

# Summary of Consolidated Financial Results for FY2021



May 13, 2022  
Mitsui Chemicals, Inc.

## 1. Summary of Operating Results

(Unit : Billions of Yen)

	FY2020	FY2021	Incr. (Decr.)	Outlook for FY2022
				Full year
Sales revenue	1,211.7	1,612.7	401.0	1,920.0
Operating income before special items	85.1	161.8	76.7	140.0
Operating income	78.1	147.3	69.2	138.0
Net income	64.2	118.6	54.4	110.0
Net income attributable to owners of the parent	57.9	110.0	52.1	100.0

## 2. Sales Revenue and Operating Income before Special Items by Business Segment

• Sales revenue

(Unit : Billions of Yen)

	FY2020	FY2021	Incr. (Decr.)	Breakdown	
				Volume	Price
Mobility	315.5	411.6	96.1	21.0	75.1
Health Care	143.9	164.6	20.7	20.7	0.0
Food & Packaging	197.7	235.2	37.5	30.5	7.0
Basic Materials	541.4	786.3	244.9	23.3	221.6
Others	13.2	15.0	1.8	-	1.8
Total	1,211.7	1,612.7	401.0	95.5	305.5

• Operating income before special items

(Unit : Billions of Yen)

	FY2020	FY2021	Incr. (Decr.)	Breakdown		
				Volume	Price ※	Fixed Costs etc.
Mobility	30.2	49.0	18.8	1.6	14.4	2.8
Health Care	19.9	19.8	(0.1)	9.1	(3.2)	(6.0)
Food & Packaging	22.0	26.6	4.6	11.2	(2.5)	(4.1)
Basic Materials	19.6	75.1	55.5	5.3	44.4	5.8
Others	(1.1)	(1.2)	(0.1)	-	-	(0.1)
Adjustment	(5.5)	(7.5)	(2.0)	-	-	(2.0)
Total	85.1	161.8	76.7	27.2	53.1	(3.6)

※Price includes both selling and purchasing price variances.

## 3. Summary of Statement of Financial Position

(Unit : Billions of Yen)

	Assets			Liabilities and Equity			
	As of Mar. 31, 2021	As of Mar. 31, 2022	Incr. (Decr.)	As of Mar. 31, 2021	As of Mar. 31, 2022	Incr. (Decr.)	
Current assets	787.6	1,033.5	245.9	Interest-bearing liabilities	563.8	715.1	151.3
Property, plant and equipment & right-of-use assets	502.0	553.6	51.6	Other liabilities	312.2	412.8	100.6
Goodwill and intangible assets	20.8	63.3	42.5	Equity attributable to owners of the parent	607.9	712.7	104.8
Other non-current assets	247.7	284.6	36.9	Non-controlling interests	74.2	94.4	20.2
Total assets	1,558.1	1,935.0	376.9	Total liabilities and equity	1,558.1	1,935.0	376.9
[ Inventories ]	258.8	369.0	110.2	[ Net D/E Ratio ]	0.60	0.75	0.15

## 4. Summary of Statement of Cash Flows

(Unit : Billions of Yen)

	FY2020	FY2021	Incr. (Decr.)	Outlook for FY2022 Full year
Cash flows from operating activities	174.3	92.6	(81.7)	93.0
Cash flows from investing activities	(77.5)	(205.2)	(127.7)	(130.0)
<i>Free cash flows</i>	96.8	(112.6)	(209.4)	(37.0)
Cash flows from financing activities	(69.0)	89.2	158.2	29.0
Others	3.6	8.6	5.0	0.0
Net incr.(decr.) in cash and cash equivalents	31.4	(14.8)	(46.2)	(8.0)
Cash and cash equivalents at the end of period	196.0	181.2	(14.8)	

## 5. Accounting Fundamentals

		FY2020	FY2021	Incr. (Decr.)	Outlook for FY2022 Full year
R & D expenses	¥ Billions	33.8	38.1	4.3	43.0
Depreciation & amortization	¥ Billions	76.6	84.2	7.6	98.0
Capital expenditures	¥ Billions	93.2	207.1	113.9	180.0
Financing incomes & expenses	¥ Billions	(3.2)	(6.0)	(2.8)	(5.0)
Interest-bearing liabilities	¥ Billions	563.8	715.1	151.3	773.0
Net D/E Ratio	percentage	0.60	0.75	0.15	0.76
Number of employees	person	18,051	18,780	729	19,200
Exchange rate	Yen / US\$	106	112	6	120
Domestic standard naphtha price	Yen / KL	31,300	56,600	25,300	75,000

## 6. Scope of Consolidation and Equity Method

	As of Mar. 31, 2021	As of Mar. 31, 2022	Incr. (Decr.)	Outlook for FY2022 Full year
Consolidated subsidiaries	123	129	6	129
Joint operations	4	4	-	4
Non-consolidated subsidiaries and affiliates	27	28	1	28
Total	154	161	7	161

## 7. Sales Revenue and Operating Income before Special Items by Business Segment (by new business segment)

· Sales revenue

(Unit : Billions of Yen)

	FY2021		Outlook for FY2022 Full year
	Interim	Full year	
Life & Healthcare Solutions	102.8	225.2	246.0
Mobility Solutions	199.4	432.7	538.0
ICT Solutions	101.7	207.1	244.0
Basic & Green Materials	334.5	737.1	879.0
Others	5.1	10.6	13.0
Total	743.5	1,612.7	1,920.0

· Operating income before special items

(Unit : Billions of Yen)

	FY2021		Outlook for FY2022
	Interim	Full year	Full year
Life & Healthcare Solutions	11.6	24.6	27.0
Mobility Solutions	16.1	32.6	41.5
ICT Solutions	16.6	29.8	36.5
Basic & Green Materials	49.4	77.4	36.0
Others	1.5	1.8	3.5
Adjustment	(0.9)	(4.4)	(4.5)
Total	94.3	161.8	140.0

※Changes in Reported Segments Classification Methods

On April 1, 2022, Mitsui Chemicals, Inc. (hereafter “the Company”) implemented structural reforms to promote the basic company-wide strategy in the New Long-Term Business Plan “VISION 2030”. The details of company-wide reorganization are described in “Organization Restructuring Effective April 2022” released on November 25, 2021. Please also refer to those below.

<https://ip.mitsuichemicals.com/sites/default/files/media/document/2021/211125e.pdf>

The amounts of FY2021 are summarized by the new segments of FY2022. The amounts of FY2021 are approximate estimates to compare with FY2022 forecast. They are unaudited by the auditor.

8. Dividends

	Annual Dividends per Share (yen)				
	1st Q	Interim (2nd Q)	3rd Q	Year-end (4th Q)	Annual Total
FY2021 Result	-	55.00	-	65.00	120.00
FY2022 Forecast	-	60.00	-	60.00	120.00

The year-end dividend for FY2021 consists of 60.00 yen regular dividend and 5.00 yen memorial dividend.

9. Number of Shares Outstanding (common stock)

	FY2020	FY2021
Number of shares outstanding at term-end (including treasury stock)	204,608,615	204,653,315
Number of shares of treasury stock at term-end	8,664,390	11,417,375
Average number of shares	194,202,034	194,516,547

## 1. Operating Results

### (1) Overview

In the fiscal period under review (the twelve-month period from Apr 1, 2021 to March 31, 2022, hereinafter the “fiscal 2021”), although the effect of the coronavirus has reduced and there have been signs of the economic recovery due to wide availability of vaccines, the Ukrainian crisis has broken out in Europe and the future is far more uncertain.

In Japan as well, the economy continued to be affected by the spread of the coronavirus but signs of recovery were visible mainly in the manufacturing sector. On the other hand, the economy suffered deceleration of automotive production, in addition to further increase of crude oil prices caused by the Ukrainian crisis and progress of weakening of the yen, which must be carefully monitored.

In the domestic chemical industry, utilization of naphtha crackers operated at a consistently high capacity as the economy recovers.

Under these circumstances, the Mitsui Chemicals Group (hereafter “the Group”) worked for business expansion and growth in three business domains—Mobility, Health Care, and Food & Packaging—while also creating and developing Next Generation Business and further enhancing competitiveness in the area of Basic Materials.

In Mobility, there has been diversified needs for lighter, more comfortable vehicles in the automotive industry in addition to a shift toward electric cars and needs for improved fuel economy. Regarding polypropylene compounds, which contribute to lighter vehicles, we own nine main production bases and seven research bases around the world and have constructed a system that can quickly respond to the global strategies of automotive manufacturers. As for our gear oil additive LUCANT™, which helps improve the fuel economy and longevity of lubricants, we began commercial operation of a new plant in Ichihara Works to meet expanding global demand. In the information communication technology (ICT) industry, we installed new production facilities for EUV pellicles, which contributes to the further miniaturization of semiconductors, at Iwakuni-Ohtake Works and began commercial production.

In Health Care, in addition to declining birthrates and aging populations in advanced countries and growing economies in emerging markets, health consciousness is rising due in part to current measures to address the pandemic. In nonwoven fabric, we stably supplied parts and materials for producing masks in Japan, just as we did in the previous fiscal year. In addition, to meet growing demand for industrial materials, we decided to expand production facilities for melt-blown nonwoven fabric at our subsidiary Sunrex Industry Co., Ltd. Regarding our ophthalmic lens materials boasting the world-leading market share, we decided to expand our production facilities for ophthalmic lens materials with high refractive indices at Omuta Works to meet expanding demand in Asia and North America. In addition, we concluded a capital and business alliance agreement with Japan Medical Dynamic Marketing, Inc., which manufactures and sells medical devices for plastic surgery, acquiring 30% of its issued shares from NGK Spark Plug Co., LTD.

In Food & Packaging, food security and reducing food loss and waste are becoming major social issues amid global population growth and climate change. With standards of living in Asia rising, the packaging field is seeing growing needs for more highly functional products with a smaller environmental footprint. In agrochemicals, our subsidiary Mitsui Chemicals Agro, Inc. acquired the agrochemicals business of Meiji Seika Pharma Co., Ltd., which possesses high R&D capabilities and develops unique agrochemicals. In performance films and sheets, we decided to expand production facilities at our subsidiary Taiwan Tohcello Functional Sheet, Inc. for ICROS™ Tape, which commands the largest share of the global market for protective tape used in semiconductor manufacturing processes.

In Basic Materials, which is centered on petrochemicals and basic chemicals, we have

moved forward to enhance, expand, optimize and reconstruct downstream products in order to strengthen competitiveness. As a part of these efforts, we acquired common stock of Honshu Chemical Industry Co., Ltd. through a joint tender offer with Mitsui & Co., resulting in a 51% ownership ratio. In addition, we began work on constructing a new high-performance polypropylene plant in Japan and we began to bolster methylene diphenyl diisocyanate (MDI) production capacity in Korea. Furthermore, we decided to shut down purified terephthalic acid (PTA) production at its Iwakuni-Ohtake Works in August 2023 (plan) and proceeded restructuring. Global environmental problems, such as climate change and plastic waste, have become more prominent. As a part of its initiatives to reduce environmental burden and meet needs for a circular economy, Mitsui Chemical was the first in Japan to begin production of biomass derivatives from biomass naphtha and was the first in Asia to ship biomass phenol.

The Group reported the following operating results for fiscal 2021 as follows. The Group has applied operating income before special items as a management indicator, which is operating income excluding non-recurring items.

(Billions of Yen)

	Sales Revenue	Operating Income before Special Items	Operating Income	Net Income Attributable to Owners of the Parent
Fiscal 2021	1,612.7	161.8	147.3	110.0
Previous fiscal year	1,211.7	85.1	78.1	57.9
Difference	401.0	76.7	69.2	52.1
Ratio (%)	33.1	90.1	88.7	90.1

**Sales revenue** increased 401.0 billion yen, or 33.1%, compared with the previous fiscal year to 1,612.7 billion yen. This was mainly attributable to increase in sales prices due to higher naphtha and other raw materials and fuel prices, in addition to higher sales volume in each segment as economic activities have resumed.

**Operating income before special items** was 161.8 billion yen, an increase of 76.7 billion yen or 90.1% year on year. This result was due to favorable terms of trade as a result of higher overseas market prices of Bisphenol A, in addition to higher sales volume in each segment and increased share of profit of investments accounted for using equity method.

**Operating income** was 147.3 billion yen, increased 69.2 billion yen or 88.7% year on year. This result was mainly due to increase of operating income before special items.

**Financial income/expenses** worsened 2.1 billion yen year on year to 6.0 billion yen loss, due to increased provision of allowance for doubtful accounts, although foreign exchange gains and losses were improved.

As a result of the aforementioned factors, **income before income taxes** amounted to 141.3 billion yen, an increase of 67.1 billion yen or 90.3% year on year.

**Net income attributable to owners of the parent** after accounting for income taxes and non-controlling interests was 110.0 billion yen, an increase of 52.1 billion yen or 90.1% compared with the previous fiscal year. Basic earnings per share for the period were 565.45 yen.

## (2) Results by Business Segment

The status of each segment during fiscal 2021 is as follows.

## Mobility

Sales revenue increased 96.1 billion yen compared with the previous fiscal year to 411.6 billion yen and comprised 25% of total sales. Operating income before special items increased 18.8 billion yen to 49.0 billion yen year on year. The increase in income was mainly due to steady sales of elastomers and overseas polypropylene compounds.

In **elastomers, performance compounds** and overseas **polypropylene compound**, the Group captured demand and sales remained healthy.

In **performance polymers**, the Group captured demand and sales remained healthy for ICT-related products.

In **solution business**, sales remained same level as the same period of the previous fiscal year due to prolonged delay of the development of prototyping.

## Health Care

Sales revenue increased 20.7 billion yen year on year to 164.6 billion yen and comprised 10% of total sales. On the other hand, operating income before special items decreased 0.1 billion yen to 19.8 billion yen, mainly due to worsening terms of trade, which was resulting from the higher raw material prices in nonwoven fabrics despite of healthy sales in vision care materials.

In **vision care materials**, the Group captured demand and sales remained healthy for ophthalmic lens materials.

In **nonwoven fabrics**, sales of masks stayed healthy but sales of medical gowns have declined.

In **dental materials**, the Group captured demand and sales remained healthy mainly in Europe.

## Food & Packaging

Sales revenue increased 37.5 billion yen compared with the previous fiscal year to 235.2 billion yen and comprised 15% of total sales. Operating income before special items increased 4.6 billion yen to 26.6 billion yen year on year, due to healthy sales in coatings & engineering materials and performance films and sheets.

In **coatings & engineering materials**, the Group captured demand and sales remained firm.

In **performance films and sheets**, sales were mainly firm in ICT-related industrial films and sheets.

In **agrochemicals**, overseas sales were healthy.

## Basic Materials

Sales revenue increased 244.9 billion yen compared with the previous fiscal year to 786.3 billion yen and accounted for 49% of total sales. Operating income before special items increased 55.5 billion yen to 75.1 billion yen, due to higher overseas market of prices of Bisphenol A and inventory revaluation gain, which was resulting from the higher naphtha and raw material prices.

**Naphtha cracker** operating rates were higher than the previous fiscal year due to increased demand of downstream products. Sales of **polyethylene and polypropylene** were affected by higher demand in the domestic economy.

## Others

Sales revenue increased 1.8 billion yen to 15.0 billion yen, comprised 1% of total sales. Operating loss before special items was 1.2 billion yen loss, increase of 0.1 billion yen compared to the previous year.

## 2. Financial Position

### (1) Status of Assets, Liabilities and Net Assets

**Total assets** at the end of fiscal year stood at 1,935.0 billion yen, an increase of 376.9 billion yen compared with the end of the previous fiscal year.

**Total liabilities** at the end of fiscal year increased 251.9 billion yen compared with the previous fiscal year-end to 1,127.9 billion yen. **Interest-bearing debt** amounted to 715.1 billion yen, an increase of 151.3 billion yen compared with the previous fiscal year-end. As a result, the interest-bearing debt ratio was 37.0%, an increase of 0.8 percentage point.

**Total equity** was 807.1 billion yen, an increase of 125.0 billion yen compared with the previous fiscal year-end. The **ratio of equity attributable to owners of the parent** was 36.8%, a decrease of 2.2 percentage point.

Accounting for the aforementioned factors, the **net debt-equity ratio** stood at 0.75 at the end of the fiscal year, 0.15 point increase from the previous fiscal year-end.

### (2) Cash Flow Status

Cash and cash equivalents (hereafter called “net cash”) at the end of the fiscal year decreased 14.8 billion yen to 181.2 billion yen compared with the previous fiscal year-end.

#### Cash Flows from Operating Activities

Net cash provided by operating activities decreased 81.7 billion yen to 92.6 billion yen due to increase of working capital, despite of higher income before income taxes.

#### Cash Flows from Investing Activities

Net cash used in investing activities increased 127.7 billion yen compared with the previous fiscal year to 205.2 billion yen, mainly due to increase of cash outflows from capital expenditure, purchase of investments accounted for using equity method and purchase of subsidiaries.

#### Cash Flows from Financing Activities

Net cash provided by financing activities was 89.2 billion yen due primarily to increase of borrowings of interest-bearing debt.

### (3) Trends in Cash Flow Indicators

	FY2017 (As of March 31, 2018)	FY2018 (As of March 31, 2019)	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
Shareholders' Equity Ratio (%)	35.7	36.8	34.6	39.0	36.8
Shareholders' Equity Ratio on a Market Value Basis (%)	46.6	34.7	25.6	44.0	30.9
Ratio of Interest-bearing Debt to Cash Flows	5.6	4.4	4.2	3.2	7.7
Interest Coverage Ratio (Times)	14.8	19.9	25.5	37.1	23.3

#### Notes:

- Shareholders' Equity Ratio: Shareholders' equity to total assets.
- Shareholders' Equity Ratio on a Market Value Basis: Market capitalization to total assets.
- Ratio of Interest-bearing Debt to Cash Flows: Interest-bearing debt to cash flows.
- Interest Coverage Ratio: Cash flows to interest paid.

- Each of the indicators was calculated using consolidated financial figures.
- The market capitalization was calculated by multiplying the closing share price as of the end of the period with the number of shares outstanding (excluding treasury stock).
- Operating cash flow figures have been used for cash flow calculations.
- Interest-bearing debt is the portion of total debt booked on the consolidated balance sheet on which interest is being paid. Interest paid is the amount of interest paid as reported in the consolidated statements of cash flows.
- Figures before FY2018 are based on Japanese GAAP.

### 3. Outlook for Fiscal 2022 (Year Ending March 31, 2023)

#### (1) Overall of Financial Outlook for Fiscal 2022

In fiscal 2022, although the effect of the coronavirus on the global economy is expected to reduce due to wide variety of vaccines and continue recovering with the normalization of economic activity, there are worries that the Ukrainian crisis could be prolonged.

In Japan, the manufacturing sector of the domestic economy is expected to remain on track toward recovery, thanks to signs of a global economic recovery. However, there are worries that increase of crude oil prices caused by the Ukrainian crisis and progress of weakening of the yen could be prolonged. In addition, conditions remain uncertain due to activity restrictions depending on the spread of coronavirus.

In the chemical industry, although demand is expected to expand due to signs of economic recovery, chemical companies should remain vigilant regarding fluctuations of raw materials and other chemical product markets.

Under these conditions, the Group forecasts its business performance and earnings growth for fiscal 2022 as follows.

(Billions of Yen)

	Sales Revenue	Operating Income before Special Items	Operating Income	Net Income	Net Income Attributable to Owners of the Parent
Fiscal 2022	1,920.0	140.0	138.0	110.0	100.0
Fiscal 2021	1,612.7	161.8	147.3	118.6	110.0
Difference	307.3	(21.8)	(9.3)	(8.6)	(10.0)
Ratio (%)	19.1	(13.5)	(6.3)	(7.2)	(9.1)

Outlook above are based on the following assumptions:

- Exchange rate for the full year is 120 yen/US\$
- Average price of domestic naphtha is 75,000 yen/kl
- "Operating income before special items" is operating income excluding non-recurring items.

#### (2) Outlook by FY2022 Business Segment

Outlook by FY2022 business segment is as follows.

On April 1, 2022, the Company implemented structural reforms to promote the basic company-wide strategy in the New Long-Term Business Plan "VISION 2030". The details of company-wide reorganization are described in "Organization Restructuring Effective April 2022" released on November 25, 2021. Please also refer to those below.

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The amounts of FY2021 are summarized by the new segments of FY2022. The amounts of FY2021 are approximate estimates to compare with FY2022 forecast. They



are unaudited by the auditor.

(Billions of Yen)

	Sales Revenue						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
Fiscal 2022	246.0	538.0	244.0	879.0	13.0	-	1,920.0
Fiscal 2021	225.2	432.7	207.1	737.1	10.6	-	1,612.7
Difference	20.8	105.3	36.9	141.9	2.4	-	307.3
Ratio (%)	9.2	24.3	17.8	19.3	22.6	-	19.1

(Billions of Yen)

	Operating Income before Special Items						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
Fiscal 2022	27.0	41.5	36.5	36.0	3.5	(4.5)	140.0
Fiscal 2021	24.6	32.6	29.8	77.4	1.8	(4.4)	161.8
Difference	2.4	8.9	6.7	(41.4)	1.7	(0.1)	(21.8)
Ratio (%)	9.8	27.3	22.5	(53.5)	94.4	2.3	(13.5)

#### 4. Basic Policy on Appropriation of Profits, Cash Dividends for Fiscal 2021 and 2022 (Year Ending March 31, 2022 and March 31, 2023)

##### (1) Basic Policy on Appropriation of Profits

The Company is committed to enhancing shareholder returns through the stable and continuous dividends and agile and flexible acquisition of the Company's own shares, while taking business performance into account.

Specifically, the Company will aim to achieve a steady 3.0% or higher for dividends on equity (DOE) (Note 1) and a total return ratio (Note 2) of 30% or more.

Note 1: Dividends on equity = dividends paid / total equity attributable to owners of the parent

Note 2: Total return ratio = (dividends paid + treasury stock acquired) / net income attributable to owners of the parent

##### (2) Cash Dividends for Fiscal 2021 and 2022

Considering the recent business conditions, the Company plans to pay a year-end dividend of 60 yen per share in current fiscal year. In addition, on October 1, 2022, the Company will celebrate its 25th anniversary. To show our appreciation to our shareholders, at the end of fiscal 2021 the Company will pay out a 5 yen per share memorial dividend.

In summary, the year-end dividend for fiscal year ended March 31, 2022 will total 65 yen per share (60 yen regular dividend and 5 yen memorial dividend).

Because a 55 yen interim dividend was already paid out on December 2, 2021, dividends for the full fiscal year will total 120 yen per share and total return ratio will be 30.3%.

Turning to dividends for the fiscal year ending March 31, 2023, the Company plans to pay an interim dividend of 60 yen and a year-end dividend of 60 yen, totaling 120 yen per share for the full year.

#### 5. Concept for Selection of Accounting Standard

Based on the Group's development of global business activities, the Group voluntarily adopted IFRS from fiscal 2020 for the purpose of improving international comparability of financial information in capital market and enhance its business management by unifying accounting standard across the Group.

## 6. Consolidated Statements of Financial Position

	Millions of yen	
	FY2020	FY2021
	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	195,987	181,152
Trade receivables	285,846	370,426
Inventories	258,814	369,009
Other financial assets	27,176	43,496
Other current assets	15,230	27,258
Total	783,053	991,341
Assets held for sale	4,519	42,104
<b>Total current assets</b>	<b>787,572</b>	<b>1,033,445</b>
<b>Non-current assets</b>		
Property, plant and equipment	455,749	513,950
Right-of-use assets	46,211	39,634
Goodwill	1,123	17,981
Intangible assets	19,678	45,341
Investment property	23,222	21,546
Investments accounted for using equity method	97,509	133,157
Other financial assets	57,463	55,757
Retirement benefit assets	55,059	60,750
Deferred tax assets	9,333	8,579
Other non-current assets	5,206	4,825
<b>Total non-current assets</b>	<b>770,553</b>	<b>901,520</b>
<b>Total assets</b>	<b>1,558,125</b>	<b>1,934,965</b>

	<b>Millions of yen</b>	
	<b>FY2020</b>	<b>FY2021</b>
	<b>As of</b>	<b>As of</b>
	<b>March 31, 2021</b>	<b>March 31, 2022</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	119,712	174,844
Bonds and borrowings	216,721	346,615
Income taxes payable	6,195	12,903
Other financial liabilities	84,242	127,608
Provisions	1,157	2,474
Other current liabilities	37,736	42,125
<b>Total</b>	<b>465,763</b>	<b>706,569</b>
Liabilities directly associated with assets held for sale	542	—
<b>Total current liabilities</b>	<b>466,305</b>	<b>706,569</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	293,495	319,471
Other financial liabilities	67,722	49,297
Retirement benefit liabilities	16,384	18,857
Provisions	3,698	5,051
Deferred tax liabilities	27,834	28,133
Other non-current liabilities	530	465
<b>Total non-current liabilities</b>	<b>409,663</b>	<b>421,274</b>
<b>Total liabilities</b>	<b>875,968</b>	<b>1,127,843</b>
<b>Equity</b>		
Share capital	125,331	125,414
Capital surplus	74,009	69,866
Treasury stock	(24,900)	(34,932)
Retained earnings	424,084	516,098
Other components of equity	9,397	36,208
<b>Total equity attributable to owners of the parent</b>	<b>607,921</b>	<b>712,654</b>
<b>Non-controlling interests</b>	<b>74,236</b>	<b>94,468</b>
<b>Total equity</b>	<b>682,157</b>	<b>807,122</b>
<b>Total liabilities and equity</b>	<b>1,558,125</b>	<b>1,934,965</b>

## 7. Consolidated Statements of Income Statements and Consolidated Statements of Comprehensive Income Statements

### (Consolidated Income Statements)

	Millions of yen	
	FY2020 April 1, 2020 to March 31, 2021	FY2021 April 1, 2021 to March 31, 2022
<b>Sales revenue</b>	<b>1,211,725</b>	<b>1,612,688</b>
Cost of sales	(917,883)	(1,233,948)
<b>Gross profit</b>	<b>293,842</b>	<b>378,740</b>
Selling, general and administrative expenses	(211,980)	(239,356)
Other operating income	4,406	13,112
Other operating expenses	(14,183)	(31,005)
Share of profit of investments accounted for using equity method	5,989	25,819
<b>Operating income</b>	<b>78,074</b>	<b>147,310</b>
Financial income	4,297	6,175
Financial expenses	(8,128)	(12,211)
<b>Income before income taxes</b>	<b>74,243</b>	<b>141,274</b>
Income tax expense	(10,024)	(22,723)
<b>Net income</b>	<b>64,219</b>	<b>118,551</b>
<b>Net income attributable to:</b>		
Owners of parent	<b>57,873</b>	<b>109,990</b>
Non-controlling interests	<b>6,346</b>	<b>8,561</b>
<b>Net income</b>	<b>64,219</b>	<b>118,551</b>
<b>Earnings per share</b>		
Basic earnings per share (Yen)	298.00	565.45

### (Consolidated Statements of Comprehensive Income)

	Millions of yen	
	FY2020 April 1, 2020 to March 31, 2021	FY2021 April 1, 2021 to March 31, 2022
<b>Net income</b>	<b>64,219</b>	<b>118,551</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	670	3,074
Remeasurements of defined benefit plans	24,605	2,149
Share of other comprehensive income of investments accounted for using equity method	263	210
Total of items that will not be reclassified to profit or loss	25,538	5,433
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,816	22,496
Effective portion of net change in fair value of cash flow hedges	579	494
Share of other comprehensive income of investments accounted for using equity method	(280)	3,726
Total of items that may be reclassified to profit or loss	6,115	26,716
<b>Total other comprehensive income, net of tax</b>	<b>31,653</b>	<b>32,149</b>
<b>Comprehensive income</b>	<b>95,872</b>	<b>150,700</b>
Comprehensive income attributable to:		
Owners of parent	88,974	139,352
Non-controlling interests	6,898	11,348
<b>Comprehensive income</b>	<b>95,872</b>	<b>150,700</b>

## 8. Consolidated Statements of Cash Flows

	Millions of yen	
	FY2020	FY2021
	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022
Net cash provided by (used in) operating activities		
Income before income taxes	74,243	141,274
Depreciation and amortization	76,621	84,222
Impairment loss	8,050	16,183
Gain on bargain purchase	—	(7,246)
Insurance income	(1,761)	(1,226)
Interest and dividend income	(2,152)	(2,458)
Interest expenses	4,634	3,932
Share of loss (profit) of investments accounted for using equity method	(5,989)	(25,819)
Decrease (increase) in trade receivables	(7,113)	(62,942)
Decrease (increase) in inventories	27,360	(81,582)
Increase (decrease) in trade payables	(5,420)	39,968
Other	10,312	(3,098)
<b>Subtotal</b>	<b>178,785</b>	<b>101,208</b>
Interest and dividends received	6,246	11,158
Proceeds from insurance income	1,761	1,226
Interest paid	(4,705)	(3,972)
Income taxes paid	(7,764)	(17,036)
<b>Net cash provided by (used in) operating activities</b>	<b>174,323</b>	<b>92,584</b>
Net cash provided by (used in) investing activities		
Proceeds from sale and redemption of marketable securities	5,000	—
Purchase of property, plant and equipment	(74,904)	(107,067)
Proceeds from sale of property, plant and equipment	591	1,588
Purchase of intangible assets	(1,677)	(9,149)
Proceeds from sale of intangible assets	84	4
Purchase of investment securities	(877)	(2,510)
Proceeds from sale and redemption of investment securities	161	2,939
Payments for acquisition of subsidiaries	(1,722)	(41,510)
Proceeds from acquisition of subsidiaries	—	12,430
Payments for sale of subsidiaries	—	(1,749)
Proceeds from sale of subsidiaries	—	5,547
Payments for acquisition of businesses	—	(10,694)
Purchase of equity accounted investments	(4,460)	(58,826)
Proceeds from equity accounted investments	99	—
Other	150	3,763
<b>Net cash provided by (used in) investing activities</b>	<b>(77,555)</b>	<b>(205,234)</b>

	Millions of yen	
	FY2020	FY2021
	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	(8,498)	54,999
Increase(decrease) in commercial papers	(10,000)	70,000
Proceeds from long-term borrowings	19,542	40,289
Repayments of long-term borrowings	(42,963)	(45,566)
Proceeds from issuance of bonds	15,000	35,000
Redemption of bonds	(10,426)	(10,432)
Repayments of lease liabilities	(8,108)	(9,637)
Proceeds from sale of treasury stock	3	6
Purchase of treasury stock	(691)	(10,037)
Dividends paid	(19,349)	(20,527)
Capital contribution from non-controlling interests	—	1
Dividends paid to non-controlling interests	(6,266)	(5,617)
Proceeds from sale of interests in subsidiaries to non-controlling interests	2,800	—
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(9,257)
<b>Net cash provided by (used in) financing activities</b>	<b>(68,956)</b>	<b>89,222</b>
Effect of exchange rate change on cash and cash equivalents	3,604	8,593
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>31,416</b>	<b>(14,835)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>164,571</b>	<b>195,987</b>
<b>Cash and cash equivalents at end of period</b>	<b>195,987</b>	<b>181,152</b>

## 9. Segment Information

### (1) Overview of Reportable Segments

The Group's business segments are components of the Group for which separate financial information is available and that are regularly reviewed by the Board of Directors (chief operating decision maker) to make decisions about management resources to be allocated to the segments and assess their performance.

The Group positions business sector distinguished by their products and services within its headquarters. Each business sector proposes comprehensive domestic and overseas strategies in addition to pursuing business expansion in its respective product and service area.

Comprehensively considering similarities such as the details of products and services and target markets, the four reportable segments (distinguished by products and services) that comprise the Group's operations without aggregating the business segments are: Mobility, Health Care, Food & Packaging, and Basic Materials. Business segments, which are not included in the reportable segments, are classified into "Others."

Major products manufactured and sold by business segments are as follows:

Segments		Major Products and Businesses
Reportable Segments	Mobility	Elastomers, performance compounds, functional polymers, polypropylene compounds and comprehensive services regarding to the development of automotive and industrial products (Solution business)
	Health Care	Vision care materials, nonwoven fabrics, dental materials and, personal care materials
	Food & Packaging	Coating & engineering materials, performance films and sheets and, agrochemical products
	Basic Materials	Ethylene, propylene, polyethylene, polypropylene, catalysts, phenols, PTA, PET, polyurethane materials and, industrial chemical products
Others	Others	Other related businesses, etc.

### (2) Methods to Determine Sales Revenue, Income or Loss, Assets, and Others by Reportable Business Segment

Income by reportable business segment is stated on a basis of operating income before special items, which is operating income excluding non-recurring items. Intersegment transaction pricing and transfer pricing are negotiated and determined based on prevailing market prices.



### (3) Information concerning Sales Revenue, Income or Loss, Assets, and Others by Reportable Business Segment

The previous fiscal year (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Reportable Segment					Others (Note 1)	Sum total	Adjustment (Note 2)	Consolidated
	Mobility	Health Care	Food & Packaging	Basic Materials	Total				
Sales revenue									
1) To external customers	315,480	143,933	197,700	541,382	1,198,495	13,230	1,211,725	—	1,211,725
2) Intersegment	9,104	2,496	2,224	54,061	67,885	51,785	119,670	(119,670)	—
Total	324,584	146,429	199,924	595,443	1,266,380	65,015	1,331,395	(119,670)	1,211,725
Segment income (Operating income before special items)	30,177	19,852	21,989	19,642	91,660	(1,045)	90,615	(5,475)	85,140
Segment assets	346,837	199,251	253,218	606,146	1,405,452	80,790	1,486,242	71,883	1,558,125
Other items									
Depreciation and amortization	17,463	10,991	10,419	32,245	71,118	4,862	75,980	641	76,621
Share of profit of investments accounted for using equity method	1,999	(175)	272	3,482	5,578	—	5,578	411	5,989
Impairment loss	5,486	153	182	2,112	7,933	—	7,933	117	8,050
Investments accounted for using equity method	20,845	11,349	1,987	60,535	94,716	2,793	97,509	—	97,509
Capital expenditures (Note 3)	21,136	9,582	13,485	39,376	83,579	9,156	92,735	435	93,170

- Notes:
1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
  2. The negative 5,475 million in adjustments to segment income includes corporate expenses of negative 5,506 million not allocated to reportable segments and 31 million elimination of intersegment transactions. Corporate expenses mainly comprise general & administrative expenses which are usually not attributed to segments and R&D expenses for new business. The 71,883 million in adjustments to segment assets includes corporate assets of 230,719 million not allocated to reportable segments and a negative 158,836 million elimination of intersegment transactions. Corporate assets are mainly attributed to the Company's surplus management funds (cash and deposits), long-term investment funds (investment securities), deferred tax assets and administrative departments.
  3. Capital expenditure includes property, plant and equipment, intangible assets and investment property etc.

The fiscal year under review (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Reportable Segment					Others (Note 1)	Sum total	Adjustment (Note 2)	Consolidated
	Mobility	Health Care	Food & Packaging	Basic Materials	Total				
Sales revenue									
1) To external customers	411,622	164,544	235,167	786,330	1,597,663	15,025	1,612,688	—	1,612,688
2) Intersegment	10,664	3,012	1,999	85,470	101,145	64,966	166,111	(166,111)	—
Total	422,286	167,556	237,166	871,800	1,698,808	79,991	1,778,799	(166,111)	1,612,688
Segment income (Operating income before special items)	49,015	19,789	26,557	75,153	170,514	(1,157)	169,357	(7,542)	161,815
Segment assets	433,732	183,636	326,861	823,347	1,767,576	106,763	1,874,339	60,626	1,934,965
Other items									
Depreciation and amortization	21,184	10,709	11,395	34,643	77,931	5,675	83,606	616	84,222
Share of profit of investments accounted for using equity method	8,453	684	1,172	14,754	25,063	—	25,063	756	25,819
Impairment loss	2,217	167	215	13,584	16,183	—	16,183	—	16,183
Investments accounted for using equity method	26,767	12,168	1,857	71,119	111,911	21,246	133,157	—	133,157
Capital expenditures (Note 3)	33,229	16,043	62,173	89,552	200,997	5,518	206,515	617	207,132

- Notes:
1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
  2. The negative 7,542 million in adjustments to segment income includes corporate expenses of negative 7,437 million not allocated to reportable segments and negative 105 million elimination of intersegment transactions. Corporate expenses mainly comprise general & administrative expenses which are usually not attributed to segments and R&D expenses for new business. The 60,626 million in adjustments to segment assets includes corporate assets of 217,361 million not allocated to reportable segments and a negative 156,735 million elimination of intersegment transactions. Corporate assets are mainly attributed to the Company's surplus management funds (cash and deposits), long-term investment funds (investment securities), deferred tax assets and administrative departments.
  3. Capital expenditure includes property, plant and equipment, intangible assets and investment property etc.

**(4) Adjustments from segment income (loss) to income before income taxes**

(Millions of yen)

	FY2020	FY2021
Total reportable segment income	85,140	161,815
Gain on negative goodwill	—	7,246
Impairment loss	(8,050)	(16,183)
Loss on disposal of non-current assets	(698)	(1,524)
Loss on related business	(3)	(5,616)
Other	1,685	1,572
Operating income	78,074	147,310
Financial income	4,297	6,175
Financial expense	(8,128)	(12,211)
Income before income taxes	74,243	141,274

**10. Information by Region**

Sales Revenue (Millions of yen)

	FY2020	FY2021
Japan	638,288	841,741
China	187,167	234,445
Asia	161,714	218,896
America	128,656	190,033
Europe	88,621	117,838
Other regions	7,279	9,735
Total	1,211,725	1,612,688

Notes: 1. Sales revenue is classified by country and region based on customer location.

2. Major countries and regions located in areas outside of Japan and China are as follows:

- (1) Asia: Taiwan, South Korea, Thailand, Malaysia, Singapore, India
- (2) America: The United States, Mexico
- (3) Europe: Germany, France
- (4) Other regions: Oceania, Africa