Questions from the Internet Briefing for Institutional Investors and Analysts on Mitsui Chemicals Group's Consolidated Financial Results for 1st Half of Fiscal 2026

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Reference	Results for 1st Half of FY2026 & Outlook for FY2026

Q&A

■Life & Healthcare Solutions

Q1. Please explain demand trends in vision care, oral care, and agrochemicals in Life & Healthcare Solutions.

A1. In vision care, sales remained firm, driven primarily by healthy demand for high-refractive-index lenses. In oral care, Kulzer is recovering from the inventory level adjustments seen in Q1. At Ultradent Products, Inc. (UPI), whose results have been consolidated since August, sales of teeth-whitening products in the United States and Europe remained firm. In agrochemicals, domestic sales remained firm, particularly for pesticides for paddy rice and herbicides. Overseas sales were also firm overall, although inventory level adjustments continued in some regions.

Q2. Please explain the impact of UPI consolidation on H1 FY2026 results and the outlook for its profit contribution in FY2027.

A2. The acquisition of UPI was completed in August 2026, and its results for two months (August and September 2026) were consolidated in H1. UPI's contribution to consolidated profit for H1, net of the amortization of intangible assets, was approximately 1 billion yen. Meanwhile, one-time factors associated with the UPI acquisition had a negative impact of 2.6 billion yen on H1 earnings. In FY2027, we expect earnings to benefit from business growth and the absence of the negative impact from the one-time factors recorded in FY2026.

Q3. Regarding the full-year outlook for Life & Healthcare Solutions, please explain the performance of the existing businesses excluding UPI.

A3. The existing businesses excluding UPI are progressing in line with our initial expectations.

■Mobility Solutions

Q4. Please explain the background behind the expected decline in Mobility Solutions' operating income before special items from H1 to H2.

A4. The main factor behind the expected decline from H1 to H2 is that we have factored in a certain degree of uncertainty regarding terms of trade, including raw material and fuel prices and selling prices. Meanwhile, global demand has remained broadly stable, and the new high-performance PP facility is scheduled to begin operations in H2 as initially planned. Based on these factors, we have maintained the full-year forecast of 51.0 billion yen in operating income before special items announced in May.

Q5. Regarding TAFMER™, please explain the operating status of the Singapore plant and progress in developing differentiated applications and other markets.

A5. We are maintaining an appropriate operating level for the new plant in light of both raw material procurement and demand trends. We are focusing on developing differentiated areas and expanding sales for automotive and industrial applications. In H2, we intend to further increase sales volume in these

applications and control operations in light of raw material procurement conditions.

■ICT Solutions

Q6. Please explain the factors behind the increase in ICT Solutions' operating income before special items from Q1 to Q2 and the expected decline from H1 to H2.

A6. From Q1 to Q2, sales volume increased, particularly for semiconductor-related products, against a backdrop of strong demand. Improvements in terms of trade resulting from price revisions also contributed. From H1 to H2, while we expect sales volume to increase, we also expect fixed costs to rise as the business expands, including the commencement of depreciation on the production facilities for CNT pellicles for EUV lithography.

Q7. Please explain sales trends for ICROS™ Tape and pellicles, as well as the ramp-up status of CNT pellicles for EUV lithography.

A7. Sales of both ICROS™ Tape and pellicles remain firm. Sales volume of ICROS™ Tape increased by approximately 10% in Q2 compared with Q1, and we expect it to remain at a high level in Q3. Sales revenue in the pellicle business is expected to increase by more than 30% from FY2025 to FY2026. Customer evaluations of CNT pellicles for EUV lithography are progressing smoothly. We are preparing for the ramp-up while responding to additional customer requests.

■Basic & Green Materials

Q8. Regarding the underlying earnings power of Basic & Green Materials (B&GM), how is the segment able to maintain earnings of approximately 4 billion yen in both H1 FY2026 and the full year despite naphtha cracker operating rates below 70%? Although inventory valuation gains are not expected to recur in FY2027, what business restructuring benefits do you expect?

A8. Naphtha cracker operating rates were just under 70% in H1 FY2026 and are expected to be approximately 70% in H2. Profitability of the naphtha crackers, excluding temporary inventory valuation gains and losses and other factors, remains challenging. However, the benefits from business restructuring, as well as contributions from derivatives and equity-method affiliates, are expected to support full-year earnings of approximately 4 billion yen. From FY2026 to FY2027, although some of the inventory valuation gains are not expected to recur, we also expect benefits from business restructuring through the consolidation of naphtha crackers in the Chiba area, as well as the gradual emergence of benefits from the integration of the domestic polyolefin business. These business restructuring benefits are expected to further strengthen our underlying earnings power.

Q9. Please explain the factors behind the changes in B&GM's operating income before special items from Q1 to Q2 and from H1 to H2.

A9. Operating income before special items decreased by 11.4 billion yen from Q1 to Q2. The main negative factors were a deterioration of approximately 7.5 billion yen in inventory valuation gains and losses and other factors due to lower naphtha prices, and an approximately 4 billion yen negative impact from major regular maintenance at Osaka Works. From H1 to H2, operating income before special items is expected to decrease by 33.9 billion yen. The H2 forecast assumes a decline in naphtha prices and factors in a negative impact of slightly more than 30 billion yen from the resulting changes in inventory valuation gains and losses and other factors. While the impact of the major regular maintenance conducted in H1 will not recur, fixed costs, including levies such as property tax, are expected to increase in H2, as they typically do each year.

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