

0→1 MAKE IT HAPPEN

# FY22-2 Chemistry for Sustainable World

# CEO PRESENTATION



橋本 修

HASHIMOTO Osamu

Mitsui Chemicals, Inc.

President & CEO

Nov. 28, 2022

# Message

Mitsui Chemicals celebrated its 25th anniversary on October 1 this year. Having come this far, I would like to express my sincere gratitude to all the stakeholders that have helped us on this journey since the company's foundation.

The roots of Mitsui Chemicals can be traced back to the 1912 commercialization of a business using coal chemistry to produce fertilizer and dye in Omuta. Then in 1958, our entry into the petrochemicals sector marked a shift away from coal chemistry.

Now, we are entering into another era of big change, which will include replacing fossil fuels with alternative raw materials and making other efforts to reduce the environmental impact of business. And just as it has over the past 110 years, the Mitsui Chemicals Group intends to face this by responding promptly to the changing business environment as it works to help build a sustainable society.

At the same time, these past 25 years seem to have brought a particular uptick in the rate at which society is changing. And this has made it increasingly important to have management capable of both making and implementing decisions swiftly. Against this backdrop, we are pursuing prompt, Group-wide efforts for transformation in line with our VISION 2030 Long-Term Business Plan, which we formulated to prepare for the next changes that we expect the future to bring.

With today's CEO Presentation, I hope to give you all as much detail as possible about our paths and priorities for reaching our targets in 2025, which will mark the midway point for that plan.

Through it all, the Mitsui Chemicals Group will continue striving to both achieve growth and increase its corporate value as a global solutions company that leads change and contributes to a sustainable future.

I look forward to the continued support of all our stakeholders.

November 2022  
HASHIMOTO Osamu  
President & CEO



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▶ **Business Performance**

**Full-year outlook for FY22**

▶ **VISION 2030**

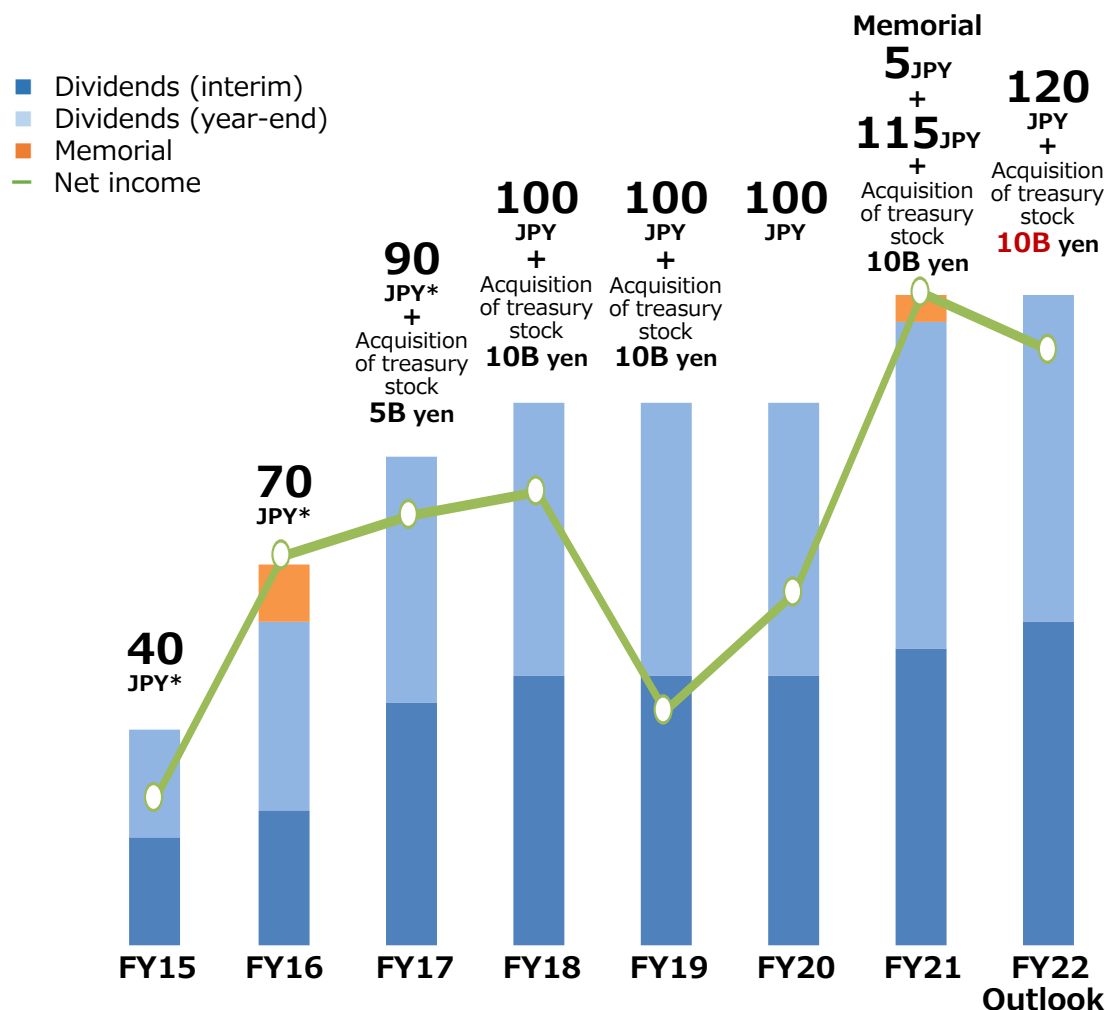
Basic policies toward around 2025

Measures in line with our five-point Basic Strategy

Operating income before special items: 140 billion yen (same as outlook in August)  
 Net income attributable to owners of the parent: 105 billion yen (up 5 billion yen from outlook in August)  
 Growth domains: 110 billion yen (up 5 billion yen from outlook in August)

Items	FY2021	FY2022 (Outlook in August)	FY2022 (Current outlook)	Increase (Decrease)	
	Results	Outlook	Outlook	FY22 (Outlook in August) → FY22 (Current outlook)	
				YoY	Rate
Sales revenue	1,613	2,160	2,000	△ 160	-7%
Operating income before special items	162	140	140	0	0%
Non-recurring items	△ 15	△ 2	16	18	-
Operating income	147	138	156	18	13%
Financial income / expenses	△ 6	△ 5	△ 2	3	-
Net income attributable to owners of the parent	110	100	105	5	5%
Exchange rate (JPY/USD)	112	130	137	7	
Domestic standard naphtha price (JPY/KL)	56,600	86,000	78,900	△ 7,100	
Growth domains	88	105	110	5	5%

## Implementing flexible shareholder returns



## ● FY22 dividend outlook

Interim

60

JPY/share

Year-end

60

JPY/share

= 120

Full year

JPY/share

● Acquisition of treasury stock:  
**10 billion yen**

● Cancellation of treasury stock:  
**4 million shares**

✓ Target DOE\*: **3.0%** or more

\*DOE: Dividends on equity

✓ Stable and continuous dividend

✓ Flexible acquisition of treasury stock

✓ Target total return ratio: **30%** or more

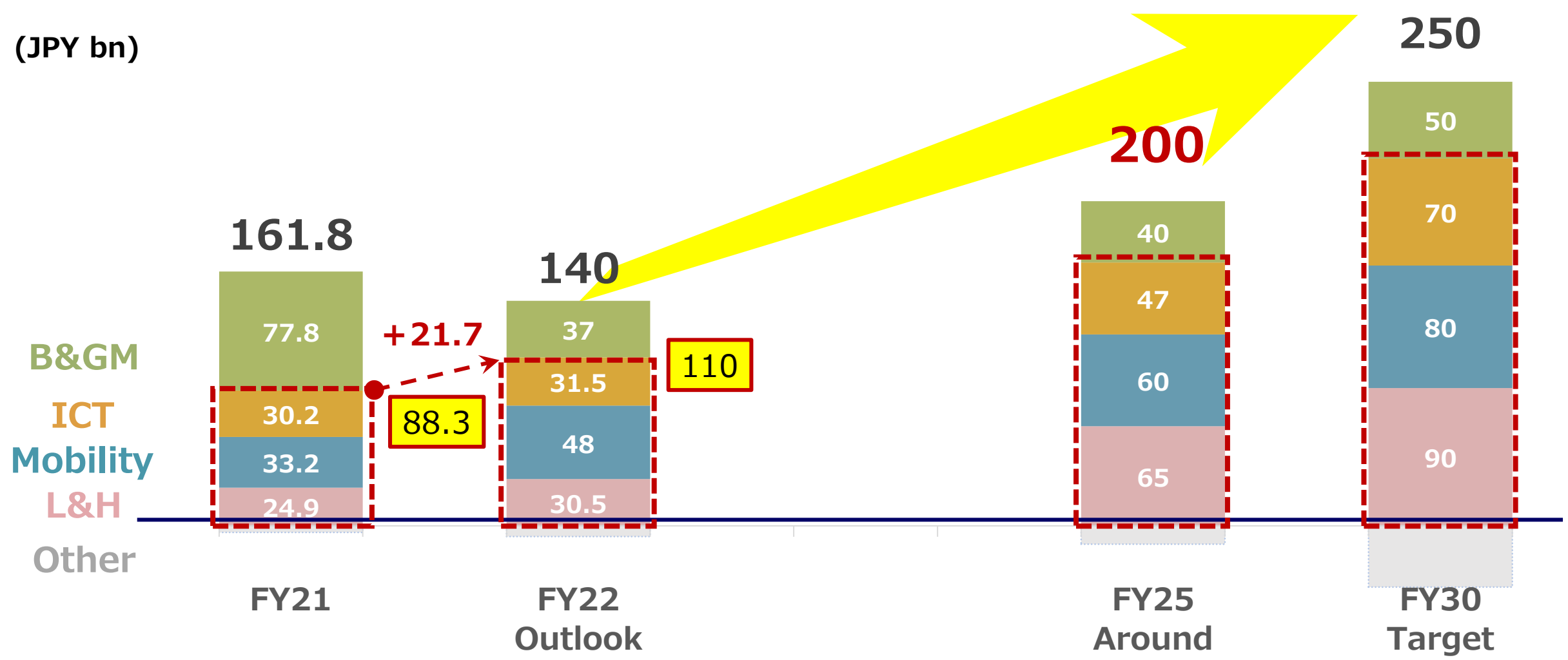
DOE	2.1%	3.1%	3.5%	3.6%	3.7%	3.2%	3.3%	3.1%
TRR	35%	22%	32%	39%	77%	34%	30%	32%

\*Dividends recalculated based on share consolidation

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With steady growth in our growth domains, we are aiming to reach 200 billion yen in operating income before special items by 2025



One of our key financial targets for 2025 is to reach 200 billion yen in operating income before special items. To help achieve this, we will implement strategies based on the basic policies laid out below in a speedy fashion.

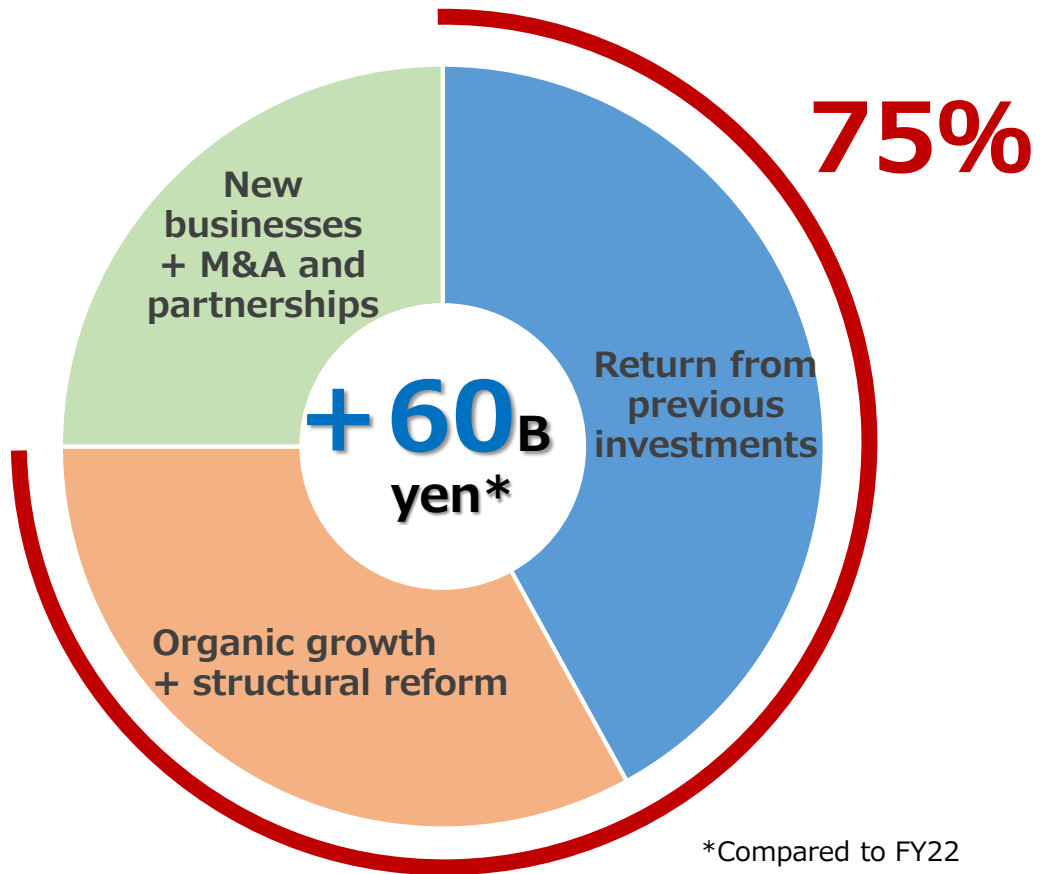
- In addition to securing returns from our previous investments, we will pursue organic growth by bolstering the added value of our businesses and making timely capital investments in our growth domains, as well as continue restructuring and cost-cutting efforts. We will also look to complement this by increasing our income through the use of effective M&A, as well as through the creation of new businesses and products.
- When investing our resources, we will pay close attention to the growing uncertainty in international affairs and sudden changes in the business environment, and continue to treat cash flow management as a top priority.
- We will implement initiatives that leverage Mitsui Chemical's strengths as we work to achieve our target for carbon neutrality.
- To support our push for sustainable growth, we will work on managing both financial and non-financial KPIs linked to our material topics.
- We will position the stability and continuity of shareholder returns as a key management priority, and continue to implement flexible shareholder returns.



## Getting steady profit growth from our existing businesses

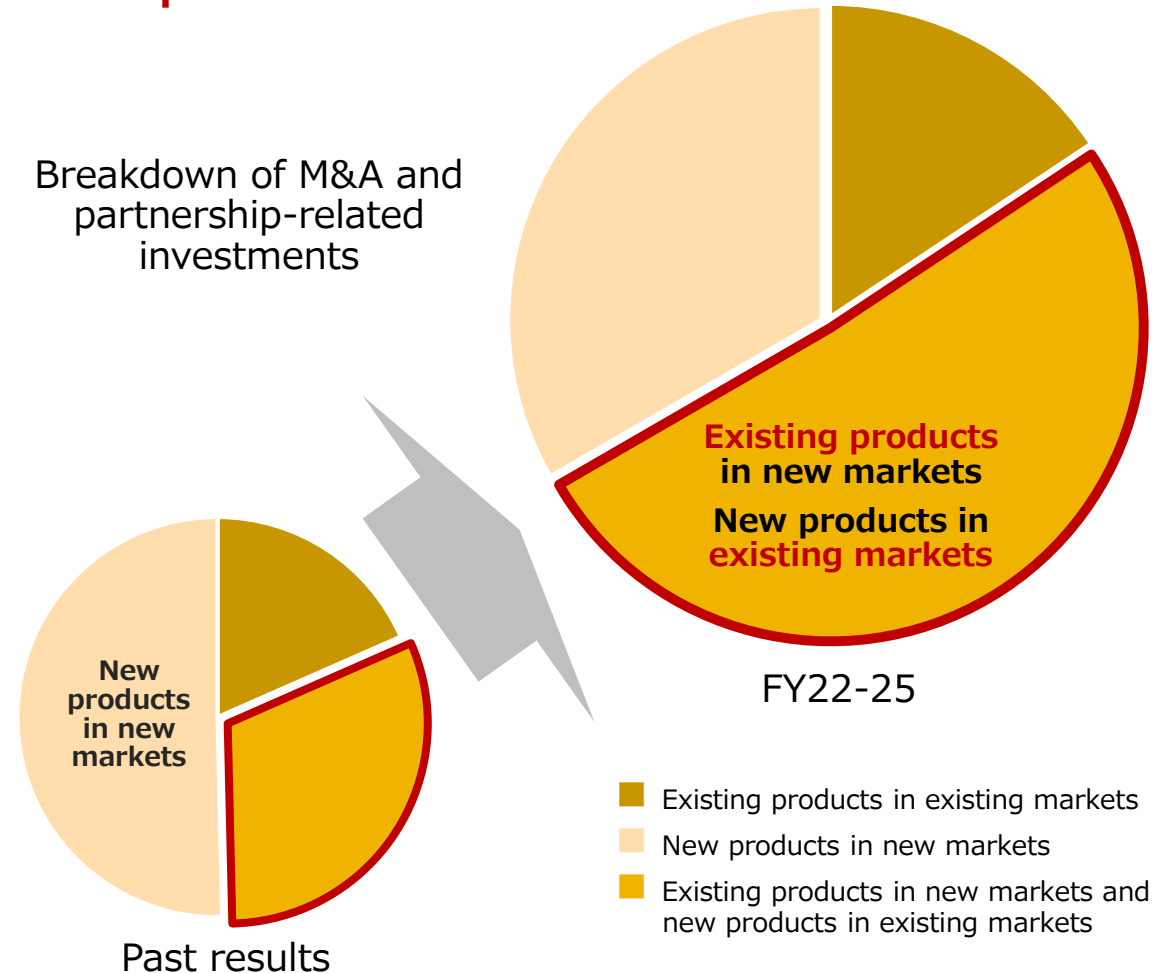
## Ramping up M&A and partnership-related investments in existing areas of business

### Breakdown of incremental profit over FY22-25



On top of transforming our portfolio through the acquisition of new products and markets, we intend to speed up our offering of solutions by capitalizing on **existing resources and expertise**

### Breakdown of M&A and partnership-related investments



Operating income before special items:  
**250** billion yen

Net income attributable to owners of the parent:  
**140** billion yen

ROIC: **8.0%** or more

Net D/E: **0.8** or less

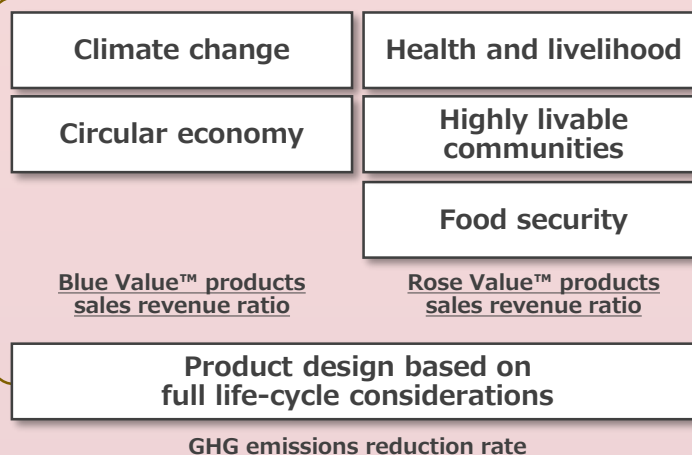
ROE: **10%** or more

Increasing profit

Minimizing risk

Accelerating growth

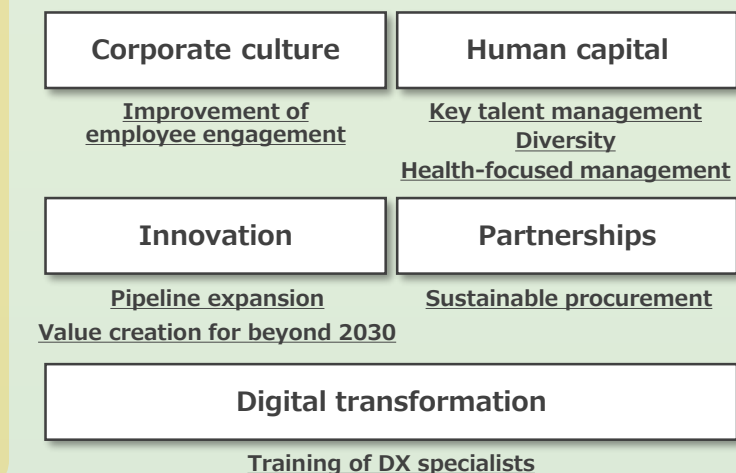
## Contributing to a sustainable society



## Prerequisites for business continuity



## Abilities essential to business continuity



Material topics

Non-financial KPIs

By carrying out KPI management linked to our material topics, we will ensure sustainable growth to help us meet the targets laid out in VISION 2030

STRATEGY

01



### Pursuing business portfolio transformation

- ▶ Rolling out a social issue perspective in all of our businesses
- ▶ Achieving growth by expanding and fleshing out our business domains
- ▶ Accelerating structural reform of our existing businesses and transforming businesses with a focus on green materials

STRATEGY

02



### Building solutions-based business models

- ▶ Creating new businesses by bolstering our business design capabilities
- ▶ Pursuing cross-organizational ties and strengthening cross-company partnerships

STRATEGY

03



### Bolstering circular economy initiatives

- ▶ Building CE-based business models for all of our businesses
- ▶ Rolling out CE-compatible products by transitioning to alternative raw materials and fuels
- ▶ Developing and acquiring foundational technologies able to contribute to carbon neutrality

STRATEGY

04



### Corporate transformation through DX

- ▶ Applying DX throughout our entire Group and all business domains
- ▶ Creating value by way of business-wide transformation spanning research, production, sales and SCs

STRATEGY

05



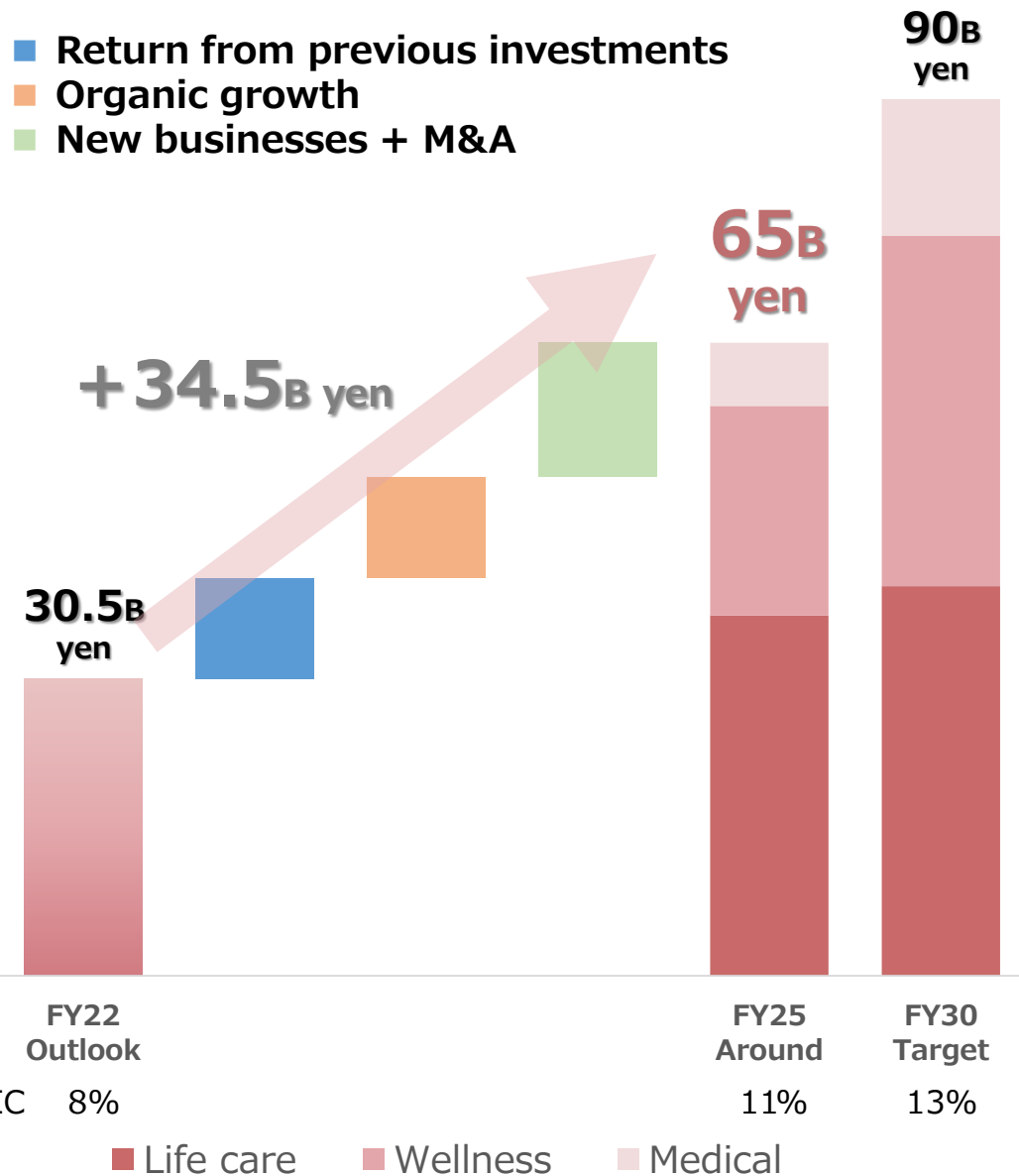
### Management and business transformation

- ▶ Popularizing a committed, eager attitude
- ▶ Improving engagement to bolster our organizational strength and transform our corporate culture
- ▶ Combining safe, secure operations with improved competitiveness at all our bases around the world
- ▶ Building sustainable SCs

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**Measures in line with our five-point Basic Strategy**

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



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

### Current business environment

Amid rising health awareness and a need for better QOL, the market here is showing steady growth.

### Strategies for reaching our 2025 targets

#### Further strengthening our existing core businesses

Vision care: Expanding business for lens materials and providing total solutions that combine materials with new technologies

Agrochemical products: Pursuing overseas expansion for growth drivers and creating synergy with MMAG

Oral care: Bolstering of business foundations in key markets (Germany, Japan, U.S.)

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



Expanding the businesses of coating materials and processing equipment on top of our existing portfolio of ophthalmic lens materials

## Ophthalmic lens value chain



## Ophthalmic lens materials



Mitsui Chemicals

### Accelerating MR™ lens material business expansion

North America: Accelerating the switch from polycarbonate to MR™ through collaboration with retailers

China: Promoting MR™ quality appeal/brand strength through education for opticians

### Meeting needs for more eco-conscious products

Through **Do Green™ plant-derived lens materials**, etc.



### Improving our supply network

Capacity increase at Omuta Works (2023 onward)

High-refractive-index materials

**MLTECH**  
2013 onward

Middle-refractive-index materials

**ACOMON**

2011 onward

Low-refractive-index materials

Meeting emerging countries' needs for affordable products, as well as the Indian market's shift away from glass lenses

Leveraging our wide range of products to meet diverse customer needs

## Coating materials

A world-leading lens coating lineup

**SDC**  
Technologies

2008 onward

Hard coat  
Photochromic

**FSI**  
Coating Technologies

2010 onward

Anti-fog

**COTEC**  
2020 onward

Hydrophobic  
Anti-reflective

## Processing equipment

**COBURN**  
TECHNOLOGIES

**Coburn (U.S.)**  
A global manufacturer of coating and processing equipment

Turned into a wholly owned subsidiary of SDC in November 2022



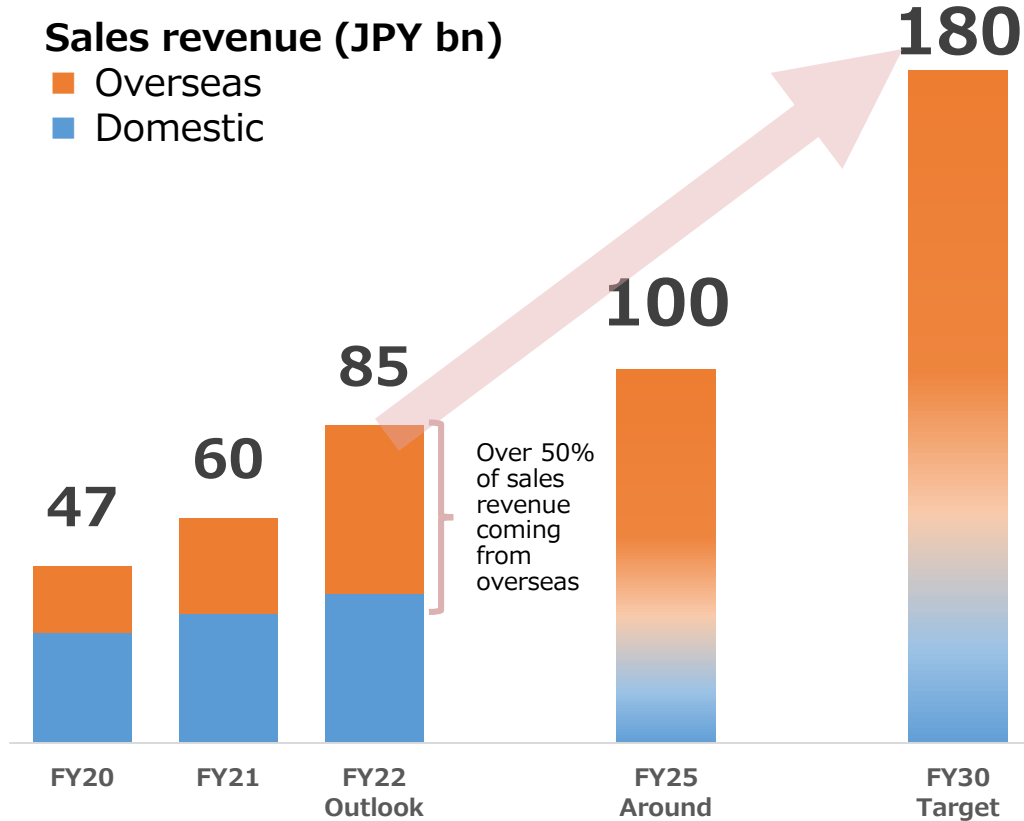
Speeding up the development of new technologies by combining strengths in materials & equipment

Advancing expansion of vision care materials business by providing total solutions

## Expanding registrations for our growth drivers in key overseas countries and bolstering MMAG's production network for active ingredients

Sales revenue (JPY bn)

Overseas  
Domestic



MMAG turned into wholly owned subsidiary

Over 50% of sales revenue coming from overseas

### ✓ Speeding up overseas expansion for growth drivers

(Market launch)

	Active ingredient name	2019	2020	2021	2022
MCAG*'s active ingredients	Dinotefuran	Brazil			
	TENEBENAL™		Japan, South Korea	China, Philippines, U.S., Indonesia	India
MMAG's active ingredients	Flupyrimin	Japan			India (one year ahead of schedule)

\*Mitsui Chemicals Agro

### ✓ Increasing production capacity for growth drivers

Construction of MMAG's Iwate plant finished in September 2022, enabling increased production of probenazole and flupyrimin



Ribbon being cut at the plant's opening ceremony

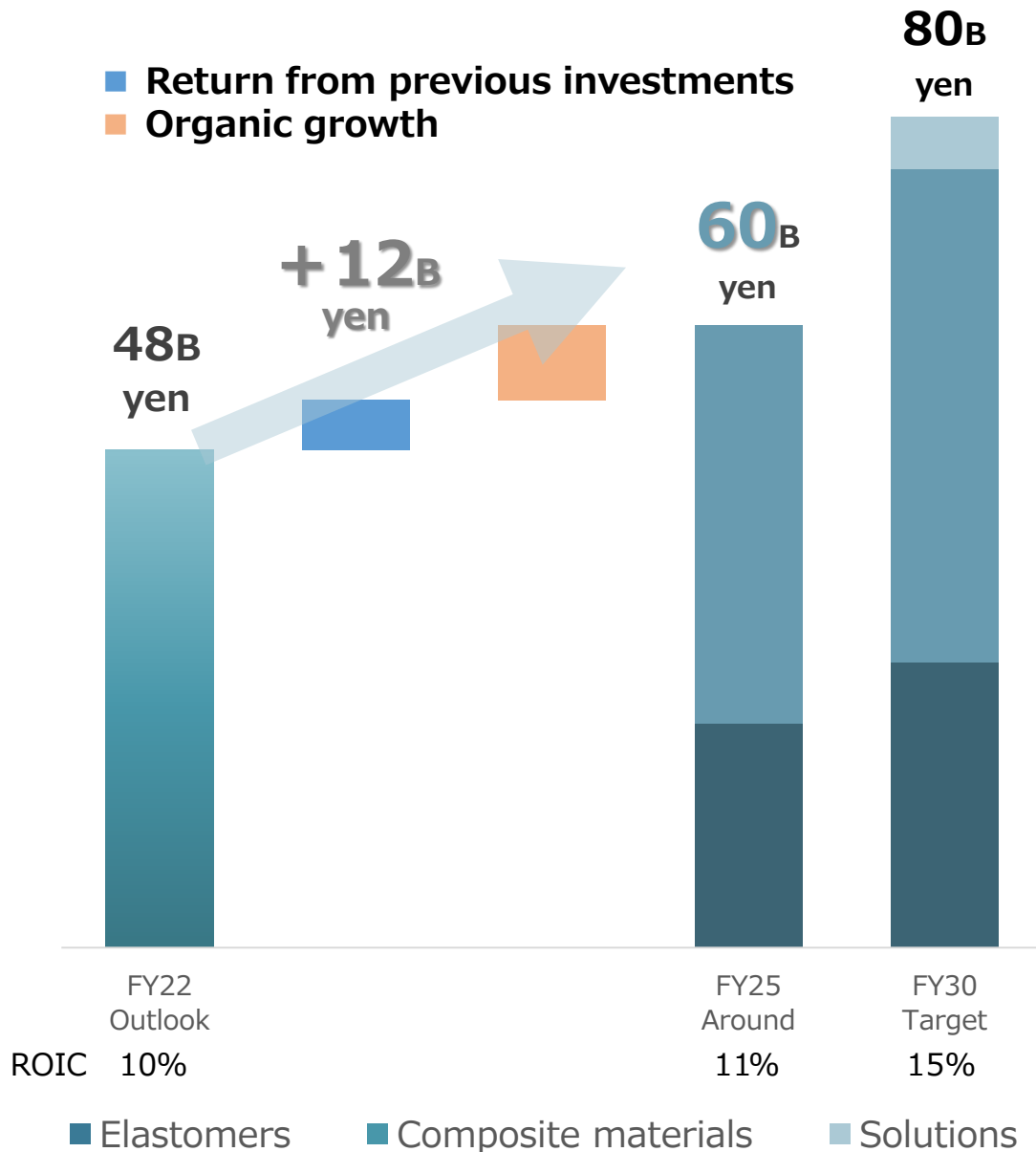




Providing unique materials, features and services to help solve social challenges and let us achieve sustainable business growth

## Current business environment

While automotive production volume is growing more slowly now, there are a number of changes picking up steam in the sector, including EVs making up a larger proportion of cars, efforts toward CASE and MaaS, and the adoption of more sustainable materials and construction methods.



## Strategies for reaching our 2025 targets

### Pursuing expansion focused on our materials business (TAFMER™, composite materials, etc.)

Focusing on standing out in growth markets by way of renewable energy, automotive sustainability, eco-friendly packaging materials, etc.

### Strengthening our foundations for solutions-based business models

Offering concepts for areas that will be crucial to popularizing EVs, such as range improvements, lightweighting and innovations to the mobility sector's mass production processes



## Speeding up our transition to a focus on growth markets and differentiation

Differentiating ourselves from the competition with elastomers and composite materials (e.g. ADMER™, PP compounds) 

### Growth markets & differentiation

Renewable energy	Solar cells	<Material design> <b>Highly durable TAFMER™</b>
	Improving the power generation efficiency and long-term reliability of solar cells	

Automotive sustainability	EVs	<Mixing & compounding technology> <b>Rigid and lightweight PP, etc.</b>
	Improving range by reducing the weight of interior and exterior materials	
	Demand for eco-friendliness	<Mixing & compounding technology> <b>Post-consumer recycled materials</b>
Expanding and popularizing the use of recycled materials		

Eco-friendly packaging materials	Monomaterial packaging	<Material design & mixing technology> <b>ADMER™ and TAFMER™ compatibilizers</b>
	Helping bring eco-friendly and easy-to-recycle materials into wider use by improving their performance	

## Increasing production capacity to help capture growing demand

New plant for TAFMER™

**Construction to be completed in FY24**

225 KT existing capacity

**+ 120 KT new capacity = 345 KT total**

(in Singapore)

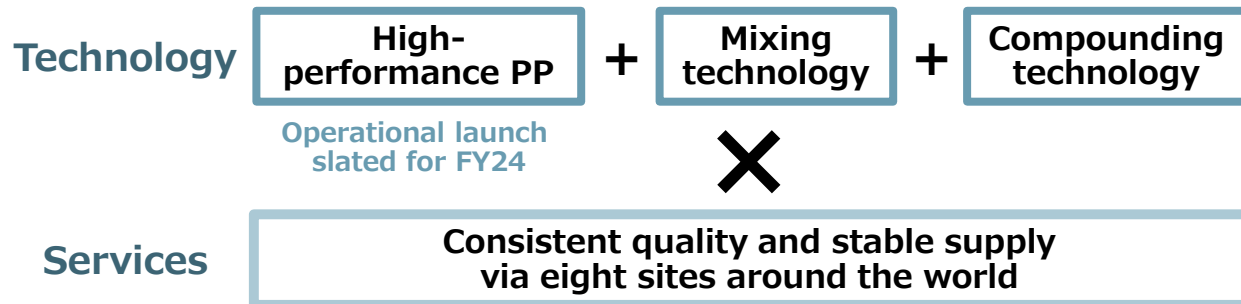


Considering further expansion plans that would incorporate technology for creating differentiated products



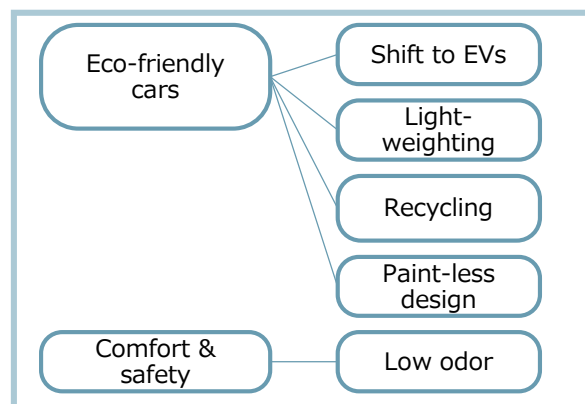
Differentiating ourselves  
to bolster our competitive edge

Leveraging our strengths to **bring our specialization rate from 50% to 70%**



Differentiation through performance

Social challenges



Differentiated materials

Rigid materials  
Lightweight materials

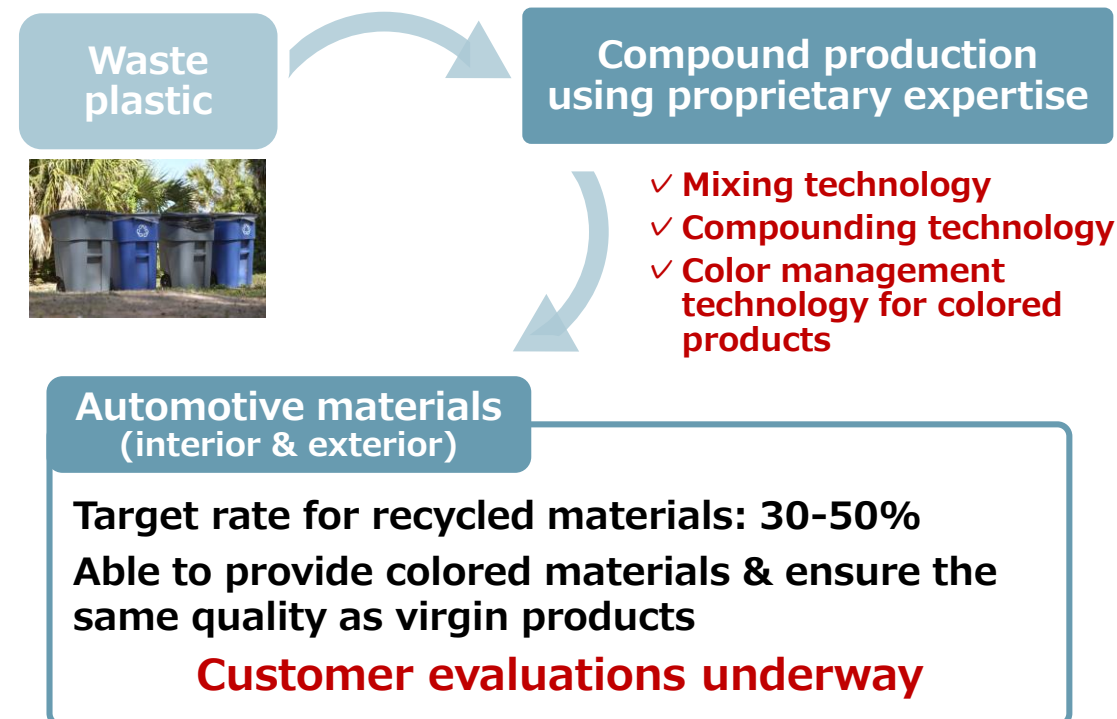
Recycled materials  
Bio-based materials

Paint-less materials  
Low-odor materials

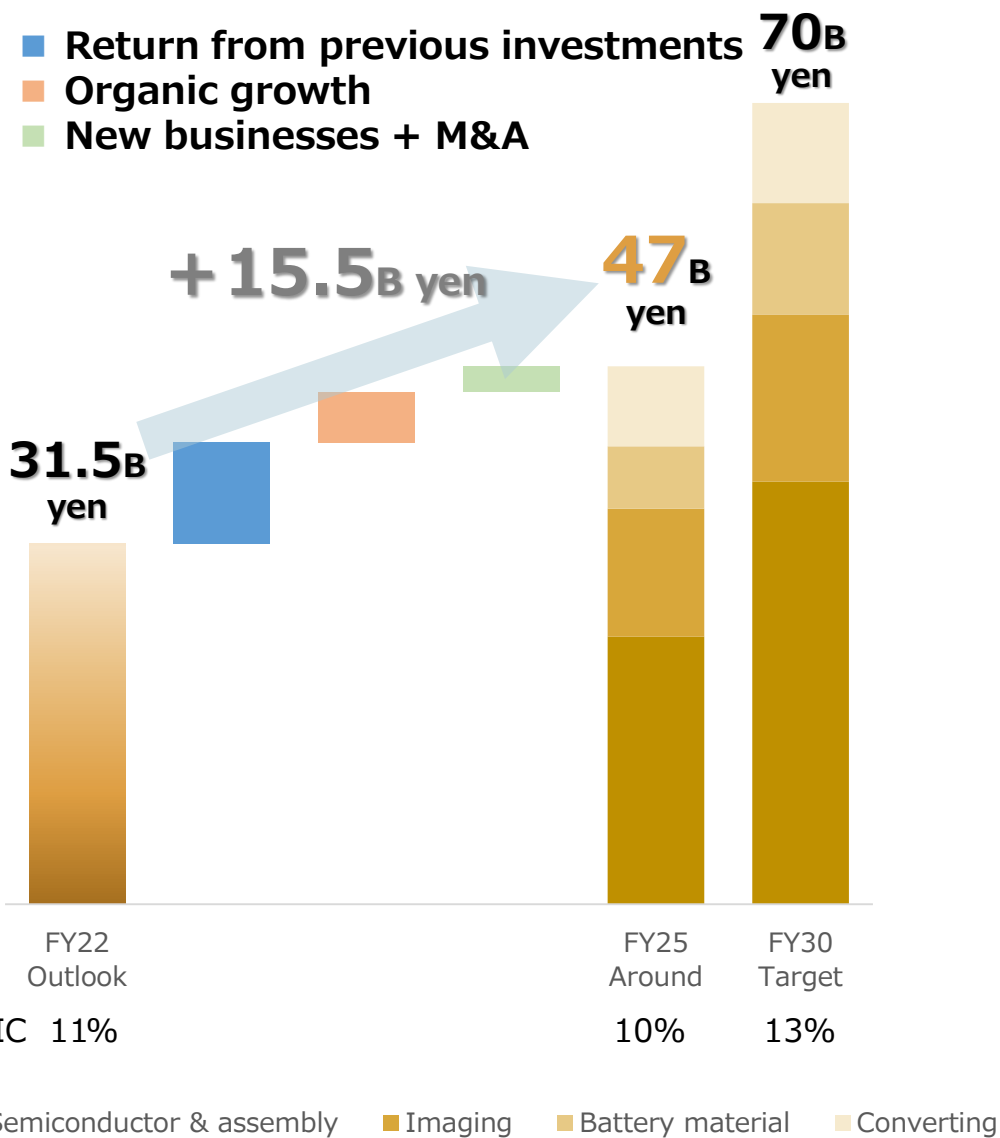
Pursuing the use of recycled materials in automobiles

Providing PP compounds made by recycling post-consumer materials

Advanced Composites (U.S.)



Providing value that looks to help solve the issues faced by the mobility sector



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

## Current business environment

- Semiconductor market projected to recover starting 2024
- In imaging, smartphone demand has stagnated, but the rise of both 5G and the extended reality (XR) market should enable long-term growth
- Initiatives for recycling and a circular economy are picking up pace

## Strategies for reaching our 2025 targets

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

ICROS™ Tape, etc.: Improving our evaluation capabilities to help speed up our product development and our offering of solutions

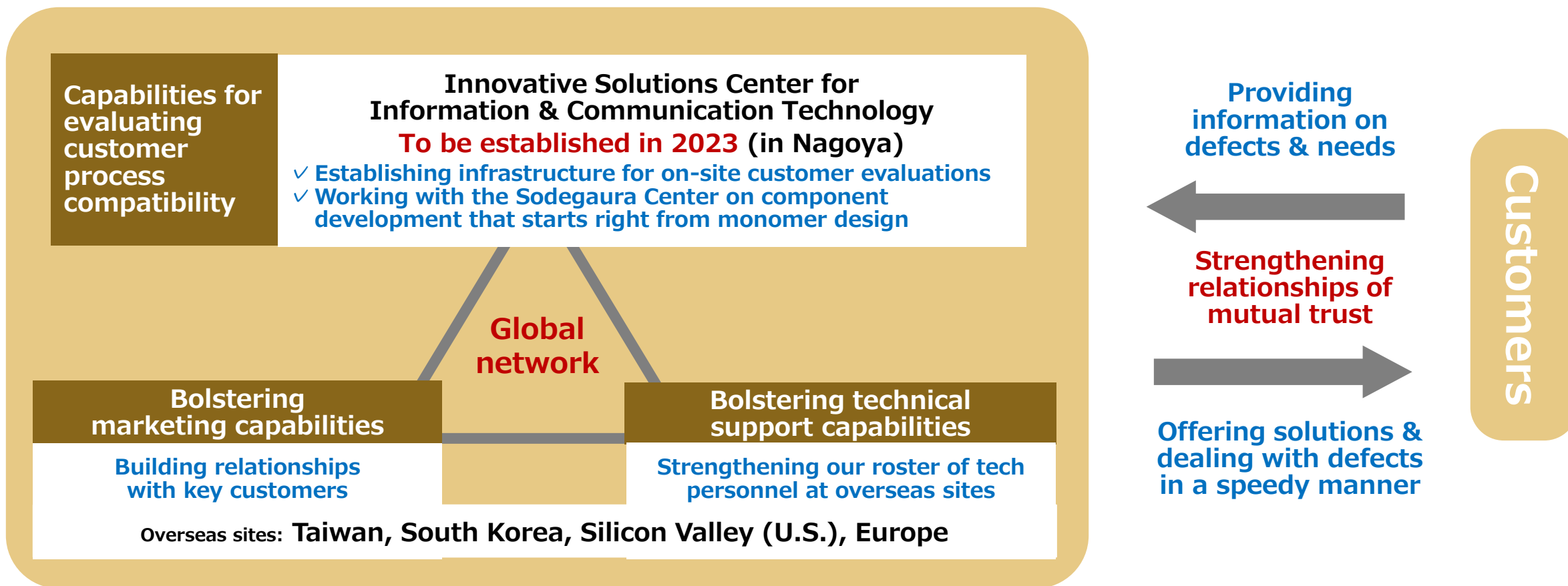
Pellicles: Reaching the No. 1 position by strengthening our EUV business & leveraging our acquisition of Asahi Kasei's business

APEL™, etc.: Securing production capacity and introducing new materials to match a recovering smartphone market and the growth of the XR market

**Helping meet needs for more eco-friendly packaging materials in the area of converting solutions**



## Bolstering our global capabilities for technical support, evaluation and marketing



Increasing capacity in a manner coordinated with technical support & marketing

**Operational launch for new ICROS™ Tape plant (October 2023)**

Strengthening customer relationships to aid in the quick development of new businesses and products



## Speeding up development in aim of being the first to meet cutting-edge needs

Strengthening our setup for APEL™ to aid in the evolution of smartphone and automotive cameras

### Speeding up new development of camera lens materials

Characteristics:

- Light transmittance control
- Abbe number control
- Improved refraction
- Improved heat resistance

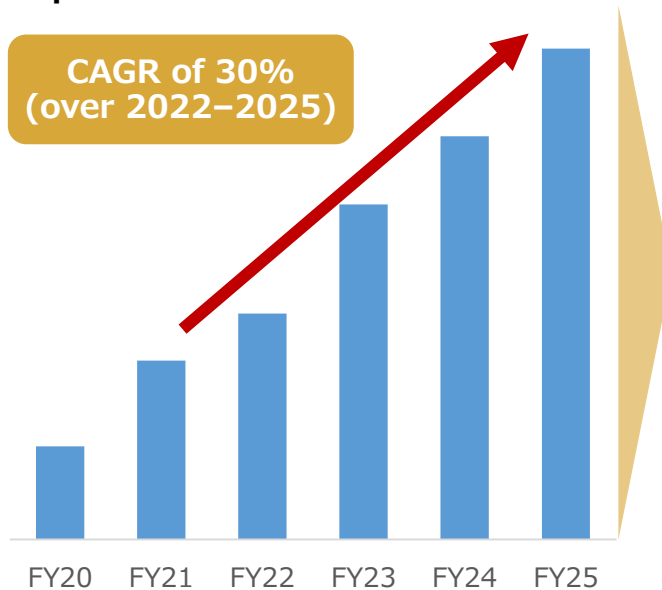


Expanded production capacity launched in August 2022

Making group-wide efforts to supply products in response to significant growth in the XR market

Shipments of XR devices

CAGR of 30%  
(over 2022–2025)



Data: IDC (market intelligence company)

### Creating new businesses for the XR market

Lens materials

APEL™, MR™, etc.



Functional dye



Coating materials



Event being held in the U.S.

Mitsui Day, an event that showcases solutions, products and technologies at customer sites

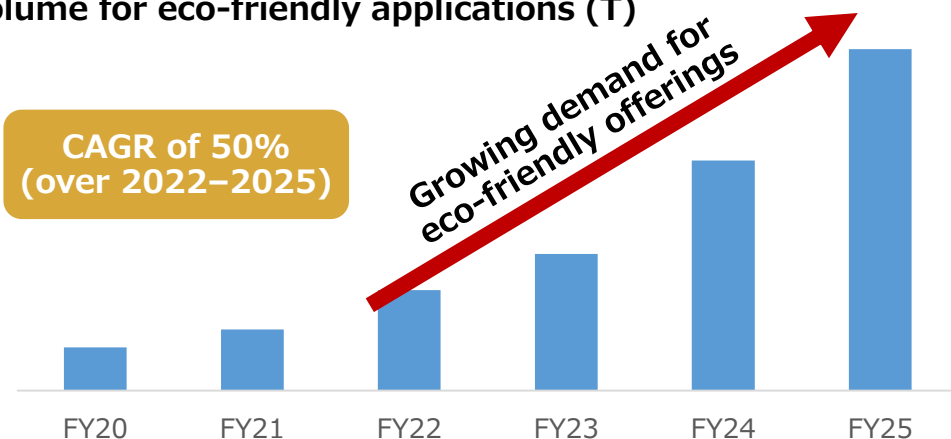
Capturing a leading position and new demand growth in the area of imaging solutions



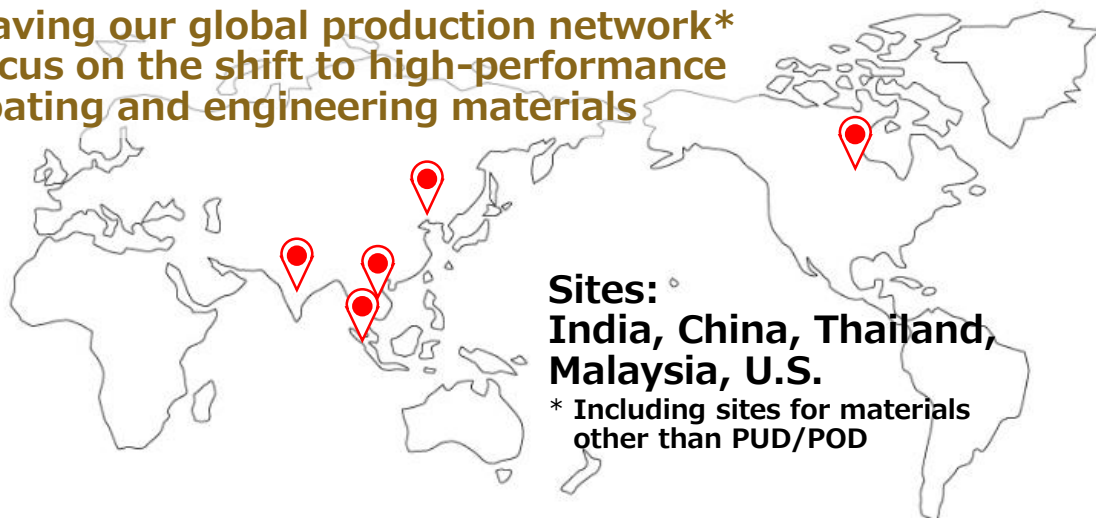


## Expanding business for eco-friendly packaging

Sales volume for eco-friendly applications (T)



Having our global production network\* focus on the shift to high-performance coating and engineering materials



**PUD\***: Rising demand for **barrier coatings to be used on monomaterial packaging**

\*Polyurethane dispersions

Example of use with monomaterial barrier-coated packaging:

—	Aluminum deposition:	<0.1 $\mu$ m
—	PUD:	0.1 $\mu$ m
—	Film (BOPP):	16 $\mu$ m

Reducing thickness to help meet European guidelines\*

\*PP, PE > 90%



**POD\***: Rising demand for **heat-sealable coatings usable amid the shift to paper-based packaging**

\*Polyolefin dispersions

Example of use with paper cups:

—	POD:	5 $\mu$ m
—	Paper:	80 $\mu$ m



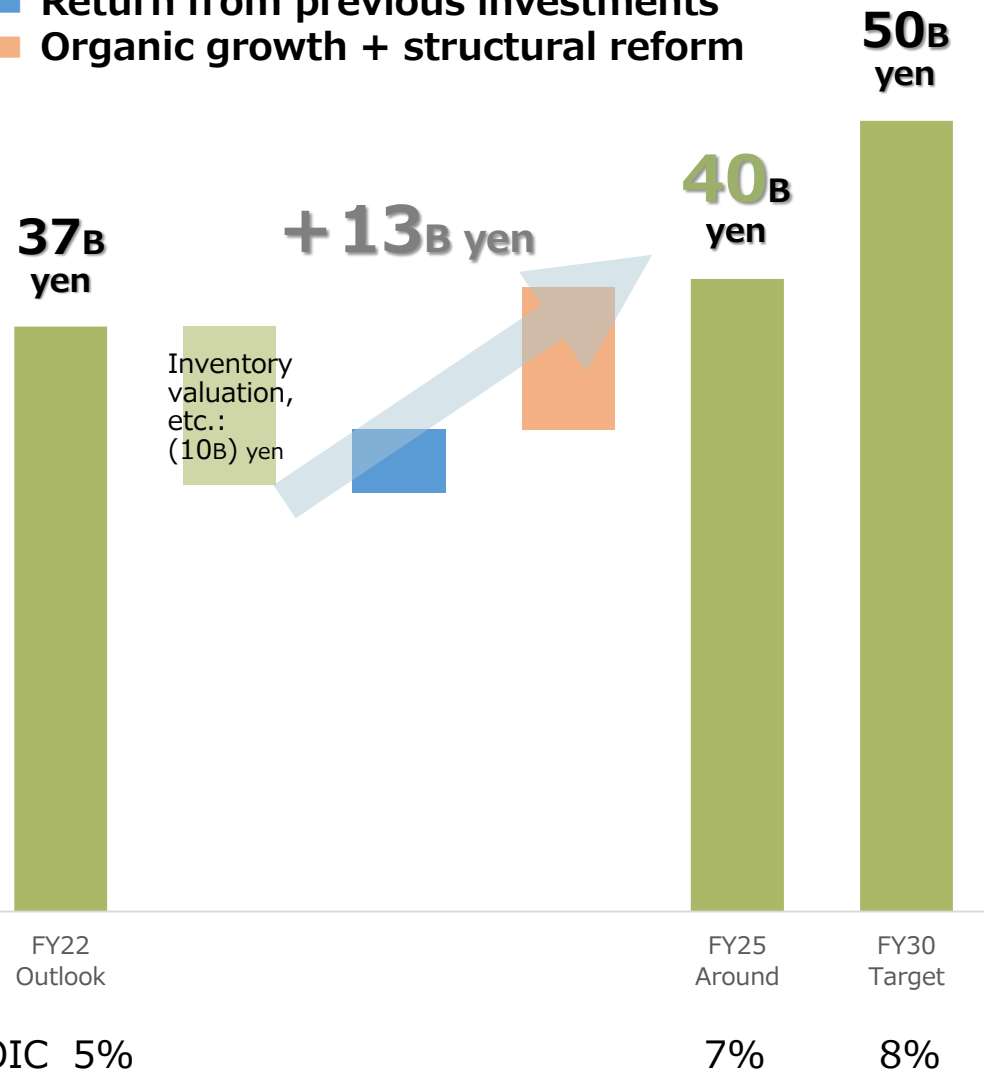
Compared to PE laminate (15 $\mu$ m), PODs allow for thinner films, helping to minimize plastic use



Growing our business by contributing to the shift to higher performance packaging materials



- Return from previous investments
- Organic growth + structural reform



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

## Current business environment

- Major fluctuations in market conditions due to instability in global affairs
- Social demand for more eco-friendly offerings

## Strategies for reaching our 2025 targets

### Reducing business volatility by pursuing structural reform

Restructuring:

Transferring our entire shares in Mitsui Phenols Singapore (MPS), ending PTA production at Iwakuni-Ohtake Works and pursuing an optimal production setup for polyurethane

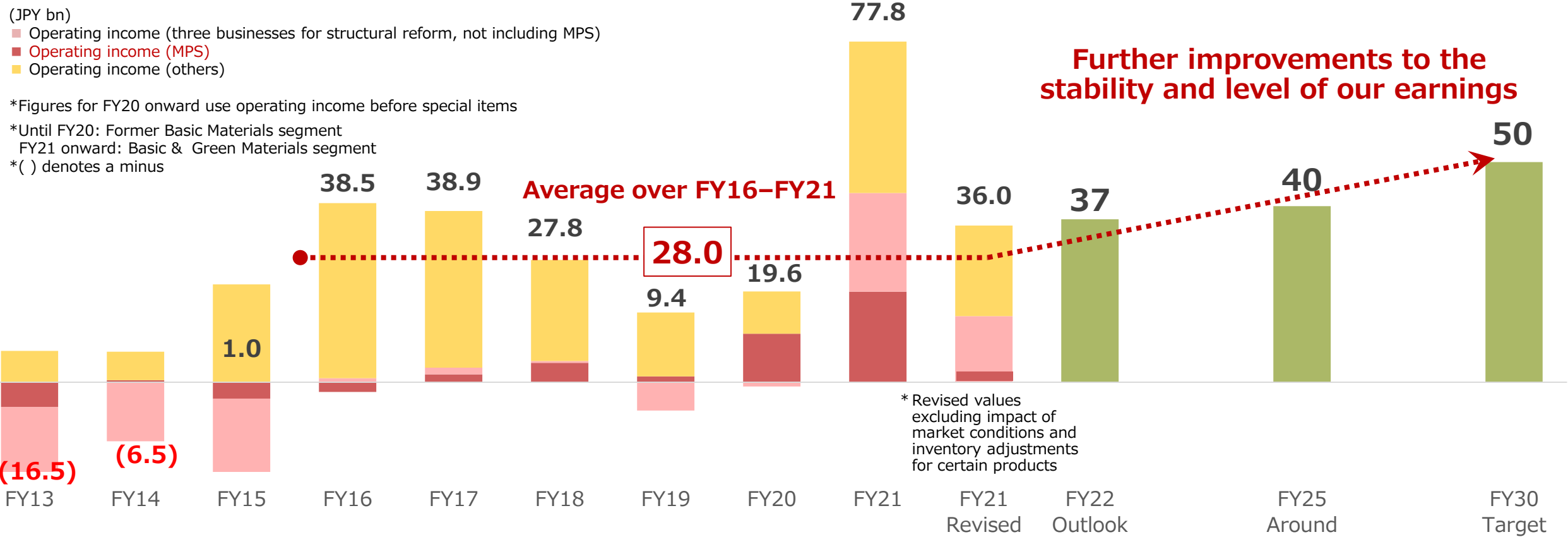
Downstream improvement:

Capitalizing on high-performance PP & high-performance MDI and pursuing synergy with Honshu Chemical Industry

### Shift to green chemicals

- Pursuing a transformation at our naphtha crackers and petrochemical complexes
- Leading efforts to speed up the Group-wide commercialization of green chemicals

Further reducing volatility by transferring our entire shares in MPS



### Restructuring

<b>End of domestic PTA production:</b>	<b>August 2023</b>
<b>Transfer of MPS shares:</b>	<b>March 2023</b>
<b>Polyurethane:</b>	<b>Pursuing efforts to optimize production setup (e.g. TDI)</b>

### Bolstering downstream businesses

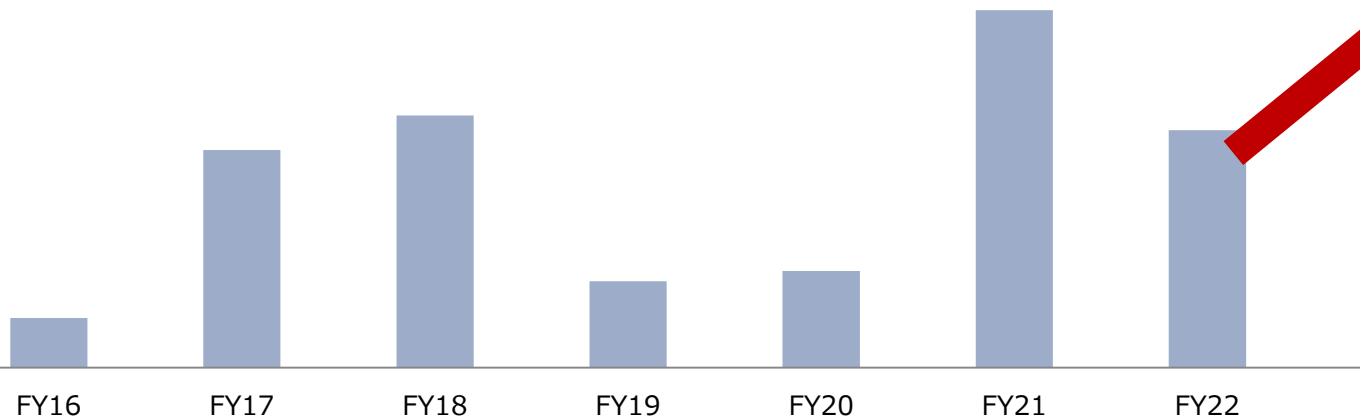
<b>High-performance PP (scrap &amp; build)</b> Closing existing (110 KT) plant in Mar 2023 Opening new (200 KT) plant in Nov 2024	<b>High-performance MDI</b> Opening new (200 KT) plant in July 2024
<b>Synergy with Honshu Chemical Industry</b>	





Facilitating further improvements to our earnings by maximizing our ratio of high-performance products and increasing our production capacity

Operating income trend for Kumho Mitsui Chemicals



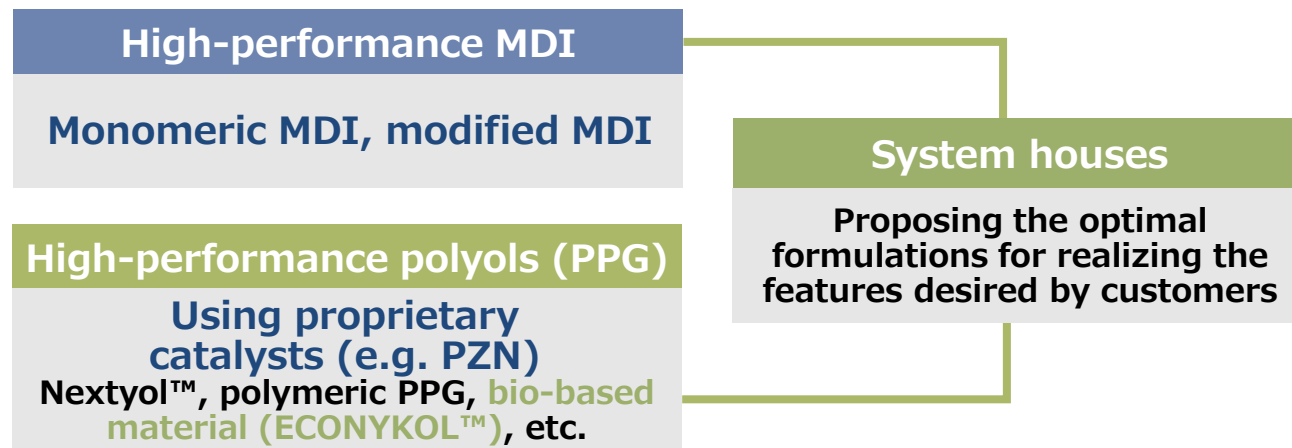
Ratio of high-performance products:  
35% (FY22)  
→42% (FY25)

### Plant expansion

Going from 410 KT/year to **610** KT/ year in FY24

Introducing byproduct recycling technology to improve GHG emissions intensity by **23%** (CO<sub>2</sub> set to be reduced by 133,000 tons through the use of this technology)

Providing more added value:



### Meeting needs for specialty applications

Noise, vibration & harshness (NVH)



Engine & motor covers, etc.

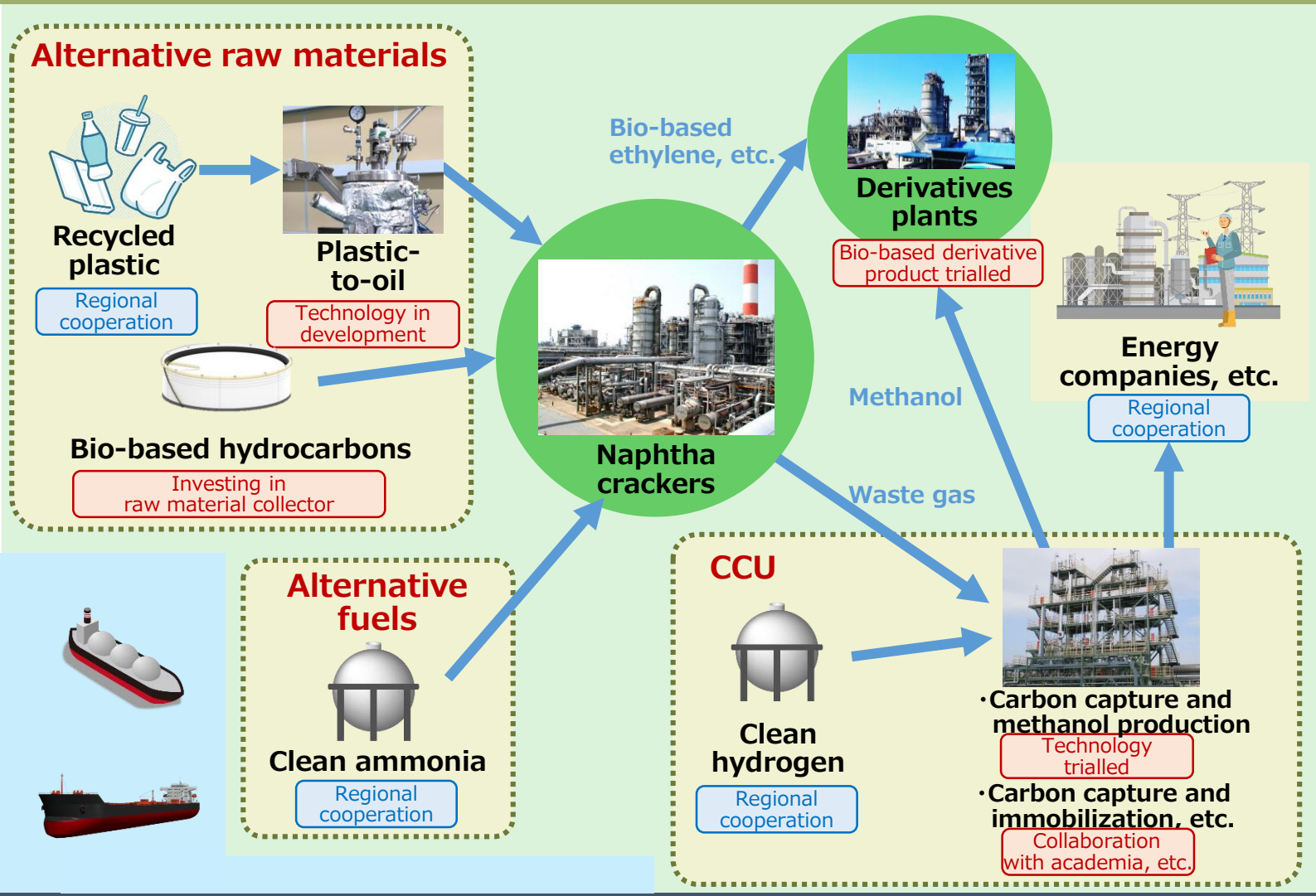
Low-VOC, low-odor & increasing bio-based ratio



Luxury automotive seats

Making use of proprietary technologies (for the likes of catalysts, modification & formulation development) in an effort to improve added value

Transitioning to next-gen naphtha crackers and carbon-neutral petrochemical complexes



- ✓ **Innovating in the upstream parts of our value chain** to facilitate green derivatives
- ✓ Making use of **regional cooperation** to reach an ideal mix of technologies, including a switch to alternative raw materials and fuels, the reuse of plastic waste, and carbon capture and utilization
- ✓ Working toward optimization throughout the entire region (network) by leaning on **digital transformation**
- ✓ Pursuing **cracker optimization** in response to decreasing demand

Pursuing a sustainable competitive edge



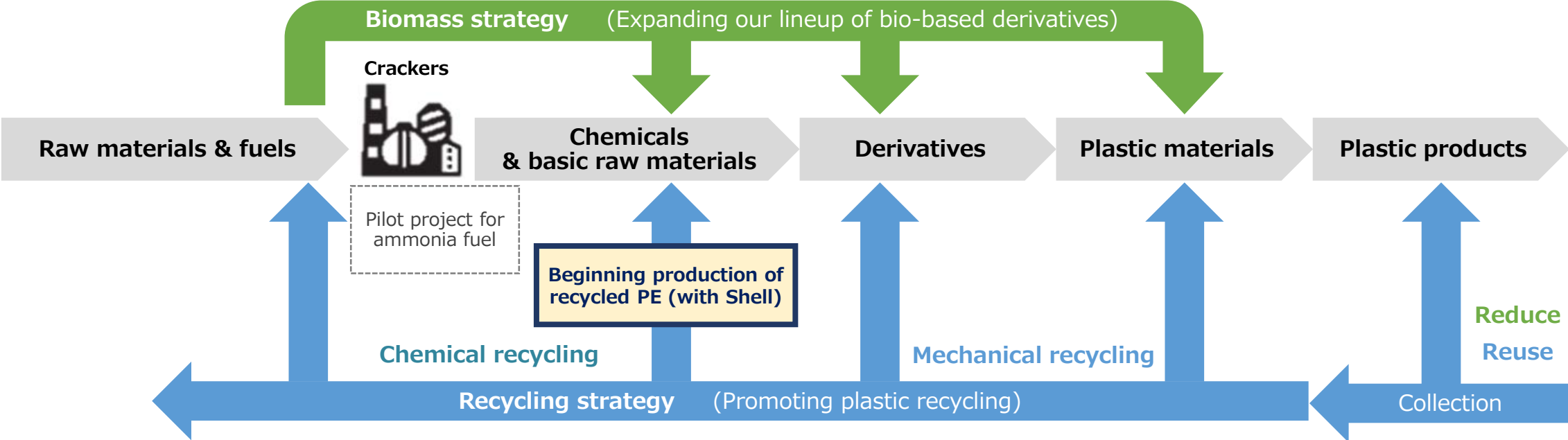
① Reducing our GHG emissions (Scopes 1 and 2)  
Low-carbon raw materials and fuels, energy efficiency, and renewable energy

② Contributing to society through our products  
(maximizing avoided emissions)  
Expansion of Blue Value™ products

Stable procurement of bio-based raw materials (from Apeiron)

Introduction of bio-based hydrocarbons (from Neste)

**Be▶PLAYER**



Pilot project for ammonia fuel

Beginning production of recycled PE (with Shell)

**Re▶PLAYER**

Collaborations with BASF, Microwave Chemical, etc.

Monomaterial packaging

Commercializing horizontal recycling

Operating facilities for printing removal

Ensuring stable quality of recycled plastics

Consortium for resource circulation (Pla-chain)

Pursuing a biomass strategy & recycling strategy to help bring about carbon neutrality and a circular economy

 We explore the materials of materials

“  
**We’re reshaping the world from a material level**  
”

Achieving carbon neutrality with biomass

**Be▶PLAYER**

Bio & Eco Solutions for PLAYERS aiming toward Carbon Neutrality



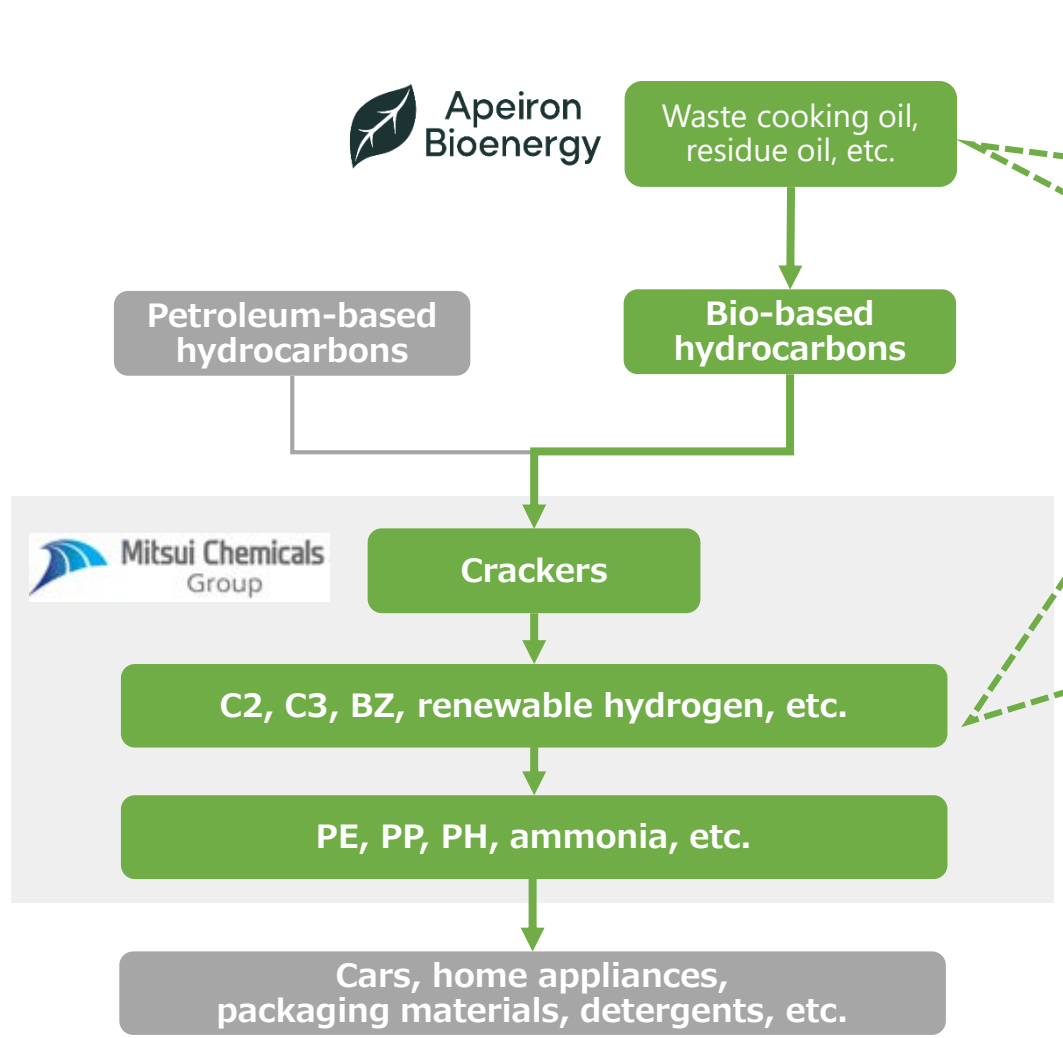
Creating a circular economy through recycling

**RePLAYER**

Recycling Solutions for PLAYERS aiming toward Circular Economy



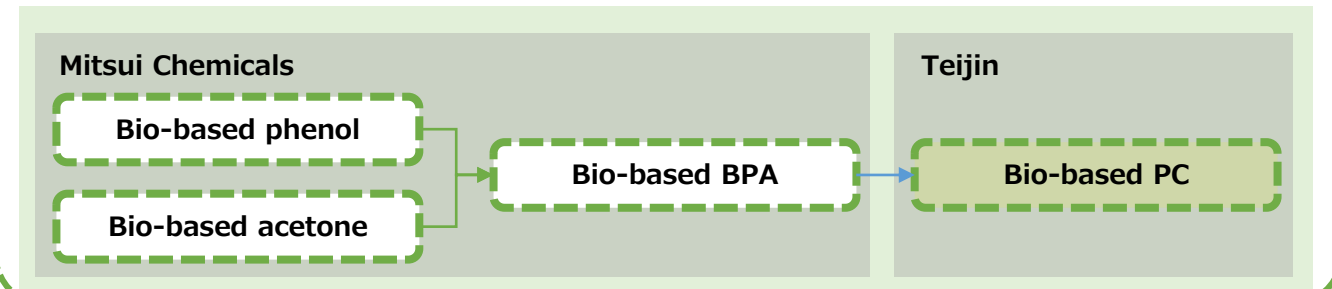
**Making both upstream and downstream improvements to naphtha crackers as further efforts toward carbon neutrality**



**Stable procurement of bio-based raw materials**  
**Invested in Apeiron Bioenergy**, one of the largest collectors of used cooking oil in the Southeast Asia and China region

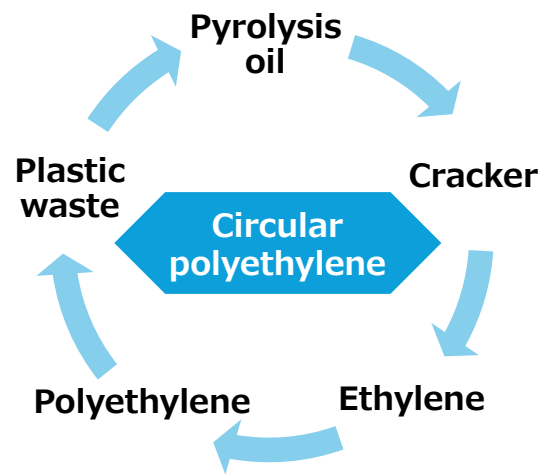
**Expanding and providing our lineup of bio-based hydrocarbon derivatives**  
**Number of products able to use ISCC certification**  
 At time of previous presentation:  
 Domestic: Osaka Works 13 products  
 Ichihara Works  
**Added Iwakuni-Ohtake Works and increased the number of registered products to 27**

**Supplying bio-based BPA to Teijin and pursuing efforts for the production of bio-based PC**





**Launching production of chemically recycled polyethylene derived from plastic waste**



Signed an agreement with **Shell** for a supply of **ISCC PLUS-certified ethylene derived from plastic waste**

**Production launch for Evolve™ (in Singapore)**

**Polyolefin monomaterial packaging**

Mixture of different materials

Substrate	Nylon/PET
Ink	Ink
Adhesive	Adhesive
Barrier	VM-PET
Adhesive	Adhesive
Sealant	LDPE

(Example of a sanitary packaging material)

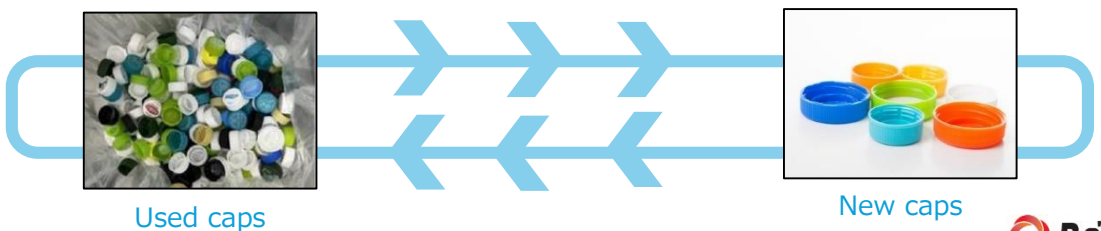
**Mitsui Chemicals Group materials enabling monomaterial designs**

<b>BOPO</b>
Ink
TAKENATE™, TAKELAC™
<b>VM-BOPO</b>
TAKELAC™ + <b>ADMER™</b>
TAKENATE™, TAKELAC™
<b>LDPE + TAFMER™</b> (grants low-temp heat sealing properties)

VM : Aluminum Vacuum Metallizing  
BOPO: Biaxially oriented Polyolefin

**Implementing horizontal recycling for plastic caps**

**Pursuing high-grade mechanical recycling**



**NIHON YAMAMURA GLASS CO.,LTD.**

- Building a setup for collection and sorting
- Producing caps

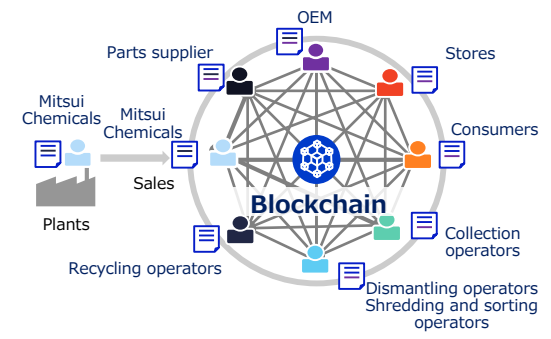


**PRIME POLYMER** **RePRM**

- Providing development, production and QA for compound formulations

**Establishing Pla-chain, a consortium for resource circulation**

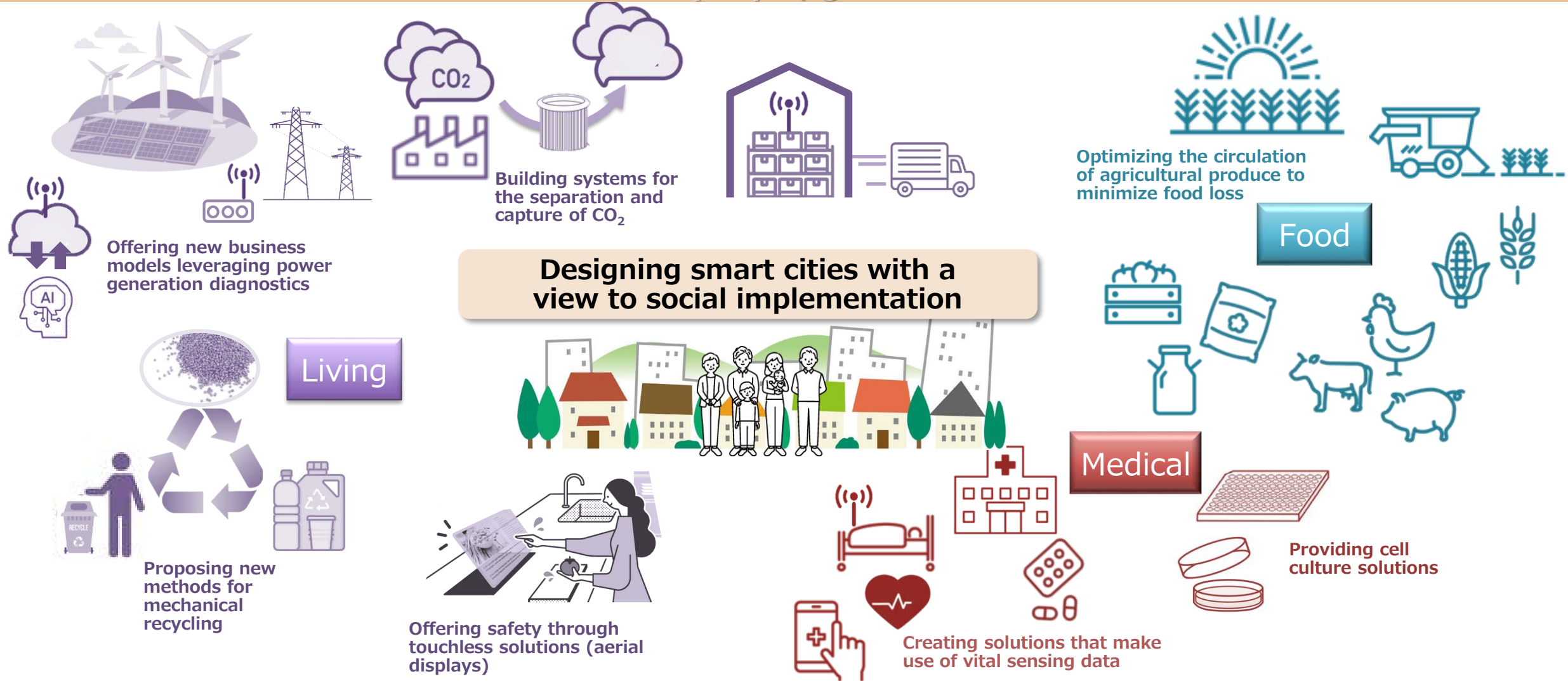
**Working to implement a blockchain-based traceability system for plastic recycling**



Managing companies: IBM Japan, Ltd., Nomura Research Institute, Ltd. and Mitsui Chemicals, Inc.



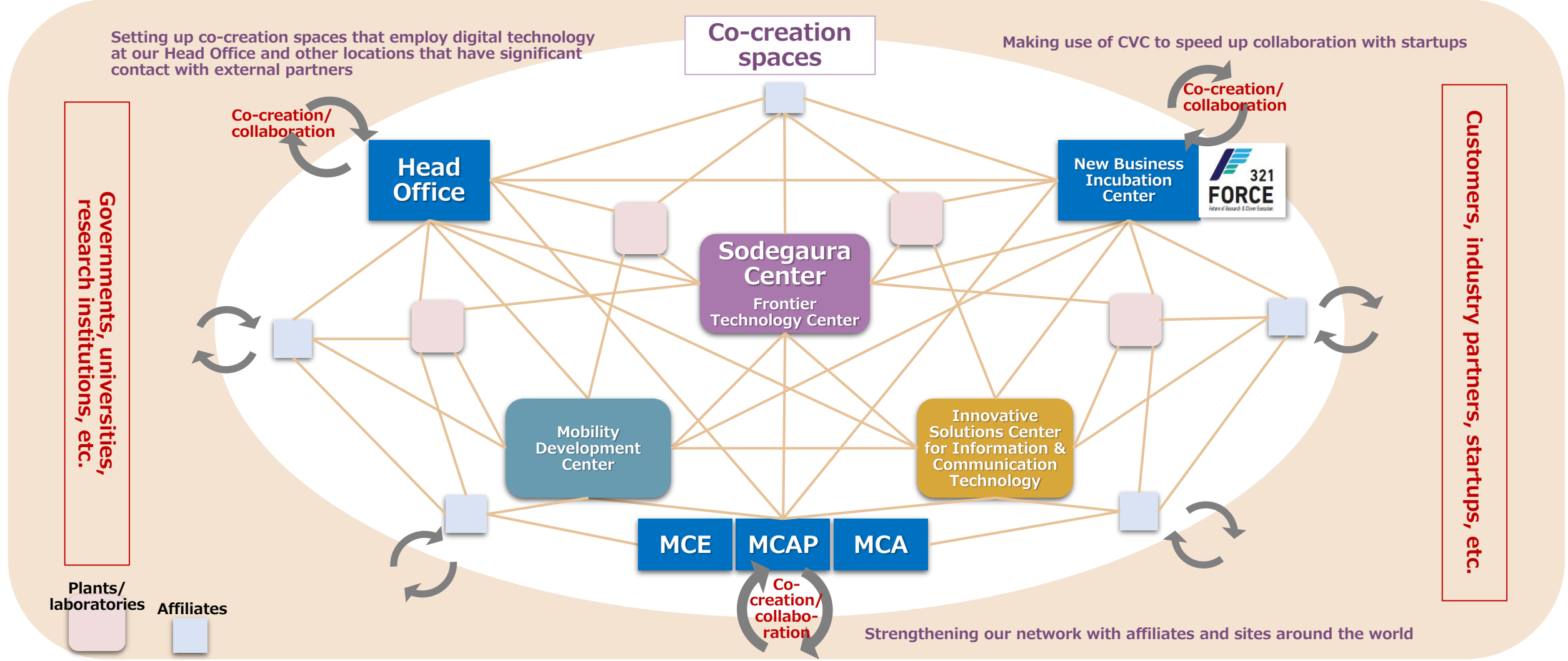
Designing and optimizing new value chains to capitalize on the flow of people, goods and data



Making use of the Mitsui Chemicals Group's materials, technologies and expertise, as well as external collaboration, to speed up the creation of new businesses



Building co-creation spaces linked by cutting-edge digital technology to bolster timely collaborative efforts both in-house and with external partners



Having each business site and each function capitalize on its strengths to facilitate co-creation and collaboration on a global level





## Speeding up our digital transformation in R&D

### Digital Science Lab.™ to be established at the Sodegaura Center (in Autumn 2024)

- Bringing together digital scientists
- Establishing a space for co-creation to facilitate open innovation
- Creating a high-performance computing environment



### Co-creation with academia

Acquiring cutting-edge digital science technologies and advancing our own technologies

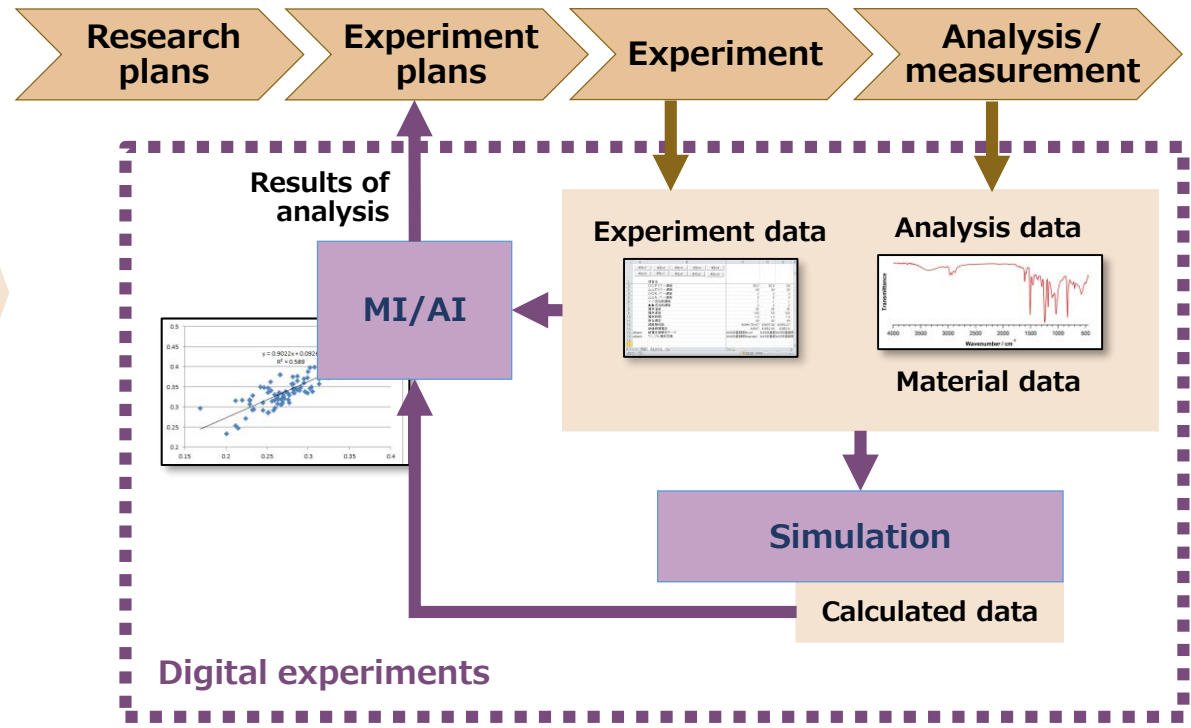
- Mitsui Chemicals & Kyoto University Digital Chemistry Lab
- Mitsui Chemicals-ICReDD Innovative Chemical Reaction Design Laboratory



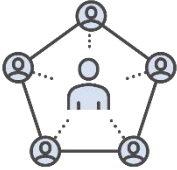
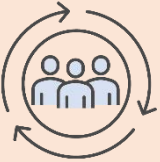
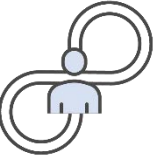
## Making use of cutting-edge MI & AI technology

### Improving the accuracy of digital experiments through advances in MI and AI, helping in turn to optimize research work

#### Real-world experiments and demonstrations



Implementing a human resources strategy based on VISION 2030

Our ideal state in 2030	Priority issues	KPIs
<p>(From June 2 CEO Presentation)</p>  <p><b>Human resources who can work with customers and partners to create businesses that address social challenges are being acquired, developed, and retained.</b></p>	<p><b>Strategic recruiting, development, and retention of future executives*<sup>1</sup> with diverse backgrounds</b></p> <p><b>Design of human resources portfolio aligned with the ideal business portfolio</b></p>	<p>① <b>Critical positions</b></p> <ul style="list-style-type: none"> <li>• Successor coverage rate: 250%</li> </ul> <p>② <b>Diversity</b></p> <ul style="list-style-type: none"> <li>• Executive officers with diverse backgrounds*<sup>2</sup>: 10 or more (including at least 3 women)</li> <li>• Ratio of women in management positions*<sup>3</sup>: 15%</li> </ul>
<p>(From this CEO Presentation)</p>  <p><b>Transformation to a corporate culture that increases the engagement of human resources and converts it into organizational strength has been achieved.</b></p>	<p><b>Embodiment of self-initiative, autonomy, and collaboration</b></p>	<p>③ <b>Engagement score</b></p> <ul style="list-style-type: none"> <li>• 50% (Group &amp; global)</li> </ul>
 <p><b>Human resources governance has been established, and the value of Group human capital is being communicated both internally and externally.</b></p>	<p><b>Upgrading of human resources governance to accommodate for mergers and acquisitions (M&amp;As), etc.</b></p> <p><b>Creation of an integrated Group-wide human resources platform</b></p>	<p>—</p>

\*1 Future sector presidents and center executives of MCI

\*2 Number of women, non-Japanese, and mid-career hires among executive officers at MCI

\*3 Management positions at MCI

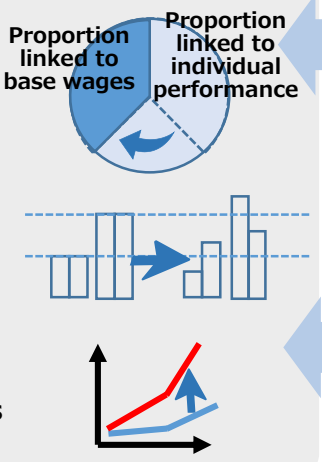
A cycle to promote taking up the challenge of change

Measures to support autonomous career development and a sense of growth

Evaluation system

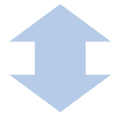
Flexible evaluations that recognize accomplishments (bonuses)

- ① Increasing the proportion of compensation linked to individual performance
- ② Flexible scoring of evaluations to take accomplishments into account
- ③ Payment factors linked to the Group's performance



Impetus for taking on challenges

- Management by objectives → Setting transformation targets
- Behavioral assessments → Evaluating challenges taken and learning agility



Realize VISION 2030

Group-wide commendation system

Focuses on achieving management targets, as well as on stimulating employees with the aim of transforming our corporate culture



Support for career development

- "Chot Chat" company-wide mentoring system

Voluntary applications from over 100 employees

- Open calls for internal positions

Cumulative total since FY19: 174 applications for 126 positions

- Career seminars

Two 180-person seminars at full capacity

Providing opportunities for continuous learning

- LinkedIn online learning platform

8,900 accounts from 39 companies across the world

	FY22 Outlook	FY25 Around	FY30 Target
Operating income before special items (B yen)	140	200	250
Net income attributable to owners of the parent (B yen)	105	110	140
ROE	14.0%	10% or more	10% or more
ROIC*1	6.3%	7.0% or more	8.0% or more
Net D/E	0.74	0.8 or less	0.8 or less
Total return ratio	32%	30% or more	30% or more

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

## Contributing to a sustainable society

Material topics	KPIs	FY22 Outlook	FY30 Target
<ul style="list-style-type: none"> <li>Climate change</li> <li>Circular economy</li> <li>Health and livelihood</li> <li>Highly livable communities</li> <li>Food security</li> <li>Product design based on full life-cycle considerations</li> </ul>	Blue Value™ products sales revenue ratio	• 22%	• 40%
	Rose Value™ products sales revenue ratio	• 25%	• 40%
	GHG emissions reduction rate (Scopes 1 and 2) *compared to FY13	• 21%	• 40%

## Prerequisites for business continuity

Material topics	KPIs	FY22 Outlook	FY30 Target
• Safety	Incidence of major accidents & serious occupational injuries	• Zero	• Zero (over the course of VISION 2030)
• Respect for human rights	Response to human rights risks	• Revision & announcement of Human Rights Policy; formulation of a medium- to long-term plan for human rights due diligence, and launch of on-site assessments	• Identification & correction of risks by setting up a human rights due diligence system for all of our bases, both domestic and abroad
• Risk & compliance management	Incidence of major legal and regulatory violations	• Zero	• Zero (over the course of VISION 2030)
• Product quality	Incidence of PL accidents & serious product quality incidents	• Zero	• Zero (over the course of VISION 2030)
• Stable production	Introduction of advanced technologies Implementation of advanced production technology centered on AI/IoT	• 10 instances	• 100 instances (over FY21–30)

## Abilities essential to business continuity

Material topics	KPIs	FY22 Outlook	FY30 Target
• Corporate culture	Improvement of employee engagement <b>Engagement surveys</b>	• <b>Implementation rate for improvement plans from our FY21 survey : 100%</b>	• <b>Engagement score : 50%</b>
• Human capital	Key talent management <b>Successor coverage rate for critical positions</b>	• <b>235%</b>	• <b>250%</b>
	Diversity • <b>Executive officers with diverse backgrounds (women, non-Japanese, mid-career hires)</b> *Mitsui Chemicals, Inc. • <b>Ratio of women in management positions (manager-level or above)</b> *Mitsui Chemicals, Inc.	• <b>Diversity rate of future executives: 20%</b>  • <b>6%</b>	• <b>Executive officers with diverse backgrounds: 10 or more</b> (including at least 3 women)  • <b>15%</b>
	Health-focused management • <b>(MCI) Average rate of lifestyle-related disease</b> • <b>(MCI) Frequency of absences from work due to mental health disorders</b>	• <b>9.5%</b>  • <b>0.50</b>	• <b>8.0%</b>  • <b>0.25</b>
• Digital transformation	Training of DX specialists <b>Number of data scientists</b>	• <b>26</b>	• <b>165</b> (by FY25)
• Innovation	<b>Pipeline expansion</b>	• <b>Establishment of corporate venture capital (CVC) funds; Stage 1 themes registered: 30 or more</b>	• <b>Number of development themes in the latter half of our Stage Gate System (vs. FY20): double or more</b>
	Value creation for beyond 2030 <b>Number of new areas of development at our Frontier Technology Center</b>	• <b>3 or more candidates</b>	• <b>3 or more areas</b>
• Partnerships	<b>Sustainable procurement</b>	• <b>Bolster communications with partners to solidify our efforts in this area</b>  Interviews; requests for improvement; revision of guidelines, and turning these guidelines into common sense	• <b>Sustainable procurement ratio : 80%</b>



A blue sky with white clouds and a large blue arrow pointing right. The arrow is a solid blue shape that starts from the left edge and points towards the right edge of the image. The sky is a vibrant blue with scattered white clouds, and the sun is visible in the bottom left corner, creating a lens flare effect.

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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