



January 5, 2016

New Year's Greetings from the CEO (Summary)

Mitsui Chemicals, Inc.
Tsutomu Tannowa

I would first like to wish all of you the very best as we begin the new year of 2016.

◆ Renewing Vows for Safety

While I recognize that throughout the past year you have placed great emphasis on safety, as we start a new year, I ask that you once again reflect on its importance in all aspects of our operations. Safety is important in ensuring happiness. It is not only for yourself, but for your colleagues, your family, and for society. While we face the many challenges of the new year, I ask you to renew your vows to place “safety as a top priority”.

◆ Reflecting on 2015

When I think about the past year, I believe we have come out stronger and successful. We made significant achievements in transforming our portfolio, which we set out to do in our 2014 mid-term business plan, and on the tailwind of weak oil markets and a weak yen, we made advances in great leaps.

Not only have we made an upward revision in our forecasted operating income of 70 billion yen and net profit 35 billion yen, it is looking like we may exceed our fiscal 2016 operating target of 60 billion yen this fiscal year, one year in advance. While market factors propelled this success, I appreciate that it is mainly the outcome of your great work in transforming our business portfolio. Our fiscal 2020 target of 1,000 billion yen is within range. This, however, is but a milestone in our continuing growth and transition.

◆ Confronting Global Challenges

While the United States and Japan are expected to continue to show signs of mild economic recovery in 2016, economic slowdowns in emerging countries such as China and resource-rich countries such as Russia and Brazil are sources of concern. Yet of greater concern are geopolitical risks and their impact on society. The European migrant crisis and vicious terrorist attacks, such as that seen in Paris, are no longer limited to the Middle East and Europe. These risks have the potential to reshuffle the global economy. We must be vigilant and prepared to quickly respond to challenges and change.

◆ For Continued Growth

While our track record for fiscal 2015 is good, it must be great in 2016. Fiscal 2016 is the final year of our 2014 mid-term business plan. Our leaps in 2015 must become bounds in 2016. To bolster our portfolio transformation, we will need to look to the possibility of restructuring our organization to better support business. While strengthening earnings in our three growth drivers, we will also need to toughen our next generation business development.

For our growth driving **mobility domain**, with a focus on automotive materials, we will maximize group and third party resources to provide new and innovative solutions to our customers. For our **health care domain**, we will identify customer needs in areas including vision care and oral care, and develop and launch more attractive and effective new products. For our **food and packaging domain**, we will find solutions and contribute to resolving social issues such as food waste and loss, food hygiene and safety, and better food production through our high function and performance-driven food packaging and the development of better and more environment-friendly agrochemicals.

In **commodity and basic chemicals**, which are important in supporting society and industrial sectors, we have implemented effective and stringent restructuring strategies. This March, with the extensive efforts of all parties, we were able to terminate TDI production at facilities at our Kashima Works.

In fiscal 2016, we expect further growth and stable high earnings by the effective and successful implementation of our strategies to transform our portfolio to one less susceptible to economic fluctuation. Significant improvement of our cash flow will allow us to aggressively pursue growth and rationalization investments while preserving our financial soundness.

Pursuit of targeted profits is important but even more important is the transition of our portfolio for stronger and more resilient business operations.

◆ Take Pride in Our Achievements and Our Future

We enjoy the trust of society for being a company that delivers. Time after time, we have proven that we are true to our word. Society is looking to us to contribute to the sustainable development of society by **“Providing innovative customer value and resolving social issues through business”**. We must prove that we are worthy of the trust society places in us. One accident or major incident may setback this trust irreparably, trust that takes years to earn. We need to continue to improve communication both within the company and with our stakeholders. We need to take pride in our achievements and be upfront and honest in our business.

I am confident that together, one step at a time, we can make the new year a wonderful and successful one.