0→1 MAKE IT HAPPEN

FY25-1 CEO PRESENTATION

Chemistry for Sustainable World

Mitsui Chemicals

橋本　修
HASHIMOTO Osamu
Mitsui Chemicals, Inc.
President & CEO

May 30, 2025

Message

Mitsui Chemicals has seen steady profit growth in its specialty chemicals domains following the 2021 launch of its VISION 2030 Long-Term Business Plan. However, this growth has been slower than anticipated, and our Basic & Green Materials (B&GM) sector has been hit hard by a structural supply–demand gap caused by oversupply from major production increases in China. As a result, progress on VISION 2030 has fallen behind schedule. Last fiscal year, we revised our strategy and target date for achieving the plan's milestone of 200 billion yen in operating income before special items. This fiscal year, however, has brought not only continued risks from geopolitics, inflation and rising interest rates but also the issue of U.S. trade policies, creating an increasingly difficult business environment.

While we will not slow down on making the resource investments for reaching our targets, these circumstances require us to be even more conscious of capital efficiency. As such, we will speed up our plans for bold, Group-wide portfolio reform. One aim to this end is to turn B&GM – which is currently in its second phase of restructuring – into a business entity that broadly supports Japanese industry, including in the shift to a green society. We also intend to change up our portfolio in even our specialty chemicals domains; nothing will be off-limits. This is especially true for the global market: we aim for our specialty chemicals domains, which encompass a plethora of market-leading businesses, to leverage their strengths toward the further pursuit of global expansion, including in new markets. We hope through this to continue our journey toward becoming a truly global specialty company, with a presence around the world.

Mitsui Chemicals has change and innovation woven into its very DNA, which has been shaped by more than a century of history. After launching Japan's first coal chemistry business in 1912, the company went on to engage in Japan's first petrochemicals business, and worked to help solve social challenges in each of those eras. Now, leaning on the technologies it has accumulated through addressing those transformative challenges, the company is looking to accelerate its push toward green chemicals by utilizing its own control over the power of chemicals alongside collaboration with other companies and co-creation with other partners.

In addition, we will demonstrate our high regard for communication with our stakeholders as we continue, day by day, to take on the challenge of achieving VISION 2030 and sustainable growth.

May 2025
HASHIMOTO Osamu
President & CEO

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Pursuing business portfolio transformation

FY24 Results and Full-Year Outlook for FY25

Sales revenue and operating income before special items rose year-on-year for FY24, showing steady growth in the specialty chemicals domains* despite an ethylene plant issue. For FY25, even after factoring in the impact of U.S. trade policies, operating income before special items is projected to rise due to growth in the specialty chemicals domains and a recovery from the plant issue.

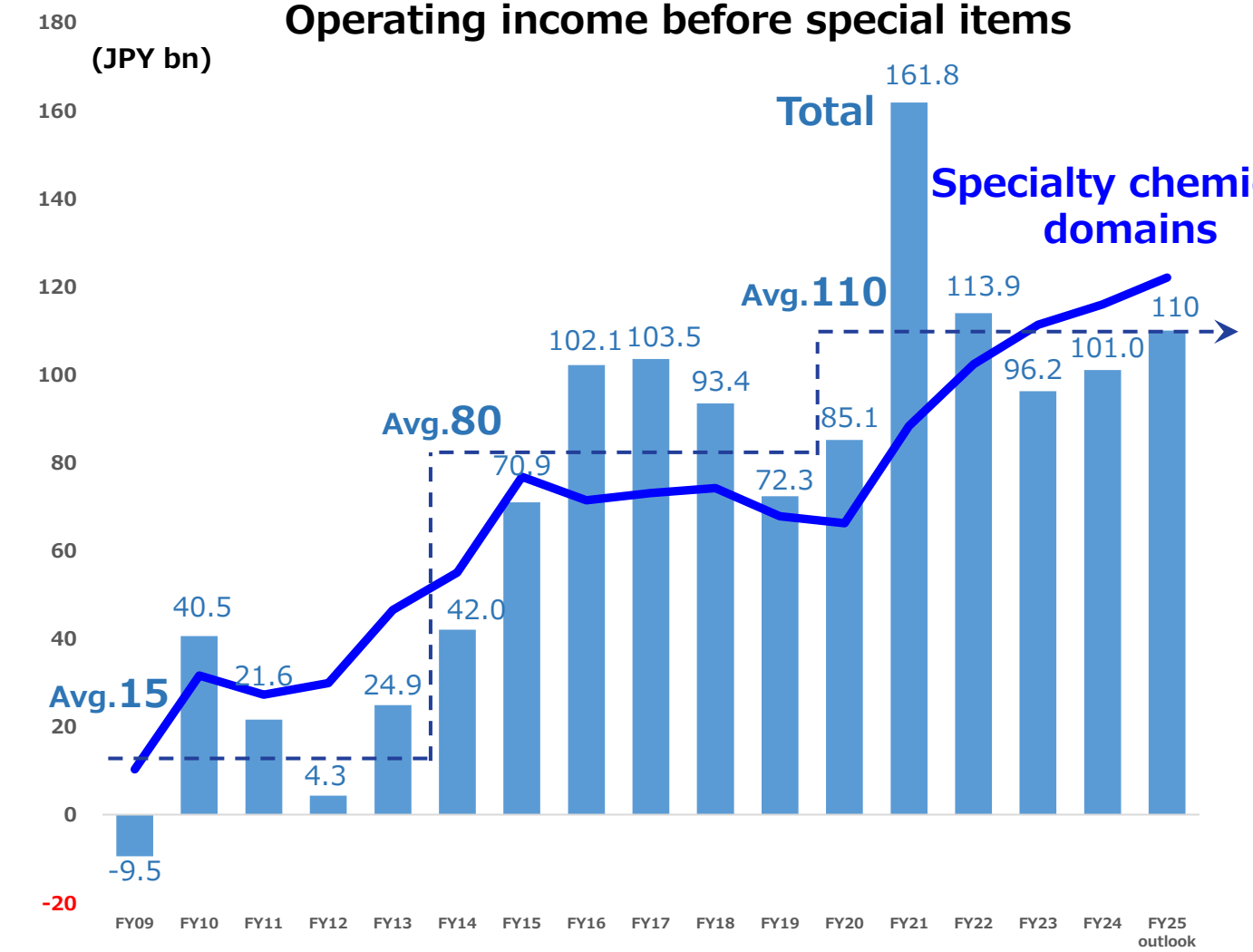
Items (JPY bn)	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Outlook	FY2024 → FY2025 Increase (Decrease)	FY2024 → FY2025 Rate
Sales revenue	1,613	1,880	1,750	1,809	1,770	△ 39	-2%
Operating income before special items	**162**	**114**	**96**	**101**	**110**	**9**	9%
Specialty chemicals domains	88	102	111	116	122	6	5%
B&GM	78	18	△ 12	△ 11	2	13	-
Others	△ 4	△ 6	△ 4	△ 4	△ 14	△ 10	-
Non-recurring items	△ 15	15	△ 22	△ 23	△ 12	11	-
Operating income	147	129	74	78	98	20	25%
Financial income / expenses	△ 6	△ 12	△ 1	△ 7	△ 8	△ 1	-
Net income attributable to owners of the parent	**110**	**83**	**50**	**32**	**55**	**23**	71%
Exchange rate (JPY/USD)	112	135	145	153	140	△ 13	
Domestic standard naphtha price (JPY/KL)	56,600	76,600	69,100	75,600	65,000	△ 10,600	

*Specialty chemicals domains: Life & Healthcare Solutions, Mobility Solutions and ICT Solutions

Financial Targets: Numerical Trends

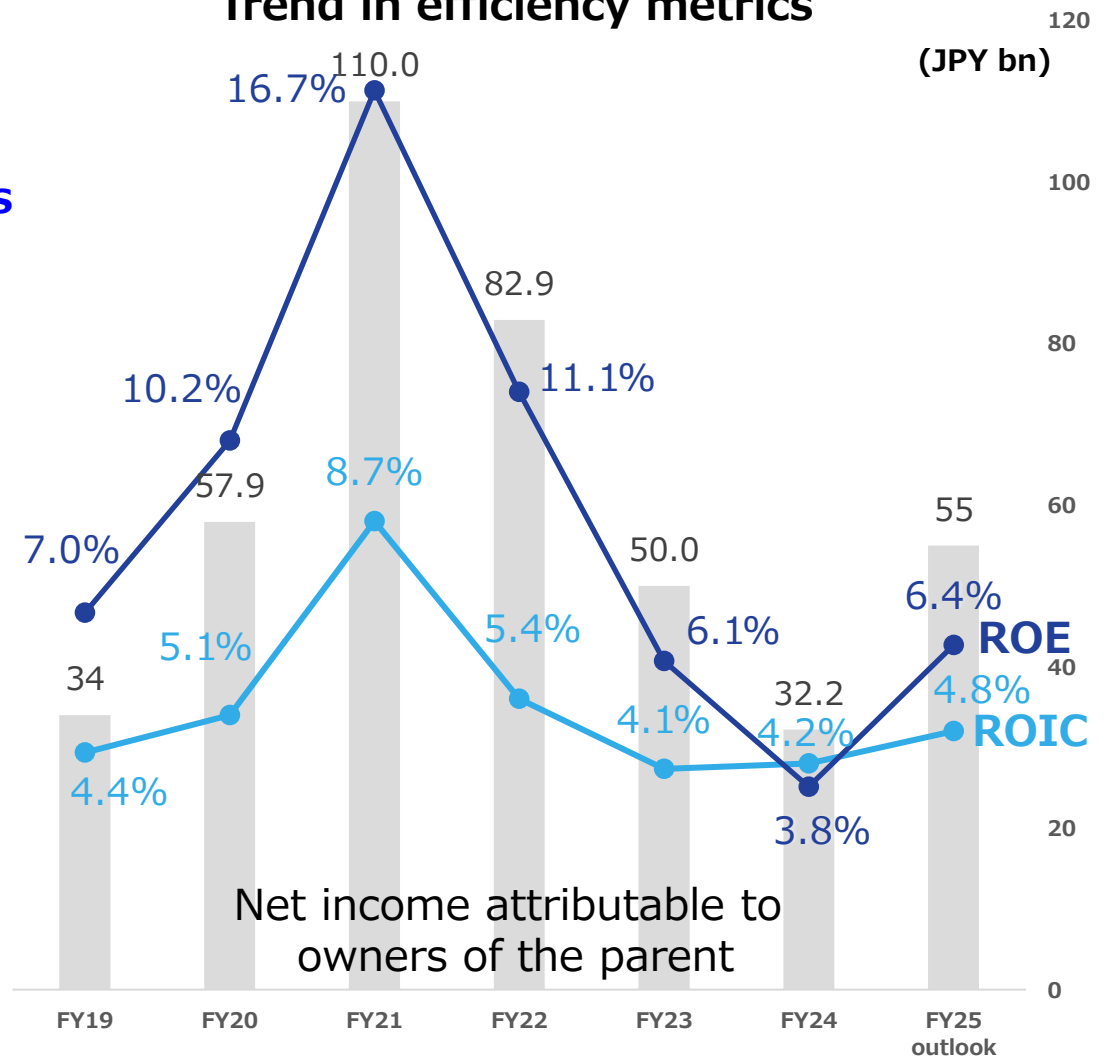
While the specialty chemicals domains are driving Group-wide earnings, bottom-line volatility indicates capital efficiency issues, requiring urgent capital efficiency improvement through accelerating business portfolio transformation

Operating income / Operating income before special items



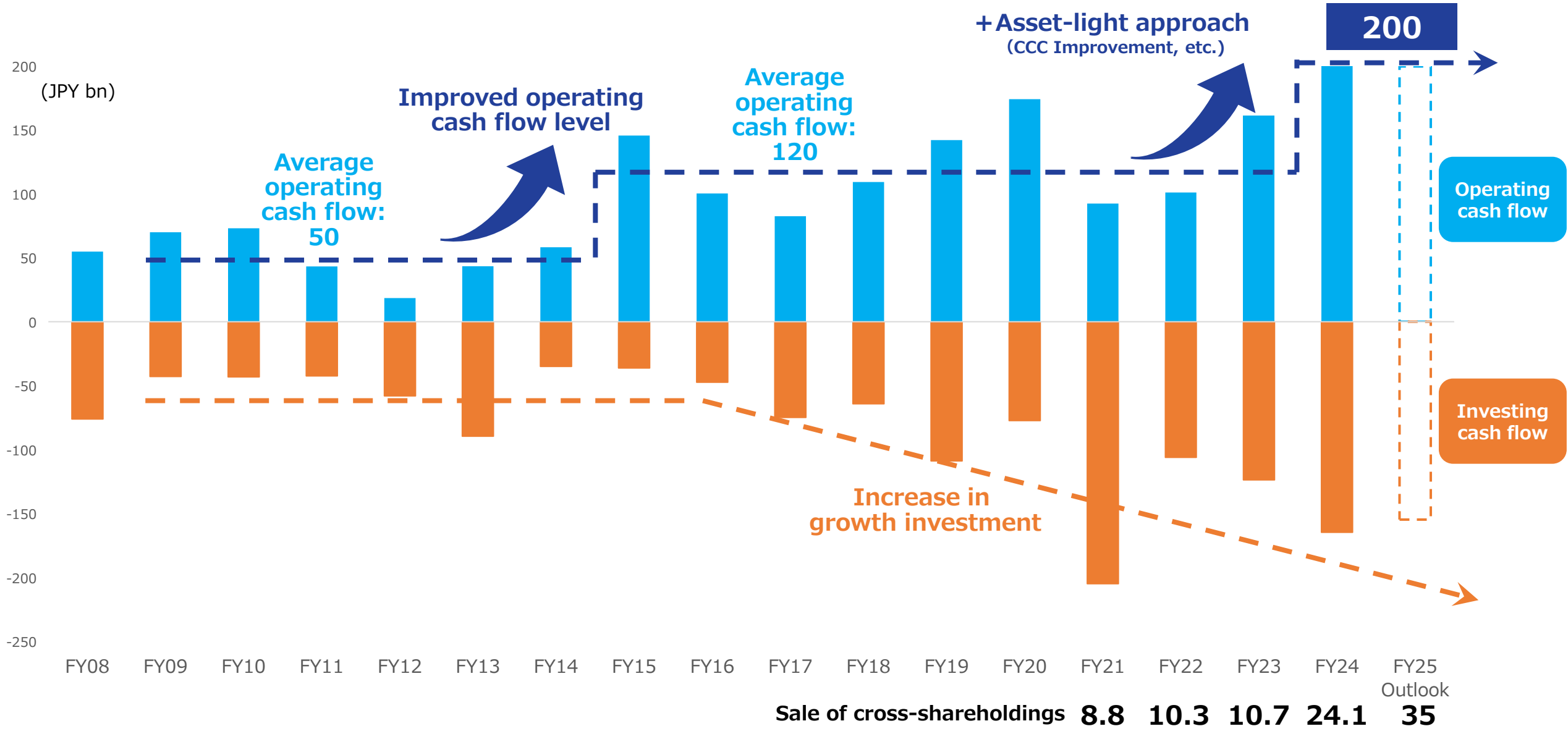
Net D/E	1.11	1.04	1.12	1.22	1.44	1.22	1.03	0.79	0.75	0.68	0.81	0.60	0.75	0.77	0.69	0.73	0.70

Trend in efficiency metrics



Cash Flow Trends: Improving Earning Power

Improving our earning power through profit growth and an asset-light approach,
in turn generating cash to make proactive growth investments and bolster shareholder returns



	FY21	FY22	FY23	FY24	FY25 Outlook
Sale of cross-shareholdings	8.8	10.3	10.7	24.1	35

Leveraging Treasury Stock for Human Capital Policy and Corporate Value Enhancement

Back-ground

As a result of flexible acquisition of treasury stock (equating to 55 billion yen since FY17), Mitsui Chemicals now holds approx. 7% of its shares as treasury stock.

The company has previously leveraged this treasury stock for M&A or cancelled treasury stock, but now plans to expand its utilization of this treasury stock.

FY25

Introducing a restricted stock incentive plan

Aims

- ✓ Assist employees in their **medium- to long-term asset building**
- ✓ Raise employee awareness of the company's performance and stock price
- ✓ **Create a motivation for the company and its employees to come together as one to work on achieving VISION 2030 and improving corporate value**

Outline of plan for treasury stock use

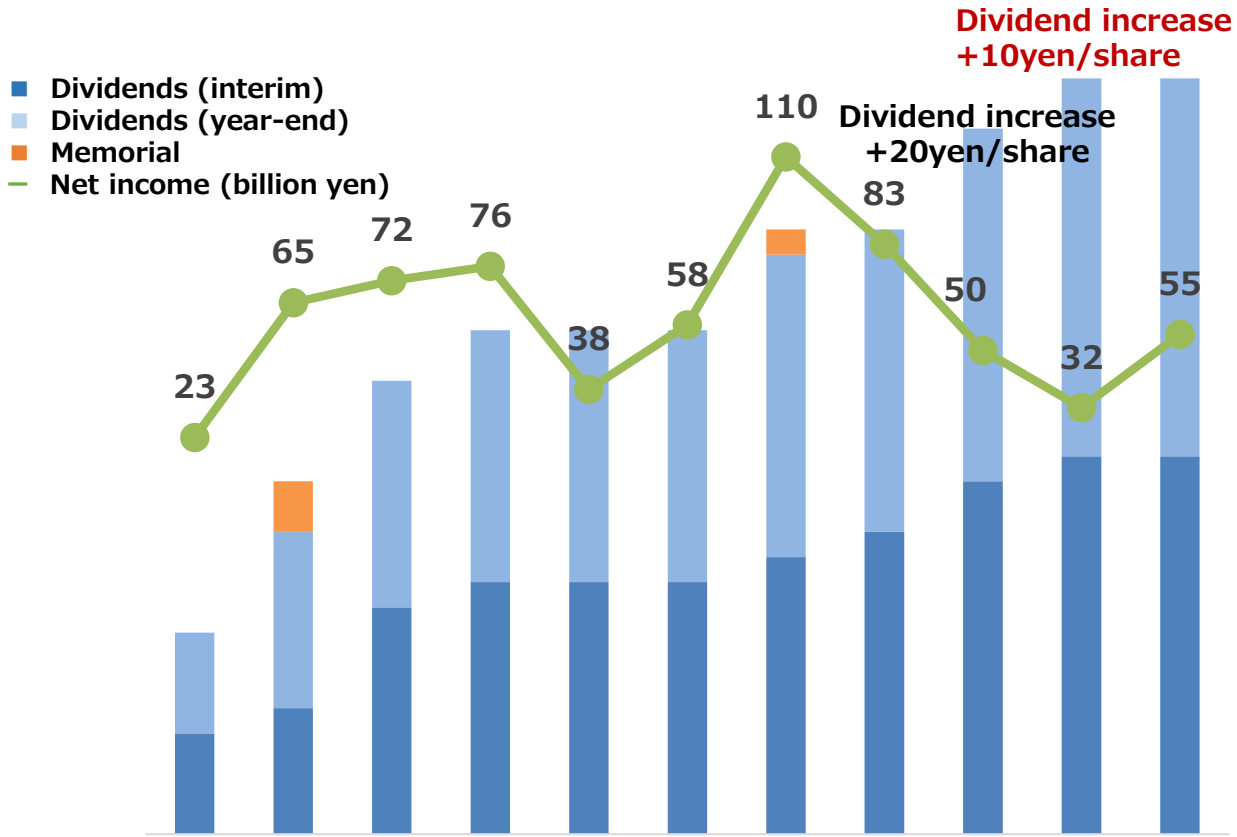
Date of disposal	August 20, 2025
Number of the shares to be disposed of	Up to 1.245 million shares of common stock (150 shares per person)
Disposal value	3,591 yen/share (closing price on March 28)
Total amount of disposal	Maximum of approx. 4.5 billion yen

Considering further utilization of treasury stock

Mitsui Chemicals intends to further improve employee engagement and corporate value by considering the use of treasury stock in M&A to help execute its growth strategy, as well as by considering expanding the scope of stock compensation

Shareholder Returns

Provide stable and continuous shareholder returns



	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Dividend(yen)	40*	70*	90*	100	100	100	120	120	140	**150**	**150**
Acquisition of Treasury stock (billion yen)	-	-	5	10	10	-	10	10	-	**10**	
DOE(%)	2.0	3.4	3.7	3.7	3.6	3.4	3.5	3.1	3.2	3.3	
Total return ratio(%)	35	22	32	39	77	34	30	40	53	119	

*Dividends recalculated based on share consolidation

- FY25 dividend outlook

Interim **Year-end** **Full year**

75 + **75** = **150**

JPY/share JPY/share JPY/share

Shareholder return policy

Improve capital efficiency and achieve stable and continuous dividend

- ✓ **Target total return ratio: 40% or more**
- ✓ **Target DOE: 3.0% or more**
- ✓ **Flexible acquisition of treasury stock**

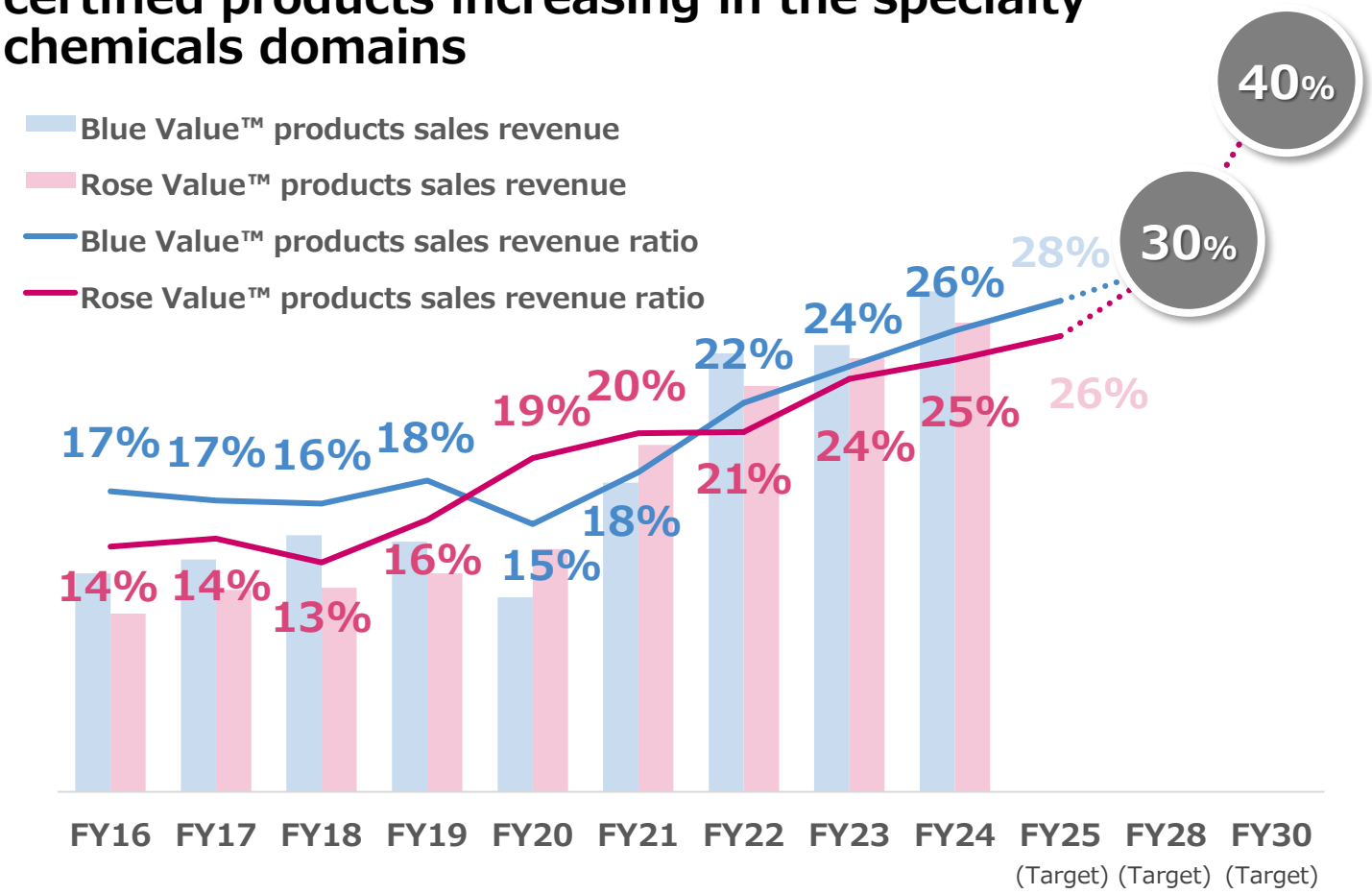
Progress on Corporate Governance Reform

	FY09~18	FY19	FY20	FY21	FY22	FY23	FY24	FY25~
Number of directors	FY09: 15 → FY16: 8	8						
Number of outside directors	2~3 (FY11~15: 2)	3 (37.5% outside directors, 12.5% women)						
Number of outside audit and supervisory board members	3							
Executive compensation/ executive officer appointments	Executive Compensation Committee				October FY22: Outside director as chair			
	FY17: Introduced a Restricted Stock Compensation Plan					FY23: Increased rate		
	FY17: Nomination Committee						FY25: **Outside director as chair**	
Senior advisor /advisor system							**Abolished**	
Related committees	Responsible Care Committee							
	CSR Committee	Corporate Sustainability Committee						
	Risk & Compliance Committee					Risk Management Committee		
						Compliance Management Committee		
Opportunities for dialogue between outside directors and investors					ESG Presentation	ESG Presentation Meetings w/ investors & analysts	**ESG Presentation** **Meetings w/ investors & analysts**	

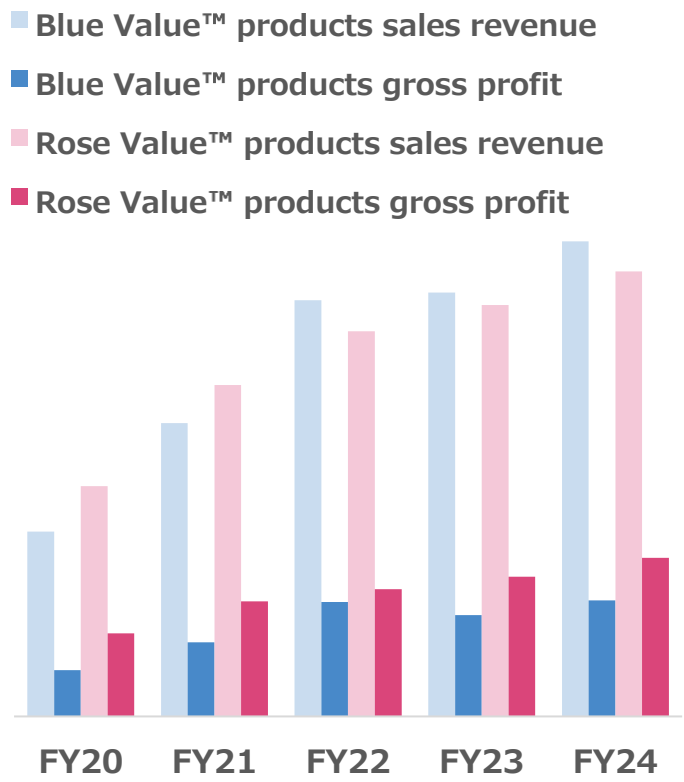
Pursuing Business Portfolio Transformation

Rolling Out a Social Issue Perspective in All of Our Businesses

Sales revenue for Blue Value™ and Rose Value™ certified products increasing in the specialty chemicals domains



Gross profit also increasing steadily alongside sales revenue



Working to create products and services that align with a social issue perspective, allowing us to further pursue business portfolio transformation and expand our offering of certified products and services

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FY25 Basic Policies for Achieving VISION 2030

Business Environment

The global business landscape is changing rapidly, driven by rising geopolitical tensions, recession risks, and growing economic fragmentation amid U.S. trade policy shifts

The business environment surrounding petrochemicals remains difficult, as China continues to ramp up production

Global competition is intensifying, with even leading Western chemical companies experiencing declining profitability, while Asian competitors are aggressively catching up even in cutting-edge sectors

Basic Policies

Implement thorough cash flow management by shifting to an asset-light structure (e.g. reducing the cash conversion cycle) and restructuring the cost base to navigate the uncertain, difficult business environment

Ensure return on previous investments and actively continue growth investments for achieving VISION 2030

Accelerate the pace of restructuring of underperforming businesses, subsidiaries and affiliates without exception, driving portfolio reform and improving capital efficiency

Basic Strategy

Pursuing business portfolio transformation

- Building solutions-based business models
- Bolstering circular economy initiatives
- Corporate transformation through DX
- Management and business transformation

Pursue regional and multi-company collaborations to speed up the second phase of restructuring for B&GM (including by creating an optimal cracker production setup), in turn reducing volatility and generating a more stable cash flow **to achieve a self-sustaining business structure**

Accelerate growth and improve capital efficiency by focusing resource investments (including M&A and tie-ups) toward differentiated fields where we can exhibit our strengths, **speeding up restructuring, and reorganizing our entire portfolio with nothing off-limits**

Maximize the use of Group resources from a global perspective **to accelerate global expansion (including in emerging markets)**, especially in the specialty chemicals domains

Approach to Pursuing Business Portfolio Transformation

VISION 2030
Current phase onward

~2030

Specialty chemicals domains

L&HC / Mobility / ICT

Active investment & returns	Organic growth	New businesses + M&A
Ophthalmic lens materials	Ophthalmic lens materials & coating materials	Around existing areas of focus
Agrochemical products	Agrochemical products	Medical solutions
TAFMER™/ADMER™	Automotive-related and other materials	Semiconductor & assembly solutions
ICROS™ Tape	Monomaterials	Relating to solutions
APEL™	Semiconductor-related materials	
	Optical-related materials	

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

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

Green Sustainable Chemicals Division

B&GM

Speeding up restructuring
PH / TDI / PTA/PET / PE/PP

Bolstering downstream businesses
High-performance PP / High-performance MDI / Catalysts

Decarbonization
Ammonia firing

Biomass
Bio-based hydrocarbons

Recycling
Chemical recycles

CCU
Carbon Neutral Research Center

Step up efforts to advance regional and multi-company collaborations

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

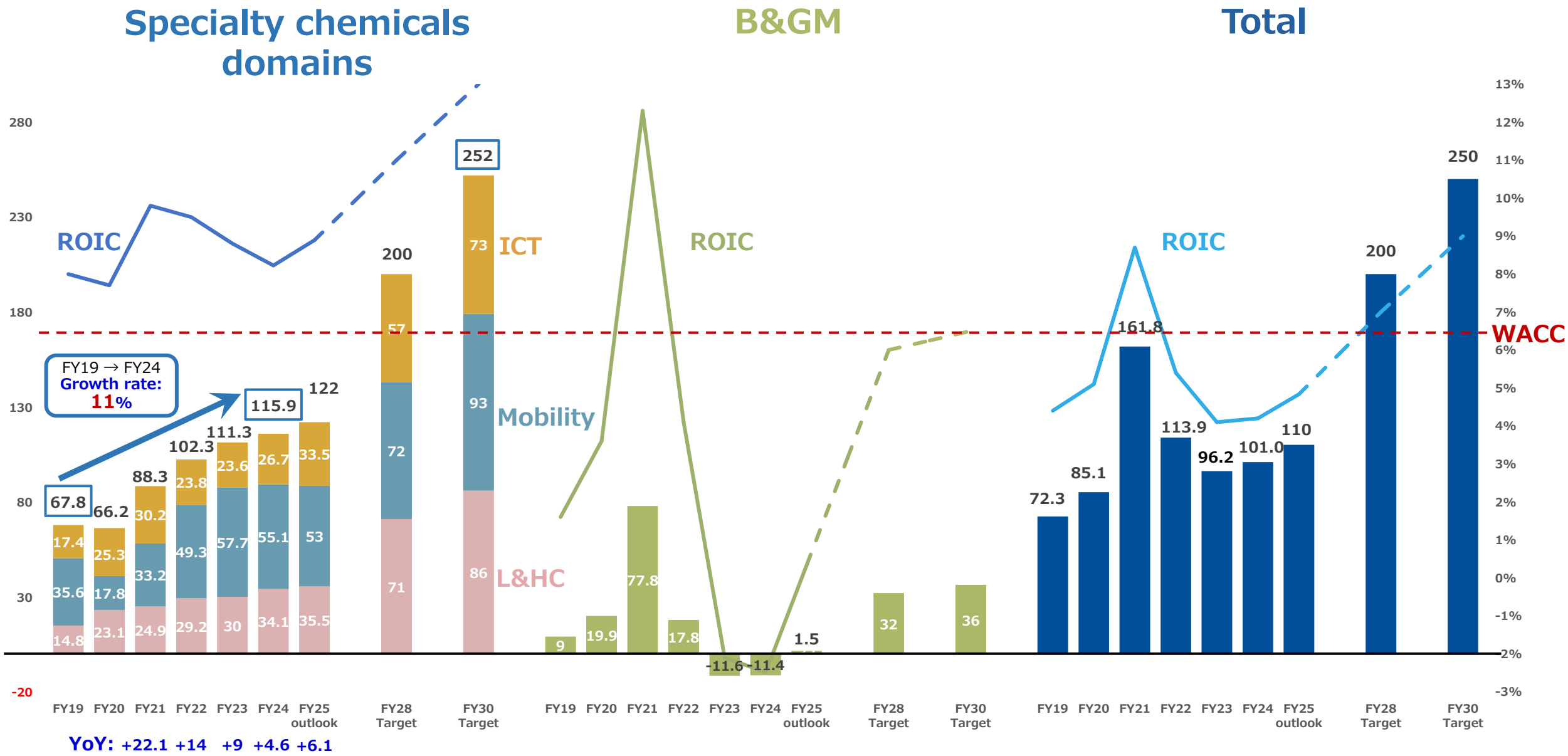
Progress Toward Business Portfolio Transformation

Specialty Chemicals Domains Pulling the Entire Group Forward

Mitsui Chemicals

May 30, 2025

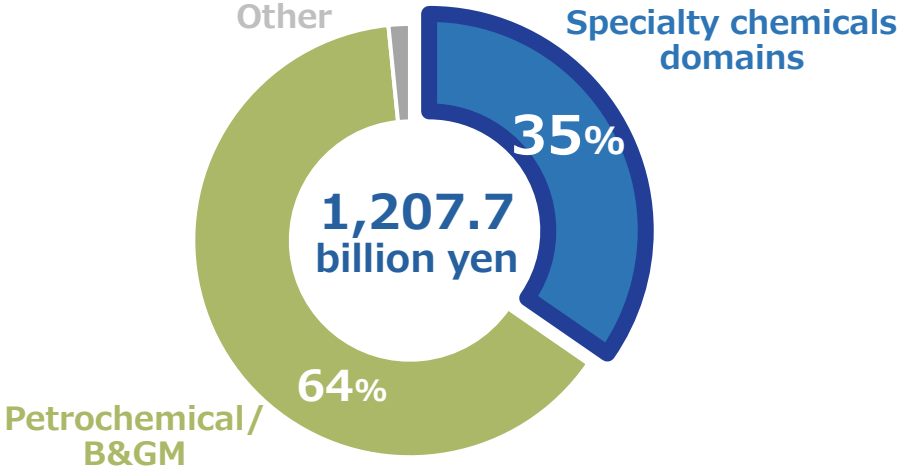
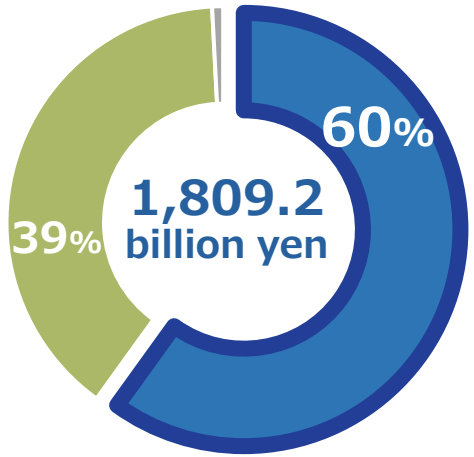
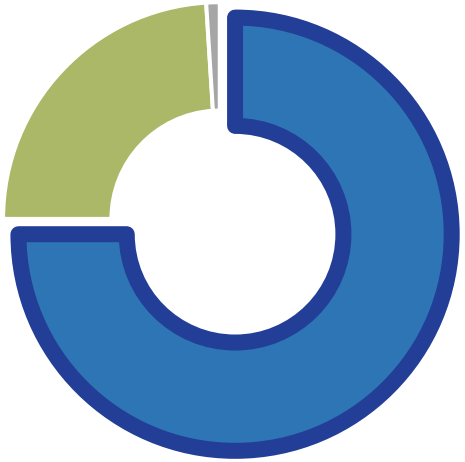
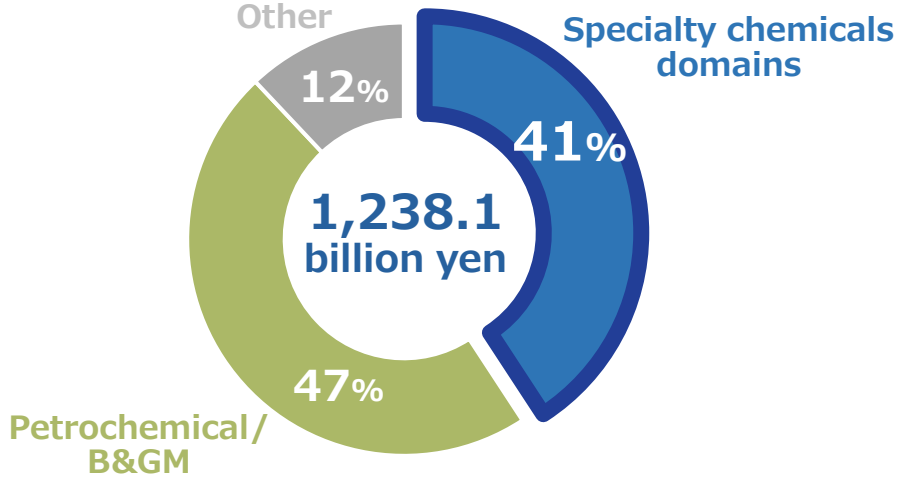
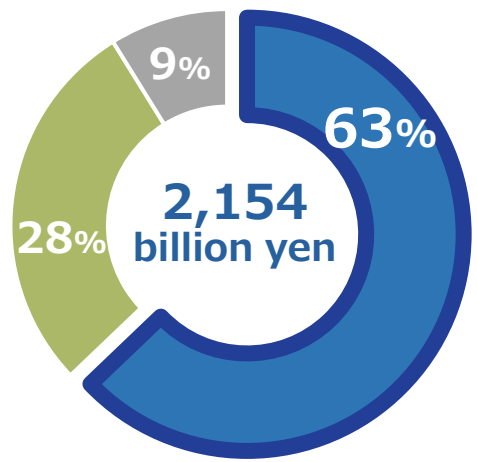
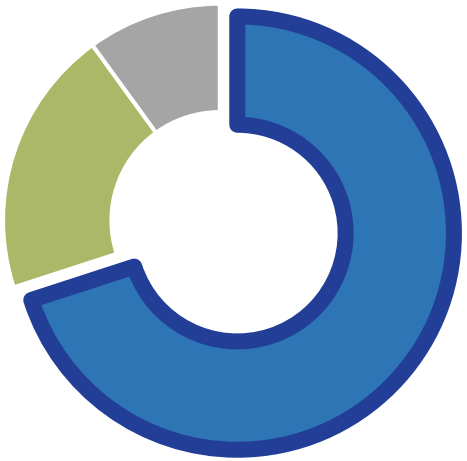
(Operating income before special items / JPY bn)



Business Portfolio Transformation:
Becoming a Global Specialty Company

Mitsui Chemicals
May 30, 2025

Expanding & growing our specialty chemicals domains and restructuring B&GM to move to a business structure centered around specialty chemicals domains

	FY09 Post-GFC	FY24 Present	FY30 Ideal vision (Pre-transformation)
Net sales/ Sales revenue			
Total assets			

Strategy Summary and Targets

Speeding up the strategies revised last fiscal year as we work to achieve VISION 2030

Key strategies		Operating income before special items (JPY bn)			ROIC		
		FY19	FY24	FY30	FY19	FY24	FY30
Specialty chemicals domains	Focus on differentiated sectors where we can make the most of our strengths and speed up growth by **reorganizing our portfolio with nothing off-limits**	67.8	115.9	252	8%	8%	13%
L&HC	Pursue steady growth for vision care & agrochemical products Leverage the Mitsui Chemicals Group's technologies as a basis to turn medical solutions (including oral care, orthopedics, and testing & diagnosis) into a third pillar of business **Carry out accelerated restructuring as our top priority for oral care**	14.8	34.1 CAGR +18%	86 CAGR +17%	5%	8%	12%
Mobility	Grasp environmental changes and maintain our strategy of focusing on growth markets and differentiation Speed up the rollout of diverse applications for elastomers **Speed up transformation and implement growth policies at ARRK**; enhance cultivation of new business model	35.6	55.1 CAGR +9%	93 CAGR +9%	9%	10%	15%
ICT	Focus resource investment toward key businesses – semiconductor & assembly (ICROS™ Tape, pellicles, next-gen materials), coating & engineering materials, etc. In imaging, roll out applications for XR and develop new materials **Speed up restructuring and the shift to focusing on differentiation for nonwovens**	17.4	26.7 CAGR +9%	73 CAGR +18%	10%	6%	13%
B&GM	Pursue the second phase of business restructuring and multi-company collaborations, to reduce volatility and in turn achieve more stable cash generation and reliably higher earnings, **allowing for the creation of a self-sustaining business structure**	9	Δ11.4	36	2%	Δ2%	6.5%

Improving Capital Efficiency by Promoting the Second Phase of Restructuring and Bolstering Downstream Businesses

Mitsui Chemicals

May 30, 2025

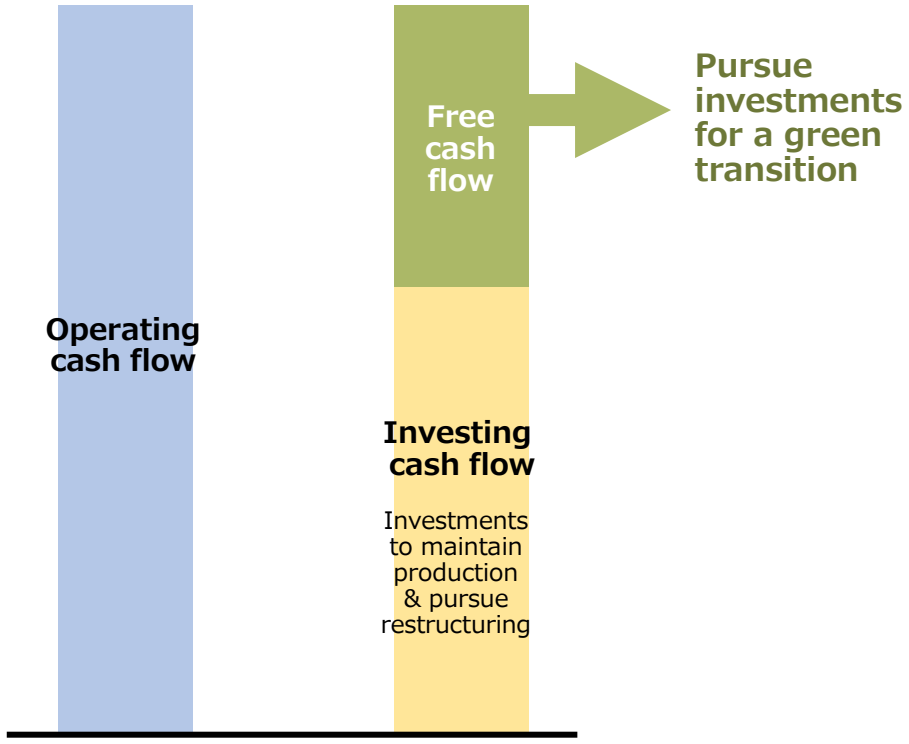
	FY13～17	FY18～22	FY23～	Ideal state
	Securing stable earnings via restructuring	Reducing volatility	Improving capital efficiency	
PH	AC-based IPA production starts up	Honshu Chemical Industry takeover bid	2023: AC-based IPA capacity boost Rollout of Honshu Chemical Industry's lens material (bolstering production of PH chain)★	Highly capital-efficient PH chain
	Chiba BPA/PH plant closed	MPS share transfer	Study into making overseas operations more asset-light (discussions proceeding) ★ Stable supply network through collaboration with other companies ★ Closure of Ichihara PH plant in second half of 2025 (brought forward) ★	
PTA& PET	Indonesia PTA business share transfer	Thailand PTA & PET business partial share transfer	2023: Iwakuni-Ohtake PTA plant closed 2024: Iwakuni-Ohtake PET plant closed	Securing profit through optimal business structure
Poly-ure-thane	Bio-PPG joint venture established		2023: PPG LLP founded 2024: Vertical startup of high-performance MDI plant → Beginning study into next production increase for debottlenecking★	High-profitability polyurethane business centered on high-performance MDI
	Kashima TDI plant closed Omuta MDI plant closed	MCNS dissolved	2025: Omuta TDI plant to be downsized	
PP&PE	High-performance PE plant established in Singapore PP catalyst plant starts up		2024: High-performance PP plant starts up	Highly capital-efficient high-performance polyolefins business
	2 PE lines at Chiba closed 1 PP line at Chiba closed		2023: 1 PP line at Chiba closed 2026: 1 PP line at Chiba to close Mulling optimization via multi-company collaborations	
Crack-ers	Chiba LLP founded Withdrawal from Keiyo Ethylene		(East Japan) 2027: Study into consolidation at Chiba LLP (West Japan) Study into optimal cracker production setup by three companies ★	Competitive crackers

Red type: Restructuring Blue type: Bolstering downstream businesses ☆: Progress since last presentation

Pushing for Further Portfolio Transformation

Making the B&GM business self-sustaining

Cumulative cash flow plan from FY25 to FY30



Substantial progress made with internally driven restructuring

Second phase of restructuring (FY25～)

PH Japan	Closure of Ichihara plant brought forward to end of Oct. FY25 / Stable supply network through collaboration with other companies
PH Overseas	Study into making operations more asset-light (discussions proceeding)
PO Japan	High-performance PP plant starts up FY25 / 1 PP line at Chiba to close FY26 Mulling optimization via multi-company collaborations
MDI Overseas	Study into next production increase for debottlenecking
TDI Japan	Plant to be downsized July FY25 (construction progressing smoothly)
Crackers	Study into consolidation at Chiba LLP / Study into optimal production setup by three companies in west Japan

As we speed up transformation, we are looking at splitting off B&GM, with the aim of making it a strong business entity that can stand on its own

Ideal Vision for the B&GM Business

Aiming to build a globally competitive, Japan-leading business entity through transformation and collaborations with other companies

Aims of the split

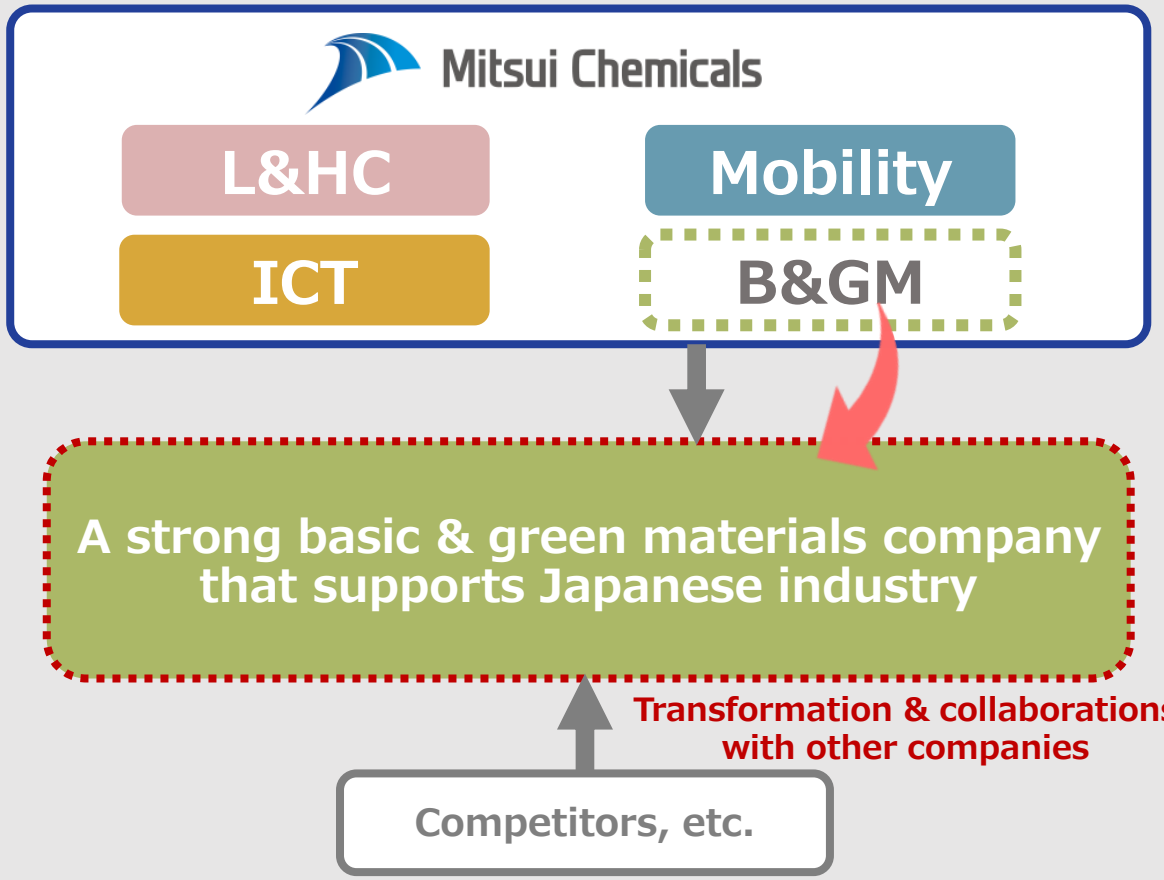
Create in the petrochemical sector a Japan-leading green chemical business entity with a competitive edge against imports, through accelerated transformation and collaborations with other companies

Enable the specialty chemicals domains and the B&GM business – each requiring a different speed of decision-making – to execute strategies under their own governance structures

Support Japanese industry through contributions to economic security, enhanced quality of life via further performance improvements to materials, carbon neutrality, and other initiatives

While we will strive to realize this ideal vision as early as possible, the business will be split off by around 2027.

Ideal vision



Forming a Basic & Green Materials Company to Lead Japan in the Shift to a Green Society and More

Helping achieve carbon neutrality throughout the entire supply chain and contributing to a more stable, more advanced domestic industry

Raw material & fuel suppliers
Energy companies, etc.

Procurement of green raw materials

Stable procurement of raw materials & fuels

Domestic petrochemical industry

A Japan-leading basic & green materials company

Becoming a strong business entity able to support domestic industry throughout the entire supply chain

Competitors, etc.

Stable supply of essential materials

Chemical/mechanical recycling

Customers
Automobiles, semiconductors, home appliances, medicines, food, etc.

Portfolio Transformation in Specialty Chemicals Domains

Blue type: overseas sites

FY19 ~ FY25: Key Initiatives

Asset-light approach

L&HC	**FY22: Sale of hygiene nonwovens site in China**	Invested capital down by approx. 45 billion yen
Mobility	FY25: Transfer of shares in Mitsui Chemicals Industrial Products	
ICT	FY24: Establishment of packaging film business JV and transfer of shares in Katsuzai Chemical and DM Novafoam FY25: Withdrawal from toner business and nitrogen trifluoride business	

Growth investments

L&HC	Increase to MR™ production capacity and **acquisition of ophthalmic lens processing equipment maker** Acquisition of Meiji Seika Pharma's agrochemicals business and strengthening of capital tie-up with SHOFU Investment in orthopedics company Japan MDM and tender offer for testing and diagnosis company DNA Chip Research	Invested capital up by approx. 430 billion yen
Mobility	Increase to LUCANT™ and **TAFMER™ production capacity** **New site in Europe for PP compounds and increase to compounding capacity in various regions**	
ICT	Increase to APEL™ production capacity; acquisition of pellicle business; establishment of new equipment for mass production of EUV and CNT pellicles **Increase to ICROS™ Tape production capacity in Taiwan;** increase to XDI & PUD production capacity; joint tender offer for Honshu Chemical Industry Investment in SHINKO ELECTRIC INDUSTRIES; establishment of Creative Integration Lab.™	
New businesses	**CVC#1, CVC#2 (U.S.)**	

Struggling businesses present even in specialty chemicals domains

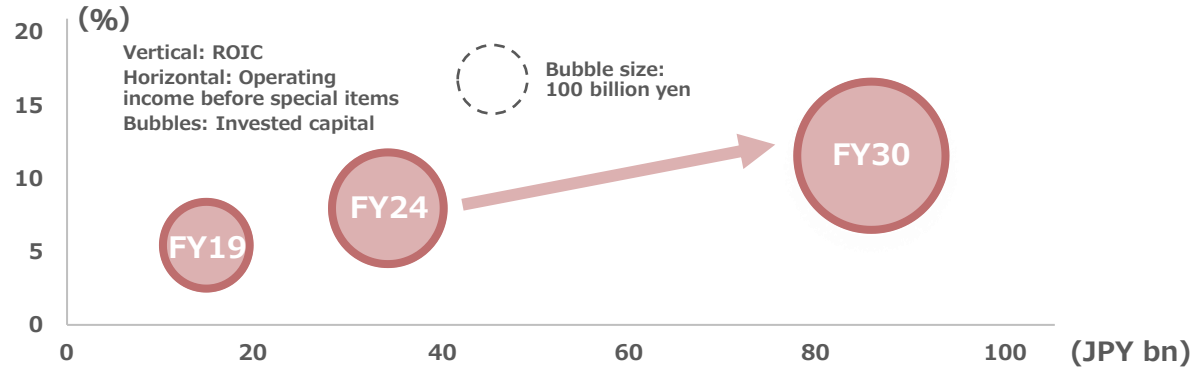
Pursue further portfolio transformation based on ROIC and profit growth

Capital Efficiency Trends in Specialty Chemicals Domains

All specialty chemicals domains

Ensuring we get returns from our past investments and going asset-light by restructuring low-profitability businesses

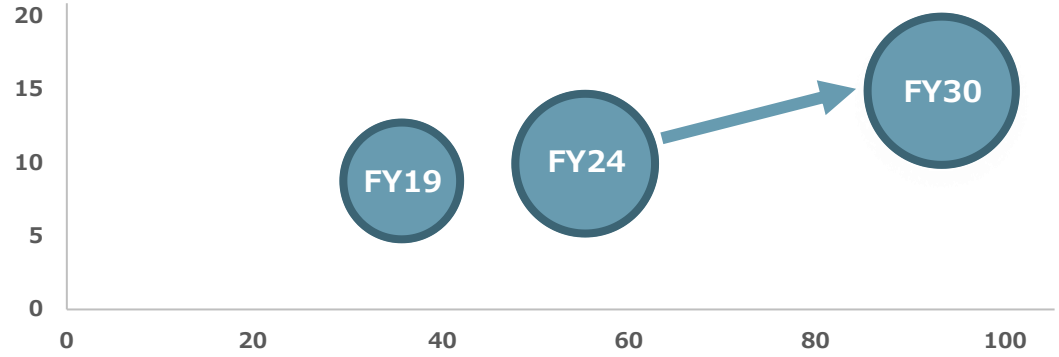
L&HC



FY24 → FY30 Invested capital x1.4

Continuously investing in vision care and agrochemicals while also actively investing in medical solutions to turn it into a third pillar of business

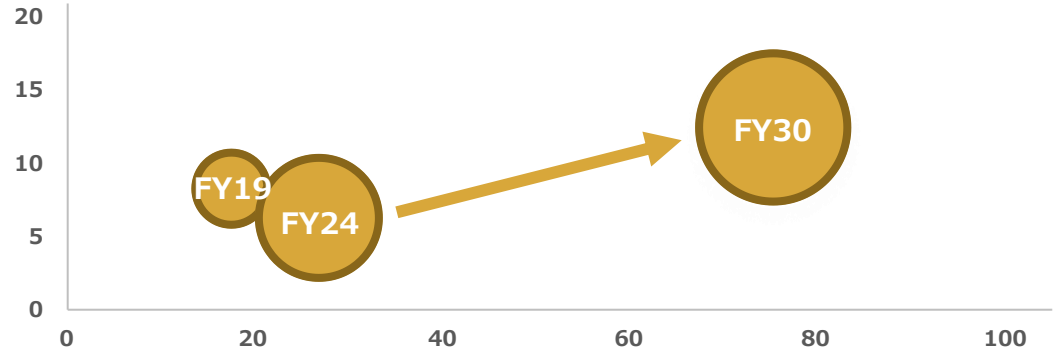
Mobility



FY24 → FY30 Invested capital x1.1

Investing in an agile and global manner including in emerging markets in elastomers, composite materials, etc. that fit our strategy of "focus on growth markets and differentiation"

ICT



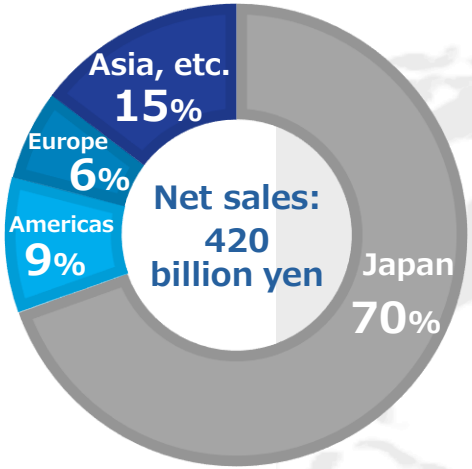
FY24 → FY30 Invested capital x1.6

Focusing investment on key businesses such as semiconductors & assembly solutions (e.g. ICROS™ Tape, pellicles, next-gen materials) and coating & engineering materials

Global Strategy in Specialty Chemicals Domains

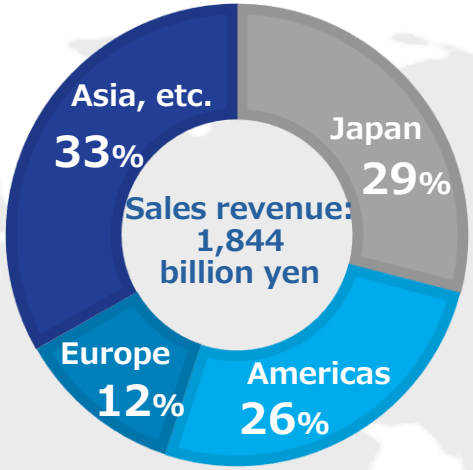
Looking to supplement our organic growth in existing markets by actively investing resources in new markets and growth markets based on each region's social environment and market needs

FY09 (Post-GFC)



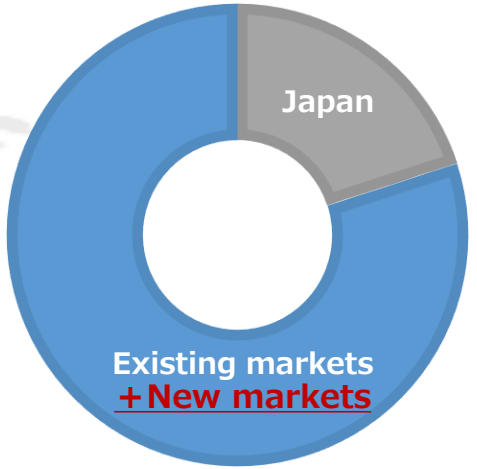
Sales revenue x2.6
Overseas sales revenue proportion x2.4

FY24 (Present)



Accelerate global expansion

FY30 (Ideal vision)



	L&HC	Mobility	ICT	Business foundations
Asia	• **Bolster business in India** and elsewhere **as key markets for agrochemicals**	• **Pursue steady growth as a key market** • Continue to **use local production for local consumption as a basis to expand in differentiated areas, including in India**	• **Pursue steady growth as a key market** • Continue to **use each site's technical support capabilities to strengthen our ability to offer solutions**, and in turn **expand business** • **Establish a technical support site** for coating & engineering materials **in India**	Strengthen and optimize business foundations through approaches such as site consolidation and sharing back office departments
Americas	• Permanently station the Business Sector Vice President in what is the largest healthcare market to **strengthen e.g. medical sector operations** • Continue to **focus on South America as a key market for agrochemicals**	• **Pursue steady growth** centered on the automotive sector as a **key market** • Continue to **use local production for local consumption as a basis to strengthen business in differentiated areas**	• Speed up offering of solutions **in cutting-edge fields, e.g. for GAFAM**	
EMEA	• Grow in Europe via dental materials M&A • **Further strengthen as a key healthcare market**	• Early rollouts of e.g. composite materials to Europe • **Speed up European rollouts in differentiated areas, e.g. eco-friendly packaging & automotive sector**	• **Speed up European rollouts in differentiated areas, e.g. eco-friendly packaging, while pursuing market development in Africa (looking at establishing a sales & technical support site** for coating & engineering materials**)**	

Classifying Businesses in Specialty Chemicals Domains Based on Operating Income before Special Items, ROIC and EVA

Further growing key businesses and promptly moving to restructure underperforming businesses

Businesses, subsidiaries and affiliates for restructuring

Carry out rapid restructuring in aim of returning to a growth trajectory

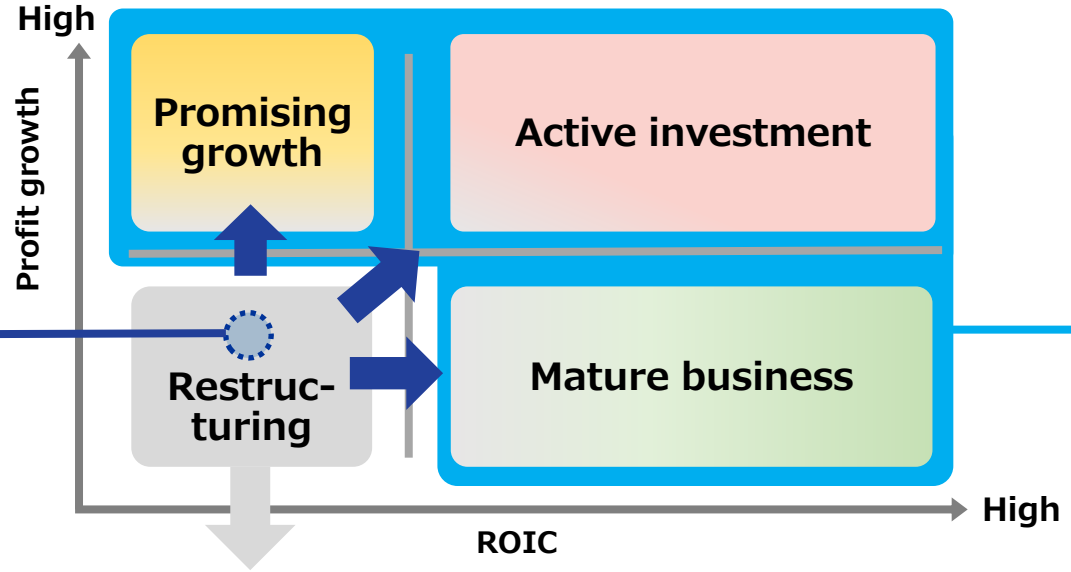
Milestone management

Exit restructuring and return to contributing to earnings

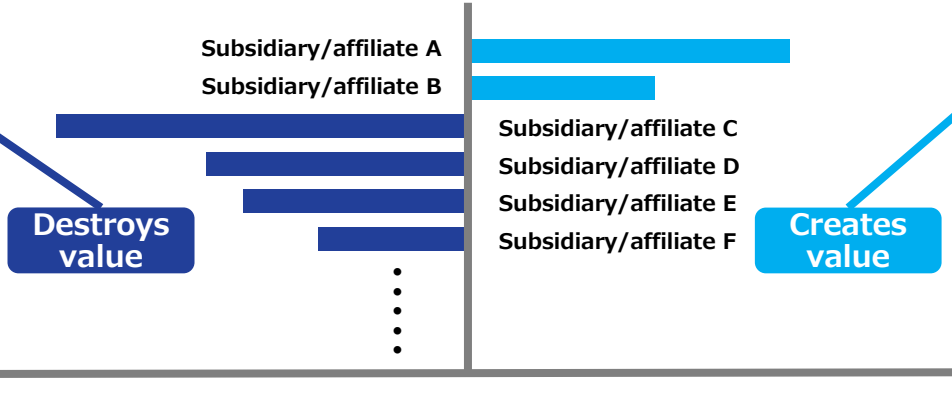
or

If returning to a growth trajectory is deemed to not be feasible, searching for the best owner will be an option

Business classification based on ROIC and operating income before special items



Subsidiary/affiliate classification based on EVA



Key businesses

Prioritize resources toward key businesses to grow and cultivate businesses driving profit growth

Classifying Businesses in Specialty Chemicals Domains: Strategies for Growing Key Businesses

Prioritizing resources to grow and cultivate businesses driving profit growth

Key Businesses

L&HC

Pursue steady growth for vision care & agrochemical products

- **Vision care:** Provide value throughout the supply chain to steadily capture the market
- **Agrochemicals:** Further expand range of registered countries & applications for active ingredients that will be our growth drivers

Cultivate medical solutions (oral care/orthopedics/testing & diagnosis) into a third pillar of business

- **Testing & diagnosis:** Capitalize on the Group's technological foundations and strengthen ties with partners

Topics explained this time (Recent investment projects)

→ **Acquisition of DNA Chip Research as a wholly-owned subsidiary**

Mobility

Speed up materials business' sales transition to a focus on growth markets and differentiation

- **Elastomers:** Leverage polymers with unique strengths to capture demand in growth markets and speed up the rollout of diverse applications
- **Composite materials:** Continually launch differentiated products to a wide range of growth markets and capture new markets

→ **Business expansion for PP Compounds**

Enhance cultivation of new business model for solutions business

ICT

Focus resources on key businesses such as semiconductor & assembly (ICROS™ Tape, pellicles, next-gen materials) and coating & engineering materials

- **Semiconductor & assembly:** Expand products to cutting-edge fields and get ahead of the competition in commercializing materials for the packaging process
- **Coating & engineering materials:** Introduce differentiated products in key markets and speed up global rollouts

→ **Impact of investment in SHINKO ELECTRIC INDUSTRIES**

Roll out applications for XR and develop new materials in imaging

→ **Synergies with Honshu Chemical Industry**

Medical Solutions:

Acquisition of DNA Chip Research as a Wholly-Owned Subsidiary

Mitsui Chemicals

May 30, 2025

Acquiring business foundations in the genetic testing sector to speed up growth in the testing and diagnosis business

Overall testing & diagnosis market:
CAGR 5% FY19~25

Genetic testing sector:
CAGR 8%

Growing rapidly amid a rise in infectious disease and personalized cancer treatments
High hopes for new solutions to meet increasingly sophisticated medical needs

Basic strategy:

Step 1 FY22
Develop unique technologies
Find partners

Step 2 FY25
Acquire business foundations

Step 3 FY28~
Flesh out revolutionary testing and diagnosis offerings
Grow business worldwide

DNA Chip Research acquired as a wholly-owned subsidiary
Scheduled for the end of June 2025

Leveraging both companies' strengths to generate synergy

DNA Chip Research Inc.
Highly sensitive genetic analysis tech
Capabilities in development, pharmaceuticals, testing operations, sales and more

×

Mitsui Chemicals
Biotech infrastructure, management resources, global network, CVC capabilities

Expand & grow the range of unique testing and diagnosis offerings and create new business

Advance into global markets
e.g. the U.S.

Source technology through partnerships with startups

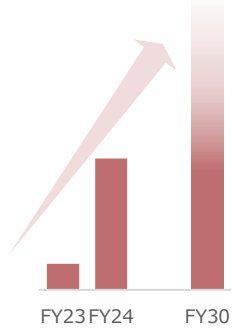
Develop DNA Chip Research's existing business

Bolster sales and marketing for the Lung Cancer Compact Panel™*, DNA Chip Research's mainstay product

Flesh out range of offerings for diseases beyond lung cancer

Jointly developed items
Development started on one in FY2024 and one in FY2025

DNA Chip Research Inc.
Testing & diagnosis business sales revenue



*DNA Chip Research's trademarked name for a genetic testing service to help select treatment for cancer and other diseases for an individual patient

Composite Materials:
Business Expansion for PP Compounds

Continuing to focus on products that combine growth markets and differentiation as we aim to grow faster than the market

Increasing quantity

Despite establishing a supply system of eight global hubs to meet demand, business growth stagnated due to the slowdown in demand caused by the COVID-19 pandemic

(Thailand, Netherlands, India, U.S., Mexico, Brazil, Japan, China)

New focus on improving quality

Focusing on introducing products that combine growth markets and differentiation

EVs/weight reduction → **Increased adoption by Japanese, European & U.S. OEMs and emerging EV manufacturers**

Eco-friendly offerings

Post-consumer recycled materials
→ Being adopted in more countries
(U.S. + China/Brazil/Thailand)

Paintless materials
→ White and black materials which are difficult to produce decided to be adopted

Differentiation rate improved significantly from 50% → over 60%

Toward further business growth

Further strengthening products that combine growth markets and differentiation

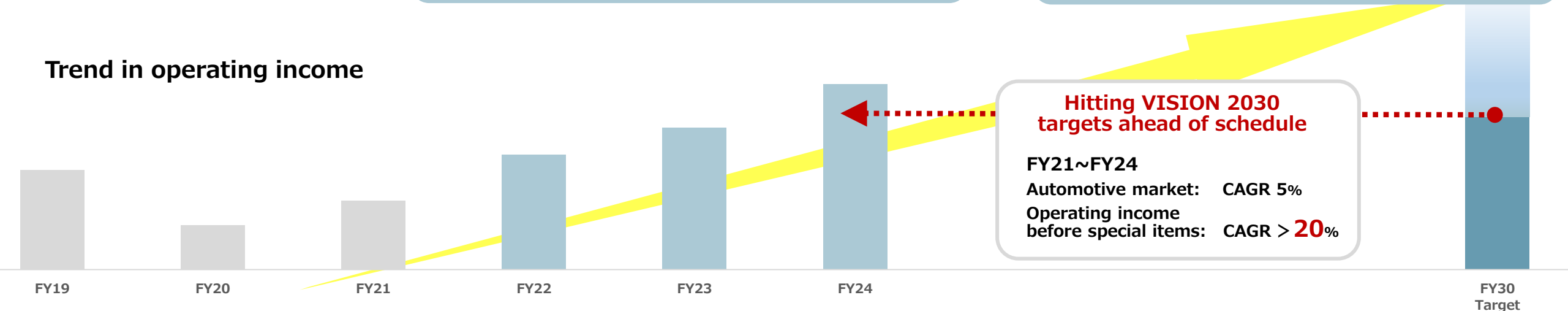
High-performance PP
(launching in second half of FY2025)
Making use of properties including high rigidity and high flow

Reducing weight and improving mileage by e.g. replacing more metal parts
GFPP, etc.

Getting in with local OEMs in China & Europe

Leveraging strong business foundations focused on local production for local consumption to grow business for composite materials

Trend in operating income



Hitting VISION 2030 targets ahead of schedule

FY21~FY24
Automotive market: CAGR 5%
Operating income before special items: CAGR > 20%

Semiconductor & Assembly:

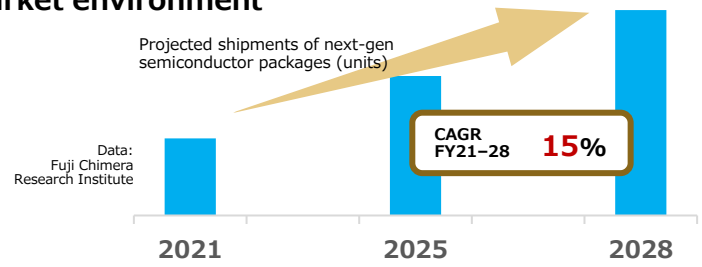
Impact of Investment in SHINKO ELECTRIC INDUSTRIES

Mitsui Chemicals

May 30, 2025

Leveraging highly accurate materials design to get ahead of the competition in commercializing next-gen semiconductor packaging materials

Market environment



With demand for high-performance semiconductors used in servers and data centers expected to rise, there are calls for the development of next-gen semiconductor packaging technologies able to meet the need for higher speeds and lower power consumption

Mitsui Chemicals

Various materials and their molecular design → **Evaluation of basic characteristics**

Evaluating each individual process

- Process A
- Process C
- Process E
- Process G

Difficult to grasp issues that occur when the customer is using the product

Propose ideal materials

Combine technologies

Issues in the production process

SHINKO Package substrate

Process compatibility evaluation → **Prototyping** → **Screening tests**

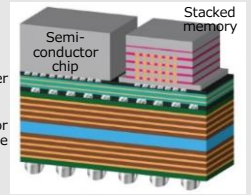
Evaluating the entire package substrate production process

Process A → Process B → Process C → Process D → Process E → Process F → Process G → Process H

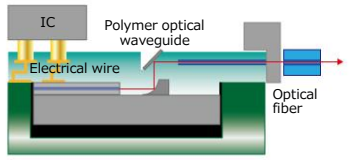
The same process gets repeated several times for multilayer designs

Semiconductor package manufacturers

Materials for 3D assemblies



Assembly materials for co-packing optics

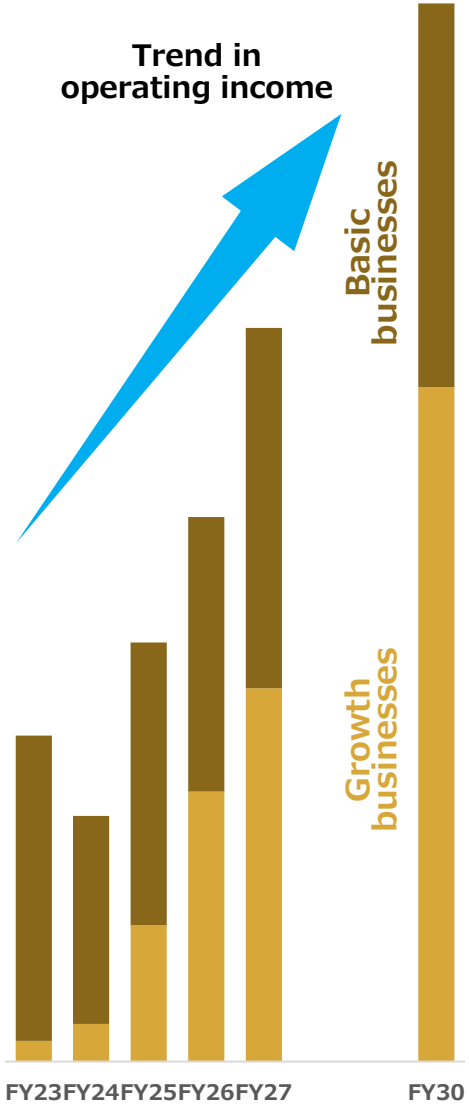


Impact of investment

Combining both companies' technologies will allow the efficient development of next-gen semiconductor materials based on latent issues in the market

Semiconductor & Assembly: Synergies With Honshu Chemical Industry

Speeding up business growth in the ICT sector through portfolio transformation

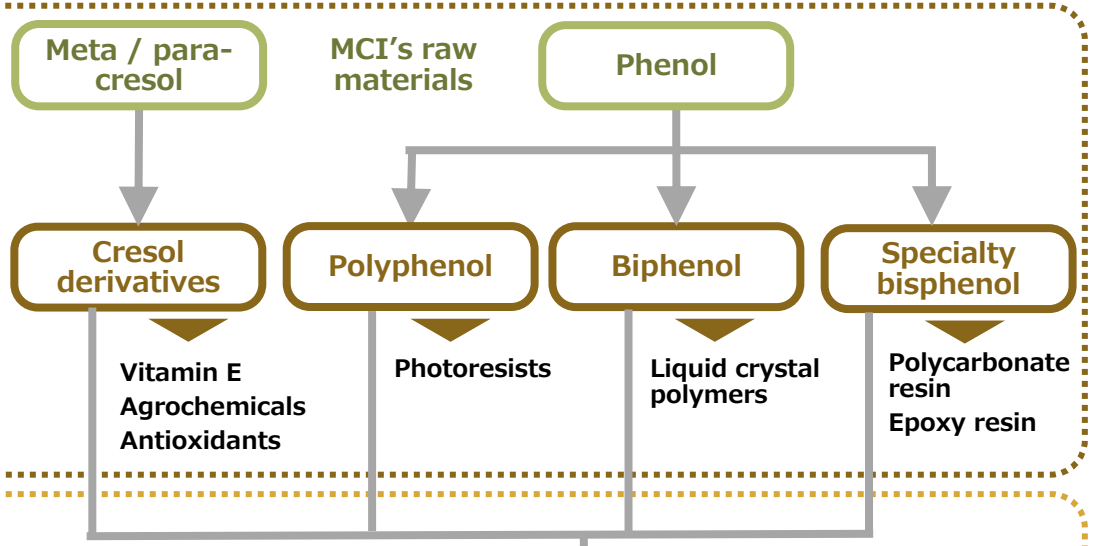


Basic businesses: Improved competitiveness

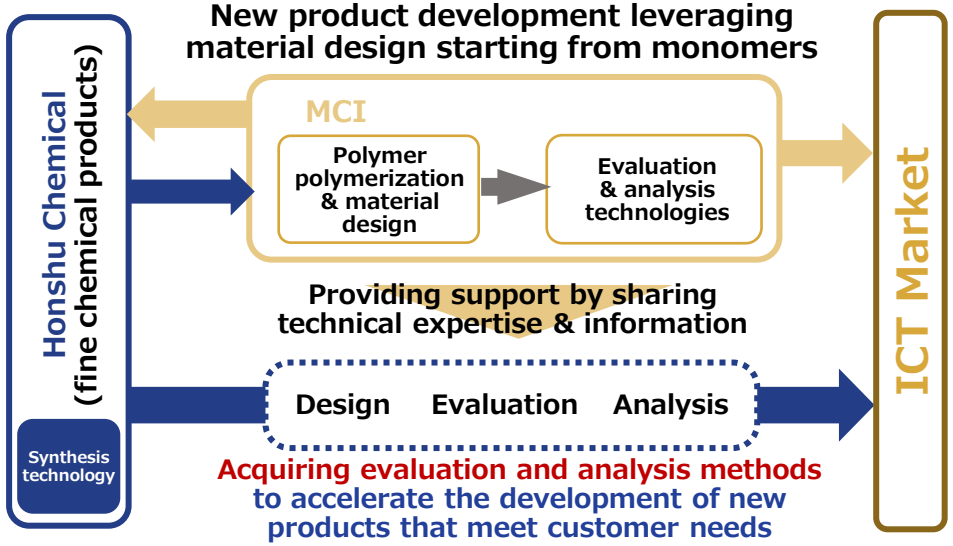
Strengthening production technologies through engineering support

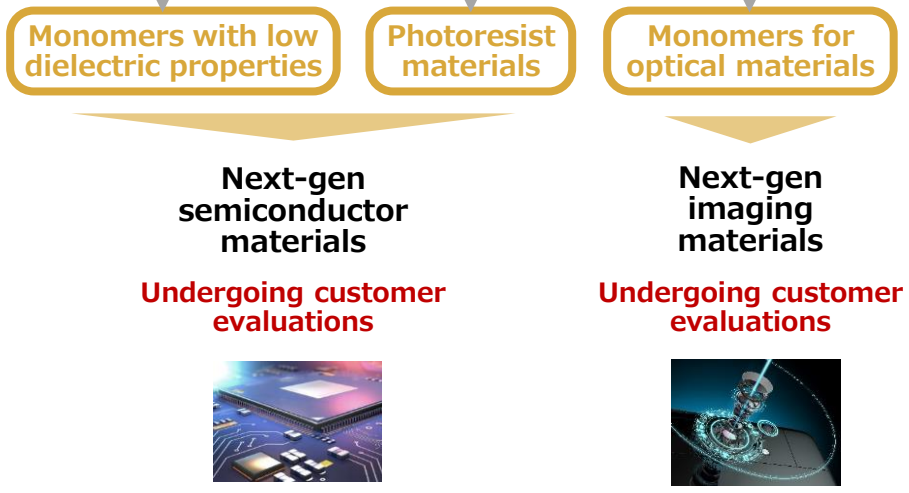
Biphenol: Increasing production capacity and improving yield

Specialty bisphenol: Upscaling & process improvements



Growth businesses: Create new businesses in the ICT sector





Classifying Businesses in Specialty Chemicals Domains: Businesses, Subsidiaries and Affiliates for Restructuring

Pursuing rapid restructuring of underperforming businesses, subsidiaries and affiliates, with milestone management to assess progress

Businesses, subsidiaries and affiliates for restructuring

Oral care business (Kulzer)
ARRK
Nonwovens business etc.

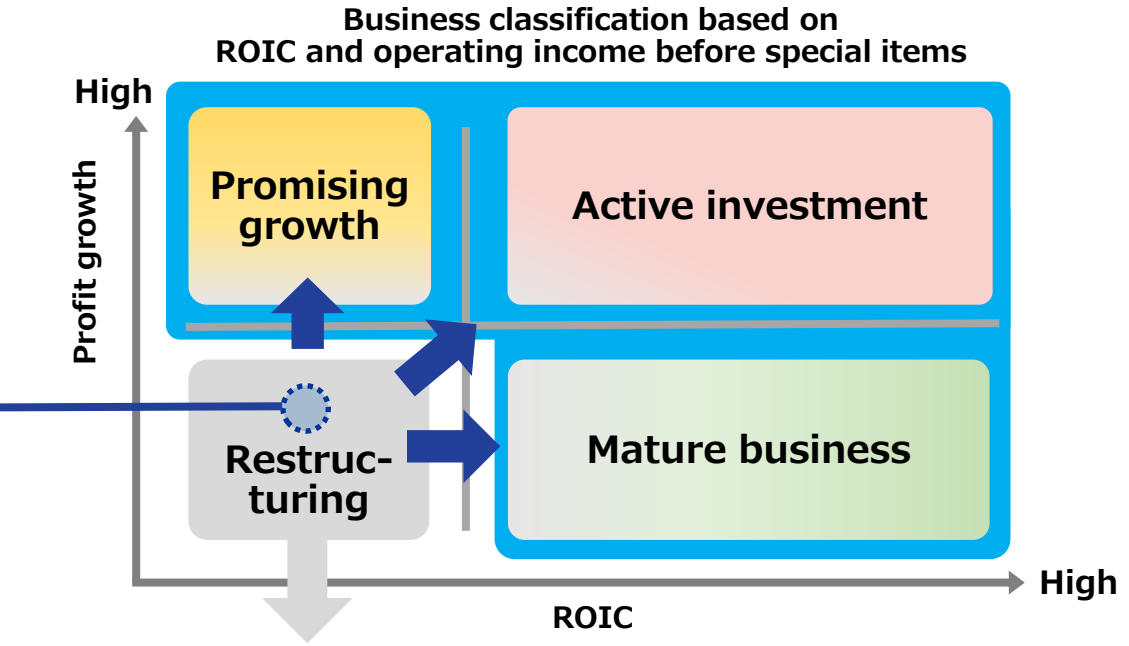
Carry out rapid restructuring in aim of returning to a growth trajectory

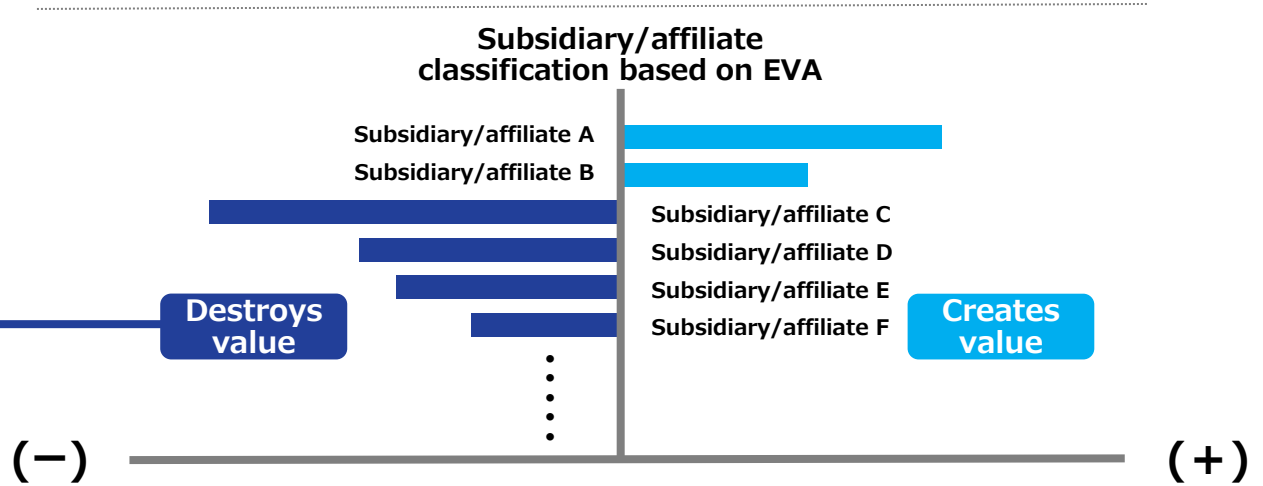
Milestone management

Exit restructuring and return to contributing to earnings

or

If returning to a growth trajectory is deemed to not be feasible, searching for the best owner will be an option





Improving Capital Efficiency by Pursuing Business Restructuring

Ascertaining the future prospects of businesses targeted for restructuring to improve profitability & ROIC in the specialty chemicals domains, including through portfolio reorganization

Milestone management

~FY24 — Decision ✓ ✓ ✓ — FY30

Impact on specialty chemicals domains' ROIC	ROIC=WACC When achieved:	ROIC 9% When achieved:
	+0.8%	+1.2%

Oral care business (Kulzer)

Reorganizing sales sites
(in India, Singapore)

→ **Improving cost structure**
Optimizing number of sales & administration employees (15% reduction)

Bolstering marketing & sales capabilities in the U.S. and Europe
Reforming sales avenues via digital transformation

Improving product portfolio
Using Group ties to focus resources on high-earning products

→ **Ideal vision**

Becoming a global leader in dental preservation by leveraging polymer science technologies and Group ties

ARRK

Transforming portfolio
Disposing of mold business (Europe)

Improving cost structure through streamlining
Reorganizing overseas subsidiaries/ affiliates and domestic sites
Rationalizing administration

→ **Pursuing further portfolio transformation**
Working on selection and concentration
Strengthening businesses that leverage design capabilities to propose products

Pursuing further streamlining
Continuing to consider further measures

→ Becoming a one-stop development support partner that offers services from design & analysis through to prototyping & mass production to help make future innovation possible

Nonwovens business

Optimizing production setup
Stopping two lines & transferring production to existing facilities

Consolidating administration capabilities of two Thai companies to optimize employee count
(10% reduction)

→ **Further optimizing production setup**
Considering further line closures

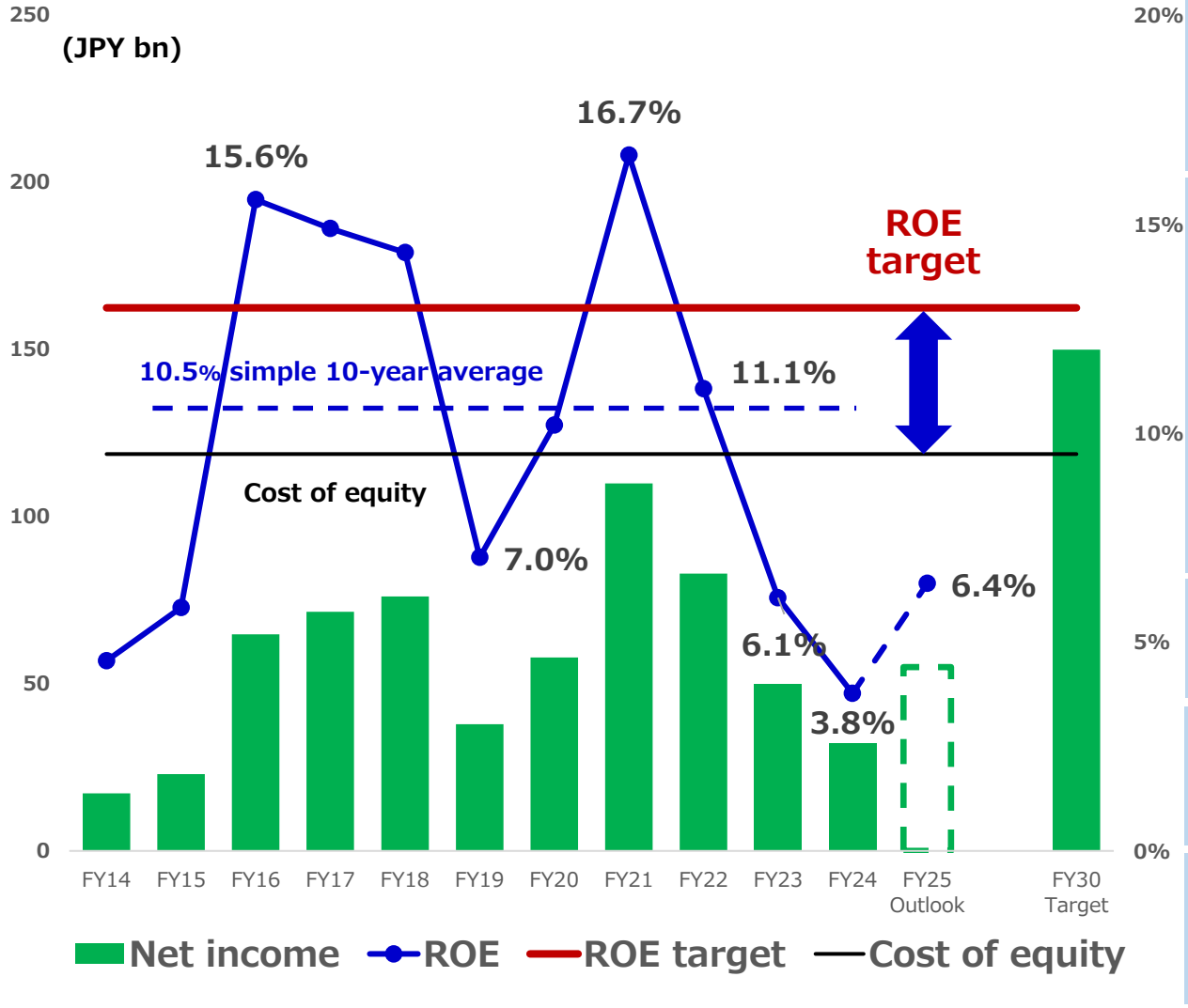
Industrial materials: Growing key markets
Meeting semiconductor & environmental needs

Hygiene materials: Boosting competitiveness
Increasing differentiation (stretchable nonwovens)
Boosting earning power with hollow-structure nonwovens (in Thailand, Japan)

→ Becoming a high-profitability, differentiated business that is focused on industrial materials and resistant to market impacts

Aiming to Increase Corporate Value

Planning to improve our P/B ratio & achieve our 13% ROE target – above cost of equity – via business portfolio transformation, going asset-light, bolstering shareholder returns, etc.



Accelerating business portfolio transformation	✓ Accelerating profit growth in specialty chemicals domains ✓ **Accelerating business portfolio transformation** based on ROIC & profit growth **(looking to accelerate capital efficiency improvement in specialty chemicals domains as well through portfolio reorganization, etc.)**
Improving capital efficiency	✓ **Substantial progress made with** internally driven **second-phase restructuring** ✓ Transitioning to advanced chemical complexes and shifting B&GM to the green chemicals business ✓ **Considering splitting off B&GM to accelerate transformation, aiming to build a strong business entity able to support domestic industry** ✓ **Promoting shift to an asset-light structure** by reviewing ownership of cross-shareholdings (**steadily decreasing**), etc.
Enhancing cash generation capabilities	✓ Improving cash flow from operating activities via increased earnings, an improved cash conversion cycle, etc. (**Steadily increasing**)
Capital policy	✓ **Boosting shareholder returns (FY25 onward: increasing total return ratio from 30% or more to 40% or more, and considering further improvements for future)**
Reducing capital costs	✓ Improving management quality through dialogue with stakeholders ✓ Improving quality of investor relations activities

Won first place in the Award for Excellence in Corporate Disclosure
Received Best IR Award

Reference | Summary of Targets-1

	FY22 Results	FY23 Results	FY24 Results	FY25 Outlook	FY28 Target	FY30 Target
Operating income before special items (B yen)	114	96	101	110	200	250
Net income attributable to owners of the parent (B yen)	83	50	32	55	110	150 or more
ROE	11.1%	6.1%	3.8%	6.4%	10% or more	13% or more
ROIC*1	5.4%	4.1%	4.2%	4.8%	7% or more	9% or more
NET D/E	0.77	0.69	0.73	0.70	0.8 or less	0.8 or less

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

Reference | Summary of Targets-2

Contributing to a sustainable society

Material topics	KPIs	FY24 Results	FY25 Target	FY30 Target
• Climate change • Circular economy • Health and livelihood • Highly livable communities • Food security • Product design based on full life-cycle considerations	**Blue Value™ products sales revenue ratio**	**• 26%**	**• 28%**	**• 40%**
	Rose Value™ products sales revenue ratio	**• 25%**	**• 26%**	**• 40%**
	GHG emissions reduction rate (Scopes 1 and 2) *compared to FY13	**• 27% (outlook)**	**• 28%**	**• 40%**

Prerequisites for business continuity

Material topics	KPIs	FY24 Results	FY25 Target	FY30 Target
• Safety	**Incidence of major accidents & serious occupational injuries**	**• Zero**	**• Zero**	• **Zero** (over the course of VISION 2030)
• Respect for human rights	**Response to human rights risks**	**・Implemented human rights due diligence (reorganization of the risk assessment process)**	**・Implementation of human rights due diligence (improvement of the risk assessment process)**	• **Identification & correction of risks by setting up a human rights due diligence system for all of our bases, both domestic and abroad**
• Compliance	**Incidence of major legal and regulatory violations**	**• Zero**	**• Zero**	• **Zero** (over the course of VISION 2030)
• Product quality	**Incidence of PL accidents & serious product quality incidents**	**• Zero**	**• Zero**	• **Zero** (over the course of VISION 2030)
• Stable production	**• Production and equipment reliability**	**No. of problems involving high-value losses** **• 3 instances**	**No. of problems involving high-value losses** **• 6 or less**	**No. of problems involving high-value losses** **• Zero**

Reference | Summary of Targets-3

Abilities essential to business continuity

Material topics	KPIs	FY24 Results	FY25 Target	FY30 Target
• Corporate culture	Improvement of employee engagement **Engagement score**	• **36%**	• **40%**	• **50%**
• Human capital	Key talent management **Successor coverage rate for critical positions**	• **235%**	• **250%**	• **250%**
	Diversity • **(MCI)Number of executive officers with diverse backgrounds (women, non-Japanese, mid-career hires)** • **(MCI)Ratio of women in management positions (manager-level or above)**	• **Diversity rate of future executives: 24.1%** • **8%**	• **Diversity rate of future executives: 25% or more** • **9% or more**	• **10 or more** (including at least 3 women) • **15%**
	Health-focused management • **(MCI) Average rate of lifestyle-related disease** • **(MCI) Frequency of absences from work due to mental health disorders**	• **10.16%** • **0.67 (outlook)**	• **Less than 9.50%** • **Less than 0.55**	• **8.0% or less** • **0.25**
• Digital transformation	Training of DX specialists **Number of data scientists**	• **104**	• **165 or more**	• **165** (by FY25)
• Innovation	Pipeline expansion • **Number of development themes in the latter half of our Stage Gate System**	• **Percentage advanced to preliminary market development stage: 11%**	• **Percentage advanced to preliminary market development stage: 20% or more**	• **Double or more** (vs. FY20)
	Value creation for beyond 2030 **Number of new areas of development at our Frontier Technology Center**	• **R&D themes : 5**	• **Themes advanced from initial research stage to technological development: 5 or more** • **Identification of social challenges to engage with in future: 5 or more**	• **3 or more areas**
• Partnerships	**Sustainable procurement ratio**	• **Dissemination to partners** Briefings to explain procurement guidelines to key partners in each domain: 19 companies	• **Dissemination to partners** Meet with suppliers amounting to 95% of total transaction value to explain procurement guidelines & get written agreement	• **80%**

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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