Summary of Q&A at the Briefing on the Acquisition of JSR Corporation

Date:	November 9, 2026, 17:00–18:30 JST
Venue:	Bellesalle Tokyo Nihonbashi and online
Presenters:	ICHIMURA Satoshi, Representative Director, President & CEO YOSHIDA Osamu, Director, Managing Executive Officer & CFO SUHARA Tadahiro, Managing Executive Officer, Business Sector President, ICT Solutions Business Sector
Presentation Material:	Explanation of the JSR Acquisition to Drive a Major Portfolio Transformation

Q&A

■ **Background and Decision-Making Process for the Acquisition**

Q1. What led to the acquisition of JSR, and why do you think Mitsui Chemicals was selected?

While this is only our assumption, we believe Mitsui Chemicals was viewed favorably for three main reasons.

The first is our clear commitment to strengthening semiconductor materials as a core business going forward. Japan's semiconductor materials industry is globally competitive, and we have made clear our policy of positioning ICT, particularly semiconductor materials, as a core growth area.

The second is the potential for synergies between the products and technologies of the two companies. Our Group has strong materials businesses in both front-end and back-end semiconductor processes, while JSR has a broad range of competitive materials, including photoresists, a key strength of its. By combining and expanding our respective product portfolios, we believe there will be a wide range of opportunities for collaboration.

The third is our approach to pursuing further collaboration and alliances. The semiconductor supply chain is extensive, with materials used in both front-end and back-end processes ultimately contributing to a single end product. Close collaboration not only among materials manufacturers but also with equipment manufacturers is therefore important. In petrochemicals, for example, we have experience in enhancing competitiveness through collaboration that transcends corporate boundaries and geographical distance, bringing together technologies and building win-win relationships. Drawing on this experience, we intend to connect the semiconductor supply chain through collaboration and alliances and thereby enhance our ability to provide solutions to customers.

Q2. What discussions did the Board of Directors have during the decision-making process for this acquisition?

The Board of Directors engaged in rigorous discussions from a broad range of perspectives. In addition to extensively examining the rationale for the M&A itself, including ICT synergies, market growth potential, and the financial impact, the Board also carefully compared the acquisition scenario with a scenario in which the acquisition was not pursued.

While we believe a certain level of growth could be achieved through our existing businesses alone, we concluded that acquiring core technologies and business platforms would be necessary to accelerate our portfolio transformation and further enhance corporate value amid intense global competition.

At the same time, given the significant financial burden associated with the acquisition, we examined multiple stress scenarios, including an economic downturn, downside risks to our existing

businesses, and impairment risks. Based on these analyses, we determined that the transaction would remain within a financially manageable range.

Q3. The share price has declined significantly. To what extent did you anticipate a negative market reaction when making the decision, and how do you intend to address the market's short-term assessment of the transaction?

We decided to proceed with this transaction because we believe it will enhance corporate value. We believe it is important to carefully explain to the market how we intend to enhance corporate value going forward, while demonstrating tangible results in areas such as earnings growth, synergies, and financial improvement, with the ultimate goal of delivering EPS growth.

■ **Evolution of the Two-Pillar Strategy**

Q4. There appears to be limited direct technological synergy between ICT and Life & Healthcare. Why did you choose these two businesses to form the portfolio of the global specialty company?

What ICT and Life & Healthcare have in common is that both follow a specialty business model. Rather than generating earnings primarily through the scale of manufacturing facilities, they create high added value through technology, talent, innovation, and the ability to respond quickly to customer needs.

Both businesses identify specific customer needs globally, create value through technology and speed, and generate earnings with a relatively asset-light business model. In this respect, we believe their business models are similar.

We therefore chose this portfolio because combining high-growth ICT with stable-growth Life & Healthcare should support sustainable value creation.

Q5. Mobility has growth potential through expansion into broader applications and also has strong cash-generation capabilities. Would it not be better to maintain the previous direction and keep Mobility within the specialty portfolio?

One major reason for combining B&GM and Mobility is the technological synergy between the two businesses.

B&GM's catalyst design and polymer technologies are highly compatible with Mobility's processing technologies, including compounding. By combining our Group's distinctive polyolefins and elastomers, rather than relying solely on the competitiveness of individual polymers, we can offer a wider range of compounds and thereby create greater value for customers.

Mobility is already globally competitive, and we believe combining it with B&GM will enable us to create an even stronger business entity.

Through this combination, we believe the polymer science company can target EBITDA of approximately ¥150 billion and become a self-sustaining and resilient business entity.

Q6. After B&GM and Mobility are combined and split off as a single business entity, how do you intend to approach alliances with other companies and industry restructuring?

Even after B&GM and Mobility are combined to form an integrated polymer science company and the new entity is split off, there will be no change in our policy of pursuing collaboration with other

companies and industry restructuring. We believe that creating a self-sustaining and resilient business entity with a broad range of strategic options will ultimately enable us to move more quickly in pursuing alliances with other companies.

■ **Growth Potential in the Semiconductor Market**

Q7. What growth opportunities do you see for semiconductor materials as AI becomes more widespread?

We believe the spread of AI will create significant growth opportunities not only in software but also in the hardware that supports it.

AI requires substantially more electricity than conventional computing, while the data-processing infrastructure required to support AI will also be enormous in scale. As a result, both the volume and performance requirements for semiconductors are moving to an entirely different level from the past. We believe these structural changes will create significant growth opportunities for semiconductor materials as well.

Q8. Semiconductor materials undergo rapid generational changes and technological innovation. In addition to having competitive products today, the ability to address next-generation materials and continually create new technologies is critical. What aspects of JSR did you value in this acquisition?

We value JSR not only for its No. 2 share in the global photoresist market, but also for its ability to identify its own strengths while acquiring and developing next-generation technologies.

For example, JSR has pursued new technologies involving the incorporation of metals into next-generation resists and acquired a venture company to support these efforts. These initiatives are now beginning to produce results in the form of metal-based resists.

Rather than relying solely on its current competitive product portfolio, JSR has demonstrated an ability to bring in next-generation technologies from outside the company and develop them internally.

JSR has also expanded into adjacent areas such as multilayer materials and actively works with equipment manufacturers to optimize materials and equipment together. We therefore view JSR as a company with comprehensive capabilities encompassing customer relationships, products, and technologies, rather than simply as a company with strong materials products.

Q9. Competitors will also continue to pursue technological innovation. How do you assess the competitive risks?

Particularly in leading-edge areas, no single materials manufacturer can solve every challenge alone. Materials must deliver their intended performance on manufacturing equipment, and the results must then be verified using advanced inspection equipment. Starting from customer requirements, materials manufacturers, semiconductor equipment manufacturers, inspection equipment suppliers, and other participants need to work together and develop technologies within an ecosystem.

Our Group and JSR intend to maintain and expand our competitive advantage by continuing to innovate ahead of competitors within this ecosystem.

■ **Synergies and Post-Merger Integration**

Q10. How do you assess the competitiveness of the Group's semiconductor materials business, and what synergies do you expect with JSR?

Our semiconductor materials, including MITSUI PELLICLE™ and ICROS™ Tape, are highly technology-intensive and therefore have strong competitive advantages.

Our EUV pellicles, in particular, incorporate advanced technologies and play an important role in determining semiconductor device productivity through their interface with both equipment and materials. ICROS™ Tape is also used in back-end processes for handling high-value-added wafers, which we believe demonstrates not only advanced technological capabilities but also the stability and reliability of our products.

With JSR, we expect synergies from accelerated development and expanded customer access. Development cycles for leading-edge devices, which are driven by a limited number of major customers, have become extremely short. Suppliers need to provide samples in parallel with the development process and complete the development phase within a short period.

This requires considerable resources and extremely advanced technological capabilities. Both our Group and JSR have highly capable engineering teams, and by working together we believe we can significantly accelerate development and improve our chances of success.

By becoming a corporate group capable of offering customers a combination of a broad product portfolio and advanced technologies, we believe we can become an even more reliable partner for customers and generate meaningful synergies.

Q11. Could you explain the specific sales synergies? In particular, how will combining JSR's resists with Mitsui Chemicals' EUV pellicles generate sales synergies?

One example of sales synergies is the combination of resists and pellicles for EUV, particularly High-NA EUV.

Because leading-edge lithography processes are extremely expensive, improving productivity requires simultaneously meeting multiple customer requirements, including sensitivity, resolution, and defect control.

Until now, development and proposals have generally focused separately on improving factors such as sensitivity and resolution for resists and transmittance and durability for pellicles. By bringing JSR and our Group together, we should be able to move beyond optimizing resists and pellicles independently and instead develop technologies and make proposals to customers from the perspective of the entire lithography process.

We expect this approach to increase the adoption of both products.

Furthermore, becoming a manufacturer capable of providing solutions covering the entire process should create more opportunities for us to engage with customers as a development partner from an earlier stage. We believe that combining products and technologies can also lead to future business expansion, and we intend to fully leverage these opportunities to generate synergies.

Q12. Could you explain the specific cost synergies?

For cost synergies, we will examine ways to operate the two companies' global sites more efficiently. We also see potential to reduce costs by bringing certain outsourced functions in-house or sharing them across the two companies after integration. In addition, we will explore opportunities to improve efficiency by integrating aspects of our supply chains and logistics. Rather than simply aligning one company with the other, we intend to work together to define and realize

a shared vision for the combined organization.

In R&D, we intend to proactively allocate resources to areas that need to be strengthened while exploring opportunities to improve efficiency where activities overlap.

Another significant advantage is the relatively close proximity of JSR's Yokkaichi R&D site and Mitsui Chemicals' Nagoya site. Mitsui Chemicals' Nagoya site also has customer evaluation facilities. Enabling researchers from the two companies to interact regularly and making it easier to use each other's research facilities should improve not only equipment and cost efficiency but also the efficiency and speed of R&D itself.

Q13. From a post-merger integration (PMI) perspective, how do you view the cultural compatibility between JSR and our Group?

Cultural compatibility is extremely important in M&A. If the cultures of two companies are too different, integration may take considerable time and could ultimately cause the integration to fail.

JSR was established as Japan Synthetic Rubber and subsequently achieved remarkable growth in the semiconductor field, evolving into its current form through continued selection and concentration of its businesses. We believe this journey has similarities with our Group's history of portfolio transformation, from coal chemicals to petrochemicals and subsequently to our current business portfolio.

There are also similarities in our corporate philosophies. JSR advocates "Materials Innovation," while our Group's corporate mission is to "contribute broadly to society by providing high-quality products and services to customers through innovation and the creation of materials, while keeping in harmony with the global environment."

Both companies share the aspiration to innovate through materials and thereby support society, and we therefore believe there is a high degree of cultural compatibility.

Q14. How do you assess the risk of employee attrition at JSR?

We believe we can mitigate the risk of employee attrition by clearly demonstrating our commitment to positioning ICT as a core business and investing proactively in the business, including in R&D.

Semiconductor materials technologies are constantly evolving. Providing an environment in which employees can take on challenges and fully utilize their capabilities in such a rapidly changing field will, we believe, contribute not only to corporate value growth but also to mitigating the risk of employee attrition.

■ **Financials and Shareholder Value**

Q15. With Mitsui Chemicals' price-to-book (P/B) ratio around 1.0x and its share price declining, how do you justify acquiring JSR, whose equity value exceeds that of Mitsui Chemicals, while considering equity financing of up to ¥150 billion?

Our Group has been expanding businesses primarily in specialty chemicals domains while restructuring and reorganizing our petrochemicals businesses. As a result of these efforts, we believe we are approaching a P/B ratio of 1.0x. At the same time, further medium- to long-term growth in corporate value requires a significant growth driver. We concluded that this transaction represents the best option not only for strengthening ICT but also for accelerating our business portfolio transformation.

For us, the most important consideration is that, even after factoring in dilution resulting from common equity financing, EPS for existing shareholders should be higher than in a scenario where the acquisition is not pursued. The acquisition will naturally require substantial financing and result in increased interest expenses. However, even after taking these factors into account, we believe executing the transaction will lead to greater medium- to long-term corporate value.

The indicated amount of equity financing through a public offering represents the maximum under consideration. We will determine the optimal financing mix, including business divestitures and other funding alternatives, while considering both financial soundness and the impact on existing shareholder value. We will also continue our ongoing efforts to enhance corporate value even before the transaction closes.

Q16. You plan to increase operating income before special items to more than ¥300 billion by FY2030. What is the breakdown, and what level of net income attributable to owners of the parent do you expect at that time?

The FY2030 target of more than ¥300 billion represents the combined operating income before special items of the global specialty company and the polymer science company.

For ICT, we expect operating income before special items of more than ¥190 billion in FY2030. This includes our Group's existing ICT businesses, JSR's businesses and synergy benefits, as well as the impact of intangible asset amortization.

Together with Life & Healthcare, Mobility, and B&GM, this brings Group-wide operating income before special items to more than ¥300 billion.

After accounting for interest expenses, a certain level of non-recurring losses associated with portfolio transformation, taxes, and other items, we expect net income attributable to owners of the parent to be around ¥150 billion.

Q17. What level of interest expense do you specifically anticipate?

At closing, we will initially use bridge financing and then aim to transition to permanent financing within approximately one year. We expect the full impact of interest expenses to emerge in FY2029 or FY2030, reaching approximately ¥60 billion.

We will steadily pursue deleveraging through the utilization of free cash flow and asset-light initiatives, with the aim of achieving our short- and medium-term financial targets.

■ Closing and Regulatory Approvals

Q18. How do you assess the risk that antitrust reviews could take longer than expected?

With regard to antitrust regulations, our Group and JSR do not offer the same products, and we therefore do not believe that combining the two companies would result in a significant increase in market share for any particular product.

That said, we recognize the risk that the review process itself may take longer than anticipated. If competition authorities in relevant countries and regions request market information or other materials, we will provide the necessary information and respond appropriately as we work to obtain the required approvals.

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.