

Summary of Consolidated Financial Results for FY2024



May 13, 2025
Mitsui Chemicals, Inc.

1. Summary of Operating Results

(Unit : Billions of Yen)

	FY2023	FY2024	Incr. (Decr.)	Outlook for FY2025
				Full year
Sales revenue	1,749.7	1,809.2	59.5	1,770.0
Operating income before special items	96.2	101.0	4.8	110.0
Operating income	74.1	78.3	4.2	98.0
Net income	53.8	42.6	(11.2)	65.0
Net income attributable to owners of the parent	50.0	32.2	(17.8)	55.0

2. Sales Revenue and Operating Income before Special Items by Business Segment ※1

· Sales revenue

(Unit : Billions of Yen)

	FY2023	FY2024	Incr. (Decr.)	Breakdown	
				Volume	Price
Life & Healthcare Solutions	271.7	295.8	24.1	18.3	5.8
Mobility Solutions	544.0	569.8	25.8	14.9	10.9
ICT Solutions	259.4	218.8	(40.6)	(45.9)	5.3
Basic & Green Materials	659.9	710.0	50.1	(7.4)	57.5
Others	14.7	14.8	0.1	-	0.1
Total	1,749.7	1,809.2	59.5	(20.1)	79.6

· Operating income (loss) before special items

(Unit : Billions of Yen)

	FY2023	FY2024	Incr. (Decr.)	Breakdown		
				Volume	Price ※2	Fixed Costs etc.
Life & Healthcare Solutions	30.0	34.2	4.2	5.9	3.8	(5.5)
Mobility Solutions	57.7	55.9	(1.8)	6.2	(3.5)	(4.5)
ICT Solutions	23.6	25.8	2.2	6.2	0.6	(4.6)
Basic & Green Materials	(11.6)	(11.4)	0.2	(3.2)	8.2	(4.8)
Others	(1.7)	(2.6)	(0.9)	-	-	(0.9)
Adjustment	(1.8)	(0.9)	0.9	-	-	0.9
Total	96.2	101.0	4.8	15.1	9.1	(19.4)

※1 In accordance with the organizational reform implemented on April 1, 2024, Mitsui Chemicals, Inc. group has revised the segments to which Honshu Chemical Industry Co., Ltd. and certain other consolidated subsidiaries and equity method affiliates belong.

Additionally, the segments for the corresponding period of the previous year are disclosed based on the reportable segment classifications after the revisions.

※2 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, 2024	As of Mar. 31, 2025	Incr. (Decr.)		As of Mar. 31, 2024	As of Mar. 31, 2025	Incr. (Decr.)
Current assets	1,150.6	1,041.2	(109.4)	Interest-bearing debt	811.5	791.7	(19.8)
Property, plant and equipment & right-of-use assets	652.1	669.2	17.1	Other liabilities	419.5	391.7	(27.8)
Goodwill and intangible assets	76.4	87.3	10.9	Equity attributable to owners of the parent	862.9	848.3	(14.6)
Other non-current assets	336.7	356.3	19.6	Non-controlling interests	121.9	122.3	0.4
Total assets	2,215.8	2,154.0	(61.8)	Total liabilities and equity	2,215.8	2,154.0	(61.8)
[Net D/E Ratio]					0.69	0.73	0.04

4. Summary of Statement of Cash Flows

(Unit : Billions of Yen)

	FY2023	FY2024	Incr. (Decr.)	Outlook for FY2025
				Full year
Cash flows from operating activities	161.3	200.5	39.2	200.0
Cash flows from investing activities	(123.9)	(165.0)	(41.1)	(155.0)
Free cash flows	37.4	35.5	(1.9)	45.0
Cash flows from financing activities	(26.0)	(74.4)	(48.4)	(45.0)
Others	12.6	(0.8)	(13.4)	0.0
Net incr.(decr.) in cash and cash equivalents	24.0	(39.7)	(63.7)	0.0
Cash and cash equivalents at the end of period	210.3	170.6	(39.7)	

5. Accounting Fundamentals

		FY2023	FY2024	Incr. (Decr.)	Outlook for FY2025
					Full year
R & D expenses	¥ Billions	44.7	45.8	1.1	49.0
Depreciation & amortization	¥ Billions	95.2	99.8	4.6	109.0
Capital expenditures	¥ Billions	185.7	145.2	(40.5)	154.0
Interest-bearing debt	¥ Billions	811.5	791.7	(19.8)	781.0
Net D/E Ratio	percentage	0.69	0.73	0.04	0.70
Number of employees	person	19,861	17,320	(2,541)	17,500
Exchange rate	Yen / US\$	145	153	8	140
Domestic standard naphtha price	Yen / KL	69,100	75,600	6,500	65,000

6. Scope of Consolidation and Equity Method

(Unit : Number of Companies)

	FY2023	FY2024	Incr. (Decr.)	Outlook for FY2025
				Full year
Consolidated subsidiaries	133	127	(6)	125
Joint operations	4	4	—	4
Joint ventures and affiliates	26	23	(3)	22
Total	163	154	(9)	151

7. Sales Revenue and Operating Income before Special Items by Business Segment ※3
(by business segment after change)

・Sales revenue

(Unit : Billions of Yen)

	FY2024		Outlook for FY2025
	Interim	Full year	Full year
Life & Healthcare Solutions	115.5	251.7	260.0
Mobility Solutions	276.8	555.1	550.0
ICT Solutions	139.8	277.6	290.0
Basic & Green Materials	351.0	710.0	655.0
Others	7.3	14.8	15.0
Total	890.4	1,809.2	1,770.0

・Operating income (loss) before special items

(Unit : Billions of Yen)

	FY2024		Outlook for FY2025
	Interim	Full year	Full year
Life & Healthcare Solutions	15.3	34.1	35.5
Mobility Solutions	28.4	55.1	53.0
ICT Solutions	12.8	26.7	33.5
Basic & Green Materials	(2.6)	(11.4)	1.5
Others	(1.1)	(2.6)	(3.5)
Adjustment	0.0	(0.9)	(10.0)
Total	52.8	101.0	110.0

※3 In accordance with the organizational reform implemented on April 1, 2025, Mitsui Chemicals, Inc. group has revised the segments to which Mitsui Chemicals Asahi Life Materials Co., Ltd. and certain other consolidated subsidiaries belong.
Additionally, the segments for the current year are disclosed based on the reportable segment classifications after the revisions.

8. Dividends

	Annual Dividends per Share (yen)				
	1st Q	Interim (2nd Q)	3rd Q	Year-end (4th Q)	Annual Total
FY2024 Result	—	75.00	—	75.00	150.00
FY2025 Forecast	—	75.00	—	75.00	150.00

9. Number of Shares Outstanding (common stock)

	FY2023	FY2024
Number of shares outstanding at term-end (including treasury stock)	200,843,815	200,843,815
Number of shares of treasury stock at term-end	10,709,181	13,502,745
Average number of shares	190,120,582	189,036,695

1. Operating Results

(1) Overview

In the fiscal period under review (the twelve-month period from April 1, 2024 to March 31, 2025, hereinafter "fiscal 2024"), economic recovery continued worldwide. Meanwhile, the pace of recovery in some countries and regions has slowed amid weak demand and tightened monetary policy.

In Japan, economic activity has continued to recover with the improvement of employment and income environment, although it has struggled in some parts.

In the domestic chemical industry, domestic naphtha cracker operating rates remained low due to slowing demand for downstream products.

Under these circumstances, we have a philosophy that is to contribute broadly to society by providing high-quality products and services to customers through innovation and the creation of materials, while keeping in harmony with the global environment. We are also working to solve social challenges through our business activities by managing our business with ESG elements at its core. In addition, under our long-term management plan "VISION 2030" formulated in fiscal 2021, we are accelerating our transformation toward the future society that we envision.

In Life & Healthcare Solutions, amid declining birthrates and aging populations in advanced countries as well as 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. In vision care materials, an area in which we boast the world-leading market share, the latest production capacity increase for MR™ was completed in 2024. However, in order to meet further increased demand, not only in Europe and the U.S. but also in China and India, we have decided to complement the existing MR™ plant at Omuta Works with a new plant that is slated to begin commercial operation in the first half of fiscal 2028. In the dental materials market, which is transitioning away from metal in favor of resin materials, we have launched sales of the i-TFC™ Luminous II dental material range. The new product range was created through a three-way business partnership with our subsidiary SUN MEDICAL CO., LTD. and SHOFU INC., with which we have a capital tie-up, by uniting the three companies' unique technologies.

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 an increased need for improved fuel economy. With its flexibility and lightweight, TAFMER™ is used not only in automotive parts but also in packaging materials and solar cell components. To capture demand through further expansion of applications, we have completed the construction of a new TAFMER™ plant in Singapore in fiscal 2024 and plan to commence commercial operations in fiscal 2025.

Direct pellet-fed 3D-printed components jointly developed by Mitsui Chemicals and our subsidiary ARRK CORPORATION, and TAFNEX™ CF/PP – a unidirectional carbon fiber-reinforced polypropylene resin sheet developed by Mitsui Chemicals – have found application in the TOYOTA Hyper-F CONCEPT, a high-performance concept car based on the Toyota Fortuner. This has been made possible by the technology of ARRK CORPORATION, one of Japan's largest product development support companies in this industry, offering services from prototyping to mass production.

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 in the information, communication and technology (ICT) field regarding Beyond 5G and AI, which support safe and comfortable infrastructure and a sustainable global environment. In the semiconductor-related market, which is expected to expand over the medium to long term for continued technological innovation, Mitsui Chemicals ICT Materia Co., Ltd. began

operations in April 2024 as a film solutions company specializing in the ICT field, in order to further pursue synergies and speed up decision-making as a group. In addition, to strengthen market competitiveness and abilities to provide solutions in the field of next-generation semiconductor package substrates, we have completed our investment in a special purpose company to acquire shares in SHINKO ELECTRIC INDUSTRIES CO., LTD. In October 2024, we opened Creative Integration Lab.™ as a new R&D site located within our Nagoya Works.

In Basic & Green Materials, for the existing basic materials domain, which is centered on petrochemicals and basic chemicals, we have been restructuring our business and expanding the markets for highly functional and niche products by enhancing downstream businesses while reducing business volatility. We will continue to promote further restructuring to stabilize earnings. We shut down the polyethylene terephthalate (PET) plant at our Iwakuni-Ohtake Works in October 2024. Also, we have decided to shut down the phenol plant at our Ichihara Works by fiscal 2026. Additionally, we have reached an agreement with Mitsubishi Chemical Corporation and Asahi Kasei Corporation to consider production optimization, including carbon neutrality of ethylene production facilities in western Japan and future capacity reductions. Meanwhile, with the aim of accommodating increased demand growth for methylene diphenyl diisocyanate (MDI), which is a material used in numerous fields such as automotive parts, bedding and furniture, insulation for homes and fridges, and more, we have commenced operations in September 2024 at additional production facilities in Korea.

We reported the operating results for fiscal 2024 as follows. We employ operating income before special items which stands for operating income excluding non-recurring items (e.g., losses resulting from withdrawing from and/or downsizing businesses) as a management indicator.

(Billions of Yen)

	Sales Revenue	Operating Income before Special Items	Operating Income	Net Income Attributable to Owners of the Parent
Fiscal 2024	1,809.2	101.0	78.3	32.2
Previous fiscal year	1,749.7	96.2	74.1	50.0
Difference	59.5	4.8	4.2	(17.8)
Difference (%)	3.4	4.9	5.7	(35.5)

Sales revenue was 1,809.2 billion yen, an increase of 59.5 billion yen, or 3.4%, year on year. This result was mainly due to an increase in selling prices, which was resulting from rising raw material prices, such as naphtha, and the impact of exchange rate differences.

Operating income before special items was 101.0 billion yen, an increase of 4.8 billion yen, or 4.9%, year on year. This result was mainly due to an increase in sales in the Life & Healthcare Solutions segment and Mobility Solutions segment.

Operating income was 78.3 billion yen, an increase of 4.2 billion yen, or 5.7%, year on year. This result was due to the increase in operating income before special items.

Financial income/expenses worsened 5.9 billion yen year on year to a 6.7 billion yen loss.

As a result of the aforementioned factors, **income before income taxes** amounted to 71.6 billion yen, a decrease of 1.7 billion yen, or 2.3%, year on year.

Net income attributable to owners of the parent after accounting for income taxes and non-controlling interests was 32.2 billion yen, a decrease of 17.8 billion yen, or 35.5%, year on year. Basic earnings per share for the period amounted to 170.56 yen.

(2) Results by Business Segment

The status of each segment during fiscal 2024 is as follows.

In accordance with the organizational reform implemented on April 1, 2024, we have revised the segments to which Honshu Chemical Industry Co., Ltd. and certain other consolidated subsidiaries and equity method affiliates belong. Accordingly, the results for the previous year have been reclassified into the reportable segment classifications after the revisions.

Life & Healthcare Solutions

Sales revenue increased 24.1 billion yen compared with the previous fiscal year to 295.8 billion yen and comprised 16% of total sales. Operating income before special items increased 4.2 billion yen to 34.2 billion yen year on year. The increase in income was mainly due to healthy sales in vision care materials.

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

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

In **agrochemicals**, sales were healthy.

In **nonwovens**, sales increased due to business integration.

Mobility Solutions

Sales revenue increased 25.8 billion yen year on year to 569.8 billion yen and comprised 31% of total sales. On the other hand, operating income before special items decreased 1.8 billion yen to 55.9 billion yen. The decrease in income due to the worsened terms of trade, which was resulting from temporary changes in market environment, despite healthy sales in elastomers.

In **elastomers**, sales were healthy. Meanwhile, terms of trade worsened due to temporary changes in market environment.

In **polypropylene compounds**, sales remained at the same level as the previous fiscal year, and terms of trade improved due to sales price revisions and exchange rate differences, etc.

In **solutions business**, sales remained at the same level as the previous fiscal year.

ICT Solutions

Sales revenue decreased 40.6 billion yen compared with the previous fiscal year to 218.8 billion yen and comprised 12% of total sales, as some of the consolidated subsidiaries have become equity method affiliates through the partial transfer of subsidiary stock. On the other hand, operating income before special items increased 2.2 billion yen to 25.8 billion yen year on year despite the above mentioned reason. This was mainly due to healthy sales of semiconductor & optical materials.

In **semiconductor & optical materials**, sales were healthy due to a recovery in the semiconductor market and smartphone market.

In **coatings & engineering materials**, sales were healthy.

In **ICT films & sheets**, terms of trade improved due to exchange rate differences, etc.

Basic & Green Materials

Sales revenue increased 50.1 billion yen compared with the previous fiscal year to 710.0 billion yen and comprised 40% of total sales. Meanwhile, operating loss before special items improved 0.2 billion yen, resulting in a 11.4 billion yen loss.

This was the result of improved terms of trade due to price revisions and inventory revaluation gain and loss resulting from changes in raw material prices, such as naphtha, although the restart of production at the ethylene plant, which had been suspended for scheduled maintenance, was postponed in the first half of fiscal 2024.

Sales of **polyolefin** and **phenols** remained weak.

Naphtha cracker operating rates remained low due to a decrease in demand for downstream products and the above mentioned postponement of the restart of production.

Others

Sales revenue increased 0.1 billion yen to 14.8 billion yen and comprised 1% of total sales. On the other hand, operating loss before special items increased 0.9 billion yen compared with the previous fiscal year to a loss of 2.6 billion yen.

2. Financial Position

(1) Status of Assets, Liabilities and Net Assets

Total assets at the end of the fiscal year stood at 2,154.0 billion yen, a decrease of 61.8 billion yen compared with the previous fiscal year-end.

Total liabilities at the end of the fiscal year decreased 47.6 billion yen compared with the previous fiscal year-end to 1,183.4 billion yen. **Interest-bearing debt** amounted to 791.7 billion yen, a decrease of 19.8 billion yen compared with the previous fiscal year-end. As a result, the interest-bearing debt ratio was 36.8%, an increase of 0.2 percentage point.

Total equity was 970.6 billion yen, a decrease of 14.2 billion yen compared with the previous fiscal year-end. The **ratio of equity attributable to owners of the parent** was 39.4%, an increase of 0.5 percentage point.

Accounting for the aforementioned factors, the **net debt-equity ratio** stood at 0.73 at the end of the fiscal year, a 0.04-percentage point increase from the previous fiscal year-end.

(2) Cash Flow Status

Cash and cash equivalents (hereinafter "net cash") at the end of the fiscal year decreased 39.7 billion yen to 170.6 billion yen compared with the previous fiscal year-end.

Cash Flows from Operating Activities

Net cash provided by operating activities increased 39.2 billion yen to 200.5 billion yen, mainly due to decrease in working capital.

Cash Flows from Investing Activities

Net cash used in investing activities increased 41.1 billion yen to 165.0 billion yen, compared with the previous fiscal year, mainly due to an increase in purchase of investment securities.

Cash Flows from Financing Activities

Net cash used in financing activities increased 48.4 billion yen to 74.4 billion yen compared with the previous fiscal year, mainly due to an increase in repayments of interest-bearing debt.

(3) Trends in Cash Flow Indicators

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Shareholders' Equity Ratio (%)	39.0	36.8	38.0	38.9	39.4
Shareholders' Equity Ratio on a Market Value Basis (%)	44.0	30.9	31.3	37.2	29.1
Ratio of Interest-bearing Debt to Cash Flows	3.2	7.7	7.8	5.0	3.9
Interest Coverage Ratio (Times)	37.1	23.3	17.2	21.6	25.0

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).
- Cash flows from operating activities have been used for cash flow calculations.
- Interest-bearing debt is the portion of total debt booked on the consolidated statement of financial position on which interest is being paid. Interest paid is the amount of interest paid as reported in the consolidated statements of cash flows.

3. Outlook for Fiscal 2025 (Year Ending March 31, 2026)

(1) Overall of Financial Outlook for Fiscal 2025

In fiscal 2025, although the global economy is showing signs of recovery, there are concerns about uncertainty regarding the global economy due to the impact of U.S. trade policies.

In Japan, the economy continues its moderate recovery, amid increasing risks of an economic downturn due to factors such as exchange rate fluctuations, price increases, and a slowdown in overseas economies, as well as the impact of U.S. trade policies.

In the chemical industry, although demand is expected to expand as the economy recovers, we expect to continue to pay close attention to fluctuations in market conditions due to the changes in circumstances of the above mentioned situations.

Under these conditions, we forecast business performance and earnings growth for fiscal 2025 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 2025	1,770.0	110.0	98.0	65.0	55.0
Fiscal 2024	1,809.2	101.0	78.3	42.6	32.2
Difference	(39.2)	9.0	19.7	22.4	22.8
Difference (%)	(2.2)	9.0	25.1	52.5	70.6

Outlook above are based on the following assumptions:

- a) Exchange rate for the full year is 140 yen/US\$
- b) Average price of domestic naphtha is 65,000 yen/kl
- c) "Operating income before special items" is operating income excluding non-recurring items (e.g., losses resulting from withdrawing from and/or downsizing businesses).

(2) Outlook for Fiscal 2025 by Business Segment

Forecast by business segment is as follows.

In accordance with the organizational reform implemented on April 1, 2025, we have revised the segment to which Mitsui Chemicals Asahi Life Materials Co., Ltd. and certain other consolidated subsidiaries belong.

Additionally, the segments for the current fiscal year are disclosed based on the reportable segment classifications after the revisions.

(Billions of Yen)

	Sales Revenue						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
Fiscal 2025	260.0	550.0	290.0	655.0	15.0	-	1,770.0
Fiscal 2024	251.7	555.1	277.6	710.0	14.8	-	1,809.2
Difference	8.3	(5.1)	12.4	(55.0)	0.2	-	(39.2)
Difference (%)	3.3	(0.9)	4.5	(7.7)	1.4	-	(2.2)

(Billions of Yen)

	Operating Income before Special Items						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
Fiscal 2025	35.5	53.0	33.5	1.5	(3.5)	(10.0)	110.0
Fiscal 2024	34.1	55.1	26.7	(11.4)	(2.6)	(0.9)	101.0
Difference	1.4	(2.1)	6.8	12.9	(0.9)	(9.1)	9.0
Difference (%)	4.1	(3.8)	25.5	-	-	-	9.0

4. Basic Policy on Appropriation of Profits, Cash Dividends for Fiscal 2024 and 2025 (Year Ending March 31, 2025 and March 31, 2026)

(1) Basic Policy on Appropriation of Profits

We are committed to enhancing shareholder returns through stable and continuous dividends as well as the agile and flexible acquisition of our own shares, while taking business performance into account.

Specifically, we will aim to achieve a steady 3.0% or higher level 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

From fiscal 2025, we will enhance shareholder returns through improved capital efficiency, stable and continuous dividend payments, and agile and flexible acquisition of our own shares.

Specifically, we will aim to achieve a steady 3.0% or higher level for dividends on equity and a total return ratio of 40% or more.

(2) Cash Dividends for Fiscal 2024 and 2025

Considering the recent business conditions, we plan to pay a year-end dividend of 75 yen per share for fiscal 2024.

Because a 75-yen interim dividend was already paid out on December 3, 2024, dividends for the full fiscal year will total 150 yen per share, dividends on equity will be 3.3% and total return ratio will be 118.8%.

Turning to dividends for fiscal 2025, we plan to pay an interim dividend of 75 yen and a year-end dividend of 75 yen, totaling 150 yen per share for the full year.

5. Concept for Selection of Accounting Standard

Based on our development of global business activities, we voluntarily adopted International Financial Reporting Standards (IFRS) from fiscal 2020 for the purpose of improving international comparability of financial information in capital market and enhancing its business management by unifying the accounting standard across the group.

6. Consolidated Statement of Financial Position

	Millions of yen	
	FY2023 As of March 31, 2024	FY2024 As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	210,292	170,615
Trade receivables	365,896	349,481
Inventories	451,075	442,763
Other financial assets	39,218	38,618
Other current assets	37,230	32,052
Total	1,103,711	1,033,529
Assets held for sale	46,868	7,642
Total current assets	1,150,579	1,041,171
Non-current assets		
Property, plant and equipment	605,789	623,097
Right-of-use assets	46,309	46,143
Goodwill	21,169	21,122
Intangible assets	55,241	66,202
Investment property	21,667	21,666
Investments accounted for using equity method	155,924	168,274
Other financial assets	61,669	93,618
Retirement benefit assets	82,777	57,745
Deferred tax assets	5,039	5,083
Other non-current assets	9,656	9,832
Total non-current assets	1,065,240	1,112,782
Total assets	2,215,819	2,153,953

Millions of yen		
	FY2023 As of March 31, 2024	FY2024 As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	179,947	157,742
Bonds and borrowings	324,088	282,488
Income taxes payable	4,038	6,106
Other financial liabilities	109,774	110,625
Provisions	1,267	1,177
Other current liabilities	42,103	45,643
Total	661,217	603,781
Liabilities directly associated with assets held for sale	15,362	2,146
Total current liabilities	676,579	605,927
Non-current liabilities		
Bonds and borrowings	432,670	455,489
Other financial liabilities	54,149	53,025
Retirement benefit liabilities	17,882	16,941
Provisions	6,845	7,115
Deferred tax liabilities	42,136	44,714
Other non-current liabilities	752	138
Total non-current liabilities	554,434	577,422
Total liabilities	1,231,013	1,183,349
Equity		
Share capital	125,738	125,738
Capital surplus	55,027	55,079
Treasury stock	(32,751)	(42,652)
Retained earnings	617,400	618,307
Other components of equity	97,437	91,812
Total equity attributable to owners of the parent	862,851	848,284
Non-controlling interests	121,955	122,320
Total equity	984,806	970,604
Total liabilities and equity	2,215,819	2,153,953

7. Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Income)

	Millions of yen	
	FY2023 April 1, 2023 to March 31, 2024	FY2024 April 1, 2024 to March 31, 2025
Sales revenue	1,749,743	1,809,164
Cost of sales	(1,378,946)	(1,420,872)
Gross profit	370,797	388,292
Selling, general and administrative expenses	(282,657)	(295,352)
Other operating income	6,422	5,322
Other operating expenses	(32,740)	(32,355)
Share of profit of investments accounted for using equity method	12,302	12,429
Operating income	74,124	78,336
Financial income	13,870	8,013
Financial expenses	(14,663)	(14,702)
Income before income taxes	73,331	71,647
Income tax expense	(19,556)	(29,018)
Net income	53,775	42,629
Net income attributable to:		
Owners of the parent	49,999	32,242
Non-controlling interests	3,776	10,387
Net income	53,775	42,629
Earnings per share		
Basic earnings per share (Yen)	262.99	170.56

(Consolidated Statement of Comprehensive Income)

	Millions of yen	
	FY2023 April 1, 2023 to March 31, 2024	FY2024 April 1, 2024 to March 31, 2025
Net income	53,775	42,629
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	5,199	(2,360)
Remeasurements of defined benefit plans	17,421	(6,281)
Share of other comprehensive income of investments accounted for using equity method	500	(458)
Total of items that will not be reclassified to profit or loss	23,120	(9,099)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	30,492	318
Effective portion of net change in fair value of cash flow hedges	70	(6)
Share of other comprehensive income of investments accounted for using equity method	3,974	863
Total of items that may be reclassified to profit or loss	34,536	1,175
Total other comprehensive income, net of tax	57,656	(7,924)
Comprehensive income	111,431	34,705
Comprehensive income attributable to:		
Owners of the parent	103,370	22,999
Non-controlling interests	8,061	11,706
Comprehensive income	111,431	34,705

8. Consolidated Statement of Cash Flows

	Millions of yen	
	FY2023	FY2024
	April 1, 2023 to March 31, 2024	April 1, 2024 to March 31, 2025
Net cash provided by (used in) operating activities		
Income before income taxes	73,331	71,647
Depreciation and amortization	95,249	99,768
Impairment loss	24,156	18,515
Gain on negative goodwill	(939)	—
Insurance income	(798)	(2,683)
Interest and dividend income	(6,312)	(7,238)
Interest expenses	7,259	7,827
Share of loss (profit) of investments accounted for using equity method	(12,302)	(12,429)
Decrease (increase) in trade receivables	(19,224)	23,334
Decrease (increase) in inventories	(730)	5,550
Increase (decrease) in trade payables	10,404	(20,217)
Other	4,217	24,840
Subtotal	174,311	208,914
Interest and dividends received	16,983	15,029
Proceeds from insurance income	798	2,683
Interest paid	(7,454)	(8,017)
Income taxes refund (paid)	(23,299)	(18,108)
Net cash provided by (used in) operating activities	161,339	200,501
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(144,068)	(121,213)
Proceeds from sale of property, plant and equipment	526	284
Purchase of intangible assets	(9,923)	(17,193)
Proceeds from sale of intangible assets	14	0
Purchase of investment securities	(2,091)	(38,768)
Proceeds from sale and redemption of investment securities	1,053	2,827
Payments for acquisition of subsidiaries	(342)	—
Proceeds from acquisition of subsidiaries	2,416	—
Payments for sale of subsidiaries	—	(759)
Proceeds from sale of subsidiaries	38,732	10,897
Payments for acquisition of businesses	(7,364)	—
Purchase of equity accounted investments	(1)	—
Proceeds from sale of equity accounted investments	—	79
Other	(2,891)	(1,166)
Net cash provided by (used in) investing activities	(123,939)	(165,012)

	Millions of yen	
	FY2023	FY2024
	April 1, 2023 to March 31, 2024	April 1, 2024 to March 31, 2025
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	(41,678)	28,071
Increase (decrease) in commercial papers	3,000	(82,000)
Proceeds from long-term borrowings	70,830	31,470
Repayments of long-term borrowings	(44,188)	(29,937)
Proceeds from issuance of bonds	26,000	40,000
Redemption of bonds	(296)	(5,000)
Repayments of lease liabilities	(8,961)	(9,762)
Proceeds from sale of treasury stock	3	4
Purchase of treasury stock	(49)	(10,031)
Dividends paid	(24,714)	(27,572)
Capital contribution from non-controlling interests	10	5
Dividends paid to non-controlling interests	(5,973)	(9,685)
Net cash provided by (used in) financing activities	(26,016)	(74,437)
Effect of exchange rate change on cash and cash equivalents	12,598	(729)
Net increase (decrease) in cash and cash equivalents	23,982	(39,677)
Cash and cash equivalents at beginning of period	186,310	210,292
Cash and cash equivalents at end of period	210,292	170,615

9. Segment Information

(1) Overview of Reportable Segments

Our business segments are the components 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.

We position 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 our 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."

In accordance with the organizational reform implemented on April 1, 2024, we have revised the segments to which Honshu Chemical Industry Co., Ltd. and certain other consolidated subsidiaries and equity method affiliates belong.

Additionally, the segments for the previous year are disclosed based on the reportable segment classifications after the revisions. 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, and Income or Loss by Reportable Business Segment

Reportable segment income is presented in operating income before special items which stands for operating income excluding non-recurring items (e.g., losses resulting from withdrawing from and/or downsizing businesses).

Intersegment transaction pricing and transfer pricing are negotiated and determined based on prevailing market prices.

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

Same period of previous fiscal year (April 1, 2023 – March 31, 2024)

(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	271,702	543,978	259,449	659,829	1,734,958	14,785	—	1,749,743
2) Intersegment	3,990	3,670	7,803	106,596	122,059	73,698	(195,757)	—
Total	275,692	547,648	267,252	766,425	1,857,017	88,483	(195,757)	1,749,743
Segment income (loss)								
(Operating income before special items)	29,996	57,706	23,596	(11,581)	99,717	(1,710)	(1,773)	96,234
Segment assets	471,117	513,611	343,443	662,144	1,990,315	98,174	127,330	2,215,819
Other items								
Depreciation and amortization	17,523	20,773	17,255	30,971	86,522	8,654	73	95,249
Share of profit of investments accounted for using equity method	626	1,227	5,744	4,071	11,668	634	—	12,302
Impairment loss	237	119	10,967	12,833	24,156	—	—	24,156
Investments accounted for using equity method	30,490	15,633	13,918	92,160	152,201	3,723	—	155,924
Capital expenditures (Note 3)	39,334	58,319	30,005	46,676	174,334	11,284	85	185,703

Notes:

1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
2. The negative 1,773 million yen in adjustments to segment income includes corporate loss of 1,830 million yen not allocated to reportable segments and 57 million yen elimination of intersegment transactions. Corporate profit (loss) mainly comprise general & administrative expenses and R&D expenses for new business which are usually not attributed to segments, and allocation difference of general & administrative expenses to be borne by segments. The 127,330 million yen in adjustments to segment assets includes corporate assets of 195,507 million yen not allocated to reportable segments and a negative 68,177 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.

Fiscal year under review (April 1, 2024 – March 31, 2025)

(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	295,781	569,813	218,791	710,042	1,794,427	14,737	—	1,809,164
2) Intersegment	3,307	3,024	7,887	92,336	106,554	66,300	(172,854)	—
Total	299,088	572,837	226,678	802,378	1,900,981	81,037	(172,854)	1,809,164
Segment income (loss)								
(Operating income before special items)	34,192	55,939	25,754	(11,364)	104,521	(2,616)	(948)	100,957
Segment assets	460,439	553,205	330,329	609,712	1,953,685	106,008	94,260	2,153,953
Other items								
Depreciation and amortization	20,432	22,016	18,062	29,895	90,405	9,341	22	99,768
Share of profit of investments accounted for using equity method	846	3,072	6,214	1,628	11,760	614	55	12,429
Impairment loss	10,902	696	803	6,114	18,515	—	—	18,515
Investments accounted for using equity method	21,386	20,127	30,418	92,498	164,429	3,973	(128)	168,274
Capital expenditures (Note 3)	27,851	43,117	24,172	39,871	135,011	10,170	32	145,213

Notes:

1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
2. The negative 948 million yen in adjustments to segment income includes corporate loss of 952 million yen not allocated to reportable segments and 4 million yen elimination of intersegment transactions. Corporate profit (loss) mainly comprise general & administrative expenses and R&D expenses for new business which are usually not attributed to segments, and allocation difference of general & administrative expenses to be borne by segments. The 94,260 million yen in adjustments to segment assets includes corporate assets of 147,762 million yen not allocated to reportable segments and a negative 53,502 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 to income before income taxes

	(Millions of yen)	
	FY2023	FY2024
Total reportable segment income	96,234	100,957
Gain on negative goodwill	939	—
Gain on sales of shares of subsidiaries	2,282	—
Impairment loss	(24,156)	(18,515)
Loss on disposal of non-current assets	(1,478)	(4,921)
Loss on related business	(52)	—
Other	355	815
Operating income	74,124	78,336
Financial income	13,870	8,013
Financial expenses	(14,663)	(14,702)
Income before income taxes	73,331	71,647

10. Information by Region

Sales Revenue		(Millions of yen)
	FY2023	FY2024
Japan	866,028	873,241
China	225,284	223,279
Asia	262,968	273,751
America	263,611	291,119
Europe	121,128	133,906
Other regions	10,724	13,868
Total	1,749,743	1,809,164

- 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