



Recently, chemical-related products have experienced a significant increase in cost due to higher raw material cost.

Q5: Is it correct to understand that the ROI for this project is high?

A5: The project has a relatively high profit margin, and we expect a high ROI.

[Speaker 2]

Q6: In the explanation of competitive advantage on page 9 of the presentation material, you explained that customer assets are centered in Europe and US. What are the specific regions?

A6: Nutrinova's US and European customers are primarily major beverage and food manufacturers in Europe and North America, while the company does not have a bias toward one region or the other. It sells to major food and beverage manufacturers in both regions in a balanced manner.

Q7: Also, in the synergies part on page 10 of the presentation materials, you explained the expansion of sales channels to Asia, but in which specific regions is there potential?

A7: Regarding the expansion of sales channels in Asia, Mitsui is involved in sugar sales in Southeast Asia. Sugar is expected to grow at a rate of 1.5 to 1.6% globally, while in Japan and developed countries in Europe and North America it is expected to grow at less than 1%, and Southeast Asia as a whole is also expected to grow at less than 1%. On the other hand, regions such as Indonesia, Laos, and Myanmar, especially Indonesia, are growing at a high rate of 2%. Demand for sugar being high means, conversely, demand for high-intensity sweeteners is low. We believe that Singapore, Malaysia, and other Asian countries with high per capita GDP are good targets for high-intensity sweetener sales.

[Speaker 3]

Q8: There was an explanation about increase in production capacity. What is the timeline for the start of production and the expected contribution to profits from the increase in production capacity?

A8: Final investment decision of production capacity increase has already been made, and construction is currently underway. Although we are unable to provide a detailed timeline, we expect the start of production and the resulting contribution to profits to take place over the span of several years, rather than immediately this year or next year.

[Speaker 4]

Q9: This project is the second collaboration with Celanese. What is the background and process that led to this investment?

A9: Since the start of collaboration with Celanese in methanol business in 2013, Mitsui has built a strong relationship of trust with Celanese, especially in our Chemicals segment and Americas Business Unit, and interactions between executives have been conducted regularly. In the course of introducing our efforts, we were approached by the company, who was considering the sale or partial sale of Nutrinova business, which lead to an opportunity to discuss on a bilateral basis.

Celanese acquired mobility & materials business from Dupont in 2022 for \$11 billion, and it has been working on improvement of cash flow as well as selection and

concentration of its businesses. Celanese is the world's largest manufacturer of acetic acid, while the majority of acetic acid applications are for functional resins. Food ingredients are also products that use acetic acid as a key raw material, and the company had considered the sale of this project, which was the only food-oriented business in Celanese.

After the approach by Celanese and subsequent internal study, we proposed to work together in a joint venture since we had no track record or knowledge in high-intensity sweetener and preservative manufacturing business. This proposal was based on the partnership with Celanese, where we have built the relationship of trust, and the continuity of business including operations. Celanese readily agreed, and we have continued the discussion.

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