

ESG Presentation

MCI Group's Promotion of ESG

HASHIMOTO Osamu

Representative Director, Member of the Board, President & CEO

Business Portfolio Transformation Through New Businesses and R&D

OMOTE Toshihiko

Managing Executive Officer, CTO

MCI Group's Promotion of ESG



Mitsui Chemicals
Group

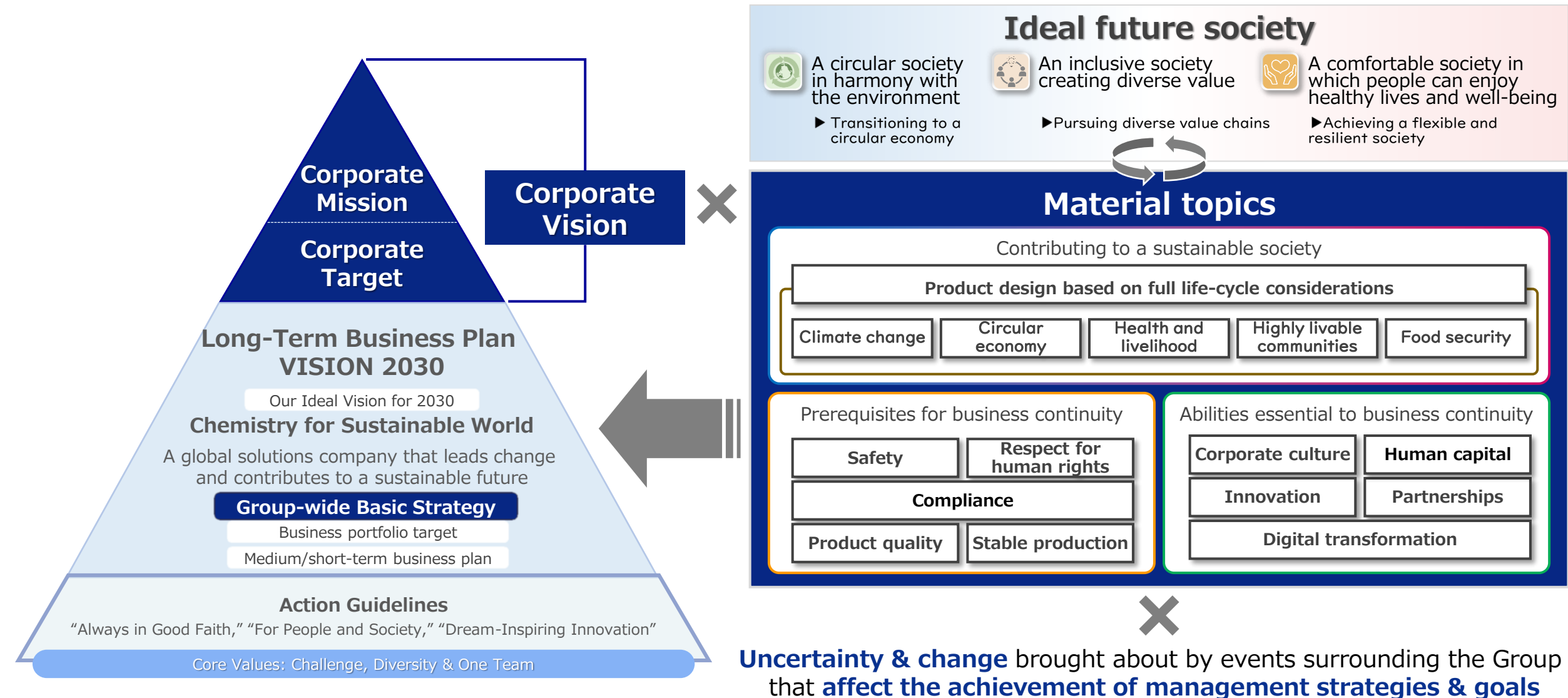
HASHIMOTO Osamu

橋本 修

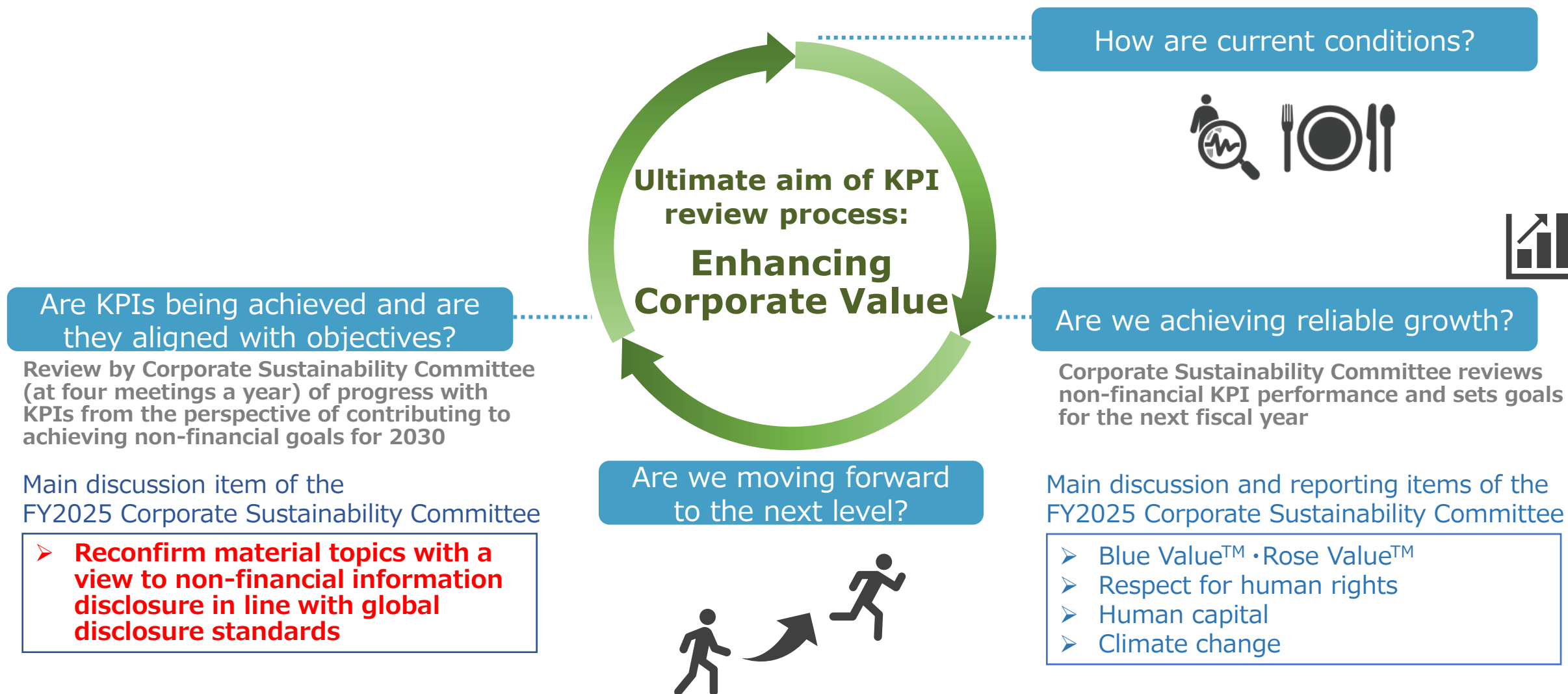
President & CEO

Mitsui Chemicals, Inc.

Incorporating ESG into management as we pursue initiatives to bring VISION 2030 to fruition



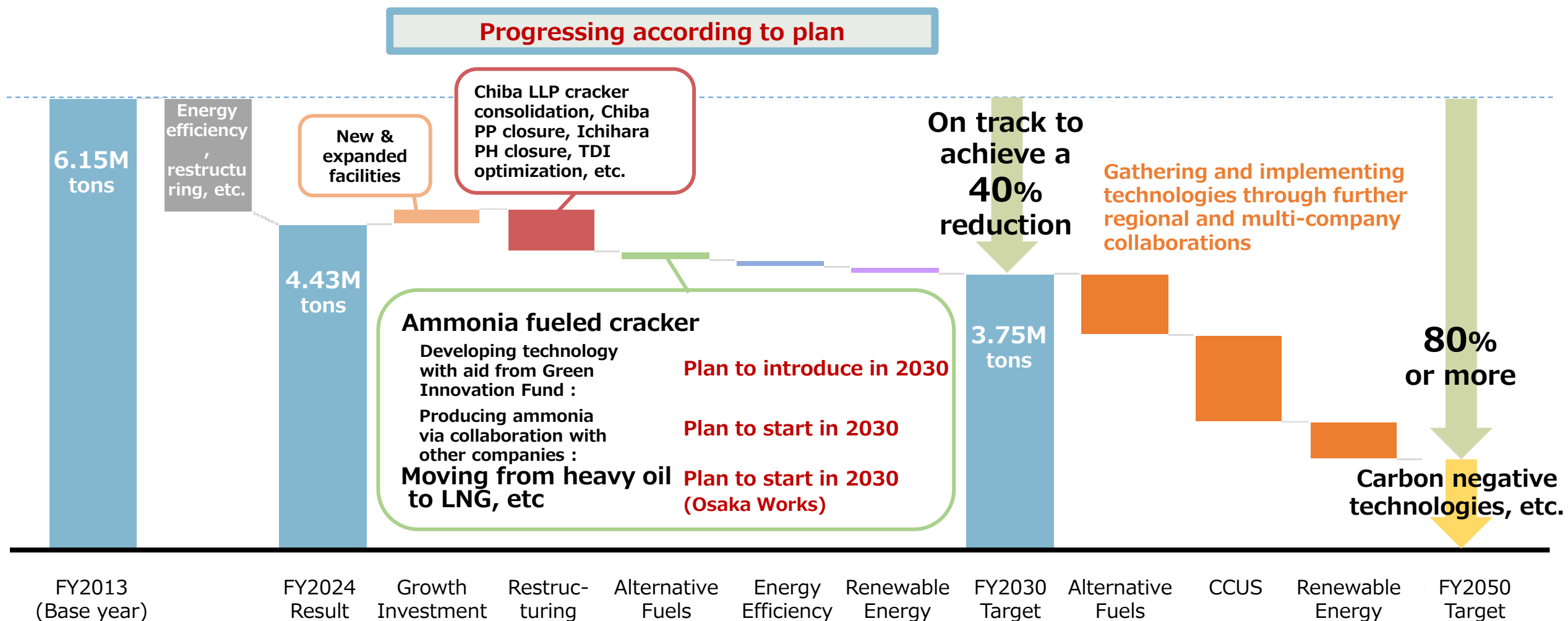
Ensuring sustainable growth toward achieving our VISION 2030 goals by
undertaking KPI management linked to material topics



All non-financial KPIs show steady progress toward FY2030 targets

Material topics	Non-financial KPIs	FY2024 Results	FY2030 Targets
Climate change •Circular economy •Health and livelihood•Highly livable communities•Food security •Product design based on full lifecycle considerations	• GHG emissions reduction rate (Scopes 1 and 2) • Blue Value™ products sales revenue ratio • Rose Value™ products sales revenue ratio	• 28% • 26% • 25%	• 40% • 40% • 40%
Safety	• Incidence of major accidents & serious occupational injuries	• 2 cases	• Zero** **over the course of VISION 2030
Respect for human rights	• Response to human rights risks	• Implemented human rights due diligence	• Identification & correction of risks by setting up a human rights due diligence system for all of our bases, both domestic and abroad
Compliance	• Incidence of major legal and regulatory violations	• Zero	• Zero**
Product quality	• Incidence of PL accidents & serious product quality incidents	• Zero	• Zero**
Stable production	• Production and equipment reliability	• 3 instances	• Zero
Corporate culture	• Engagement score	• 36%	• 50%
Human capital	• Successor coverage rate for critical positions • Number of executive officers with diverse backgrounds* • Ratio of women in management positions* • Average rate of lifestyle-related diseases* • Frequency of absences from work due to mental health disorders* *Mitsui Chemicals, Inc.	• 235% • Diversity rate of future executives: 24.1% • 8% • 10.32% • 0.69	• 250% • 10 or more (including at least 3 women) • 15% • 8.0% or less • 0.25
Digital transformation	• Number of data scientists	• 104	• 165 (by FY25)
Innovation	• Number of development themes in the latter half of our Stage Gate System • Number of new areas of development at our Frontier Technology Center	• Percentage advanced to preliminary market development stage: 11% • R&D themes: 5	• Double or more (vs. FY20) • 3 or more areas
Partnerships	• Sustainable procurement ratio	• Dissemination to partners: 19 companies	• 80%

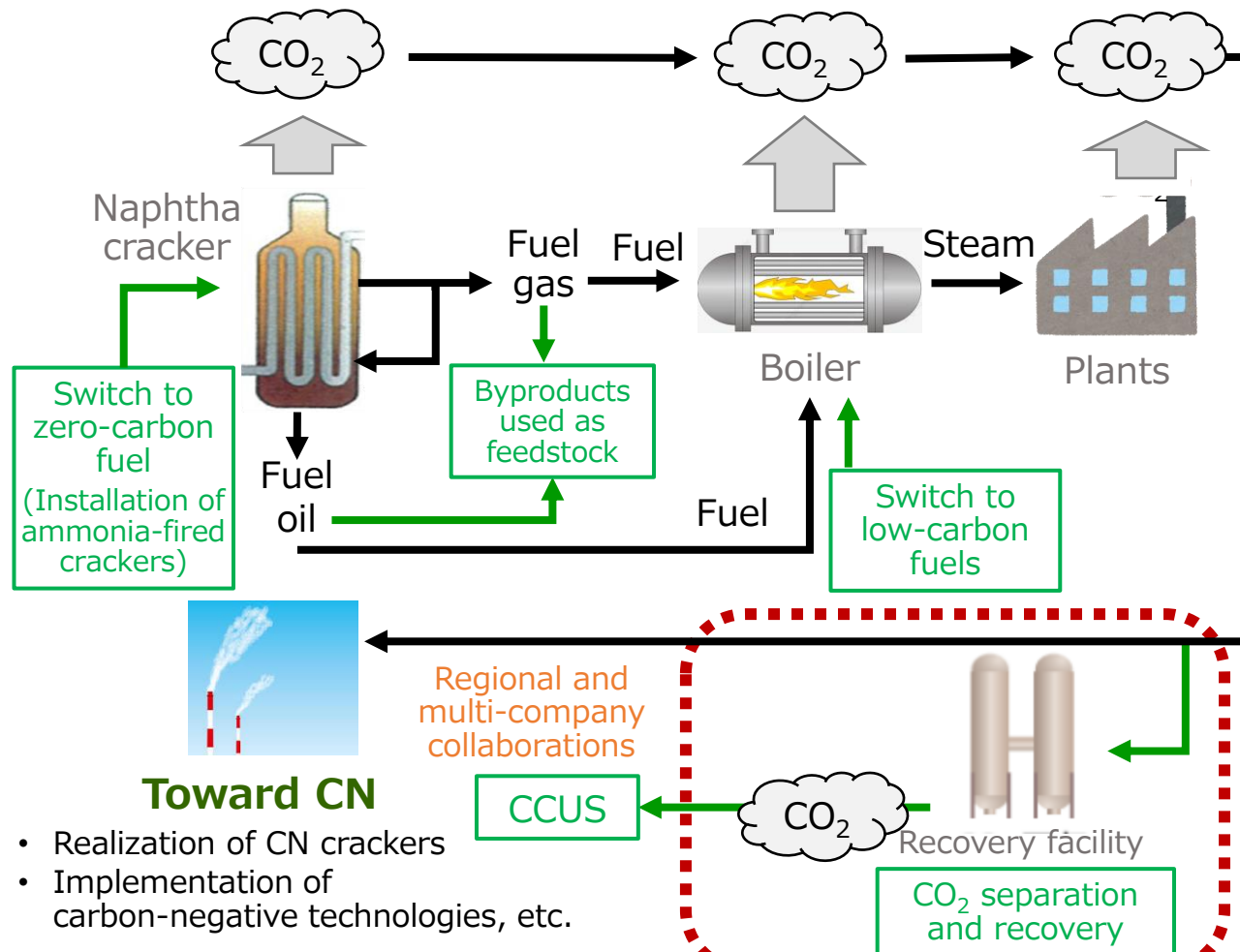
Progressing according to plan and on track to achieve a 40% reduction to meet our FY2030 target
Pursuing regional and multi-company collaborations and CCUS-related technology development to achieve our FY2050 goal of becoming carbon neutral



Developing innovative technology at the Mitsui Chemicals, Inc. – Carbon Neutral Research Center (MCI-CNRC) as an effort toward realizing our Carbon Neutral Vision

Carbon Neutral (CN) Vision

 Current situation
 CN measures



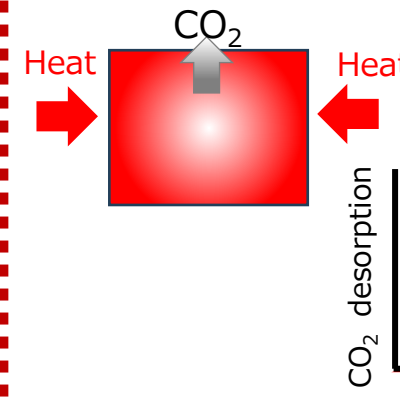
Developed a microwave-based CO_2 recovery system

Associate Professor TSUBAKI Shuntaro
(patent pending)



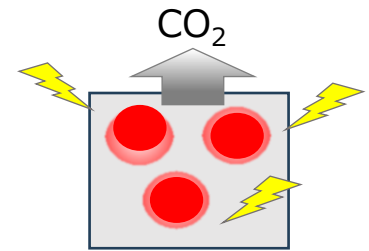
Conventional chemical absorption method

Heat from outside \Rightarrow
Energy required is **HIGH**



Microwave heating

Selective heating \Rightarrow
Energy required is **LOW**



Microwave heating = more energy efficient than conventional heating while also desorbing CO_2 more quickly

Challenges

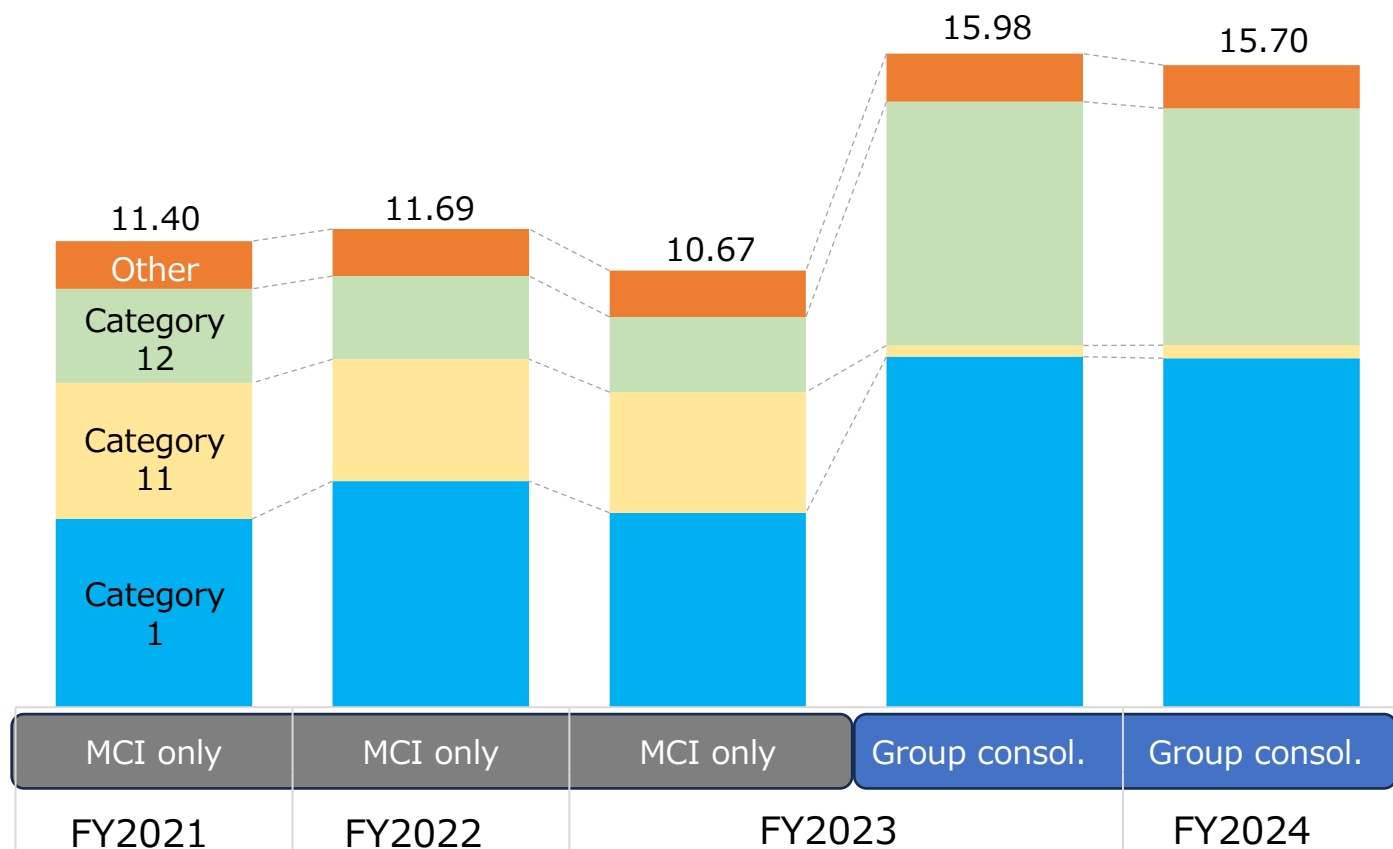
Scaling up and improving the performance of adsorption and desorption equipment to a commercial level

Social implementation

Application of actual equipment expected to begin in FY2030 or thereafter (Ichihara/Osaka Works)

We have begun Scope 3 emissions calculation and disclosure that includes major consolidated subsidiaries

Scope 3 emissions (million tons CO₂)



Previously

Extent of calculations: MCI only
Calculation period: Actual emissions from two fiscal years prior

2025

Extent of calculations: **Expanded to include major consolidated subsidiaries** as well as MCI. Covers **around 70% on a sales revenue basis**
Calculation period: Actual emissions from the previous fiscal year (FY2024)
Calculation method: Partly revised for increased accuracy

2026

Extent of calculations: To cover **90% or more* on a sales revenue basis**

*Same extent as for Scope 1 and 2 emissions

Will provide an overall picture of the MCI Group's Scope 3 emissions

Category 1: Purchased goods
Category 11*: Use of sold products
Category 12: End-of-life of sold products

*While our Category 11 figures have previously incorporated an estimate of emissions at the indirect use stage for some plastic materials, we have revised our calculation method due to accuracy and appropriateness considerations. Consolidated calculations for the MCI Group now focus solely on emissions at the direct use stage.

Business Portfolio Transformation Through New Businesses and R&D



Mitsui Chemicals
Group

表 利彦

OMOTE Toshihiko
Mitsui Chemicals, Inc.
CTO

Taking on the challenge of new businesses and technologies, as well as securing pipelines for the future through new business creation, are essential in order to achieve sustainable value creation throughout the Mitsui Chemicals Group.

However, capital costs are obviously higher in new businesses that entail uncertainty and risk.

Such efforts are therefore meaningless unless we avidly pursue the provision of high added value to the market – and secure high returns in excess of capital costs – right from the early stages of our new businesses.

Rather than focusing on short-term outcomes alone, I believe the key to earning the trust of the many stakeholders who support the Mitsui Chemicals Group is to clearly demonstrate our growth from a sustainable and medium- to long-term viewpoint.

It is vital that we constantly remain laser-focused on results and profit, maintaining an awareness of ourselves as professionals at all times.

Going forward, we will continue to work on achieving sustainable value creation by building up a sound track record from our position as the link between management and technology.



OMOTE Toshihiko
Managing Executive Officer and CTO

Approach to Pursuing Business Portfolio Transformation Tailored Strategies for Individual Businesses

Reproduced from FY25-1 CEO Presentation

VISION 2030
Current phase onward

~2030

Specialty chemicals
domains



L&HC



Mobility



ICT

Active investment & returns

Ophthalmic lens materials
Agrochemical products
TAFMER™/ADMER™
ICROS™ Tape
APEL™

Organic growth

Ophthalmic lens materials & coating materials
Agrochemical products
Automotive-related and other materials
Monomaterials
Semiconductor-related materials
Optical-related materials

New businesses + M&A

Around existing areas of focus
Medical solutions
Semiconductor & assembly solutions
Relating to solutions

Becoming a high-growth, high-profitability
global specialty company

Proactively **invest resources** including M&A that will help accelerate growth and **pursue global expansion**
Carry out **restructuring and portfolio transformation** for businesses with profitability and capital efficiency issues



B&GM

Speeding up restructuring

PH TDI
PTA/PET PE/PP

Bolstering downstream businesses

High-performance PP
High-performance MDI Catalysts

Decarbonization

Ammonia firing

Biomass

Bio-based hydrocarbons

Recycling

Chemical recycles

CCU

Carbon Neutral Research Center

**Green Sustainable
Chemicals Division**

Becoming a strong **basic and green materials company**
that supports Japanese industry

Step up efforts to advance
regional and multi-company collaborations

L&HC

Global acquisition of peripheral technologies

Ophthalmic lens
materials**No. 1**
in the worldBusiness management by an R&D-driven
company integrating production, sales & research**TREBON™**
Etofenprox**No. 1**
in Japan
(pyrethroids)**Dinotefuran****No. 1**
in Japan
(neonicotinoids)**TENEBENAL™**(New applications &
market formation
underway)

Consolidation of production & research at Mobara

InnoCell™

(Launched in 2025)

Mobility

Global rollout with head office functions
in Singapore**TAFMER™**
Alpha-olefin copolymer**No. 2**
in the worldProduction and development sites in Japan,
the U.S., Europe, China and elsewhere in Asia**PP Compounds****No. 2**
in the worldEstablishment of a global supply system
(Japan & U.S.)**ADMER™**
Adhesive polyolefin**No. 1**
in the worldProduction and technical support sites in
Japan & China**Mitsui EPT™**
Ethylene Propylene Terpolymer**No. 3**
in Asia

ICT

Global market leader

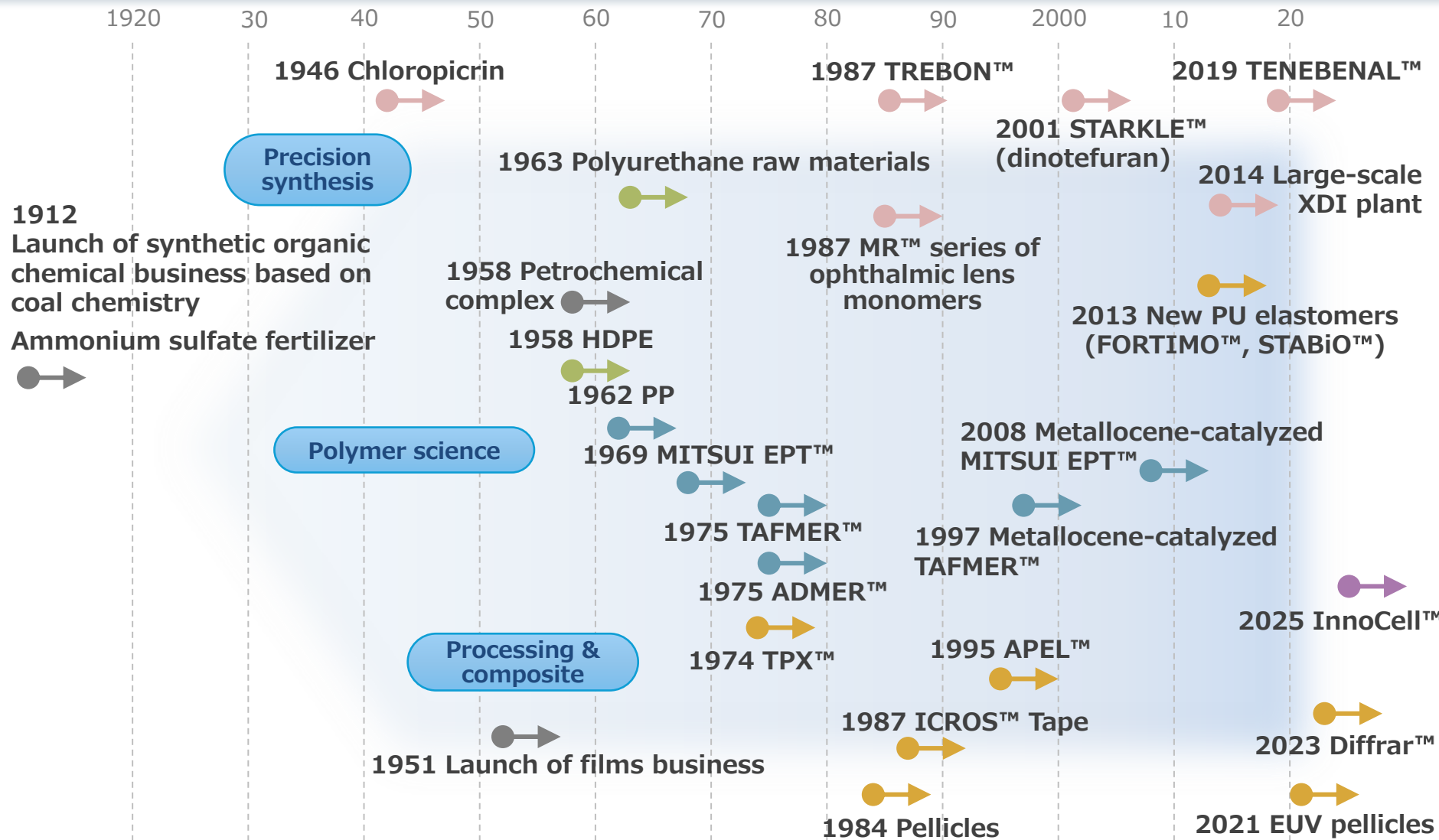
APEL™**No. 1**
in the world
(smartphone lenses)**Pellicle****No. 1**
in the worldSemiconductor manufacturing film company
integrating production, sales and research**ICROS™ Tape****No. 1**
in the world

Rollout to India and EMEA markets

POD***No. 1**
in Japan and India

*POD : Polyolefin dispersions

Expanding vision care, agrochemicals and polymers with unique strengths,
as well as rolling out a wide range of products in the semiconductor & assembly field



Overview of recent awards

The Chemical Society of Japan Award for Technical Development 2024

Ultra-high molecular weight polyethylene fine-particle powder

The Chemical Society of Japan Award for Technical Development 2023

Stress-absorbing alpha-olefin copolymer

Awarded by the Minister of Economy, Trade and Industry, 2022 GSC Awards

Bio-based C5 isocyanate polyurethane

2020 Technology Encouragement Award, Japan Wood Protection Association

Development of the termiticide TENEBENAL™

Dynamically exploring our core precision synthesis and polymer science technologies and integrating them with our processing and composite technologies
Achieving ongoing product and business growth by creating new value

TAFMER™ Business

Leveraging Polymer Science to Expand Our Product Portfolio

Diversification of applications

Automotive

Packaging

Shoes

Engineering plastics

Electric wire coatings

EV-related

Solar cell encapsulants

New applications



Startup of **large plant** (first line)



Capacity increase
(second line)



Capacity increase



Capacity increase
(third line)



Metallocene-catalyzed propylene-based TAFMER™



Crystalline structure controlled in nano-order



Transfer of Head Office
functions to Singapore



Commercialization of **TAFMER™**,
Japan's first **alpha-olefin copolymer**



Metallocene-catalyzed TAFMER™

1970

}}

2016

2020

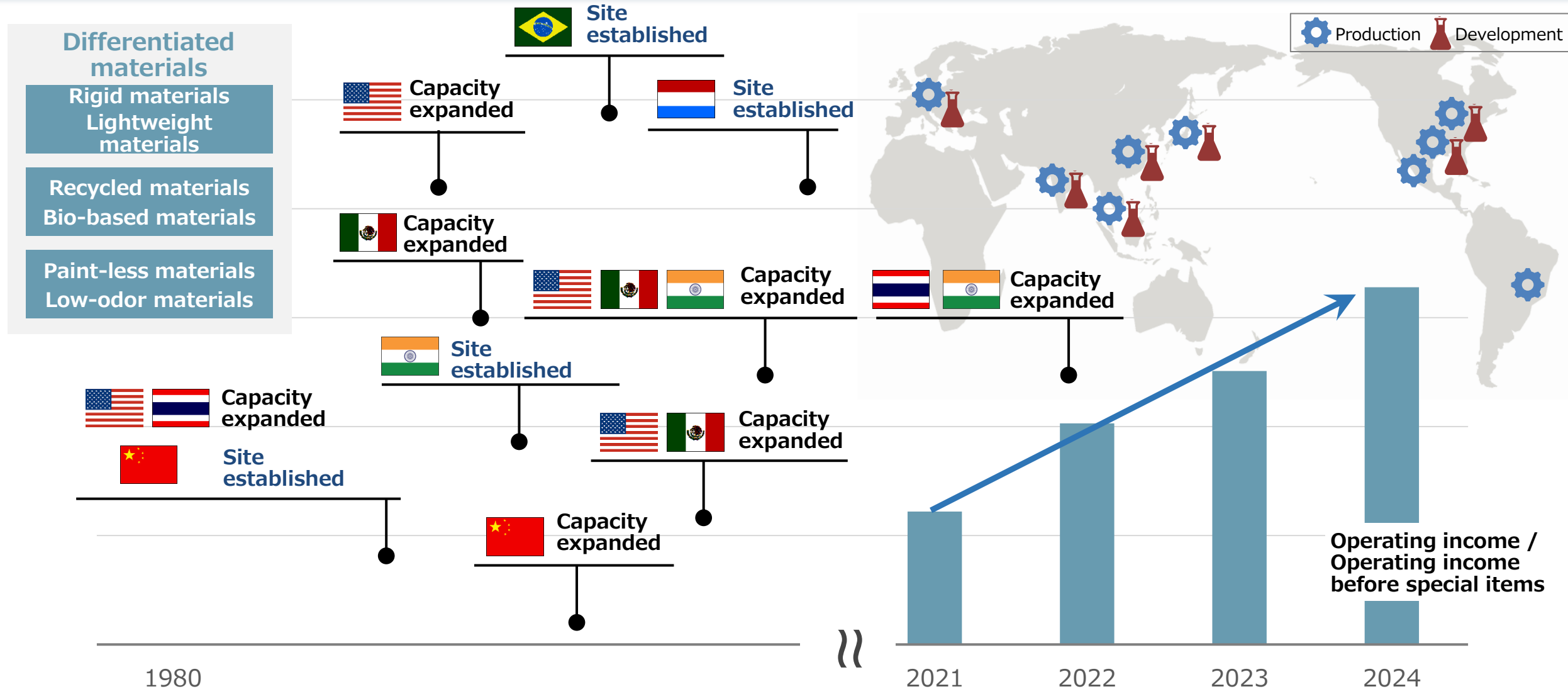
2024

Sales volume

Achieving global business growth by continuing to create polymers with unique strengths that correspond to new demand and applications in growth markets

PP Compound Business

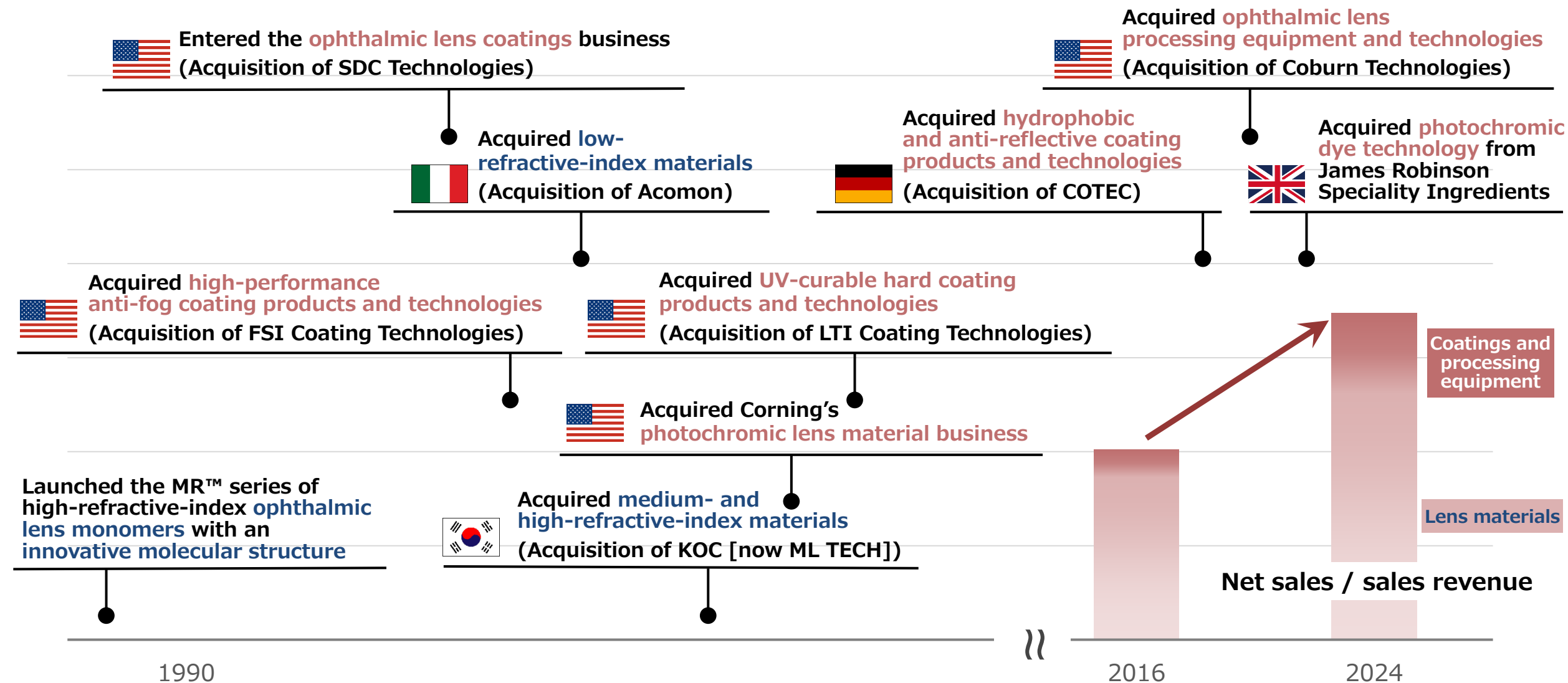
Enhancing Global Production and Development Sites



Enhancing production and development sites globally, including in Japan, the U.S., Europe, China and elsewhere in Asia, to drive business growth by developing and launching differentiated materials tailored to local needs

Vision Care Materials Business

Global Acquisition of Peripheral Technologies

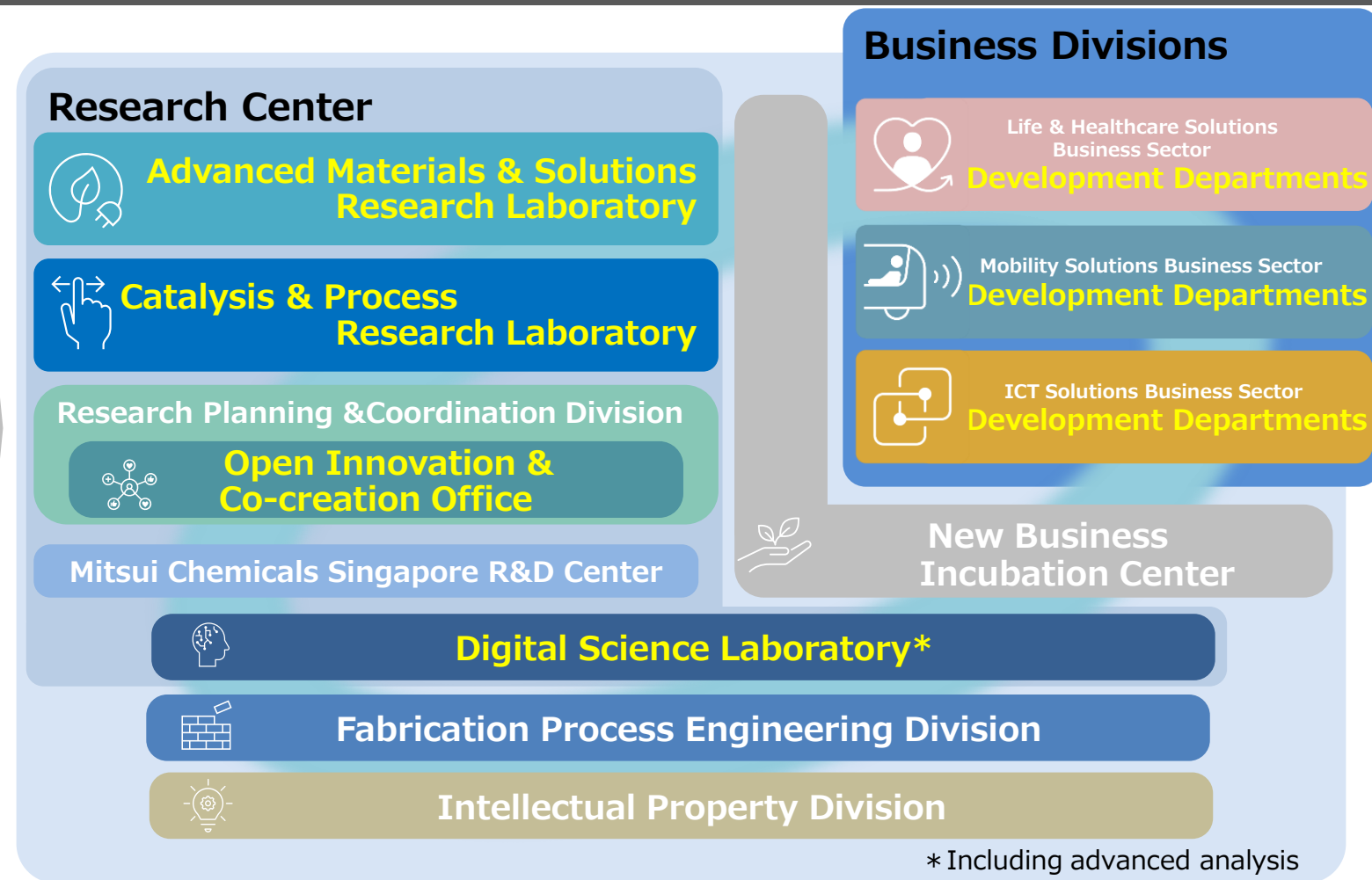


Identifying the ideal future shape of our business portfolio
Expanding the business by proactively introducing the requisite technologies
from across the globe, with a focus on precision synthesis technologies

R&D setups in individual technology fields

Organic innovation setup aimed at clarifying functions & roles to maximize results

- New Business Incubation Center
- R&D Center
 - R&D Planning & Coordination Division
 - (Mitsui Chemicals Singapore R&D Center)
 - Synthetic Chemicals Laboratory
 - Polymers & Composite Materials Laboratory
 - Process Technology Laboratory
 - Mobility Development Center
 - Innovative Solutions Center for Information & Communication Technology
 - Frontier Technology Center
- Intellectual Property Division
- Fabrication Process Engineering Division



Accelerating product and solution development by integrating development departments with business departments

R&D centers will strengthen core technologies, and create products and solutions in new domains, as well as in existing business domains that contribute to expanding our range of Blue Value™ and Rose Value™ products and services

Strengthening the Group-wide global technical support setup

Future approach to global R&D sites and architecture

December 2024 **Expanded Technical Solutions Center**

Mitsui Chemicals Europe (Düsseldorf, Germany)



February 2025 **Opened Technical Center**

Mitsui Chemicals India (Haryana, India)

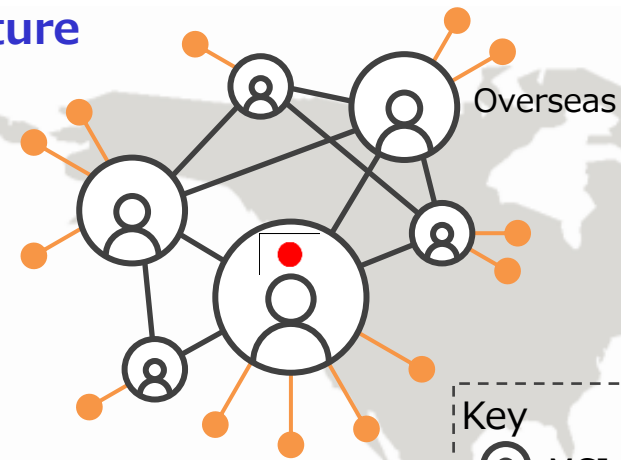


Shanghai

Singapore R&D
(Including TS*)

(R&D expansion into **Africa**
under consideration)

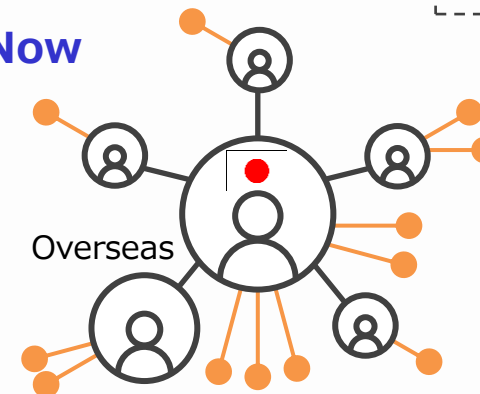
Future



Key

- ⊙ MCI R&D and TS* sites
- Customers, external organizations, etc.

Now



*TS: Technical support

Bolstering the technical support setup in growth and emerging markets, as well as in existing ones
Moving toward a flat, distributed structure worldwide to allow speedy acquisition of markets and cutting-edge technologies

November 2021

- ▶ Established the **Mitsui Chemicals, Inc. – Carbon Neutral Research Center (MCI-CNRC)** within the **International Institute for Carbon-Neutral Energy Research (I²CNER)**, a WPI Center* at **Kyushu University**

The I²CNER research buildings

April 2023

- ▶ Established the **Mitsui Chemicals-ICReDD Innovative Chemical Reaction Design Laboratory** within the **Institute for Chemical Reaction Design and Discovery (ICReDD)**, a WPI Center* at **Hokkaido University**
- ▶ Established the **Mitsui Chemicals & Kyoto University Digital Chemical Laboratory** as a joint industry-academia research program at **Kyoto University's Graduate School of Engineering**

2021

2023

2025

January 2025

- ▶ Established the **MCI-iCONM Co-Creation Laboratory** at the **Innovation Center of NanoMedicine**



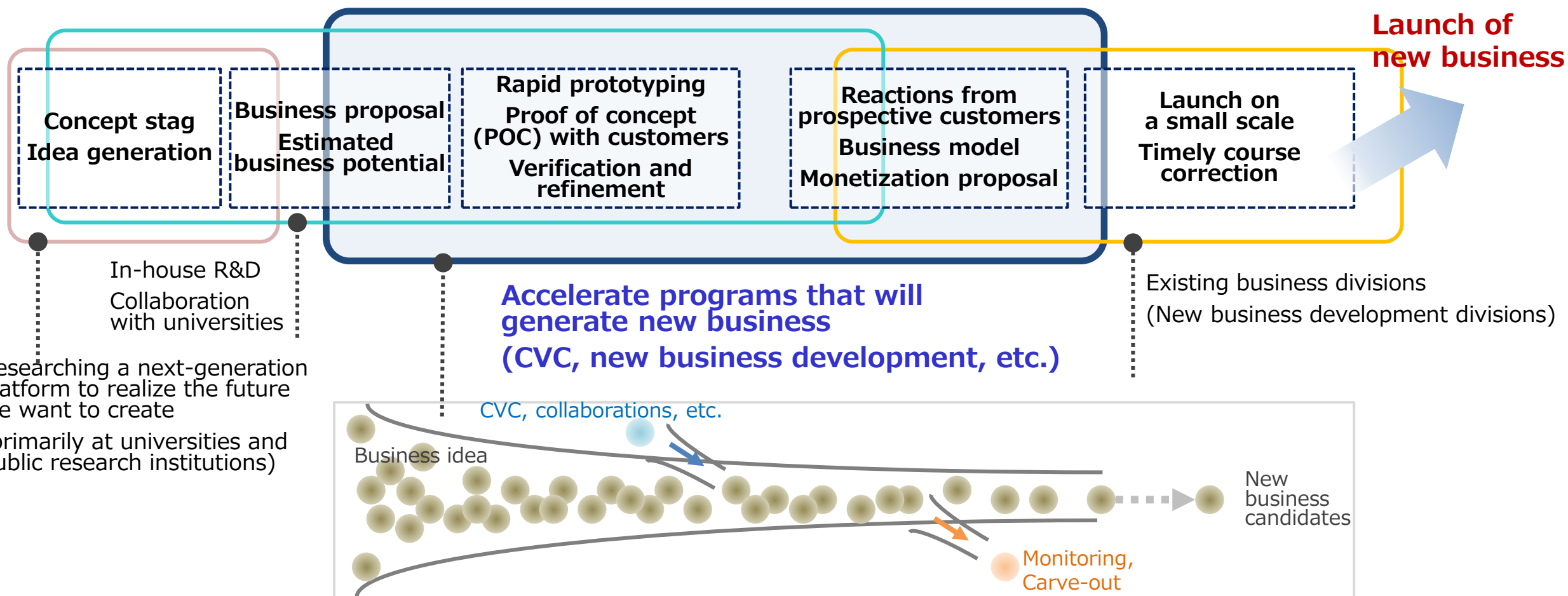
Innovation Center of NanoMedicine facility

*WPI Center: World Premier International Research Center. 18 centers have been selected under this initiative.

Resolving medium- to long-term social issues through organizational partnerships
with universities and other bodies that attract frontline researchers

Expanding partnerships worldwide in due course

0 — 1 —————> 10 —————> 50 —————> 100



Pursuing new business development through not only our own R&D divisions, but also collaborations with academia and startups, including CVC

Expanding Startup Investment

Establishment of 321Catalyst™ as a Second CVC Fund

Purpose of the second fund

- Accelerate the building of global innovation partnerships and the launching of new products & businesses
- Double down on global investments in innovative startups that align with our strategic focus by establishing a new, independent fund in the U.S., helping us to forge strong innovation partnerships with portfolio companies and in turn to launch new businesses ahead of the race

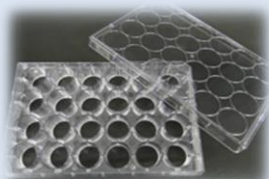
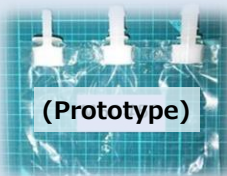
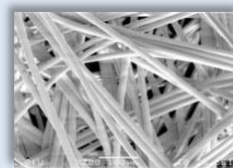
	 321FORCE™ (established July 2022)	 321Catalyst™ (established May 2025)
Fund size	5 billion yen	\$60 million
Operating period	10 years	←
Focal stages and regions	Startups from the seed stage onwards, worldwide	←
General partner (GP)	Global Brain Corporation	321Catalyst Ventures, Inc. (Wholly owned by Mitsui Chemicals America, Inc.)
Limited partner (LP)	MCI	321Indigo Ventures, Inc. (Wholly owned subsidiary of Mitsui Chemicals)

321FORCE™ portfolio companies



Achieving business portfolio transformation by investing in startups in Japan and overseas to accelerate new business and product creation

Drug discovery

Personalized
medicineRegenerative
medicine
 RegeNephro
Oxygen-permeable
culture plates
 Zafrens
Oxygen-permeable bags
(Prototype)
 FullStem


Nonwoven scaffold

Biocompatible
cell preservation solution

Precision processing technologies

Nanochannel creation ×

 3D molding
Design & modeling
Computational
science/AI
3D printingMaterials with
unique strengthsSpecial polyolefins
Biodegradable polymers
Amino acids

Coatings

Fiber diameter/length control
Surface modification

Creating new value through co-creation with academia and startups based on integrating our precision processing and other technologies with our materials with unique strengths

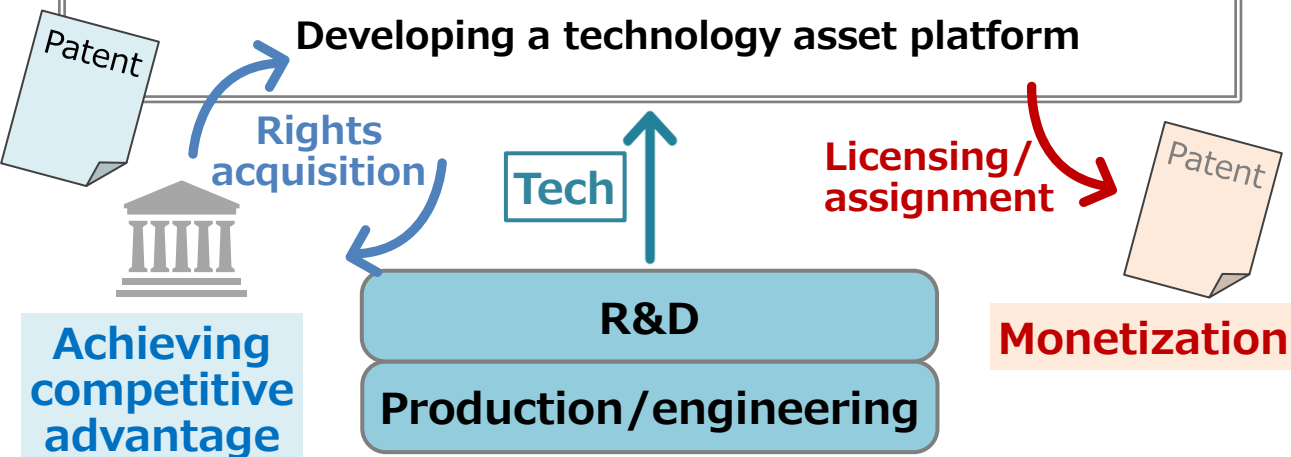
Strengthening IP strategies

Business strategies

IP strategies

- Securing our interests and building a patent portfolio
- Research and analysis, clearance, strategic use
- Consideration for maximizing value with a view to external use

Developing a technology asset platform



Maximizing value with a view to external use

Our Company		
Other companies	In use / Potential use	Not in use
	In use / Potential use	Licensing and IP sales
	Not in use	


Moving toward a more offensive IP strategy aimed at greater cash generation by selling off unneeded IP, as well as strategic IP use to achieve a competitive advantage

Leveraging Co-creation Spaces and R&D Sites to Step up New Business and Product Development



 **Creation Palette™
NIIGATA**

Proposing solutions that utilize
end-to-end functionality from design to
prototyping and evaluation, with a focus
on mobility businesses
At Design & Solution Center

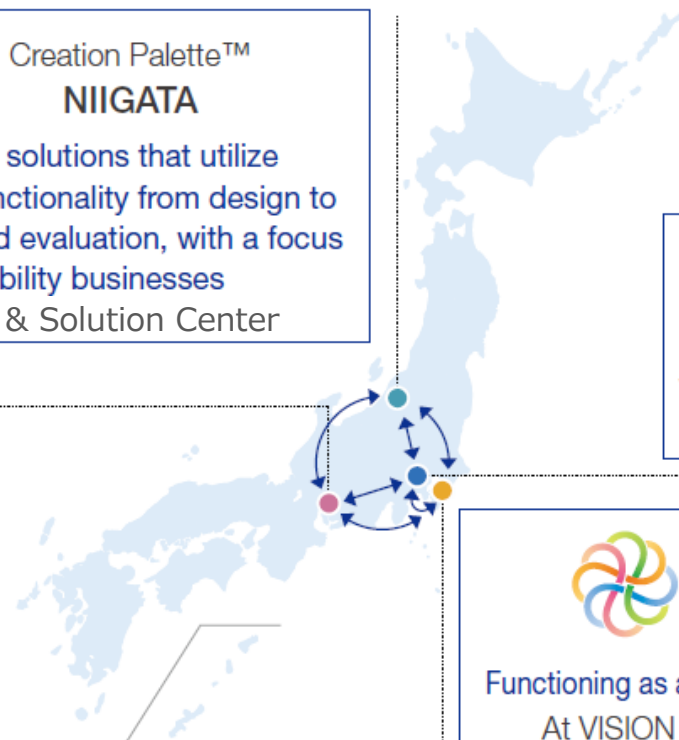
 **Creation Palette
YAE™**


The gateway to co-creation
At our Yaesu headquarters



 **Creation Palette™
NAGOYA**

Proposing solutions using
semiconductor-related technologies
At the Creative Integration Lab.™



 **Creation Palette™
SODEGAURA**

Functioning as a hub for co-creation in R&D
At VISION HUB™ SODEGAURA

**Creative Integration Lab.™
Opened October 2024**



**Digital Science Lab.™
Opened December 2024**



**Fleshing out topics for co-creation efforts at all sites with enhanced R&D functions,
with Creation Palette YAE™ in Yaesu, Tokyo, serving as the gateway**



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

0→1 MAKE IT HAPPEN

Chemistry for Sustainable World



Mitsui Chemicals

Challenge Diversity One Team

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