

0→1 MAKE IT HAPPEN

FY20-1 Creating New Customer Value
through Innovations

CEO PRESENTATION



Mitsui Chemicals

橋本 修

HASHIMOTO Osamu

Mitsui Chemicals Inc.

President & CEO

Jun 2, 2020

Contents

- ▶ **Business Performance**
- ▶ Post COVID-19
- ▶ Topics on Targeted Business Domains
- ▶ Topics on Sustainability
- ▶ Financial Overview

1 Introduction

As the novel coronavirus continues to spread around the world, I would first of all like to express my heartfelt gratitude to health care workers, as well as to everyone else working around the clock to keep society running.

This fiscal year marks a good time to take another look at VISION 2025, the long-term business plan we formulated in 2016. Now more than ever, it is crucial that we speed up our efforts for portfolio reform.

At present, the impact of COVID-19 has put us in a difficult business environment, and we will be unable to stop our results from declining in fiscal 2020. Yet at the same time, we are seeing an increasing recognition of the chemical industry's duty in helping to stop the spread of the pandemic, and of just how important this role is.

Further down the track, it is expected that a post-COVID world could bring major changes to society. This could include new lifestyles taking root, shifting demand structures, changes in supply chains and more.

Precisely because we are in such a period of change, the Mitsui Chemicals Group is working to take itself to the next stage. We hope to make use here of the comprehensive power of chemicals, our ability to get things done and a forward-facing outlook not bound by preconceived notions.

June 2, 2020

HASHIMOTO Osamu



Supporting production of face shields in Mexico



#SOCIAL DISTANCING

Mitsui Chemicals
G r o u p

Remote working for Group staff worldwide

Supporting healthcare providers

- Donation of masks, sanitizers, etc. to local medical institutions across Group locations

フェイスシールド製作支援
@メキシコ

Nonwovens for medical gowns



3D-printed
masks



Trends continuing from pre-COVID-19

- 1 Rapid progress in digital tech – 5G, AI
- 2 Growing awareness toward environmental and social sustainability – Issues of plastics and CO₂ reduction

Post-COVID-19 change

- 3 Growing awareness toward & demand for hygiene and comfort
- 4 Increased geopolitical risks brought by US-China trade war, politicization of economic relations
- 5 Change in values and work styles
- 6 Impact from COVID-19 expected to partially remain in Basic Materials, Mobility segments

While following our long-term business plan VISION 2025 in the near term, we will:

- 1 **Secure cash flow in preparation for further downside risks**
- 2 **Lay out and implement new work styles and supply chain structures to coexist with COVID-19**

- Income down for second half of FY2019 due to impact of global economic downturn
- Valuation loss of 12.1B yen (extraordinary loss for FY2019) on capital invested in Nghi Son refinery
- Situation is unclear for FY2020, but plans are based on an assumed second-half recovery

J-GAAP(JPY bn)

Items	FY2017	FY2018	FY2019	Increase (Decrease) J-GAAP FY18→FY19
	J-GAAP	J-GAAP	J-GAAP	
	Results	Results	Results	
Sales	1,328.5	1,482.9	1,339.0	△ 143.9
Operating income	103.5	93.4	71.6	△ 21.8
Non-operating income	6.7	9.6	△ 6.1	△ 15.7
Ordinary income	110.2	103.0	65.5	△ 37.5
Extraordinary gains/losses	△ 16.0	2.3	3.0	0.7
Net income*	71.6	76.1	37.9	△ 38.2

Exchange rate(JPY/USD)	111	111	109	△ 2
Domestic standard naphtha price(JPY/KL)	41,900	49,400	42,900	△ 6,500

IFRS*¹(JPY bn)

Items	FY2019	FY2020	Increase (Decrease) IFRS* ² FY19→FY20
	IFRS* ²	IFRS	
	Results	Outlook	
Sales revenue	1,349.5	1,145.0	△ 204.5
Operating income before special items	72.4	35.0	△ 37.4
Non-recurring items	△ 6.8	2.0	8.8
Operating income	65.6	37.0	△ 28.6
Financial income /expenses	△ 3.8	△ 3.0	0.8
Net income attributable to owners of the parent	32.1	20.0	△ 12.1

Exchange rate(JPY/USD)	109	108	△ 1
Domestic standard naphtha price(JPY/KL)	42,900	23,300	△ 19,600

*1) As of FY2020, we are using IFRS for our accounting standards.

*2) FY2019 IFRS figures were prepared for the purpose of comparison with FY2020 outlook figures and are tentative figures which have not been subject to certified audit. The same applies throughout the remainder of document.

Operating Income by Segment

- Mobility segment income down significantly due to a drastic drop in automotive production
- Basic Materials segment took a major impact from an inventory valuation loss caused by the steep decline in naphtha prices

(JPY bn)

Segment	FY2017	FY2018	FY2019		FY2020	Increase (Decrease) IFRS* FY19→FY20	%
	J-GAAP	J-GAAP	J-GAAP	IFRS*	IFRS		
	Results	Results	Results	Results	Outlook		
Mobility	42.3	42.7	39.2	42.7	27.5	△15.2	-36%
Health Care	10.8	13.6	13.8	12.6	10.5	△2.1	-17%
Food & Packaging	19.9	17.8	18.1	16.4	16.0	△0.4	-2%
(Targeted domains)	73.0	74.1	71.1	71.7	54.0	△17.7	-25%
Basic Materials	38.9	27.8	8.7	8.7	△11.5	△20.2	-232%
Others	△8.4	△8.5	△8.2	△8.0	△7.5	0.5	6%
Total	103.5	93.4	71.6	72.4	35.0	△37.4	-52%

Exchange rate(JPY/\$)

111

111

109

108

△ 1

Domestic standard

naphtha price(JPY/KL)

41,900

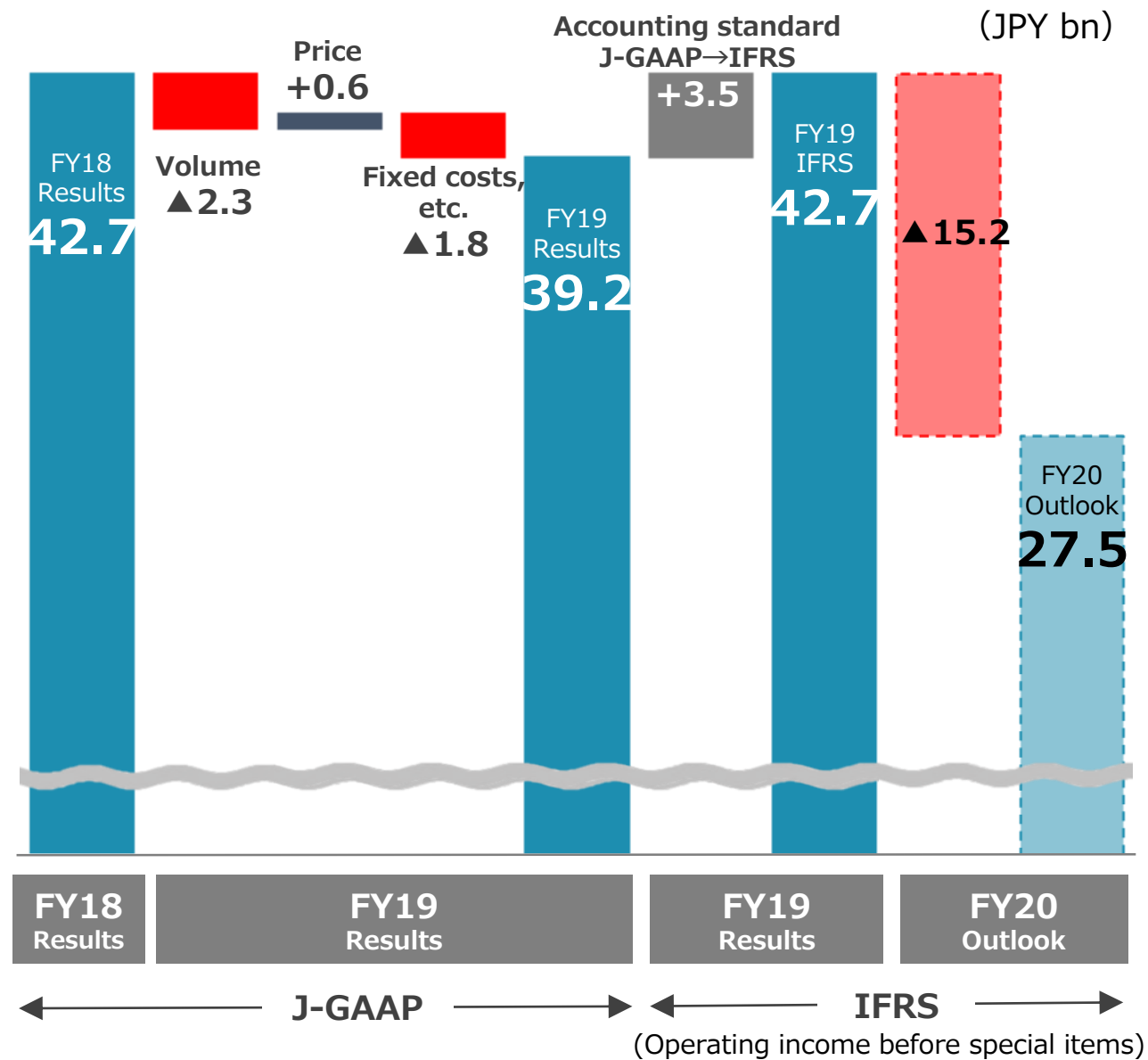
49,400

42,900

23,300

△ 19,600

-Operating Income-



FY19 HIGHLIGHTS

Sales

▲7%

Operating income

▲8%

COVID-19

▲1B
yen

- ✓ Affected by global downturn in automotive production (4%)
- ✓ Steady growth in ICT applications as smartphones move to multi-lens cameras
- ✓ Negative impact of 1 billion yen from COVID-19

FY20 OUTLOOK HIGHLIGHTS

Sales

▲18%

Operating income
before special items

▲36%

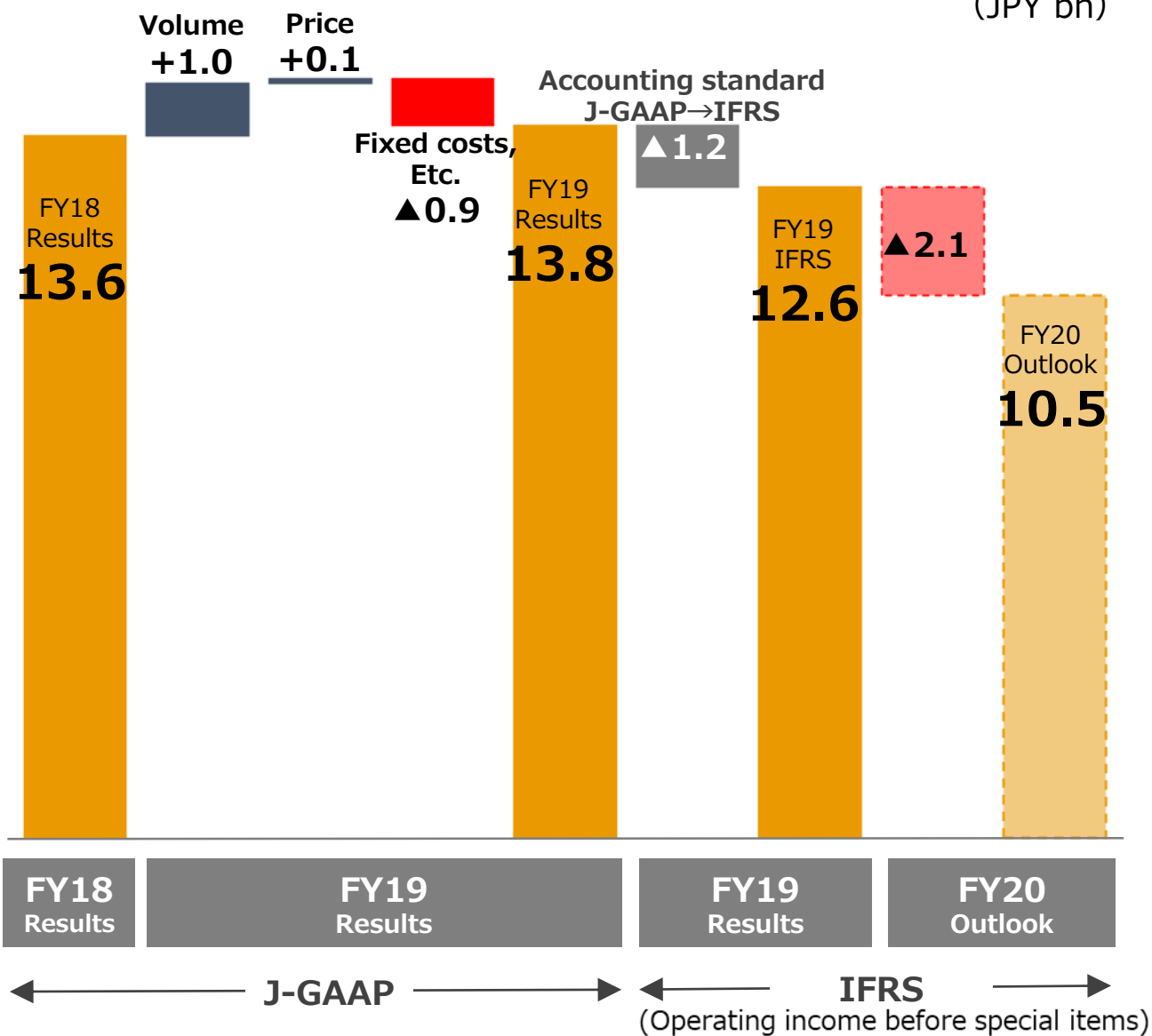
COVID-19

Major
impact

- ✓ Further decline in global automotive production (20%) expected due to COVID-19
- ✓ Only a minor impact on ICT applications of our products

-Operating Income-

(JPY bn)



FY19 HIGHLIGHTS

Sales

▲2%

Operating income

+2%

COVID-19

▲0.5B
yen

- ✓ Strong sales in vision care business
- ✓ Major income drop for nonwovens (e.g. for diapers)
- ✓ Negative impact of 0.5 billion yen from COVID-19

FY20 OUTLOOK HIGHLIGHTS

Sales

▲2%

Operating income
before special items

▲17%

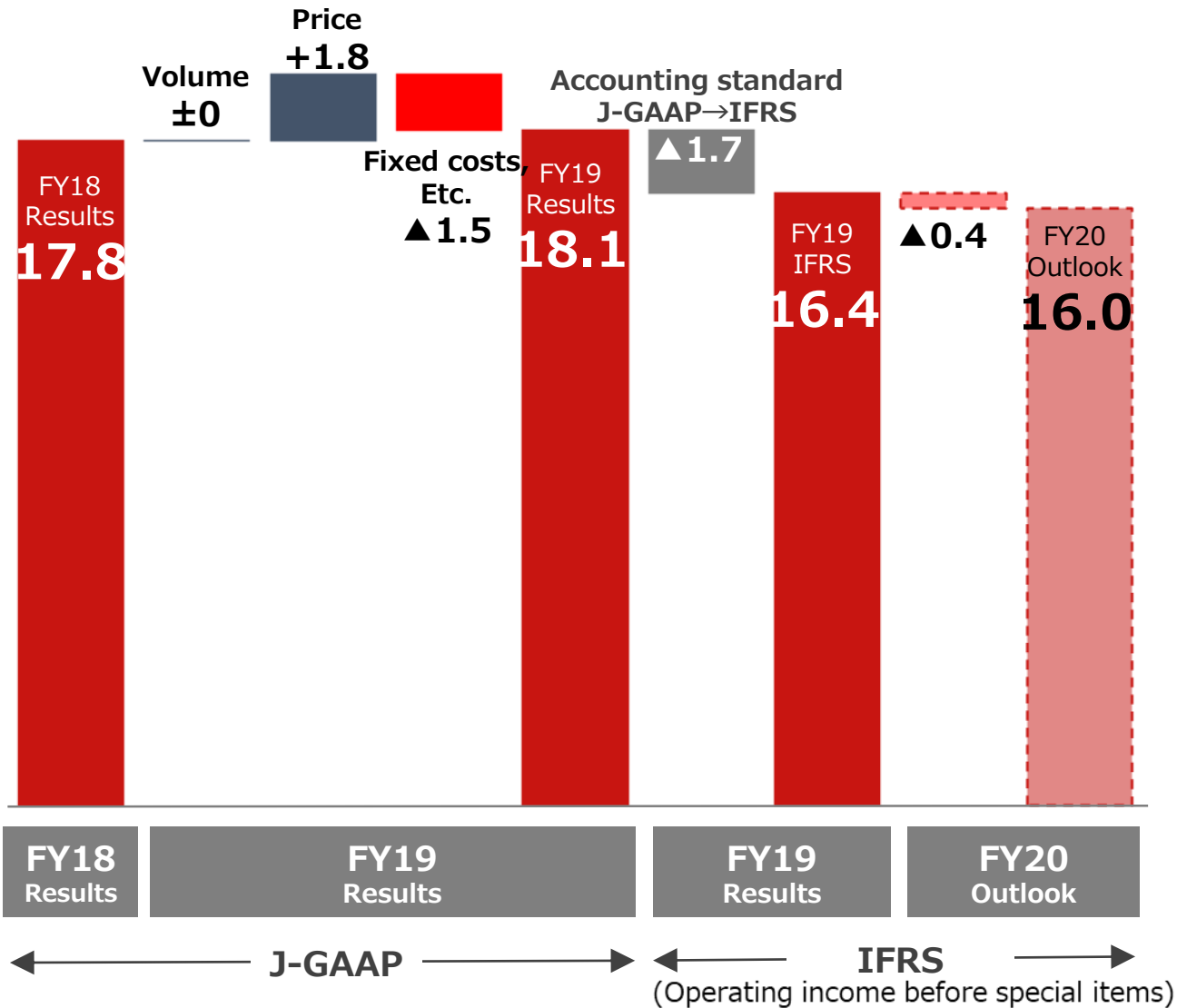
COVID-19

Moderate
impact

- ✓ With glasses retailers closed, demand is down in Europe and elsewhere but starting to slowly recover from China
- ✓ Emergency demand for masks and medical gowns
Recovering demand for diapers
- ✓ Reduced demand for dental materials due to decline in dentist visits

-Operating Income-

(JPY bn)

**FY19 HIGHLIGHTS**

Sales

▲3%

Operating income

+2%

COVID-19

▲0.5B
yen

- ✓ Strong performance for semiconductor tape
- ✓ Sales down for packaging film, coating materials
- ✓ Negative impact of 0.5 billion yen from COVID-19

FY20 OUTLOOK HIGHLIGHTS

Sales

▲2%

Operating income
before special items

▲2%

COVID-19

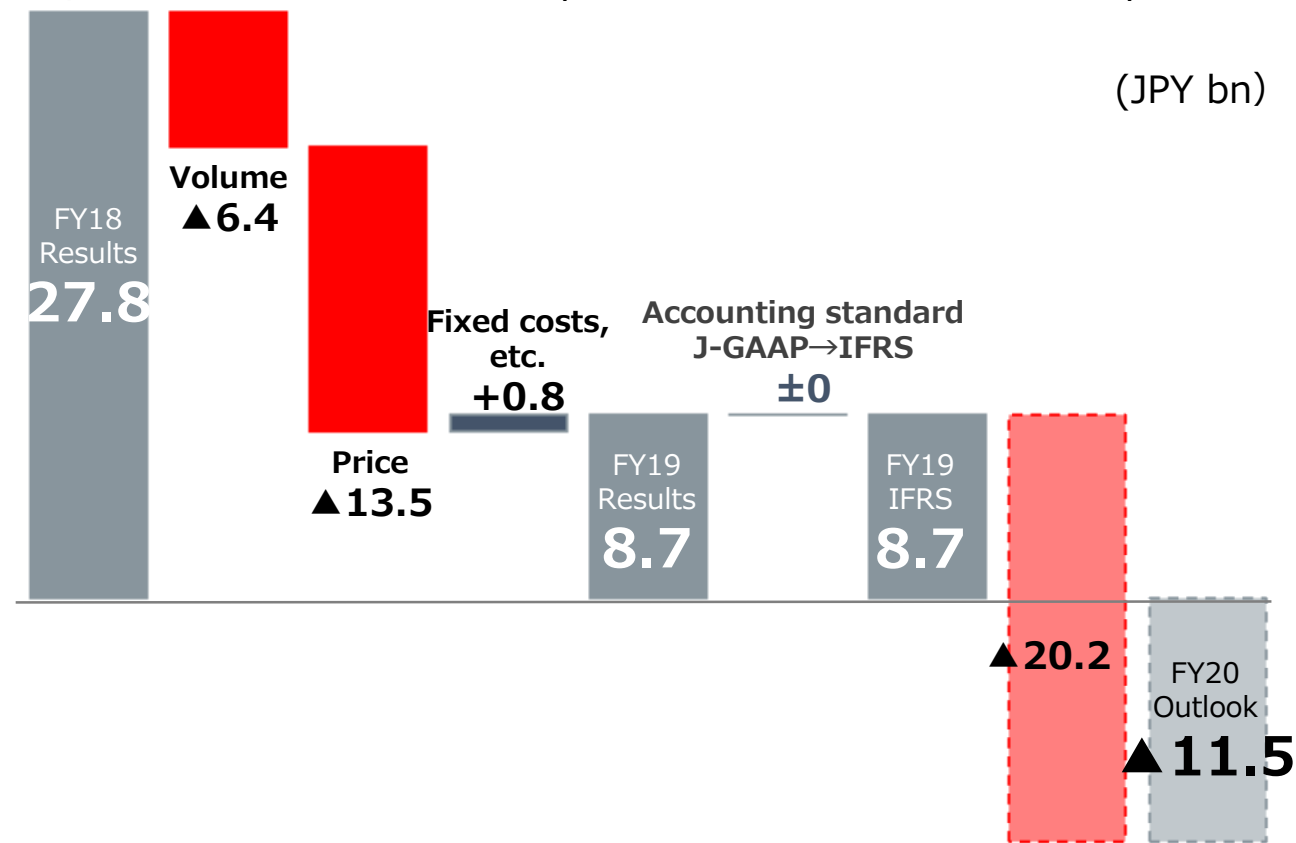
Minor
impact

- ✓ Impact from COVID-19 expected to be minor overall
- ✓ Packaging demand strong due to people staying at home
- ✓ Semiconductor demand expected to drop for first half before recovering in second half
- ✓ Making progress on themes for overseas sales growth of agrochemicals

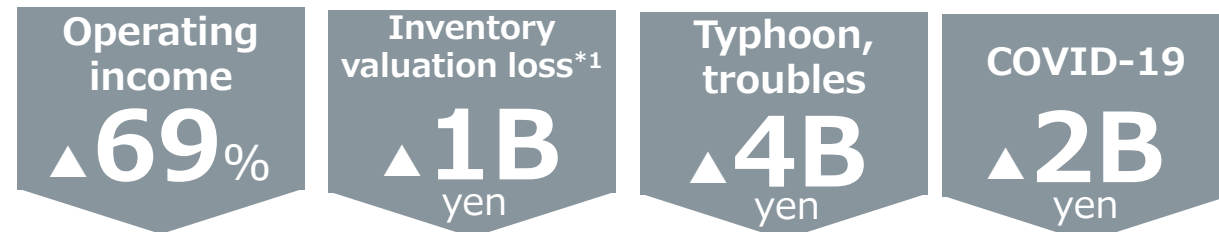
9 Segment 4: Basic Materials

-Operating Income-

Naphtha Price **49,400** JPY/Kl → Naphtha Price **42,900** JPY/Kl → Naphtha Price **23,300** JPY/Kl
(JPY bn)



FY19 HIGHLIGHTS



- ✓ Worsening market spread for petrochemicals and phenols
- ✓ Negative impact of 5 billion yen from typhoon, facility troubles, inventory valuation loss
- ✓ Negative impact of 2 billion yen from COVID-19

FY20 OUTLOOK HIGHLIGHTS



- ✓ Inventory valuation loss due to plummeting naphtha prices
- ✓ Delays in licensing projects
- ✓ Factoring in equity affiliates for polyurethane, PTA etc.
- ✓ Implementing flexible cracker operations to respond to demand



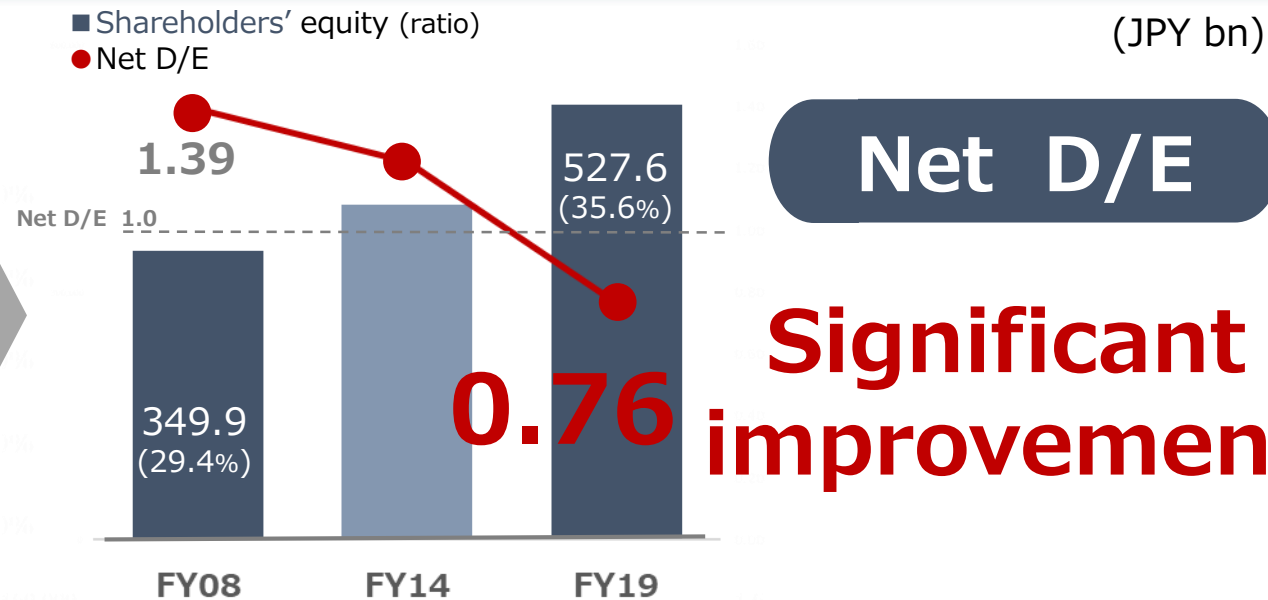
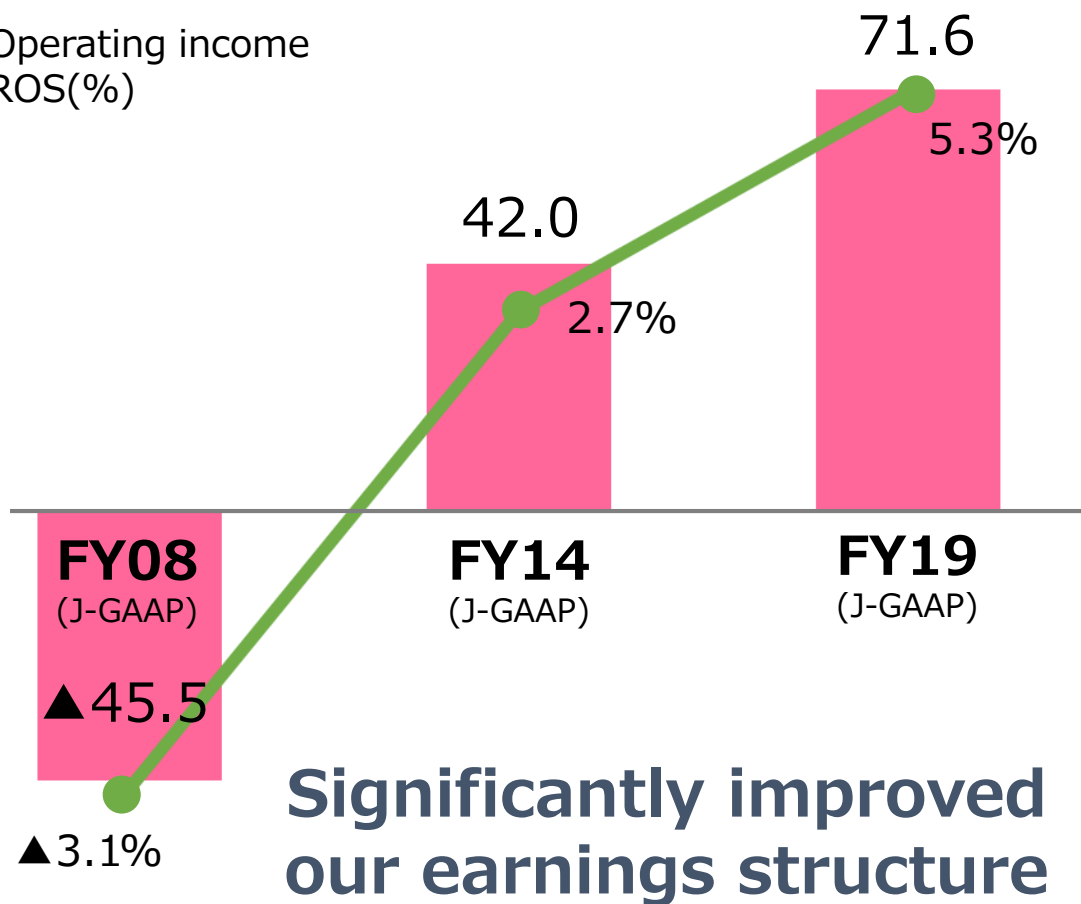
*1) Includes effects of pricing formula cutoff issues *2) Equity affiliates, loss on retirement

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Operating Income

■ Operating income
● ROS(%)



Net D/E

Significant improvement

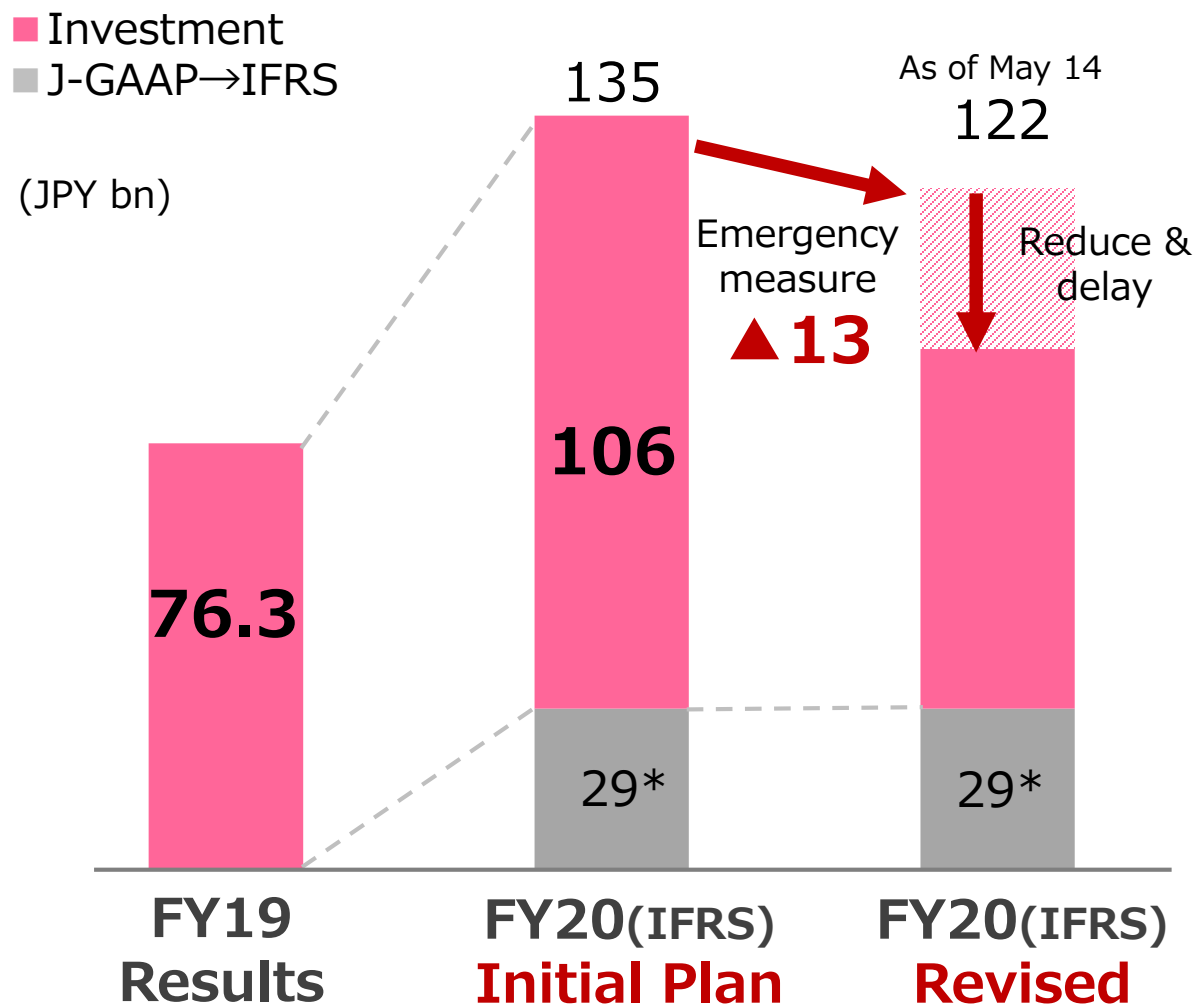


Short-term Liquidity

Additional Measure
Committed credit line
100B yen level

Compared to the GFC, we have established a financial infrastructure able to respond to sudden changes

Investments (excl. M&A)



*As we move over to IFRS, repair expenses for FY20 will be factored into assets as capital expenditure (29B yen)

Emergency measures

▲13B yen and
further considering plans to
reduce & delay investments

Additional cost-cutting

▲3B+a yen

Proactive stance

- Continuing development and investments for the future
- Looking for M&A opportunities under a separate framework

Emergency supply of **nonwovens for masks and medical gowns**

- ✓ In addition to masks – for which demand is surging – we are responding to a government request by beginning emergency production of nonwovens for medical gowns
- ✓ Running full production at all plants (Yokkaichi, Nagoya, Thailand, Tianjin), including TEKNOROTE™ for nose-clamps

*Specifically isolation gowns



For medical gowns*

- Rapidly established a system capable of supplying enough nonwovens for 10 million medical gowns per month (April 2020)



Reusable 3D-printed masks

- Joint research with Nagoya University (May 2020)
- Nonwoven filter switching system

Surging demand for **disinfectants, cleaning agents**

- Surging demand for disinfectant-use IPA and antiseptic bottles (polyolefins)

Surging demand due to **stay-at-home measures**

- Rising demand for packaging (packaging films, polyolefins)

Inquiries for various antibacterial and antiviral product lines

FASTAID™ Virus Sweeper Towel



Sodium hypochlorite-based compressed towels

Created from a natural-disaster-preparedness ideathon with NPOs

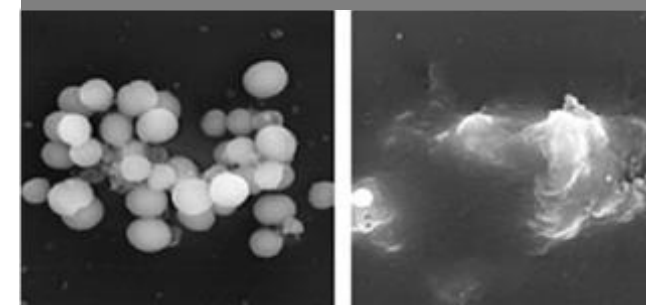
YOHTOL™ DP-CD New iodine-based material



Antibacterial, anti-mold agent that employs cyclo-encapsulation to achieve water solubility, light resistance and heat resistance

Antibacterial colloids Polymer-based antibacterial material

Self-liquefaction of bacteria following introduction of antibacterial colloids



- Antibacterial material able to induce self-liquefaction in bacteria
- Non-volatile & stable due to polymeric nature

Copper Stopper™ Copper alloy deposition technology

- World's first copper alloy nano-deposition technology to solve the issue of copper rust
- Improves ease of use for copper, which has high antibacterial properties

To prepare for social changes after COVID-19, bolster **our marketing operations and functional relationships** in a speedy manner

Increasing ownership

Bolstering organizational structure

<Mobility>

ARRK

Turning into wholly owned subsidiary

<Health Care>

SHOFU

Acquiring additional stake

New Business Incubation Center

CoE System
(Center of Excellence)

Strategic Bases

ARRK

74.4% → 100%

Strengthening our ability to propose solutions



11.17% → 20.01%

Accelerating expansion of dental materials business

“Next Gen Business”
+
ICT & ROBOT

Early stage development for all fields

<Mobility/F&P>
Introducing CoE system at HQ

<Health Care>
Establishing Medical Business Strategy Dept.

N.America
Silicon Valley Office
(Previously San Jose Office)

ICT, Sustainability, Healthcare

China
Guangzhou Branch
(FY20)

Mobility, ICT
South China area

Starting up a **CoE* system** with cross-organizational powers and responsibilities

*CoE = Center of Excellence

Looking toward potential major changes that lie ahead
and providing speedy, optimal solutions to customers

Starting with two domains where comprehensive solutions are being sought

Mobility CoE Project Office

- ✓ Lightweighting solutions
- ✓ CASE
- ✓ Lifestyle changes
- ✓ Shift toward a circular economy

Food & Packaging CoE Office

- ✓ Shift toward a circular economy
- ✓ Urbanization and changing demographics
- ✓ Reducing food loss & waste
- ✓ Digitalization

Leading global efforts for information gathering,
strategizing and business development

Accelerating medical business development

NEW HEALTH CARE BUSINESS
DEVELOPMENT DIV.

E-Glass



TouchFocus™

Business for **TouchFocus™**
next-gen. eyewear

Sleep
Solutions



Mouthpiece business for OSA*

*OSA: Obstructive sleep apnea

**Medical Business
Strategy Dept.**

**Developing medical businesses, exploring new businesses
and pursuing M&A in an effort to become
a global manufacturer of medical equipment**

Surgical
Materials

Development of **materials for orthopedics**

In Vitro
Diagnostics

Rapid bacteriological identification systems and
other such in vitro diagnostics

*Transferred from Next Gen. Business Development Division in April 2020

Launching the **New Business Incubation Center**, which is tasked with exploring and creating new businesses in all fields

NEW BUSINESS INCUBATION CENTER



ICT MATERIALS

Creating new businesses to become our next target domain



ROBOT MATERIALS

Developing materials and components for industrial and communications robots of the future



ENERGY SOLUTIONS

Solar and wind power generation business
Solar power generation diagnostics business (Japan, India)



OPEN INNOVATION

Nexus for open innovation & CVC

- Impact from COVID-19 expected to partially remain in Basic Materials, Mobility (automotive production) segments
- While our plans for FY20 were built based on a difficult outlook, we are redoubling our efforts to **secure cash flow in preparation for further downside risks**
(e.g. reviewing our investments; cutting costs; adjusting operations and reducing inventory sizes in advance; expanding our committed credit line)
- **Step up our execution speed** toward further business portfolio reform
- **Solidify within FY2020** further restructuring plans for our Basic Materials segment to reduce volatility
- **Secure returns** from our investments in Mobility, Food & Packaging segments and actualize a **new growth model swiftly**
- **Accelerate growth through active investments in ICT, Health Care domains** that tap into growth opportunities

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Mobility

Providing solutions that make full use of our comprehensive strengths

Getting ready for a post-COVID world despite facing the effects of globally reduced automotive production

Forecast: IHS Markit (April 2020)

North America

Market Outlook

▲ 25%

- Resuming some U.S. production
- Resuming some Mexican production
- **Established production system for LGFPP**



South America

Market Outlook

▲ 25%

- Production halted in Brazil

Europe

Market Outlook

▲ 25%

- **Established new base in Netherlands; started operation**



ACE (Netherlands)

ASEAN+India

Market Outlook

▲ 30%

- Adjusting some Thai production; **nearly completed on plant expansion**
- Production halted in India

Japan

Market Outlook

▲ 20%

- **Established production system for LGFPP**
- OEM production set for recovery starting in second half of FY20

China

Market Outlook

▲ 15%

- **April, May - recovered to show even performance YOY**
- **Nearly completed on new LGFPP plant**

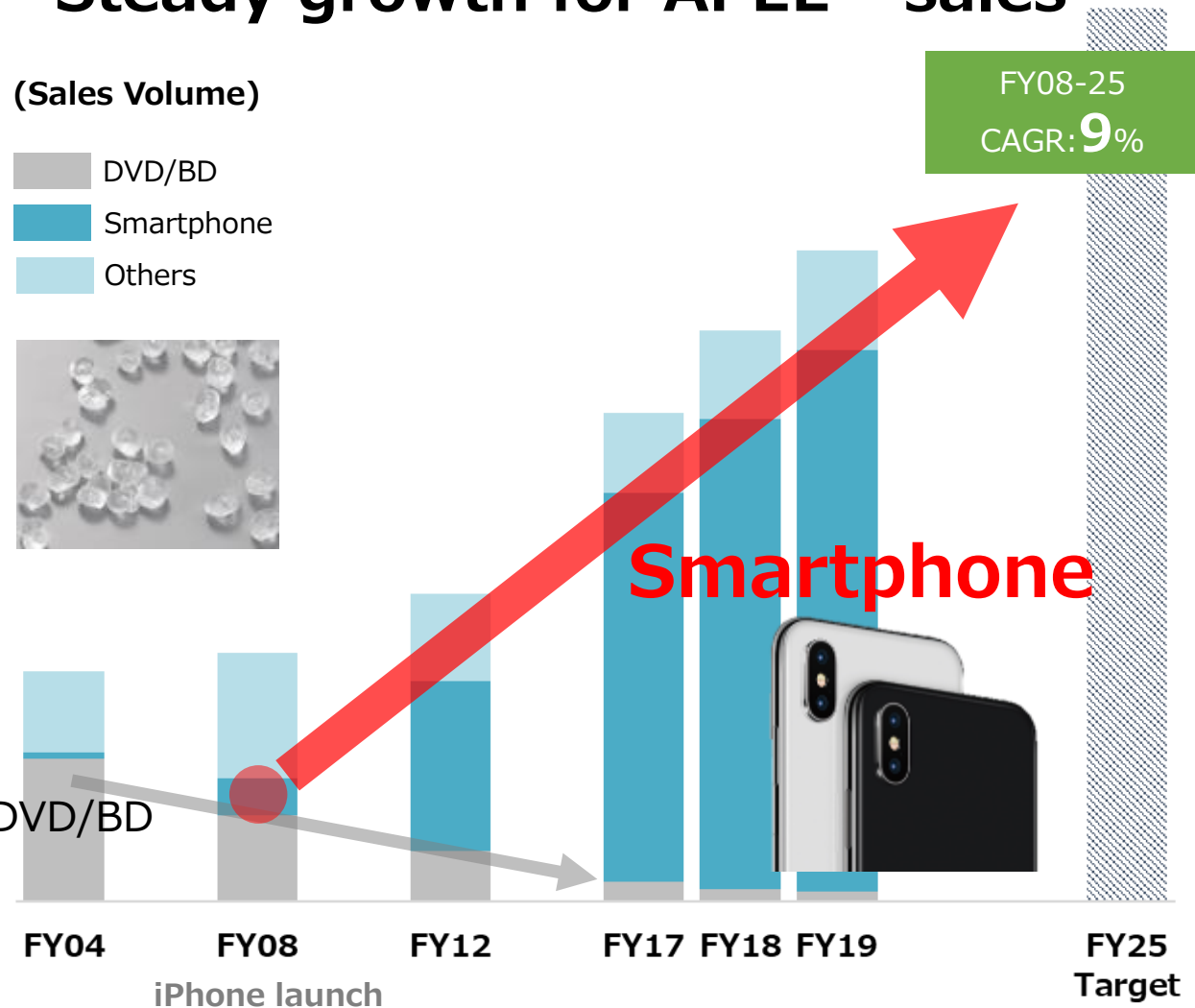


Constructing new plant for optical resin APEL™

Steady growth for APEL™ sales

(Sales Volume)

DVD/BD
Smartphone
Others



Background

- ✓ **Continue to show high sales growth** compared to smartphone demand due to trend toward multi-lens cameras
- ✓ Expanding demand for **automotive cameras** as driver support systems grow more advanced
- ✓ Expanding demand for VR, AR and other novel devices due to **changing work styles**

Expansion

50% boost to
production capacity

Setting up a new plant at Osaka Works
(completion in March 2022)



- ✓ Using Mitsui Chemicals' materials technologies and ARRK's prototyping support capabilities to aid in the production of air mobility concept model
- ✓ Achieving additional rigidity, lightweighting by way of technologies for bonding of heterogeneous materials
- ✓ Verification testing launched in FY2019



(Photo) October 2019. Revealed at the Tokyo Motor Show 2019

Expanding our pipeline for monetization projects for FY21 onward; moving into a phase where we can reap the rewards of our investments

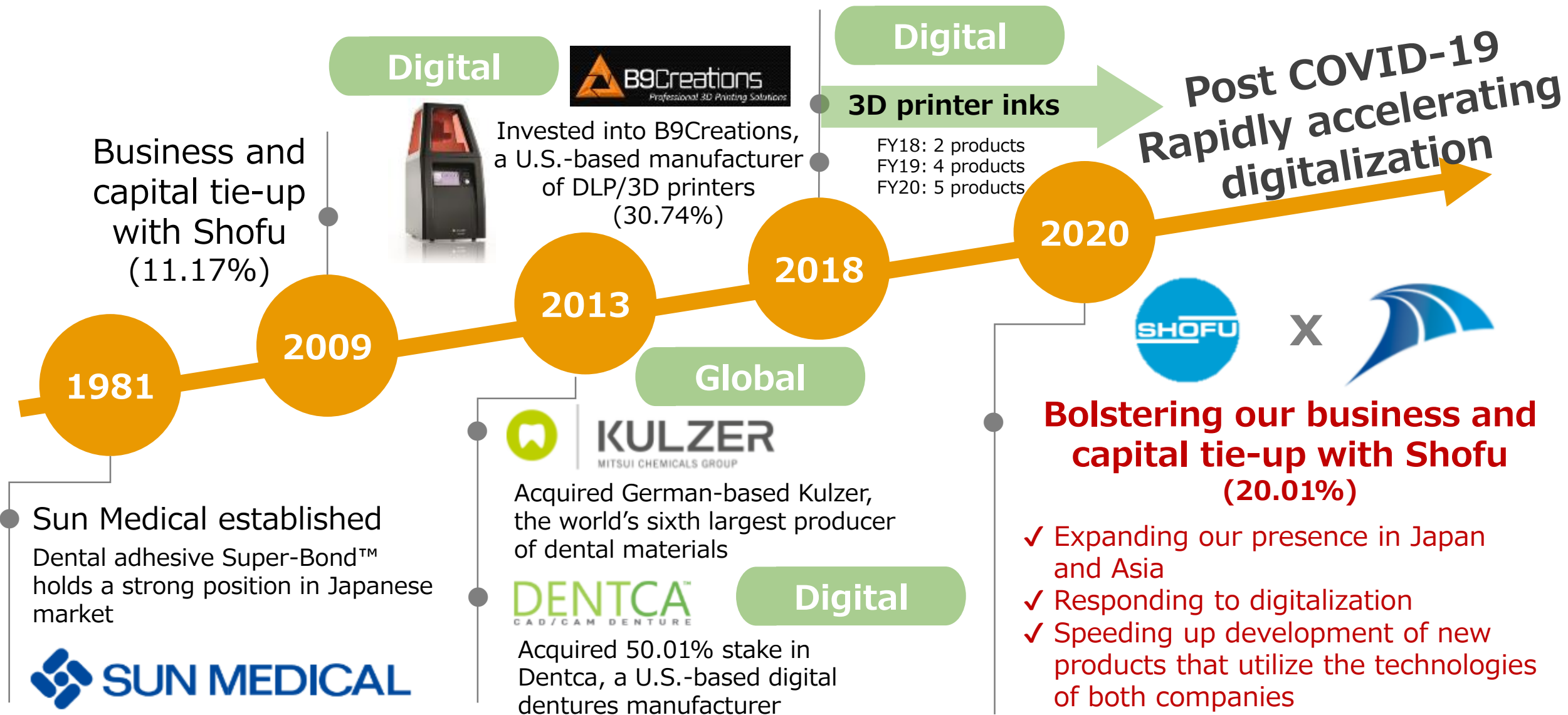
Mobility investment projects (partial list)		Capacity (KTA)	Schedule for profit contribution						Note
			Stable growth			Accelerate growth			
			FY17	FY18	FY19	FY20	FY21	FY22	
PP Compounds	Increased capacity@India	10							✓Global top strategy in 8 global bases ✓Increase in automobile production ✓PP usage continues to increase along with lightweight needs
	Increased capacity@N.A	20							
	Increased capacity@Mexico	10							
	Increase capacity@India	12							
	Increase capacity@Thailand	13							
	New base@Netherlands	30							
Long glass fiber reinforced PP	Increase capacity@Japan	3.5							✓Establish 3-base global network ✓Expand resin parts
	New base@N.A	3.5							
	New base@China	3.5							
Performance Compounds	MILASTOMER™:Increased capacity@Japan	5							✓Global expansion ✓Enhance solution capability
	MILASTOMER™:Acquired TPS business	-							
	MILASTOMER™:Increase capacity@N.A	6							
	MILASTOMER™:Increased capacity@Japan	-							
	ADMER™:Increased capacity@Japan	-							
Functional Polymer for ICT	APEL™:New plant@Japane	+50%							✓Smartphone camera lens
LiB related materials	Electrolyte: Increased capacity@Japan	5							✓Adopted by major LiB manufacturer in Japan and China utilizing original additive technology ✓Secure global standard position in LiB separator material
	Electrolyte: Increased capacity@China	5							
	Electrolyte: Increased capacity@China	15							
	HI-ZEX MILLION™: Increased capacity@Japan	1							
Elastomers	TAFMER™: Increase capacity@Singapore	25							✓Secure global top share
	Specialty TAFMER™: Increased Capacity@Japan	-							
Semiconductor materials	EUV pellicle: New facility@Japan	-							✓Be a No.1 in cutting-edge area
Lubricant oil materials	LUCANT™: New base@Japan	20							✓Expansion with Lubrizol
Solution	Acquired ARRK	-							✓Offer total solution globally ✓Promote trend toward resin
	ARRK: wholly owene subsidiary	-							
	Mobility Development Center	-							
	Design & Solution Center	-							
	CoE	-							



Health Care

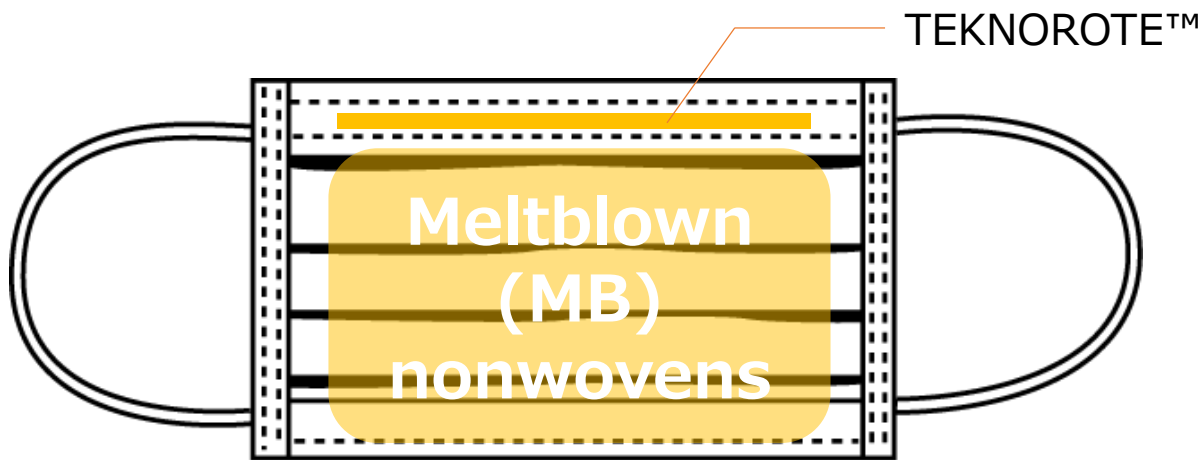
Providing products & services
that contribute to quality of life
through chemical innovations

Bolstering our business and capital tie-up with Shofu for expanded presence in Japan and Asia



Responding to mask demand

Mask demand crossing cultural borders to become global and long-term



1 Considering production increases for **TEKNOROTE™** (shape memory material for nose clamps)

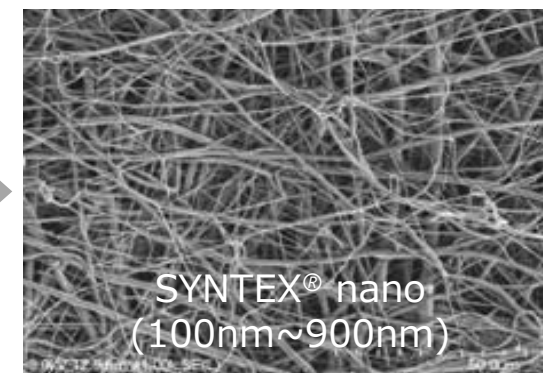
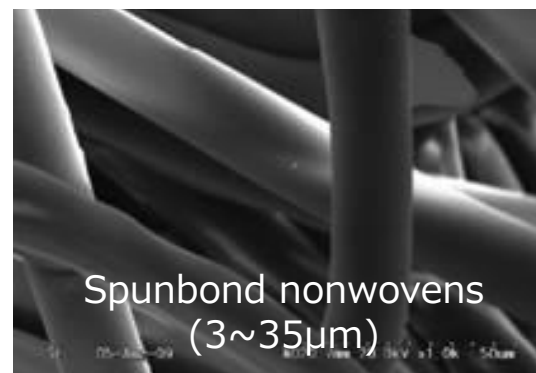
2 Considering further production increases for **MB nonwovens**

Sturdy demand in 5G sector

Completed capacity increase for nano-nonwovens (January 2020)
Downsizing for semiconductor circuits



Downsizing for filters



- Wide lineup of fine fibers
- Praise for high flow rate of filters

Accelerated growth in industrial applications





Food &

Packaging

Providing solutions for world
food problems and seizing new
business opportunities

Full-scale expansion for new active ingredient **TENEBENAL™**

- New active ingredient registered under new IRAC* category
- Diversified growth in the agrochemical, living environment and vector fields

*IRAC = Insecticide Resistance Action Committee

Agrochemical (BASF & our channels)



Registered in
3 countries
Started sales

Applications in
5 countries

More
countries

Living environment



Ant-proofing
EXGUARD™

Pest control

More
applications

Vector (IVCC; Gates Foundation)



**Malaria
eradication efforts**

- Priority agreement with IVCC
- Plans to start large-scale trials in Africa

Advancing
development

Considering production increase
at Omuta Works

New materials that senses temperature
while gently nestling up to human skin

HUMOFIT™

CONCEPT



Temperature
dependency



Apparel



Mobility



Sports

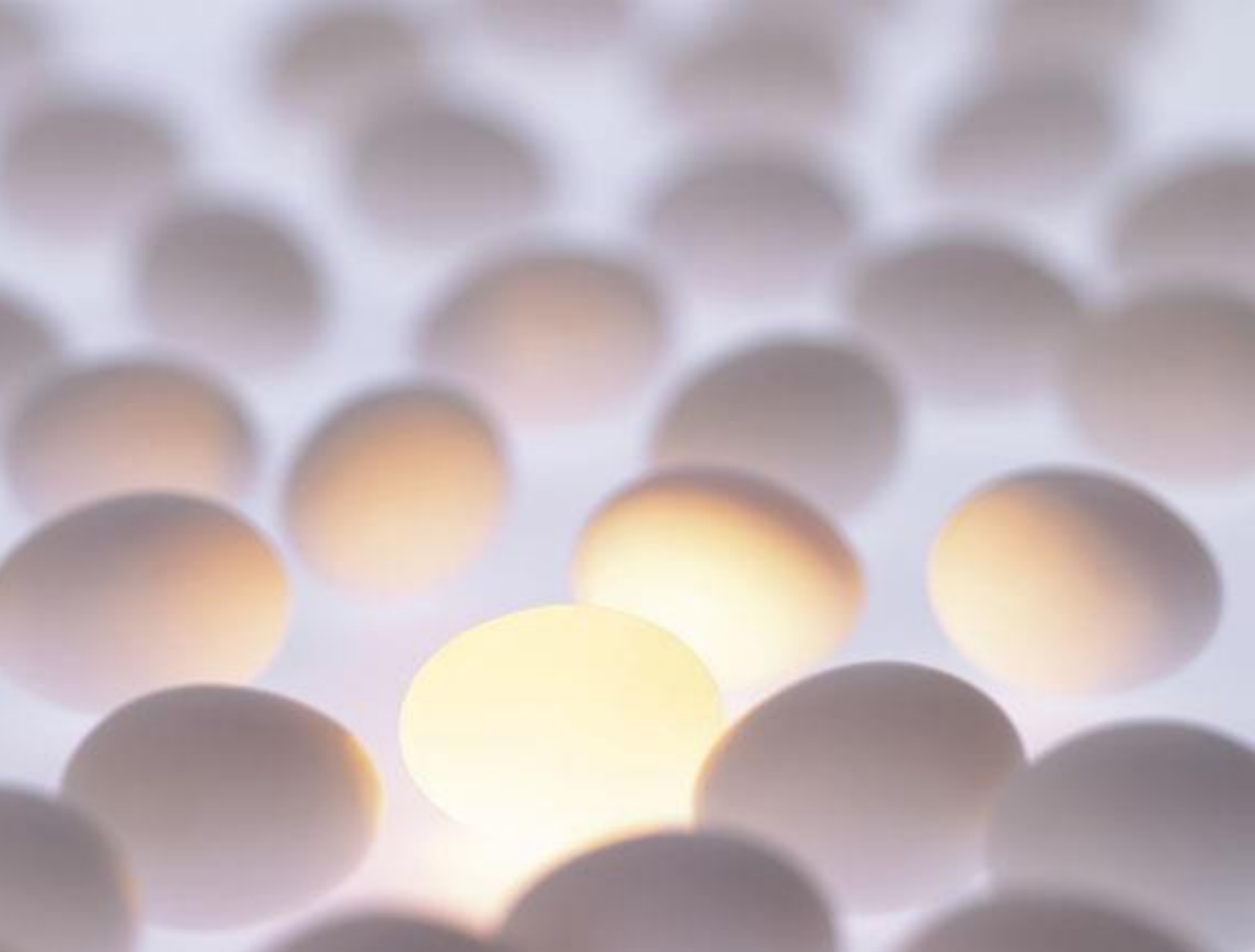


Health &
Nursing



Vibration and
sound proofing

Shape Memory



New Business

Incubation Center

Pursuing creation and early-stage
development of future new businesses

Launching the **New Business Incubation Center**, which is tasked with exploring and creating new businesses in all fields

NEW BUSINESS
INCUBATION CENTER



ICT
MATERIALS

Creating new businesses to become our next target domain
(Initial sales goal: 100B yen)



ROBOT
MATERIALS

Developing materials and components for industrial and communications robots of the future



ENERGY
SOLUTIONS

Solar and wind power generation business
Solar power generation diagnostics business (Japan, India)



OPEN
INNOVATION

Nexus for open innovation & CVC

*Medical Solutions business transferred to Health Care segment

Our next target domain: ICT materials that contribute to digitalization

ICT-related materials

	Mobility	Health Care	F&P	Basic Materials	New Business Incubation Center
Semi conductors	MITSUI PELLICLE™ Dustproof cover	SYNTEX® nano Filters, etc.	ICROS™ Tape Process tape for semiconductors	Special gas Silane, disilane, etc.	Semiconductor testing process
Display & Imaging	TPX™ Reflective film PROVEST™ Reflective parts for LED	TouchFocus® Next-gen. eyewear Functional dye Color filter Luminous sensitivity adjustment filter	STRUCTBOND™ Sealing material for LCD and OLED		Display process ECRIOS™ : transparent polyimide
Sensing	APEL™ Lens material				Imaging process
Electronic Materials	ARLEN™ Modified polyamide 6T		SP-PET™ Film for MLCC Opulent™ Heat-resistant release film		Sensors & Solutions μFLEX™, PIEZOLA™ Piezoelectric materials
					Packaging process for electronic devices With Elephantech, ConneCTec Japan

Collaboration with Elephantech Additive Manufacturing Center (AMC)

Establishing AMCs to pursue the possibilities of and facilitate mass production for inkjet-based additive manufacturing
(Center head to be dispatched from Mitsui Chemicals)

AMC(Tokyo)
@Elephantech head office



Study base for pilot phase

AMC(Nagoya)
@MCI Nagoya Works



Study base for mass production



Electronics



Healthcare



Textiles



Optics

Establishing mass production facilities at Nagoya Works
(construction to be completed in October 2020)

Product development with Z-Works



Investing in and collaborating with Z-Works, a company engaged in IoT devices and consulting (March 2020)



X

IoT devices
AI tech

= Vital sensors for vigilant nursing beds

Gather information on heart rate, breathing by using high-sensitivity PIEZOLA™ sensors



Reduce nighttime checkup workload by 50–90%



Reducing workload at nursing sites

Steady progress with investments in existing ICT businesses and new projects

ICT-related Projects (Partial list)		Schedule					
		FY17	FY18	FY19	FY20	FY21	FY22
New Business Incubation Center							
Semiconductors	EUV pellicle - New plant @Japan						
	ICROS™ Tape - New base @Taiwan						
	Syntex-nano - Increased capacity @Japan						
Display & Imaging	APEL™ - New plant @Japan						
	ECRIOS™						
	Functional dye for color filter						
Sensing	Functional dye for luminous sensitivity adjustment filter						
	Piezoelectric materials						
	Z-Works: Strategic partnership						
Electronic Materials	Elephantec: Strategic partnership						
	Additive Manufacturing Center with Elephantec						
	Attraction of Elephantec's new factory at Nagoya Works						
	ConnecTec Japan: Strategic partnership						

Combining our materials and technologies to develop components for robotics

 X **Texture Materials**

= MELTANT-β avatar robot



Dustproof, drip-proof, super-elastic skin

- ✓ Ultra-elastic to facilitate movement
- ✓ Flexible materials minimize energy loss while moving

*Verification testing to start in FY2020

<https://www.meltin.jp/news/419/>

 X **Acoustic Technology**

= BIG CLAPPY entertainment robot



Uses new gel materials to imitate the sound of clapping

- ✓ Feels like human skin
- ✓ Same wide frequency range as human clapping



<https://www.bigclappy.com/>



Basic Materials

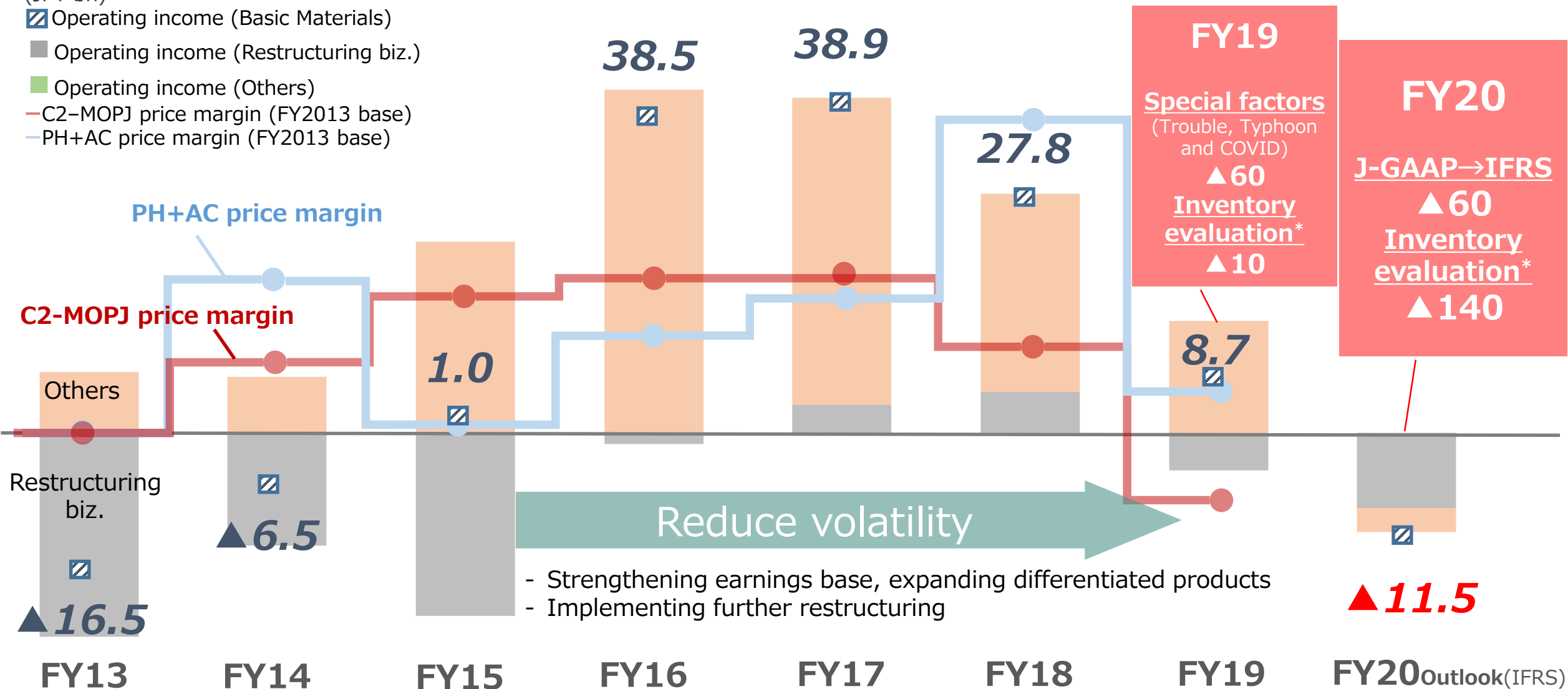
Providing materials to serve as the
basis of society and industry

Expecting results to move into the red due to a major impact from an inventory valuation loss caused by plummeting naphtha prices; pursue further restructuring

(JPY bn)

- ▨ Operating income (Basic Materials)
- Operating income (Restructuring biz.)
- Operating income (Others)
- C2-MOPJ price margin (FY2013 base)
- PH+AC price margin (FY2013 base)

* Includes effects of pricing formula cutoff



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- ▶ Business Performance
- ▶ Post COVID-19
- ▶ Topics on Targeted Business Domains
- ▶ **Topics on Sustainability**
- ▶ Financial Overview

Environmental contribution value

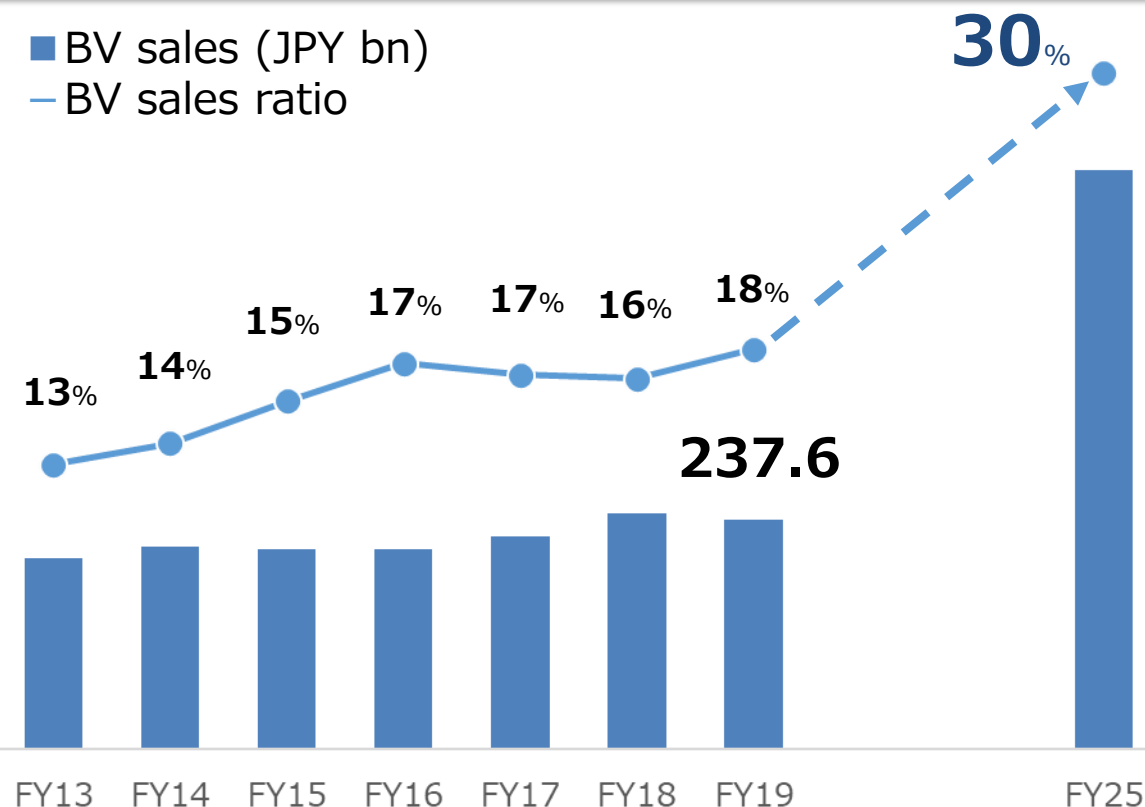
Blue Value™

Reducing CO₂

Conserving resources

Coexisting with nature

■ BV sales (JPY bn)
— BV sales ratio



Adding new development themes
with the aim of expanding Blue Value™

- Development of bio-PP
- Various recycling projects

QOL improvement contribution value

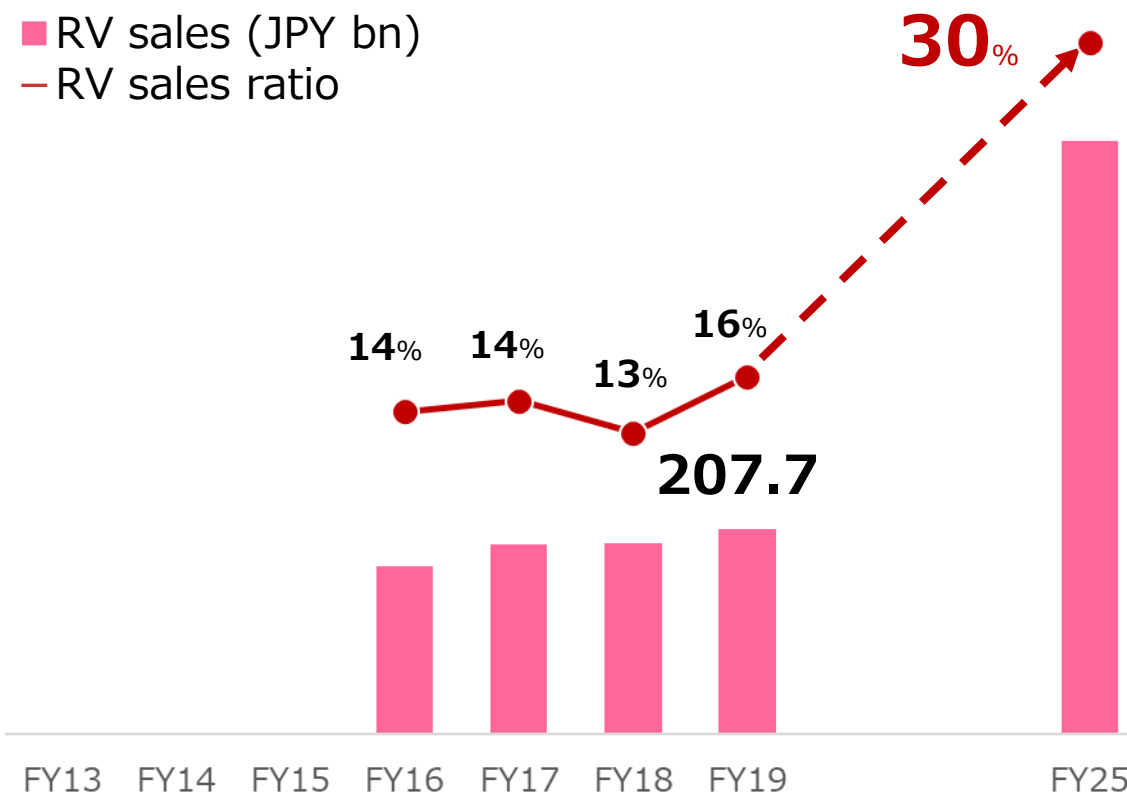
Rose Value™

Enriching living and social environment

Extending healthy life expectancy

Protecting food

■ RV sales (JPY bn)
— RV sales ratio



Adding the theme of “making towns sustainable” to Rose Value™

- Helping protect towns from natural disasters and their impact
- Pursuing more long-life, ICT-integrated infrastructure

Protect from natural disasters and
their impact

GeoPool Rainwater retention system



Controlling rainwater discharge

- Increased use in underground rainwater retention facilities
- Uses recycled plastic

More durable, long-life
infrastructure

Toughness coat™ Concrete surface strengthening material



Longer-life concrete structures

- Applied as a spray to form a flexible, strong and non-permeable film
- Improves impact resistance; stops wear-based peeling

Establishment of Climate Change/Plastic Strategy Dept.

Tackling issues of climate change and plastics on a group-wide strategic level; looking to help build a circular economy

Roles

1

Pursuing our climate change policy and plastic strategy

2

Global capabilities for ESG information gathering and analysis, including on the topic of circular economy

3

TCFD compliance and enhanced disclosure

Efforts with UNEP*

*United Nations Environment Programme

Supporting Asian startup companies that are helping to cut down on plastic waste



AYA CUP

Vietnam



Linh Le

Developing a system to support the use of reusable cups



REMAKEHUB

China

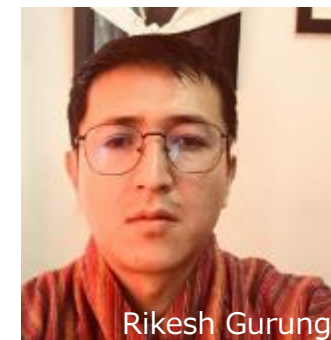


Sissi Chao

Upcycling marine litter into consumer products

THE GREEN ROAD

Bhutan



Rikesh Gurung

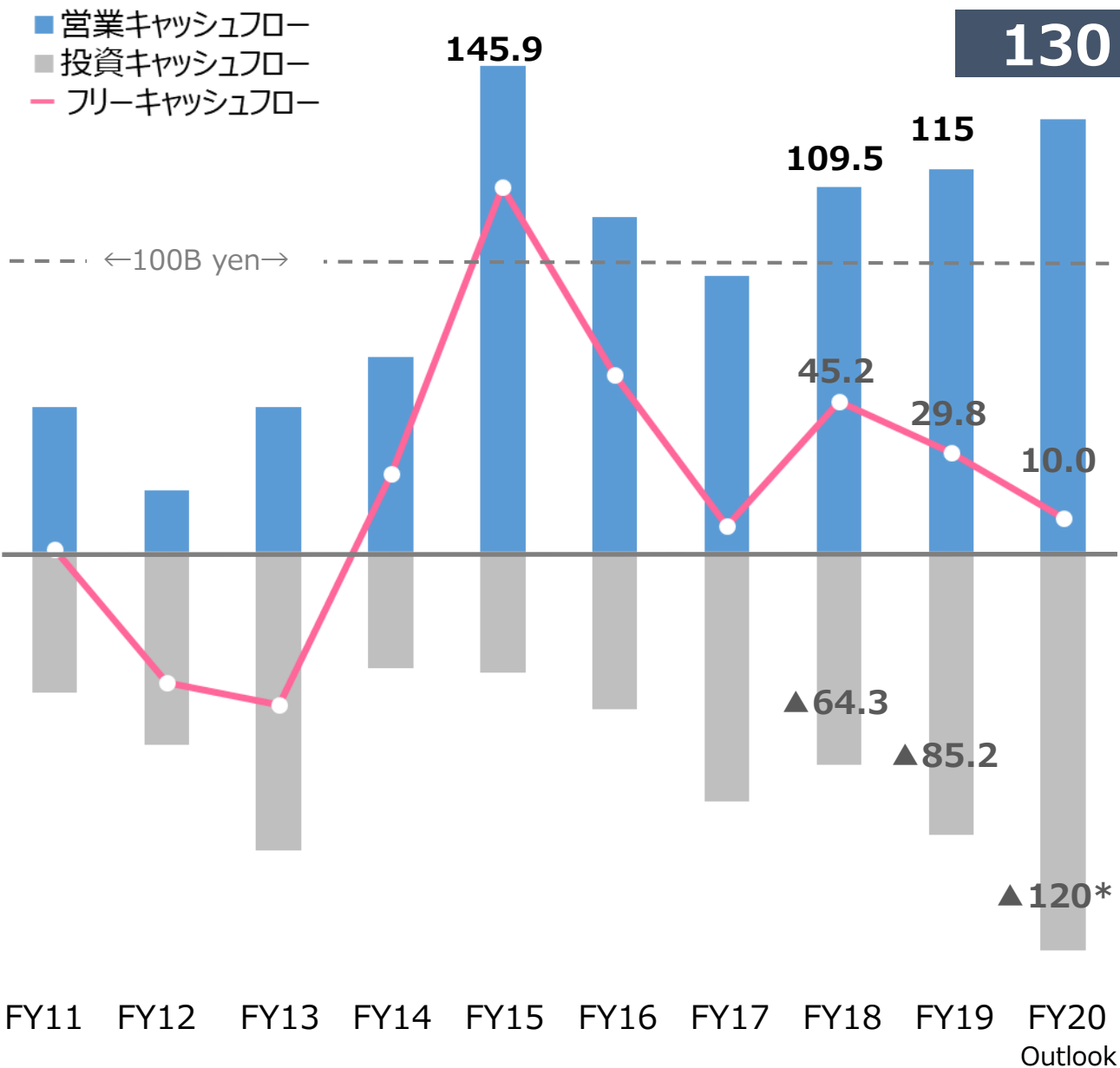
Using plastic waste in place of bitumen for road construction

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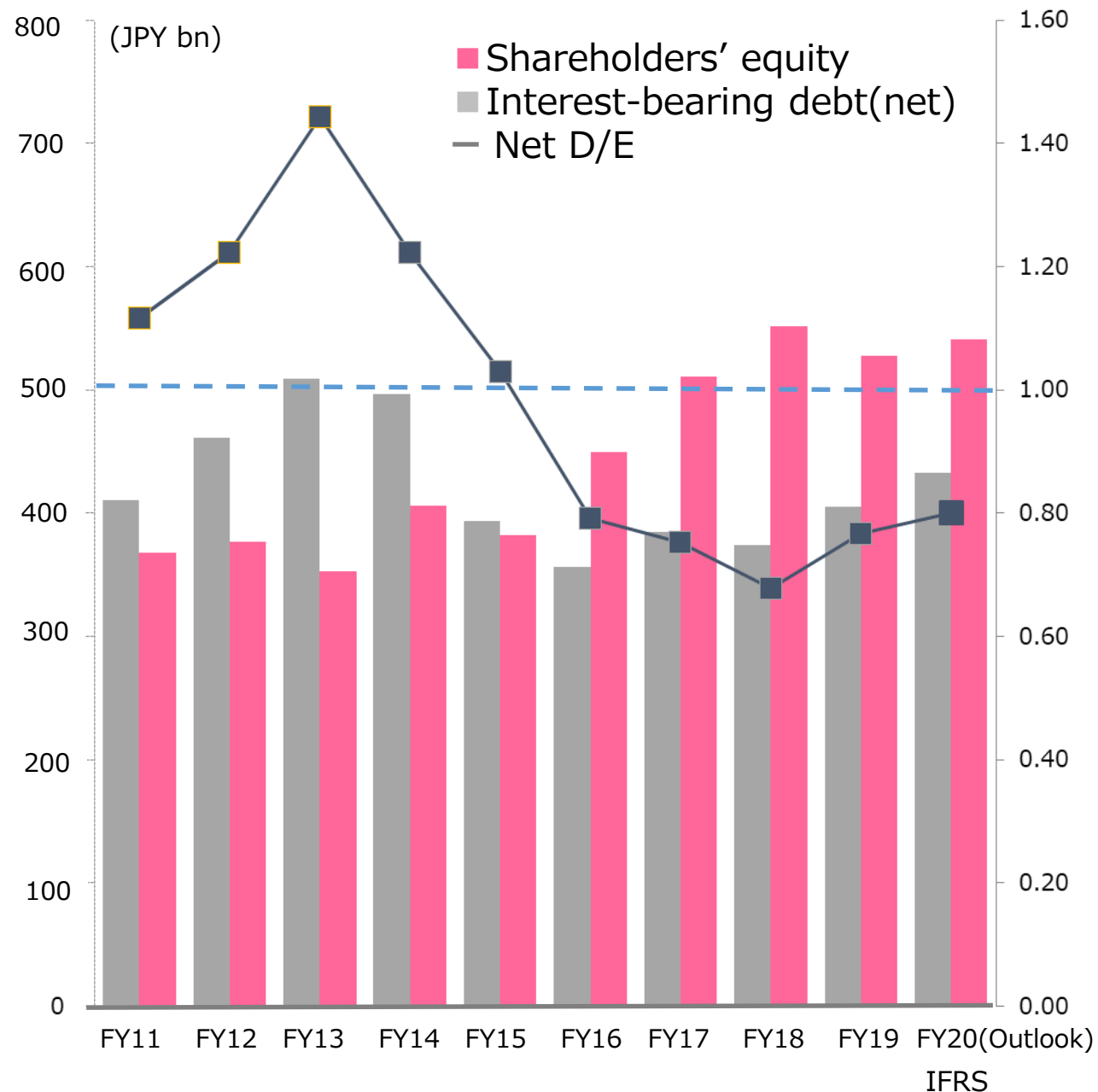
(JPY bn)

- 営業キャッシュフロー
- 投資キャッシュフロー
- フリーキャッシュフロー



**Operating cash flow
remains
at high level**

*As we move over to IFRS, repair expenses for FY20 will be factored into assets as capital expenditure (29B yen)



FY19
(J-GAAP)
Results
Net D/E

0.76

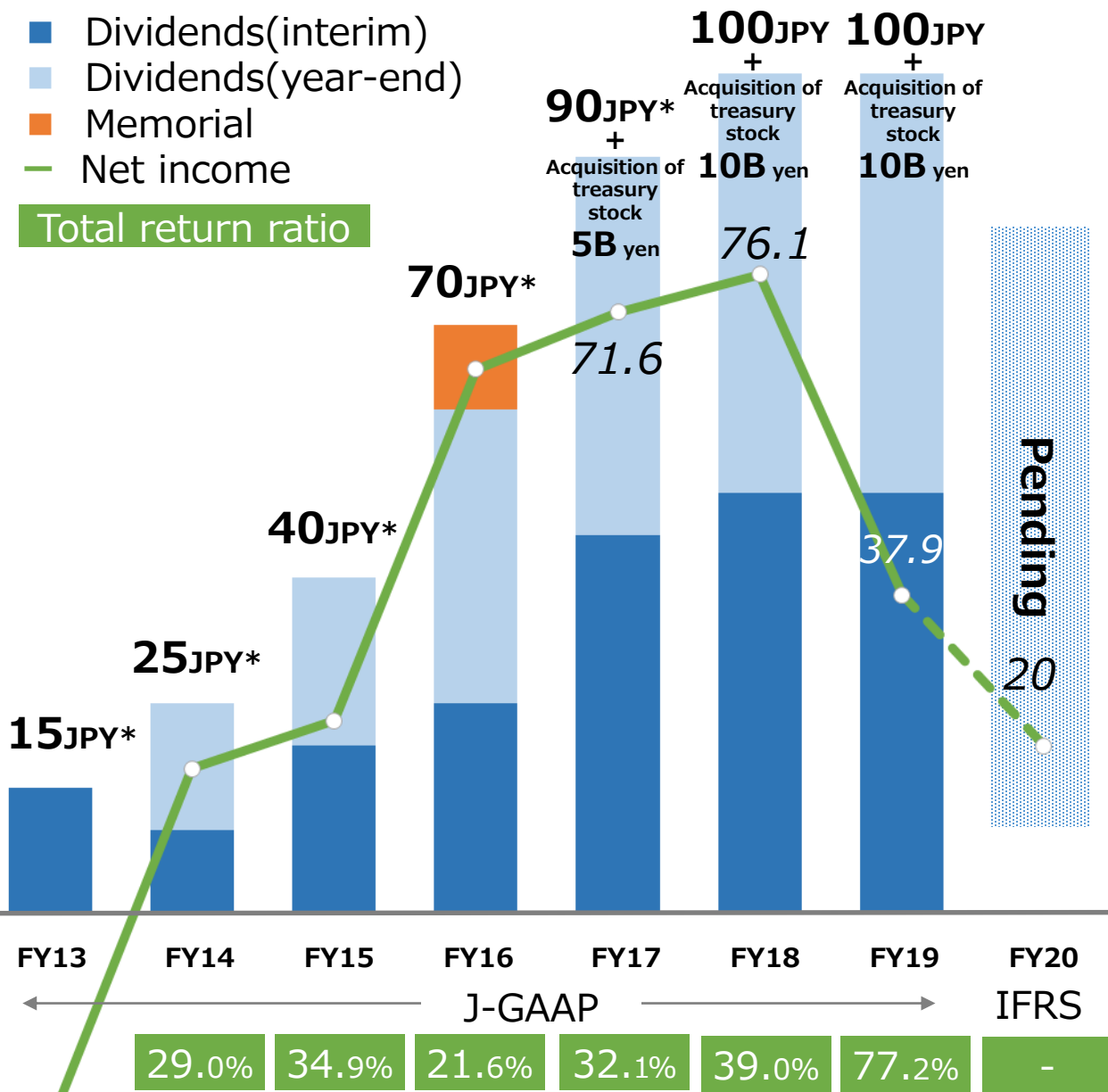
FY20
(IFRS)
Outlook
Net D/E

0.80

**Maintaining
financial soundness**

- Dividends(interim)
- Dividends(year-end)
- Memorial
- Net income

Total return ratio



*Dividends recalculated based on share consolidation

FY20 dividend forecast pending; yet our shareholder return policy remains unchanged

Shareholder return policy

- Target total return ratio: **30% or more**
- Stable and continuous dividend
- Flexibly acquire treasury stock

Reviewing

VISION
2025

2,000

200
(10%)

—

10%
or more8%
or more0.8
or less30%
or more

(JPY bn)	J-GAAP		J-GAAP	J-GAAP	IFRS		Reviewing
IFRS	FY15 Results	»»	FY18 Results	FY19 Results	FY20 Outlook	»»»	VISION 2025
Sales revenue* ¹	1,344	»»	1,483	1,339	1,145	»»»	2,000
Operating income before special items* ¹ (ROS)	70.9 (5.3%)	»»	93.4 (6.3%)	71.6 (5.3%)	35.0 (3.1%)	»»»	200 (10%)
Net income attributable to owners of the parent* ¹	23.0	»»	76.1	37.9	20.0	»»»	—
ROE	5.8%	»»	14.3%	7.0%	3.7%	»»»	10% or more
ROIC* ²	4.9%	»»	5.7%	4.4%	2.0%	»»»	8% or more
Net D/E	1.03	»»	0.68	0.76	0.80	»»»	0.8 or less
Total return ratio	34.9%	»»	39.0%	77.2%	30% or more	»»»	30% or more

*1) Using net sales, operating income and profit attributable to owners of parent for J-GAAP

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

To seize opportunities brought by new values, needs, risks and other rapid social changes in the post-COVID world, we will review our long-term business plan with an eye toward a new vision for our Group, which links strategic, organizational and technological approaches

The background of the slide is a vibrant blue sky filled with soft, white, fluffy clouds. A large, solid blue arrow points from the left side of the image towards the right, partially overlapping the sky and the white background on the right. The text is centered within the blue sky area.

**Creating new customer value and
solving social challenges
through business activities**

0→1 MAKE IT HAPPEN



Mitsui Chemicals

Challenge Diversity One Team

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