

0→1 MAKE IT HAPPEN

FY23-1

Chemistry for Sustainable World

CEO PRESENTATION



橋本 修

HASHIMOTO Osamu

Mitsui Chemicals, Inc.

President & CEO

June 1, 2023

Message

This is now my fourth year as President of Mitsui Chemicals, following my appointment in April 2020. 2021 saw us launch our new Long-Term Business Plan VISION 2030, which has this year reached the second year of its implementation phase.

The global environment surrounding our business is changing day by day – in addition to COVID-19, we are confronted by Russia’s invasion of Ukraine and friction between the U.S. and China, not to mention fluctuating exchange rates and interest rates. However, no matter what circumstances we face, the Mitsui Chemicals Group will not be swayed from its quest to implement the five-point Basic Strategy of VISION 2030, with a primary emphasis on pursuing business portfolio transformation.

The first generation of our company focused on coal chemistry and the second on the petrochemicals sector. And now, our efforts to build a sustainable future society have us in a period of transition toward green chemicals, which I believe should be seen as a third generation for our business. The Mitsui Chemicals Group will strive to increase corporate value by being proactive in seeking solutions to the challenges faced by society, as we believe they present new business opportunities.

In addition, we will demonstrate our high regard for communication with our stakeholders as we redouble our efforts to achieve growth throughout the Mitsui Chemicals Group. Accordingly, I look forward to the continued support of all our stakeholders.

June 2023
HASHIMOTO Osamu
President & CEO



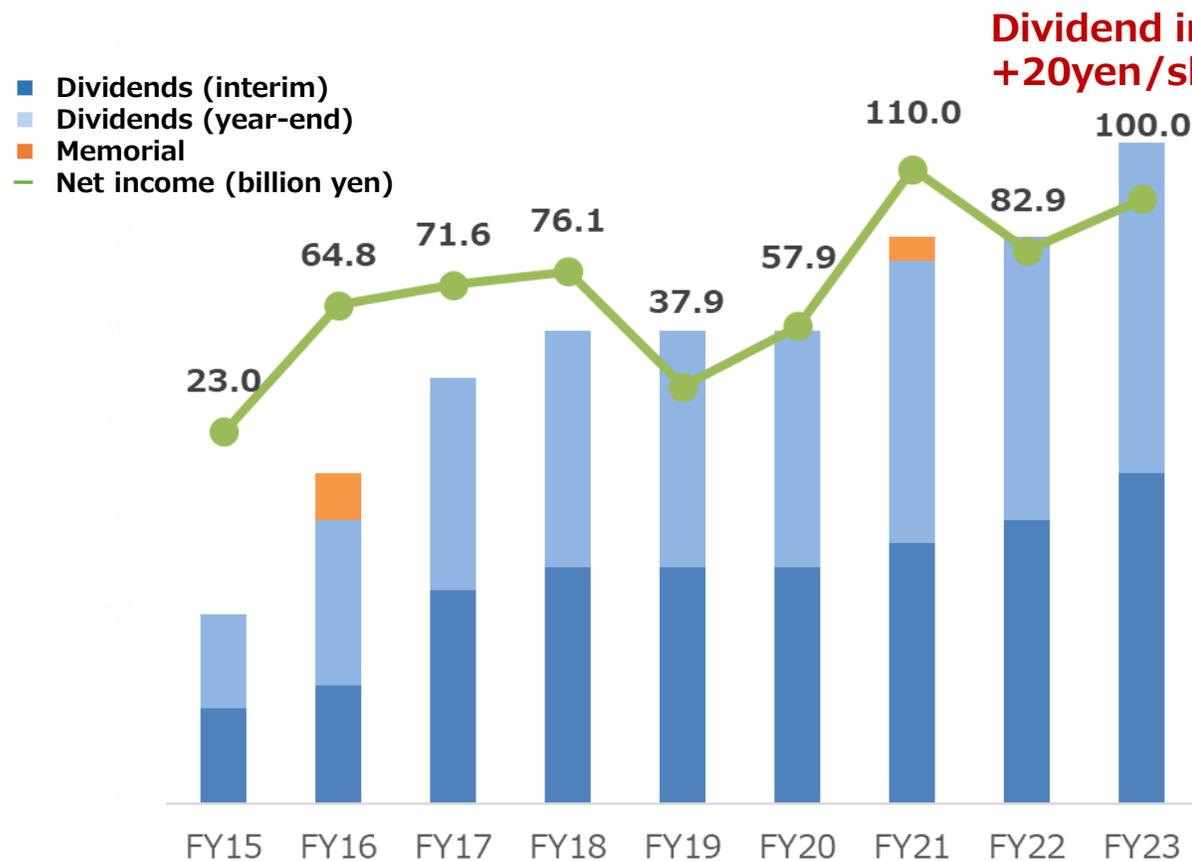
Contents

- ▶ **Business Performance**
FY22 results and full-year outlook for FY23
- ▶ **VISION 2030**
Basic policies toward 2030
Measures in line with our five-point Basic Strategy

Items (JPY bn)	FY2021	FY2022	FY2023
	Results	Results	Outlook
Sales revenue	1,613	1,880	1,900
Operating income before special items	162	114	150
Non-recurring items	△ 15	15	△ 5
Operating income	147	129	145
Financial income / expenses	△ 6	12	△ 5
Net income attributable to owners of the parent	110	83	100
Exchange rate (JPY/USD)	112	135	135
Domestic standard naphtha price (JPY/KL)	56,600	76,600	72,000
Growth domains	88	102	121

Increase (Decrease)	
FY22 → FY23 (Outlook)	
YoY	Rate
21	1%
36	32%
△ 20	-
16	12%
△ 17	-
17	21%
0	
△ 4,600	
19	18%

Provide stable and continuous shareholder returns



	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Dividend(yen)	40*	70*	90*	100	100	100	120	120	140
Acquisition of Treasury stock (billion yen)	-	-	50	100	100	-	100	100	
DOE(%)	2.0	3.4	3.7	3.7	3.6	3.4	3.5	3.1	
Total return ratio(%)	35	22	32	39	77	34	30	40	

*Dividends recalculated based on share consolidation

● FY23 dividend outlook

Interim

Year-end

Full year

$$70 + 70 = 140$$

JPY/share JPY/share JPY/share

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

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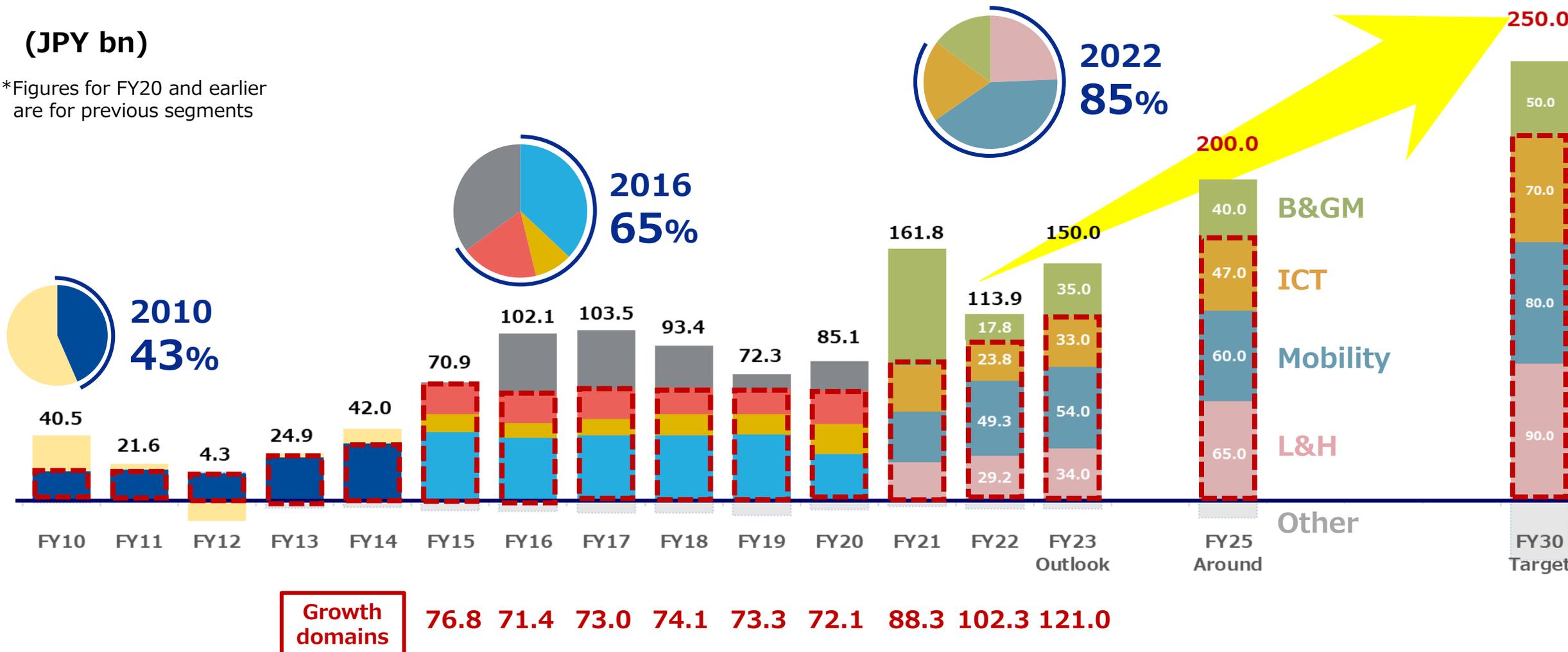
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- ◆ We have set a target of reaching 200 billion yen in operating income before special items by fiscal 2025, as a checkpoint for achieving our 2030 goals. To help achieve this target, we will implement strategies based on the basic policies laid out below in a speedy fashion.
 - We will continue to implement thorough cash flow management to prepare for growing uncertainty in international affairs 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.
 - We will step up the pace of business portfolio transformation, and aim to further reduce volatility.
 - To swiftly implement our carbon neutrality initiatives in society, we will expand and speed up our regional cooperation efforts as a first mover.
 - We will strengthen our business foundations by pursuing digital transformation and work style reform.
 - We will consider further boosting shareholder returns in line with the rise in profit levels. We will also seek to raise the level of our ROE and aim for additional improvements in capital efficiency.

Expanding our growth domains through business portfolio transformation

(JPY bn)

*Figures for FY20 and earlier are for previous segments



	FY22 Results	FY23 Outlook	FY25 Around	FY30 Target
Operating income before special items (B yen)	114	150	200	250
Net income attributable to owners of the parent (B yen)	83	100	110	140
ROE	11.1%	12.3%	10% or more	10% or more
ROIC*1	5.4%	6.3%	7.0% or more	8.0% or more
NET D/E	0.77	0.75	0.8 or less	0.8 or less

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

10 Summary of Targets-2

Subjects to be explained
in this presentation

Contributing to a sustainable society

Material topics	KPIs	FY22 Results	FY23 Outlook	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	•22%	•24%	•40%
	Rose Value™ products sales revenue ratio	•21%	•25%	•40%
	GHG emissions reduction rate (Scopes 1 and 2) *compared to FY13	•26% (Estimate)	•26%	•40%

Prerequisites for business continuity

Material topics	KPIs	FY22 Results	FY23 Outlook	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"> Revised & announced Human Rights Policy Implemented human rights due diligence 	<ul style="list-style-type: none"> Implementation of human rights due diligence Establishment of internal structure for addressing human right risks 	• Identification & correction of risks by setting up a human rights due diligence system for all of or bases, both domestic and abroad
• Risk & compliance management	Incidence of major legal and regulatory violations	•Zero	•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	Introduction of advanced technologies Implementation of advanced production technology centered on AI/IoT	•12 instances	•10 instances	•100 instances (Over FY21~30)

11 Summary of Targets-3

Subjects to be explained
in this presentation

Abilities essential to business continuity

Material topics	KPIs	FY22 Results	FY23 Outlook	FY30 Target
• Corporate culture	Improvement of employee engagement Engagement score	• Implementation rate for improvement plans from our FY21 survey : 100%	• 36% or more	• 50%
• Human capital	Key talent management Successor coverage rate for critical positions	• 211%	• 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: 17.8% • 5%	• 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	• 9.5% • 0.51	• Less than 9.25% • Less than 0.47	• 8.0% • 0.25
• Digital transformation	Training of DX specialists Number of data scientists	• 34	• 83	• 165 (by FY25)
• Innovation	Pipeline expansion • Number of development themes in the latter half of our Stage Gate System	• Launched CVC operations • Stage 1 themes registered: 38	• Stage 1 themes registered: 30 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	• 3 or more candidates	3 or more areas
• Partnerships	Sustainable procurement ratio	• Engaged in communications with partners to solidify our efforts in this area Improvement request meetings: 9 companies	• Promotion of sustainable procurement Opinion exchange held with partners to build shared vision: 12 or more companies	• 80%

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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

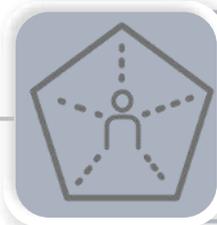


Corporate transformation through DX

- ▶ 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

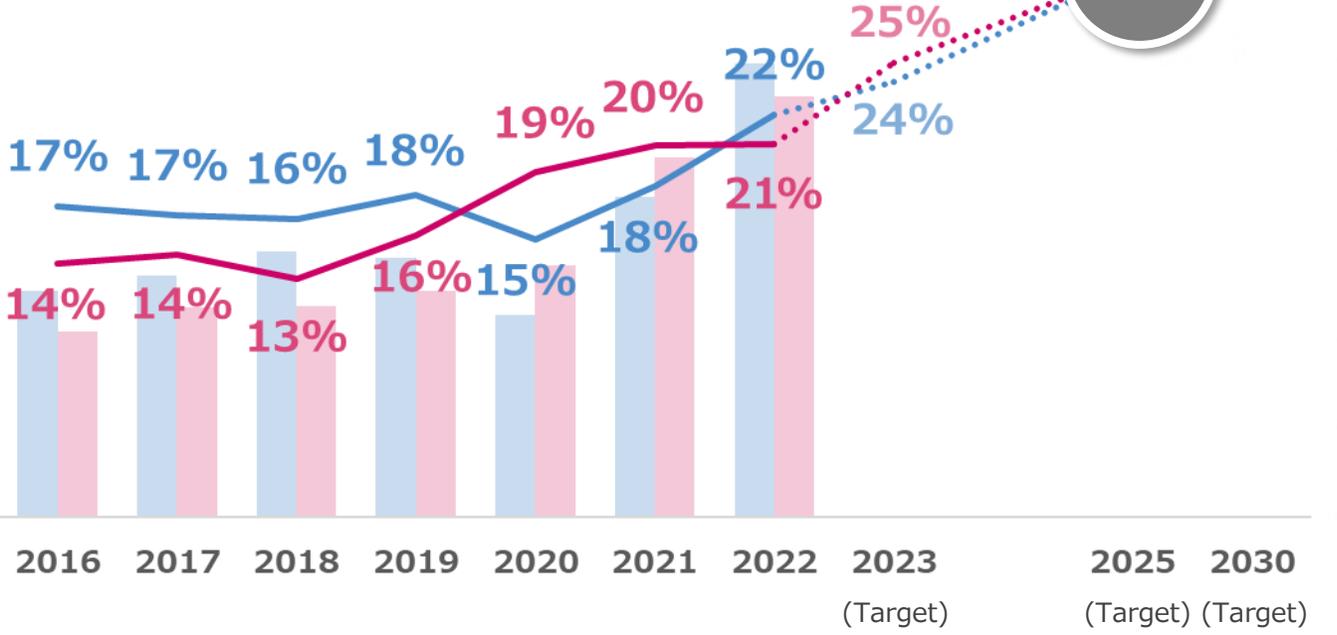


Management and business transformation

- ▶ 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

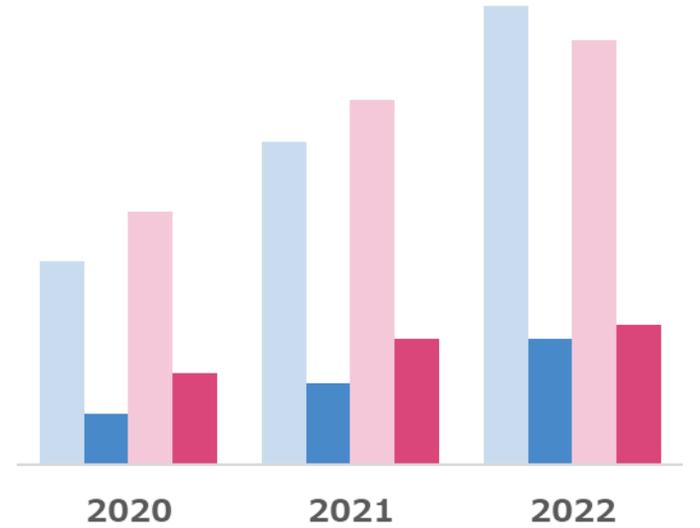
Increase in sales revenue from Blue Value™ and Rose Value™ products in growth domains

- Blue Value™ products sales revenue
- Rose Value™ products sales revenue
- Blue Value™ products sales revenue ratio
- Rose Value™ products sales revenue ratio



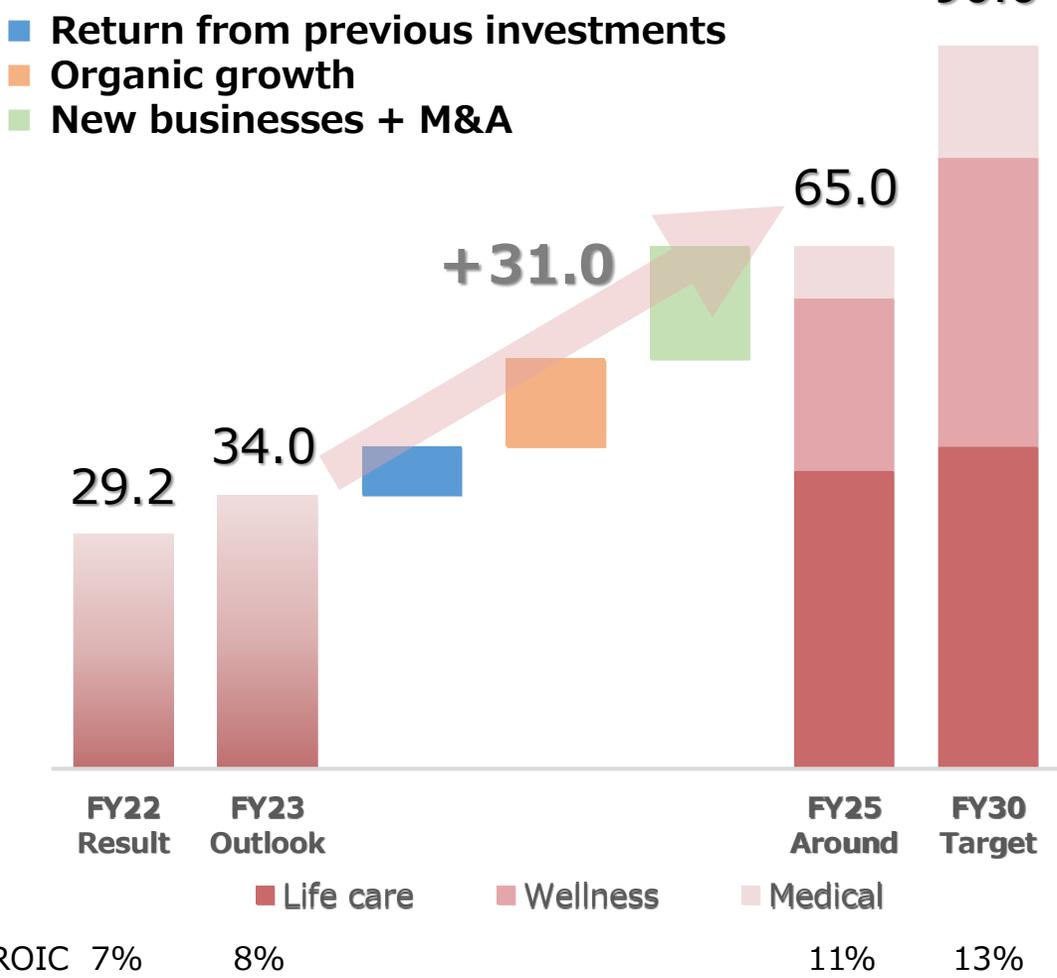
Steady growth in gross profit as sales revenue has expanded

- Blue Value™ products sales revenue
- Blue Value™ products gross profit
- Rose Value™ products sales revenue
- Rose Value™ products gross profit



Pursuing the creation and growth of products & services by employing product designs based on full life-cycle considerations when developing new businesses & products, as well as by identifying new applications (new value) for existing products

(JPY bn)



Rose Value™
 FY23 **86%** → FY30 **85%**

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

Our existing core businesses are expanding steadily amid stable market growth

Strategies for reaching our VISION 2030 targets

Further strengthening our existing core businesses

- Vision care: Expanding business for lens materials and providing total solutions that combine materials with new technologies
- Agrochemical products: Pursuing overseas expansion for growth drivers and creating synergy with MMAG
- Oral care: Bolstering business foundations in key markets (Germany, Japan, U.S.)
 Continually introducing new products and pursuing deeper collaboration between Group companies

Actively investing in wellness solutions and medical solutions to create new products and businesses

Expanding the vision care materials business through the offering of a total solution

Ophthalmic lens value chain



Expanding MR™ lens material business

Accelerating expansion

- North America: Accelerating the switch from polycarbonate (PC) to MR™ through collaboration with retailers
- China: Digital marketing activities (using WeChat to strengthen the brand)

Meeting market demand for more eco-conscious products:

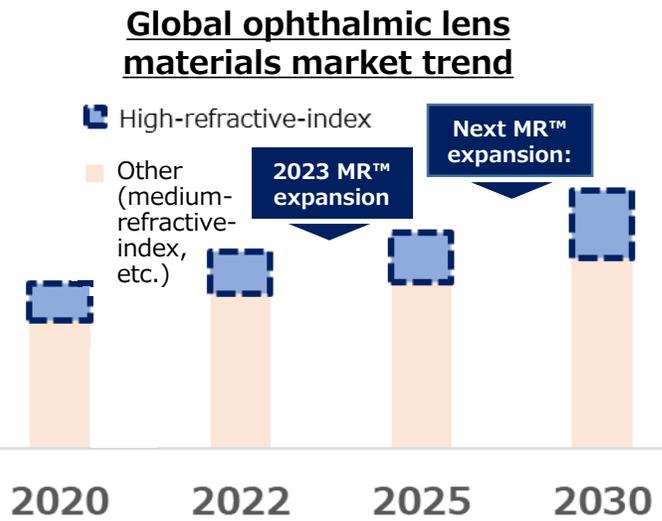
Revitalizing the market via **Do Green™** products

Capacity expansion:

Capacity expansion as previously announced is progressing to plan

Commenced the plant design for next phase of expansion (Refractive index 1.60/1.67/1.74)

Acceleration of sales in the high-refractive-index market, whose growth is expected to exceed the market average

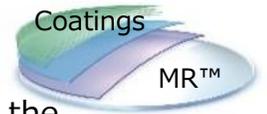


Leveraging intra-Group collaboration



Existing efforts:

SDC develops, manufactures and sells the optimal coating materials for MR™ lenses



New efforts:

Leveraging sales channels to market SDC's high-performance coating materials

Developing new laboratory processes combining processing equipment and materials



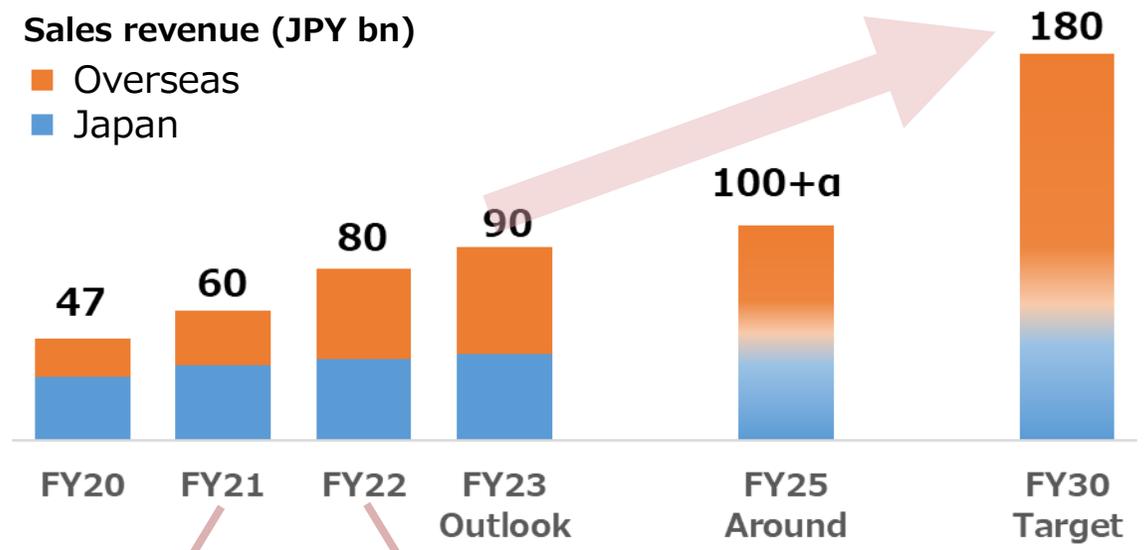
Using processing equipment to demonstrate commercial and processing advantages of MR™

Coburn is now a wholly owned subsidiary of SDC, a manufacturer of coating materials and processing equipment (since November 2022)



Providing the total solution from materials to processing technologies for the highest standards of lens manufacturing

Accelerating business expansion by maximizing overseas launch of growth drivers and leveraging integration effects



✓ **Growth drivers are propelling business expansion**

Overseas launches progressing smoothly for dinotefuran, TENEBENAL™ and flupyrimin

✓ **Leveraging effects of integration**

Expanding the former MMAG product business via sales synergies

Leveraging infrastructure from the old Mitsui Chemicals Agro business for overseas expansion
Broadening applications beyond agrochemicals to include the life solutions field

Strengthening R&D and production technology for biological crop protection products

Established new Biological Solutions Research Center (BSRC) (at Mobarra in April 2023)

MMAG established upon acquiring business from Meiji Seika Pharma

Mitsui Chemicals Agro and MMAG integrated into a single company, establishing Mitsui Chemicals Crop & Life Solutions

✓ **Aiming to eradicate malaria in developing countries**

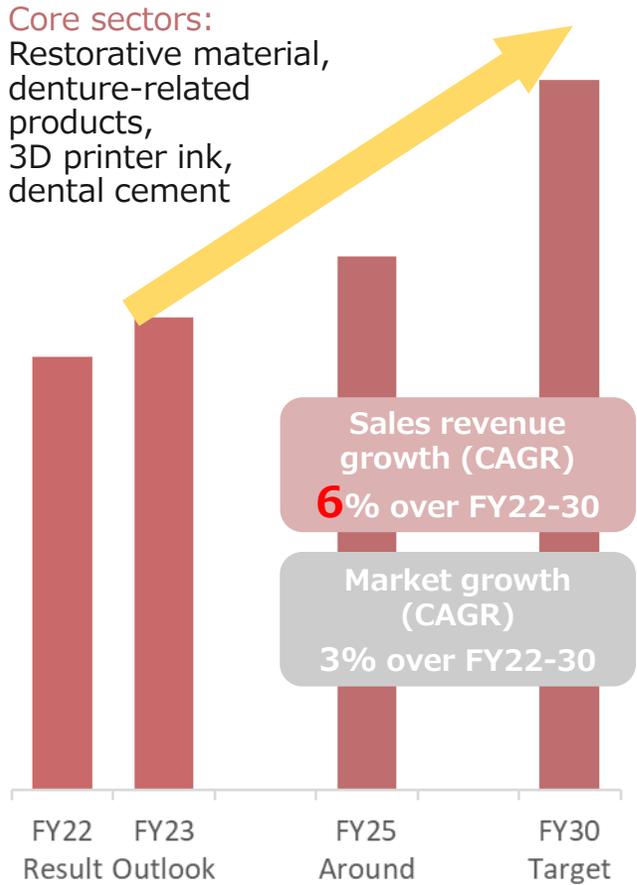
The World Health Organization has prequalified VECTRON™ T500, an indoor residual spray for vector control containing TENEBENAL™ as its active ingredient (March 2023)



(Spraying carried out by a specialist operator)

Business expansion by continually introducing new products and pursuing deeper collaboration between Group companies

Aiming for expansion exceeding market growth, driven by core sectors



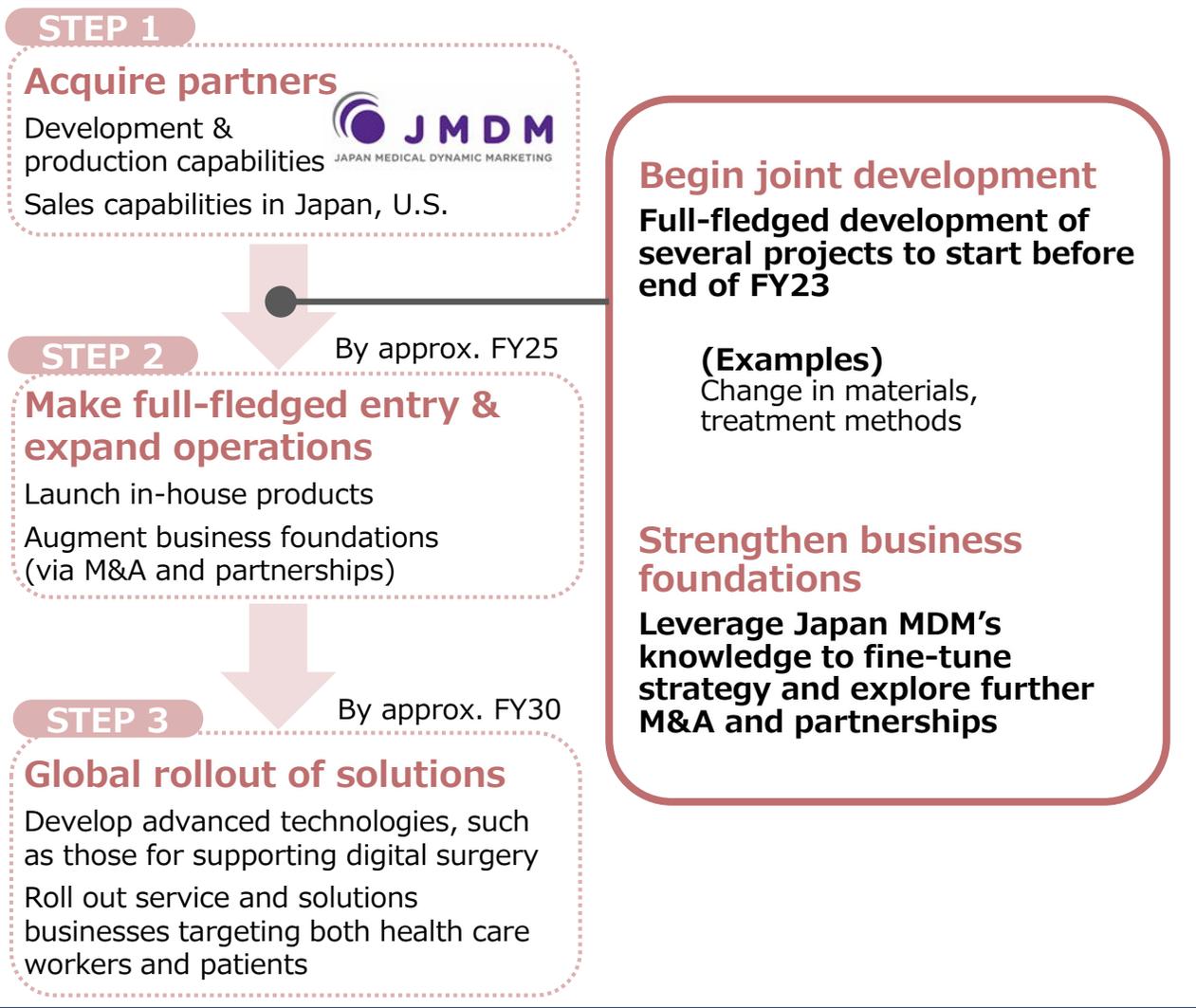
Introducing new products

Year	Product Name	Description	Notes
2019	Delara®	Denture-related product (prosthetic teeth)	
2020	Venus® Pearl ONE	Restorative material (composite resin)	
2021	dima® Print Mouth Guard	3D printer ink (for mouth guards)	Uses materials from MCI
2022	Venus® Bulk Flow ONE	Restorative material (flowable resin)	
2023 (Plan)	dima® Print Teeth & Temp	3D printing material (for temporary crowns)	
	Bulk Base Hard	Restorative material (low polymerization shrinkage resin)	Uses materials from MCI
	Kirei Keep	Denture-related product (coating material for dentures)	
	Super-Bond EX	Dental cement (resin cement)	Uses catalyst from MCI
	Super-Bond	Dental cement (resin cement)	Uses catalyst from MCI

Tapping into SHOFU's network to launch sales in Brazil

Progress in expanding the orthopedic surgery sector

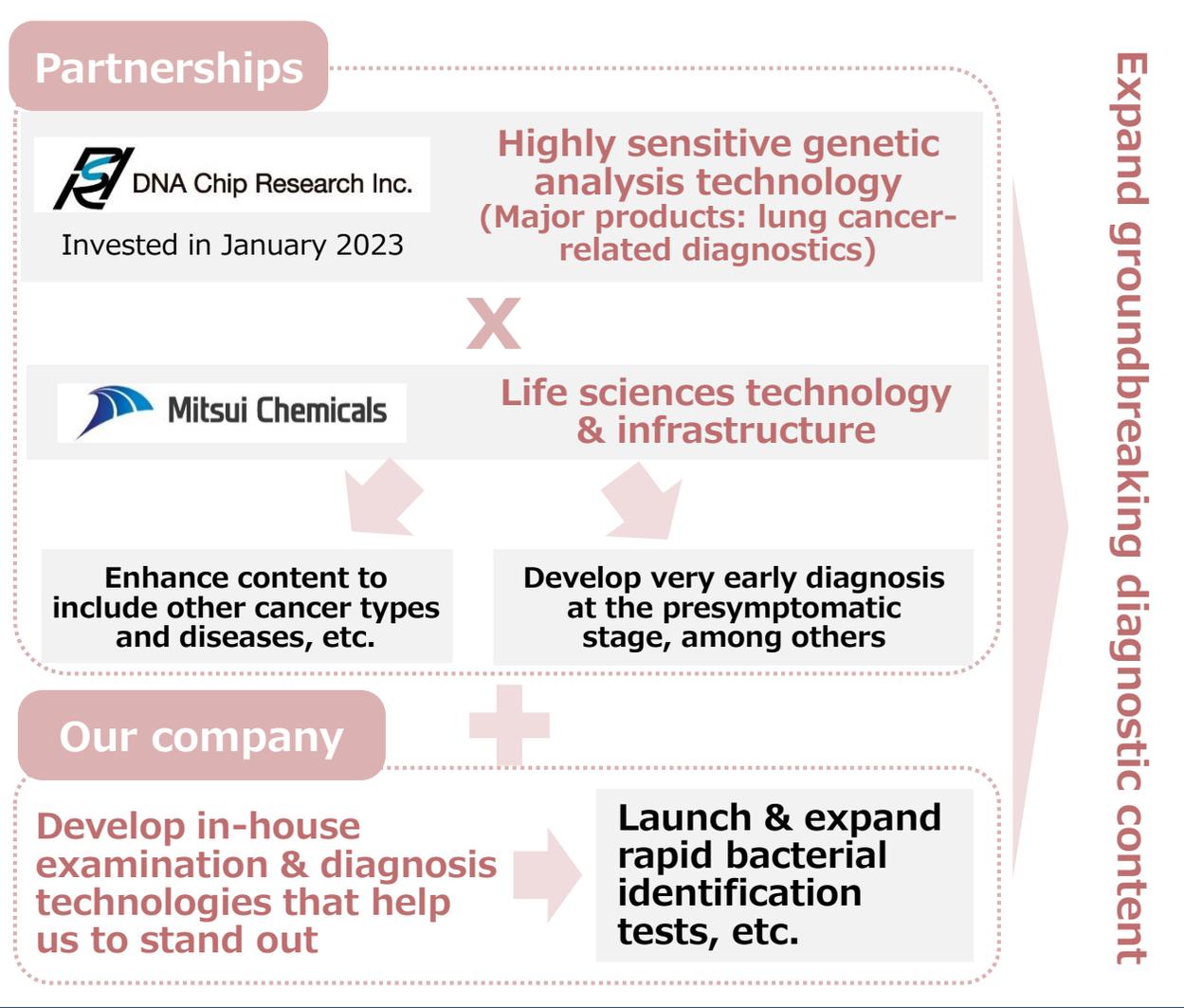
Business expansion in the examination & diagnosis sector



Begin joint development
Full-fledged development of several projects to start before end of FY23

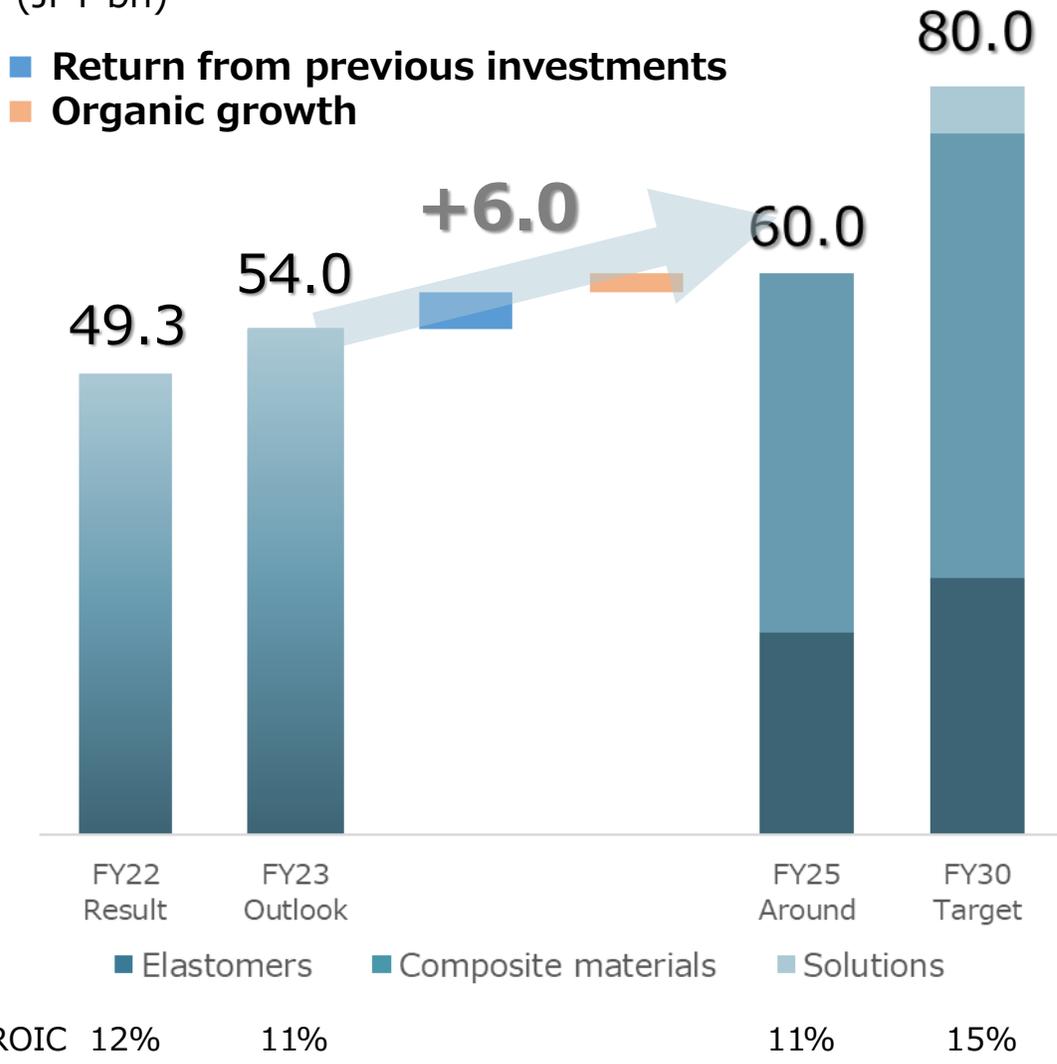
(Examples)
Change in materials, treatment methods

Strengthen business foundations
Leverage Japan MDM's knowledge to fine-tune strategy and explore further M&A and partnerships



(JPY bn)

■ Return from previous investments
 ■ Organic growth



Blue Value™
 FY23 49% → FY30 80%

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

Despite the slow recovery in automotive production, we are expanding earnings via the shift of focus to growth markets and differentiation

Strategies for reaching our VISION 2030 targets

Pursuing expansion of our strong existing materials business

Speeding up our sales transition to a focus on growth markets* and differentiation
 *Including renewable energy, automotive sustainability, eco-friendly packaging materials, etc.

Boosting earnings by increasing production capacity for differentiated brands

Strengthening our solutions business

Creating new business models

Expanding sales by introducing differentiated brands to growth markets

Differentiation in growth markets

Growth market		Needs	Examples of differentiated materials
Renewable energy	Solar cells	Improving the power generation efficiency & long-term reliability of solar cells	Material design Highly durable TAFMER™
	EVs	Improving range by reducing the weight of interior & exterior materials	Mixing & compounding technology Rigid and lightweight PP, etc.
Automotive sustainability		Materials for electrical system parts	Heat-resistant polyamide, etc.
	Demand for eco-friendliness	Expanding & popularizing the use of recycled materials	Mixing & compounding technology Post-consumer recycled materials
Eco-friendly packaging materials	Mono-material packaging	Improving the performance of eco-friendly & easy-to-recycle materials	Material design & mixing technology ADMER™ & TAFMER™ compatibilizers

Boosting production capacity

TAFMER™

- New plant in Singapore
Construction to be completed in FY24
- Increasing production and sales of differentiated brands by improving processes at existing plants in Japan
From FY25



ADMER™

- Boosting production capacity of differentiated brands
From FY25

Addressing demand for eco-friendliness

PP compounds

Advanced Composites (U.S.)

- Recycled material containing 30-50% post-consumer material
Selected for automotive use



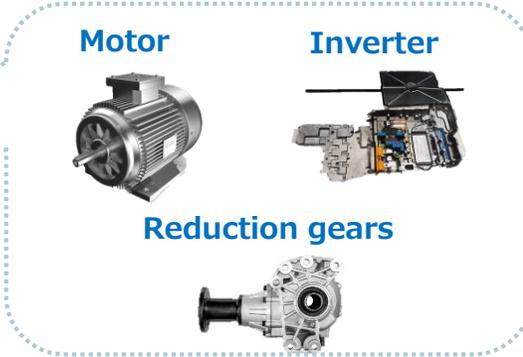
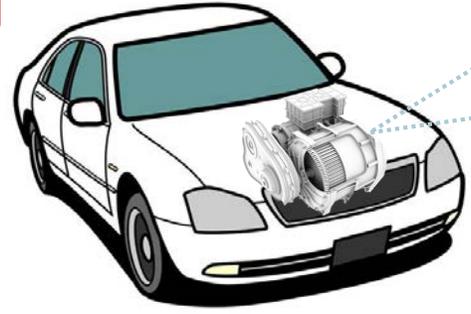
Launching the supply of mass-produced parts for E-Axle next-gen EV drive systems

What is an E-Axle?

A system integrating the motor, inverter, reduction gears and other components of an EV's drive system into a single unit
E-Axle demand is expected to rise proportionally as EVs grow more prevalent

E-Axle

Illustration



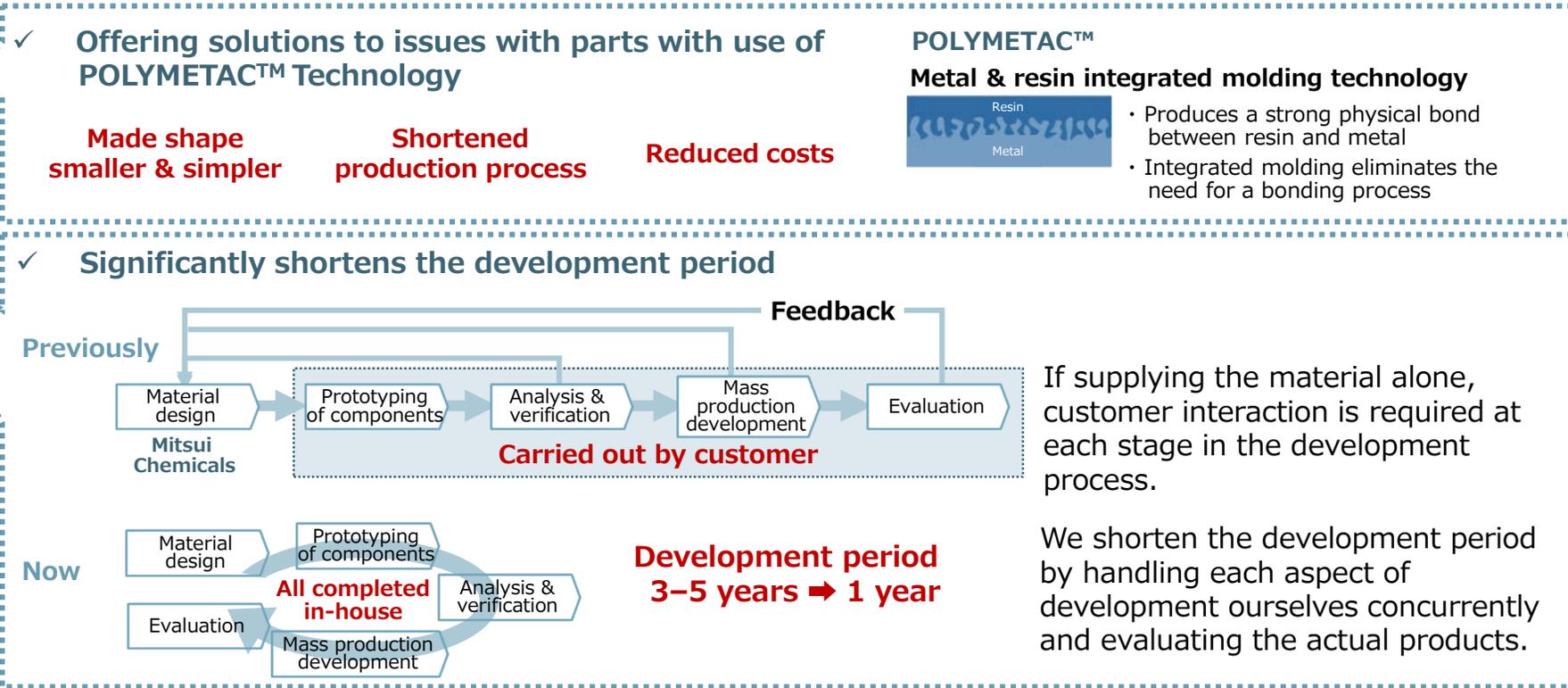
Adopted for use in key E-Axle parts

Mitsui Chemicals' business model

Advanced concepts for modular components backed up by mass production technology
"Design" x "materials" x "analysis" x "molds & production processes"

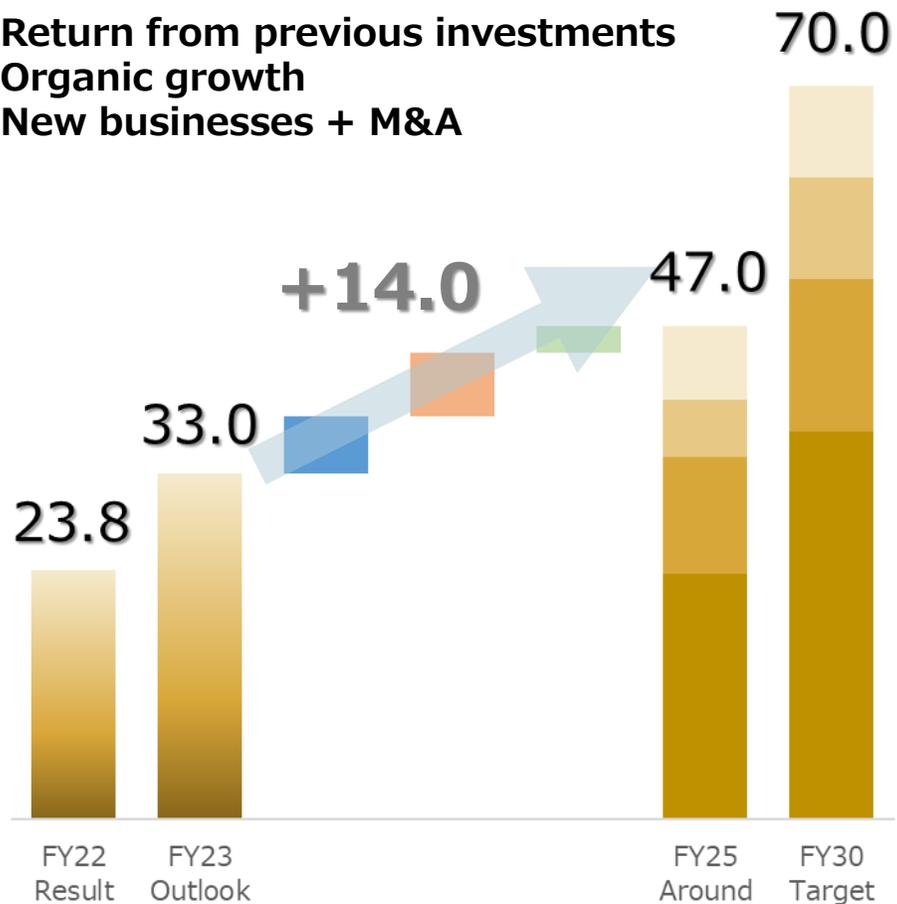


Proposal designed with consideration for the customer's development process



(JPY bn)

■ Return from previous investments
 ■ Organic growth
 ■ New businesses + M&A



■ Semiconductor & assembly ■ Imaging ■ Battery material ■ Converting

ROIC 9% 10%

10% 13%

Blue Value™

FY23 **38%** → FY30 **56%**

Rose Value™

FY23 **51%** → FY30 **60%**

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

Continuing to boost capacity and develop products focused on new needs in the interests of medium- to long-term growth, despite sluggish markets for semiconductors, smartphones and the like

Strategies for reaching our VISION 2030 targets

Boosting our competitiveness in the areas of semiconductor & assembly solutions and imaging solutions

ICROS™ Tape: Expanding production capacity and augmenting our product portfolio in new areas

Pellicles: Reaching the No. 1 position by strengthening our EUV business and leveraging our acquisition of Asahi Kasei’s business

APEL™, etc.: Introducing new materials to capture the demand of the growing XR market

Addressing demand for eco-friendly products in the area of converting solutions

Strengthening our PUD*/POD** supply network

* Polyurethane dispersions / For monomaterial packaging

** Polyolefin dispersions / Heat-sealable coatings to be used on paper-based packaging



Expanding the business by responding to technological innovation and diverse customer needs

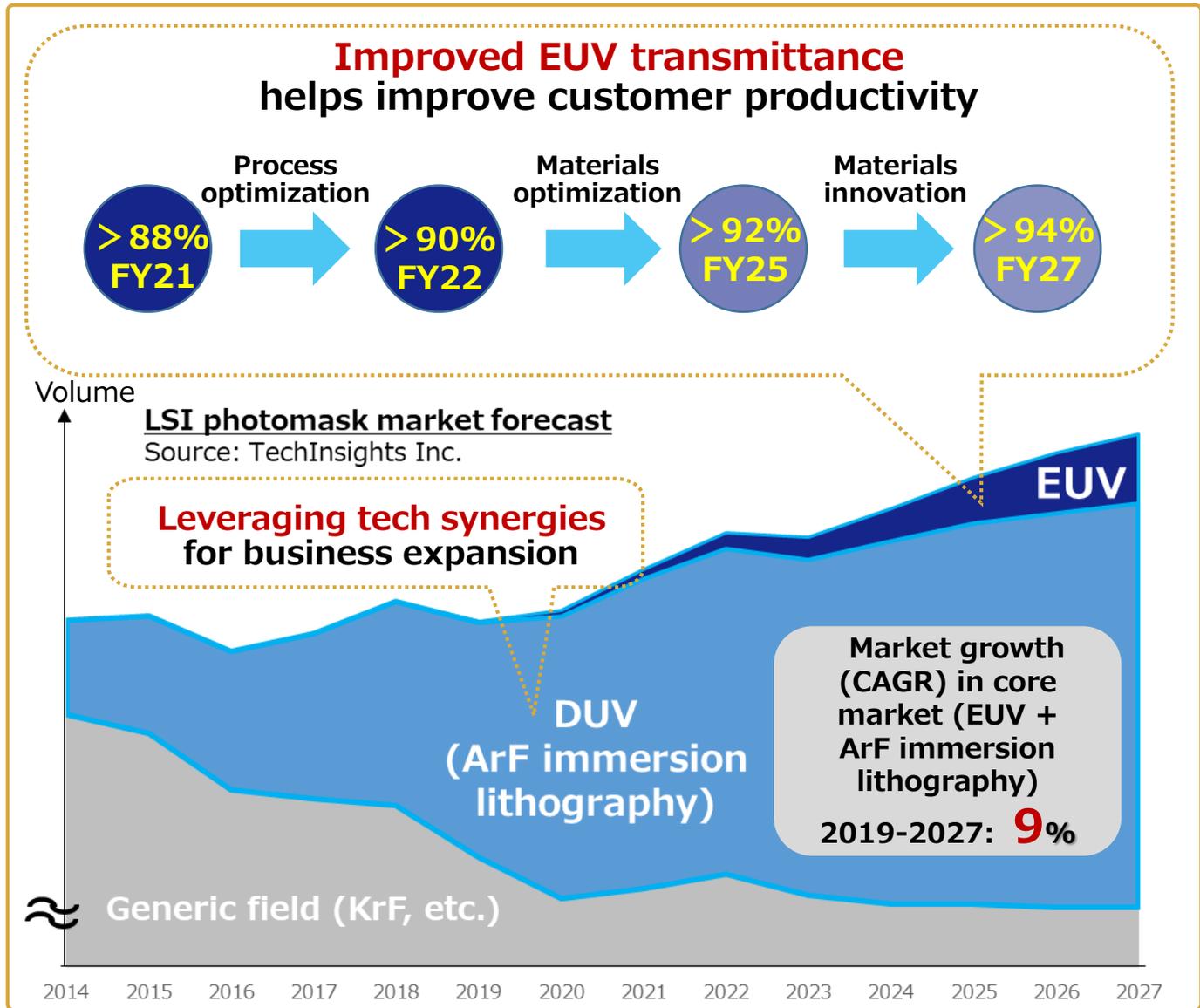
Establishment of Mitsui Chemicals EMS (July 2023)



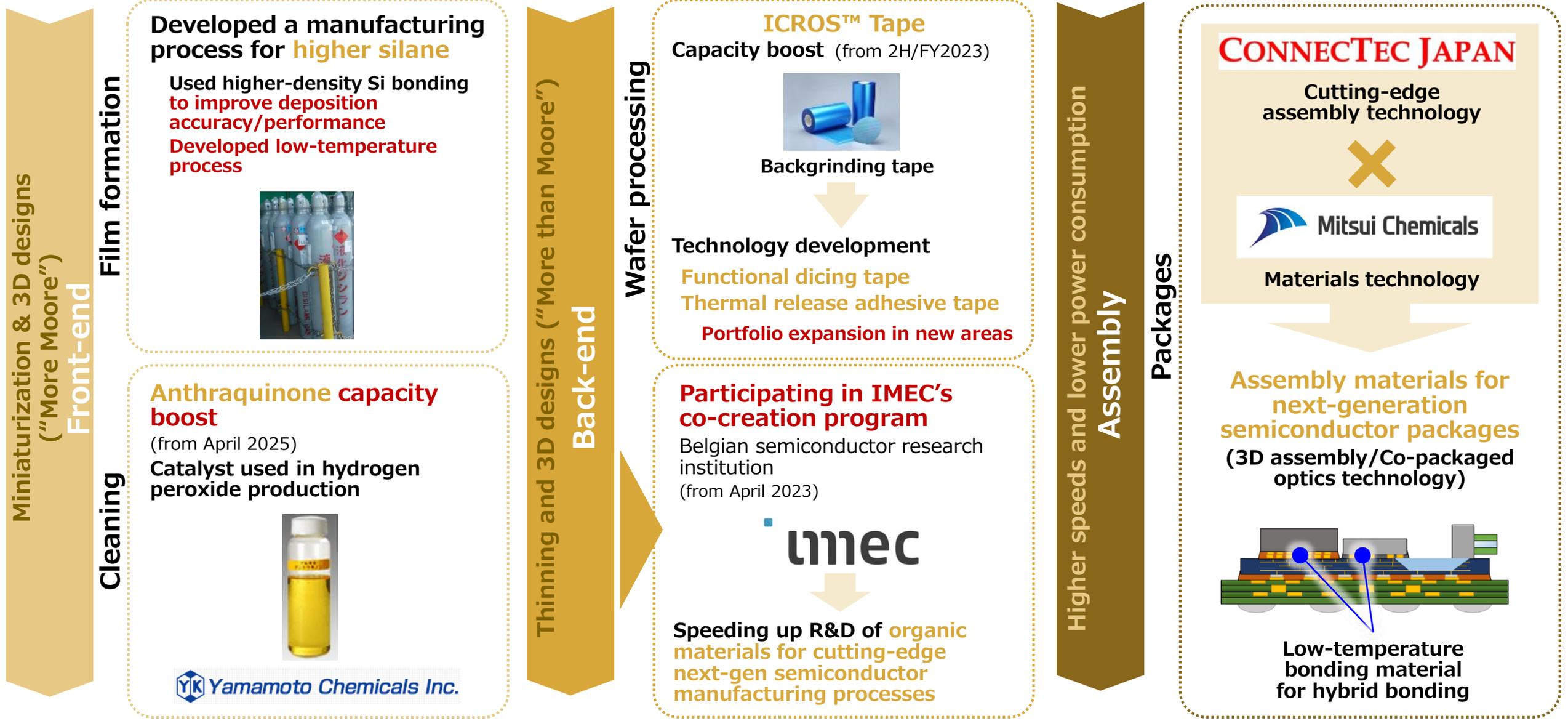
Aiming to be the world's No. 1 diversified pellicle manufacturer

- Top supply capability worldwide
- World's most advanced product technology & process development capability
- Industry No. 1 for sales, purchasing and logistics networks

LSI pellicles (cutting-edge market)	EUV Using first-mover advantage to expand our business and maintain our leading position
	DUV(ArF immersion lithography) Capturing the No. 1 position via acquisition of Asahi Kasei's business
FPD pellicles	FPD Maintaining the top market share held by Asahi Kasei's business



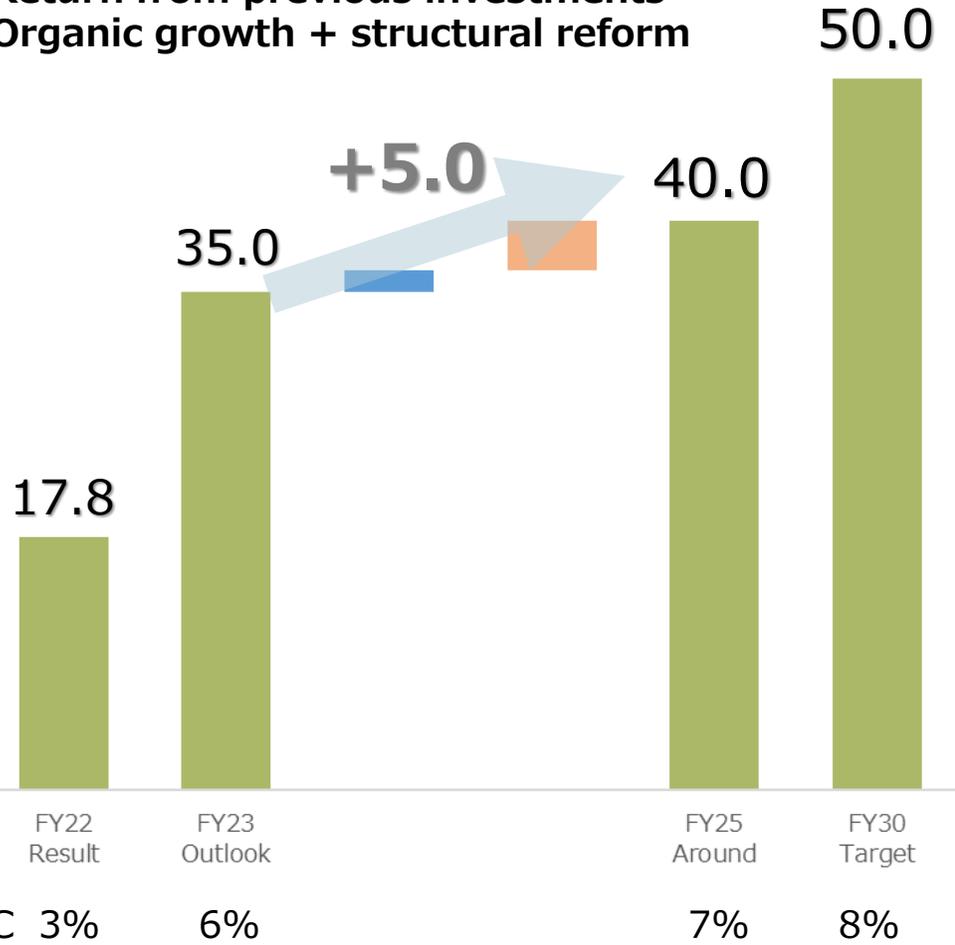
Forging ahead with product development to help bring about more advanced semiconductors





(JPY bn)

- Return from previous investments
- Organic growth + structural reform



Blue Value™
 FY23 **10%** → FY30 **12%**

Accomplishing business restructuring and leading our Group's circular economy revolution

Substantial progress made in the restructuring of 3 major commodity products

(Transfer of MPS shares, ending PTA production at Iwakuni-Ohtake Works, optimization of TDI capacity)

Strategies for reaching our VISION 2030 targets

Improving capital efficiency

Bolstering downstream businesses

High-performance PP, high-performance MDI, hydroquinone and PO catalyst
 ICT materials from Honshu Chemical Industry

Promoting further restructuring

Implementing further steps to restructure and downsize low-profitability businesses (e.g. adopting asset-light structure)
 Strengthening competitiveness at petrochemical complexes by optimizing cracker capacity in line with demand

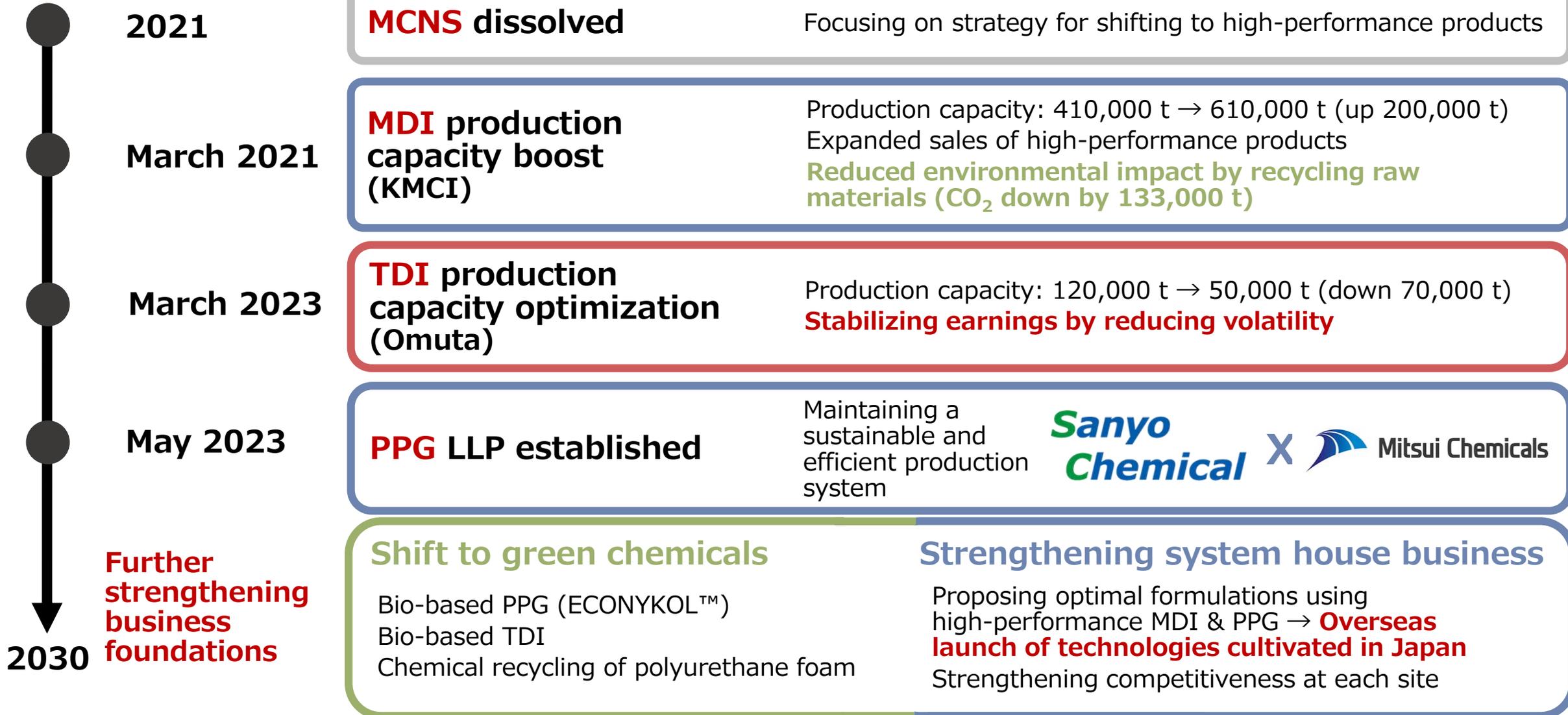
Shift to green chemicals

Cracker transformation, etc.

	FY13-17	FY18-22	FY23-25	FY26-30
	Securing stable earnings via restructuring	Reducing volatility	Improving capital efficiency	
Operating income	Average of 11.1 billion yen	Average of 30.5 billion yen	2025 targets: 40 billion yen ROIC 7%	2030 targets: 50 billion yen ROIC 8%
Bolstering downstream businesses	AC-based IPA production starts PP catalyst plant starts up Bio-PPG joint venture established	MDI capacity expansion Gas turbine starts up at Osaka Honshu Chemical Industry takeover bid	2023: AC-based IPA capacity boost 2024: High-performance PP plant to start up 2024: High-performance MDI plant to start up	Hydroquinone PO catalyst ICT materials from Honshu Chemical Industry
Restructuring	2 PE lines at Chiba closed 1 PP line at Chiba closed Chiba LLP founded Chiba BPA/PH plant closed Withdrawal from Keiyo Ethylene Kashima TDI plant closed Omuta MDI plant closed	Thailand PTA & PET business partial share transfer MCNS dissolved MPS share transfer	2023: Iwakuni-Ohtake PTA plant to close 2023: 1 PP line at Chiba to close 2025: Omuta TDI plant to be optimized	Promoting further restructuring <div style="border: 2px solid red; border-radius: 15px; padding: 10px;"> <p>① Implementing further steps to restructure and downsize low-profitability businesses (e.g. adopting asset-light structure)</p> <p>② Strengthening competitiveness at petrochemical complexes by optimizing cracker capacity on in line with demand</p> </div>

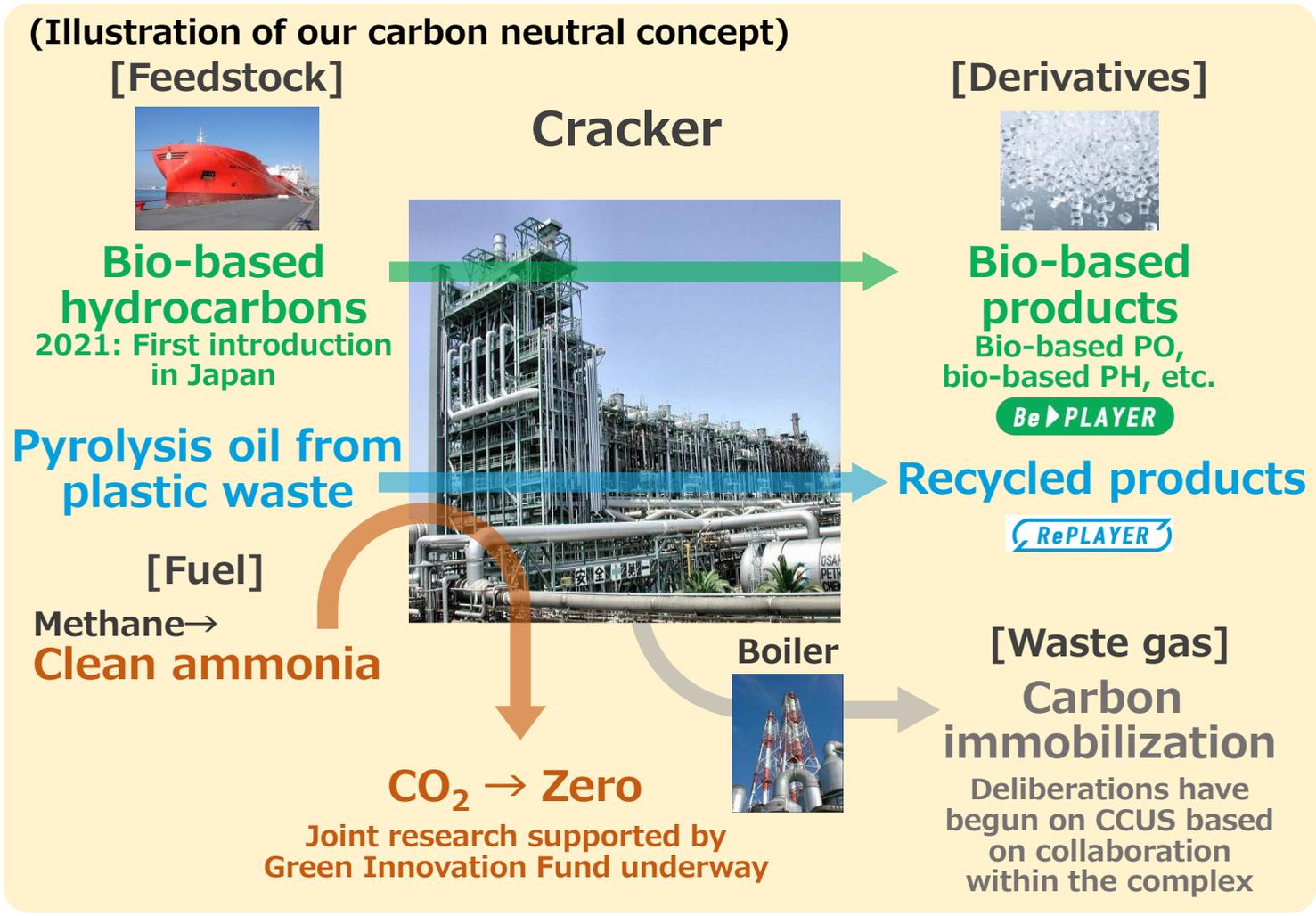
**Aiming to further improve earnings
with substantial progress made in the restructuring of TDI production**

Decision made in:



Further strengthening business foundations

Collaborating with other companies in regional initiatives to optimize running of crackers with large CO₂ emissions



(Regional cooperation)

Ichihara Works

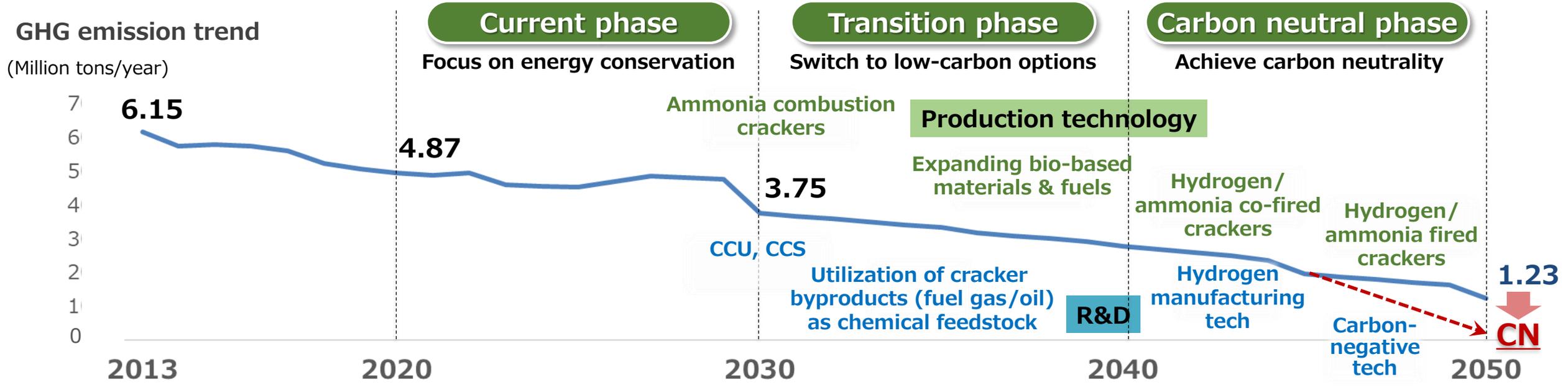
Collaboration with Sumitomo Chemical & Maruzen Petrochemical at **Keiyo Coastal Industrial Complex**

- Securing & using bio-based raw materials
- Mechanical recycling/chemical recycling
- Switching naphtha crackers to alternative fuels

Osaka Works

Regional collaboration with other companies, such as Osaka Gas at **Sakai Senboku Coastal Industrial Complex**

- Use of clean ammonia
- Carbon immobilization



Measures by Mitsui Chemicals	Measures		
	Fuel	Facilities	Power purchasing
	<ul style="list-style-type: none"> Fossil fuels used Bio-based/low-carbon fuels used in some facilities 	<ul style="list-style-type: none"> Rigorous energy conservation 	<ul style="list-style-type: none"> Primarily power from fossil fuels
	<ul style="list-style-type: none"> Switch to low-carbon fuels (bio-based, LNG) CCU, CCS Partial decarbonization (ammonia) 	<ul style="list-style-type: none"> Hydrogen/ammonia co-fired power generation Some ammonia-fired crackers 	<ul style="list-style-type: none"> Expansion of power from renewable energy Use of credits
	<ul style="list-style-type: none"> Expansion of low-carbon fuels Decarbonization (hydrogen/ammonia/bio-based) 	<ul style="list-style-type: none"> Hydrogen/ammonia single-fuel power generation Expansion of ammonia-fired crackers 	<ul style="list-style-type: none"> Carbon neutrality in grid power (e.g. renewable energy)

■ We are working to translate into reality our roadmap for achieving carbon neutrality

■ We will review it as needed, while also taking into account advances and trends in technology development, clean fuels and policy

Progress by Mitsui Chemicals, Inc. – Carbon Neutral Research Center

Currently working on 13 research topics across four divisions



- Green hydrogen production & utilization
- CO₂ separation & capture
- CO₂ conversion & fixation
- Advanced analysis & evaluation

• Academics
 • Postdoctoral researchers
 • Staff dispatched from Mitsui Chemicals
Around 30 people

FY22 outcomes

2 patents, 3 articles, 9 academic conference presentations

Topics

Synthesis of hydrogen & ammonia from air & water using a biophotocatalyst at room temperature & pressure
 Professor ISHIHARA Tatsumi (patent pending)

Synthesis of alcohol from CO₂ using a metallic nanocube catalyst
 Professor YAMAUCHI Miho & Associate Professor KOBAYASHI Hirokazu (patent pending)

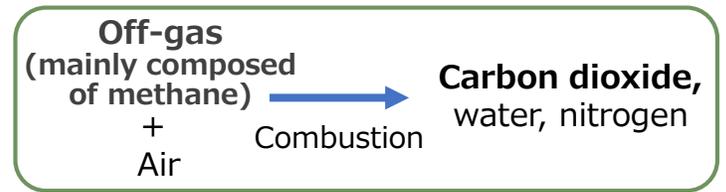
Conducting a consumer awareness survey regarding eco-labels, etc., with the aim of building an LCA tool connecting producers and consumers
 Associate Professor Andrew Chapman (article published)

Fuel transition to run on ammonia

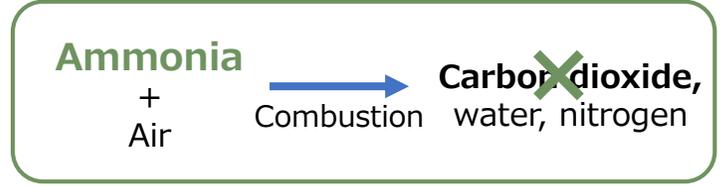
Aiming to install a high-efficiency ammonia-fired cracker by 2030

A Green Innovation Fund Project aiming to develop advanced technologies for naphtha crackers

~2026: Development of ammonia burner & test cracker
 ~2030: Development & operation of demonstration cracker
 Collaborative project involving 4 companies



Fuel transition



Issues

Compared with methane, ammonia has a slower combustion rate, a lower flame temperature and a greater tendency to generate NOx

Elements under development

- Dedicated low-NOx ammonia burner
- Cracker designed with stable cracking and the optimum heat balance in mind

Progressing according to schedule

Bolstering technology-focused Group-wide cross-organizational initiatives

Established the CTO Office

- ✓ Strategic planning to address cross-organizational technology challenges throughout the Group
- ✓ Cultivating human capital
- ✓ Group-wide promotion of cross-organizational projects

The CTO serves as project owner, providing leadership for in-house co-creation spanning multiple strategic units

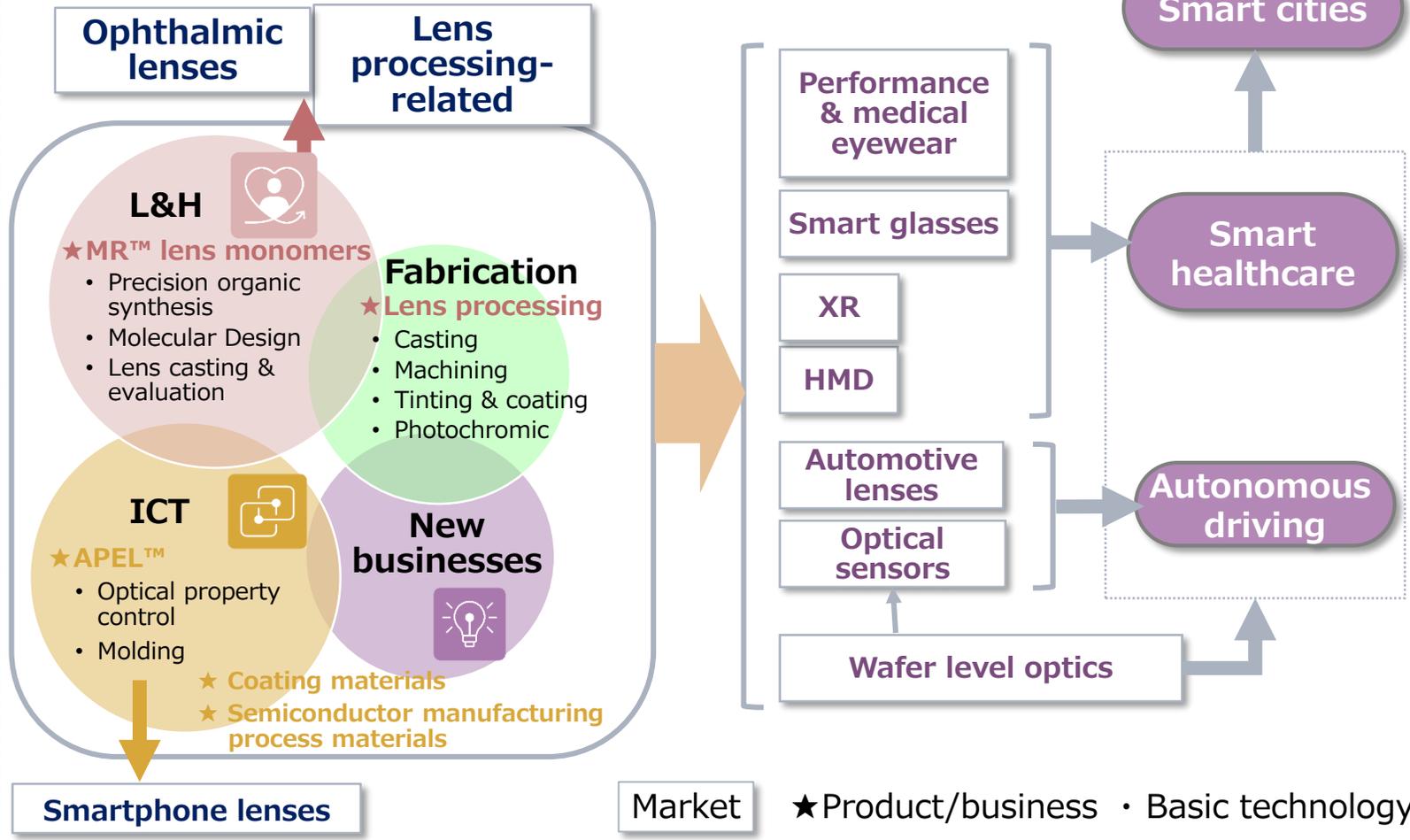
Collaboration and technology fusion help to bolster and expand existing businesses while also creating new businesses in extended realms

Examples of themes

- Solar power
- Optical materials
- Battery
- Robots
- Bioscience
- Renewable energy
- etc.

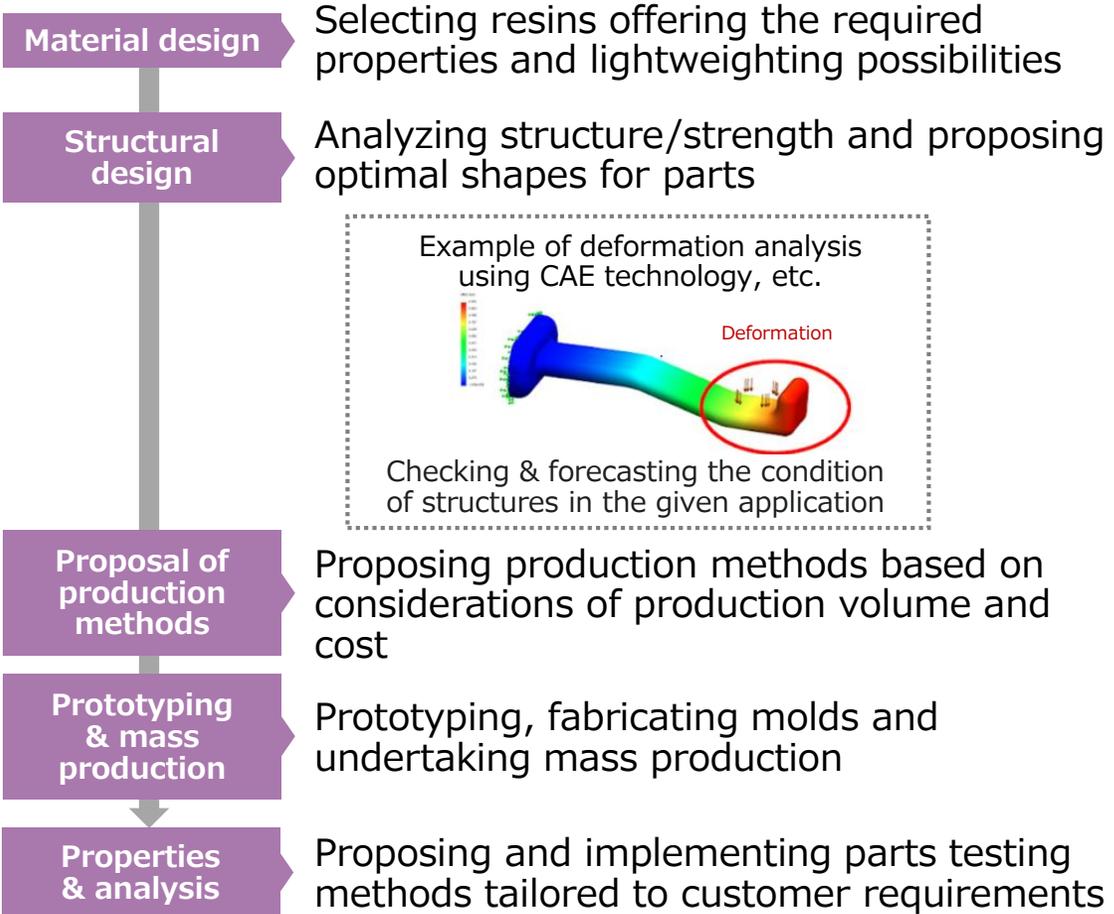
Example: Optical materials project

Seizing business opportunities in growth domains by bringing together knowledge and technologies in the fields of optical materials and transparent resins



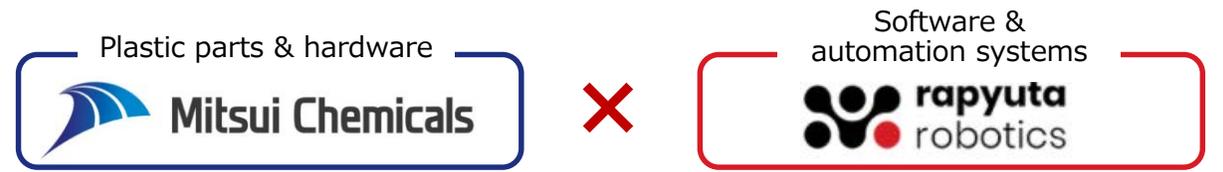
Mitsui Chemicals' robot development solutions

Offering a speedy one-stop robot development service covering everything from the ideas stage through to material selection, parts design, prototyping and mass production



Promoting the automation of logistics warehouses

Using logistics robot systems to deliver the efficiency improvements and digitalization in warehouse operations sought by logistics customers



Strategic partnership formed February 2022
 Creating a seamless service covering everything from fabricating parts to installing warehouse automation systems

Began production of plastic parts for autonomous mobile robots

- **Replacing metal with plastic parts**
- Reducing weight keeps power consumption down, **permitting longer operation**
- Changing the parts fabrication process from metal machining to resin injection molding **achieves cost savings**

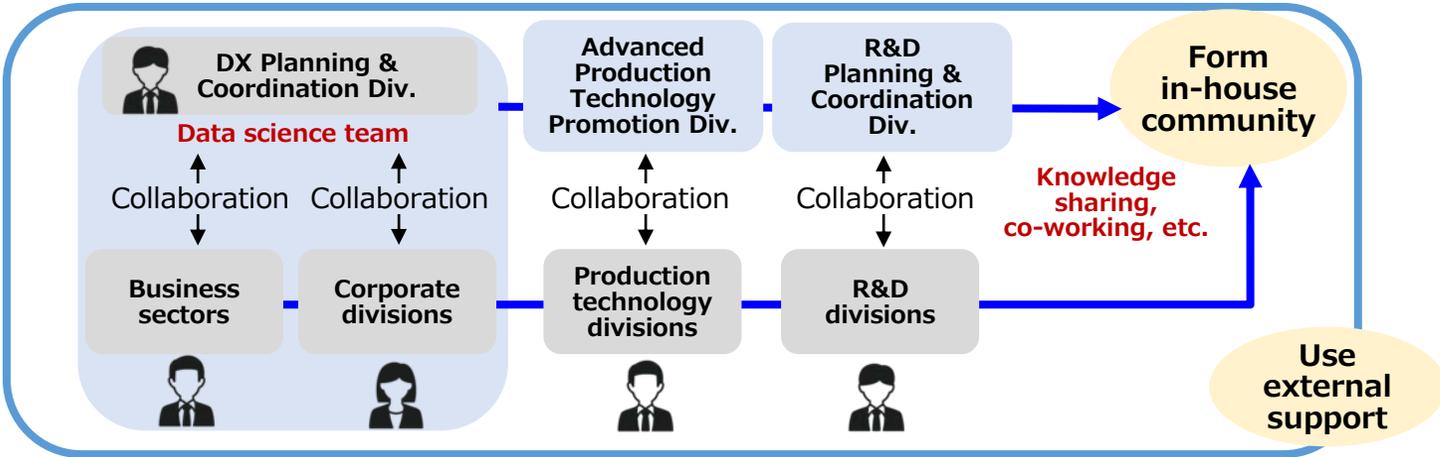
Implementing training programs

Training in-house data scientists with AI analysis skills and a knowledge of our business
 Number of people needed to carry out advanced AI analysis at our sites to achieve data-driven transformation: 165

Material topic	Digital transformation
KPI	Training of DX specialists Number of data scientists
FY22 Result	34
FY30 Target	165 (FY25)

Building a setup to work on AI-related topics

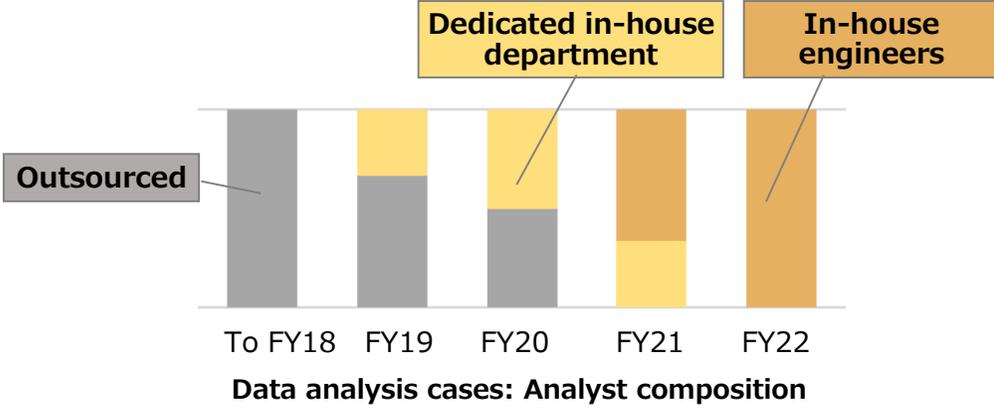
Data scientists in business, corporate, production technology and R&D departments will work together, forming a community with the data science team at its core



Advancing use of the latest DX technologies Group-wide

Usage of data scientists

Data analysis has been brought in-house in production technology divisions, where training kicked off first



Fields of use:
 Analyzing factors contributing to equipment failure, including quality prediction and optimization of operating conditions

Promoting corporate transformation, using data scientists to ensure that a data-driven culture and organization become firmly established at each site

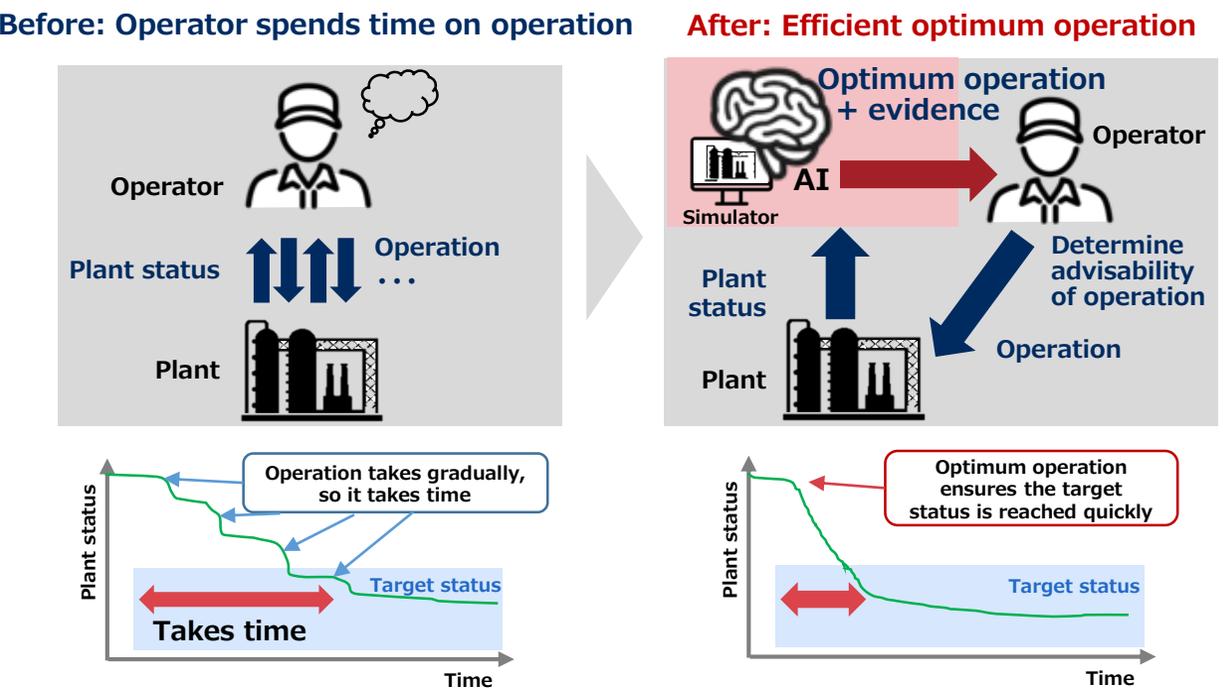
Aiming for humans and AI to work together to operate the plants efficiently, safely and stably

- Productivity**
Reduction in production/quality losses
- Safety**
Zero major accidents & serious occupational injuries
- Equipment reliability**
Zero major issues

Material topics	Safety	Stable production
KPIs	Incidence of major accidents & serious occupational injuries	Introduction of advanced technologies Implementation of advanced production technology centered on AI/IoT
FY22 Results FY30 Targets	Zero Zero (Over the course of VISION 2030)	12 instances (FY22) 100 instances (FY21-30)

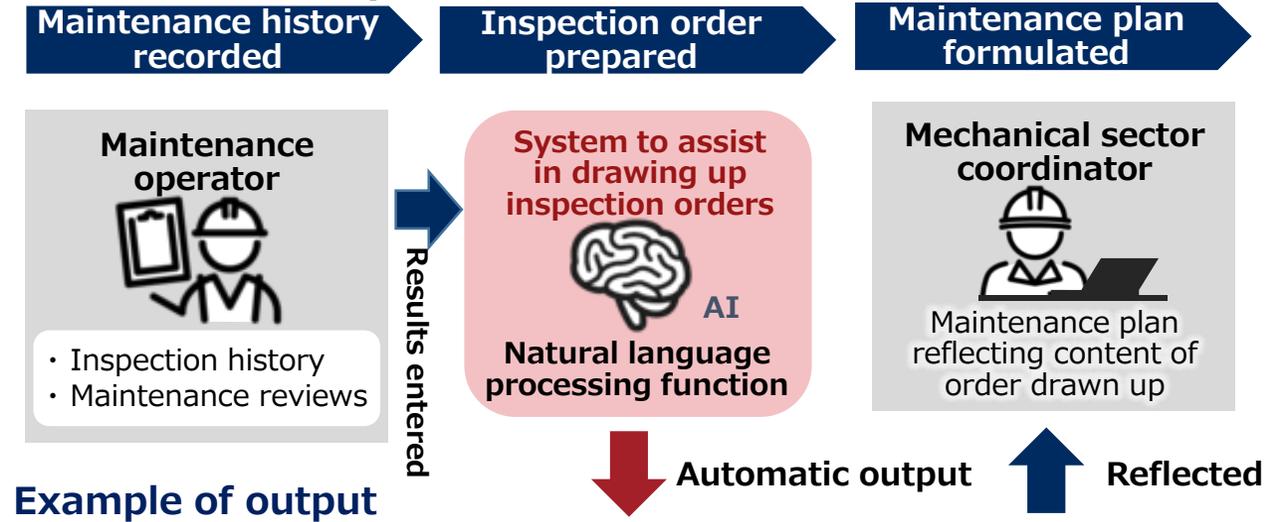
Examples of AI technology implementation in plants

Using operating guidance to improve productivity



Deliberations on application in commercial plants began in FY22, for introduction in FY24

Increasing the efficiency and accuracy of maintenance procedures



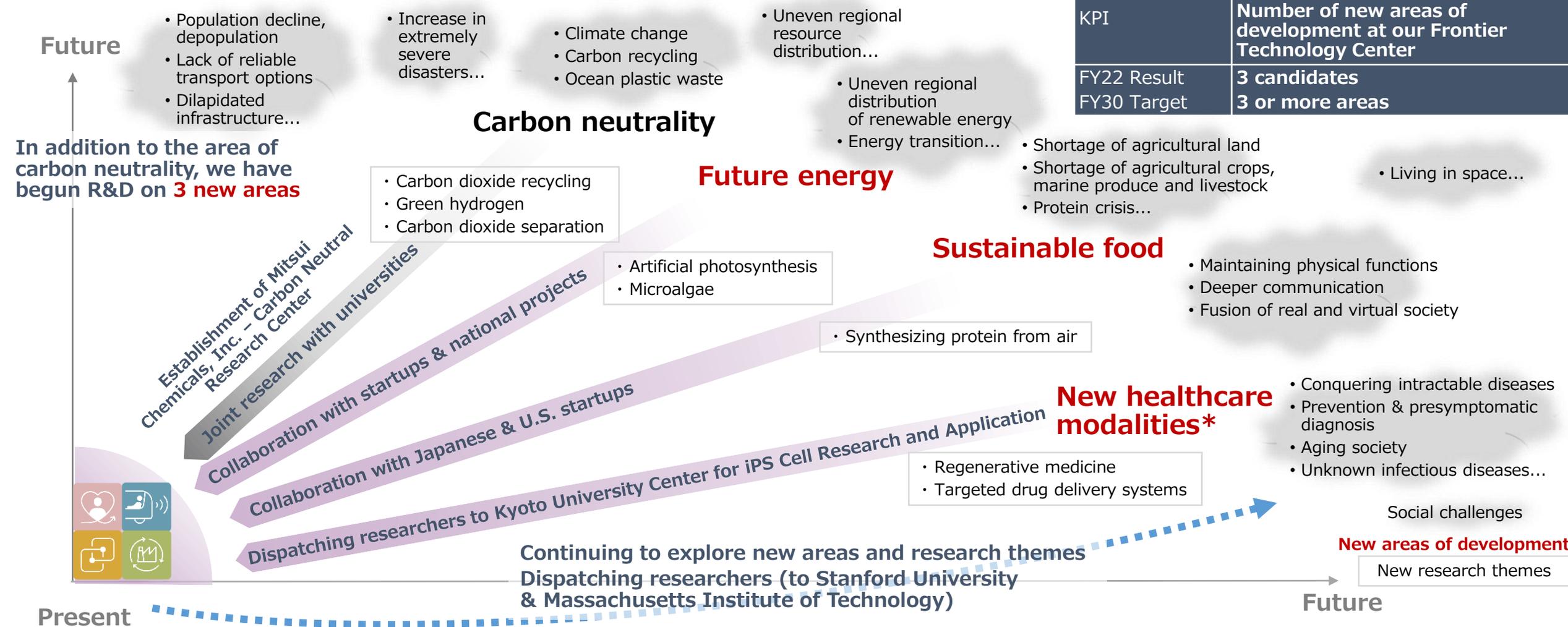
Example of output

Deterioration factor	Status	Proposed response
Fabrication defect	Defect unaddressed	<Corrosive wear> on the <bottom head weld line> is progressing, taking it below the minimum thickness in <2024>. Please plan repair or replacement.

Prototype built in FY22, with application to be extended in FY23

Identifying new areas of development to reach the future we want to create through a back-cast approach

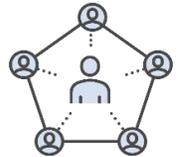
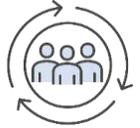
Material topic	Innovation
KPI	Value creation for beyond 2030 Number of new areas of development at our Frontier Technology Center
FY22 Result	3 candidates
FY30 Target	3 or more areas



*Modalities: Modes of treatment including low molecular weight drugs, antibody drugs, nucleic acid medicine, cell therapy, gene and cell therapy, and gene therapy

We will open up new business sectors by acquiring new technologies not available in existing technology platforms

Implementing a Human Resources Strategy Based on VISION 2030

Our "Ideal State" in 2030	Priority Issues	KPIs
<p>(From CEO Presentation on June 2, 2022)</p>  <p>Acquire, develop, and retain Talent who can collaborate with customers and partners to create businesses that address social challenges.</p>	<ul style="list-style-type: none"> ✓ Strategic acquisition, development and retention of diverse future executives^{*1} ✓ Design of human resources portfolio aligned with the ideal business portfolio 	<p>Material topic : Human Capital</p> <p>Key Talent Management</p> <ul style="list-style-type: none"> ① Successor coverage rate for strategic critical positions: 250% <p>Diversity</p> <ul style="list-style-type: none"> ② Number of executive officers with diverse backgrounds^{*2}: 10 or more (including at least 3 women) ③ Ratio of women in management positions^{*3}: 15%
<p>(From CEO Presentation on November 28, 2022)</p>  <p>Corporate culture has been transformed to sublimate organizational capabilities.</p>	<ul style="list-style-type: none"> ✓ Embodiment of independence, autonomy and collaboration 	<p>Material topic : Corporate Culture</p> <p>Improvement of Employee Engagement</p> <ul style="list-style-type: none"> ④ Engagement score <ul style="list-style-type: none"> • 50%^{*4}
<p>(From this CEO Presentation)</p>  <p>Human resources governance has been established, and the human capital value has been communicated both internally and externally.</p>	<ul style="list-style-type: none"> ✓ Upgrade human resources governance to accommodate M&As, etc. ✓ Implement a Group-wide integrated human resources platform 	<div style="border: 2px solid red; padding: 5px; display: inline-block; color: white; font-weight: bold;"> Began Operation February 2023 </div>

Health-Focused Management

⑤ Average incidence of lifestyle-related disorders: 8.0%
 ⑥ Frequency of absences from work due to mental health disorders: 0.25

*1 future MCI sector president and center candidates *2 number of women, non-Japanese, and mid-career hires among MCI executive officers *3 MCI management positions *4 Group-global

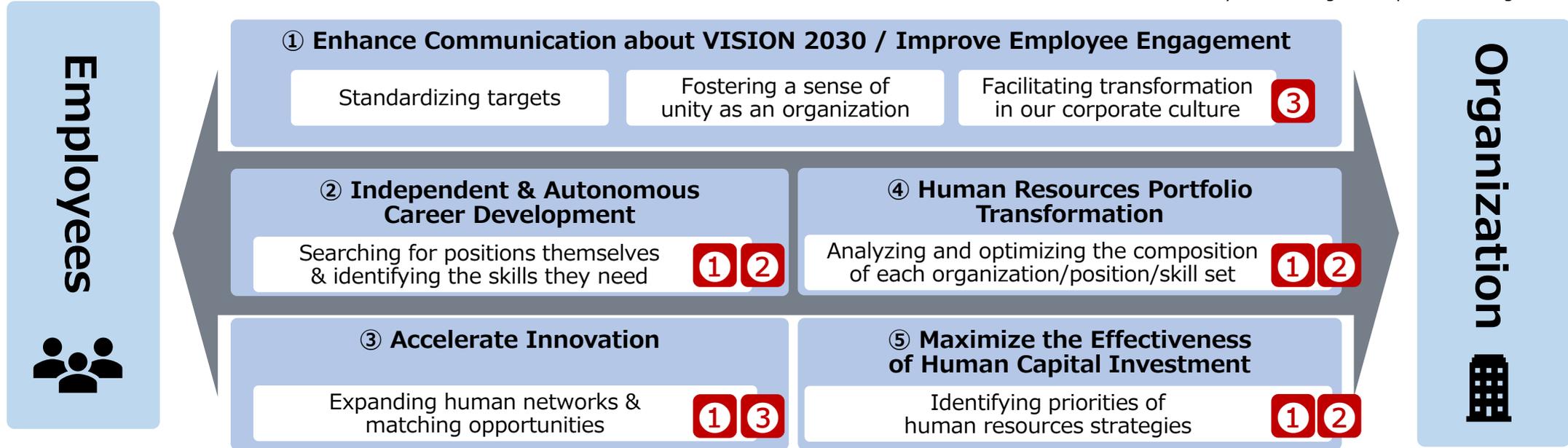
Utilizing the Group-wide integrated human resources platform to assist business portfolio transformation by increasing the effectiveness of human resources strategies at the global level

What the new platform offers

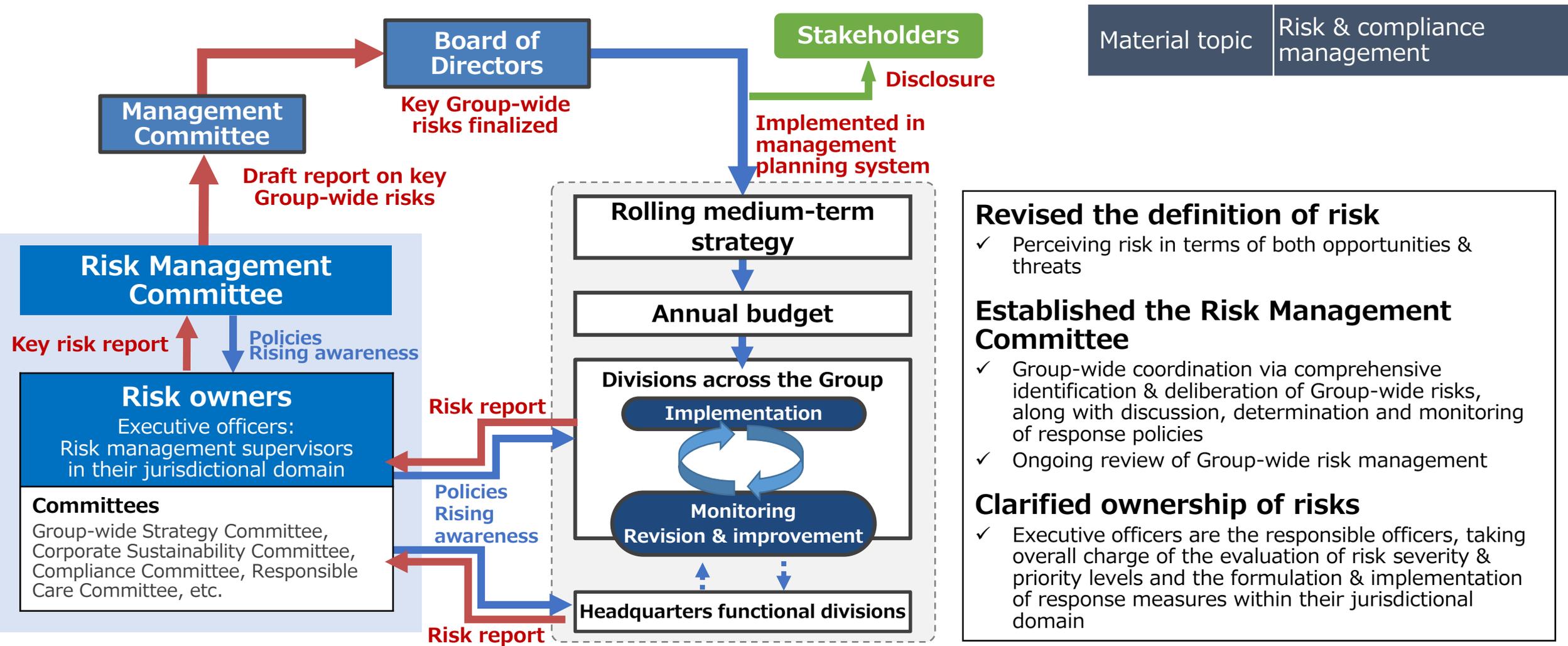


*Globally, the platform covers around 100 companies, 18,000 positions, 28 job families and 112 job classifications, and features diversity and management position categories

What to achieve via human resources strategies

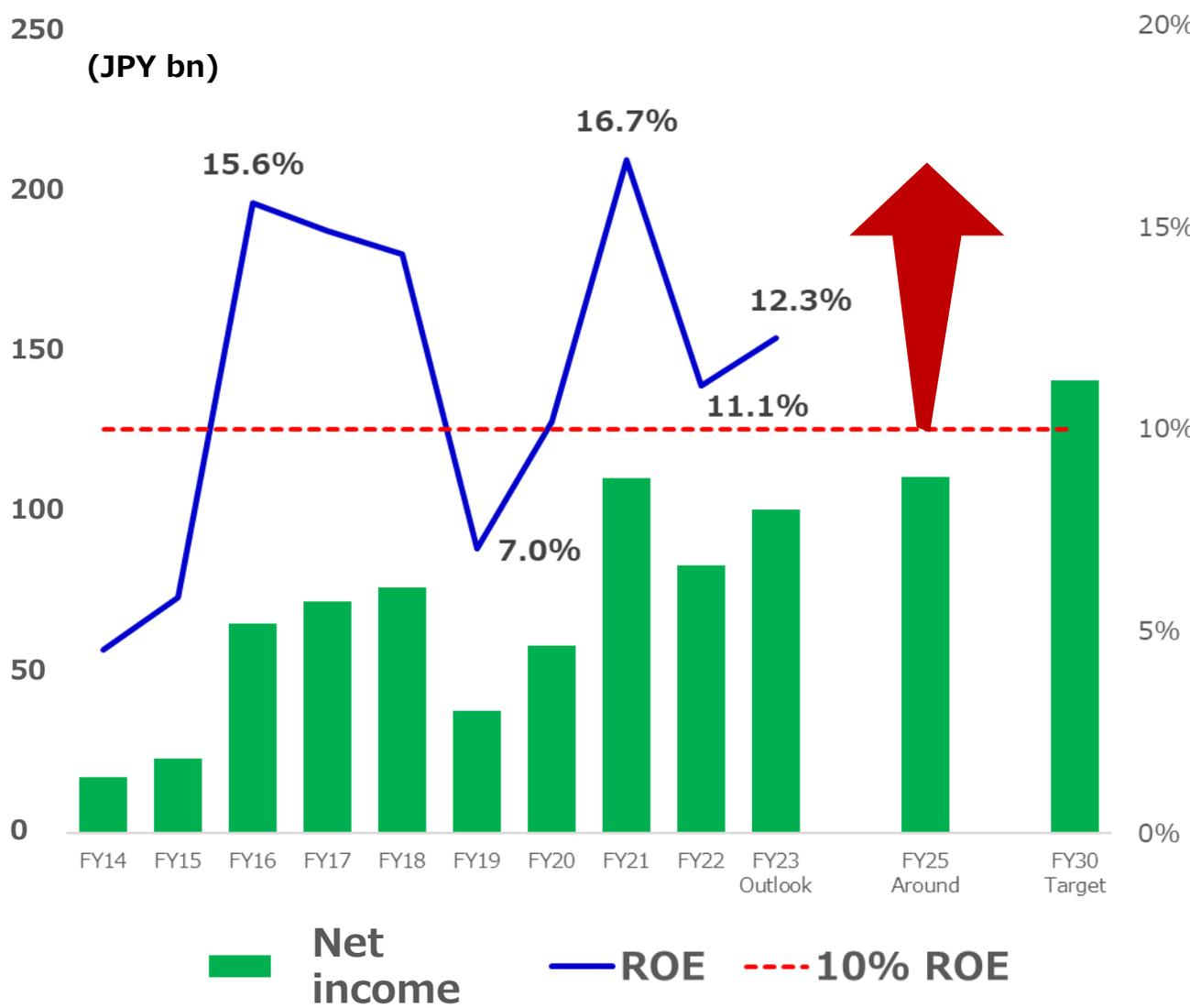


Establishing the Risk Management Committee & putting in place an environment that supports appropriate risk-taking



Moving to a setup that takes maximum advantage of opportunities, while minimizing the threats posed by risks

Seeking to increase the P/B ratio by raising the level of ROE, accelerating profit growth in growth domains, promoting further restructuring and boosting shareholder returns



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
Reducing volatility	<ul style="list-style-type: none"> ✓ Stabilizing & improving earnings in Basic & Green Materials ✓ Implementing further steps to restructure and downsize low-profitability businesses ✓ Optimizing cracker capacity ✓ Implementing investments in green chemicals initiatives while ensuring economic efficiency
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

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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