



**MITSUI CHEMICALS, INC.**

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## **New Year's Greetings from the CEO**

(Summary)

Mitsui Chemicals, Inc.

Tsutomu Tannowa

At the outset, I would like to wish everyone a happy new year.

When we turn our eyes to the world economy in 2015, we foresee moderate expansion in developed countries while new emerging markets, as represented by China and Russia, show signs of continued deceleration. A sense of foreboding as a result of geopolitical unrest and bubble concerns will fuel continued apathy in supply and demand balances.

In Japan, we expect improvement in the economy as a result of easing of financial restrictions and the deferred consumption tax hike. Trade terms should improve as a result of a weak yen and crude oil prices. These three merits are expected to bolster the Japanese economy and, in 2015, we expect domestic growth to be better than previous forecasts. Despite these positive predictions, we must continue to commit ourselves to transforming our business portfolio to one that is less impacted by economic fluctuations.

Our Group is based on the management foundation of a "safety culture". I cannot emphasize enough the importance of each member returning to the basics and making sure that "safety takes precedence over all". Safety is for yourself, your family, your colleagues, and society itself. Always be alert and recognize what must be done for safety and act aggressively to actualize it.

Society's expectation towards the chemical industry as a "provider of infinite possibilities to create new materials to correspond to social needs" is rapidly growing. Against this backdrop, in 2014 our Group embarked on its new mid-term business plan in which we propose to "create new customer value through business activities to provide solutions to society's challenges".

Placing utmost importance on “deepening consumer value”, all technology, products, and services have the final user in mind when providing optimal solutions. In the mobility domain, we propose to provide environmentally friendly materials for next-generation vehicles while utilizing our comprehensive strengths to provide group-wide solutions. In the healthcare domain, in addition to the launching of the new brand "Whole You™" in the United States last year, we target a new foundation for growth in areas such as vision care, oral care, and businesses concerning the body’s five senses. In the food & packaging domain, we constructed a market-oriented business model to meet demands in a growing Asian market and target developing this domain into the Group’s third growth pillar. To secure stable earnings for basic materials (phenol, high-purity terephthalic acid, and urethane materials) in the volatile commodity chemical market, we will optimize our production bases for better cost competitiveness while continuing to restructure operations. We will steadily accelerate these four basic strategies for an operating profit of 60 billion yen in 2016 and a goal of 100 billion yen in 2020.

In closing, last year, the Mitsui Chemicals Group started on its new mid-term business plan in which we target “challenging to change”. We must be strong if we are to win. By consolidating our strengths, together we can accelerate the four basic strategies and dramatically increase the corporate value of the Mitsui Chemicals Group. Join me in the search for a better tomorrow.