

0→1 MAKE IT HAPPEN

FY21-1 Creating New Customer Value
through Innovations

CEO PRESENTATION



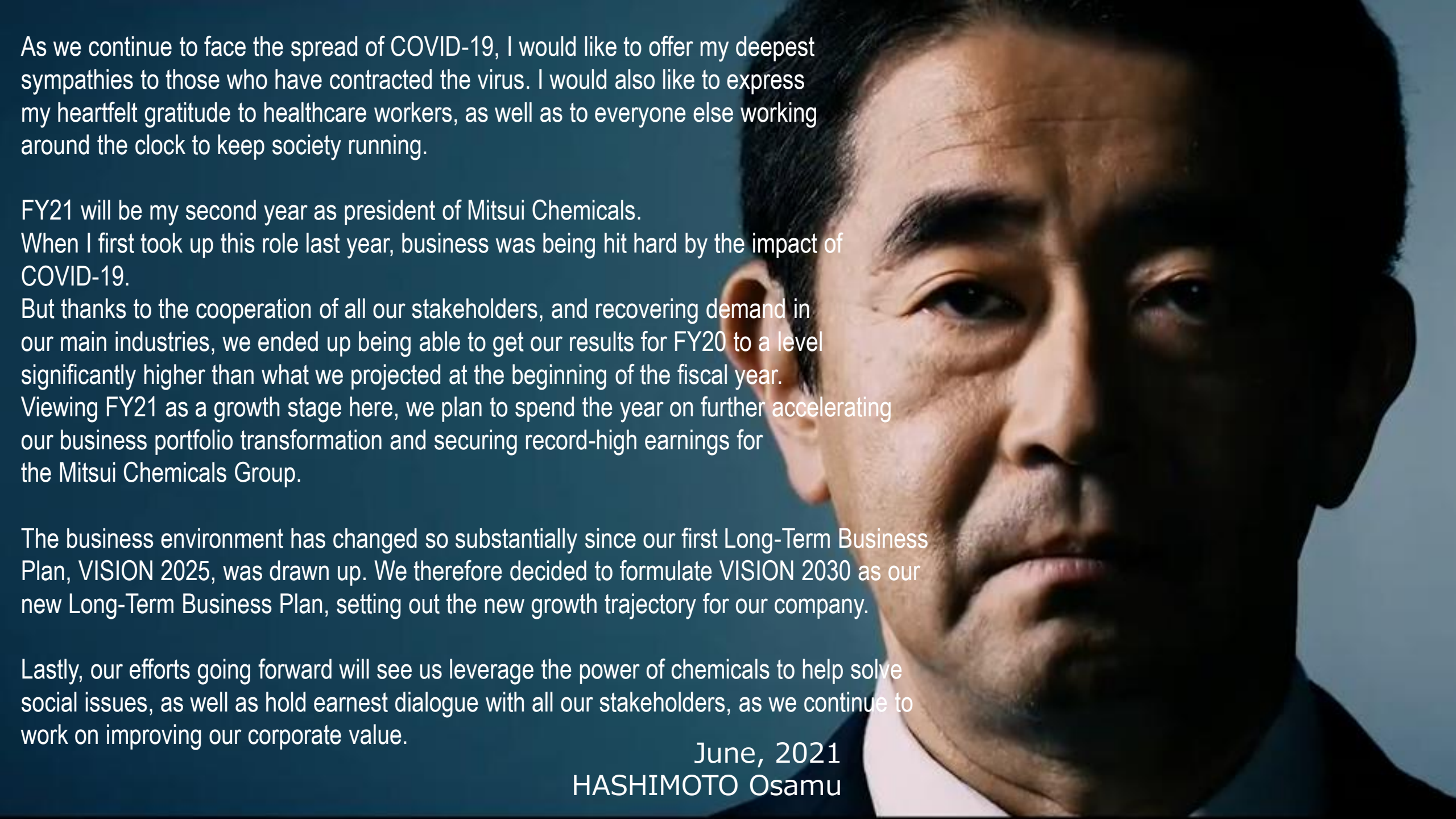
橋本 修

HASHIMOTO Osamu

Mitsui Chemicals Inc.

President & CEO

Jun 2, 2021



As we continue to face the spread of COVID-19, I would like to offer my deepest sympathies to those who have contracted the virus. I would also like to express my heartfelt gratitude to healthcare workers, as well as to everyone else working around the clock to keep society running.

FY21 will be my second year as president of Mitsui Chemicals.

When I first took up this role last year, business was being hit hard by the impact of COVID-19.

But thanks to the cooperation of all our stakeholders, and recovering demand in our main industries, we ended up being able to get our results for FY20 to a level significantly higher than what we projected at the beginning of the fiscal year.

Viewing FY21 as a growth stage here, we plan to spend the year on further accelerating our business portfolio transformation and securing record-high earnings for the Mitsui Chemicals Group.

The business environment has changed so substantially since our first Long-Term Business Plan, VISION 2025, was drawn up. We therefore decided to formulate VISION 2030 as our new Long-Term Business Plan, setting out the new growth trajectory for our company.

Lastly, our efforts going forward will see us leverage the power of chemicals to help solve social issues, as well as hold earnest dialogue with all our stakeholders, as we continue to work on improving our corporate value.

June, 2021
HASHIMOTO Osamu

Today's Topics

First
half

FY20/21 Business overview

- ▶ FY20 Results & FY21 Outlook
- ▶ Highlights of business domains
 - Mobility
 - Health Care
 - Food & Packaging
 - ICT Materials
 - Basic Materials
- ▶ Financial overview

Second
half

Long-Term Business Plan VISION 2030

- ▶ Outline of VISION 2030
- ▶ Basic strategy
- ▶ Direction of business model transformation
- ▶ Revision of business portfolio
- ▶ VISION 2030 Management targets
- ▶ Carbon neutral roadmap

1 FY20 Results & FY21 Outlook

- ① For FY20, reached **85.1 billion yen** in operating income before special items – significantly exceeding our initial projection of reaching 35 billion yen due to COVID-19
- ② For FY21, targeting a **record-high 115 billion yen** in operating income before special items – a forecast that factors in the demand recovery seen since 2H/FY2020, healthy demand in the ICT sector and continued 1H strength in overseas market price

(JPY bn) Items	FY2019	FY2020	FY2021	Increase (Decrease)			
	IFRS	IFRS	IFRS	FY19→FY20		FY20→FY21	
	Results	Results	Outlook	YoY	Rate	YoY	Rate
Sales revenue	1,350	1,212	1,400	△ 138	-10%	188	16%
Operating income before special items	72.3	① 85.1	② 115.0	Record high 12.8	18%	29.9	② 35%
Non-recurring items	△ 7.7	△ 7.0	△ 2.0	0.7	-	5.0	-
Operating income	64.6	78.1	113.0	13.5	21%	34.9	45%
Financial income / expenses	△ 3.8	△ 3.9	△ 5.0	△ 0.1	-	△ 1.1	-
Net income attributable to owners of the parent	34.0	57.9	79.0	Record high 23.9	70%	21.1	36%
Exchange rate (JPY/USD)	109	106	108	△ 3		2	
Domestic standard naphtha price (JPY/KL)	42,900	31,300	48,000	△ 11,600		16,700	

2 Profit by Segment

- ① Performance in targeted business domains expected to **significantly exceed FY19** on the whole, with the Mobility segment getting back to pre-COVID levels while Health Care and Food & Packaging maintain steady growth
- ② Basic Materials segment is seeing **earnings recover due to an overall demand recovery** and favorable overseas market conditions
(Demand calming for acetone as a disinfectant, BPA market to calm down in 2H and a market recovery for TDI)

(JPY bn) Segment	FY2019 (IFRS)		FY2020 (IFRS)		FY2021 (IFRS)	
	Operating income before special items		Operating income before special items		Operating income before special items	
	1H	FY	1H	FY	1H	FY
	Results	Results	Results	Results	Outlook	Outlook
Mobility	22.5	43.1	8.2	30.2	20.5	44.0
Health Care	5.9	13.2	7.2	19.9	9.5	21.0
Food & Packaging	7.8	17.0	9.5	22.0	10.5	24.0
(Targeted domains)	36.2	73.3	24.9	72.1	40.5	① 89.0
Basic Materials	6.9	9.4	△4.6	19.6	24.0	② 36.0
Others	△3.4	△10.4	△1.7	△6.6	△4.5	△10.0
Total	39.7	72.3	18.6	85.1	60.0	115.0

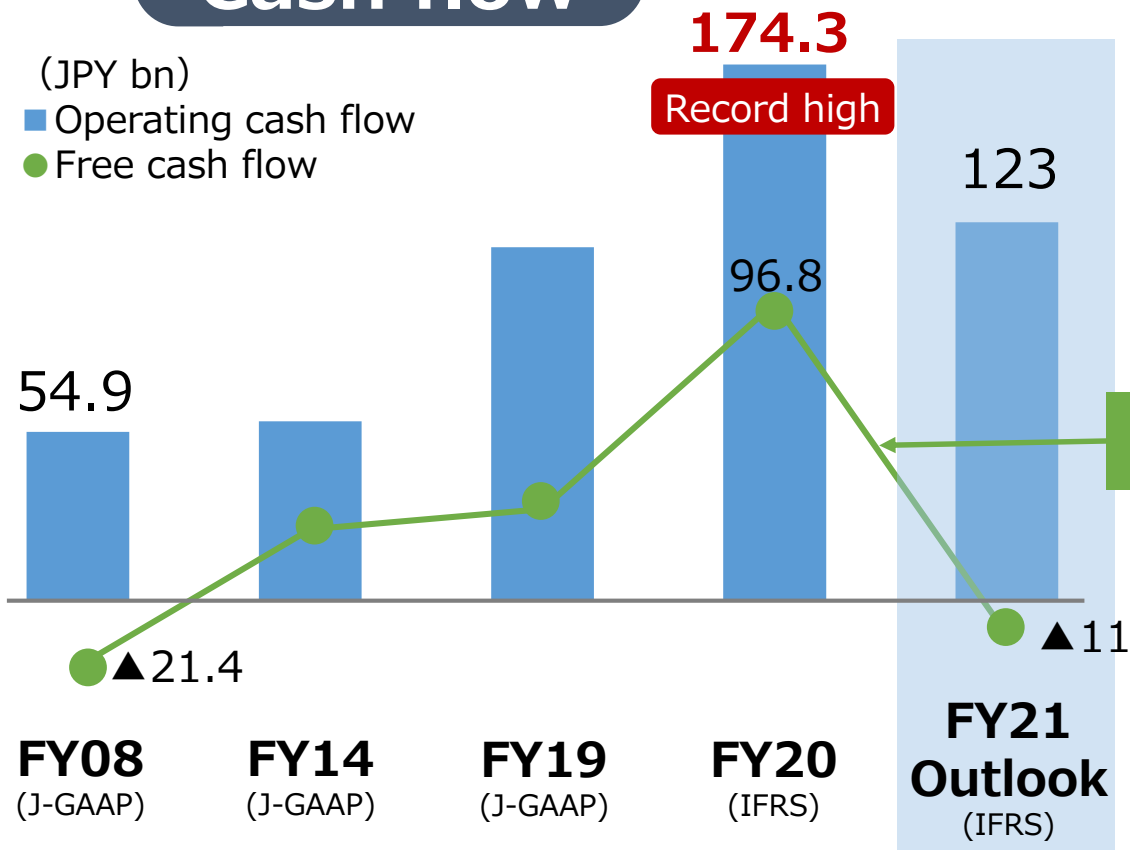
Increase (Decrease)			
FY19→FY20		FY20→FY21	
YoY	Rate	YoY	Rate
△12.9	-30%	13.8	46%
6.7	51%	1.1	6%
5.0	29%	2.0	9%
△1.2	-2%	16.9	23%
10.2	109%	16.4	84%
3.8	-37%	△3.4	52%
12.8	18%	29.9	35%

Exchange rate (JPY/USD)	109	109	107	106	108	108
Domestic standard naphtha price (JPY/KL)	42,800	42,900	27,600	31,300	48,000	48,000

△ 3	2
△ 11,600	16,700

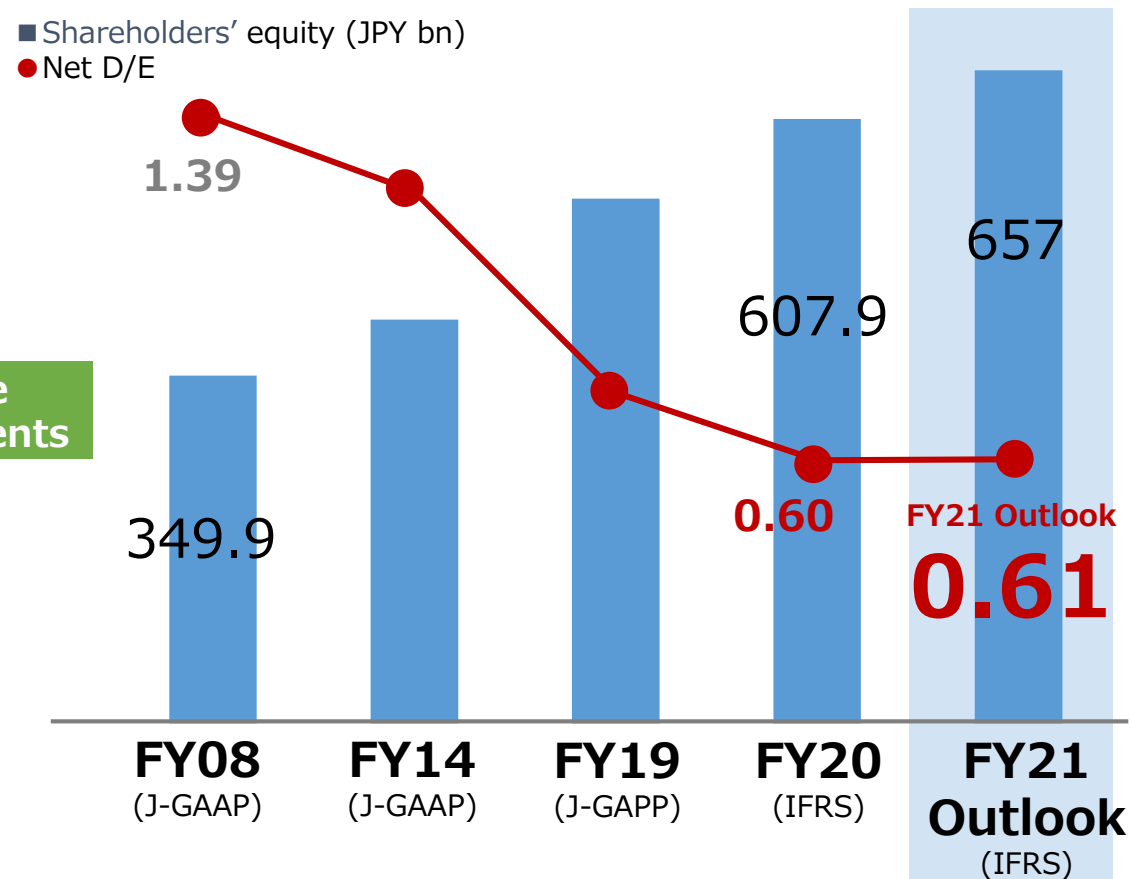
- ▶ Building a stronger, better financial position even amid COVID-19
- ▶ Pursuing active investments

Cash flow



**Enhanced cash generation
even amid recession**

Net D/E



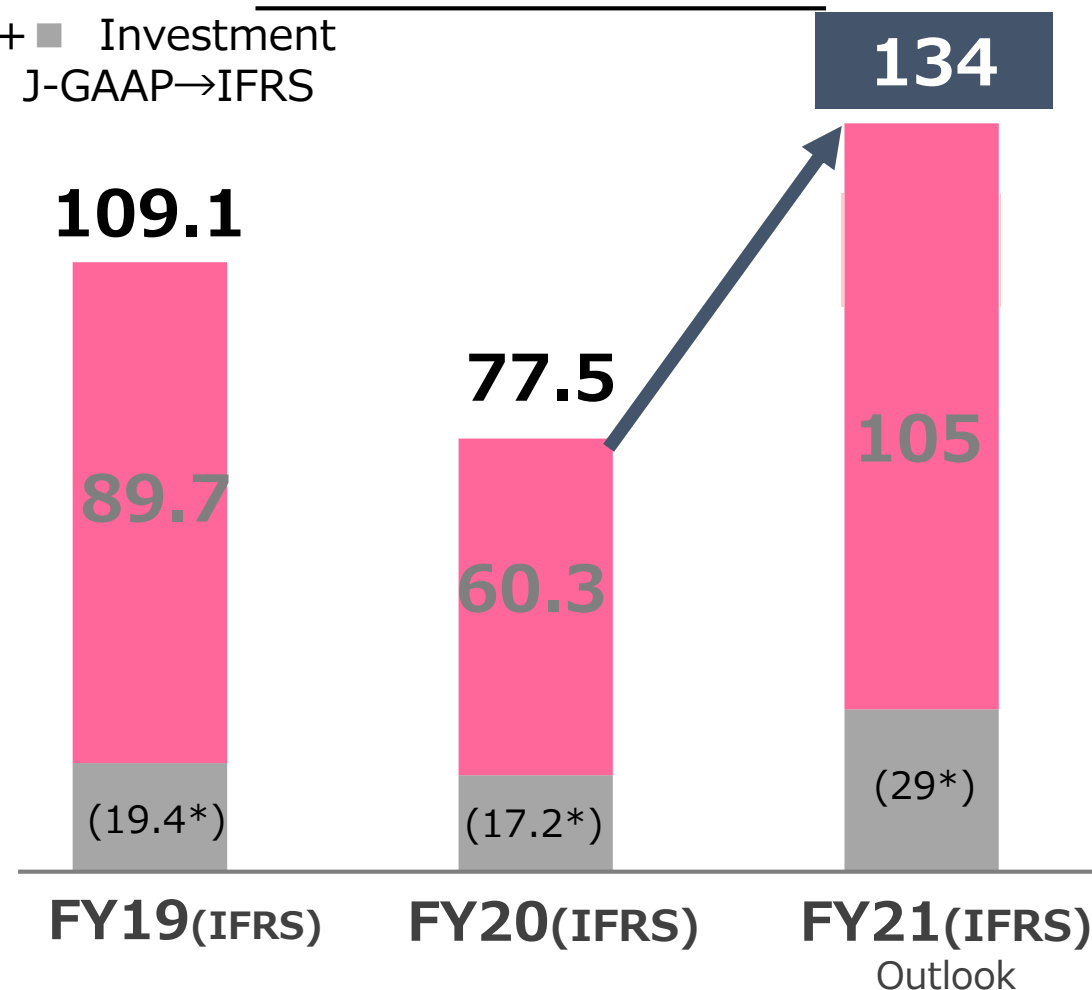
Improved financial position

Making active growth investments and investing research resources with a focus on ICT, Health Care and the creation of new businesses

(JPY bn)

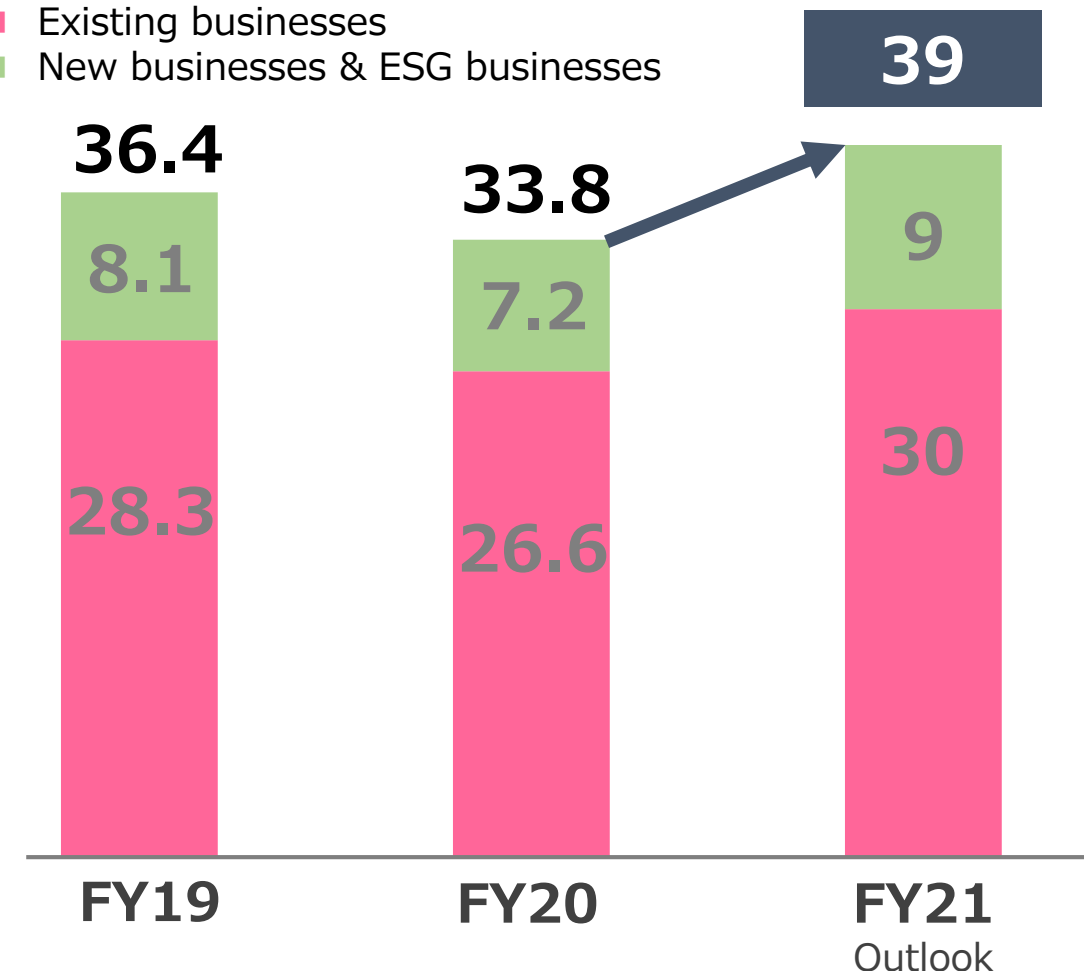
Investments

■ + ■ Investment
■ J-GAAP→IFRS



R&D Expenses

■ Existing businesses
■ New businesses & ESG businesses



*With our move over to IFRS, repair expenses are factored into assets as capital expenditure

Recovering from COVID-19, expanding our facilities,
benefiting from sales growth - overall improving sales and earnings

Segment	Area	FY19→ FY20	FY20→ FY21	Current circumstances	
Mobility	PP Compounds Elastomers	N.A., Asia, Japan			<ul style="list-style-type: none"> • Production levels recovering at all bases around the world
	Solutions Biz.	EU, Asia, Japan			<ul style="list-style-type: none"> • Improvement of OEM development & prototyping business • Remain impact from exhibitions being cancelled around the world
ICT	Performance Polymers Semiconductor tape	Asia			<ul style="list-style-type: none"> • Good performance for smartphone lens materials • Operations going well at new Taiwanese plant for semiconductor tape and new EUV pellicle plants
Health Care	Vision Care Dental Materials	EU, N.A., Asia Japan			<ul style="list-style-type: none"> • Vision care: Start of new initiative with COSTCO, a major North American retailer • Dental materials: demand recovering in steady fashion
	Nonwovens	Asia, Japan			<ul style="list-style-type: none"> • Special demand slowing down
F&P	Packaging Materials	Asia, Japan			<ul style="list-style-type: none"> • Steady demand despite delayed launch of new food-related products
	Agrochemicals	Asia, Japan			<ul style="list-style-type: none"> • Overseas sales of agrochemical active ingredients showing steady growth
Basic Materials	Petrochemicals Basic Chemicals Polyolefins Polyurethanes	Asia, Japan			<ul style="list-style-type: none"> • While FY20 overall saw sales and operations fall amid COVID-19, earnings increased for certain products due to surging market prices • Overall demand recovering in FY21



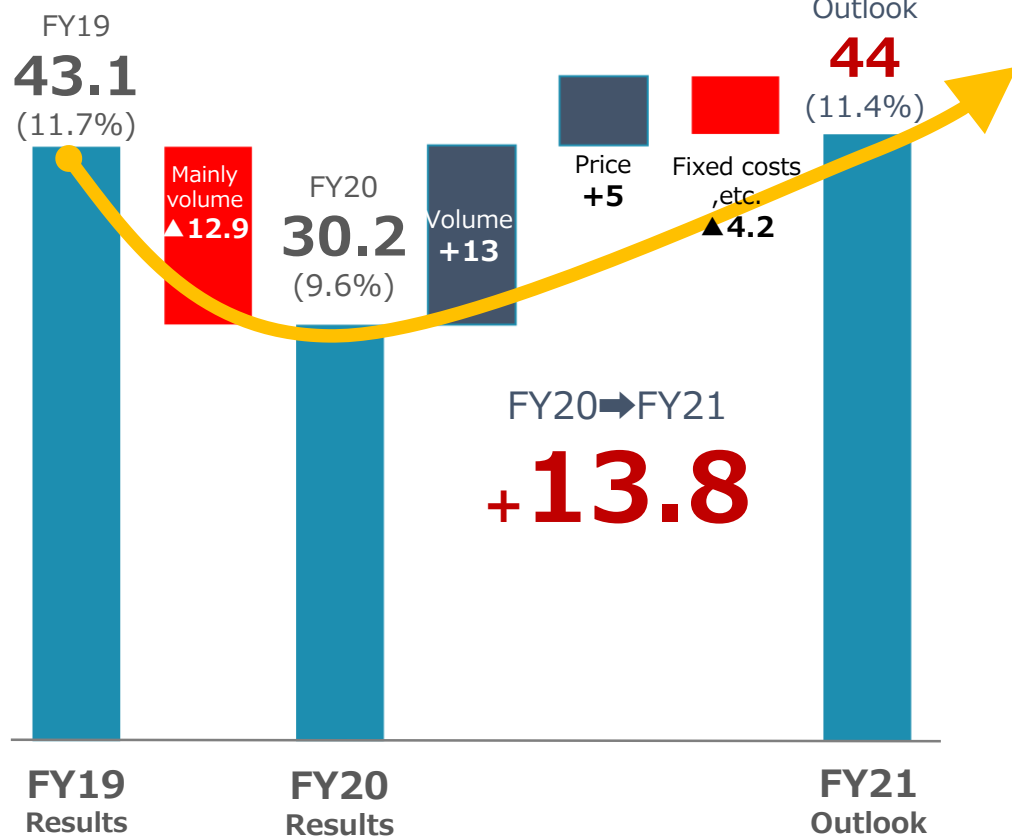
Mobility

Providing solutions that make full use of our comprehensive strengths

- ▶ **Earnings to get back up to FY19 levels** due to recovery in automotive production and increased need for lightweighting
- ▶ **Spate of investment projects reaching completion** in FY20 onward, contributing to further earnings

Operating income before special items (IFRS)

(JPY bn) (ROS=%)



Growth drivers: Launch of new facility operations

PP Compounds



MILASTOMER™/ADMER™



TAFMER™



LUCANT™



Fleshing out our pipeline of monetization projects for FY20 and beyond;
entering the phase of investment recovery

Mobility investment projects (partial list)		Capacity (KTA)	Schedule for profit contribution						
			Stable growth			Accelerate growth			
			FY17	FY18	FY19	FY20	FY21	FY22	
PP Compounds	Increased capacity@India	10							
	Increased capacity@N.A	20							
	Increased capacity@Mexico	10							
	Increase capacity@Thailand	13							
	New base@Netherlands	30							
Long glass fiber reinforced PP	Increase capacity@Japan	3.5							
	New base@N.A	3.5							
	New base@China	3.5							
Performance Compounds	MILASTOMER™:Increased capacity@Japan	5							
	MILASTOMER™:Acquired TPS business	-							
	MILASTOMER™:Increased capacity@N.A	6							
	MILASTOMER™:Increased capacity@Japan	-							
	ADMER™:Increased capacity@Japan	-							
Performance Polymers	APEL™ :New palnt@Osaka	+50%							
LiB-related materials	Electrolyte: Increased capacity@Japan	5							
	Electrolyte: Increased capacity@China	5							
	HI-ZEX MILLION™: Increased capacity@Japan	1							
Elastomers	TAFMER™: Increased capacity@Singapore	25							
	Specialty TAFMER™: Increased Capacity@Japan	-							
Semiconductor materials	EUV pellicle: New facility@Japan	-							
Lubricant oil materials	LUCANT™: New base@Japan	20							
Fiber-reinforced SMC	Acquired DIC Kako								
Solutions	Acquired ARRK	-							
	ARRK:wholly owned subsidiary								
	Mobility Development Center	-							
	Design & Solution Center								
	CoE	-							

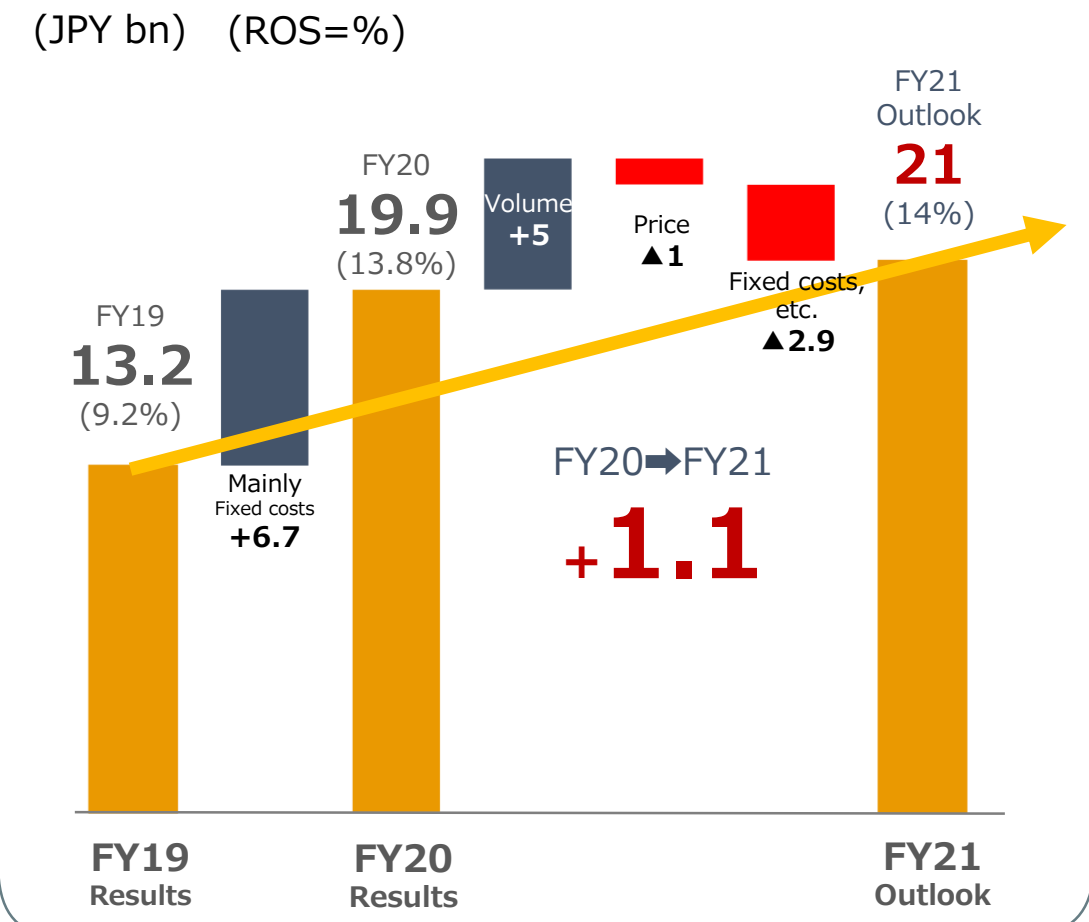


Health Care

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

- ▶ While FY21 is set to see a year-on-year decline in COVID-related emergency demand for nonwovens, **overall health care demand is expected to recover**
- ▶ We are moving forward with North American marketing efforts for vision care materials, **bringing about further growth**

Operating income before special items (IFRS)



Growth drivers: Making progress on projects

Vision Care

CONTACT LENSES

Mar. 2021: MR™ series picked up as standard by major U.S. retailer Costco

OPTICAL

Hydrophobic nanocoatings

Anti-reflective coatings

Coating equipment

Oct. 2020: Acquired German company COTEC®, bolstering our lineup of lens coatings

Nonwovens

Jan. 2020: Increased capacity of meltblown nonwovens
 Oct. 2020: Increased capacity of TEKNOROTE™
 Mar. 2021: Agreed to transfer ownership of subsidiary in China

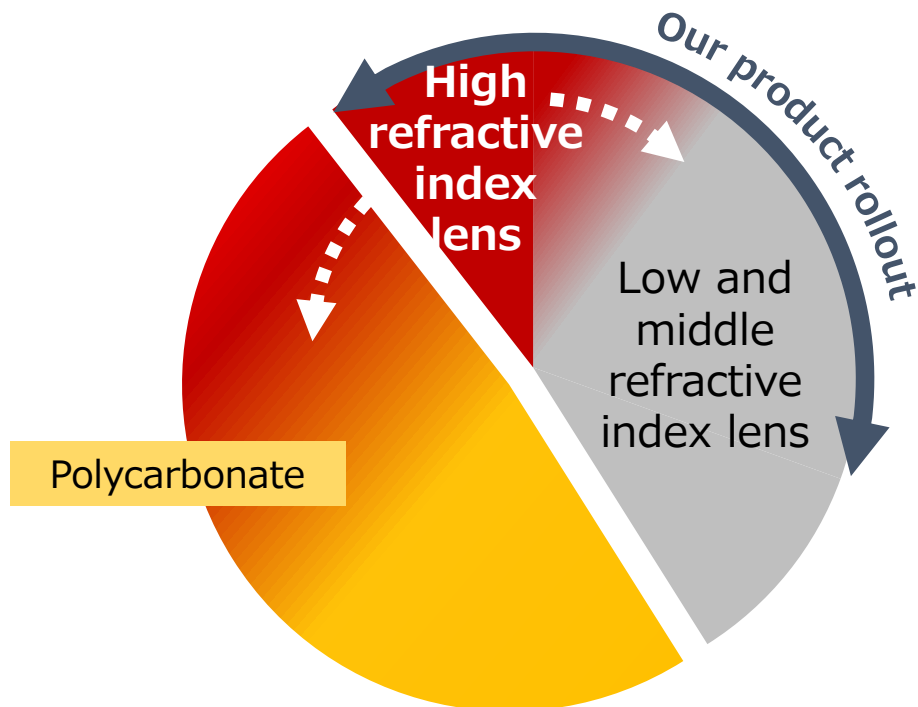
Dental Materials

Speeding up digitalization of dental materials (Cloud-based CAD, 3D printing, resin-based ink)

Capacity increase for high refractive index lens monomers (Omuta Works, Oct. 2023)

- ▶ Steadily capturing global demand growth
- ▶ Switching to MR™ Series in North American polycarbonate market

(Ophthalmic lens market in N.A., CY19)



- ▶ New initiative launched with major U.S. retailer Costco



by Mitsui Chemicals



With major U.S. retailer Costco picking up MR™ lens monomers as its standard for glasses, we will look to further the market's shift to MR™ series

Making global contribution to Quality of View (QoV) through wide-ranging product lineup and strong supply capabilities



Food &

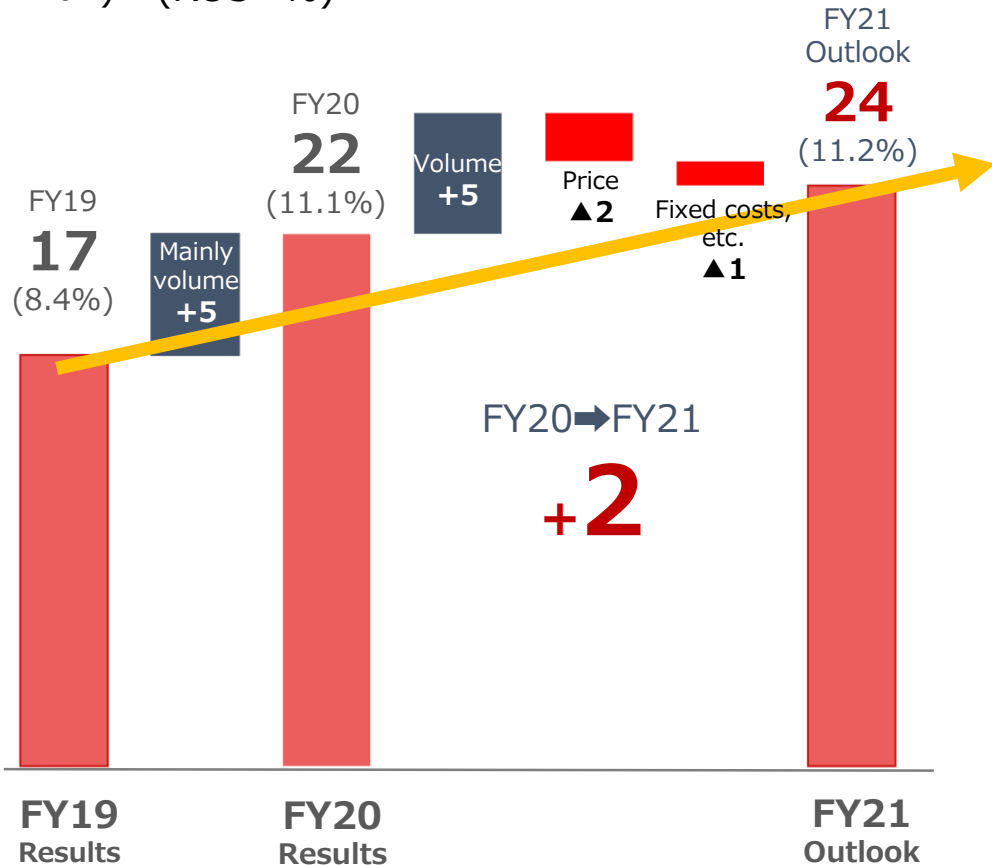
Packaging

Providing solutions for world
food problems and seizing new
business opportunities

- ▶ **Steady earnings growth** through market launch of new agrochemicals and rising overseas sales
- ▶ **Plans to further increase production of industrial films** for ICT applications in response to strong demand

Operating income before special items (IFRS)

(JPY bn) (ROS=%)



Growth drivers: Sales growth & capacity increase

Agrochemicals

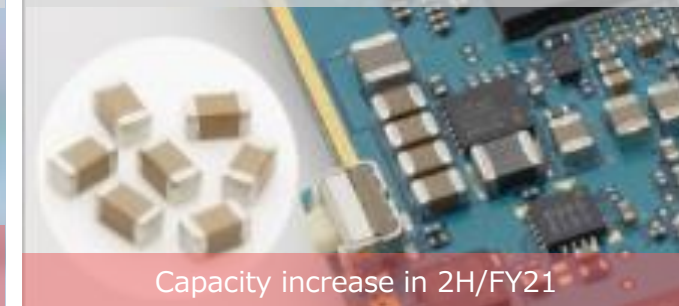


Industrial Films (ICT applications)

ICROS™ Tape for semiconductor manufacturing processes

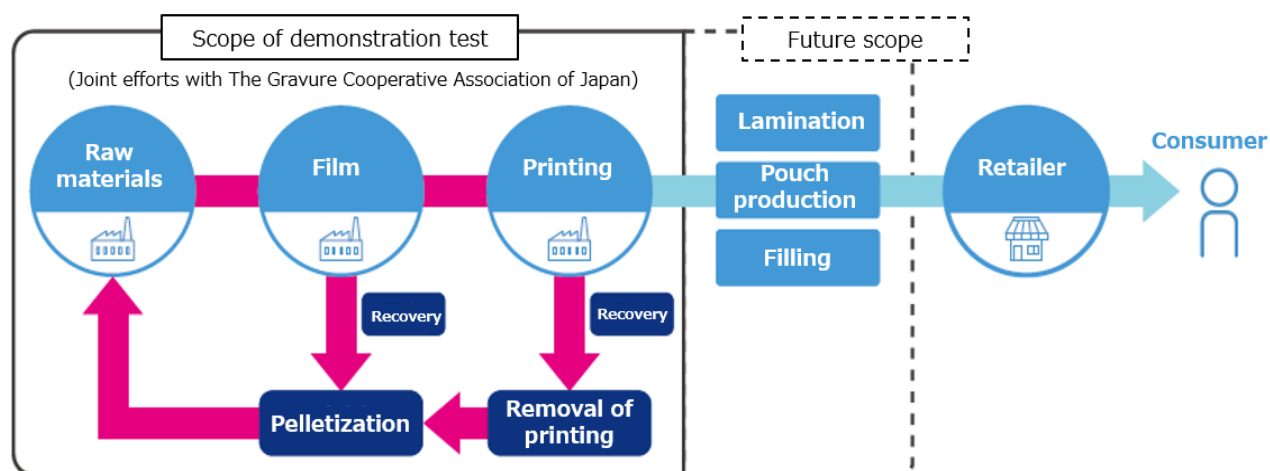


Separator SP-PET™ release film for MLCCs

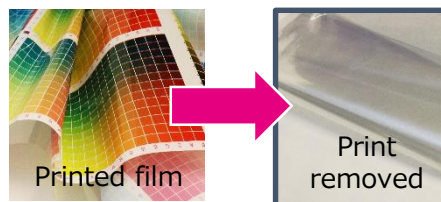
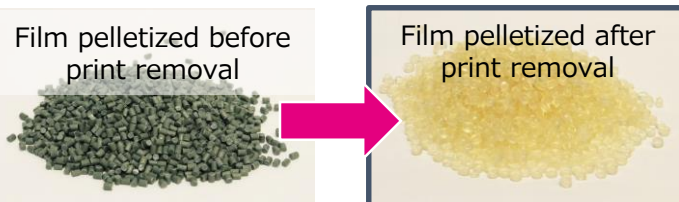


Reducing plastic waste in the packaging chain
Plans to start up demonstration facilities
for **mechanical recycling** this fiscal year

RePLAYER™

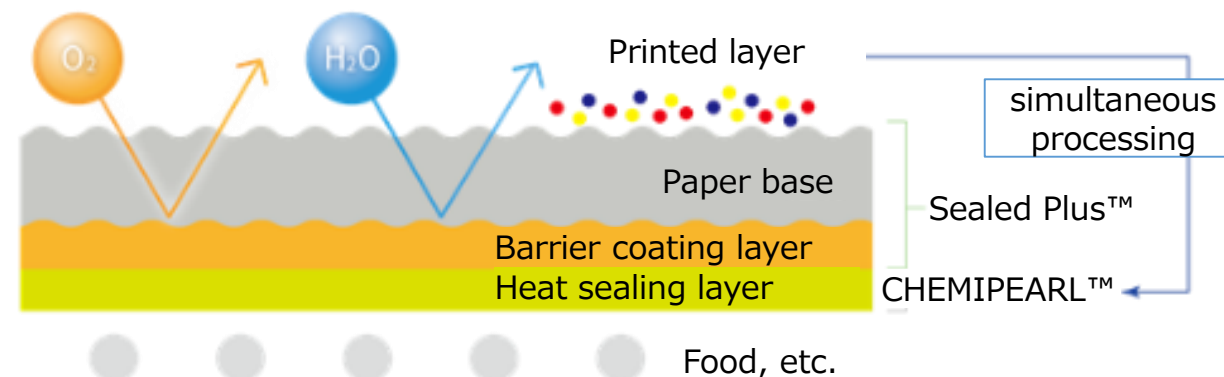


- ▶ Introducing technology for the roll-to-roll cleaning and print removal of printed film, with plans to start demonstration testing before the end of fiscal 2021



CHEMIPEARL™ heat sealant for paper-based packaging

- ▶ Working with Nippon Paper and Yoshimoto Printing to develop a barrier- and heat-seal-coated paper material



- Eco-friendly due to water-based flexo printing
- Offers significantly shorter production lead times
- Helps reduce plastics with use of CHEMIPEARL™

**Helping enhance the capabilities
of paper-based packaging**




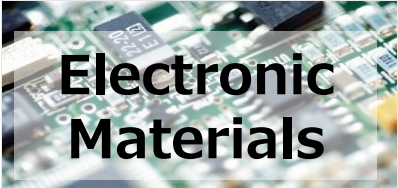


ICT MATERIALS

Actively investing to form our
next target domain

Our next target domain: ICT materials that contribute to digitalization

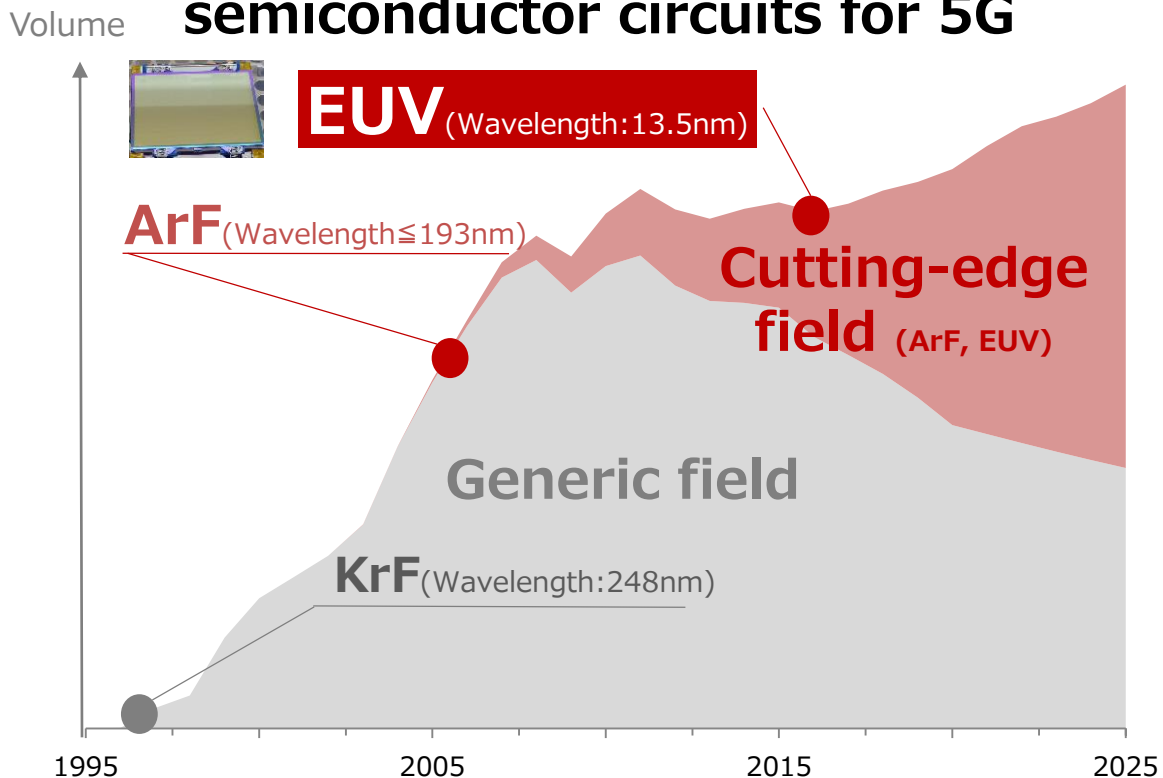
ICT-related materials

	Mobility	Health Care	F&P	Basic Materials	New Business Incubation Center
 <p>Semi conductors</p>	Expanding MITSUI PELLICLE™ (ArF, EUV)	Expanding SYNTEX™ nano Filters, etc.	New base Expanding ICROS™ Tape Process tape for semiconductors	Special gas Silane, disilane, etc. Photoresist raw material Acquiring	PIVAR™ : Polyimide varnish Semiconductor testing process
 <p>Display & Imaging</p>	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	Optical polycarbonate raw material Acquiring	Display process ECRIOS™ : transparent polyimide
 <p>Sensing</p>	Expanding APEL™ Lens material				Imaging process
 <p>Electronic Materials</p>	ARLEN™ Modified polyamide 6T Gigafreq™	Developing	Expanding SP-PET™ Film for MLCC Opulent™ Heat-resistant release film	LCP raw material Acquiring	Sensors & Solutions μFLEX™, PIEZOLA™ Piezoelectric materials Packaging process for electronic devices With Elephantech, CONNECTEC JAPAN

EUV pellicle operations launched

(April, 2021 at Iwakuni-Ohtake Works)

Growing needs for refinement of semiconductor circuits for 5G

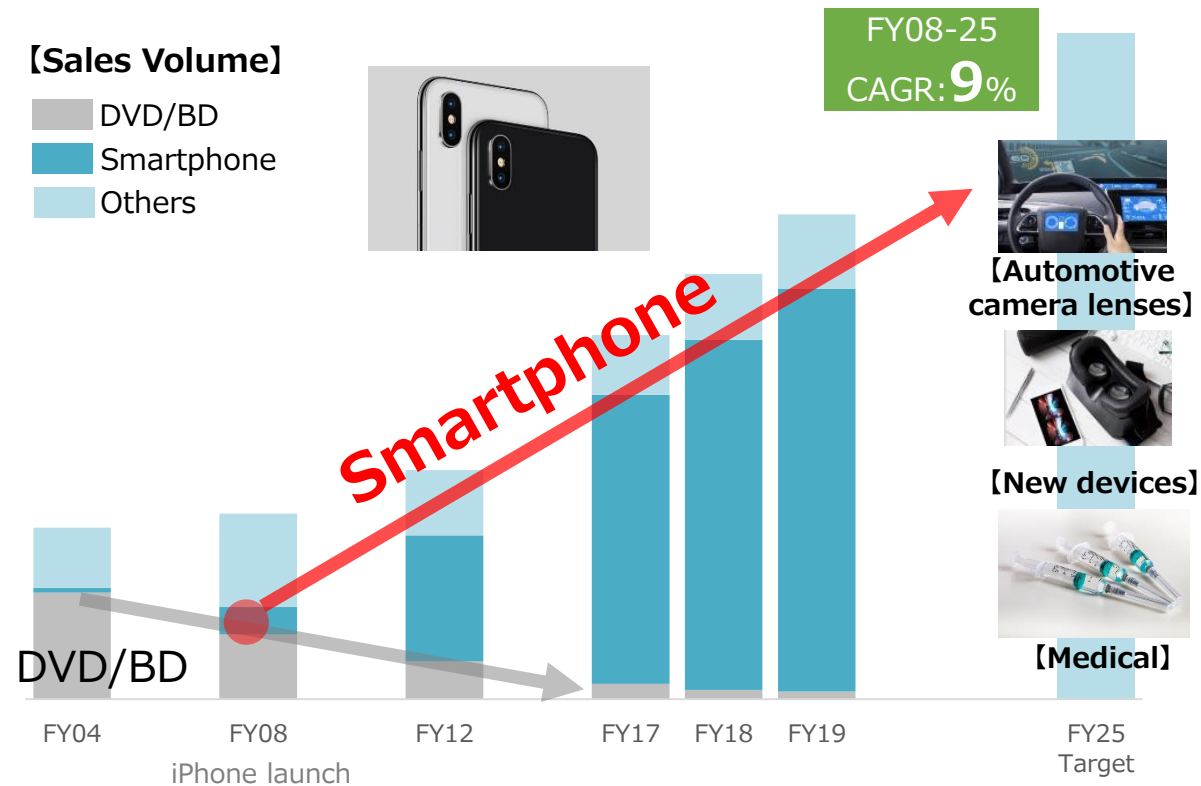


Aiming for No.1 pellicle supplier in cutting-edge fields (ArF & EUV)

New APEL™ plant to be completed in FY21

(March 2022 at Osaka Works)

Steady growth due to multi-lens smartphones

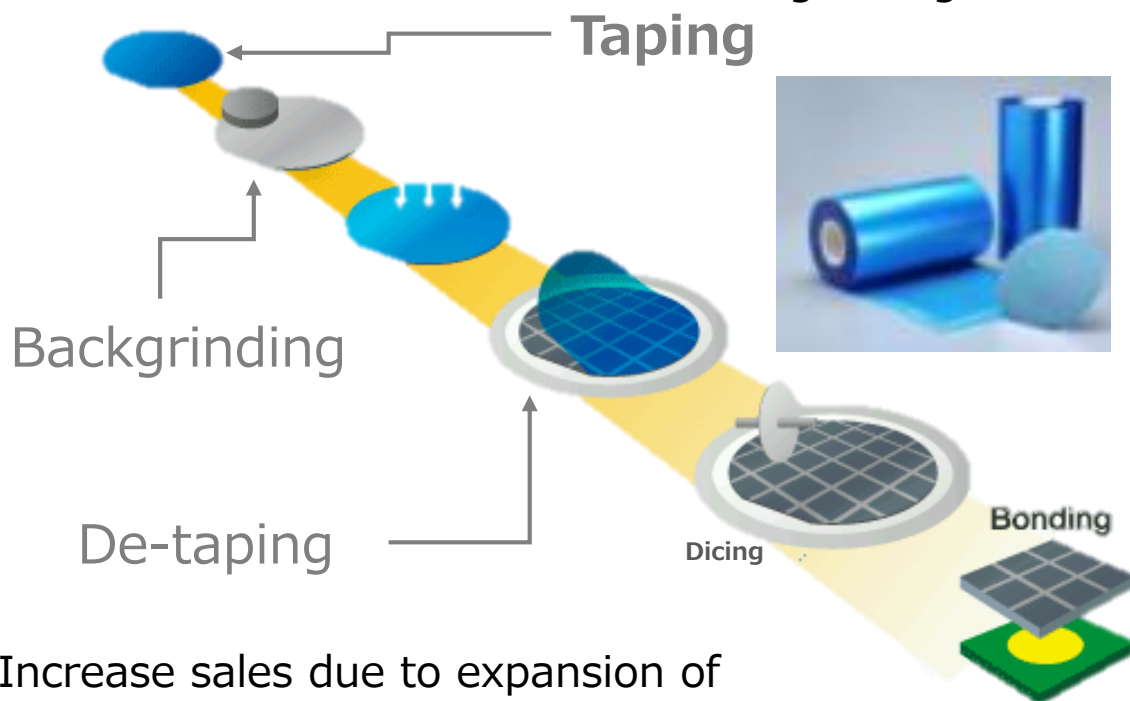


Considering broader applications and further expansion

Doubling production capacity for ICROS™ Tape at Taiwanese plant

(October 2023)

World's No.1 share protective tape used in semiconductor wafer back grinding

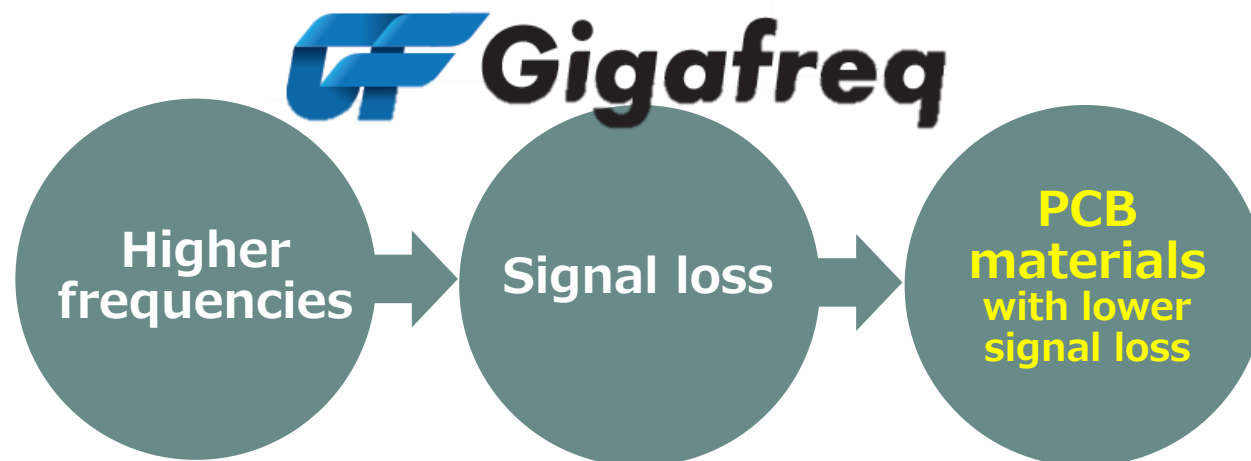


- Increase sales due to expansion of high-performance grade and cultivation of new applications
- Expand demand with start of **5G services**

Speeding up growth by doubling production capacity at Taiwanese plant

Developed Gigafreq™ as a material for high-frequency PCBs

Next-generation material for beyond-5G, 6G and automotive millimeter-wave radar applications



- ▶ Actualizes high-performance PCBs with lower signal loss
- ▶ For mobile base station antennas for next-gen. communications
- ▶ Allows automotive millimeter-wave radar antennas to detect obstacles from farther away

Progress in growth investments and new projects

ICT-related projects (Partial list)		Schedule				
		FY19	FY20	FY21	FY22	FY23
New Business Incubation Center						
Semiconductor	EUV pellicle - New plant @Japan					
	ICROS™ Tape - New base @Taiwan					
	ICROS™ Tape - Increase capacity @Taiwan					
	Syntex™ nano - Increase 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	Elephantech: Strategic partnership					
	Additive Manufacturing Center with Elephantech					
	Setting up Elephantech's new factory at Nagoya Works					
	CONNECTEC JAPAN: Strategic partnership					
	SP-PET™ -Increase production system					



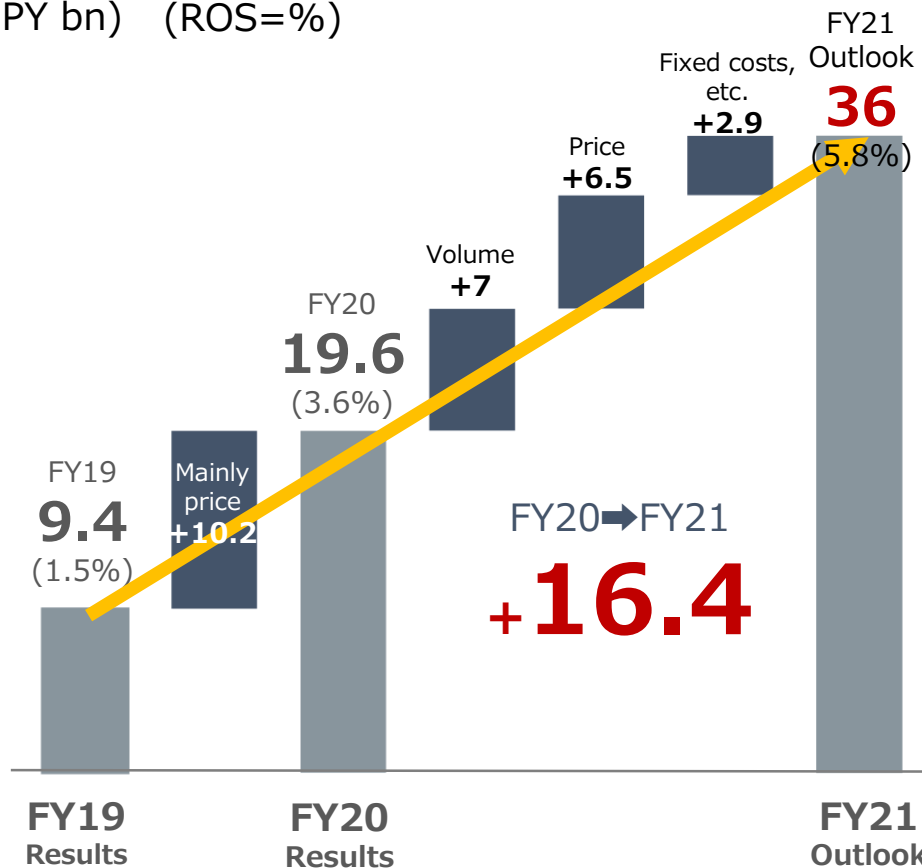
Basic Materials

Providing materials to serve as the
basis of society and industry

- ▶ **Expecting high cracker operating rates** due to demand recovery for downstream products
- ▶ Phenol derivatives market to calm down after the surge in prices driven by strong ICT-related demand
- ▶ **Implementation phase for restructuring** plans aimed at reducing volatility

Operating income before special items (IFRS)

(JPY bn) (ROS=%)



Growth drivers : Improved competitiveness, downstream operations, and restructuring

Petrochemicals

Strengthening competitiveness of crackers



Polyolefins

Downstream & Optimization



Basic Chemicals

Downstream



Polyurethanes

Downstream

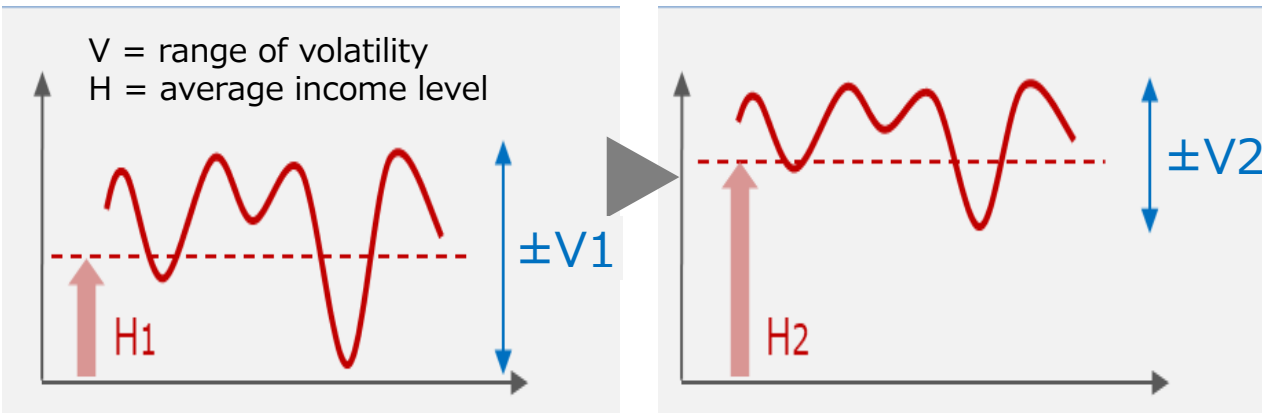


Pursuing reform with a view of company-wide optimization for reduced volatility range and ratio

Reducing volatility

Current understanding

Future direction



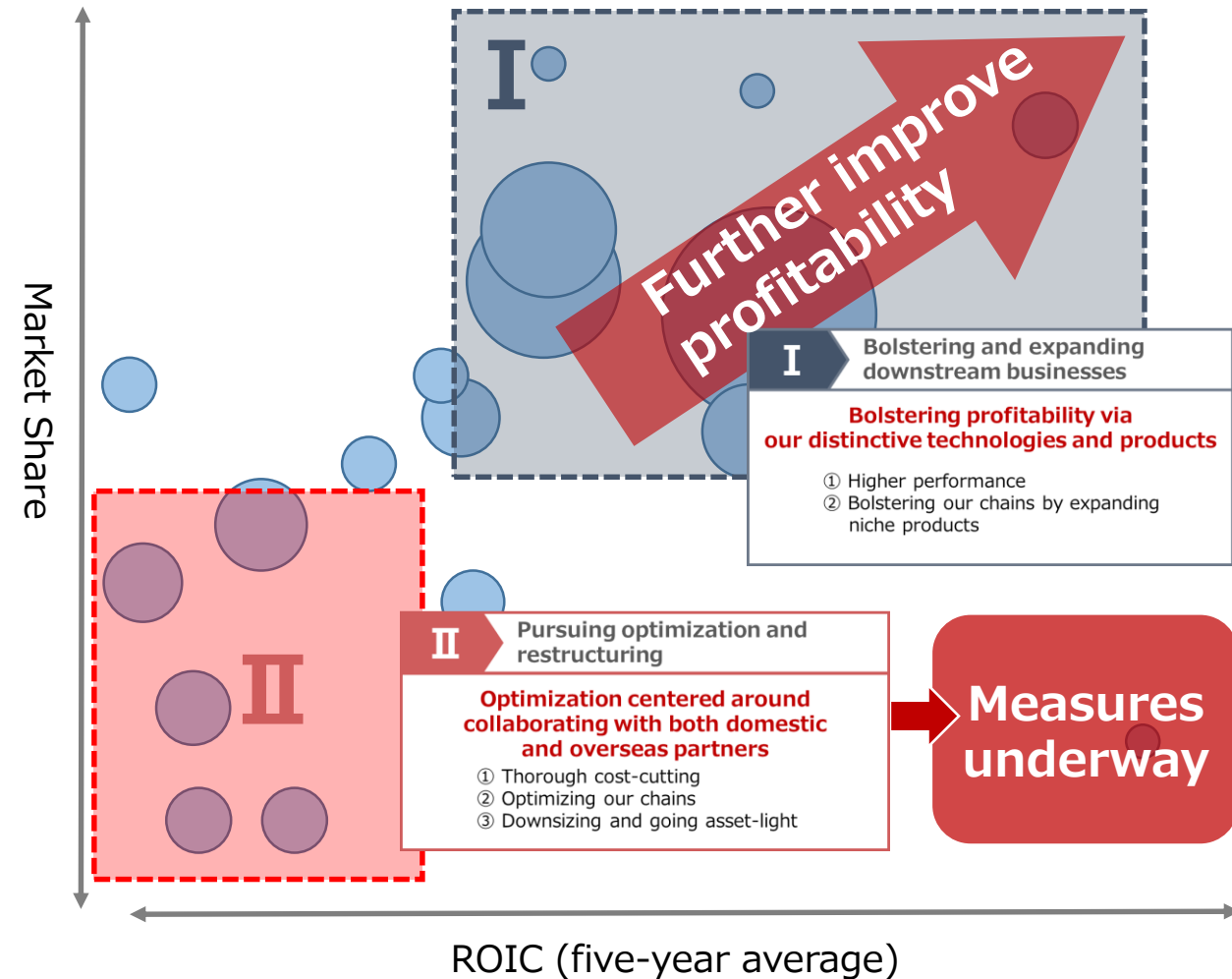
1 Reducing the range of volatility (V)

- Carrying out restructuring strategy, inventory reductions, grade consolidation, pricing strategy reviews

2 Reducing the ratio of volatility (Improving income level [H])

- Bolstering downstream businesses by way of chain rollouts (high-performance and niche products)

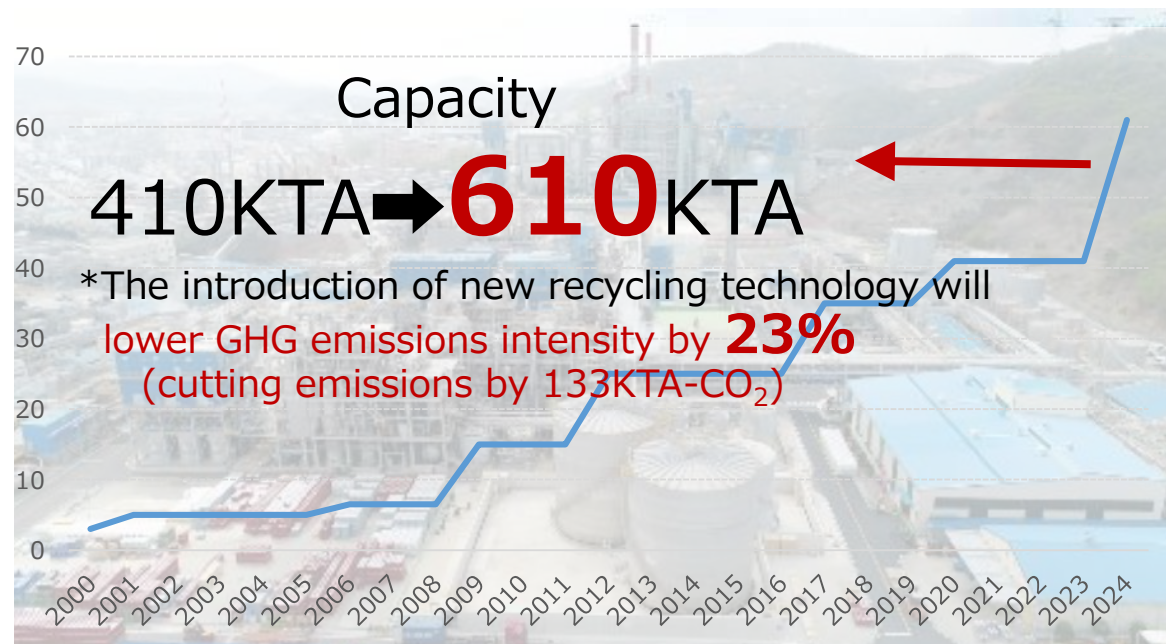
Reforming product portfolio



I . Polyurethanes

Capacity increase for **high-performance MDI**
in South Korea (200KTA, Jan. 2024)

- ▶ Responding to growing needs for high-performance monomeric MDI

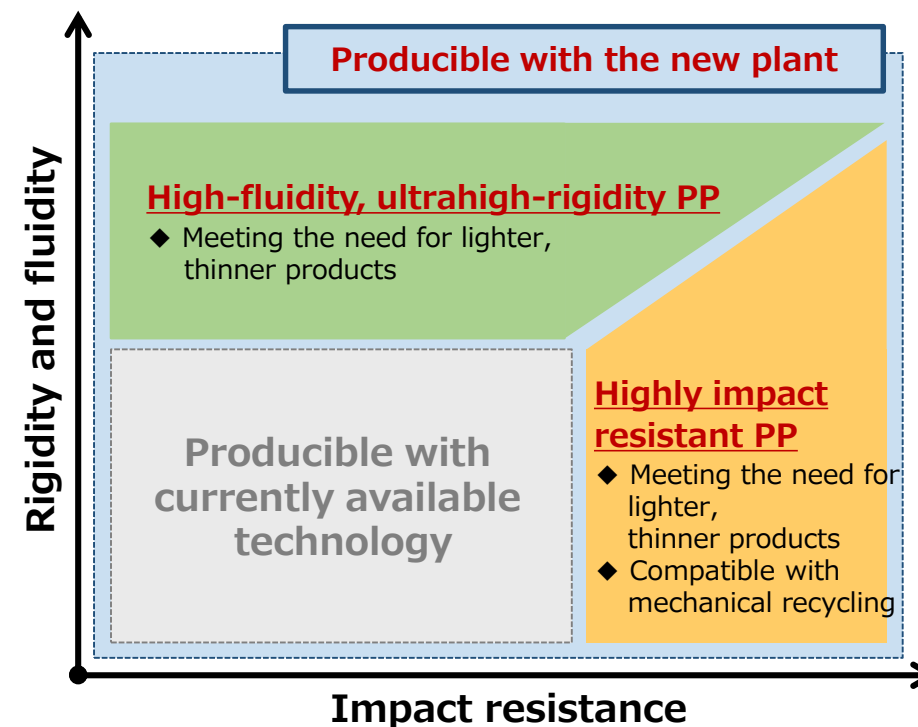


With the need for in-vehicle comfort on the rise, there is increasing demand for use in luxury car seats and in noise, vibration and harshness (NVH) applications

I . Polyolefins

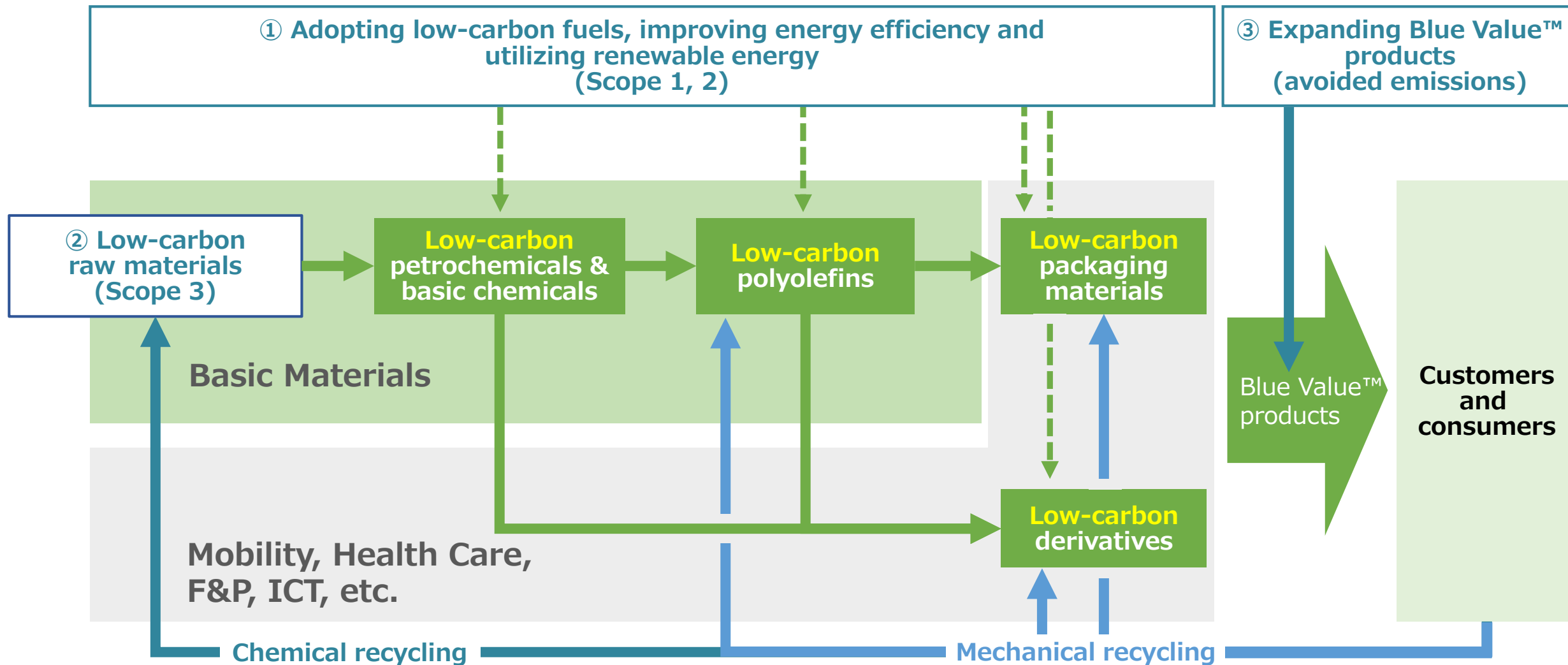
New plant for high-performance PP
(200KTA, Nov. 2024)

- ▶ Building a supply system for high-performance PP (Responding to the need for lighter, thinner products in the automotive and packaging markets, among others)
- ▶ Bolstering circular economy efforts (Reducing GHG emissions, making efforts toward mechanical recycling and shifting to bio-based raw materials)

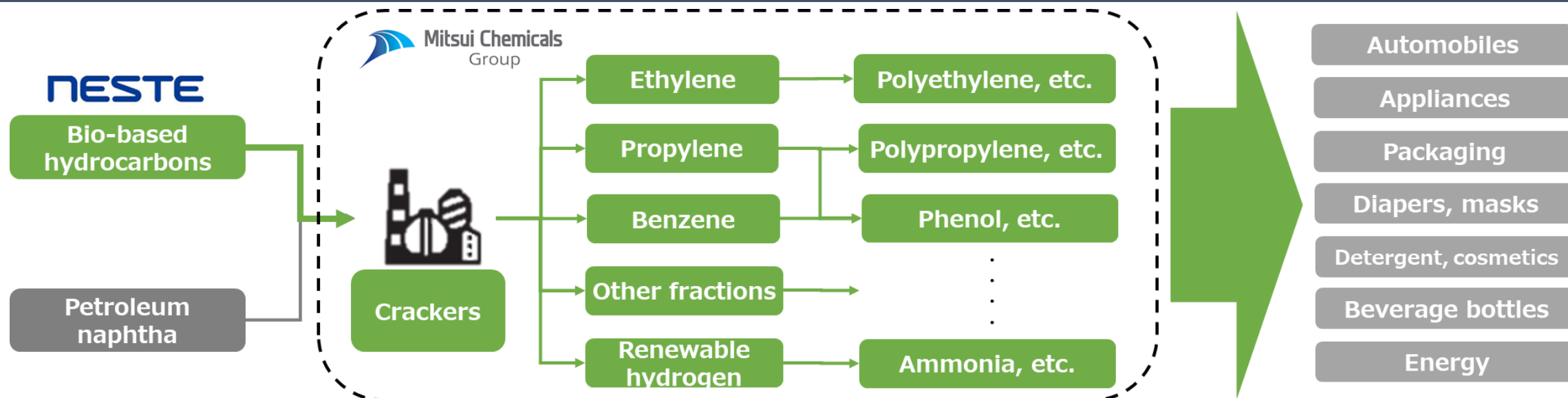


Carrying this out alongside scrap-and-build-based restructuring of production system to reduce GHG emissions by 70KTA (vs. 2013)

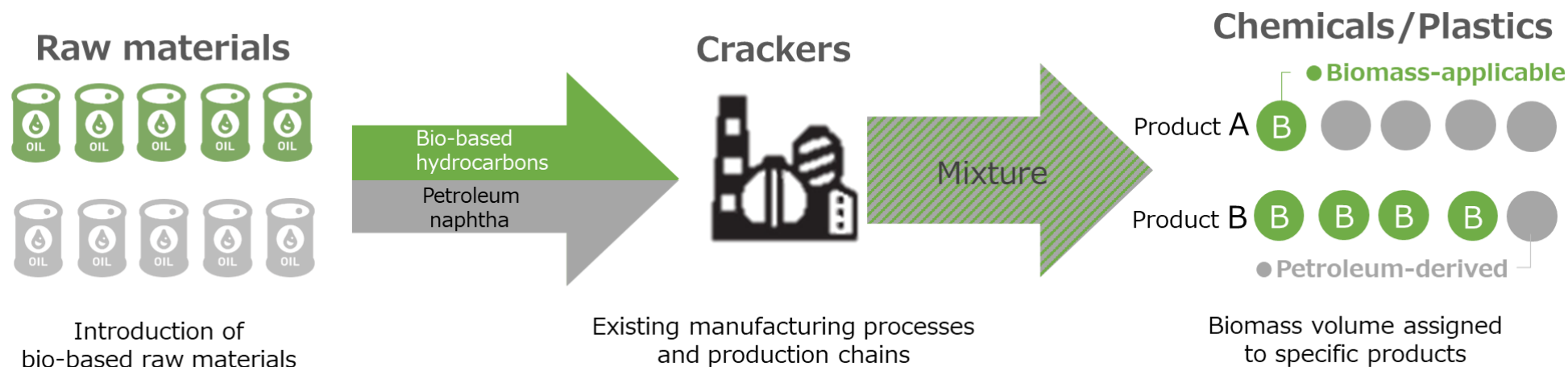
With the aim of bringing about a circular economy starting from upstream operations – which serve as the foundation for industry – we will look to implement concrete measures through our **establishment of the Green Sustainable Chemicals Department**




Japan's first project to use bio-based hydrocarbons in naphtha crackers and offer biomass products (Oct. 2021 onward)



Can be utilized for a wide range of bio-based products by way of mass balance method



- ▶ **Steadily implementing restructuring measures** to reduce volatility decided on in FY20
- ▶ Capitalizing on our strong production chain to **supply more green derivatives** through use of green raw materials

	FY10–14	FY14–16	FY17–FY20	FY21 and beyond
<p>More competitive cracker facilities</p>	<ul style="list-style-type: none"> ▶ Started up LLP in Chiba ▶ Measures to deal with low operating rate at Ichihara crackers 	<ul style="list-style-type: none"> ▶ Withdrew from Keiyo Ethylene 	<ul style="list-style-type: none"> ▶ Installed Osaka Gas turbine (30MW)  ▶ Added new propane facilities (Ichihara) ▶ Boosted production capacity for high-purity C3 	<ul style="list-style-type: none"> ▶ Adding spare furnace (Ichihara) ▶ Increasing propane cracking capacity (Osaka) ▶ Introducing bio-based hydrocarbons (Osaka)
<p>Bolstering and expanding downstream</p>	<ul style="list-style-type: none"> ▶ New plant for IPA production from acetone (60KTA) 	<ul style="list-style-type: none"> ▶ New plant for XDI (5KTA) ▶ New plant for EVOLUE™ in Singapore (300KTA) 	<ul style="list-style-type: none"> ▶ New plant for α-methylstyrene in Singapore (20KTA) ▶ Boosted South Korean MDI production (100KTA) ▶ Boosted South Korean polyols production (40KTA) ▶ Boosted HQ production (1KTA) 	<ul style="list-style-type: none"> ▶ Tender offer for Honshu Chemical ▶ Boosting liquid epoxy production (8KTA) ▶ Boosting South Korean MDI production (200KTA) ▶ New PP Plant (200KTA)
<p>Optimization and restructuring</p>	<ul style="list-style-type: none"> ▶ Closed BPA at Ichihara (90KTA) ▶ Closed BPA in Singapore (70KTA) ▶ Sold PTA business in Indonesia (540KTA) ▶ Closed polyol in Chiba (28KTA) ▶ Closed two lines for general-purpose PE (190KTA) ▶ Closed two lines for general-purpose PP (180KTA) 	<ul style="list-style-type: none"> ▶ Closed phenol in Chiba (250KTA) ▶ Sold organic acid business (47KTA) ▶ Established polyurethane JV ▶ Closed MDI at Omuta (60KTA) ▶ Closed Kashima Works (reducing TDI production by 117KTA) 	<ul style="list-style-type: none"> ▶ Restructured Thai PTA/PET business (lowered stake) 	<ul style="list-style-type: none"> ▶ Optimizing PP production capacity <p style="text-align: center;">Steadily implementing restructuring measures</p>

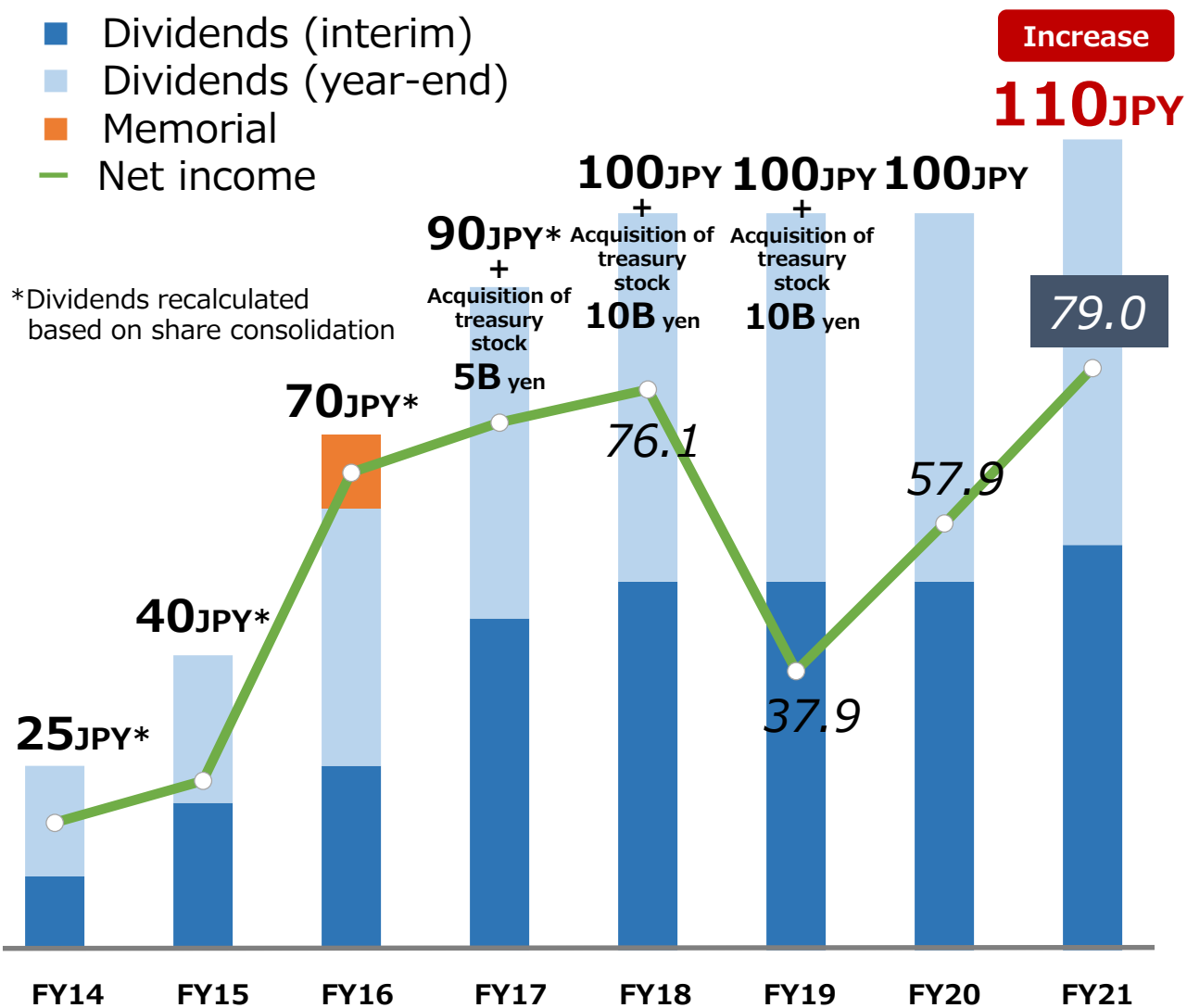
Shift to green derivatives

(JPY bn) IFRS	J-GAAP		J-GAAP	J-GAAP	IFRS	IFRS
	FY15 Results	»»	FY18 Results	FY19 Results	FY20 Results	FY21 Outlook
Sales revenue* ¹	1,344	»»	1,483	1,339	1,212	1,400
Operating income before special items* ¹ (ROS)	70.9 (5.3%)	»»	93.4 (6.3%)	71.6 (5.3%)	85.1 (7.0%)	115 (8.2%)
Net income attributable to owners of the parent* ¹	23.0	»»	76.1	37.9	57.9	79.0
ROE	5.8%	»»	14.3%	7.0%	10.2%	12.5%
ROIC* ²	4.9%	»»	6.0%	4.4%	5.0%	6.7%
Net D/E	1.03	»»	0.68	0.76	0.60	0.61
Total return ratio	34.9%	»»	39.0%	77.2%	33.9%	27.3%

*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

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



FY21 Outlook

Interim

Year-end

FY21

55

JPY/share

+

55

JPY/share

=

110

JPY/share

Increase

✓ Target DOE*: 3.0% or more

*DOE: Dividends on equity

✓ Stable and continuous dividend

✓ Flexibly acquire treasury stock

✓ Target total return ratio: 30% or more

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
DOE		2.1%	3.1%	3.5%	3.6%	3.7%	3.2%	3.4%
TRR	34.9%	21.6%	32.1%	39.0%	77.2%	33.9%	27.3%	

Chemistry for Sustainable World

VISION 2030

Long-Term Business Plan

A global solutions company that
leads change and contributes to a sustainable future



Upcoming communications about VISION 2030

tentative schedule

June 2, 2021
CEO Presentation #1

- Outline of VISION 2030
- Basic strategy
- Direction of business model transformation
- Revision of business portfolio
- VISION 2030 Management targets
- Carbon neutral roadmap

November 25, 2021
CEO Presentation #2

- Summary of progress in 1H/FY21
- Growth strategy for each part of our business portfolio
- Optimal allocation of management resources
- Management planning system that integrates financial and non-financial metrics

We will go through the framework of our Long-Term Business Plan today, then provide further details next time

Our purpose

Corporate Mission

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

Direction for the next 15 - 20 years

Corporate Target

Revised

To be a corporate group that continues to grow through solving social challenges and creating diverse value with the power of chemistry

- ▶ We will now return once again to its purpose, “solving challenges faced by society,” and redefine our direction for the next 15 to 20 years
- ▶ Tackling a wide range of social challenges arising from accelerating environmental changes, we will continuously provide solutions making full use of the power of chemistry – the very thing that allows us to create diverse value

Our Ideal Vision for 2030

Chemistry for Sustainable World

A global solutions company that
leads change and contributes to a sustainable future

Engage in significant environmental changes and establish a new growth strategy toward the year 2030

Corporate Mission

Review of materiality

Corporate Target

New Long-Term Business Plan

**VISION
2030**

“Becoming a global solutions company that leads change and contributes to a sustainable future”

External environment

Internal environment

SUSTAINABLE
DEVELOPMENT
GOALS

2014–2016
Mid-Term
Business
Plan

Major
changes

**VISION
2025**

FY16 Results

▶ Operating income	102.1B yen
▶ Net sales	1.21T yen
▶ ROE	15.6%
▶ Net D/E	0.8

FY20 Results

▶ Operating income before special items	85.1B yen
▶ Sales revenue	1.21T yen
▶ ROE	10.2%
▶ Net D/E	0.6

FY25 Target

▶ Operating income	200B yen
▶ Net Sales	2T yen
▶ ROE	10% or more
▶ Net D/E	0.8 or less

FY30 Target

▶ Operating income before special items	250B yen
▶ ROIC	8% or more
▶ Net D/E	0.8 or less
▶ ROE	10% or more

Changes in the External Environment

Business impacts

Entering an era of drastic changes

- ▶ Rise of protectionist policies
- ▶ Global polarization
- ▶ Increased country risks
- ▶ Changes to globalization

Emergence of new trends

- ▶ Progress of DX
- ▶ Close connection between ESG factors and management
- ▶ Problems of climate change and marine plastic waste
- ▶ Circular economy

With/After COVID-19

- ▶ Contactless and other non-face-to-face interactions
- ▶ BCP efforts, supply chain restructuring
- ▶ Green recovery
- ▶ More diverse work styles
- ▶ Need for hygienic environments becoming the norm

Business environment awareness, megatrends, and analysis of key markets

Focal points for providing value to society broadly

▶ Dealing appropriately with qualitative changes in the market

Roll out a social issue perspective across all of our companies and businesses

▶ Using circular economy efforts to seize opportunities and minimize risk

Establish circular business models

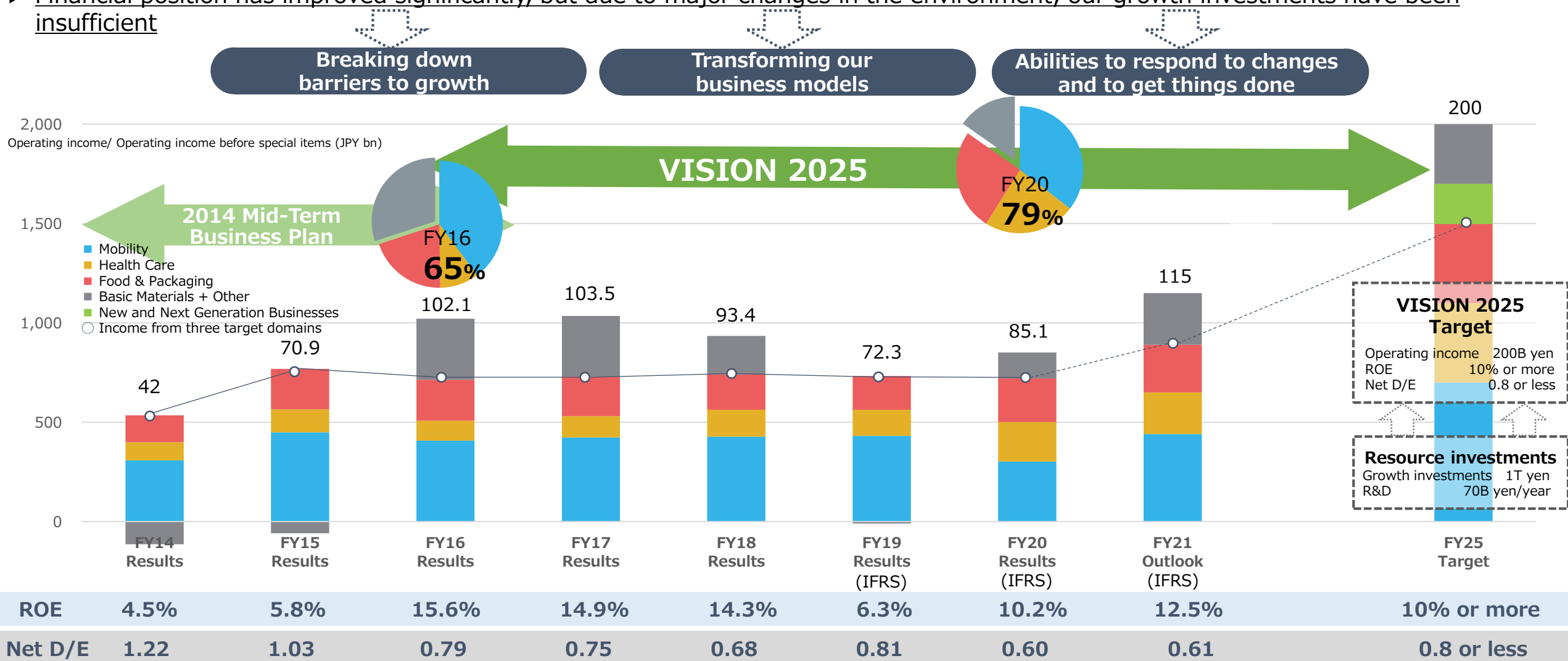
▶ Capitalizing on digitalization to seize business opportunities and upgrade our operations

Roll out company-wide DX efforts for comprehensive improvements

▶ Breaking away from our current position

Strengthen management foundation and transform corporate culture

- ▶ While we posted a record profit of 103.5B yen in FY17, growth stagnated due to the economic downturn and the impact of COVID-19
- ▶ The most important issue, portfolio reform, is halfway through; profit share of the three target domains has increased, however, profit level remained almost flat since FY15
- ▶ Though volatility of Basic Materials has greatly improved, it is essential to further increase resistance against market fluctuations
- ▶ Financial position has improved significantly, but due to major changes in the environment, our growth investments have been insufficient



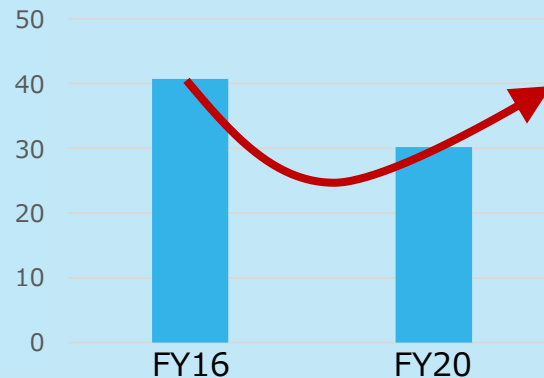
VISION 2025
Basic Strategy

Pursuing innovation

Accelerating
global expansionStrengthening our
existing businesses

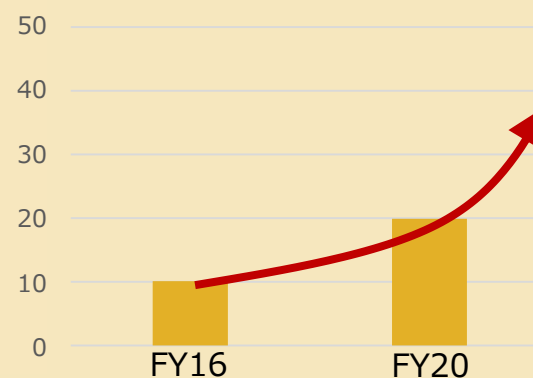
Mobility

- ▶ While a post-COVID recovery is expected, the market is in the midst of significant change
- ▶ Making progress on building a system to offer solutions
- ▶ Steady growth for ICT applications



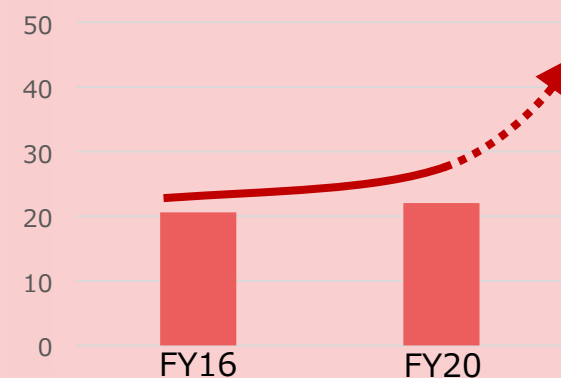
Health Care

- ▶ Earnings **doubled**
- ▶ Significant opportunities for growth expected to emerge going forward



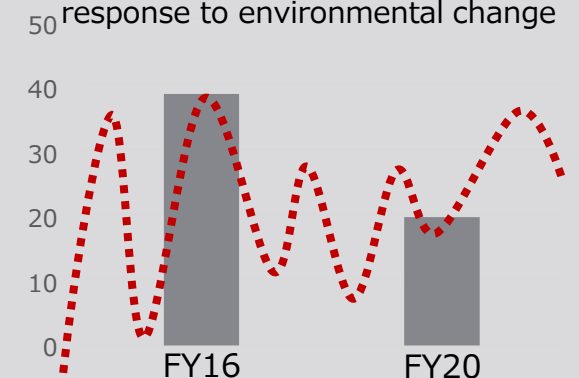
Food & Packaging

- ▶ Results are stable, but we need to discover major new opportunities for growth
- ▶ Steady growth for agrochemicals and ICT applications



Basic Materials

- ▶ Progress on restructuring has brought us out of significant losses
- ▶ Reducing volatility and raising the floor for earnings remain as issues
- ▶ Reaching a turning point where we must settle down on our direction in response to environmental change

Five
focal points
relating to
our internal
environment

1 Breaking down barriers to growth; accelerating the creation of new businesses and new products.

3 Ability to overcome and deal with the changing business environment; improving our ability to plan, act and benefit, and making this process part of our culture

2 Accelerating the transition to business models based on a social issue perspective that sees issues in their broader context

4 Bolstering and ensuring safety at all of our bases around the world

5 Ensuring governance & thorough compliance at all of our bases around the world

- ▶ Revised our vision for ideal future society by taking into account the changes in internal and external environments
- ▶ Reviewed our materiality - key issues for Mitsui Chemicals - and reflected them into the Basic Strategy of VISION 2030.

Ideal future society



A circular society in harmony with the environment

- ▶ Transitioning to a circular economy



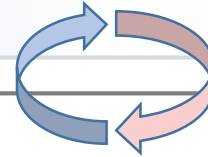
An inclusive society creating diverse value

- ▶ Pursuing diverse value chains



A comfortable society that lets people lead healthy, happy lives

- ▶ A flexible and resilient society



Materiality

Contributing to a sustainable society

Entire supply chain

Blue Value[®]

Product design based on full life-cycle considerations

Rose Value[®]

Climate change

Circular economy

Health and livelihood

Highly livable communities

Food safety & security

Prerequisites for business continuity

Safety

Respect for human rights

Risk and compliance management

Product quality

Stable production

Abilities essential to business continuity

Corporate culture

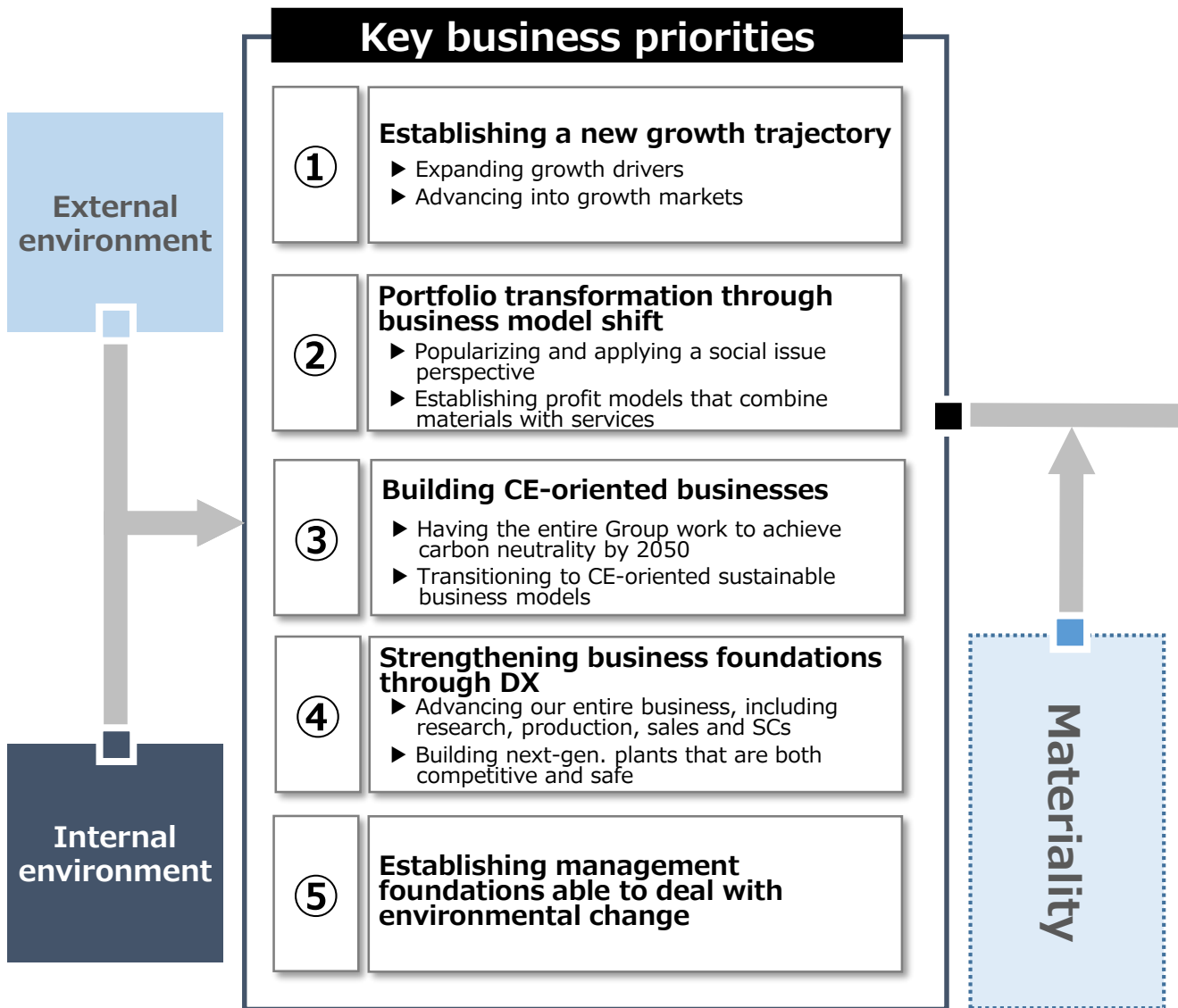
Human capital

Innovation

Digital transformation

Partnerships

Formulated VISION 2030 Basic Strategy from key business priorities and materiality



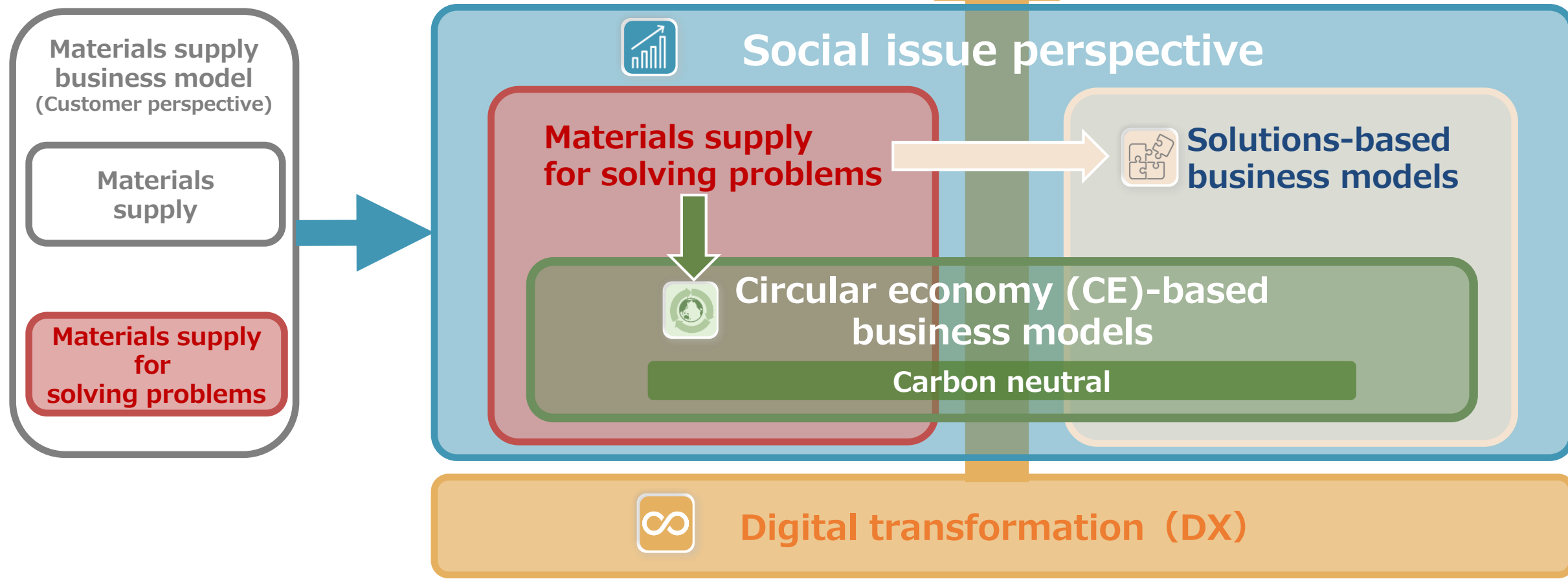
*CE = circular economy, DX = digital transformation, SC = supply chain

Move away from our historical business focus on materials supply to businesses based on **social issue perspective**

- ▶ Applying a **social issue perspective** and **DX** to all businesses
- ▶ Evolve into **solutions-based business models and CE-based business model**

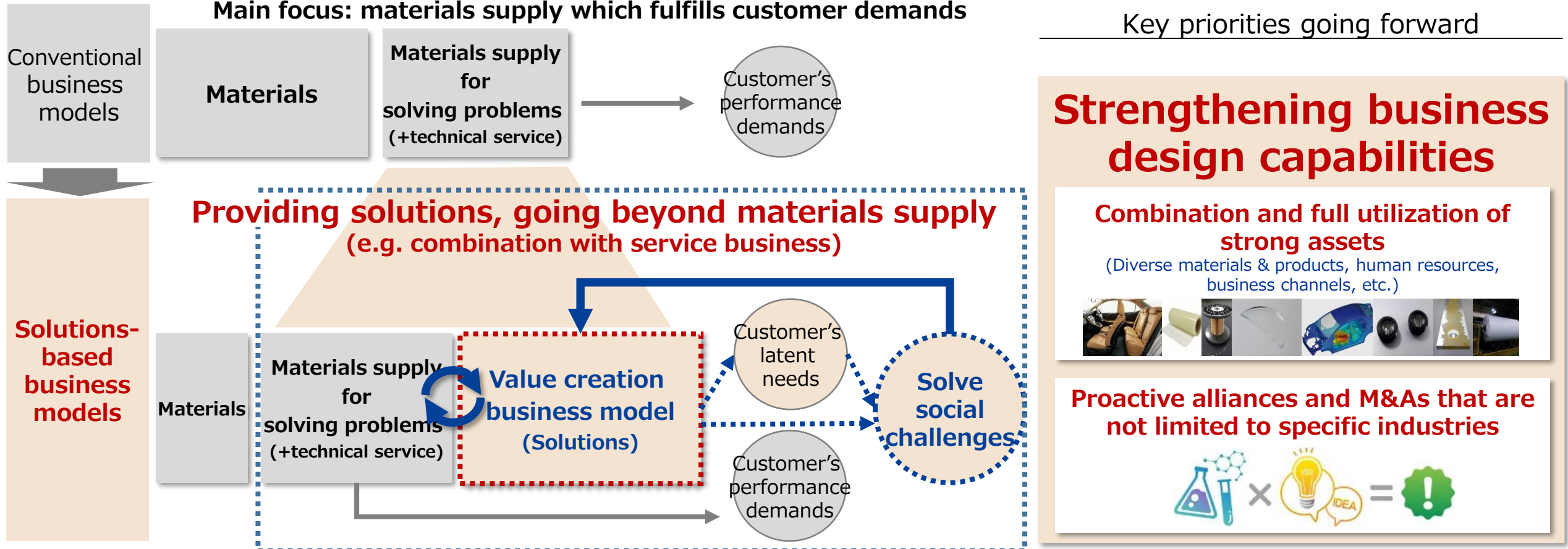
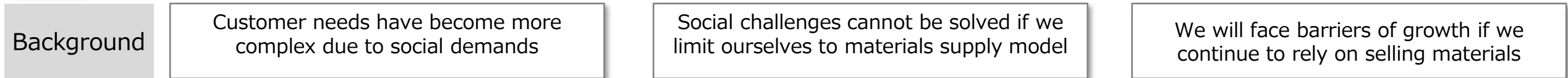
Current main business areas

Year 2030





Break down barriers to growth by moving beyond the supply of materials and **designing a value creation model that helps solve social challenges, with the aim of building a new value chain**



Strengthening business design capabilities

Combination and full utilization of strong assets

(Diverse materials & products, human resources, business channels, etc.)



Proactive alliances and M&As that are not limited to specific industries





- ▶ **Rolling out circular economy initiatives across the entire Group** to break dependence on energy-intensive business model
- ▶ Creating new businesses that contribute to the transition from conventional linear supply chain to circular economy supply chain

Environmental change

Limitations of a mass consumption economy and rising expectations for CE


Evolution of technology that enables a circular economy

Great potential for contribution by the chemical industry

Linear supply chain

Raw materials 

Monomers 

Polymers
Processed products 

Customers 

Society 

Building circular economy supply chain / eco-system

Chemical recycling
CCU/CCS

Chemical recycling

Mechanical recycling

Supporting
mechanical recycling
(Materials/System)

Circular economy business model

Moving over to renewable materials utilizing our technologies

Renewable raw materials

Bio-based materials and products

Recycled materials and products

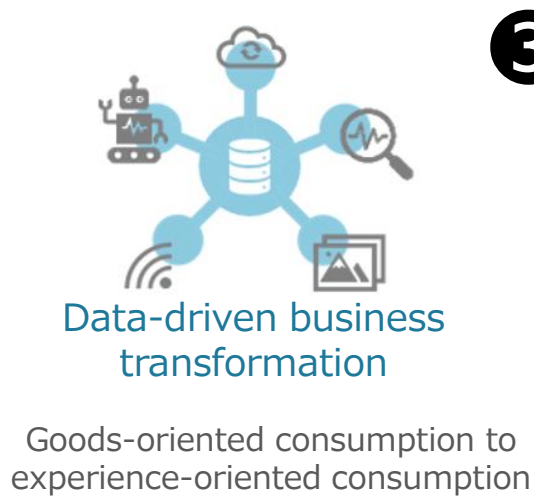
Creating materials and services that support shift to circular economy in society

- ▶ Extending the life of products
- ▶ Materials and services with sensing capabilities

MCI Digital Vision

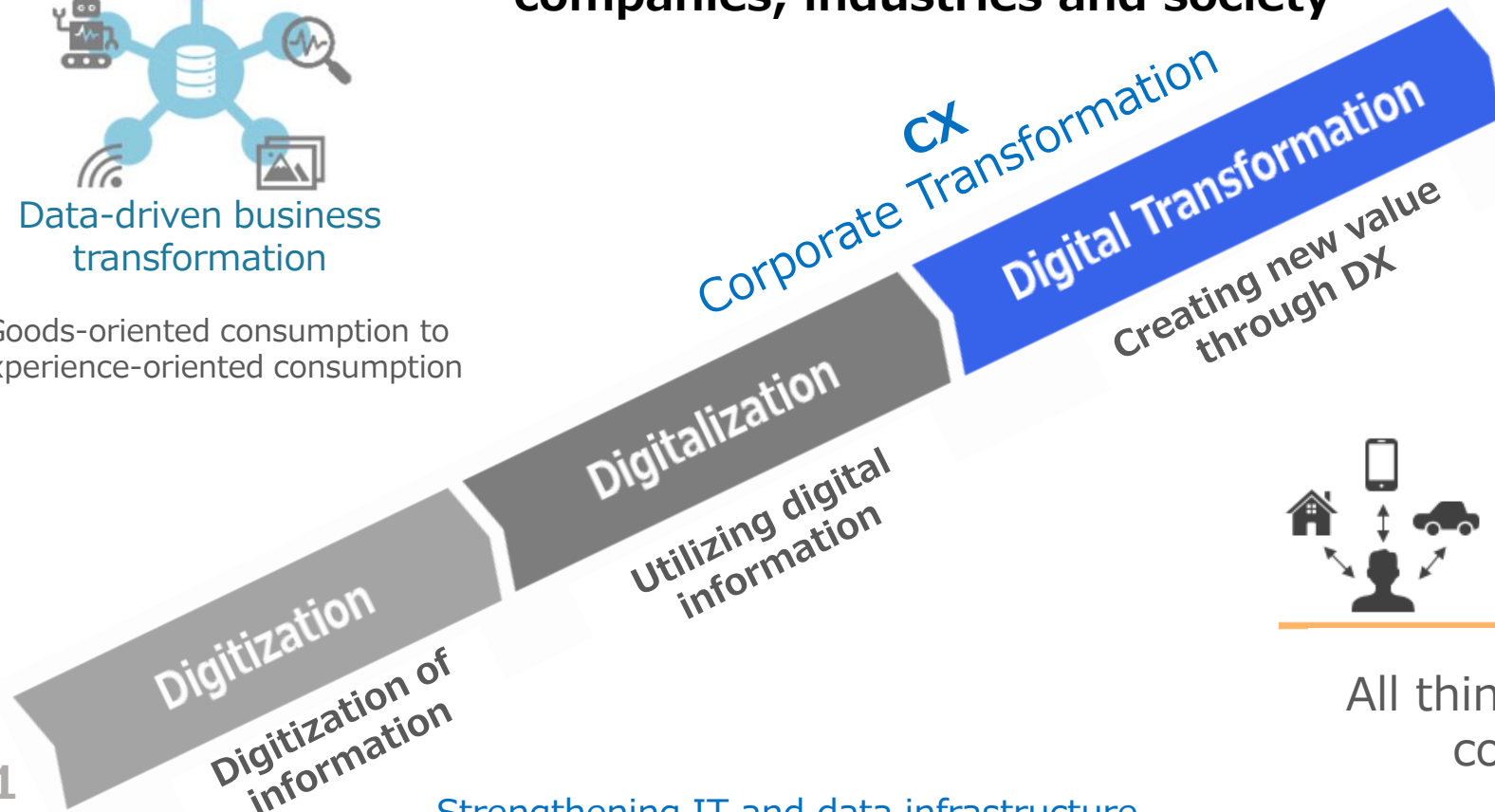
Creating innovative products, services and business models in an agile manner to solve social challenges through the utilization of data and digital technologies by all members of the Group; leading the transformation of companies, industries and society

2 Creating innovative products, services and business models in an agile manner to solve social challenges



3 Leading the transformation of companies, industries and society

Toward 2030



All things are highly connected

1 Utilizing data and digital technologies by all members



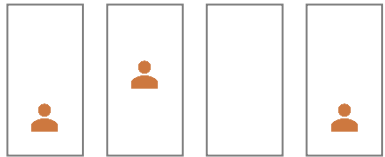


To realize corporate transformation, accelerate DX by quickly transferring know-how to business divisions by adopting an organizational structure linked to corresponding businesses

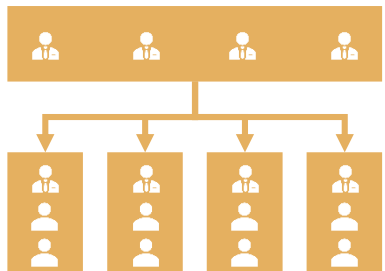
Changes in DX Vision

Efforts to improve digital literacy - Transformation to a data-driven organization and culture -

IT initiatives by individual departments and limited members



Group-wide DX



Group-wide business transformation and innovative business creation in an agile manner

Changing management

Strengthening governance by appointing a CDO

to put forward results with Group-wide DX



Establishing DX Dept.

DX targets and KPIs

DX strategy committee to make decisions on allocating investments and human resources

Changing organization

Transferring and spreading DX know-how to all divisions and businesses for early realization of Group-wide DX



Assignment of DX champions in all divisions

Agile project management

Competitive personnel system and work environment

Human resource development

DX education and training for all employees

to help turn our company into a group of data-driven individuals



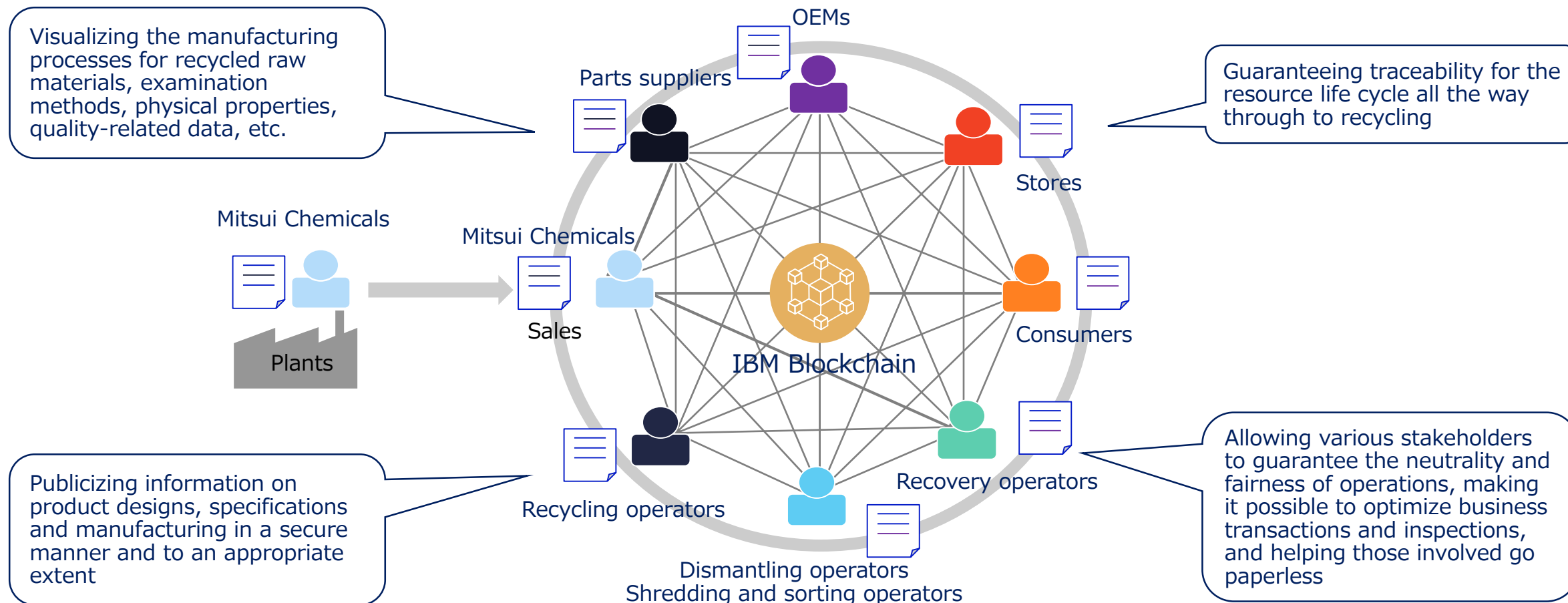
Definition of and training framework for DX-skilled employees

Improving the DX literacy of all employees

Fostering DX specialists

Working toward a plastic recycling traceability system that utilizes blockchain technology

Aiming to make supply chains more transparent and build a platform for sharing various benefits throughout supply chains



With the recognition that recycled materials are important resources, we aim to build a transparent system for speeding up the establishment of domestic resource circulation

- ▶ Revise business portfolio to implement basic strategies for creating value, and start efforts toward the realization of VISION 2030 as soon as possible
- ▶ Individual strategies for each part of the portfolio will be explained at our next presentation event and beyond

Present

Mobility

Health Care

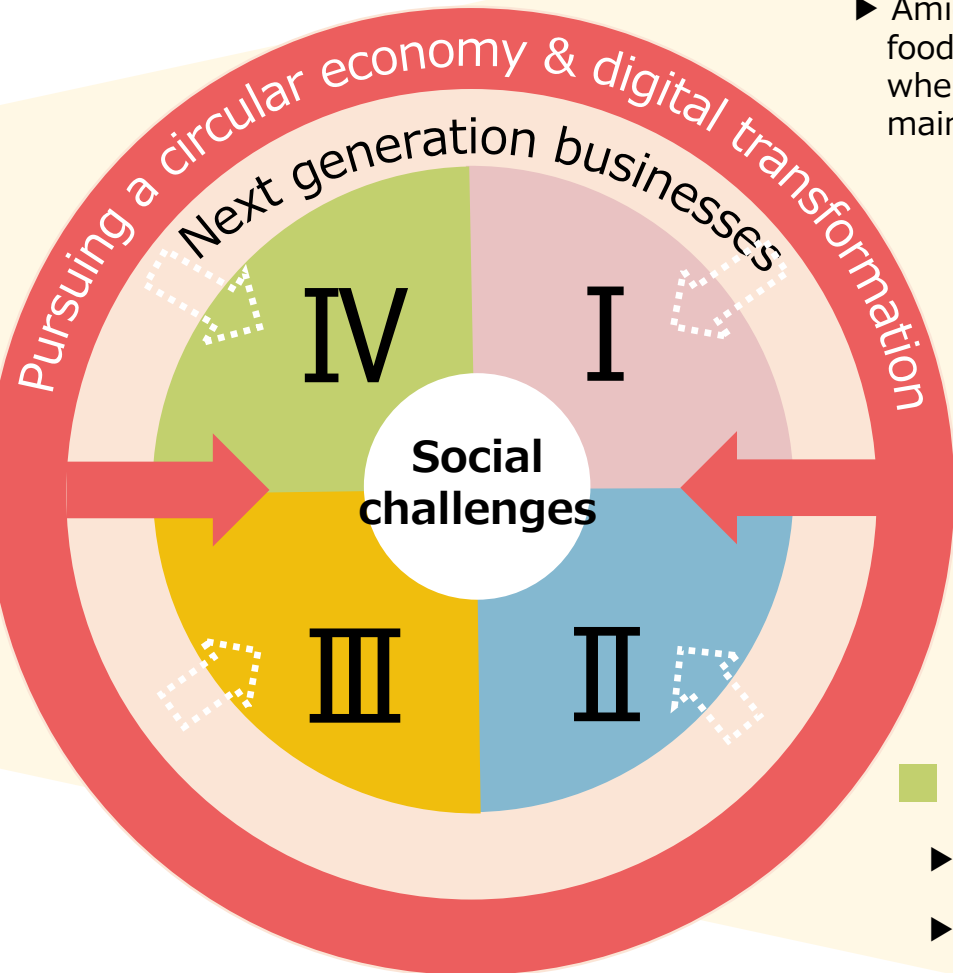
Food & Packaging

Basic Materials

Next Generation Business

VISION 2030 Basic Strategy

Revised



I Life & Healthcare Solutions

- ▶ Amid growing demand for both better QoL and solutions to food issues, we will flesh out our solutions in specialty markets where we can leverage our strengths, turning this into our first main pillar of earnings

II Mobility Solutions

- ▶ Aim to grow our earnings by expanding our offerings – including interior/exterior, electrical, and mechanism-related materials, components and services – that are compatible with the CASE megatrend and industrial changes

III ICT Solutions

- ▶ By bringing together our distinctive products and providing them alongside services, we aim to make our way into the ICT market and turn this into our third pillar of earnings

IV Basic & Green Materials

- ▶ Aim to pursue supply-chain-wide initiatives toward a circular economy while positioning this as a growth field
- ▶ Continue structural reform aimed at stabilizing earnings and improving competitiveness

VISION 2030

Business Targets

Financial metrics	Operating income before special items 250 bn yen	Net income attributable to owners of the parent 140 bn yen	
	ROIC 8.0% or more	Net D/E 0.8 or less	ROE 10% or more
Non-Fin metrics	Blue Value™ sales ratio 40% or more	Rose Value™ sales ratio 40% or more	GHG reduction (vs. FY13) 40%
Shareholder returns	DOE=3% or more, Total Return Ratio=30% or more		

VISION 2030

Investment Resource Allocation

Growth
investments

¥ 1.8tn

*Maintenance investments not included
*Total amount for the 10-year period from FY21 to FY30

Strategic investments

¥ 900_{bn}

Internal growth
investments

¥ 900_{bn}

Chemistry for Sustainable World

2050 Carbon Neutral Roadmap



Mitsui Chemicals

Mitsui Chemicals Group to become a **carbon neutral company** by 2050

1

To make major contributions to social reform by pursuing carbon neutrality by 2050

2

Working with customers to achieve widespread implementation of GHG-reducing products, allowing us to maximize our avoided emissions

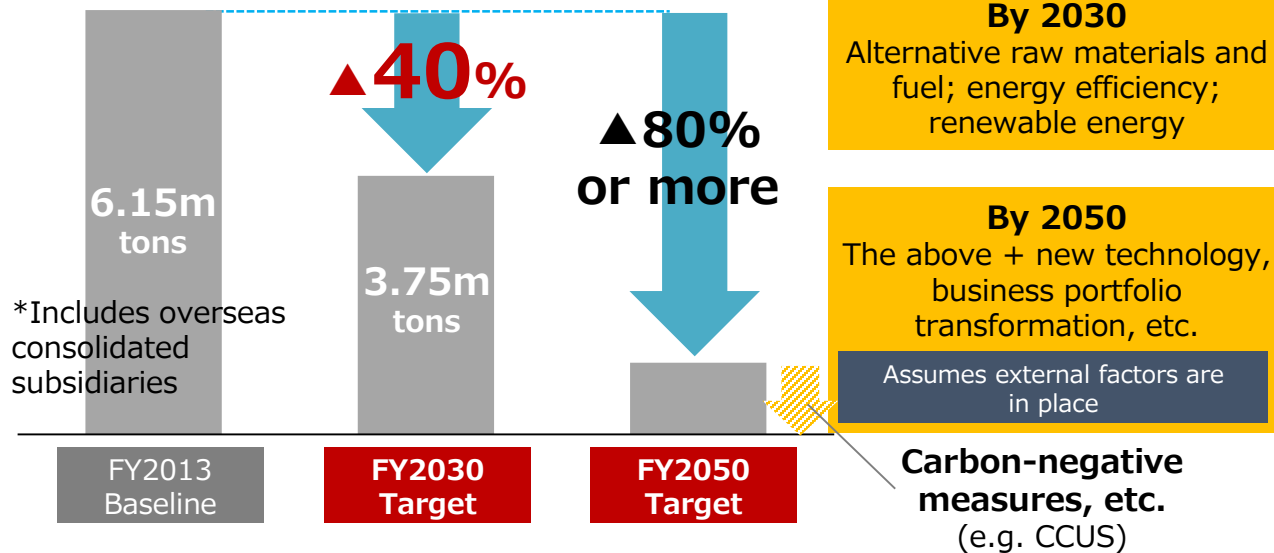
Pursuing the two pillars of

(1) reducing GHG emissions of the Mitsui Chemicals Group; (2) maximizing avoided emissions

Mitsui Chemicals' Carbon Neutral Strategy

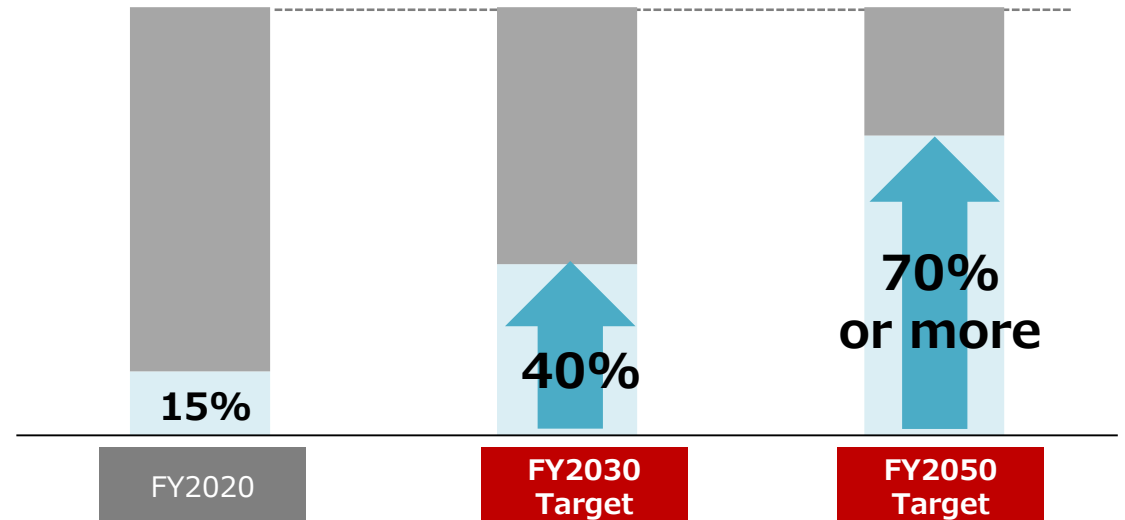
(1) Reducing our GHG emissions
<Scope 1, 2>(2) Contributing to society through our products
<Avoided emissions>

*Already reduced by
1.08 million tons (▲18%)
as of FY19



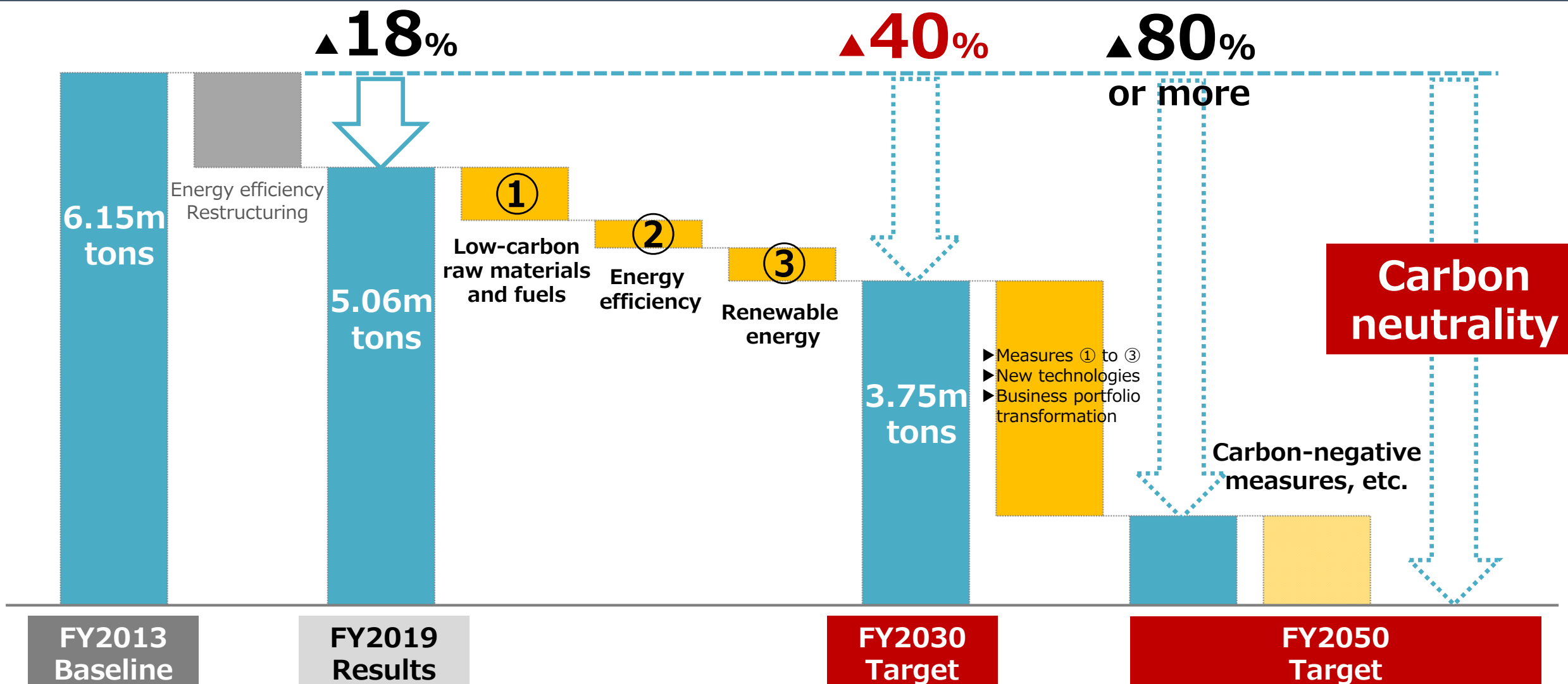
Aiming to become carbon neutral by 2050 through emissions reduction measures and carbon-negative measures

Blue Value™ products sales ratio



Aiming to maximize avoided emissions through expansion of our Blue Value™ products

Aiming to reduce **GHG emissions by 40% by 2030** (Scope 1+2, vs. FY13)
to reach carbon neutrality by 2050



Implementing measures to reduce our GHG emissions, including low-carbon raw materials and fuels, energy efficiency and use of renewable energy

Example measures

Low-carbon raw materials and fuels

Introduction of bio-based hydrocarbons (Osaka, from October 2021)



- ▶ Contributing to expanding domestic bio-based plastics market
- ▶ Lowering GHG emissions of by-product fuel by replacing petroleum-derived naphtha with bio-based hydrocarbons

Energy efficiency

Gas turbine power generation system (Osaka, December 2020)

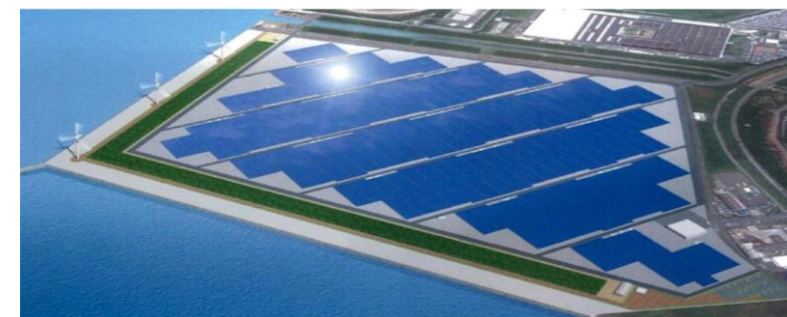


- ▶ Using high-temperature exhaust gas from power generation facilities as combustion air for crackers
- ▶ Reduces CO₂ emissions by about 70,000 tons per year

▲ 70KTA-CO₂

Use of renewable energy

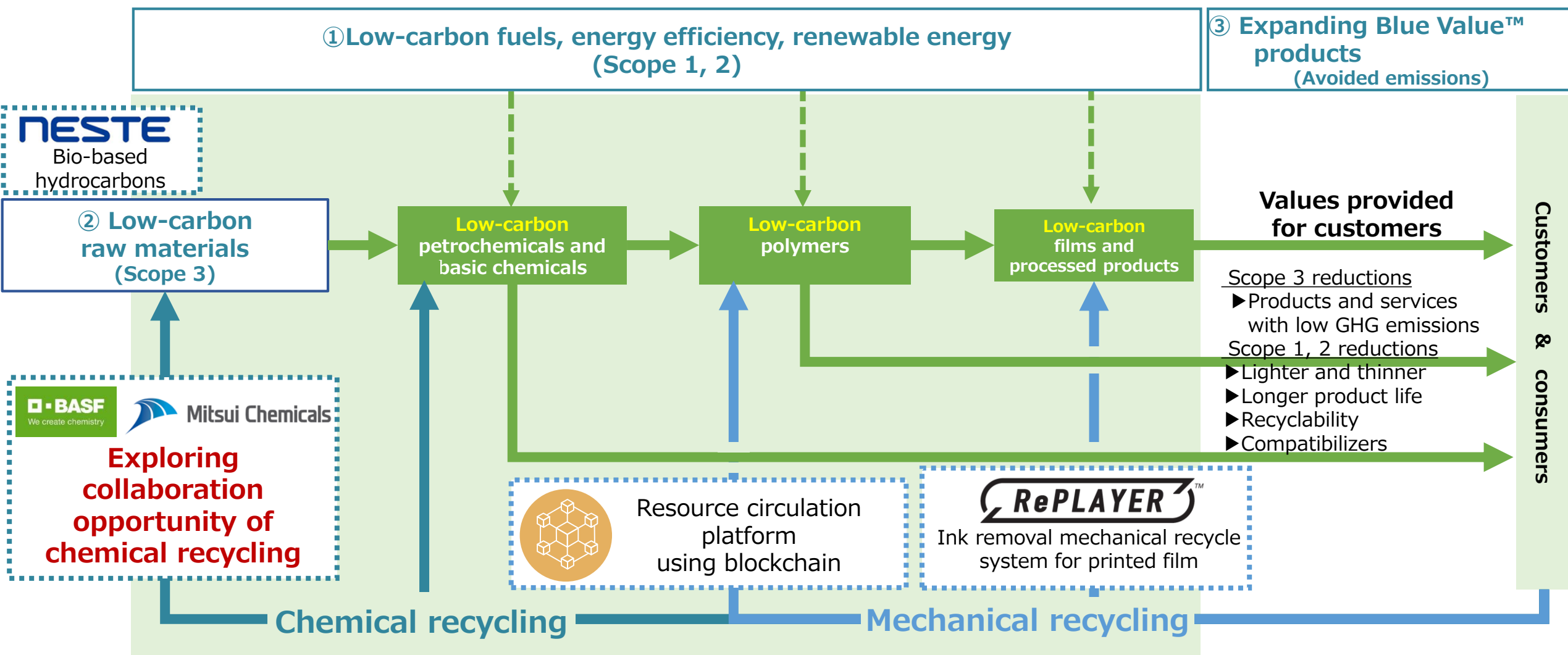
Tahara Solar-Wind (Tahara, from 2014)

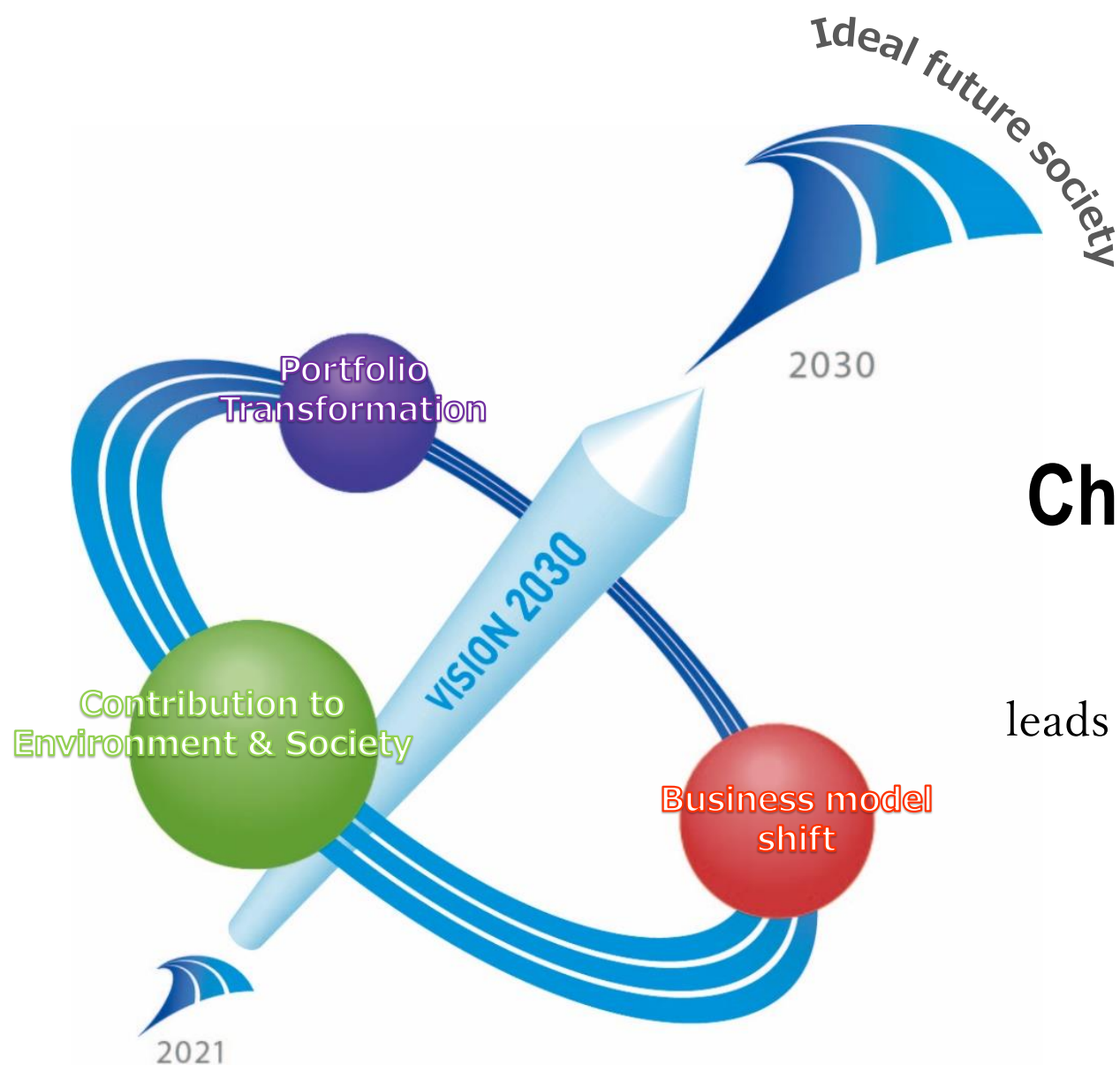


- ▶ One of Japan's largest hybrid power plants, consisting of solar and wind power facilities
- ▶ Started operation in 2014 in Tahara City, Aichi Prefecture

▲ 30KTA-CO₂

- ▶ Provide low GHG emission products and services from upstream right through to downstream
- ▶ Contribute to reducing GHG emissions and realizing a circular economy together with customers





A circular society
in harmony with the
environment



An inclusive society
creating diverse value



A comfortable society
that lets people lead
healthy, happy lives

Chemistry for Sustainable World

A global solutions company that
leads change and contributes to a sustainable future

Mitsui Chemicals



A global solutions company that
leads change and contributes to a sustainable future

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Mitsui Chemicals

Challenge Diversity One Team

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