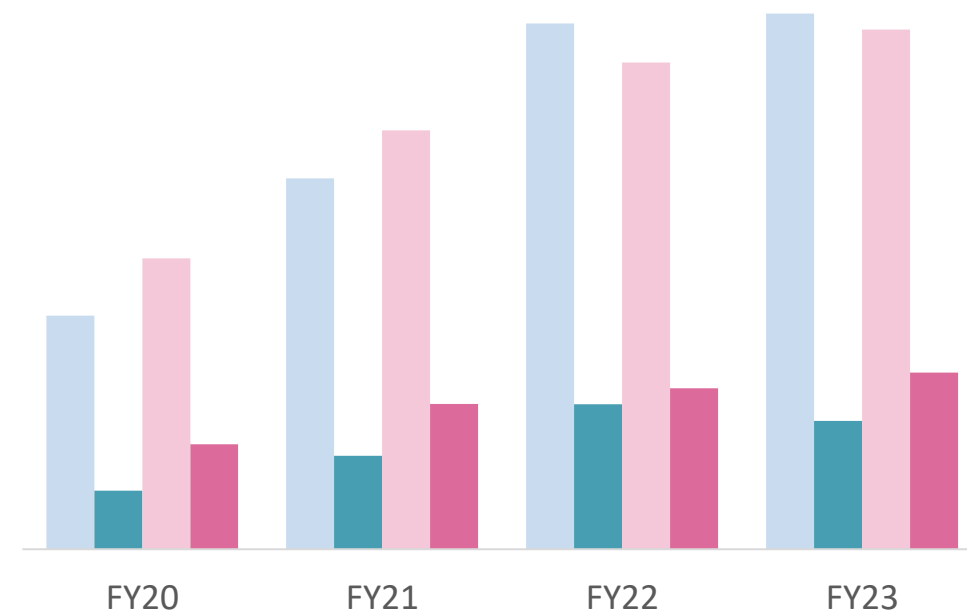


Both sales revenue from Blue Value™ and Rose Value™ products and their ratios to total sales revenue are growing



Gross profit ratios trend higher than for Group products overall

- Blue Value™ products sales revenue (Light blue bars)
- Blue Value™ products gross profit (Dark blue bars)
- Rose Value™ products sales revenue (Light pink bars)
- Rose Value™ products gross profit (Dark pink bars)

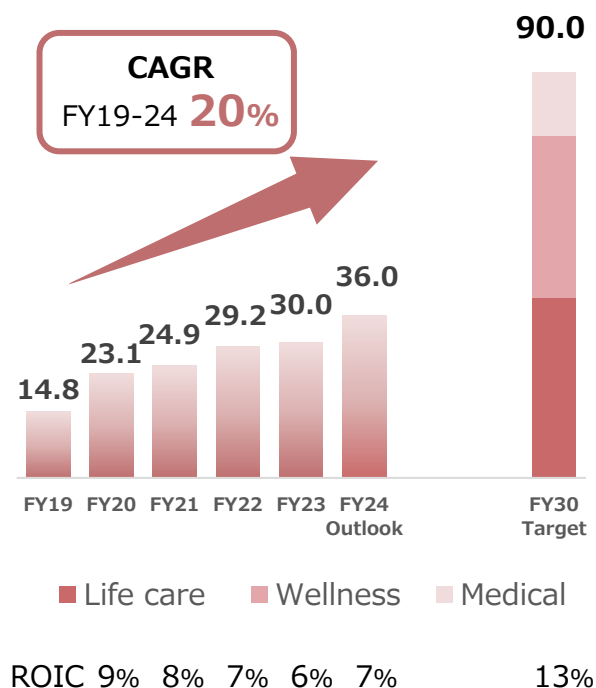


Pursuing the creation and growth of products & services by identifying the value that existing products have in helping solve environmental/social challenges, as well as by basing the development of new businesses & products on full life-cycle considerations



Providing solutions that contribute to life, health and comfortable lifestyles as our first pillar of earnings

(JPY bn)



Rose Value™
 FY24 **76%** → FY30 **85%**

Current state of businesses toward achieving VISION 2030 goals

Vision care

Stable business growth; increased MR™ capacity; expanded portfolio via the acquisition of Coburn

Oral care

Delayed business growth

Agrochemical products

Expanded pipeline via the acquisition of Meiji Seika Pharma's agrochemicals business
 Expanding overseas business for growth drivers

Nonwovens

Established Mitsui Chemicals Asahi Life Materials

Underlining

indicates matters to be explained in this presentation

Environmental changes

Overall: Stable market growth due to population growth and aging, greater health consciousness and demand for a stable food supply

Nonwovens: Worsening competitive environment for hygiene materials and sluggish ICT-related demand

Key priorities/direction

Speeding up growth by investing further resources in growth businesses and turning around low-profitability businesses

Vision care: Accelerating business growth in key markets and pursuing next phase of capacity increase / Expanding the coating materials and equipment business

Agrochemical products: Expanding business by registering growth driver products in more countries and leveraging our active ingredients

Oral care: Drastically strengthening Kulzer's profitability

Growing sales of new products in key markets (Europe, Japan, U.S.) through further collaboration among Group companies

Nonwovens: Pursuing synergies from integration by bolstering and expanding industrial materials, as well as by optimizing production setups

Personal care: Bolstering the biochemicals business

Medical business: Promoting collaboration and strengthening partnerships with our investee and partner companies in the orthopedic surgery, examination and diagnosis sectors



Continuous business expansion of high-refractive-index lens material

Strengthen production capacity to support growing demand for high-refractive-index lenses



High-refractive-index materials

1.74

1.67

1.60

Ophthalmic lens market growth rate
 All lenses: 3%
 High-refractive-index lenses: 6%

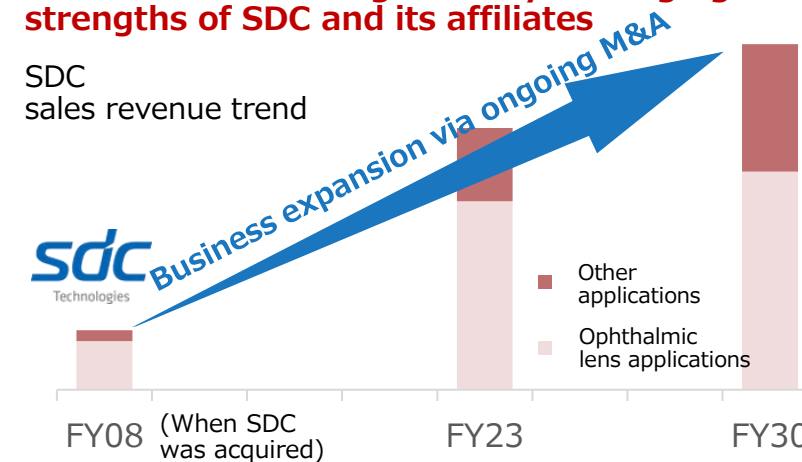
Plant operation began with enhanced capacity as planned (Jan. 2024~)
 Commenced basic design for next phase of expansion
 Expansion of capacity utilizing ML TECH's facilities



Expansion of the coating material portfolio

Accelerate business growth by leveraging the strengths of SDC and its affiliates

SDC sales revenue trend

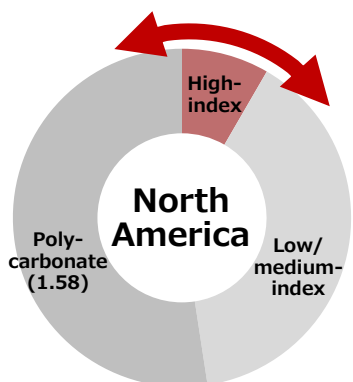


Reinforce marketing customized to regional characteristics

Switching from polycarbonate

Safety prioritized market
 Growing demand for low environmental impact

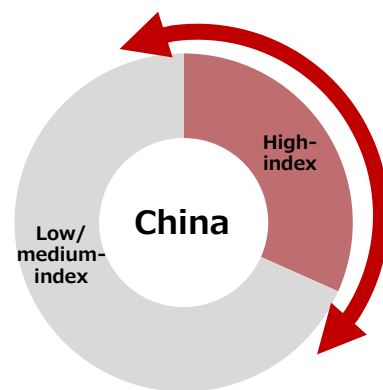
Promoting MR-8™plus (high impact-resistance product) and launching Do Green™ in the market by appealing quality superiority through various channels (retail and e-commerce)



Steady growth within the expanding high-refractive-index material market

In addition to 1.60/1.67, demand for thinner 1.74 is also strong due to economic growth and increase in myopia population

Increasing sales of MR-174™ by promoting brand awareness of MR™ through collaboration with lens manufacturers and retailers



Contribution to surface coatings for all industries, including eyeglass lenses, mobility, and electronic devices

(Examples)

COBURN TECHNOLOGIES

Expanded sales routes by utilizing sales channels
 Photochromic coating system for optical labs

fsi Coating Technologies

Global rollout of high-performance anti-fog coatings
 For goggles, refrigerator glass windows, etc.

COTEC

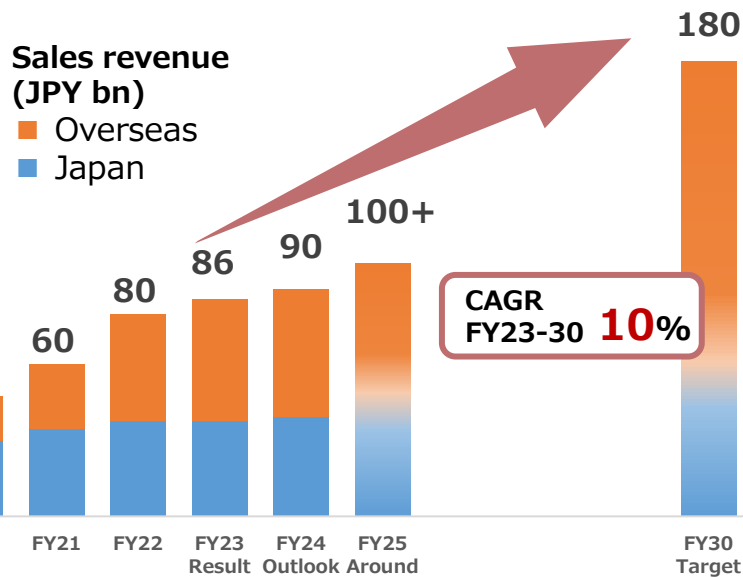
Developing hydrophobic coatings for mobility applications
 Digital coating printer for in-vehicle displays



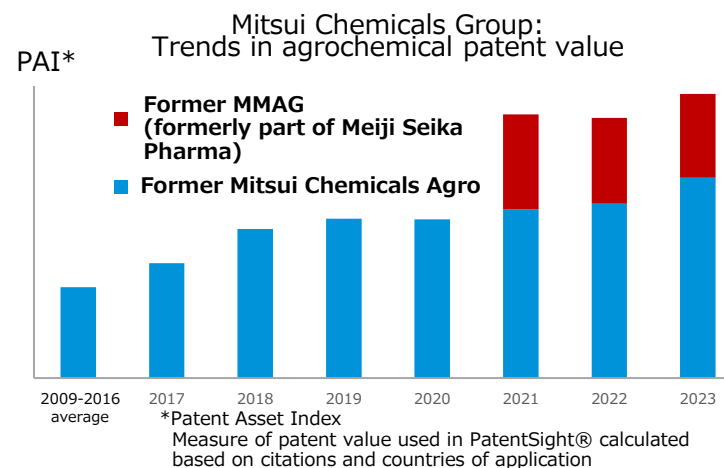


Expanding business by leveraging growth drivers in key overseas markets

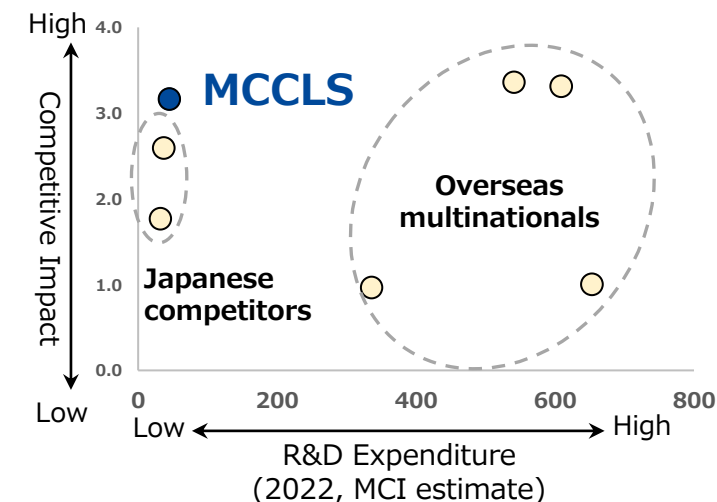
Monetizing the expanded portfolio



Leveraging the effect of integration to maximize the value of our patents



Developing competitive active ingredients through efficient R&D



Growth drivers are propelling business expansion

Future strategy

FY19 Dinotefuran launched Brazil

Additional sales promotion in countries where it is registered

FY21 TENE BENAL™ launched Indonesia & Philippines

Further expanding the countries where it is registered

FY22 Flupyrimin launched India

Further expanding the countries where it is registered

Bolstering efforts to expand into the life solutions (LS) field

TENE BENAL™
Dinotefuran + formulation technologies

Agrochemicals
Agricultural insecticides

Pet drugs Insect repellent for pets

Livestock Fly control, insect bait

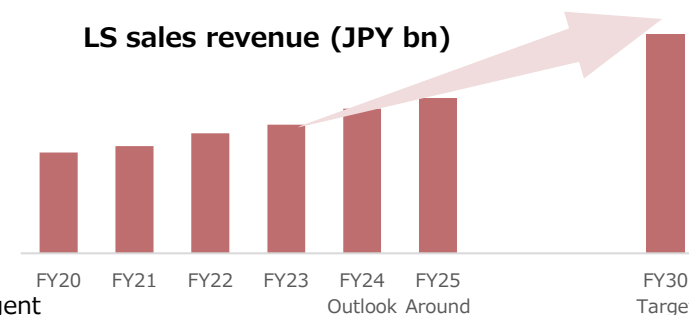
Household chemicals Household insecticide

Vector control Infection control, Mosquito control agent

PCO Industrial insecticide, wood preservative, anti-decay/termite-proofing agent

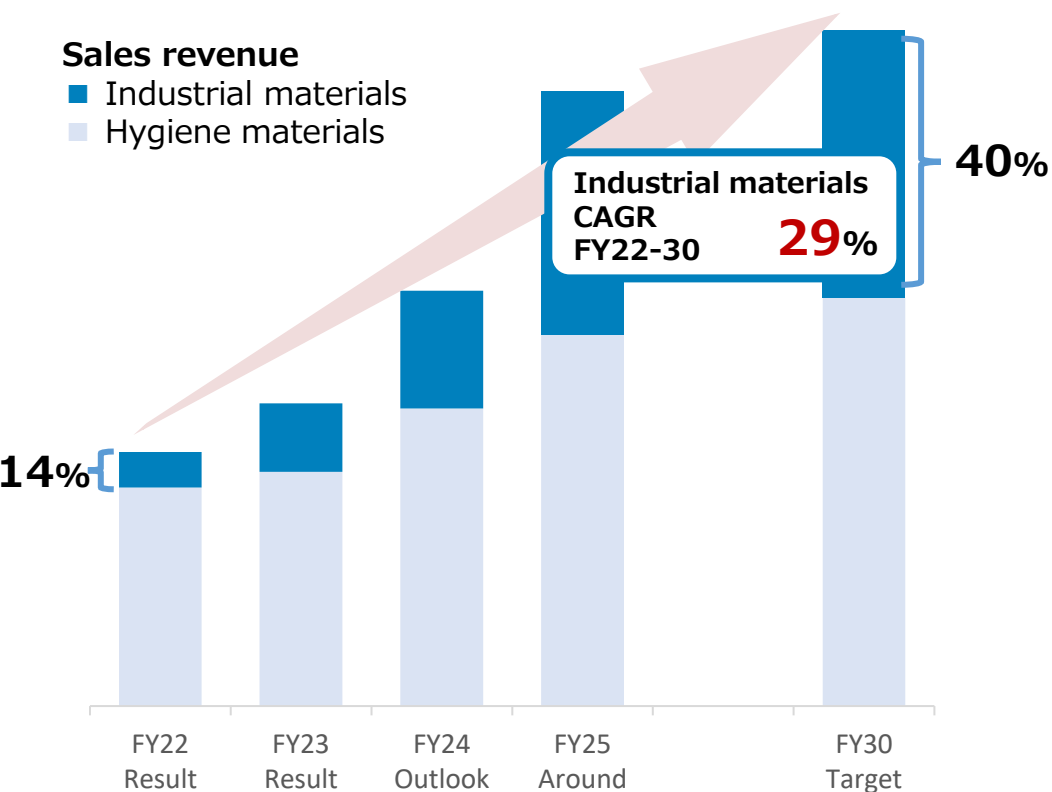
Fully leveraging our active ingredients to expand the business

LS sales revenue (JPY bn)





Pursuing synergies from integration via the bolstering of industrial materials and optimized production setups



Pursuing optimization of production capacity

Building an optimized production setup at sites in Japan and Thailand, including reorganization and consolidation



Expanding our industrial materials portfolio via greater post-merger technology integration

Leveraging synergies from integration by combining materials design & processing technology to accelerate new product development

Filters for electronic materials

Our existing unique product

PP Nano Meltblown

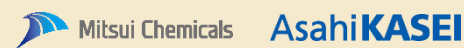
Key feature: lipophilicity



Product in development based on technology fusion

Nylon Nano Meltblown

Fine fibers × Nylon yarn



Key feature: hydrophilicity

Components for eco-friendly applications

Biodegradable nonwovens

Development of a product suitable for home composting

Production setup to be established before the end of 2024

(Applications)

Beverage filters, packaging materials, agricultural materials, etc.

Decomposition temperature	ECORISE™ (PLA)	Newly developed product
28°C	×	○ Mass production to begin in 2024
50°C	○	○

Healthcare-related components

Medical gowns
Drapes

Antimicrobial nonwovens

Mobility-related components

Automotive interior materials

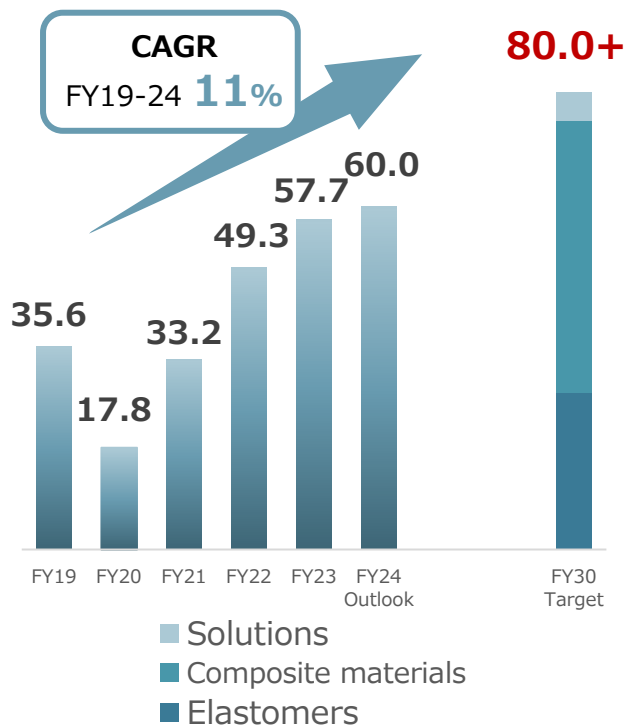
Reducing weight to improve fuel economy

Sound-absorbing material for railways & expressways



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

(JPY bn)



Current state of businesses toward achieving VISION 2030 goals

TAFMER™ & compound products

Sales transition to a focus on growth markets and differentiation

Steady and timely investment in growth fields

TAFMER™, PP compounds, ADMER™, LUCANT™, MILASTOMER™, etc.

Underlining
 indicates matters to be explained in this presentation

Environmental changes

Recovery in automotive production volumes

Rise of Chinese OEM companies

Renewable energy market growth

Competitors opening new & additional facilities

Key priorities/direction

Aiming to exceed our targets by steadily implementing our basic strategy while deftly navigating environmental changes

Pursuing expansion of our strong materials business

Further speeding up our sales transition to a focus on growth markets and differentiation

Making full use of PP compound production sites and strengthening collaborative efforts leveraging them

Cultivating new products and next-gen pillars of earnings

Strengthening our solutions business

Setting up new business models without delay

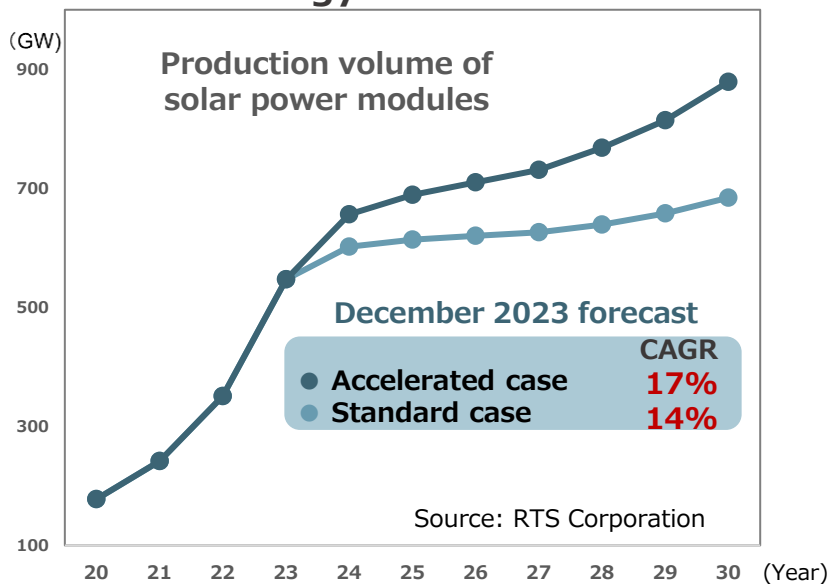
Stabilizing and further boosting earnings at ARRK



Achieving growth that offers the prospect of exceeding our targets by means of steady resource investment and a sales transition to a focus on growth markets and differentiation

Solar cell encapsulants

Accelerating growth in the renewable energy market



Boosting capacity to capture growing demand

TAFMER™ plant

Completion at the end of 2024

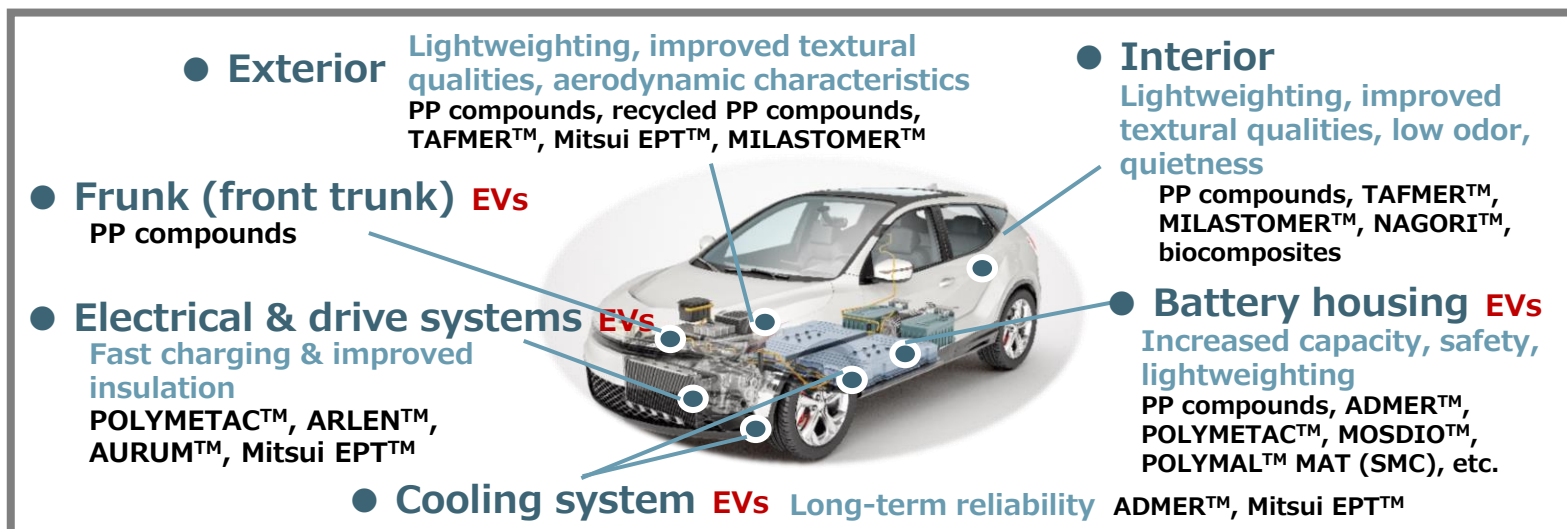
Operations to commence in May 2025



Developing differentiated products and considering next-gen elastomer plant

Automotive materials

Capturing new demand with differentiated products, thereby achieving growth in excess of the market, regardless of powertrain changes



Making full use of our sites around the world

Making full use of PP compound production sites to **expand overall production capacity**, including for ADMER™ and MILASTOMER™





Providing solutions that combine the Mitsui Chemicals Group's knowledge with new materials

Expanding the development of solutions-based business models

Leveraging knowledge and technologies cultivated in the automotive materials sector to support vehicle and airframe product development

Offering differentiated materials and parts
Design, simulations, prototypes, etc.



MDC: Mobility Development Center

Creating the mobility of the future that will transform approaches to transport

New transport systems



Personal high-speed transportation systems

New logistics systems
Infrastructure inspection systems



Drones

Platform operators
Infrastructure, systems & project planning



Collabo-ration

Example of support for drone development

Challenges: Attitude stability while hovering
Scattering of debris in the event of collision

Investigation of causes

Problem caused by variations in vibration frequency

Development of vibration assessment technology

Visualization of airframe vibration

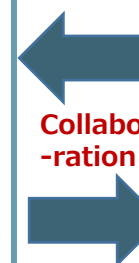
Development of vibration-reducing, lightweight, safe components

Material × Design × Prototype

Proposal of arms, blades & other components made from carbon fiber reinforced material



TAFNEX™
UD tape



Collabo-ration

TKKWorks

The biggest player in communications & control systems in the drone sector

Produced a unique device based on a concept proposed by MCI



AME

Veteran drone developer

MCI-designed components currently under evaluation

Several other drone manufacturers are also evaluating MCI's components

Adding value in the future

Completion of demonstration facility for greener carbon fiber manufacturing
Sample shipment to begin before the end of FY2024

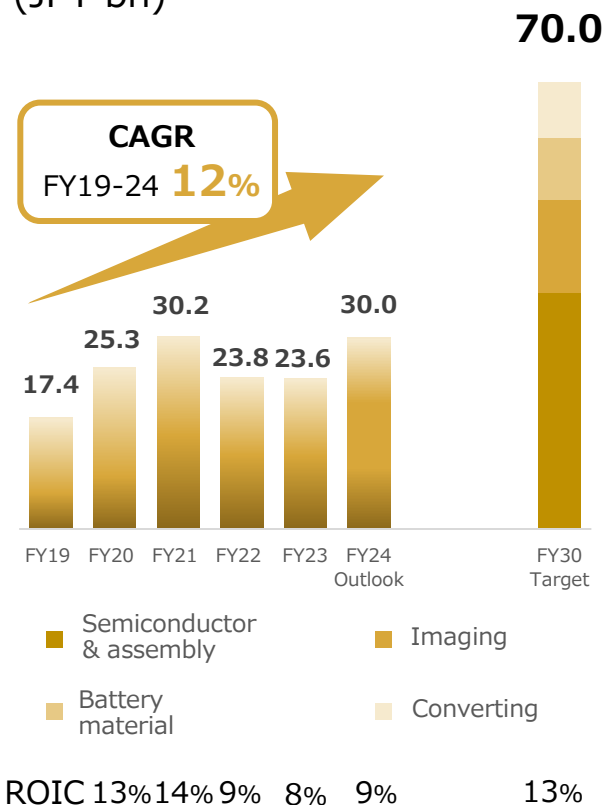
Microwave-based method

Shorter processing time, **more compact** equipment,
50% reduction in energy consumption



Creating and growing a “unique” ICT Solutions business to grow operations here into our third pillar of earnings

(JPY bn)



Rose Value™
 FY24 **38%** → FY30 **60%**

Blue Value™
 FY24 **31%** → FY30 **56%**

Current state of businesses toward achieving VISION 2030 goals

Pellicle business

Aiming to commercialize CNT pellicles to be used in next-gen EUV lithography
 Established Mitsui Chemicals EMS

ICROS™ Tape business

Operations started at new facility in Taiwan
 Established Mitsui Chemicals ICT Materia; focus on the ICT business

Coating & engineering materials

Business expansion that taps into environmental needs
 Capacity expansion XDI, PUD

Underlining
 indicates matters to be explained in this presentation

Environmental changes

Semiconductor market is recovering from its downturn
 Smartphone and XR markets are seeing low growth following a downturn

Growing demand for new technologies due to widespread use of generative AI, etc.

Key priorities/direction

Steadily tapping into growing semiconductor demand, and proactively investing resources in rollout of products into multiple applications and next-gen development, to speed up growth

Semiconductor & assembly: Keeping a firm hold on No. 1 position in pellicle market
 Augmenting the portfolio of ICROS™ Tape in new areas
Speeding up next-gen materials development by pursuing synergies with SHINKO ELECTRIC INDUSTRIES / Pursuing synergies with Honshu Chemical Industry

Imaging:
 Expanding APEL™ into multiple applications
 Launching Diffra™, a new material for XR applications

Battery material:
 Promoting the development of new materials for LiBs

Converting solutions:
 Addressing demand for eco-friendly products



Exposure

Front-end

Back-end

Assembly

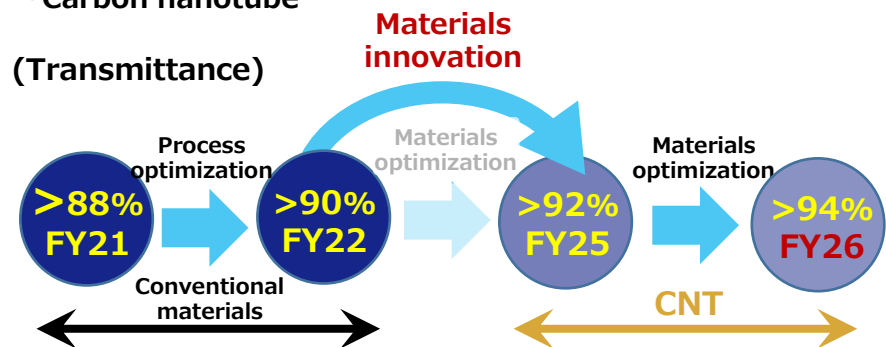
Investment in next-gen EUV pellicle manufacturing facility

For completion in 2025 (at Iwakuni-Ohtake Works)

CNT* pellicles

Facilitating prompt commercialization by accelerating materials innovation

*Carbon nanotube



Strengthening collaboration between the three companies



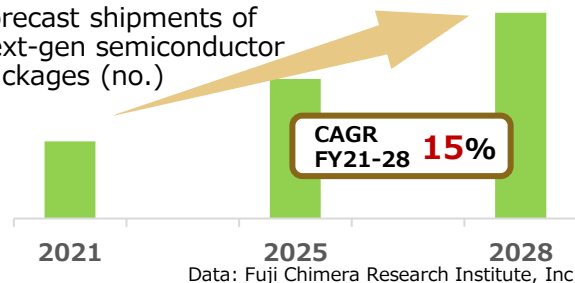
World's only manufacturer of EUV lithography equipment

World's top pellicle manufacturer
Ability to develop CNT pellicle technology

International semiconductor research institution
Research leader in the field of CNT pellicles

Investment in SHINKO ELECTRIC INDUSTRIES

Forecast shipments of next-gen semiconductor packages (no.)



Acquisition of process compatibility evaluation capabilities

Helping to achieve higher speeds and lower power consumption by accelerating development of materials for next-gen semiconductor packages

Examples of materials for next-gen semiconductor packages

Materials for 3D assemblies

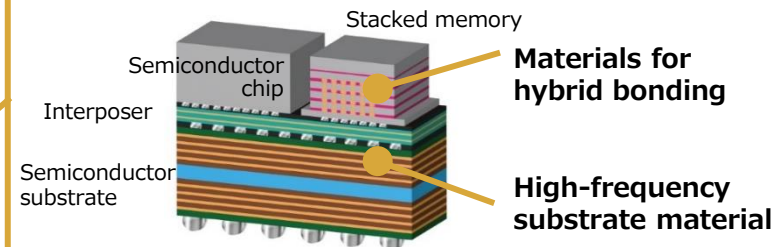
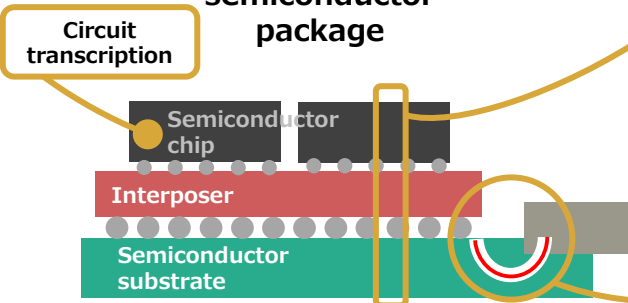
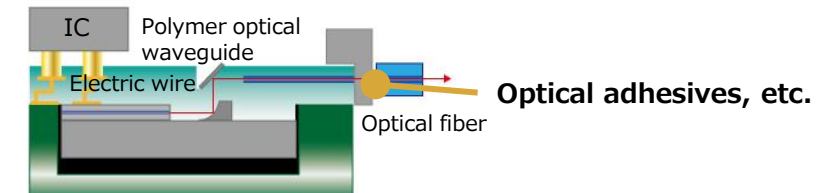


Illustration of semiconductor package



Assembly materials for co-packing optics





Increasing profit by means of capacity expansion
and sales transition to sectors where we can differentiate ourselves

20% boost to XDI* production capacity

Starting September 2025 at Omuta works

*Meta-xylylene diisocyanate

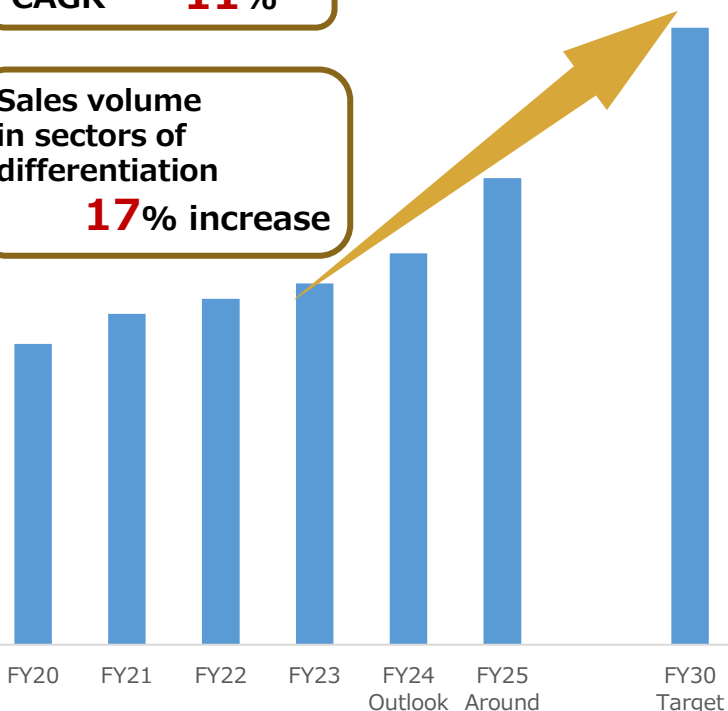
Coating and functional material with outstanding resistance to yellowing and quick-curing properties

FY23-30

CAGR **11%**

Sales volume
in sectors of
differentiation

17% increase



Trends in XDI operating income

Food packaging

Sectors of
differentiation

Properties
required

Market
growth
CAGR

Gas barrier for flexible packaging



Excellent gas barrier
performance
Reduced thickness

19%

Packaging adhesives



Hygienic properties
Quick-curing
properties

7%

Coating materials

Solar cell backsheets



Resistance to
yellowing
Quick-curing
properties

35%

Screen inks

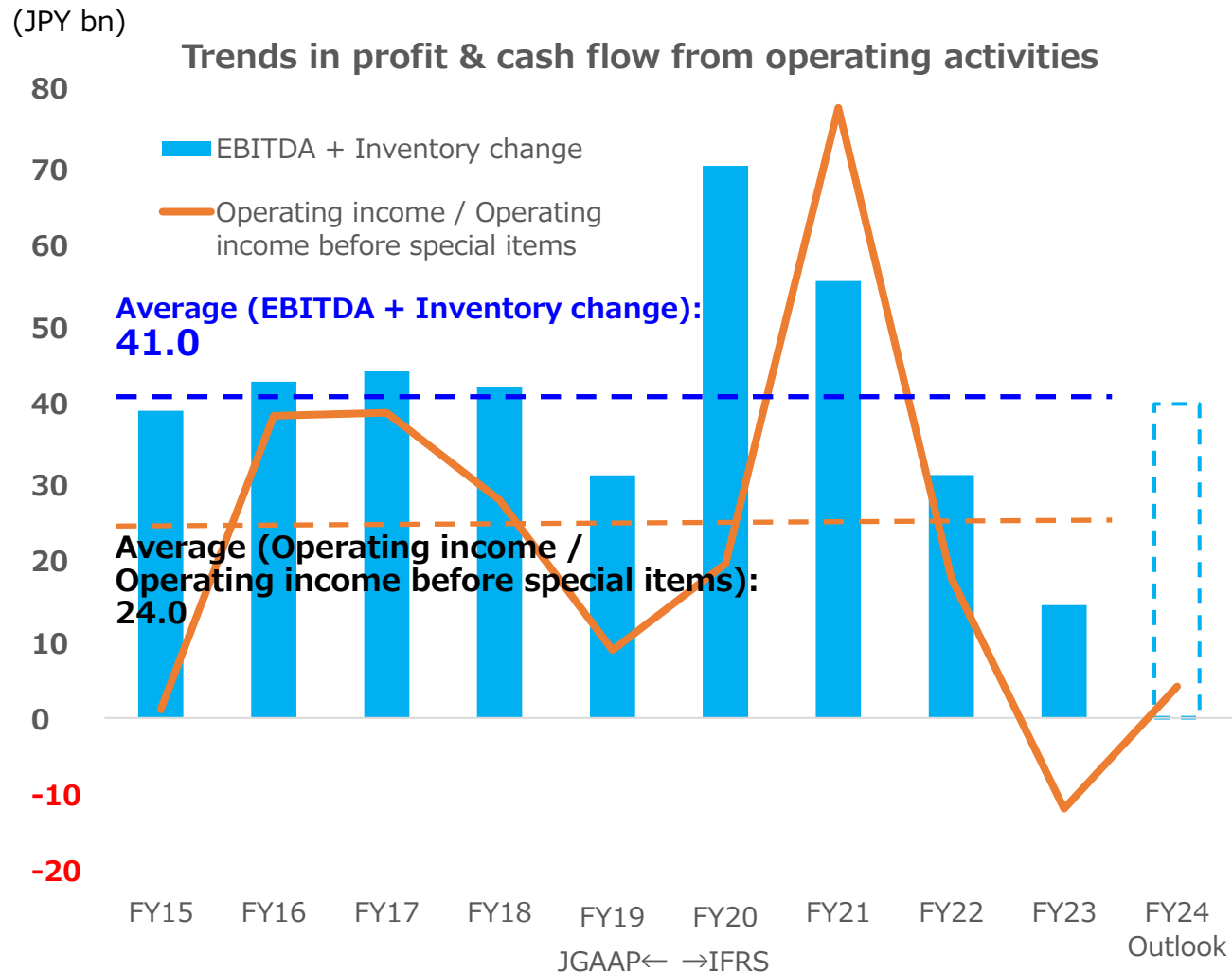


Resistance to
yellowing
Quick-curing
properties

3%

Reducing volatility and strengthening the business foundations by **accelerating the second phase of restructuring**

Cash flow secured to some extent ⇔ Profit still highly volatile



	External environment	Second phase progressing steadily
PH (Japan)	Changes in Japanese market (Business withdrawal by clients)	Downsizing by FY2026
PET (Japan)	Influx of products from abroad	Closure October 2024
PE/PP	Stagnating Chinese economy Influx of products from abroad	Mulling optimization
Crackers	Dwindling derivatives demand	Mulling Anesaki closure Three-company collaborations in E & W Japan
PTA (Japan)	Dwindling domestic demand	Shutdown completed August 2023
TDI (Japan)	Continued global oversupply	Downsizing July 2025



	FY13-17	FY18-22	FY23~	Ideal state
	Securing stable earnings via restructuring	Reducing volatility	Improving capital efficiency (8% ROIC by FY30)	
PH	AC-based IPA production starts	Honshu Chemical Industry takeover bid	2023: AC-based IPA capacity boost Mulling efforts to bolster production of HQ	Highly capital-efficient PH chain
	Chiba BPA/PH plant closed	MPS share transfer	Closure of Ichihara PH plant by FY2026 ★	
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 to close	Securing profit through optimal business structure
Poly-urethane	Bio-PPG joint venture established		2023: PPG LLP founded 2024: High-performance MDI plant to start up	High-profitability polyurethane business centered on high-performance MDI
	Kashima TDI plant closed Omuta MDI plant closed	MCNS dissolved	2025: Omuta TDI plant to be downsized	
PP & PE	High-performance PE plant established in Singapore PP catalyst plant starts up		2024: High-performance PP plant to be completed	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 Mulling optimization via multi-company collaborations	
Crackers	Chiba LLP founded Withdrawal from Keiyo Ethylene		2027: Mulling Anesaki closure Mulling reorganization & capacity optimization in line with demand via three-company collaborations east & west Japan ★	Competitive crackers

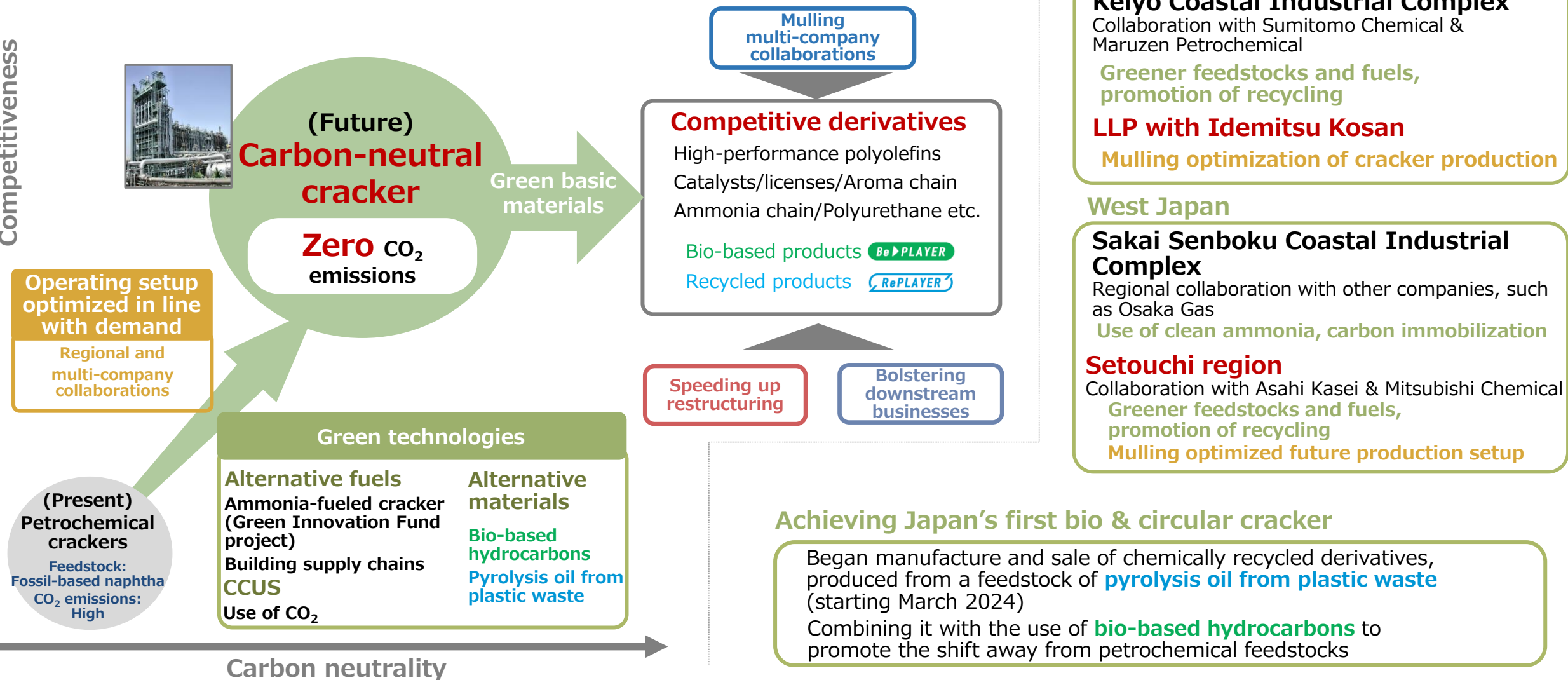
Red type: Restructuring Blue type: Bolstering downstream businesses ★ : Progress since last presentation



Transitioning to advanced chemical complexes – with a focus on regional and multi-company collaborations - while also speeding up the shift to the green chemicals business

Advanced chemical complex

Competitiveness





Next-generation business creation that leverages our accumulated know-how

Potential next-gen businesses

★Priority project

Robot solutions

- **Logistics automation**★
- Using robots to save labor

Data solutions

- **Energy**★
Solar power generation diagnostics and forecasting
- **Vital signs monitoring service**



Medical solutions

- **Medical care & drug discovery support**
- **Cell culture**★
InnoCell™ cell culture plates



New business exploration

Early-stage development, CVC



Evolution of robot solutions

- **Building up design capability and know-how in the business**
Providing material, molding, and mass production solutions tailored to customer needs for the components they aim to produce

- Robot parts, exterior elements
- Powered exoskeletons
- Medical support simulators



Robot gripper



Collaborative robot arm



Powered exoskeleton



Bionic-EyE™



Clapping robot

- **Providing total solutions that tap into our experience**
Collaborating with partners from the overall concept/ideas stage of robot development
Offering a speedy service covering everything through to material selection, parts design, prototyping and mass production

★Logistics automation

- Autonomous mobile robots
- Automated warehouses



Helping to speed up the commercialization of automated warehouses by swiftly offering solutions that respond to the challenge of growing logistics volumes

Strategic partnership formed February 2022, aiming to deliver efficiency improvements and digitalization in warehouse operations via logistics robot systems

Software & automation systems



Supply of plastic parts & hardware



Since fiscal 2023
Delivery of autonomous mobile robot parts and robots to Rapyuta Robotics



Rapyuta ASRS automated warehouse

July 2022 Began joint development

A dedicated team coordinated and facilitated all aspects of plastic selection, structural component design, mold prototyping and mass prototyping, enabling us to bring Rapyuta's vision to fruition promptly

August 2023 Launch

Began supplying poles, panels and other parts

Light, robust parts; modular, screw-free design
Allows for flexible assembly tailored to the warehouse's shape, thereby reducing installation time

2024 Several logistics hubs have decided to install

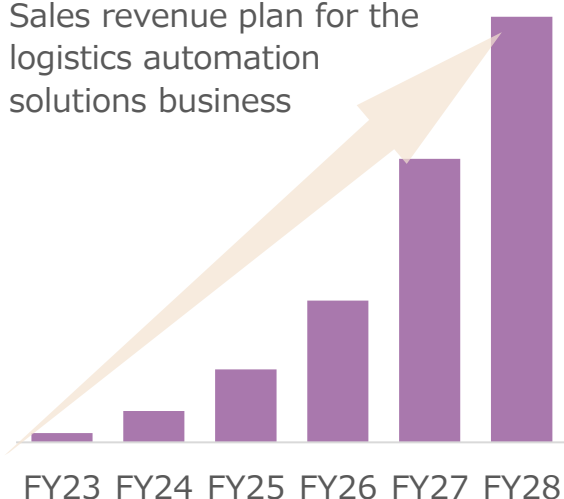
Integrated operation of the business by consolidating manufacturing, technology, sales and management into a single manufacturing site
Enhancing the mass production setup for parts and bolstering efforts to promote the business

Strengthening collaboration with Rapyuta Robotics

Leveraging the Mitsui Chemical Group's assets and know-how to create a solutions business for the next generation



Sales revenue plan for the logistics automation solutions business





Identifying and promoting the commercialization of ideas that tap into country- and region-specific social challenges and leverage each company's distinctive features

Overview of the FY23 contest:

Focus

Proposals for new businesses and products that leverage the Mitsui Chemicals Group's resources

Participants

8 affiliates from Southeast Asia, India and China

Selection

Proposals assessed using indicators specific to our system for identifying and cultivating new businesses

Total entries

26 entries

Regional heats

8 selected

Mentoring support from the New Business Incubation Center

Helping to refine ideas to reach a standard that will assist in commercialization

Final round

Held at Head Office (streamed live worldwide)

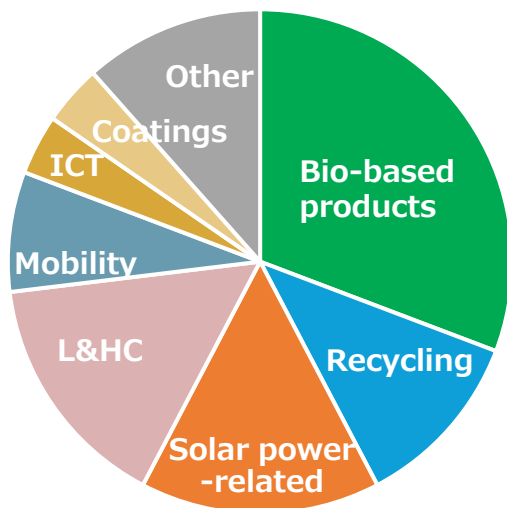
Judges: President, Executive officers, directors, mentors (& audience vote)

Top prize: Selection of a **sponsoring business division** and efforts to promote commercialization

Other awards: Further consideration under the guidance of a **supporting business division**

Moonshot Award, Market Impact Award, etc.

Fields of focus

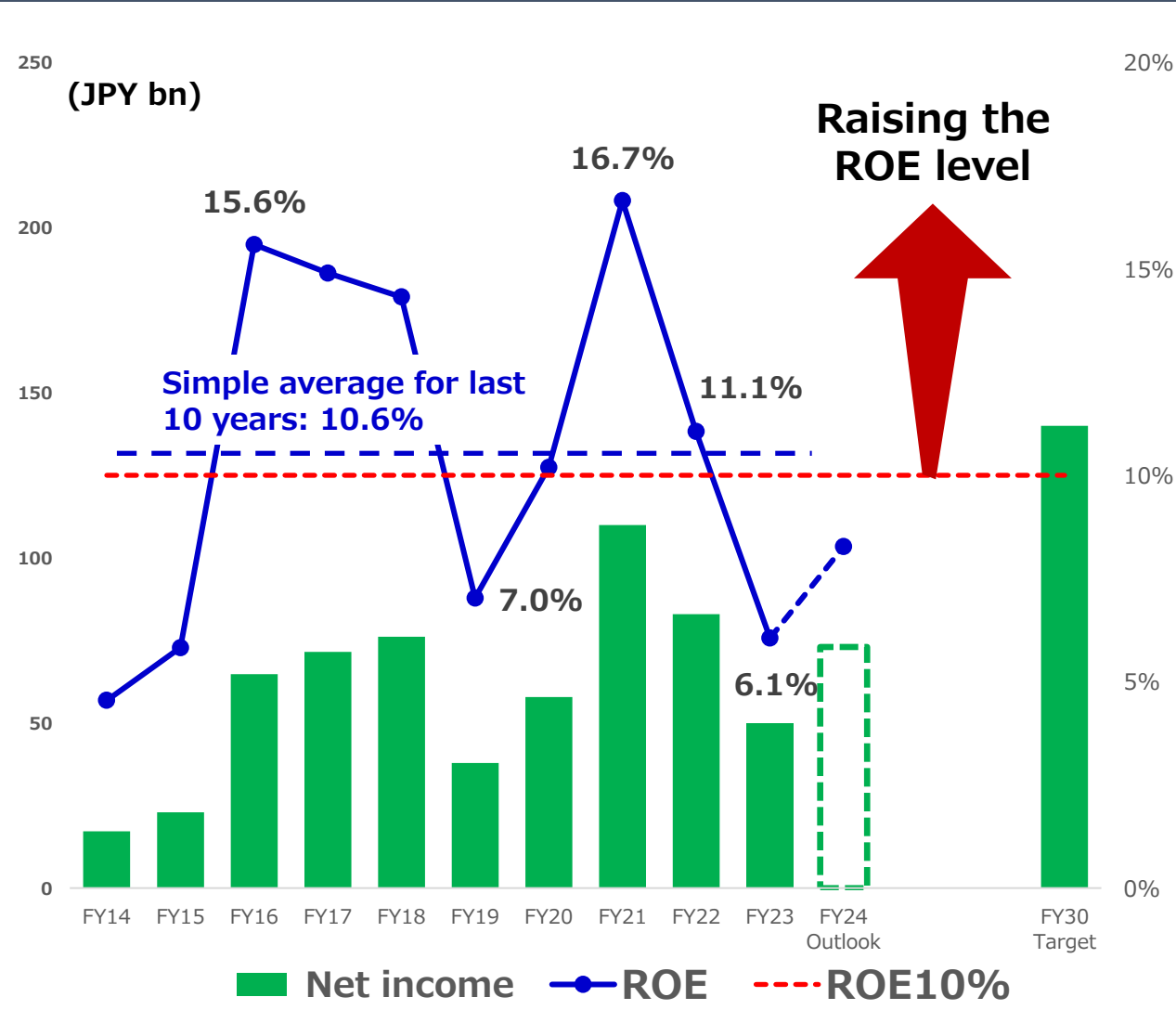


FY24: All overseas affiliates

FY25: Extension to all domestic and overseas affiliates

Speeding up the identification of new businesses aimed at solving social challenges

Seeking to increase our P/B ratio by raising the level of ROE
(**under consideration with a view to announcement in 2H/FY24**), accelerating profit growth in growth domains, promoting the second phase of restructuring, shifting to the green chemicals business and more



Accelerating business portfolio transformation	<ul style="list-style-type: none"> ✓ Accelerating profit growth in growth domains ✓ Managing business portfolio by reviewing ROIC & profit growth potential of each business
Improving capital efficiency	<ul style="list-style-type: none"> ✓ Promoting second phase of B&GM restructuring to reduce volatility and adopt an asset-light structure ✓ Transitioning to advanced chemical complexes and shifting B&GM to the green chemicals business ✓ Strengthening regional and multi-company collaborations to accelerate the shift ✓ Promoting shift to an asset-light structure by reviewing ownership of cross-shareholdings (zero, as a general rule), etc.
Enhancing cash generation capabilities	<ul style="list-style-type: none"> ✓ Improving cash flow from operating activities via increased earnings and an improved cash conversion cycle
Capital policy	<ul style="list-style-type: none"> ✓ Further boosting shareholder returns in line with the rise in profit levels (FY24: +10 yen/share dividend increase)
Reducing capital costs	<ul style="list-style-type: none"> ✓ Improving management quality through dialogue with stakeholders ✓ Improving quality of investor relations activities <p>Won first place in the Award for Excellence in Corporate Disclosure for 3rd consecutive year & 7th time overall</p>

	FY22 Results	FY23 Results	FY24 Outlook	FY XX (under review)	FY30 Target
Operating income before special items (B yen)	114	96	125	200	250
Net income attributable to owners of the parent (B yen)	83	50	73	110	140
ROE	11.1%	6.1%	8.3%	10% or more	10% or more
ROIC*1	5.4%	4.1%	4.9%	7.0% or more	8.0% or more
NET D/E	0.77	0.69	0.73	0.8 or less	0.8 or less

*1) ROIC (return on invested capital) = NOPAT/invested capital

Contributing to a sustainable society

Material topics	KPIs	FY23 Results	FY24 Target	FY30 Target
<ul style="list-style-type: none"> Climate change Circular economy Health and livelihood Highly livable communities Food security Product design based on full life-cycle considerations 	Blue Value™ products sales revenue ratio	• 24%	• 26%	• 40%
	Rose Value™ products sales revenue ratio	• 24%	• 26%	• 40%
	GHG emissions reduction rate (Scopes 1 and 2) *compared to FY13	• 26% (Estimate)	• 27%	• 40%

Prerequisites for business continuity

Material topics	KPIs	FY23 Results	FY24 Target	FY30 Target
• Safety	Incidence of major accidents & serious occupational injuries	• Zero	• Zero	• Zero (over the course of VISION 2030)
• Respect for human rights	Response to human rights risks	<ul style="list-style-type: none"> Implemented human rights due diligence (on-site assessments overseas) Established in-house working group 	• Implementation of human rights due diligence (reorganization of the risk assessment process)	• Identification & correction of risks by setting up a human rights due diligence system for all of or bases, both domestic and abroad
• Compliance	Incidence of major legal and regulatory violations	• 2 cases	• Zero	• Zero (over the course of VISION 2030)
• Product quality	Incidence of PL accidents & serious product quality incidents	• Zero	• Zero	• Zero (over the course of VISION 2030)
• Stable production	• Production and equipment reliability	Advanced production technologies implemented • 14 instances	No. of problems involving high-value losses • 8 or less	No. of problems involving high-value losses • Zero

Abilities essential to business continuity

Material topics	KPIs	FY23 Results	FY24 Target	FY30 Target
• Corporate culture	Improvement of employee engagement Engagement score	• 36%	• 38% or more	• 50%
• Human capital	Key talent management Successor coverage rate for critical positions	• 220%	• 235% or more	• 250%
	Diversity •(MCI)Number of executive officers with diverse backgrounds (women, non-Japanese, mid-career hires) •(MCI)Ratio of women in management positions (manager-level or above)	• Diversity rate of future executives: 18.5% • 6%	• Diversity rate of future executives: 20% or more • 7% or more	• 10 or more (including at least 3 women) • 15%
	Health-focused management •(MCI) Average rate of lifestyle-related disease •(MCI) Frequency of absences from work due to mental health disorders	• 9.88% • 0.68 (estimate)	• Less than 9.50% • Less than 0.55	• 8.0% • 0.25
• Digital transformation	Training of DX specialists Number of data scientists	• 72	• 120 or more	• 165 (by FY25)
• Innovation	Pipeline expansion • Number of development themes in the latter half of our Stage Gate System	• Stage 1 themes registered: 48	• Percentage advanced to preliminary market development stage: 20% or more	• Double or more (vs. FY20)
	Value creation for beyond 2030 Number of new areas of development at our Frontier Technology Center	• 3 candidates	• R&D themes : 5 or more	• 3 or more areas
• Partnerships	Sustainable procurement ratio	• Promotion of sustainable procurement Opinion exchange held with partners to build shared vision: 16 companies	• Dissemination to partners Briefings to explain procurement guidelines to key partners in each domain: 8 or more companies	• 80%

A blue sky with white clouds and a sunburst effect, with a large blue arrow pointing right.

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

Chemistry for Sustainable World



Mitsui Chemicals

Challenge Diversity One Team

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