



MEMBERSHIP  
May 13, 2022

Company Name: Mitsui Chemicals, Inc.  
(Prime Section of the Tokyo Stock Exchange, Code: 4183)  
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## **Notice Regarding the Recording of Impairment Loss and Loss on Valuation of Shares of Subsidiaries and Affiliates**

In the fiscal year ended March 31, 2022, Mitsui Chemicals, Inc. ("The Company") recorded an impairment loss and loss on valuation of shares of subsidiaries and affiliates as follows.

### **1. Recording of Impairment Loss**

#### **1) in Consolidated Financial Closing**

Our polyurethane business environment remained difficult due to increase of raw materials and fuel prices and logistics costs for TDI, as well as higher plant maintenance costs. The Company reviewed the recoverability of investments after considering current business conditions. As a result, an impairment loss of 13.3 billion yen on fixed assets of this business was recorded as other operating expenses.

The impairment loss has been incorporated in the financial forecasts for FY 2021 (April 1, 2021 to March 31, 2022) announced on November 5, 2021.

#### **2) in Non-consolidated Financial Closing**

As per section 1), an impairment loss of 12.5 billion yen on fixed assets of our polyurethane business was recorded as extraordinary loss in the non-consolidated financial closing.

The Company applies Japanese GAAP to our non-consolidated financial closing.

### **2. Recording of Loss on valuation of shares of subsidiaries and affiliates in Non-consolidated Financial Closing**

ARRK Corporation ("ARRK") has been a consolidated subsidiary of the Company since January 2018. Due to a significant decline in the real value of the ARRK's shares held by the Company, the Company recognized an impairment loss and recorded 22.4 billion yen loss on valuation of shares of subsidiaries and affiliates as extraordinary loss.

There is no effect on the consolidated financial results for the fiscal year ending March 31, 2022 as said loss on valuation of shares of subsidiaries and affiliates is eliminated in the consolidated financial closing.