

## Q&A Summary for CEO Presentation in May 2026

Date	May 27, 2026 15:30-17:00
Place	Hybrid conference (Tokyo Midtown Yaesu and online)
Speakers and Respondents	ICHIMURA Satoshi, President & CEO OMOTE Toshihiko, Managing Executive Officer & CTO YOSHIDA Osamu, Managing Executive Officer & CFO
Reference	FY26-1 CEO Presentation posted on May 27, 2026

### Q&A

#### ■Growth outlook

**Q1. According to the return on sales (ROS) chart in your presentation materials, you plan to grow your Life & Healthcare Solutions and ICT Solutions segments in particular from FY2025 through FY2028. Please explain whether this growth is based on your existing business operations or whether it also includes strategic alliances and/or partnerships with various domestic and international companies. In addition, please clarify if it is correct that you project operating income before special items for FY2028 to be 71 billion yen for Life & Healthcare Solutions and 57 billion yen for ICT Solutions, respectively.**

**A1.** Our profit projections for FY2028 are based on the figures presented at the CEO Presentation last November, which reflect the revision of our three-year business plan conducted on a rolling basis in FY2025. In light of the significant changes in the external environment, we will revisit these projections again during FY2026 to further refine our outlook for FY2028.

For each business segment in the specialty chemicals domains, our basic strategy is to drive growth by strengthening our existing products and technologies. In ICT Solutions, for example, we expect growth from next-generation pellicles that address AI-related demand and from expanded applications for ICROS™ Tape. In Life & Healthcare Solutions, we expect growth in lens materials and expansion into peripheral fields, as well as broader sales regions in agrochemicals and higher earnings in oral care. In Mobility Solutions, although we do not anticipate significant growth in the automotive market, we will pursue the expansion of applications beyond automotive applications, including high-performance packaging materials and footwear. Since TAFMER™ is a modifier, there remains considerable potential for exploring further applications. We also aim to expand it geographically beyond China, our main market to date, into India and markets further west.

We return to our basic view that improving profitability—particularly ROS—is most important for raising ROIC. In Life & Healthcare Solutions and ICT Solutions in particular, we already have multiple strong businesses with ROS exceeding 15%, and we will therefore allocate our resources intensively to those businesses. At the same time, we will determine the direction of underperforming businesses in the specialty chemicals domains by the end of FY2026 and pursue rigorous profitability improvements. To make the achievement of VISION 2030 more certain, we will also consider M&A and other measures as part of our response to changes in the business environment. With regard to strategic alliances and partnerships, we will likely pursue M&A opportunities overseas and form strategic partnerships domestically. Changes in the external environment are taking place globally, and we see these measures as essential for our Group's transformation. We will therefore examine them proactively.

**Q2. Your outlook for operating income before special items for FY2026 is 105 billion yen. Even excluding the expected negative impact of 15 billion yen from the Middle East conflict, it would remain at around 120 billion yen. Please explain how you view your progress toward the goal of achieving 200 billion yen in FY2028. Please also explain whether you place greater emphasis on profit amounts or profitability, and whether it is correct to understand that profitability is the greater priority.**

**A2.** To achieve our FY2028 target of 200 billion yen, we had initially planned to increase our profit levels in the Basic & Green Materials (B&GM) segment to 32 billion yen through restructuring and other measures. However, the external environment, including the impact of the Middle East conflict, has become more severe than we had originally anticipated. We have nonetheless been steadily executing our initiatives, and we expect the benefits from the integration of the domestic polyolefins business and the production optimization benefits from the consolidation of ethylene facilities in the Chiba area to fully contribute to profit growth by FY2028. We expect that realizing these effects will enable us to steadily improve the earnings structure of B&GM. In addition, the current Middle East conflict has led to renewed public awareness of the importance of chemical products. We will take this as an opportunity to revise our prices and improve our profit margins.

We also recognize that challenges remain in the specialty chemicals domains. Based on recent results, growth in operating income before special items in these domains has remained at a CAGR of approximately 6%. If this growth pace continues, profit would likely remain at around 150 billion yen in FY2028. In ICT Solutions and Life & Healthcare Solutions, where ROS stands at 13%, we will improve the business mix and lift profitability by growing products with higher profit margins in which we have already made investments.

If we continue to manage the specialty chemicals domains with greater emphasis on profitability and B&GM improvements reach a certain level, we believe operating income before special items of 200 billion yen in FY2028 is a feasible target level.

#### ■Improvement of profitability

**Q3. Please explain the initiatives you are considering to improve your profitability in the specialty chemicals domains.**

**A3.** We believe it is important to proceed swiftly with localization. Our current global technical support process involves dispatching Japanese staff to overseas sites, where they collect samples from customers and bring them back to Japan for evaluation, after which we provide feedback to customers. This conventional approach is time-consuming and could lead to missed opportunities to deliver value to customers. As we have done with PP compounds, we need to accelerate localization in the specialty chemicals domains and swiftly establish a system where local staff can conduct analyses on their own and promptly provide solutions. We will enhance operational mobility at our overseas sites by strengthening local staffing and installing evaluation equipment at these sites. At the same time, we believe we can provide support without incurring additional costs by reevaluating our geographic allocation of total cost. To advance this structure, it will also be important to address employee turnover, and we believe AI will be essential in mitigating the impact of turnover.

Furthermore, it is important to leverage our Group's accumulated expertise in production technology and research to accelerate the progress. Initiatives that did not lead to measurable results, together with the extensive case data accumulated over time, are important assets

unique to our Group that emerging competitors pursuing the shortest route do not possess. We will use AI to turn these initiatives and case data into intangible assets and make effective use of them.

In expanding our businesses overseas, we will pursue global expansion from a Group-wide perspective to maximize returns on the resources invested. For example, one business division could make use of another division's technical service bases. We will pursue greater efficiency while ensuring alignment with the Group's overall strategy.

**Q4. Do you believe that, by using AI to advance data utilization at a level beyond the conventional approach, you can deliver results during the VISION 2030 period?**

**A4.** Yes, we do. As part of our digital transformation (DX) initiatives, we are not only conducting training on data processing but also on how to utilize AI. Because internal personnel who understand the details of our operations will use AI in their own work, we expect adoption within the company to progress relatively quickly. We will bring individual initiatives together through a top-down approach and accelerate progress. We already have a case in which the use of AI to optimize sales and inventory management led to an improvement in cash flow of approximately 5 billion yen. By accumulating such cases, we believe there is potential for profit improvement on a certain scale.

In order to raise ROS going forward, it is important to understand a product's cost structure thoroughly from the early stages of research and development and to adopt a manufacturing model suited to that structure. For products with a low material cost ratio, we select in-house production because, if we can capture a high market share by delivering value, high profitability is also possible. Conversely, for products with a high material cost ratio, outsourcing or collaborating with partners is a more effective approach than increasing our fixed costs, as profit margins fluctuate depending on material prices.

We are currently working to make all transactions with external parties visible and integrate them with AI engines within H1 of FY2026, with the cooperation of CDO Sambe. This will enable us to quickly narrow down targets. Meanwhile, certain tasks that can only be performed by humans, including collecting information through direct, face-to-face engagement with customers, will continue to remain. We are considering allocating the time saved through AI-enabled efficiencies to these activities. We will develop prototypes for AI utilization within H1 of FY2026, conduct validation in H2, and aim to start generating measurable results from FY2027 onward.

**Q5. Regarding the Mobility Solutions segment, please explain why its ROS remains below 15%—the level required for a business to be considered a “global specialty business” according to your ROS chart—even though its business operations are the most global among your business segments. Please also explain whether there is a viable path for its ROS to exceed 15% in the future.**

**A5.** In Mobility Solutions, we maintain strong competitive advantages in the composite materials business, primarily PP compounds, and we position this as an area to be further strengthened. In the early stages of a market, customers tend to have a strong need for rapid access to products that meet a certain level of specifications. In the subsequent stage, however, they begin to seek products that offer clear differentiation. For example, our customers have recognized the value of product grades that contribute to the elimination of the painting process

and the enhancement of injection molding speeds through the utilization of our compounding technology. This demand for differentiation is increasing not only among Japanese manufacturers but also among our overseas manufacturer clients, and we believe it is creating expanding business opportunities.

In this segment, although commercial operations at the new TAFMER™ plant commenced in Singapore, it is currently experiencing challenges due to the impact of the Middle East conflict. Going forward, the key will be how much added value we can create through application development. We believe the extent to which we can grow our elastomers business will be an important factor in raising Mobility Solutions to the global specialty level.

**Q6. For the ICT Solutions and Life & Healthcare Solutions segments, I understand that ROS is expected to improve going forward. If ROS is decomposed into gross margin and the SG&A ratio, please explain which of these components should be improved in each segment in order to move closer to your targets. In addition, please also explain whether it would be possible to disclose gross margin when you next revise your financial figures.**

**A6.** For ICT Solutions and Life & Healthcare Solutions, we basically aim to improve ROS by increasing gross margins. As our business models vary across operations, we will pursue initiatives tailored to the specific characteristics of each business. Furthermore, while SG&A expenses typically rise in line with business expansion, we will work to curb this increase, particularly in administrative expenses, by leveraging our AI and DX initiatives. Through the advancement of digital transformation, we are increasingly able to visualize metrics such as the profitability of each product in real time, and we will use this to promote data-driven management moving forward.

#### ■Investment and M&A

**Q7. Please explain your M&A strategy for medical solutions (oral care, orthopedics, and testing & diagnosis) within the Life & Healthcare Solutions segment. In the matrix presented on page 25 entitled "Looking Back on Our M&A Efforts" in the presentation materials, which of the areas (1) to (4) are you targeting? Please also explain how you consider ROIC and ROS when executing M&A projects.**

**A7.** Based on VISION 2030, we have implemented various initiatives to cultivate medical solutions into a third pillar of business in the Life & Healthcare Solutions segment, and have focused on expanding beyond oral care into areas such as testing & diagnosis and orthopedics. Going forward, we will use factors such as market conditions, the pace of market growth, the scale of resources to be invested, and the existence of accumulated technological expertise as criteria for our decision-making, and concentrate our resource allocation on areas where we can expect business growth. In addition, in the matrix of technologies and markets shown on page 25 entitled "Looking Back on Our M&A Efforts" in the presentation materials, we intend to focus primarily on areas (2) and (3). We consider oral care, a business we acquired through M&A, to have transitioned from area (4) to area (3), as we have accumulated expertise in this business. As for our approach to executing M&A, we will first compile a list of potential M&A targets across the Group, classify them into categories (1) through (4), and prioritize them taking into account factors including their feasibility. Based on this, we will focus on targets with strong returns on investment, particularly those that can contribute to profitability (ROS) and cash flow.

## ■Business restructuring

**Q8. Page 22 of the presentation materials states that you will determine, by the end of FY2026, the direction of underperforming businesses and affiliates even within the specialty chemicals domains. In last year's presentation, you also identified Kulzer, ARRK, and nonwovens as businesses requiring restructuring. Please explain the criteria for determining which businesses should be targeted for restructuring as well as the status of milestone management for such businesses. Please also explain whether the number of businesses to be included as targets for restructuring is increasing.**

**A8.** We identify businesses with both low ROIC and low growth rate of operating income before special items as targets for restructuring. Each business is required to determine appropriate milestones for improvement, formulate corresponding measures, and implement those measures. We are reviewing each business's results in FY2025 against its improvement plan. While Kulzer has achieved its milestones, ARRK and nonwovens, unfortunately, fell short of theirs. Accordingly, we plan to determine the future direction of these businesses by the end of FY2026. This initiative will not end with the businesses currently targeted. We will review the classification of our businesses every year and continue to advance our portfolio transformation.

## ■Individual business strategies

**Q9. In the ICT Solutions segment, ICROS™ Tape has been demonstrating steady growth, supported by capacity expansion and the provision of technical services on a global basis. On the other hand, products such as EUV pellicles appear to be experiencing slower growth. In addition to the competitive advantages of next-generation CNT pellicles relative to your competitors, please explain the measures you are taking to accelerate growth in ICT Solutions, including your M&A strategy in the semiconductor and electronic materials areas.**

**A9.** ICROS™ Tape is expected to continue growing as applications are expanding beyond the backgrounding process and as we steadily capture increasing demand in advanced AI-related fields. For pellicles, DUV pellicles have grown significantly, partly due to the acquisition of the business from Asahi Kasei. Meanwhile, while EUV pellicles experienced slower growth in FY2025, yield-related issues have been improving, and performance is currently trending upward. As for our next-generation CNT pellicles, customer evaluations have begun ahead of the planned launch in FY2026. By addressing needs such as extended service life and transparency, we will work to maintain our position as the world leader and expand the business. Customer trust is crucial for pellicles, as seen in areas such as impurity control, and we have accumulated extensive expertise in this area over the years. As such, we believe it is not something that competitors can easily catch up with. To accelerate growth in the ICT sector, we have been collaborating with SHINKO ELECTRIC INDUSTRIES, a company in which we have invested, on the development of next-generation materials such as materials for co-packing optics. Although we expect it will take some time for this collaboration to contribute to earnings, we believe it can deliver a meaningful level of profit contribution if these materials become a de facto standard. With regard to M&A, we would consider opportunities should suitable ones arise. That said, we will not rely solely on M&A, and will continue to steadily expand areas where we can drive growth through our own efforts.

**Q10. Regarding PP compounds in the Mobility Solutions segment, Mitsui Chemicals has long held the No. 2 position globally. Please explain the factors that have prevented**

**the business from achieving the No. 1 position to date. Please also explain your initiatives to improve profitability by region, as well as the key strengths of your PP compounds.**

**A10.** We believe that our PP compounds are on par with those of the world's leading manufacturer in terms of functionality, and we consider this to be a highly competitive business. The new high-performance polypropylene facility in Chiba is designed to enhance the functionality of the compounds in terms of raw materials, and it can handle a wide range of product grades by leveraging catalyst and process technologies.

With regard to profitability by region, we believe that securing a certain volume of sales will lead to a significant improvement in profitability. India is one market where we have high expectations. We expect the market to expand as our OEM customers increase production capacity, and we also recognize that the shift toward higher functionality is gaining momentum. In South America as well, our OEM customers are focusing their efforts, and we see potential in that market. We aim to steadily capture opportunities in these growing regions.

Large panels for automotive components are one application where the strengths of our PP compounds can be fully utilized. In addition, automobile exteriors are an application where we are delivering new value to customers. Appearance quality is an important requirement in this application, and we are capturing detailed customer needs with technologies such as preventing discoloration from scratches and making black appear deeper.

Statements made in this document with respect to Mitsui Chemicals' current plans, estimates, strategies, and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Mitsui Chemicals.

Information provided here, other than historical facts, refers to future prospects and performance, and has been prepared by Mitsui Chemicals management on the basis of currently available information. This covers various risks, including, but not limited to, economic conditions (especially, customer demand), foreign currency exchange rates and other factors. As a result, actual future performance may differ from any forecasts contained in this document.

Mitsui Chemicals has no responsibility for any possible damages arising from the use of this information nor does Mitsui Chemicals have any obligation to update present forward-looking statements, or release new ones, as a result of new information, future events or otherwise.

This document may not include all the information Mitsui Chemicals has disclosed to stock exchanges or made public in other ways. Please be aware that the content on this document is subject to change or deletion without advance notice. Although Mitsui Chemicals has made careful efforts regarding the accuracy of the contents here, Mitsui Chemicals assumes no responsibility for problems including, but not limited to, incorrect information, or malicious tampering with the content of the data in this document by any third parties or problems resulting from downloading. Furthermore, this website is not an offer or a solicitation of an offer to buy or sell securities. Please be aware that decisions regarding investing are the responsibility of users themselves.

Please note that this document has been translated from the original Japanese into English for the convenience of our stakeholders. The information was originally provided in Japanese. If there is any discrepancy, the Japanese language version is the official document and is available on our Japanese language website.