

**Investor Day 2025**  
**Chemicals Business Strategy**  
**Takashi Furutani, Senior Executive Managing Officer**

## **1. Opening Remarks**

I am Takashi Furutani, in charge of the Chemicals, Food, and Retail businesses. Today, I will explain the major initiatives and future direction of the Chemicals segment.

First, I would like to give you the background as to why we chose Chemicals as a theme for this year's investor day.

The Chemicals segment has expanded earnings through the accumulation of numerous businesses, embodying our corporate value creation model of *creating, growing, and extending* businesses.

Furthermore, by leveraging broad expertise from raw materials to final products, the segment serves as a central hub for cross-segment collaboration and is expanding cross-industry initiatives.

As a result of this growth, the segment has grown to a point where profit on a scale of 100 billion yen is within sight.

The growth within the segment is tangible and is a topic we believe should be conveyed to all investors.

## **2. Chemicals Segment Earnings Performance**

This is the earnings performance of the Chemicals segment since FY March 2018. Core Operating Cash Flow (COCF) has hovered around the 90 billion yen level since FY March 2022, and profit has continued to grow at a CAGR of 12.3% since FY March 2018, reaching a record high in FY March 2025.

We expect to increase profit in FY March 2026 as well, projecting record highs for both metrics. I will explain the major businesses supporting this growth and our strengths.

## **3. Main Businesses**

The Chemicals segment consists of three business units: Basic Materials, Performance Materials, and Nutrition & Agriculture. Business clusters with origins in trading contribute to earnings in a balanced manner.

Core businesses include methanol, tank terminals, and salt fields, automotive resin materials, and agricultural inputs centered on crop protection and fertilizers. These contribute approximately 60% of the segment's profit.

For example, tank terminals are operated with Mitsui's 100% ownership in Texas and Antwerp, Belgium, supporting the trading functions of global chemical and energy companies.

The automotive resin materials business was developed based on long-standing resin raw material trading, and was expanded into production and sales in North America through joint ventures with Japanese producers.

The agricultural inputs business has also grown into a core business based on upstream interests in South America and sales networks mainly in Europe. In addition to these, we have started making investments in growth areas such as ammonia, forest resources, and functional food ingredients to form new core businesses.

#### **4. Trading**

Trading, which is the foundation of the Chemicals segment, still accounts for about 30% of segment profit and supports the earnings base.

By owning trading assets such as tank terminals and ships, securing procurement and sales destinations through long- and short-term contracts, and depending on the product sometimes owning production assets, we combine these in various ways and secure flexibility in trade flows and optimize them. Even in the event of supply chain disruptions caused by issues on the producer or consumer side, or geopolitical reasons, we believe we have maintained a stable supply structure with a certain degree of resilience.

This structure further solidifies trust from customers, creating a virtuous cycle where that trust leads to the next investments for growth.

#### **5. Strengths**

In the next several slides, I will speak on the four strengths that support the competitiveness of the Chemicals segment in order, giving examples of specific businesses.

## **6. Strength 1: Virtuous Cycle of Trading and Investment (Methanol)**

The first strength is the *virtuous cycle of trading and investment*. Our methanol business started with products produced inside Japan. In 1974, we were a first mover in stepping into importing products from outside Japan with high price competitiveness, starting full-scale imports from Canada.

As trading expanded we continued to take advantage of new opportunities and launched a production business in 2004 with Sipchem in Saudi Arabia, leveraging the feedstock advantage in the Middle East, while simultaneously strengthening our own procurement capabilities.

Furthermore, in 2015, focusing on the US which became more competitive due to the shale revolution, we collaborated with Celanese, the world's largest methanol consumer, to expand into the production business in the US.

As with this example, we started from trading for procurement and sales and moved into competitive production investments, building foundations in major regions of the world.

To meet the rising need for low-carbon methanol from customers and society, in 2025, together with European Energy, we pioneered the world's first production of e-methanol, capable of reducing GHG emissions by over 95% compared to conventional methods, and began supplying to Maersk.

We also invested in the functional food ingredients business of our long-time partner Celanese, expanding our collaboration with them from basic chemicals to nutrition.

Connecting trading to investment and then to the creation of new businesses, this has grown into a business that embodies the virtuous cycle unique to Mitsui.

## **7. Strength 1: Virtuous Cycle of Trading and Investment (Ammonia)**

Next, I will speak on the ammonia business.

We have been trading ammonia since the 1970s, and by securing dedicated ships early on, we have built a long-term stable supply structure leading to about 60% share of the

Japanese market. By combining this strong trading foundation with upstream expertise in areas such as natural gas and carbon capture and storage in the Energy segment and our business network in power generation, we are in the process of forming a new value chain that transcends traditional chemicals trading.

In Louisiana, we are collaborating with CF Industries, the world's largest ammonia producer, and JERA to participate in the Blue Point low-carbon ammonia project, which reduces CO2 emissions in the production process by over 95%. We are also participating in an ammonia production project in Ruwais, UAE, aiming for commercial production of low-carbon ammonia through phased equipment introduction.

While demand for ammonia is expected to expand for use as a next-generation fuel and as a hydrogen carrier in addition to the traditional uses as fertilizer and chemical feedstock, we are fusing trading and upstream expertise to work on developing the next growth area.

## **8. Strength 2: Steady Growth of Core Clusters**

### **(Agricultural inputs: crop protection and fertilizers)**

Next, I will speak on the second strength, *steady growth of core clusters*.

The agricultural inputs business is composed of two areas: crop protection and fertilizers, and has now grown into a core business contributing to profit on the scale of around 10 billion yen.

Both crop protection and fertilizers have their origins in trading. In fertilizers against the backdrop of trusted relationships cultivated in the iron ore business, we acquired phosphate ore interests in Peru from Brazil's Vale in 2010, and currently jointly own them with the major US fertilizer company Mosaic. We have built an integrated value chain from upstream to sales.

In the crop protection business, we built a sales foundation in Europe through collaboration with Japanese producers, and in recent years have expanded our sales network to major agricultural countries like Brazil and India.

Based on the sales network in Europe, we are also selling products for which we own the IP.

Furthermore, we were an early mover in 2001 into bio-product business utilizing biological microorganisms, and are applying this expertise to the fertilizer field as well.

We are also deepening cooperation with the seed and animal health businesses to expand synergies across the entire agriculture value chain.

### **9. Strength 3: Strategic Portfolio Enhancement**

Regarding the third strength, *strategic portfolio enhancement*, in this slide we have our track record for portfolio reconfiguration from FY March 2018 to Q2 of FY March 2026. Combining the cumulative COCF of 700 billion yen and asset sales of 210 billion yen during this period, we secured total cash inflows of 910 billion yen. Utilizing those inflows as a foundation, we executed investments for growth of 640 billion yen.

We have steadily improved ROIC through portfolio reconfiguration, by consistently executing timely asset sales and reinvesting in growth areas.

We will continue to further enhance the quality of our business portfolio through investments for growth and asset reconfiguration in our areas of expertise.

### **10. Strength 4: Cross-industry Initiatives**

The fourth strength is our *cross-industry initiatives*.

The chemical industry has a wide base through various materials and has contact points with many industries. Our Chemicals segment covers a wide range from feedstock and basic materials to functional materials, and utilizing this breadth and depth of expertise, we are seeking cross-industry initiatives in cooperation with other segments.

In addition to low-carbon ammonia mentioned earlier, in the forest asset management business, we have combined the know-how in finance and carbon credits in the Innovation & Corporate Development segment, and have expanded globally with a core business in Australia. By utilizing expertise in pulp, paper, and construction materials in the Chemicals segment, we add value to forest resources, making proposals to customers that differentiate us from other asset management funds.

What supports these initiatives is the deep trust with top-tier customers that the Chemicals segment has cultivated over many years.

Based on that trust, and by combining the strengths of each segment across the entire value chain, we submit proposals that we call *real solutions*, which are highly practical, leading to greater value and the creation of new business opportunities. Cross-industry initiatives are a new growth driver that further propels existing core businesses, and we position them as an important pillar for the medium- to long-term earnings expansion of the Chemicals segment.

Company-wide collaboration is the true value of Mitsui as a global investment and trading company, and serves as the driving force to simultaneously realize the solution of social issues and the creation of new value.

## **11. Conclusion**

The Chemicals segment has set MTMP targets of COCF of 130 billion yen and profit of 100 billion yen. Through initiatives to date, we have made good progress in the strengthening of competitiveness in core businesses and the enhancement of the quality of the business portfolio, and the depth of the earnings base has increased as we work towards our targets.

We will continue to demonstrate our ability to collaborate across industries, as we steadily move forward to enhance earnings and aim for the early achievement of the targets.

This concludes my presentation, thank you for your attention.