

ESG Presentation

VISION 2030 & ESG	HASHIMOTO Osamu Representative Director, Member of the Board, President & CEO
ESG Promotion Initiatives	IZAWA Kazumasa Managing Executive Officer & CSO
Human Resources Strategy	ANDOU Yoshinori Senior Managing Executive Officer & CHRO
Corporate Governance Framework	NAKAJIMA Hajime Member of the Board, Senior Managing Executive Officer & CFO
MCI's Management & ESG Efforts From the Perspective of an Outside Director	YOSHIMARU Yukiko Member of the Board



Mitsui Chemicals
Group

VISION 2030 & ESG

Mitsui Chemicals, Inc.
Representative Director, Member of the Board,
President & CEO
HASHIMOTO Osamu

2022.04.08

- ▶ **1. History of Mitsui Chemicals**
- ▶ **2. Corporate Vision**
- ▶ **3. VISION 2030 & ESG**

The years before the launch of Mitsui Chemicals saw companies merge with each other while seeking an ideal setup from which to unite diverse cultures and help solve social issues

1912: Mitsui Coal Mine starts full-scale chemical operations

- 1933: Toyo Koatsu Industries established
- 1941: Mitsui Chemical Industry established
- 1955: Mitsui Petrochemical Industries established
- 1968: Toyo Koatsu Industries merged with Mitsui Chemical Industry to form Mitsui Toatsu Chemicals

1997: Mitsui Toatsu Chemicals merged with Mitsui Petrochemical Industries to form Mitsui Chemicals

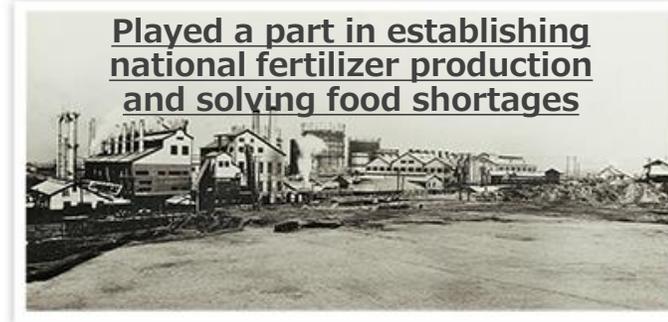
- 2001: Mitsui Takeda Chemicals (JV with Takeda Chemical Industries' polyurethane materials business) begins operations
All Ube Industries shares in Grand Polymer acquired
- 2002: Mitsui Sumitomo Polyolefin begins operations
- 2003: Japan Composite (JV with Nippon Shokubai's unsaturated polyester resin business) established
- 2005: Prime Polymer (JV with Idemitsu Kosan's polyolefins business) established
Sun Alloys Europe established in collaboration with German compound manufacturer
- 2006: Yamamoto Chemicals made into a wholly owned subsidiary
- 2008: SDC Technologies acquired
- 2009: Sankyo Agro merged with MCI's Agrochemicals Division to form Mitsui Chemicals Agro
- 2010: Mitsui Chemicals Tohcello launched
- 2011: Acomon acquired
- 2013: Dental material business including Heraeus Kulzer acquired
- 2015: Polyurethane business merged with that of SKC to form MCNS
- 2018: ARRK turned into a consolidated subsidiary by acquiring shares through tender offer
Kyowa Industrial shares acquired
- 2021: Honshu Chemical shares acquired
- 2022: Meiji Seika Pharma's agrochemicals business acquired

2022: Start of VISION 2030

Helped drive Japan's economic growth by matching the resource shift from coal to oil



Played a part in establishing national fertilizer production and solving food shortages



Helped reduce food loss via freshness preservation film



Increased production of mask materials in response to pandemic



Ever since our launch in 1997, a pillar of our corporate philosophy has been to **contribute to society through our business activities** – and now under VISION 2030, we intend to further integrate business growth with contributions to society

1997: Launched Mitsui Chemicals

Corporate Mission

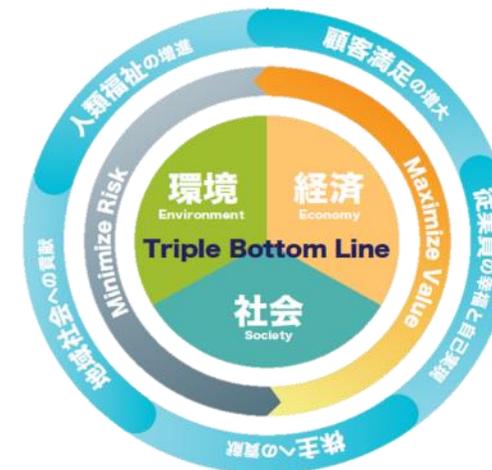
Contribute broadly to society by providing high-quality products and services to customers through innovation and the creation of materials, while keeping in harmony with the global environment



2006: Set out on triple bottom line management as part of our medium-term plan for 2008



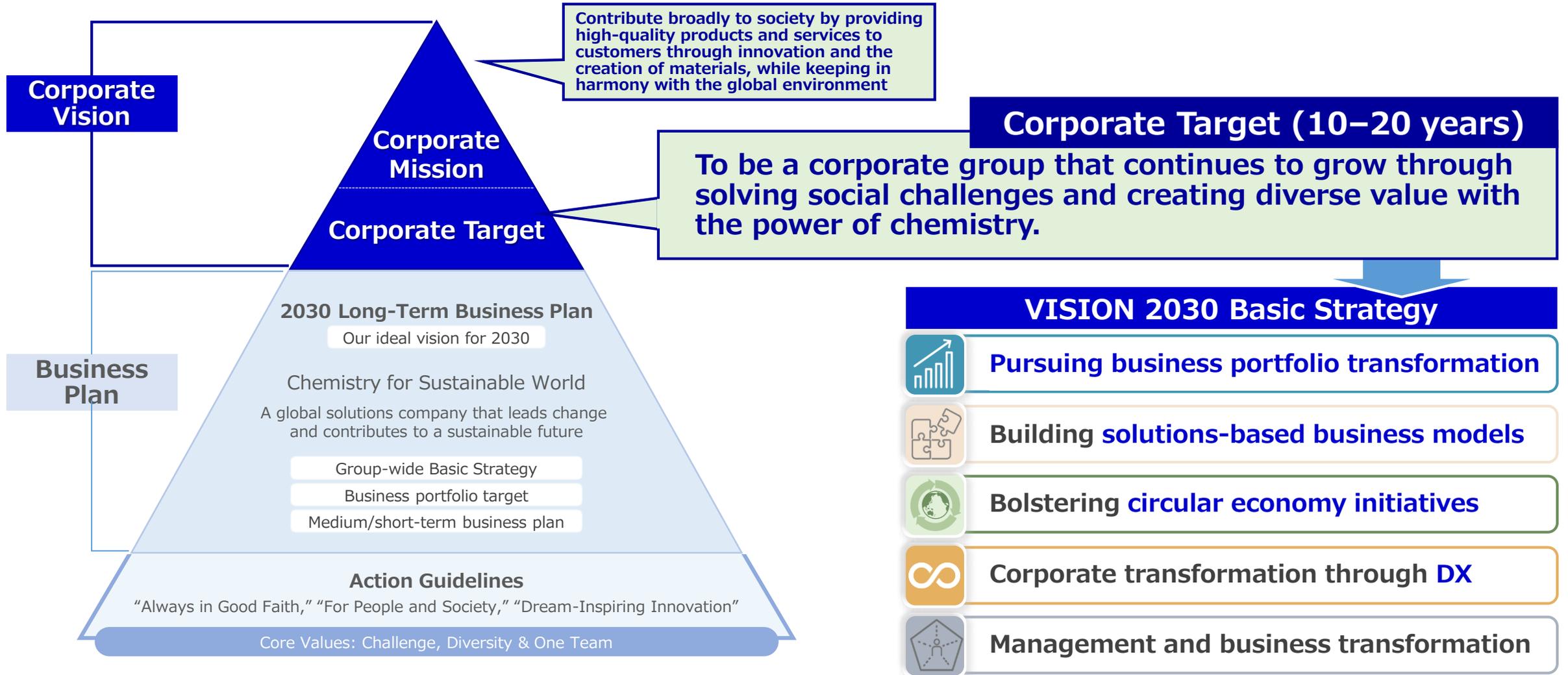
2016: Set out to further deepen our triple bottom line management as part of our 2025 Long-Term Business Plan



2021: Revealed VISION 2030

Rolling out a social issues perspective across all of our businesses, adopting a carbon neutral strategy, etc.

Getting back to our identity of solving social issues, redefining our Corporate Target and summarizing the trends needed to achieve this in the form of a five-part Basic Strategy





Changes in the environment since VISION 2025

- Increased focus on ESG-related issues (carbon neutrality, circular economy, human rights, human capital, governance, etc.)
- Corporate responsibility toward not just shareholders but also a broader range of other stakeholders

- **Adding multifaceted new evaluation metrics in the form of non-financial KPIs as we pursue our ideal vision for 2030**
- **Working broadly with customers throughout the supply chain as we look to achieve business model transformation and portfolio transformation**
- **Taking on challenges in a bold and resolute manner as we pursue ever-higher goals without fear of failure**



ESG Promotion Initiatives

Mitsui Chemicals, Inc.
Managing Executive Officer & CSO

IZAWA Kazumasa

2022.04.08

- ▶ **1. Our Promotion of ESG**
- ▶ **2. Embedding Into Our Management System**
- ▶ **3. Earnings Growth & Social Contributions**
- ▶ **4. Pursuit of a Carbon Neutral Strategy**
- ▶ **5. Efforts to Solve Social Issues**

- ▶ Our promotion of ESG is aimed at grasping onto opportunities and tie them into corporate value, providing a source of earning power
- ▶ We are running a management system that integrates financial and non-financial metrics

ESG promotion policies

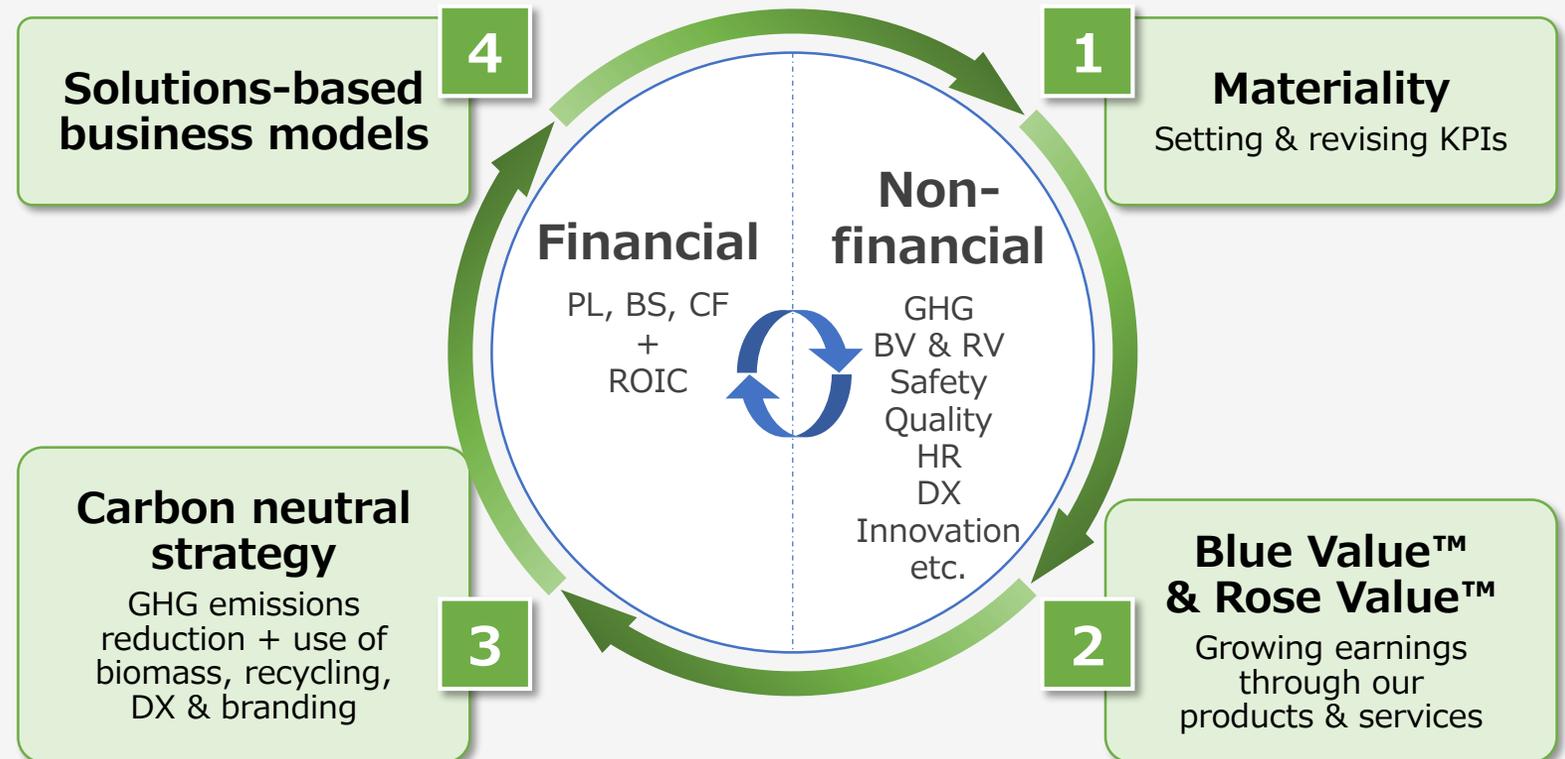
In accordance with SDGs and various other topics under the umbrella of ESG, we will aim to:

- **Look for business opportunities**, and leverage our business activities to help solve social issues
- **Recognize and deal with future risks** lying ahead of the Mitsui Chemicals Group while **fulfilling our social responsibility** as a company

In order to:

Pursue **sustainable development of both society and the Mitsui Chemicals Group** (in a manner that improves **both social value and corporate value**)

Integration of financial and non-financial metrics



Bringing about
triple bottom line
management

Ingraining the
importance of
environmental
and social factors

Making ESG central
to our management

Embedding ESG
factors into our
management
and strategies

Execution
phase

1997	Launched Mitsui Chemicals & set Corporate Mission	
2005	Established CSR Division & CSR Committee	
2006	Laid out triple bottom line management (consisting of economic, social & environmental measures)	
2011	Established Blue Value™ (BV) and Rose Value™ (RV) concepts	
2014	Formulated 2014 Mid-Term Business Plan, with a focus on solving social issues through business activities and on laying out social challenges that should be worked on for a future society	
2016	Formulated VISION 2025 , including environmental and social targets	<ul style="list-style-type: none"> Formulated materiality and KPIs
2018	Established Corporate Sustainability Division and Corporate Sustainability Committee	<ul style="list-style-type: none"> Formulated ESG promotion policies
2019	Formulated Climate Change Policy and a basic plastic strategy	<ul style="list-style-type: none"> Joined the Alliance to End Plastic Waste (AEPW) Declared support of recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) Incorporated ESG factors into investment decision meetings
2020	Declared carbon neutrality for 2050	<ul style="list-style-type: none"> Made ESG-related investments part of our budget Made per-segment sales revenue from BV and RV products part of our budget
2021	Formulated VISION 2030 , including financial and non-financial metrics	<ul style="list-style-type: none"> Revised our materiality Made climate change countermeasures part of our budget company-wide, for all of our segments Set medium-term goals relating to BV and RV products, as well as GHG emissions reduction Launched due diligence initiatives for human rights
2022	Formulated materiality-related non-financial KPIs Established Green Sustainable Chemicals Division	<ul style="list-style-type: none"> Introduced annual budgeting calculated by backcasting from 2030 KPIs Revised non-financial KPIs & internal carbon pricing and incorporated these into business evaluations Declared support of the GX League Basic Concept

▶ Making use of a management system combining financial and non-financial metrics

Investment decisions

■ 2019 onward:

Embedded **ESG factors and a social issues perspective into our major investment decisions**, with considerations here including **BV/RV products, SDGs, internal carbon pricing, etc.**

- Started mentioning these factors in investment plans and covering them at investment decision meetings (note: at present, these factors do not cause points to be added or subtracted)



2022 onward:

Revised our **internal carbon pricing (to 15,000 yen per ton of CO₂ emitted)** and started applying **c-IRR***

- * An IRR metric calculated by way of incremental benefit ± GHG emissions × internal carbon pricing

■ 2019 onward:

Started making decisions on major **ESG-related investments**

- Started having our Corporate Sustainability Committee consider on a case-by-case basis ESG investments, which under our previous system were not considered from the perspective of economy

Annual budgets

■ 2019 onward:

Embedded **BV and RV products, as well as the creation and expansion of services, into our basic policies for formulating a company-wide budget**



■ 2020 onward:

Started including **sales revenue targets for BV and RV products in our budgets in all business segments to have these serve as targets for a management-by-objectives approach**

Started having all segments **determine short- to medium-term focuses** relating to climate change, as well as **consider and implement countermeasures for these focuses as part of their budgets**



■ 2022 onward:

In addition to the above, **started including efforts for a circular economy as part of our budgets**

Started leveraging **non-financial KPIs to calculate annual targets for our budgets**

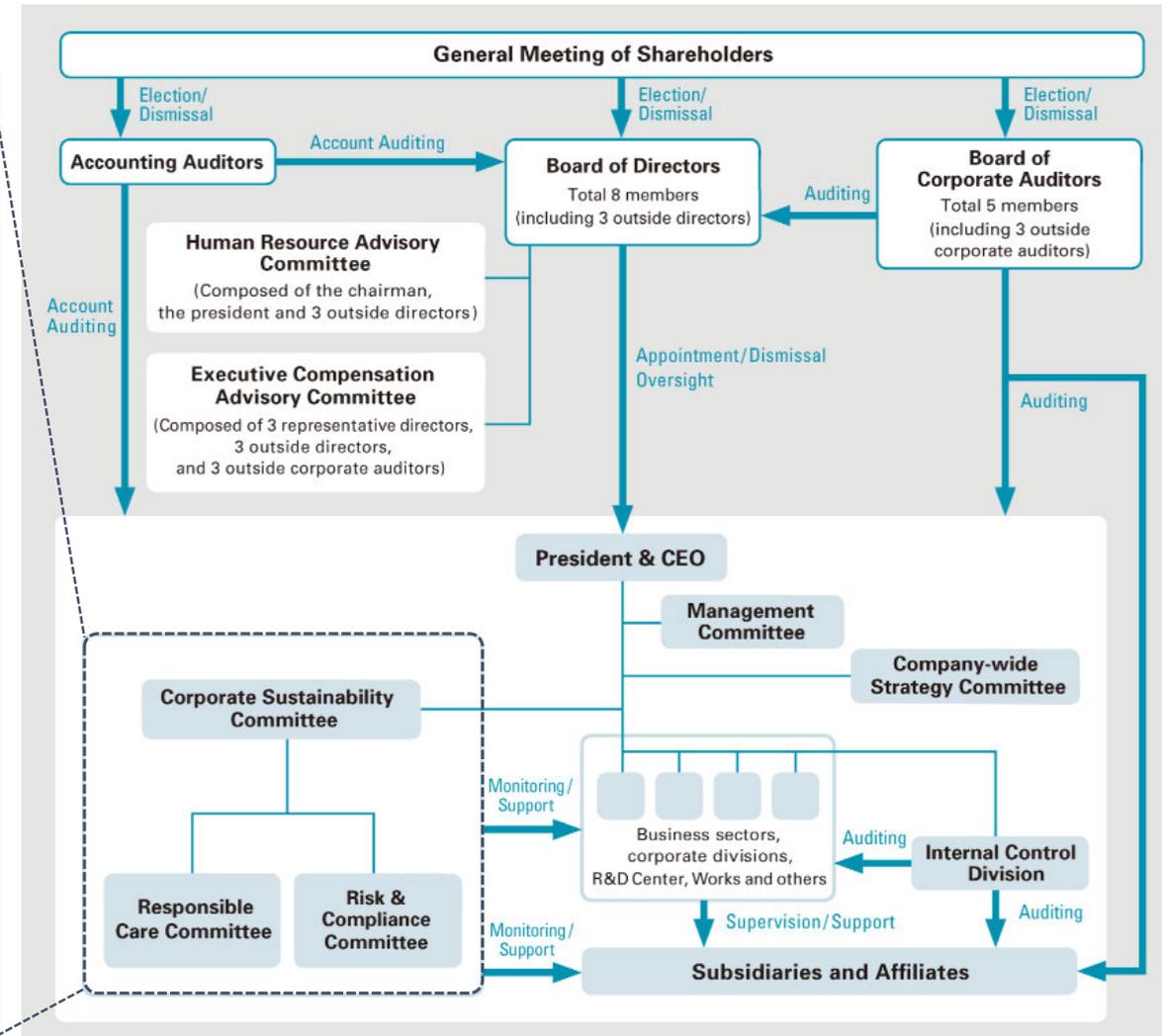
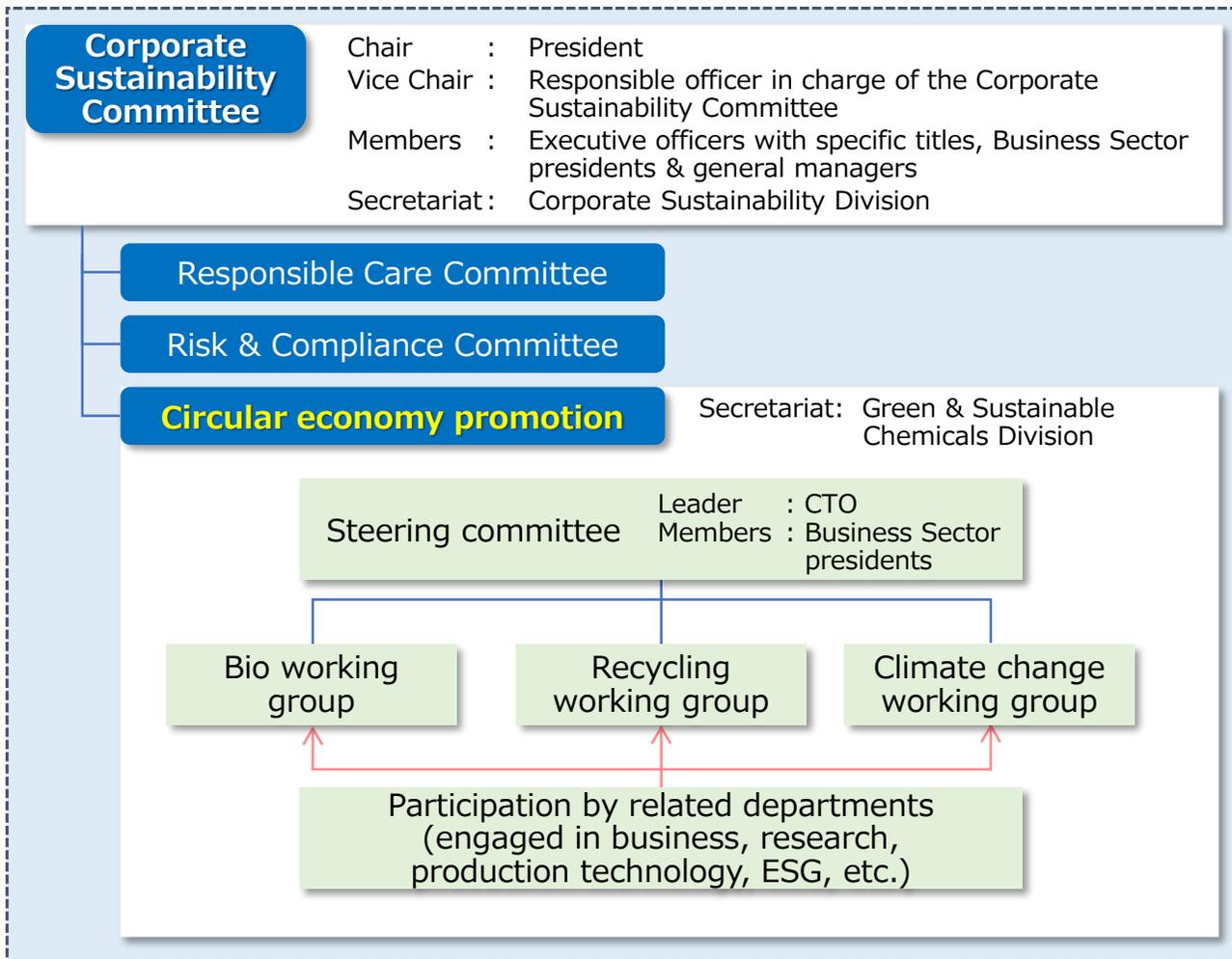
Business evaluations

■ 2022 onward:

Started **embedding non-financial information into our business evaluations**

- Established a system of not just carrying out business evaluations based on profit growth and ROIC but also, for example, considering opportunities and risks relating to GHG emissions reduction – as well as positive and negative environmental impacts – when we go about evaluating businesses and distributing management resources

- Framework established under the Corporate Sustainability Committee in April 2022 to pursue **company-wide strategies for a circular economy and carbon neutrality**



- ▶ In formulating VISION 2030, we looked at changes in our internal and external business environments and considered these as a basis from which to redefine our **ideal future society**
- ▶ We also revised our **materiality**, and reflected this in the Basic Strategy of VISION 2030

Ideal future society



A circular society in harmony with the environment

▶ Transitioning to a circular economy



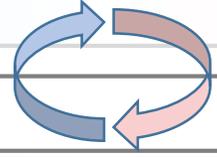
An inclusive society creating diverse value

▶ Pursuing diverse value chains



A comfortable society that lets people lead healthy, happy lives

▶ A flexible and resilient society



Our materiality

Contributing to a sustainable society

Entire supply chain

Blue Value™

Product design based on full life-cycle considerations

Rose Value™

Climate Change

Circular Economy

Health and Livelihood

Highly Livable Communities

Food Security

Prerequisites for business continuity

Safety

Respect for human rights

Risk & compliance management

Product quality

Stable production

Abilities essential to business continuity

Corporate culture

Human capital

Innovation

Digital transformation

Partnerships

▶ Setting KPIs for each materiality theme and taking a PDCA approach based on specific metrics while also looking to tie all this in to improved corporate value

Materiality		KPI	
Contributing to a sustainable society	<ul style="list-style-type: none"> ➤ Climate change ➤ Circular economy 	<ul style="list-style-type: none"> • BV sales revenue ratio • RV sales revenue ratio 	30% or more by 2025, then 40% or more by 2030 30% or more by 2025, then 40% or more by 2030
	<ul style="list-style-type: none"> ➤ Health and livelihood ➤ Highly livable communities ➤ Food security ➤ Product design based on full life-cycle considerations 	<ul style="list-style-type: none"> • GHG emissions reduction 	Reduce Scope 1+2 GHG emissions by 40% over FY2013-2030
Prerequisites for business continuity	➤ Safety	• Serious accidents & serious work-related injuries	Zero over a long period
	➤ Respect for human rights	• Response to human rights risks	Build a human rights DD system across all domestic + overseas bases to find & address risks
	➤ Risk & compliance management	• Serious violations of laws & rules	Zero over a long period
	➤ Product quality	• PL accidents & serious product quality incidents	Zero over a long period
	➤ Stable production	• Introduction of advanced technologies	Implement 100 instances of advanced production technology based on AI/IoT (2021-2030)
Abilities essential to business continuity	➤ Corporate culture	<ul style="list-style-type: none"> • Improvement of engagement • Management of key talent 	Engagement score of 40% by FY2025, then 50% by FY2030
	➤ Human capital	• Diversity	Successor coverage rate of 250% across strategically critical positions for 2025, 2030 (MCI) 10 or more executive officers of diversity (including 3 or more women) by 2030 (MCI) 15% of managers to be women by 2030
		• Health-centric management	(MCI) 8% or less of employees to have lifestyle diseases by 2030 (MCI) Fourfold reduction in mental health-related leave by 2030
		• Training of human resources	Finish training 165 data scientists by 2025
	➤ Innovation	<ul style="list-style-type: none"> • Pipeline expansion • Value creation for beyond 2030 	Double or more the number of development themes in the latter half of our Stage-Gate system over 2020-2030 Triple or more then number of new areas of development at our Frontier Technology Center by 2030
	➤ Partnership	• Sustainable procurement	Procurement rate of 80%

▶ Always observing changes in the business environment and updating our efforts accordingly



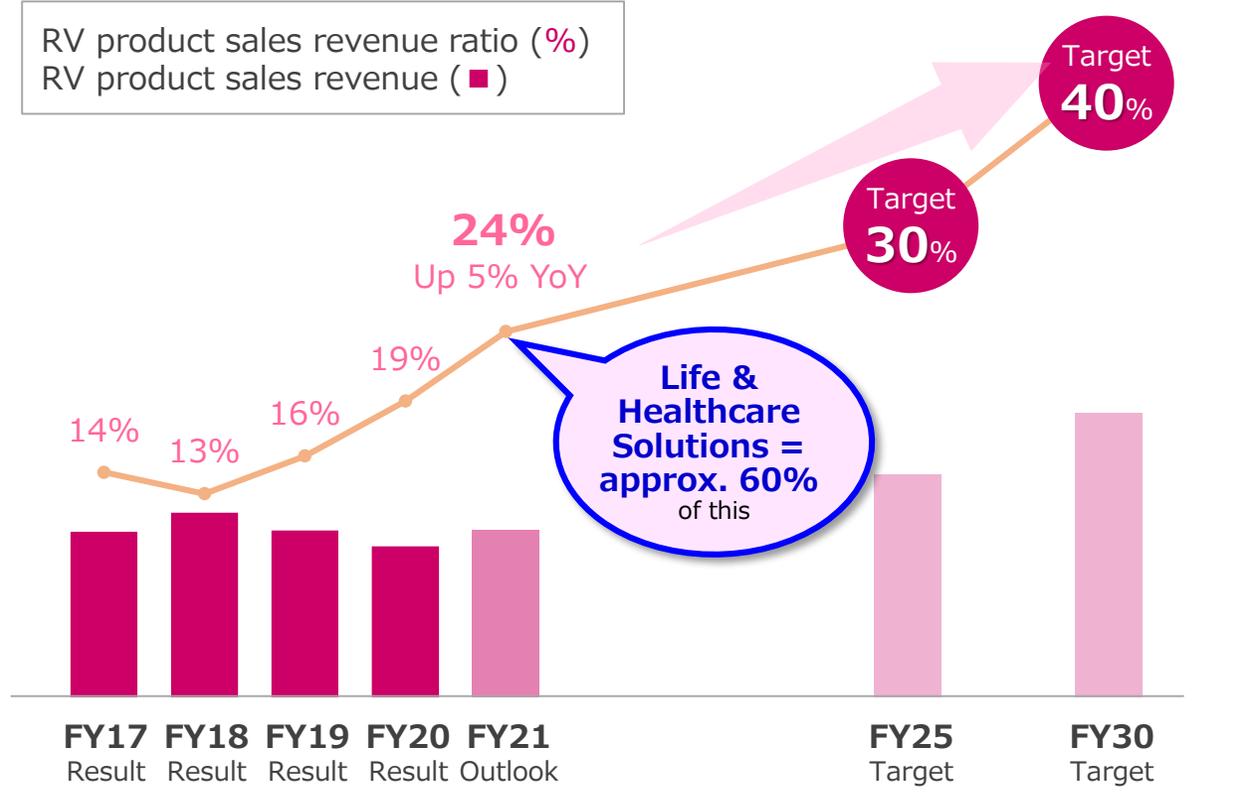
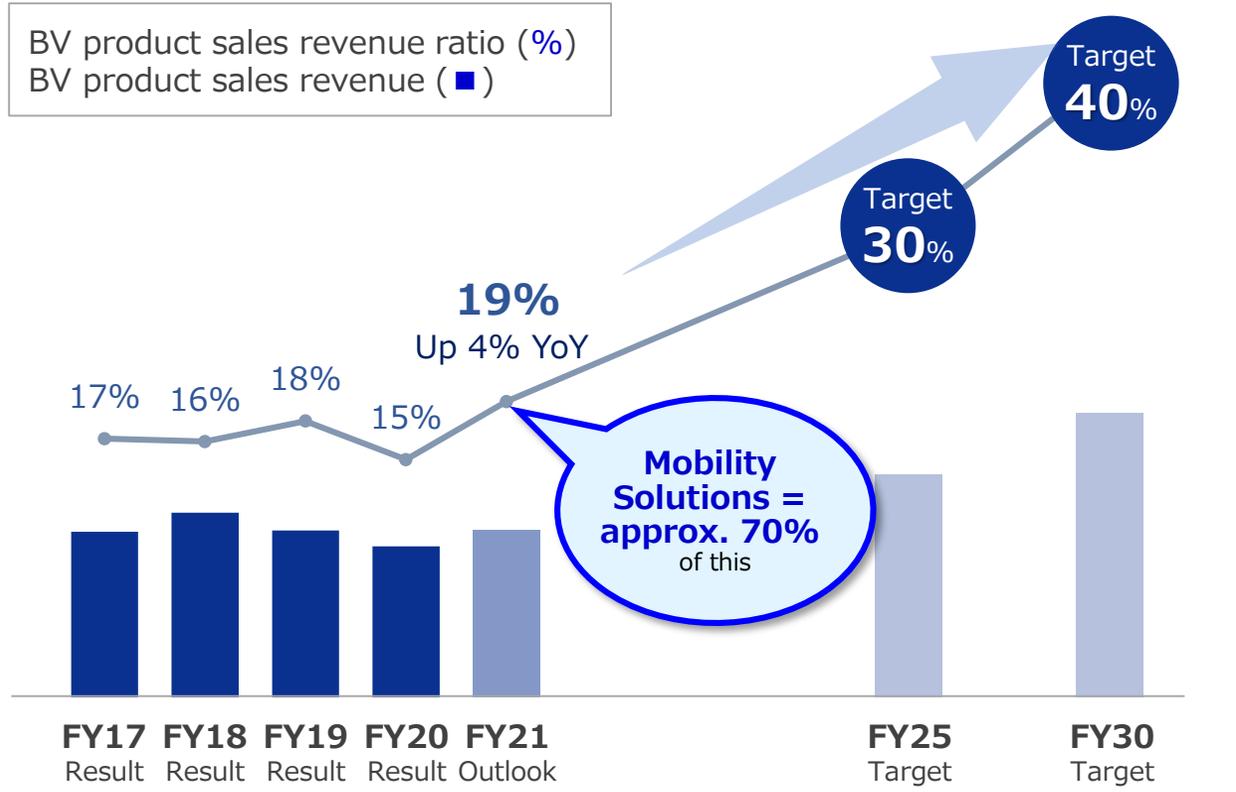
- ▶ Working to improve corporate value by **growing operations for our BV/RV products and services**, which are based on **proprietary metrics**
- ▶ Aiming to have each of these represent around 40% of our consolidated sales revenue by 2030, up from around 20% at present

Environmental Contribution Value **Blue Value™ (BV)**

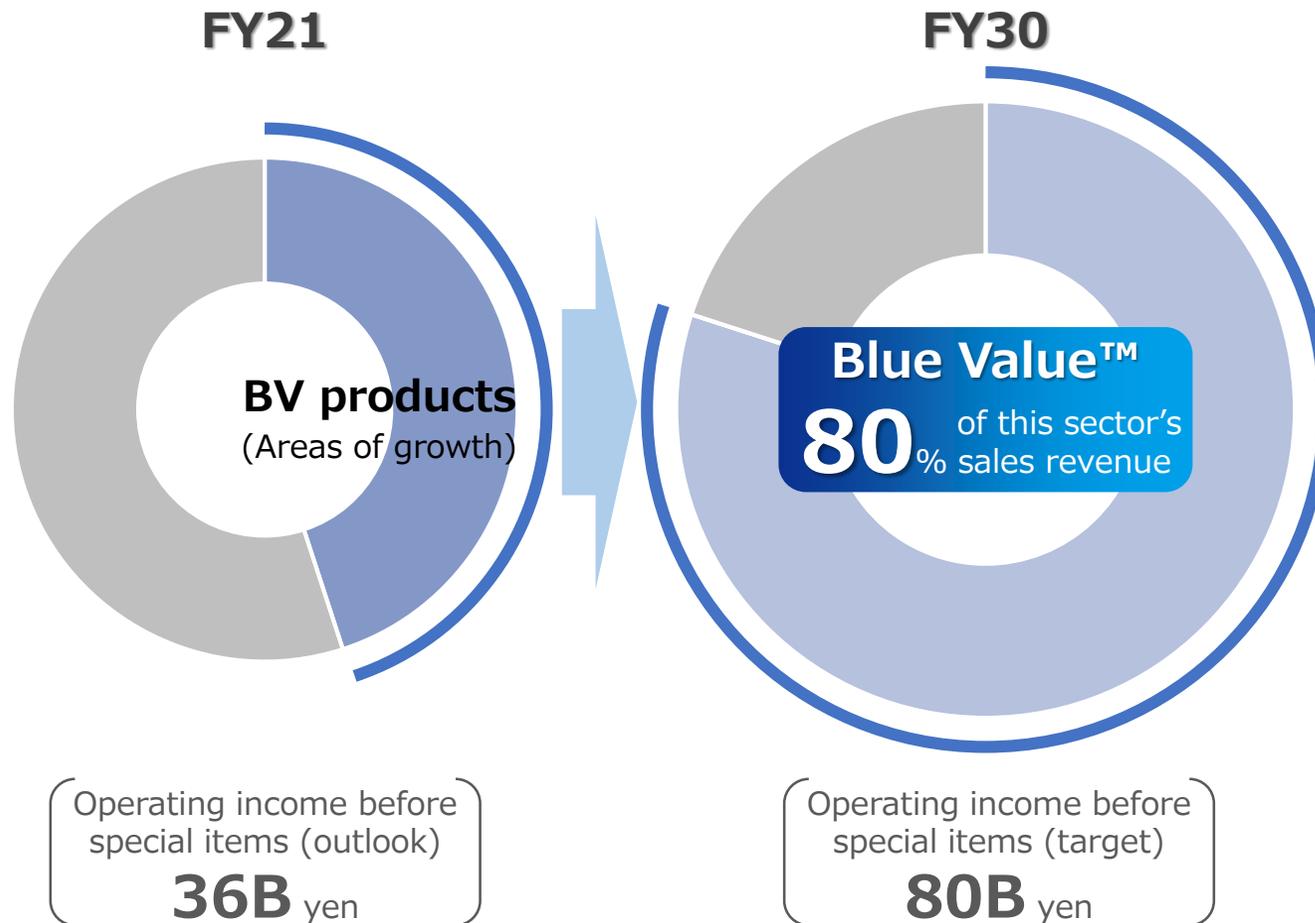
Reducing CO₂ Conserving resources Coexisting with nature

QOL Improvement Contribution Value **Rose Value™ (RV)**

Enriching life and society Extending healthy life-span Protecting food



- ▶ The added value sought after in the mobility sector embodies BV (emissions reduction, 3R, etc.)
- ▶ Looking to expand the scope of contributions from our BV products and services as we work toward achieving free and sustainable means of mobility



Helping solve issues by supplying materials

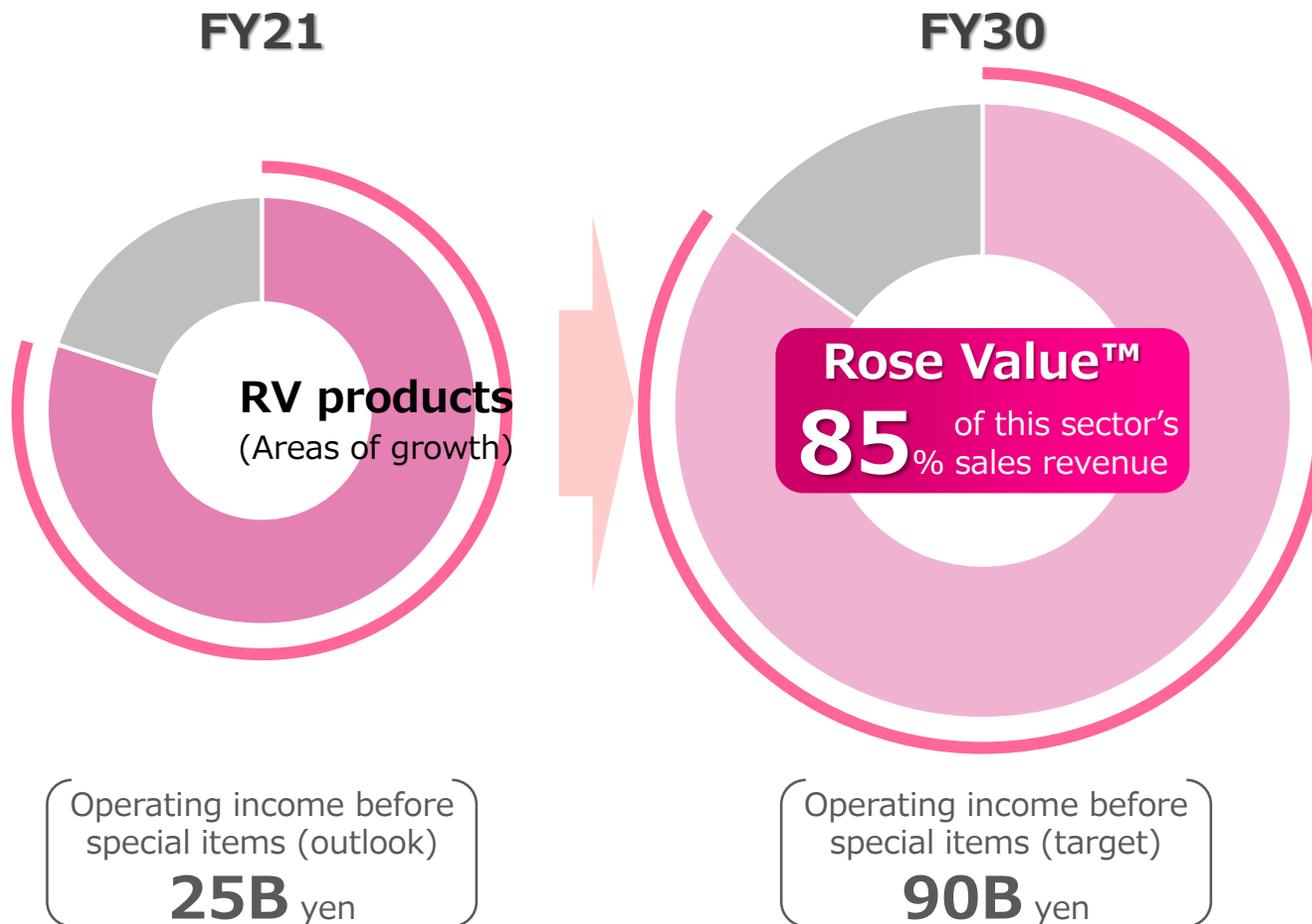
- Reducing vehicle body weight
- Ramping up the use of renewable energy
- Responding to increased battery demand & improving battery performance

Offering solutions that combine materials with services

- Leveraging plans for mass production as we look to develop and offer modular concepts for vehicle bodies, batteries and interior spaces
- Tackling the challenge of mechanical recycling
- Simplifying processes and limiting energy consumption



- ▶ The products and services offered as part of Life & Healthcare Solutions embody RV (livelihood, health, food, etc.)
- ▶ Looking to reliably grasp social issues to further expand our scope of business here



Growing our life care solutions business

- Comfortable vision: further popularizing [high-refractive optical lens materials](#)
- Rolling out [nonwovens for the medical & ICT sectors](#)
- Improved of hygienic environments: offering [high-performance antibacterial and anti-mold agents](#)



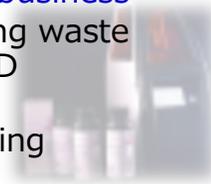
Growing our wellness solutions business

- Increased food supply: [creating agrochemical active ingredients](#) and growing [overseas operations](#)
- Malaria eradication: developing new agent to exterminate carrier mosquitoes
- Consideration of environmental impacts: [fleshing out our portfolio of naturally derived chemicals, etc.](#)



Growing our medical solutions business

- Higher quality medical care & longer healthy life expectancy: entering the [nucleic acid drug CDMO business](#)
- Consideration of environmental impacts: minimizing waste & labor by producing dental prosthetics through 3D printing
- Health promotion, illness prevention, etc.: expanding [operations for oral testing and prevention](#)



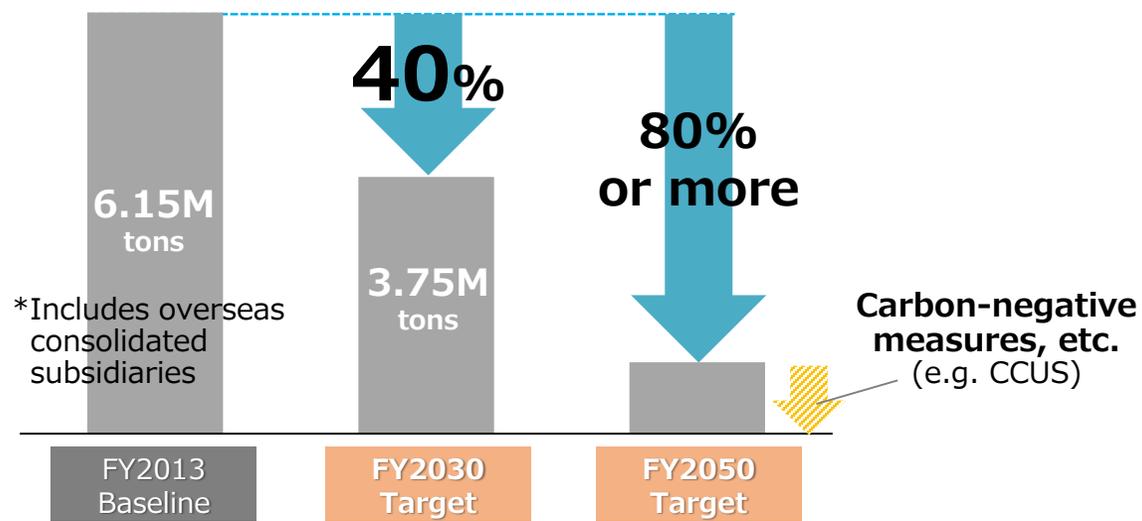
▶ Mitsui Chemicals declared in November 2020 that it will target carbon neutrality for 2050

▶ Plans are to achieve carbon neutrality by reducing in-house GHG emissions while also maximizing avoided emissions

(1) Reducing our GHG emissions
(Scope 1+2)

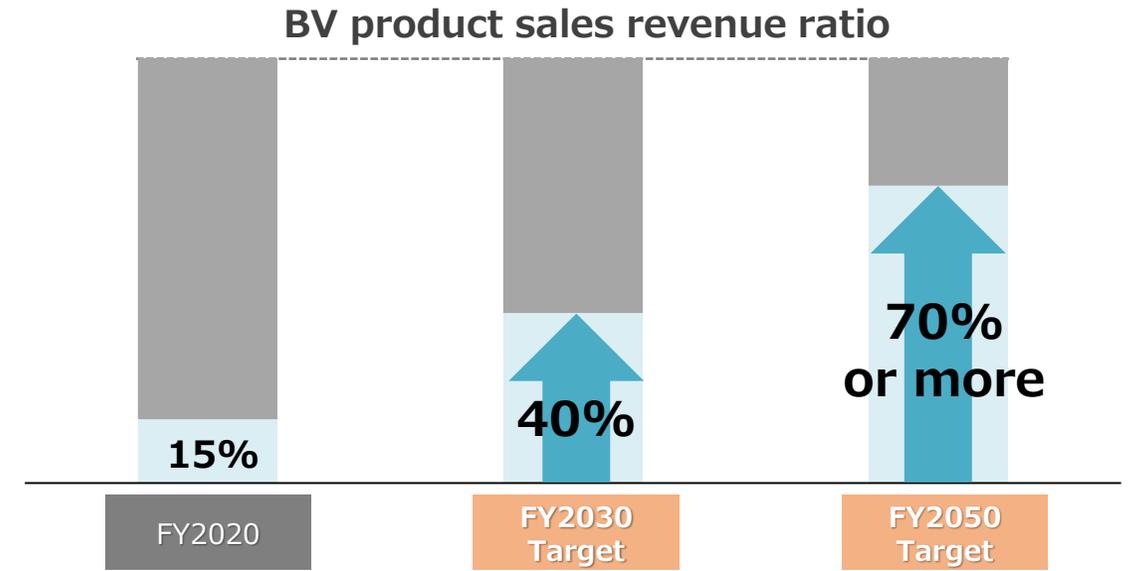


(2) Contributing to society through our products
(Avoided emissions)



Targeting 2050 carbon neutrality by combining emissions reduction measures, carbon-negative measures, etc.

- Project #1: Fuel transition (utilizing ammonia)
- Project #2: Establishing the Mitsui Chemicals, Inc. – Carbon Neutral Research Center



Targeting a maximization of the avoided emissions enabled by BV services & products

- Project #3: Helping reduce CO₂ with BV products
- Project #4: Utilizing biomass, etc.
- Project #5: Promoting recycling
- Project #6: Utilizing digital technology
- Project #7: Branding

- ▶ Getting started on a fuel transition for naphtha cracking, which while a cornerstone of chemical companies involves high emissions
- ▶ Helping reduce CO₂ emissions across the petrochemical industry by getting a cracker with full ammonia combustion implemented in society

Raw materials & fuels

Products

Use of intermediate
to end productsWaste, collection
& recycling

Taking part in demonstration testing for the development of advanced naphtha cracker technologies as part of a NEDO Green Innovation Fund R&D project

- ◆ Changing the fuel used in naphtha crackers **from methane to ammonia** in an effort to make combustion-generated CO₂ as close to zero as possible
- ◆ Possessing both cracker facilities and ammonia, Mitsui Chemicals has been appointed as the project manager here, and will work with Maruzen Petrochemical, Toyo Engineering and Sojitz Machinery in a four-party collaboration
- ◆ Targeting demonstration of an ammonia-dedicated cracker by 2030, with aims to develop an ammonia burner and test cracker by around 2026 before ultimately developing and operating a demonstration cracker by around 2030
- ◆ Since transportation and storage technologies for carbon-free ammonia are already established, it is an easier resource to handle than hydrogen



With sights set on the years beyond 2030, we are working with Kyushu University's I²CNER to speed up the development of technologies for carbon neutrality, as well as the adoption of these technologies in society



Mitsui Chemicals

Expertise relating to the development and industrialization of environmentally friendly technologies



九州大学
KYUSHU UNIVERSITY

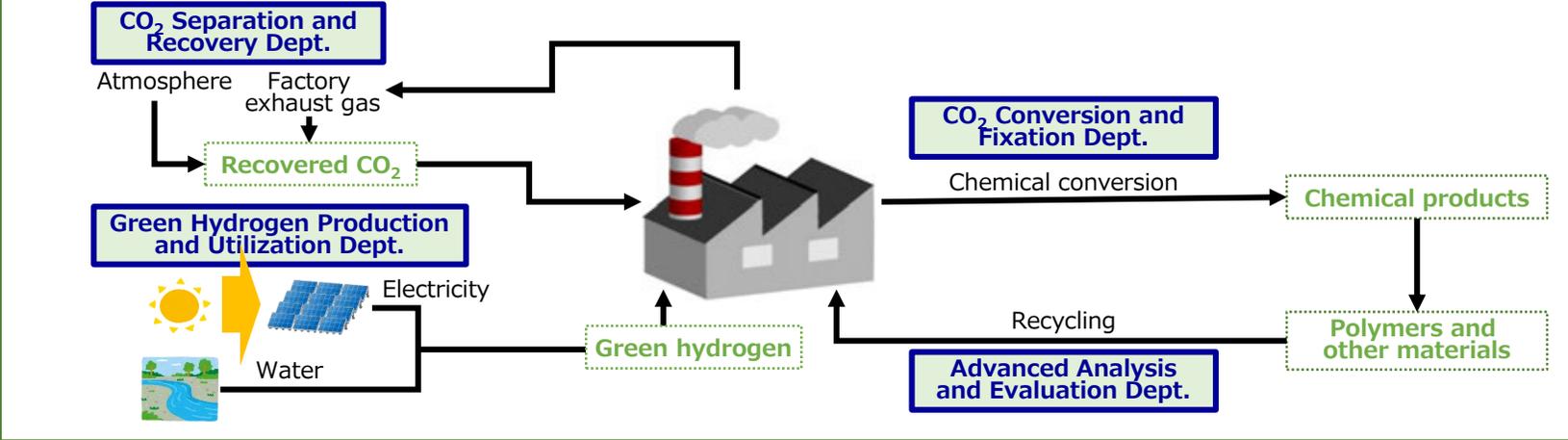
I²CNER

World-leading research results for carbon-neutral and carbon-negative technologies, including green hydrogen as well as carbon capture, utilization and storage (CCUS)



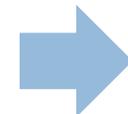
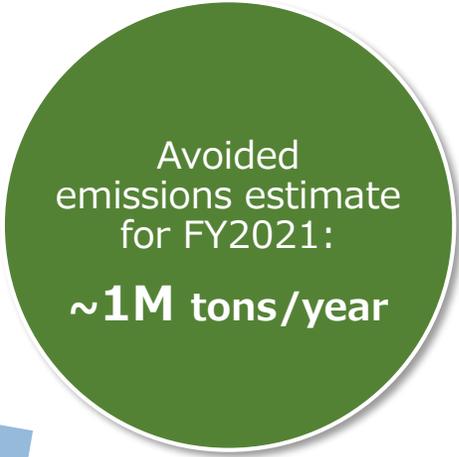
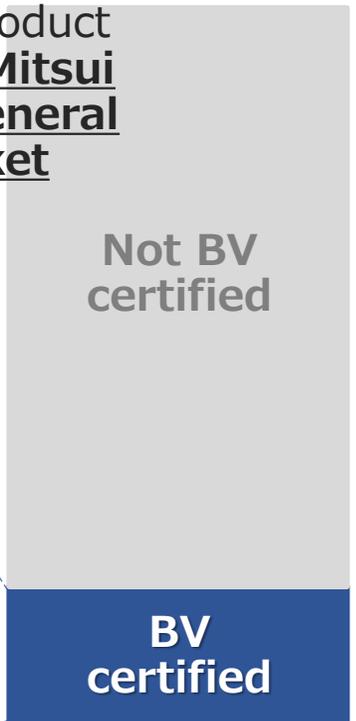
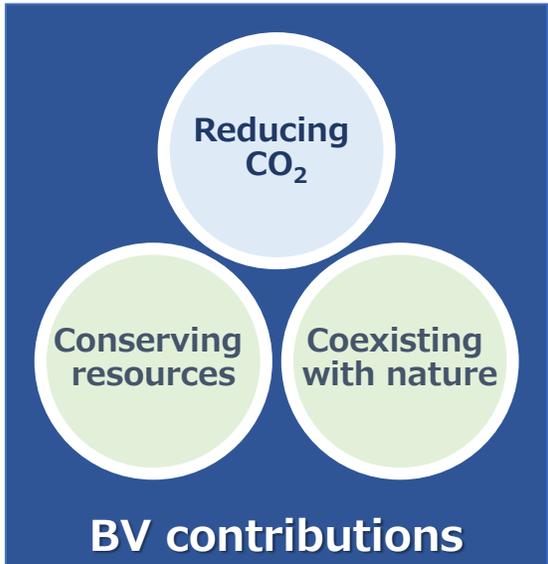
Mitsui Chemicals, Inc. – Carbon Neutral Research Center (MCI-CNRC)

◆ **Developing and acquiring cutting-edge technologies** to contribute to carbon neutrality, and working to **implement and commercialize** these technologies



With BV products estimated to contribute around 1 million tons of avoided emissions per year, we are working to visualize the extent of social contributions from our proprietary technologies & services

Our BV certification criteria indicate that a certified product **beats out conventional Mitsui Chemicals products & general products on the market**



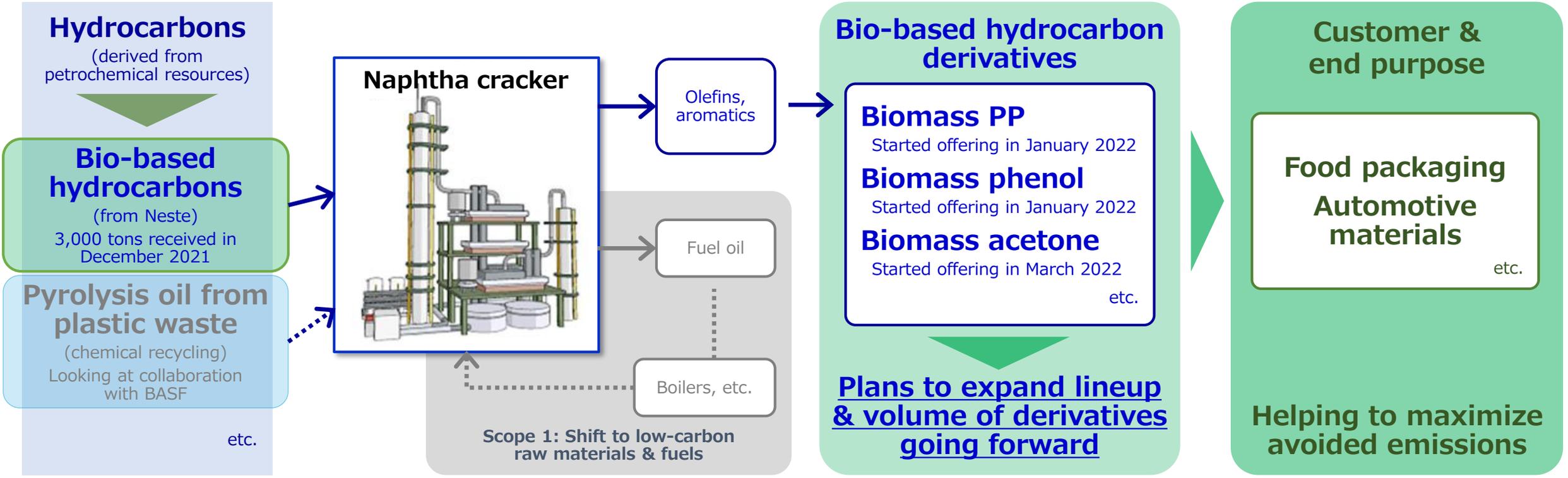
2030, 2050:

As we look to bolster our BV products & services going forward, we will

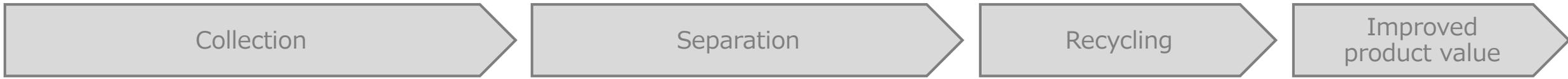
leverage our proprietary technologies & services to increase avoided emissions

Looking to approximately double the proportion of consolidated sales revenue coming from BV products vs. FY2021

Working to bring about a recycling-oriented society and shift to circular economy-based business models by getting bio-based hydrocarbon derivatives in broader use throughout society



To help get recycling firmly embedded in society, we are pursuing collaborations with various partners – such as brand owners and municipal governments – and working simultaneously on creating business models and developing technologies



Joint efforts with municipal governments, etc.

Joint efforts with brand owners

- **Participation in J-CEP** Planning demonstration testing for the collection and recycling of resources at a community space in Kobe
- **Collaboration with HK1896** Working to get recycling implemented in society by leveraging ties with municipal governments (Ichihara & Nagano) as part of the “Green Composite Hills by hide k 1896” project

Development/acquisition of recycling-related technologies

Improving the quality of recycled raw materials

Removal of contaminants, printing, coating films, etc.

Technologies essential to popularizing & promoting recycled products

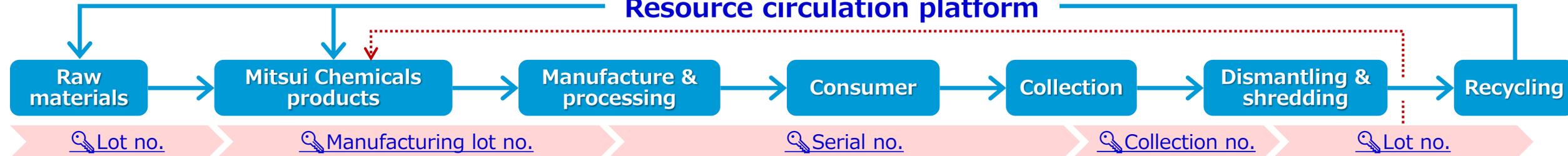
Monomaterial designs, compatibilization technologies, technologies for improved physical properties, addition of traceability, etc.

New recycling technologies

Partnerships with BASF & Microwave Chemical in aim of commercializing chemical recycling technologies for plastic waste

Utilizing blockchain technology to provide **traceability** throughout the supply chain, with this helping in turn to improve the quality of products made from recycled materials and encourage the take-up of such products throughout society

Resource circulation platform



Providing safety & security

■ Ensuring data authenticity

Manages highly transparent and secure data

■ Guaranteeing data on product history

Enables safety certification for recycled materials by e.g. helping check whether records of toxic substance use exist

Makes it possible to confirm that products used are getting recycled after use



Reducing the costs of participating companies

■ Optimizing business

Lets users go paperless, optimize related operations by adopting workflows and cut costs

■ Moving to shared platforms

Allows related companies to adopt unified platforms as a measure to minimize the expenses and labor needed for development and systemization



Achieving reliable supply

■ Giving real-time overviews

Lets users see the location of recycled resources in suitable fashion

Encourages domestic resource circulation and helps build a stable, sustainable system

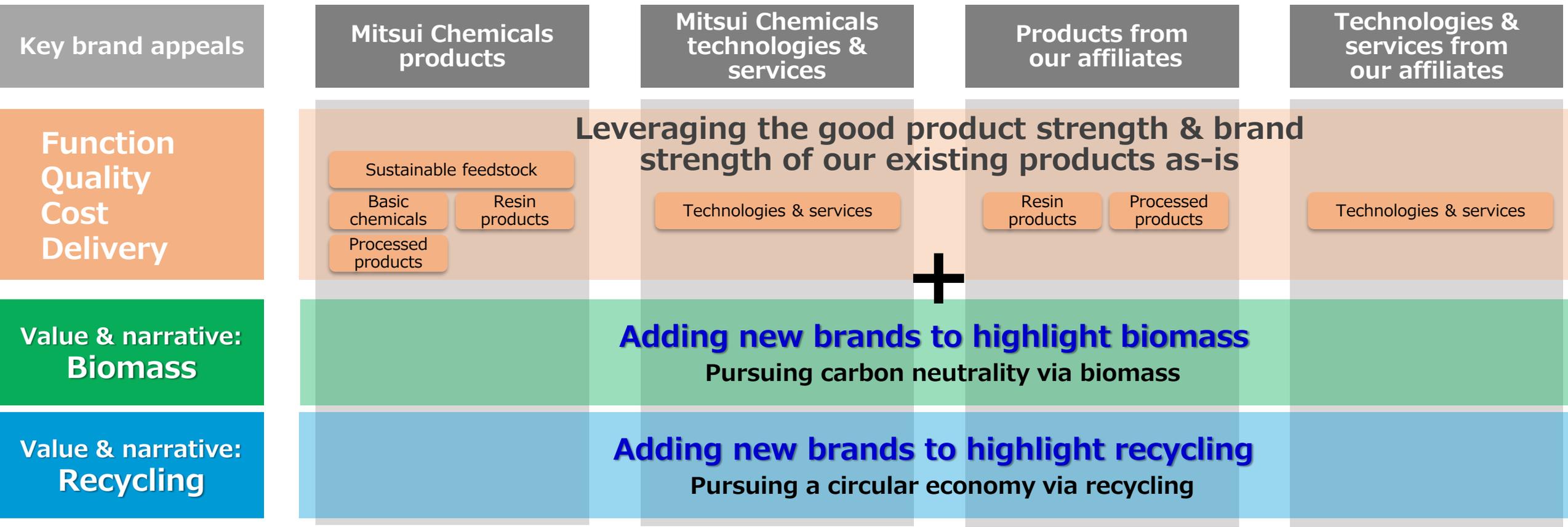
■ Opening up new sales outlets

Creates the possibility of opening up new, currently unused transactional routes based on analysis of historical data

Building new **concept brands** to show off value while leveraging the product strength and brand strength of existing products

Goal

Pursuing cross-group branding to let us better communicate value and narrative to stakeholders as we look to contribute to carbon neutrality and a circular economy by way of our value chain



素材の
素材まで
考える。

We're reshaping the world from a material level

Carbon neutrality via biomass



Bio & Eco Solutions for PLAYERS
aiming toward Carbon Neutrality



Circular economy via recycling



Recycling Solutions for PLAYERS
aiming toward Circular Economy



Developing aerial-display POS registers that use transparent adhesive as part of our efforts to grasp social issues, create solutions based on the value of materials, and achieve new partnerships and innovation

Solutions from Mitsui Chemicals
Structbond™
(transparent adhesive)

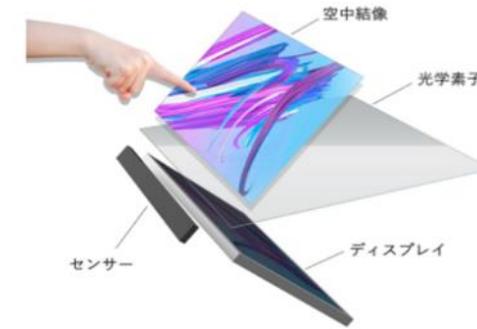


Aerial-display POS registers

- ① Planning proposal
- ② Project leading
- ③ Technical support

Trial launched at 7-Eleven stores

- Provides a new retail experience
- Lets staff operate registers safely and with peace of mind
- Optimizes register counter space



Mitsui Chemicals

Seven-Eleven
Asukanet

Mitsui & Co. Plastics
Toshiba Tec
Kanda Kogyo

Growing **solutions-based** businesses

Growing businesses that contribute to **health and livelihood**

Acquiring **partnerships**

Pursuing **innovation**

Getting the Mitsui Chemicals Material Oriented Laboratory (MOLp™) – a cross-departmental open laboratory – to recompile the value and appeal of materials, allowing society and stakeholders to discover new value



June 2016:
Interior Lifestyle Tokyo exhibition



April 2017:
First exhibition at Milan Furniture Fair (with Keio University's SDM)



March 2018:
First solo exhibition (MOLp Café 2018)



September 2018:
First time at Paris Fashion Week (with ANREALAGE)



November 2018
First Good Design Award



December 2018:
First time receiving World Business Satellite's annual "Trend Tamago" award



August 2019:
First arts festival appearance (Aichi Triennale)



January 2020:
Collaboration with Fendi (for Milano Collection)



December 2021:
First branding award (Japan Branding Awards 2021)



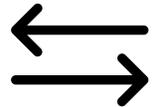
Human Resources Strategy

Mitsui Chemicals, Inc.
Senior Managing Executive Officer & CHRO
ANDOU Yoshinori

2022.04.08

- ▶ **1. Human Resources Strategy Overview**
- ▶ **2. Priority Issues & Key Policies**

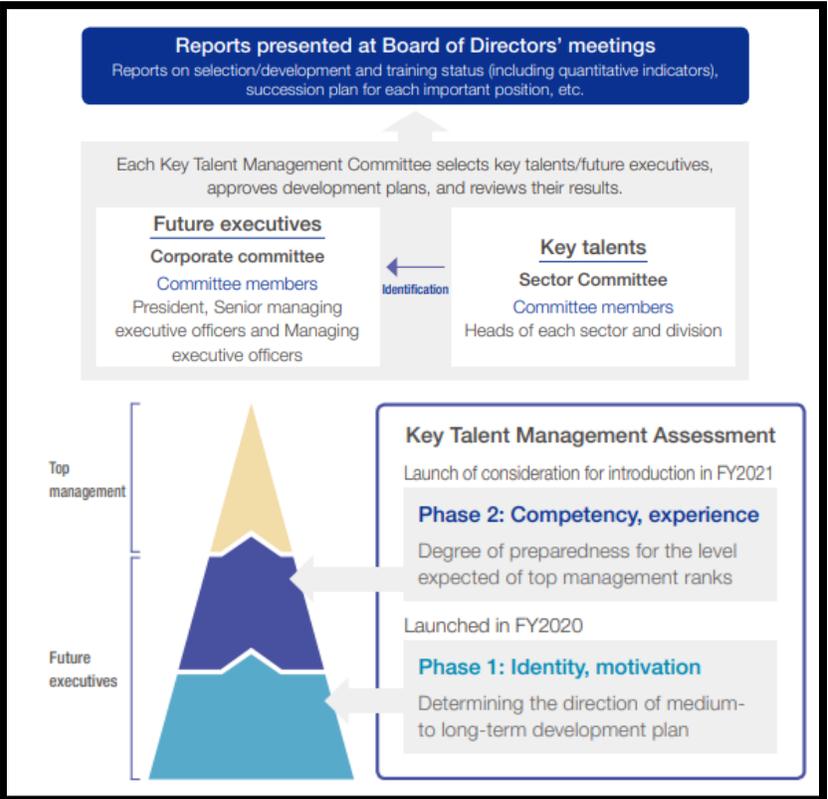
- ▶ Bringing about a human resources strategy & human resources policies that are **effective** and can respond to management strategy changes in agile fashion
- ▶ Looking to become an organization that places great value on the **power of individuals**; embodies the ideas of **taking initiative, having a sense of duty and maintaining a collaborative structure**; and is **always striving for further heights**

Our ideal vision for 2030	Priority issues & key policies under our human resources strategy	Non-financial KPIs (2030)
 <p>The ability to work with customers and partners to acquire, train and retain human resources who can help create businesses linked to social issues</p>	<p>1</p> <ul style="list-style-type: none"> ● Strategic acquisition, training and retention of diverse management candidates^{*1} 1 <ul style="list-style-type: none"> • Pursuing key talent management & job-based human resources management ● Design of a human resources portfolio linked to our ideal business portfolio <ul style="list-style-type: none"> • Training human resources for a digital transformation (165 specialized human resources) 	<ul style="list-style-type: none"> ① Strategically critical positions <ul style="list-style-type: none"> • Successor coverage rate of 250% ② Diversity 2 <ul style="list-style-type: none"> • 10 or more executive officers of diversity^{*2} (including 3 or more women) • 15% of managers^{*3} to be women 3
 <p>A corporate culture that increases the engagement of human resources and converts this engagement into organizational strength</p>	<p>2</p> <ul style="list-style-type: none"> ● Organization that embodies the ideas of taking initiative, having a sense of duty and maintaining a collaborative structure 4 <ul style="list-style-type: none"> • Pursuing new work styles to provide the “best mix” • Continuing activity to improve engagement scores • Bringing in evaluation and commendation systems that cultivate a culture of tackling change 	<ul style="list-style-type: none"> ③ Engagement score 5 <ul style="list-style-type: none"> • 50% (group & global)
 <p>Effective human resources governance for the Mitsui Chemicals Group, and the ability to express the value of the Group’s human capital both in-house and externally</p>	<p>3</p> <ul style="list-style-type: none"> ● Improved human resources governance for dealing with the likes of M&A 6 ● Creation of an integrated group-wide platform for human resources 	<p style="text-align: center;">—</p>

Strategic acquisition, training and retention of diverse management candidates

▶ **Concept of key talent management established as part of our organizational culture (following introduction in FY2016)**

Setup for key talent management



FY2021 results

Divisional committees:
10 committees

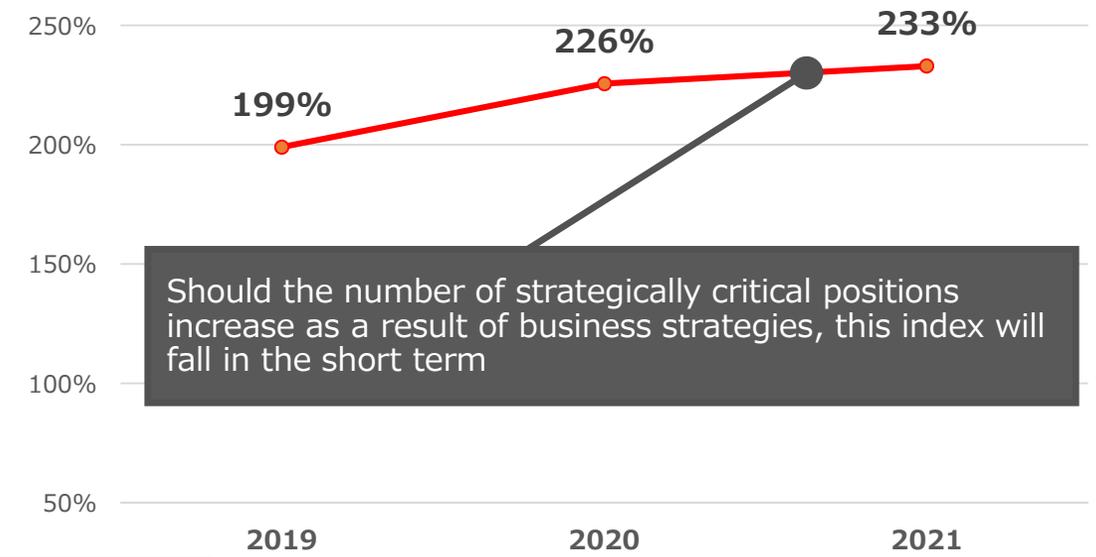
Key talent*1:
Approx. 2%

Successor candidates:
Approx. 0.5%

**Diversification rate*3:
Approx. 20%**

Successor coverage rate (VISION 2030 non-financial KPI)

2030 target: successor coverage rate of 250% across strategically critical positions
(In-house index based on ISO 30414)
Number of successor candidates for strategically critical positions*2 divided by number of strategically critical positions



Leading index with regard to executive officers of diversity

*1 Future candidates for positions at the MCI business sector president level
 *2 Positions seen as being important to achieving business strategies as we work to carry out VISION 2030. Authorized by our Company-wide Key Talent Management Committee
 *3 Proportion of management candidates who are women, foreigners or recruited mid-career

Executive officers of diversity

- ▶ Adding human resources with diverse experiences and values to our officer ranks in order to improve our capability to create value

**VISION 2030
non-financial KPI:
Executive officers
of diversity**

**Executive officers of diversity (women, foreigners and employees recruited mid-career):
10, including 3 or more women**

**Diversity among
our executive officers
as of FY2022**

Women	1
Foreigners	1
Recruited mid-career	1
Total	3

Newly appointed woman



MATSUE Kaori
Executive Officer
General Manager,
Production &
Technology Center

Newly appointed foreigner



Antonios GRIGORIOU
Executive Officer
Representative
in America
President, Mitsui
Chemicals America

Newly appointed mid-career recruit



SAMBE Masao
Managing
Executive Officer
Sector President,
Digital Transformation
Sector

Proportion of managers to be women by 2030

▶ Implementing various activities to train women as managers, including (1) changing the mindsets of women and (2) changing the mindsets of managers

(1) Providing opportunities to meet role models

Conversation with female leaders: Taking Leadership

Speakers:
(Top right) MATSUE Kaori
Manager, RC & Quality Assurance Division (Top left) TSUBOI Hiromi
Silicon Valley Office, Mitsui Chemicals America

ファシリテーター
(Bottom left) MIZUHARA Naomi
Talent development team leader, Global Human Resources Division

President HASHIMOTO Osamu joined in as a surprise.

Conversation with female managers

Working in Management While Parenting

NAOI Atsuko
Team leader, Mitsui Chemicals Agro, Inc.

SEKIGUCHI Michiru
Deputy General Manager, Corporate Sustainability Division

(1) + (2) Showing the dedication of management on this front

Diversity talk with Director YOSHIMARU and Senior Managing Executive Officer ANDOU

YOSHIMARU Yukiko, Outside Director

ANDOU Yoshinori,
Senior Managing Executive Officer

(2) Changing the mindsets of managers

A Father's Guidebook to Childcare

Mitsui Chemicals Human Resources Division



Selected for fourth year straight



New work styles to provide the "best mix"
▶ Going from optimization to policies aimed at improving output quality and employee engagement

Improved labor productivity = higher competitiveness

Optimization

Work style reform: Phase I

President's Work Style Reform Declaration (2017)

- Reducing overtime
- System of flexible hours
- Introducing telework system
- Encouraging days off

COVID-19

Improving output quality & engagement

Work style reform: Phase II onward

"Taking initiative, having a sense of duty and maintaining a collaborative structure"
Combining the power of individuals to form an organization of comprehensive strength

Human resources strategy

Adopting casual dress

August 2020 onward



Corporate culture

Guidelines for side-jobs

January 2021 onward

Building up various experience outside of Mitsui Chemicals to expand horizons and develop abilities
Over 30 people so far

Business operation system

Making our expanded telework system permanent

April 2021 onward



Evaluation system

New results evaluations

April 2022 onward

Introducing reform-oriented targets to promote a can-do attitude
Balanced evaluations

Open calls for opportunities

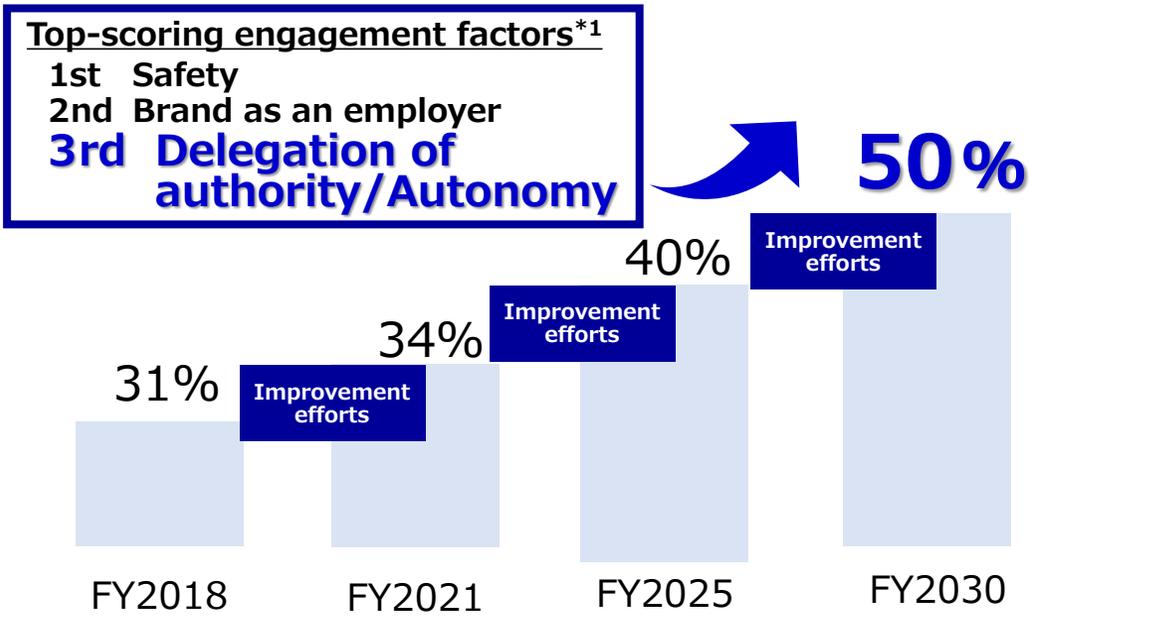
May 2021 onward

Providing employees with various opportunities and options to enrich their careers
70 applicants

Pursuing systems and infrastructure that will facilitate the **best mix** of work styles for each country and region

Global employee engagement score
▶ Looking to reach 50% by 2030 while leveraging the Mitsui Chemicals Group's unique focus on **delegation of authority and autonomy**

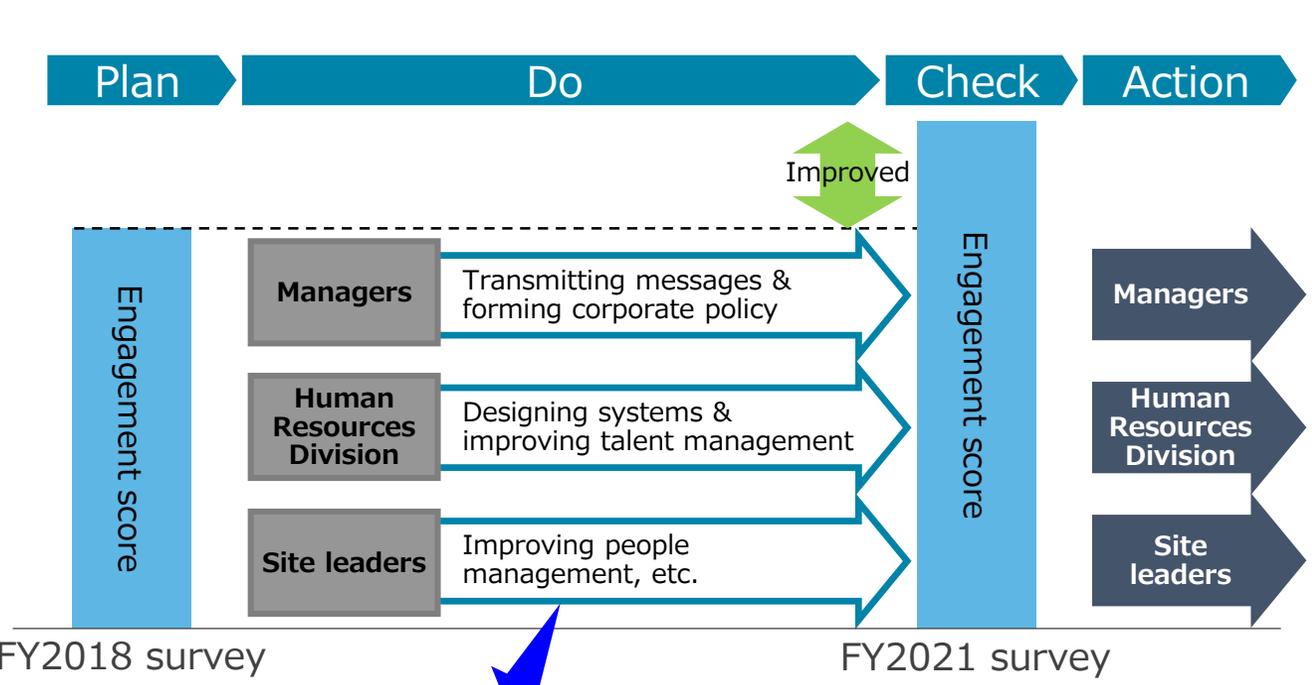
Engagement score (VISION 2030 non-financial KPI)



Group-wide, global survey participation rate (FY2021):
88% (16,684/19,098 employees)

*1 Highest scoring factors across the entire Group, domestically & overseas. Excludes observance of rules & regulations.

Continued implementation of improvement efforts on a Group-wide, global level



Reworking our HR training	Revising our remuneration system	Training in-house case evaluators
Holding career get-togethers	Giving cards for good work	Offering in-house internships

Post-survey action rate : **~96%** (FY2018)

Establishment of a group-wide integrated human resources platform

▶ Building an ideal business portfolio and encouraging employees to undertake autonomous career development

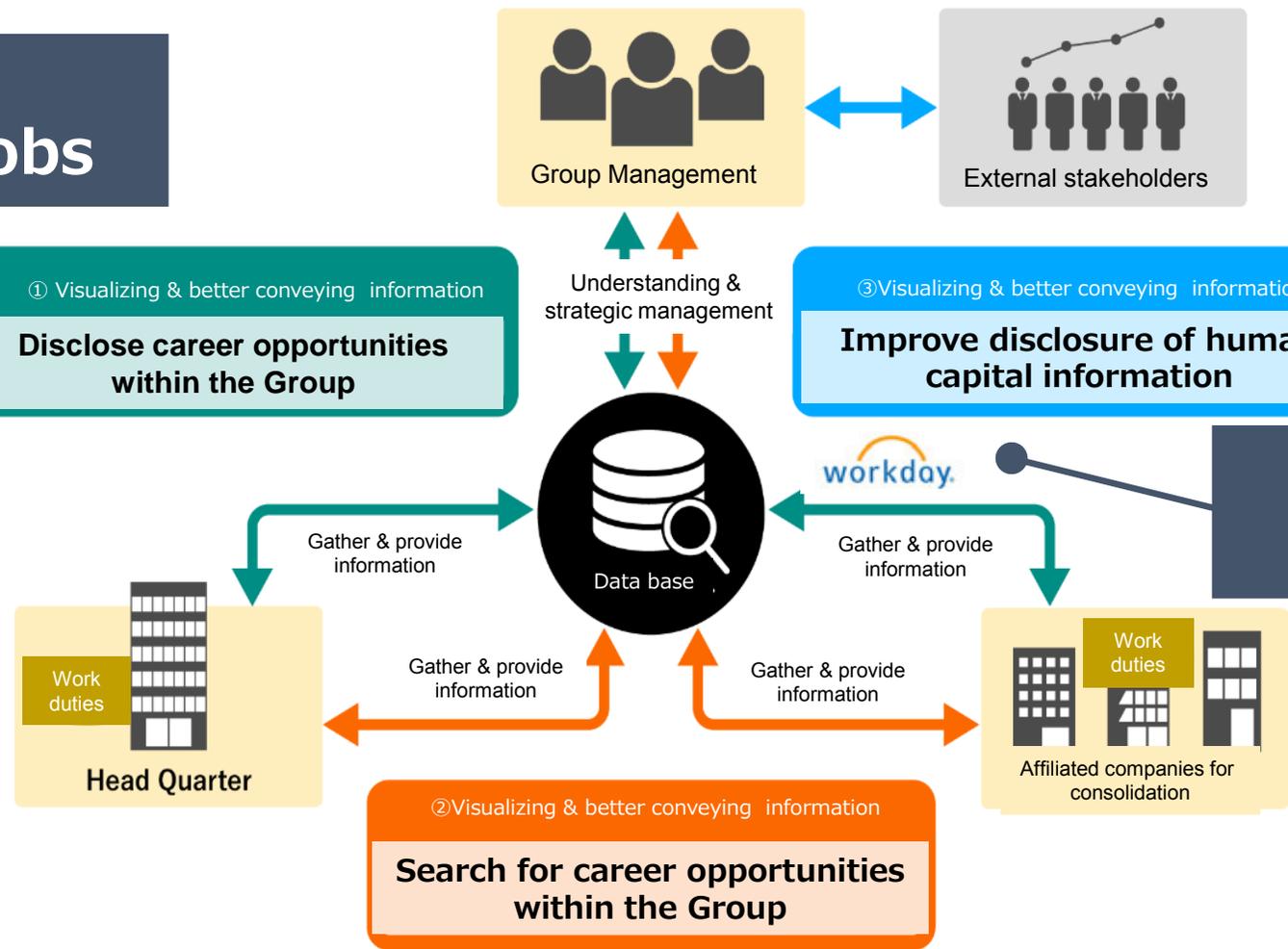
20,000 positions/jobs

① Visualizing & better conveying information
Disclose career opportunities within the Group

③ Visualizing & better conveying information
Improve disclosure of human capital information

② Visualizing & better conveying information
Search for career opportunities within the Group

- From organization to employee
- From employee to organization
- From organization to external bodies





Mitsui Chemicals
Group

Corporate Governance Framework

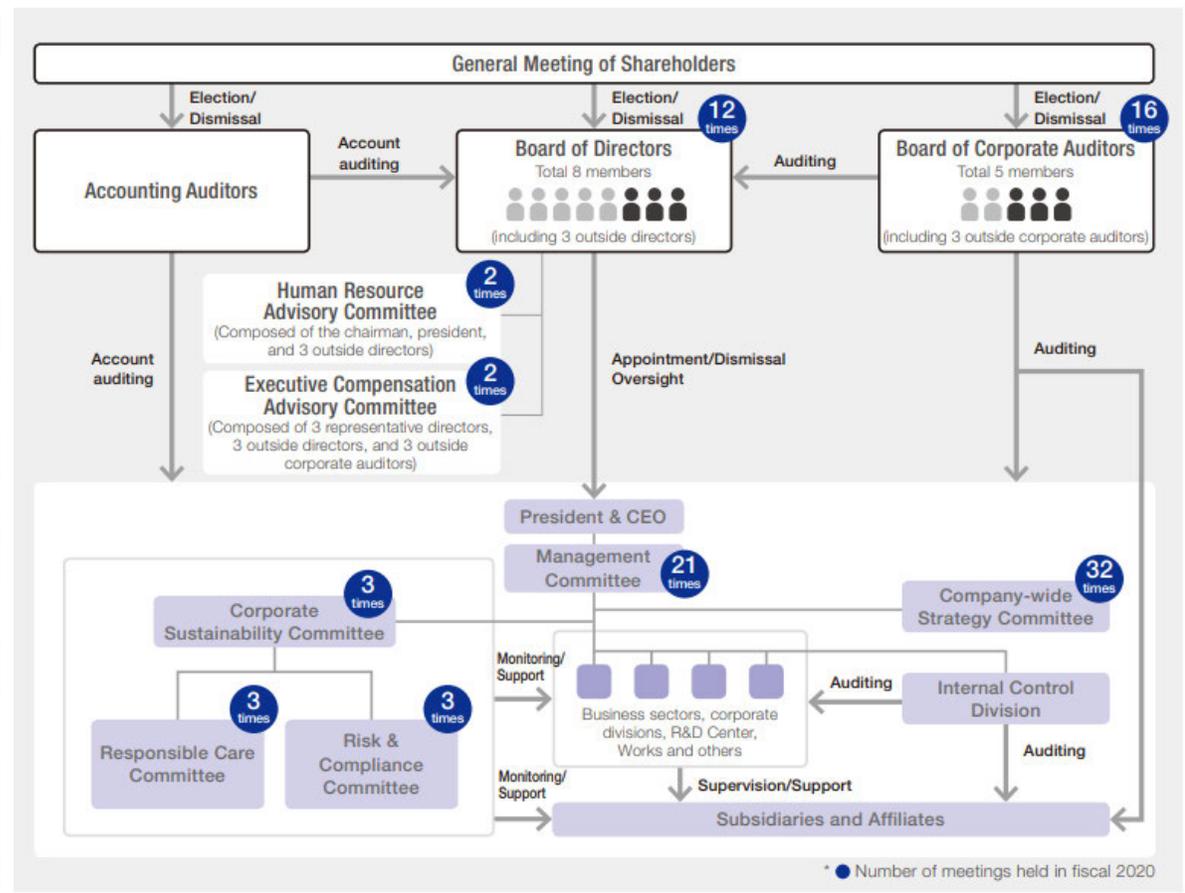
Mitsui Chemicals, Inc.
Member of the Board,
Senior Managing Executive Officer & CFO
NAKAJIMA Hajime

2022.04.08

- ▶ **1. Corporate Governance**
- ▶ **2. Effectiveness of the Board of Directors**

As we at the Mitsui Chemicals Group work toward achieving our Corporate Vision, we are carrying out continued reforms in aim of more effective corporate governance, looking through this to achieve both sustainable growth and medium-to long-term improvement of our corporate value

	1997	2000	2005	2010	2017	2018	2019
Corporate Mission	● 1997 Formulated Corporate Mission						
Separation between business execution and management oversight			● 2003 Introduced an executive officer system		● 2016 Increased delegation of authority to executive officers		● 2019 Increased delegation of authority
Number of directors	Approximately 30-40		Approximately 15		Approximately 10		
Number of outside directors	1-2		Increased to 2-3				
Number of outside corporate auditors	2		Increased to 3				
Executive compensation/ Executive officer appointments			● 2005 Established Executive Compensation Advisory Committee (ensuring validity of executive compensation and transparency of performance evaluations)			● 2017 Introduced a Restricted Stock Compensation Plan (incentives for sustainable improvement of corporate value) ● 2017 Established a Human Resource Advisory Committee (ensuring transparency in officer appointments)	
Related committees	● 1997 Established Responsible Care Committee		● 2005 Established CSR Committee		● 2018 Renamed to Corporate Sustainability Committee		
			● 2001 Established Risk Control Committee		● 2007 Established Risk & Compliance Committee		
Other							● Selected as Winner Company in the Corporate Governance of the Year 2019 awards



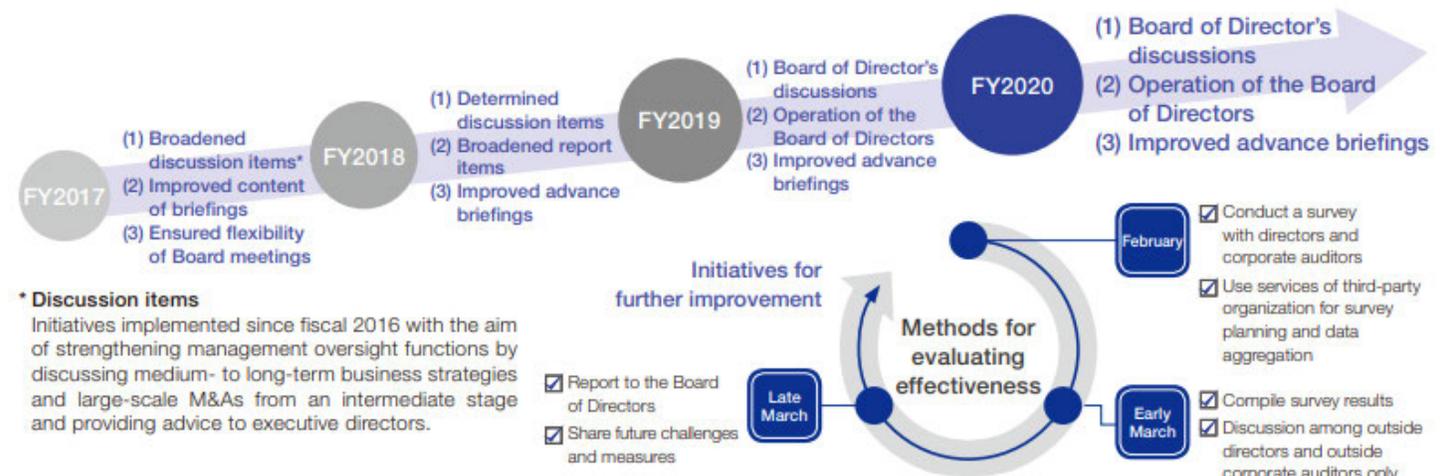
* ● Number of meetings held in fiscal 2020

- ▶ **Number of directors: 12 or less, as stipulated by our Articles of Incorporation, with a more specific decision then made based on considerations of what would be an appropriate scale for our Board of Directors**
- ▶ **Outside directors: Multiple, not only to let the management policies of Mitsui Chemicals reflect the abundant expertise and experience to be found outside the company but also to improve the effectiveness of our management oversight**
- ▶ **Executive directors: Selected to ensure balanced business experience in vital areas, without regard to factors such as gender, race or nationality**

	Position at MCI	Term of office	Independence	Specialties and experience						
				Corporate management and planning	Production and technology /R&D	Global business	Marketing	HR/Labor management	Finance/accounting	Legal/risk management
TANNOWA Tsutomu	Representative director	9 years		●		●	●	●		
HASHIMOTO Osamu	Representative director	3 years		●		●	●	●		
MATSUO Hideki	Representative director	5 years		●	●	●				
NAKAJIMA Hajime	Member of the Board	1 year		●					●	
YOSHINO Tadashi	Member of the Board	—		●	●	●	●			
BADA Hajime	Member of the Board	5 years	●	●	●	●				●
YOSHIMARU Yukiko	Member of the Board	2 years	●	●		●		●		●
MABUCHI Akira	Member of the Board	—	●	●	●	●				●
ISAYAMA Shigeru	Full-time Corporate Auditor	3 years		●	●	●	●			
KUBO Masaharu	Full-time Corporate Auditor	1 year		●					●	●
SHINBO Katsuyoshi	Corporate Auditor	4 years	●			●				●
TOKUDA Shozo	Corporate Auditor	4 years	●			●			●	●
FUJITSUKA Mikio	Corporate Auditor	2 years	●	●		●			●	●

(as of June 2021)

- ▶ We analyze and evaluate the effectiveness of our Board through methods such as self-evaluations performed by directors and corporate auditors, as well as discussions only among outside directors and outside corporate auditors.
- ▶ We endeavor to strengthen our Board's capabilities for management oversight by utilizing relevant results to carry out efforts aimed at further improvement.



Measures taken by the Board in FY2020

- Increasing the number of discussions about important matters from the intermediary stage onward
- Exchanging opinions with outside directors beyond just the Board environment
- Increasing the frequency of status reports on the execution of duties

Measures acknowledged for the future in FY2020

- ☐ Enhancing discussions on medium- to long-term business strategies
- ☐ Improving operations to deepen discussions at Board meetings
- ☐ Revising the frequency of meetings

Progress made for FY2021

- Intermediary discussions undertaken by the Board: 6 (7 in FY2020)
- Exchanges of opinions outside of the Board: 1 (0 in FY2020)
- Status reports on the execution of duties: 12 (9 in FY2020)
- ☐ Discussions on medium- to long-term strategy: 7 (4 in FY2020)
- ☐ Advance briefings before Board meetings: 18 (14 in FY2020)
- ☐ Number of Board meetings: 15 (12 in FY2020)

Main topics for FY2020

- Revising our Long-Term Business Plan for 2030
- Taking measures against climate change
- Taking measures against COVID-19

- Various projects
- Quarterly results
- Monthly execution plans (with 3–6 month earnings forecasts)
- Quarterly reports on internal controls
- Status reports on the execution of duties
- Key talent management
- Cross-shareholdings (ownership and sale)
- Results from our Evaluation of the Effectiveness of the Board of Directors

...

(12 Board meetings, 34 agenda items, 7 discussions, 32 reports, 26 advance briefings)



Main topics for FY2021

- Revising our Long-Term Business Plan for 2030
- Determining non-financial metrics for 2030
- Creating a carbon neutral roadmap
- Bolstering our infrastructure for DX
- Revising our Corporate Governance Code

- Various projects
- Quarterly results
- Monthly execution plans (with 3–6 month earnings forecasts)
- Quarterly reports on internal controls
- Status reports on the execution of duties
- Key talent management
- Cross-shareholdings (ownership and sale)
- Results from our Evaluation of the Effectiveness of the Board of Directors

...

(15 Board meetings, 44 agenda items, 6 discussions, 40 reports, 32 advance briefings)

- ▶ Self-evaluation scores from Board members and auditors as part of the FY2021 Evaluation on the Effectiveness of the Board of Directors are largely the same as those seen in the previous fiscal year.
- ▶ We have verified that efforts to bolster the Board's capabilities for management oversight are bringing about improvements and stimulating operations, and we evaluate in turn that the effectiveness of the Board will continue to be secure going forward.

Measures acknowledged for the future through the 2021 Evaluation

- Enhance Board of Directors monitoring with regard to progress toward VISION 2030
- Enhance risk management to help deal with the risks that will grow alongside our business domains as we pursue VISION 2030
- Decide on timings, materials, etc. for advance briefings to deepen and enhance Board discussions; additionally, revise times of Board meetings

Views from our outside directors and outside corporate auditors

- A better balance could be struck between questions at advance briefings and discussions at Board meetings
- With the increasing number and complexity of topics to consider, sufficient time should be set aside to take a close look at documents in advance
- While sufficient time was spent on discussing VISION 2030, effort should also be made to better monitor progress on this front going forward
- Governance (risk management) could be enhanced so as to better deal with the Mitsui Chemicals Group's growth and expansion



MCI's Management & ESG Efforts From the Perspective of an Outside Director

Mitsui Chemicals, Inc.
Member of the Board

YOSHIMARU Yukiko

2022.04.08

- ▶ **1. Self-Introduction**
- ▶ **2. MCI's Management & ESG Efforts From the Perspective of an Outside Director**

Outside Director

YOSHIMARU Yukiko

April 1982: Joined Oki Electric Industry Co., Ltd.

April 1998: Director of Oki America Inc.
Head of New York Office of Oki Electric Industry Co. Ltd.

October 2004: General Manager of Diversity Development Office of NISSAN MOTOR CO., LTD.

April 2008: Joined Nifco Inc.

June 2011: Executive Officer of Nifco Inc.

April 2018: Outside Director of Sekisui House, Ltd. (to present)

June 2019: Member of the Board of Mitsui Chemicals, Inc. (to present)

June 2021: Outside Director of Daiwabo Holdings Co., Ltd. (to present)

Significant concurrent positions: Outside Director of Sekisui House, Ltd.
Outside Director of Daiwabo Holdings Co., Ltd.



- **Evaluation of Mitsui Chemicals' activities from an outside perspective**
- **Areas discussed when formulating VISION 2030, and areas that should be strengthened as the company moves to execute this plan**
- **Hopes with regard to Mitsui Chemicals, and topics to focus on going forward**

- **Evaluation of Mitsui Chemicals' activities from an outside perspective**
 - ✓ The potential to respond to change – an ability that has underpinned the company's 110-year history
 - ✓ The resources and strong determination to contribute to society by way of chemicals
 - ✓ A strong and diverse Board of Directors – as well as a PDCA approach targeting further improvements to effectiveness – in order to support and oversee the above

- **Areas discussed when formulating VISION 2030, and areas that should be strengthened as the company moves to execute this plan**
 - ✓ Milestones and modeling to help in carrying out the plan
 - ✓ Further strengthening and evaluation of management foundations
 - ✓ Manager evaluation and remuneration to help in pursuing the plan

- **Hopes with regard to Mitsui Chemicals, and topics to focus on going forward**
 - ✓ Use of chemicals to contribute to the global environment through **VISION 2030**
 - ✓ Further incorporation and use of outside perspectives
 - ✓ More focus on informing, and discussing with, stakeholders



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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