

# Summary of Consolidated Financial Results for FY2022



May 12, 2023  
Mitsui Chemicals, Inc.

## 1. Summary of Operating Results

(Unit : Billions of Yen)

	FY2021	FY2022	Incr. (Decr.)	Outlook for FY2023
				Full year
Sales revenue	1,612.7	1,879.5	266.8	1,900.0
Operating income before special items	161.8	113.9	(47.9)	150.0
Operating income	147.3	129.0	(18.3)	145.0
Net income	118.6	90.1	(28.5)	115.0
Net income attributable to owners of the parent	110.0	82.9	(27.1)	100.0

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

· Sales revenue

(Unit : Billions of Yen)

	FY2021	FY2022	Incr. (Decr.)	Breakdown		Outlook for FY2023
				Volume	Price	Full year
Life & Healthcare Solutions	225.2	258.2	33.0	16.5	16.5	284.0
Mobility Solutions	432.7	521.6	88.9	11.8	77.1	558.0
ICT Solutions	207.1	235.7	28.6	(15.7)	44.3	271.0
Basic & Green Materials	737.1	849.0	111.9	(53.5)	165.4	770.0
Others	10.6	15.0	4.4	-	4.4	17.0
Total	1,612.7	1,879.5	266.8	(40.9)	307.7	1,900.0

· Operating income before special items

(Unit : Billions of Yen)

	FY2021	FY2022	Incr. (Decr.)	Breakdown			Outlook for FY2023
				Volume	Price ※	Fixed Costs etc.	Full year
Life & Healthcare Solutions	24.9	29.2	4.3	4.7	5.5	(5.9)	34.0
Mobility Solutions	33.2	49.3	16.1	2.3	26.0	(12.2)	54.0
ICT Solutions	30.2	23.8	(6.4)	(9.0)	8.0	(5.4)	33.0
Basic & Green Materials	77.8	17.8	(60.0)	(17.4)	(26.5)	(16.1)	35.0
Others	(0.5)	(2.8)	(2.3)	-	-	(2.3)	(2.5)
Adjustment	(3.8)	(3.4)	0.4	-	-	0.4	(3.5)
Total	161.8	113.9	(47.9)	(19.4)	13.0	(41.5)	150.0

※Price includes both selling and purchasing price variances.

※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 9. Segment Information (1) Overview of Reportable Segments on page 12 and "Organization Restructuring Effective April 2022" released on November 25, 2021. Please also refer to those below.

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

Accordingly, segment information of the previous fiscal year is based on this reclassification.

## 3. Summary of Statement of Financial Position

(Unit : Billions of Yen)

	Assets				Liabilities and Equity		
	As of Mar. 31, 2022	As of Mar. 31, 2023	Incr. (Decr.)		As of Mar. 31, 2022	As of Mar. 31, 2023	Incr. (Decr.)
Current assets	1,033.5	1,094.3	60.8	Interest-bearing liabilities	715.1	794.7	79.6
Property, plant and equipment & right-of-use assets	553.6	600.9	47.3	Other liabilities	412.8	390.2	(22.6)
Goodwill and intangible assets	63.3	67.5	4.2	Equity attributable to owners of the parent	712.7	786.8	74.1
Other non-current assets	284.6	305.5	20.9	Non-controlling interests	94.4	96.5	2.1
Total assets	1,935.0	2,068.2	133.2	Total liabilities and equity	1,935.0	2,068.2	133.2
[ Inventories ]	369.0	441.9	72.9	[ Net D/E Ratio ]	0.75	0.77	0.02

## 4. Summary of Statement of Cash Flows

(Unit : Billions of Yen)

	FY2021	FY2022	Incr. (Decr.)	Outlook for FY2023 Full year
Cash flows from operating activities	92.6	101.2	8.6	153.0
Cash flows from investing activities	(205.2)	(106.3)	98.9	(138.0)
<i>Free cash flows</i>	<i>(112.6)</i>	<i>(5.1)</i>	<i>107.5</i>	<i>15.0</i>
Cash flows from financing activities	89.2	2.5	(86.7)	(23.0)
Others	8.6	7.7	(0.9)	0.0
Net incr.(decr.) in cash and cash equivalents	(14.8)	5.1	19.9	(8.0)
Cash and cash equivalents at the end of period	181.2	186.3	5.1	

## 5. Accounting Fundamentals

		FY2021	FY2022	Incr. (Decr.)	Outlook for FY2023 Full year
R & D expenses	¥ Billions	38.1	43.0	4.9	45.0
Depreciation & amortization	¥ Billions	84.2	92.1	7.9	98.0
Capital expenditures	¥ Billions	207.1	168.0	(39.1)	185.0
Financing incomes & expenses	¥ Billions	(6.0)	(11.7)	(5.7)	(5.0)
Interest-bearing liabilities	¥ Billions	715.1	794.7	79.6	814.0
Net D/E Ratio	percentage	0.75	0.77	0.02	0.75
Number of employees	person	18,780	18,933	153	19,400
Exchange rate	Yen / US\$	112	135	23	135
Domestic standard naphtha price	Yen / KL	56,600	76,600	20,000	72,000

## 6. Scope of Consolidation and Equity Method

	As of Mar. 31, 2022	As of Mar. 31, 2023	Incr. (Decr.)	Outlook for FY2023 Full year
Consolidated subsidiaries	129	134	5	133
Joint operations	4	4	-	4
Non-consolidated subsidiaries and affiliates	28	27	(1)	25
Total	161	165	4	162

## 7. Dividends

	Annual Dividends per Share (yen)				
	1st Q	Interim (2nd Q)	3rd Q	Year-end (4th Q)	Annual Total
FY2022 Result	-	60.00	-	60.00	120.00
FY2023 Forecast	-	70.00	-	70.00	140.00

## 8. Number of Shares Outstanding (common stock)

	FY2021	FY2022
Number of shares outstanding at term-end (including treasury stock)	204,653,315	200,763,815
Number of shares of treasury stock at term-end	11,417,375	10,697,729
Average number of shares	194,516,547	192,349,712

## 1. Operating Results

### (1) Overview

In the fiscal period under review (the twelve-month period from Apr 1, 2022 to March 31, 2023, hereinafter the “fiscal 2022”), the world economy has been showing recovery due to the recovery of economic activities, following the easing impact from the coronavirus. However, the economy was affected by the increase of raw materials and fuel prices in Europe caused by the situation in Ukraine, and the intermittent lockdowns in China, although the zero-COVID policy was lifted.

In Japan as well, the economic activities have been normalizing and recovering. On the other hand, there are growing concerns about economic slowdown due to high level of raw materials and fuel prices and rise in cost of living.

In the domestic chemical industry, domestic naphtha cracker operating rates decreased due to slowing demand of downstream products compared with the previous fiscal year.

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

In Life & Healthcare Solutions, amid declining birthrates and aging populations in advanced countries and growing economies and increasing populations in emerging markets, people are growing ever more concerned about improving their quality of life (QOL) and social issues, such as food resource shortages. Addressing such concerns, we added to our lineup of vision care materials, which boast the world-leading market share, with the launch of MR-160 DG™, a 1.60 refraction lens in the Do Green™ series of lens materials with high refractive indices that are made using plant-derived raw materials. In addition, our subsidiary SDC Technologies, Inc. expanded its solutions business in the ophthalmic lens industry through the acquisition of Coburn Technologies, Inc., a developer, manufacturer, and marketer of ophthalmic lens processing devices. In agrochemicals, our subsidiary Mitsui Chemicals Crop & Life Solutions, Inc. acquired prequalification from the World Health Organization (WHO) for VECTRON™ T500, a malaria-carrying mosquito repellent.

In Mobility Solutions, 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. TAFMER™, which is flexible and lightweight, is being used in a wide range of fields, including solar cell-related materials, in addition to conventional automobile part applications. Aiming to seize demand for new applications while responding to increasing demand related to conventional applications, we decided to expand production capacity by establishing a new plant at our subsidiary Mitsui Elastmers Singapore Pte Ltd. 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. In addition to these kinds of businesses providing materials, we provide new solutions that integrate materials and services, thereby helping solve social issues.

In ICT Solutions, in line with the advance of global digitalization such as high-speed telecommunications and the development of AI, the importance of evolution is increasing for Beyond 5G and AI, which support safe and comfortable infrastructure and a sustainable global environment in the information, communication and technology (ICT) field. In semiconductors and practical solutions, we acquired the pellicle business from Asahi Kasei Corporation, which possesses sophisticated technologies and a robust technological base. In addition, in October 2023 we aim to begin commercial operations for ICROS™ Tape, which holds the world’s top share as a protective tape for semiconductor manufacturing processes. We will expand the production facilities of our subsidiary Taiwan Tohcello Functional Sheet, Inc. and, with the aim of expanding our business scope, focus on developing new fields, such

as thermal release tape and functional dicing tape that is both heat-resistant and peelable.

In Basic & Green Materials, we added promotion of the green chemicals business to the existing basic materials domain, which is centered on petrochemicals and basic chemicals. We are expanding the markets for highly functional and niche products by enhancing downstream businesses while reducing business volatility through restructuring. As a part of these efforts, we sold all of our shares in the subsidiary Mitsui Phenols Singapore Pte. Ltd. to INEOS Holdings Limited. Moreover, we decided to optimize (reduce) the Omuta Works' toluene diisocyanate production capacity. In addition, to accelerate the promotion of the green chemicals business, we are targeting commercialization in a wide range of fields, including biomass raw materials, plastic recycling, and CCUS. In fiscal 2022, we invested in Apeiron AgroCommodities Pte. Ltd., one of the largest shipping and marketing companies in the Southeast Asian and Chinese regions for waste food oil, which can be used as a raw material for biomass naphtha.

The Group reported the following operating results for fiscal 2022 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 2022	1,879.5	113.9	129.0	82.9
Previous fiscal year	1,612.7	161.8	147.3	110.0
Difference	266.8	(47.9)	(18.3)	(27.1)
Ratio (%)	16.5	(29.6)	(12.4)	(24.6)

**Sales revenue** increased 266.8 billion yen, or 16.5%, compared with the previous fiscal year to 1,879.5 billion yen. This was mainly attributable to increase in sales prices due to higher naphtha and other raw materials and fuel prices.

**Operating income before special items** was 113.9 billion yen, a decrease of 47.9 billion yen or 29.6% year on year. This result was due to fall in overseas market prices of Bisphenol A and increase of fixed costs.

**Operating income** was 129.0 billion yen, decreased 18.3 billion yen or 12.4% year on year. This result was mainly due to decrease of operating income before special items, despite of recognizing gain from share transfer associated with sale of a consolidated subsidiary.

**Financial income/expenses** worsened 5.7 billion yen year on year to 11.7 billion yen loss.

As a result of the aforementioned factors, **income before income taxes** amounted to 117.3 billion yen, a decrease of 24.0 billion yen or 17.0% year on year.

**Net income attributable to owners of the parent** after accounting for income taxes and non-controlling interests was 82.9 billion yen, a decrease of 27.1 billion yen or 24.6% compared with the previous fiscal year. Basic earnings per share for the period were 431.17 yen.

## (2) Results by Business Segment

The status of each segment during fiscal 2022 is as follows.

The Company revised our business portfolio and the reportable segments to realize a new long-term business plan, "VISION 2030". The details are described in 9. Segment Information (1) Overview of Reportable Segments on page 12 and "Organization Restructuring Effective April 2022" released on November 25, 2021. Please also refer to those below.  
<https://jp.mitsuichemicals.com/sites/default/files/media/document/2021/211125e.pdf>

Accordingly, segment information of the previous fiscal year is based on this reclassification.

### Life & Healthcare Solutions

Sales revenue increased 33.0 billion yen compared with the previous fiscal year to 258.2 billion yen and comprised 14% of total sales. Operating income before special items increased 4.3 billion yen to 29.2 billion yen year on year. The increase in income was mainly due to healthy sales in agrochemicals.

In **vision care materials**, sales remained healthy for ophthalmic lens materials.

In **oral care materials**, sales remained same level as the previous fiscal year.

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

### Mobility Solutions

Sales revenue increased 88.9 billion yen year on year to 521.6 billion yen and comprised 28% of total sales. Operating income before special items increased 16.1 billion yen to 49.3 billion yen, mainly due to improved terms of trade, resulting from sales price revision and favorable foreign exchange conditions.

In **elastomers**, terms of trade were improved due to sales price revision and favorable foreign exchange conditions.

In **performance compounds** and **polypropylene compound**, sales increased due to recovery of production volume in automotive industry. Terms of trade were improved due to sales price revision and favorable foreign exchange conditions.

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

### ICT Solutions

Sales revenue increased 28.6 billion yen compared with the previous fiscal year to 235.7 billion yen and comprised 12% of total sales. On the other hand, operating income before special items decreased 6.4 billion yen to 23.8 billion yen year on year. This was mainly affected by slowing demand for semiconductor materials, although terms of trade were improved by favorable foreign exchange conditions.

In **semiconductor & optical materials** and **coatings & engineering materials**, terms of trade were improved due to favorable foreign exchange conditions despite of decrease in sales.

In **industrial films**, sales decreased from slowing demand for semiconductor materials.

### Basic & Green Materials

Sales revenue increased 111.9 billion yen compared with the previous fiscal year to 849.0 billion yen and accounted for 45% of total sales. On the other hand, operating income before special items decreased 60.0 billion yen to 17.8 billion yen, due to fall in overseas market prices of Bisphenol A and decline in inventory valuation gain.

Sales of **polyolefin and phenols** were affected by slowing demand. **Naphtha cracker** operating rates decreased due to slowing demand of downstream products.

## Others

Sales revenue increased 4.4 billion yen to 15.0 billion yen, comprised 1% of total sales. On the other hand, operating loss before special items was 2.8 billion yen loss, increase of 2.3 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 2,068.2 billion yen, an increase of 133.2 billion yen compared with the end of the previous fiscal year.

**Total liabilities** at the end of fiscal year increased 57.0 billion yen compared with the previous fiscal year-end to 1,184.9 billion yen. **Interest-bearing debt** amounted to 794.7 billion yen, an increase of 79.6 billion yen compared with the previous fiscal year-end. As a result, the interest-bearing debt ratio was 38.4%, an increase of 1.4 percentage point.

**Total equity** was 883.3 billion yen, an increase of 76.2 billion yen compared with the previous fiscal year-end. The **ratio of equity attributable to owners of the parent** was 38.0%, an increase of 1.2 percentage point.

Accounting for the aforementioned factors, the **net debt-equity ratio** stood at 0.77 at the end of the fiscal year, 0.02 percentage 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 increased 5.1 billion yen to 186.3 billion yen compared with the previous fiscal year-end.

#### Cash Flows from Operating Activities

Net cash provided by operating activities increased 8.6 billion yen to 101.2 billion yen due to decrease of working capital, despite of lower income before income taxes.

#### Cash Flows from Investing Activities

Net cash used in investing activities decreased 98.9 billion yen compared with the previous fiscal year to 106.3 billion yen, mainly due to decrease of purchase of investments accounted for using equity method and proceeds from a paid-in capital reduction of investment securities.

#### Cash Flows from Financing Activities

Net cash provided by financing activities decreased 86.7 billion yen to 2.5 billion yen due primarily to decrease of borrowings of interest-bearing debt.

### (3) Trends in Cash Flow Indicators

	FY2018 (As of March 31, 2019)	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Shareholders' Equity Ratio (%)	36.8	34.6	39.0	36.8	38.0
Shareholders' Equity Ratio on a Market Value Basis (%)	34.7	25.6	44.0	30.9	31.3
Ratio of Interest-bearing Debt to Cash Flows	4.4	4.2	3.2	7.7	7.8
Interest Coverage Ratio (Times)	19.9	25.5	37.1	23.3	17.2

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 for FY2018 are based on Japanese GAAP.

### 3. Outlook for Fiscal 2023 (Year Ending March 31, 2024)

#### (1) Overall of Financial Outlook for Fiscal 2023

In fiscal 2023, the global economy is expected to recover, as supported by factors such as the resumption of the Chinese economy and a gradual decline in the inflation rate, although there are concerns about global recession risks due to the prolonged Ukraine crisis and rising interest rates in Europe and the United States.

In Japan, in addition to aforementioned factors, there are concerns that business performance will deteriorate due to fluctuations in exchange rates and raw material and fuel prices. Nevertheless, the domestic economy is expected to recover as the coronavirus restrictions on economic activities are mostly lifted.

In the chemical industry, although there are concerns about the impact of fluctuations in exchange rates and raw material and fuel prices, demand is expected to expand as the economy recovers.

Under these conditions, the Group forecasts its business performance and earnings growth for fiscal 2023 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 2023	1,900.0	150.0	145.0	115.0	100.0
Fiscal 2022	1,879.5	113.9	129.0	90.1	82.9
Difference	20.5	36.1	16.0	24.9	17.1
Ratio (%)	1.1	31.7	12.4	27.6	20.6

Outlook above are based on the following assumptions:

- a) Exchange rate for the full year is 135 yen/US\$
- b) Average price of domestic naphtha is 72,000 yen/kl
- c) "Operating income before special items" is operating income excluding non-recurring items.

## (2) Outlook by FY2023 Business Segment

Outlook by FY2023 business segment is as follows.

(Billions of Yen)

	Sales Revenue						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
Fiscal 2023	284.0	558.0	271.0	770.0	17.0	-	1,900.0
Fiscal 2022	258.2	521.6	235.7	849.0	15.0	-	1,879.5
Difference	25.8	36.4	35.3	(79.0)	2.0	-	20.5
Ratio (%)	10.0	7.0	15.0	(9.3)	13.3	-	1.1

(Billions of Yen)

	Operating Income before Special Items						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
Fiscal 2023	34.0	54.0	33.0	35.0	(2.5)	(3.5)	150.0
Fiscal 2022	29.2	49.3	23.8	17.8	(2.8)	(3.4)	113.9
Difference	4.8	4.7	9.2	17.2	0.3	(0.1)	36.1
Ratio (%)	16.4	9.5	38.7	96.6	-	-	31.7

## 4. Basic Policy on Appropriation of Profits, Cash Dividends for Fiscal 2022 and 2023 (Year Ending March 31, 2023 and March 31, 2024)

### (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 2022 and 2023

Considering the recent business conditions, the Company plans to pay a year-end dividend of 60 yen per share in current fiscal year.

Because a 60 yen interim dividend was already paid out on December 2, 2022, dividends for the full fiscal year will total 120 yen per share, dividends on equity will be 3.1% and total return ratio will be 40.4%.

Turning to dividends for the fiscal year ending March 31, 2024, the Company plans to pay an interim dividend of 70 yen and a year-end dividend of 70 yen, totaling 140 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	
	FY2021	FY2022
	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	181,152	186,310
Trade receivables	370,426	352,181
Inventories	369,009	441,949
Other financial assets	43,496	76,409
Other current assets	27,258	37,437
Total	991,341	1,094,286
Assets held for sale	42,104	-
<b>Total current assets</b>	<b>1,033,445</b>	<b>1,094,286</b>
<b>Non-current assets</b>		
Property, plant and equipment	513,950	553,332
Right-of-use assets	39,634	47,555
Goodwill	17,981	19,338
Intangible assets	45,341	48,137
Investment property	21,546	21,713
Investments accounted for using equity method	133,157	148,892
Other financial assets	55,757	58,518
Retirement benefit assets	60,750	61,036
Deferred tax assets	8,579	10,270
Other non-current assets	4,825	5,126
<b>Total non-current assets</b>	<b>901,520</b>	<b>973,917</b>
<b>Total assets</b>	<b>1,934,965</b>	<b>2,068,203</b>

	<b>Millions of yen</b>	
	<b>FY2021</b>	<b>FY2022</b>
	<b>As of</b>	<b>As of</b>
	<b>March 31, 2022</b>	<b>March 31, 2023</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	174,844	164,267
Bonds and borrowings	346,615	368,463
Income taxes payable	12,903	7,416
Other financial liabilities	127,608	112,933
Provisions	2,474	2,349
Other current liabilities	42,125	40,016
<b>Total current liabilities</b>	<b>706,569</b>	<b>695,444</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	319,471	369,786
Other financial liabilities	49,297	57,174
Retirement benefit liabilities	18,857	20,242
Provisions	5,051	6,101
Deferred tax liabilities	28,133	35,162
Other non-current liabilities	465	991
<b>Total non-current liabilities</b>	<b>421,274</b>	<b>489,456</b>
<b>Total liabilities</b>	<b>1,127,843</b>	<b>1,184,900</b>
<b>Equity</b>		
Share capital	125,414	125,572
Capital surplus	69,866	57,778
Treasury stock	(34,932)	(32,704)
Retained earnings	516,098	575,125
Other components of equity	36,208	61,056
<b>Total equity attributable to owners of the parent</b>	<b>712,654</b>	<b>786,827</b>
<b>Non-controlling interests</b>	<b>94,468</b>	<b>96,476</b>
<b>Total equity</b>	<b>807,122</b>	<b>883,303</b>
<b>Total liabilities and equity</b>	<b>1,934,965</b>	<b>2,068,203</b>

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

### (Consolidated Income Statements)

	Millions of yen	
	FY2021 April 1, 2021 to March 31, 2022	FY2022 April 1, 2022 to March 31, 2023
<b>Sales revenue</b>	<b>1,612,688</b>	<b>1,879,547</b>
Cost of sales	(1,233,948)	(1,498,054)
<b>Gross profit</b>	<b>378,740</b>	<b>381,493</b>
Selling, general and administrative expenses	(239,356)	(284,589)
Other operating income	13,112	28,325
Other operating expenses	(31,005)	(17,924)
Share of profit of investments accounted for using equity method	25,819	21,693
<b>Operating income</b>	<b>147,310</b>	<b>128,998</b>
Financial income	6,175	5,678
Financial expenses	(12,211)	(17,398)
<b>Income before income taxes</b>	<b>141,274</b>	<b>117,278</b>
Income tax expense	(22,723)	(27,140)
<b>Net income</b>	<b>118,551</b>	<b>90,138</b>
<b>Net income attributable to:</b>		
Owners of parent	<b>109,990</b>	<b>82,936</b>
Non-controlling interests	<b>8,561</b>	<b>7,202</b>
<b>Net income</b>	<b>118,551</b>	<b>90,138</b>
<b>Earnings per share</b>		
Basic earnings per share (Yen)	565.45	431.17

### (Consolidated Statements of Comprehensive Income)

	Millions of yen	
	FY2021 April 1, 2021 to March 31, 2022	FY2022 April 1, 2022 to March 31, 2023
<b>Net income</b>	<b>118,551</b>	<b>90,138</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	3,074	4,186
Remeasurements of defined benefit plans	2,149	901
Share of other comprehensive income of investments accounted for using equity method	210	14
Total of items that will not be reclassified to profit or loss	5,433	5,101
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	22,496	17,879
Effective portion of net change in fair value of cash flow hedges	494	160
Share of other comprehensive income of investments accounted for using equity method	3,726	4,790
Total of items that may be reclassified to profit or loss	26,716	22,829
<b>Total other comprehensive income, net of tax</b>	<b>32,149</b>	<b>27,930</b>
<b>Comprehensive income</b>	<b>150,700</b>	<b>118,068</b>
Comprehensive income attributable to:		
Owners of parent	139,352	108,036
Non-controlling interests	11,348	10,032
<b>Comprehensive income</b>	<b>150,700</b>	<b>118,068</b>

## 8. Consolidated Statements of Cash Flows

	Millions of yen	
	FY2021	FY2022
	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes	141,274	117,278
Depreciation and amortization	84,222	92,080
Impairment loss	16,183	7,455
Gain on negative goodwill	(7,246)	—
Insurance income	(1,226)	(2,083)
Interest and dividend income	(2,458)	(5,011)
Interest expenses	3,932	5,813
Share of loss (profit) of investments accounted for using equity method	(25,819)	(21,693)
Decrease (increase) in trade receivables	(62,942)	21,409
Decrease (increase) in inventories	(81,582)	(68,718)
Increase (decrease) in trade payables	39,968	(11,019)
Other	(3,098)	(10,000)
<b>Subtotal</b>	<b>101,208</b>	<b>125,511</b>
Interest and dividends received	11,158	13,930
Proceeds from insurance income	1,226	2,083
Interest paid	(3,972)	(5,889)
Income taxes paid	(17,036)	(34,394)
<b>Net cash provided by (used in) operating activities</b>	<b>92,584</b>	<b>101,241</b>
<b>Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	(107,067)	(132,347)
Proceeds from sale of property, plant and equipment	1,588	490
Purchase of intangible assets	(9,149)	(5,514)
Proceeds from sale of intangible assets	4	8
Purchase of marketable securities	—	(3,101)
Proceeds from sale and redemption of marketable securities	—	3,248
Purchase of investment securities	(2,510)	(2,378)
Proceeds from sale and redemption of investment securities	2,939	1,149
Proceeds from a paid-in capital reduction of investment securities	—	37,320
Payments for acquisition of subsidiaries	(41,510)	(3,706)
Proceeds from acquisition of subsidiaries	12,430	—
Payments for sale of subsidiaries	(1,749)	(6,311)
Proceeds from sale of subsidiaries	5,547	—
Payments for acquisition of businesses	(10,694)	—
Purchase of equity accounted investments	(58,826)	(12)
Proceeds from sale of equity accounted investments	—	4,426
Other	3,763	388
<b>Net cash provided by (used in) investing activities</b>	<b>(205,234)</b>	<b>(106,340)</b>

	Millions of yen	
	FY2021	FY2022
	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	54,999	4,064
Increase(decrease) in commercial papers	70,000	20,000
Proceeds from long-term borrowings	40,289	79,352
Repayments of long-term borrowings	(45,566)	(48,759)
Proceeds from issuance of bonds	35,000	15,000
Redemption of bonds	(10,432)	(284)
Repayments of lease liabilities	(9,637)	(9,810)
Proceeds from sale of treasury stock	6	5
Purchase of treasury stock	(10,037)	(10,023)
Dividends paid	(20,527)	(24,161)
Capital contribution from non-controlling interests	1	10
Dividends paid to non-controlling interests	(5,617)	(7,253)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(9,257)	(15,599)
<b>Net cash provided by (used in) financing activities</b>	<b>89,222</b>	<b>2,542</b>
Effect of exchange rate change on cash and cash equivalents	8,593	7,715
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(14,835)</b>	<b>5,158</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>195,987</b>	<b>181,152</b>
<b>Cash and cash equivalents at end of period</b>	<b>181,152</b>	<b>186,310</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: Life & Healthcare Solutions, Mobility Solutions, ICT Solutions, and Basic & Green Materials. Business segments, which are not included in the reportable segments, are classified into "Others."

The Company revised our business portfolio to realize VISION 2030, a long-term business plan starting in 2021 and running through to 2030. Consequently, from the first quarter of fiscal 2022, reportable segments were reviewed and reclassified from previous four segments of "Healthcare", "Mobility", "Food & Packaging", and "Basic Materials" into four segments of "Life & Healthcare Solutions", "Mobility Solutions", "ICT Solutions", and "Basic & Green Materials".

Accordingly, segment information for the previous fiscal year is based on this reclassification.

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

Segments		Major Products and Businesses
Reportable Segments	Life & Healthcare Solutions	Vision care materials, nonwoven fabrics, oral care materials, personal care materials and, agrochemicals
	Mobility Solutions	Elastomers, performance compounds, polypropylene compounds and, comprehensive services regarding to the development of automotive and industrial products (Solution business)
	ICT Solutions	Materials and components for semiconductor and electronic component manufacturing processes, optical materials, lithium-ion battery materials, next-generation battery materials and, high-performance food packaging materials
	Basic & Green 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, 2021 – March 31, 2022)

(Millions of yen)

	Reportable Segment					Others (Note 1)	Adjustment (Note 2)	Consolidated
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Total			
Sales revenue								
1) To external customers	225,178	432,683	207,134	737,069	1,602,064	10,624	-	1,612,688
2) Intersegment	3,018	3,536	5,413	105,000	116,967	64,523	(181,490)	-
Total	228,196	436,219	212,547	842,069	1,719,031	75,147	(181,490)	1,612,688
Segment income (Operating income before special items)	24,946	33,230	30,183	77,771	166,130	(534)	(3,781)	161,815
Segment assets	366,775	414,497	258,462	732,969	1,772,703	106,903	55,359	1,934,965
Other items								
Depreciation and amortization	13,449	19,777	12,441	32,343	78,010	6,157	55	84,222
Share of profit of investments accounted for using equity method	838	4,202	5,520	14,592	25,152	631	36	25,819
Impairment loss	164	2,225	216	13,578	16,183	-	-	16,183
Investments accounted for using equity method	30,780	9,703	19,408	70,232	130,123	3,146	(112)	133,157
Capital expenditures (Note 3)	65,412	27,360	25,728	83,362	201,862	5,152	118	207,132

- Notes:
1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
  2. The negative 3,781 million yen in adjustments to segment income includes corporate profit (loss) of negative 3,455 million yen not allocated to reportable segments and negative 326 million yen elimination of intersegment transactions. Corporate profit (loss) mainly comprise general & administrative expenses which are usually not attributed to segments and R&D expenses for new business and, allocation difference of general & administrative expenses to be borne by segments. The 55,359 million yen in adjustments to segment assets includes corporate assets of 169,718 million yen not allocated to reportable segments and a negative 114,359 million yen 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, 2022 – March 31, 2023)

(Millions of yen)

	Reportable Segment					Others (Note 1)	Adjustment (Note 2)	Consolidated
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Total			
Sales revenue								
1) To external customers	258,226	521,574	235,681	848,976	1,864,457	15,090	-	1,879,547
2) Intersegment	3,540	3,114	6,845	131,566	145,065	85,883	(230,948)	-
Total	261,766	524,688	242,526	980,542	2,009,522	100,973	(230,948)	1,879,547
Segment income (Operating income before special items)	29,214	49,268	23,789	17,818	120,089	(2,804)	(3,382)	113,903
Segment assets	413,515	447,435	295,598	719,258	1,875,806	94,322	98,075	2,068,203
Other items								
Depreciation and amortization	14,975	20,667	15,276	33,231	84,149	7,993	(62)	92,080
Share of profit of investments accounted for using equity method	1,264	3,598	5,263	10,975	21,100	617	(24)	21,693
Impairment loss	7	2,928	3	4,517	7,455	-	-	7,455
Investments accounted for using equity method	28,205	13,727	19,903	83,663	145,498	3,457	(63)	148,892
Capital expenditures (Note 3)	32,582	35,759	31,169	59,733	159,243	8,417	342	168,002

- Notes:
1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
  2. The negative 3,382 million yen in adjustments to segment income includes corporate profit (loss) of negative 3,725 million yen not allocated to reportable segments and 343 million yen elimination of intersegment transactions. Corporate profit (loss) mainly comprise general & administrative expenses which are usually not attributed to segments and R&D expenses for new business and, allocation difference of general & administrative expenses to be borne by segments. The 98,075 million yen in adjustments to segment assets includes corporate assets of 171,789 million yen not allocated to reportable segments and a negative 73,714 million yen 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)

	FY2021	FY2022
Total reportable segment income	161,815	113,903
Gain on negative goodwill	7,246	-
Gain on sales of shares of subsidiaries	638	24,178
Impairment loss	(16,183)	(7,455)
Loss on disposal of non-current assets	(1,524)	(1,940)
Loss on related business	(5,616)	(1,054)
Other	934	1,366
Operating income	147,310	128,998
Financial income	6,175	5,678
Financial expense	(12,211)	(17,398)
Income before income taxes	141,274	117,278

**10. Information by Region**

Sales Revenue (Millions of yen)

	FY2021	FY2022
Japan	841,741	959,431
China	234,445	233,148
Asia	218,896	290,652
America	190,033	250,306
Europe	117,838	133,462
Other regions	9,735	12,548
Total	1,612,688	1,879,547

- 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