

Summary of Consolidated Financial Results for First Quarter of FY2024



August 6, 2024
Mitsui Chemicals, Inc.

1. Summary of Operating Results

(Unit : Billions of Yen)

	1st Q of FY2023		1st Q of FY2024		Incr. (Decr.)	FY2023	Outlook for FY2024 (announced Aug. 6)
							First half
Sales revenue	407.9		449.5		41.6	1,749.7	910.0
Operating income before special items	20.9		30.2		9.3	96.2	52.0
Operating income	13.9		27.2		13.3	74.1	46.0
Net income	11.5		20.3		8.8	53.8	33.5
Net income attributable to owners of the parent	9.6		17.9		8.3	50.0	29.0
Exchange rate	Yen / US\$	137	156		19	145	156
Domestic standard naphtha price	Yen / KL	67,500	79,000		11,500	69,100	79,000

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

· Sales revenue

(Unit : Billions of Yen)

	1st Q of FY2023		1st Q of FY2024		Incr. (Decr.)	Breakdown		FY2023	Outlook for FY2024 (announced Aug. 6)
						Volume	Price		First half
Life & Healthcare Solutions	57.1		67.5		10.4	8.3	2.1	271.7	141.0
Mobility Solutions	127.4		143.9		16.5	8.0	8.5	544.0	297.0
ICT Solutions	63.0		53.8		(9.2)	(11.1)	1.9	259.4	110.0
Basic & Green Materials	156.6		180.8		24.2	1.7	22.5	659.9	355.0
Others	3.8		3.5		(0.3)	-	(0.3)	14.7	7.0
Total	407.9		449.5		41.6	6.9	34.7	1,749.7	910.0

· Operating income before special items

(Unit : Billions of Yen)

	1st Q of FY2023		1st Q of FY2024		Incr. (Decr.)	Breakdown			FY2023	Outlook for FY2024 (announced Aug. 6)
						Volume	Price ※2	Fixed Costs etc.		First half
Life & Healthcare Solutions	4.5		5.8		1.3	2.6	1.2	(2.5)	30.0	16.0
Mobility Solutions	12.3		15.7		3.4	2.5	2.1	(1.2)	57.7	28.0
ICT Solutions	5.8		6.0		0.2	1.0	1.1	(1.9)	23.6	13.0
Basic & Green Materials	(1.0)		4.0		5.0	0.5	4.4	0.1	(11.6)	(3.0)
Others	(0.7)		(0.7)		(0.0)	-	-	(0.0)	(1.7)	(0.5)
Adjustment	(0.0)		(0.6)		(0.6)	-	-	(0.6)	(1.8)	(1.5)
Total	20.9		30.2		9.3	6.6	8.8	(6.1)	96.2	52.0

※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 Jun. 30, 2024	Incr. (Decr.)		As of Mar. 31, 2024	As of Jun. 30, 2024	Incr. (Decr.)
Current assets	1,150.6	1,131.1	(19.5)	Interest-bearing liabilities	811.5	822.8	11.3
Property, plant and equipment & right-of-use assets	652.1	654.0	1.9	Other liabilities	419.5	386.8	(32.7)
Goodwill and intangible assets	76.4	78.3	1.9	Equity attributable to owners of the parent	862.9	885.2	22.3
Other non-current assets	336.7	354.4	17.7	Non-controlling interests	121.9	123.0	1.1
Total assets	2,215.8	2,217.8	2.0	Total liabilities and equity	2,215.8	2,217.8	2.0
				[Net D/E Ratio]	0.69	0.67	(0.02)

4. Summary of Statement of Cash Flows

(Unit : Billions of Yen)

	1st Q of FY2023	1st Q of FY2024	Incr. (Decr.)	FY2023	Outlook for FY2024 (announced Aug. 6)
					First half
Cash flows from operating activities	(11.7)	39.8	51.5	161.3	56.0
Cash flows from investing activities	9.9	(23.9)	(33.8)	(123.9)	(70.0)
<i>Free cash flows</i>	<i>(1.8)</i>	<i>15.9</i>	<i>17.7</i>	<i>37.4</i>	<i>(14.0)</i>
Cash flows from financing activities	(23.0)	(11.1)	11.9	(26.0)	18.0
Others	7.5	8.4	0.9	12.6	0.0
Net incr.(decr.) in cash and cash equivalents	(17.3)	13.2	30.5	24.0	4.0
Cash and cash equivalents at the end of period	169.0	223.5	54.5	210.3	

5. Dividends

	Annual Dividends per Share (yen)				
	1st Q	Interim (2nd Q)	3rd Q	Year-end (4th Q)	Annual Total
FY2023 Result	—	70.00	—	70.00	140.00
FY2024 Forecast	—	75.00	—	75.00	150.00

6. Number of Shares Outstanding (common stock)

	FY2023	1st Q of 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	10,711,176
Average number of shares	190,064,810 ※	190,133,238

※1st Q of FY2023

1. Operating Results

(1) Overview

In the fiscal period under review (the three-month period from April 1, 2024 to June 30, 2024, hereinafter the "first quarter"), economic recovery continued worldwide. Meanwhile, the pace of recovery in some countries and regions has slowed amid weak demand and tighten monetary policy. In Japan as well, economic activity has continued to recover. However, the economy was still showing a period of stagnation due to a rise in the cost of living and a slowdown in overseas demand.

We reported the operating results for the first quarter as follows. We employ operating income before special items (excluding non-recurring items) as a management indicator.

(Billions of Yen)

	Sales Revenue	Operating Income before Special Items	Operating Income	Net Income Attributable to Owners of the Parent
First quarter	449.5	30.2	27.2	17.9
Same period of previous fiscal year	407.9	20.9	13.9	9.6
Difference	41.6	9.3	13.3	8.3
Difference (%)	10.2	44.1	95.9	86.5

Sales revenue was 449.5 billion yen, an increase of 41.6 billion yen, or 10.2%, year on year. This was mainly attributable to an increase in selling prices due to rising raw material prices, such as naphtha, and the impact of exchange rate differences, etc.

Operating income before special items was 30.2 billion yen, an increase of 9.3 billion yen, or 44.1%, year on year. This result was due to inventory revaluation gain, which was resulting from rising raw material prices, such as naphtha, and an improvement in the terms of trade resulting from exchange rate differences, etc.

Operating income was 27.2 billion yen, an increase of 13.3 billion yen, or 95.9%, year on year.

Financial income/expenses improved 1.8 billion yen year on year to income of 2.1 billion yen.

As a result of the aforementioned factors, **income before income taxes** amounted to 29.3 billion yen, an increase of 15.1 billion yen, or 106.9%, year on year.

Net income attributable to owners of the parent after accounting for income taxes and non-controlling interests was 17.9 billion yen, an increase of 8.3 billion yen, or 86.5%, year on year. Basic earnings per share for the period amounted to 94.09 yen.

(2) Results by Business Segment

The status of each segment during the first quarter 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 same period of the previous year have been reclassified into the reportable segment classifications after the revisions.

Life & Healthcare Solutions

Sales revenue increased 10.4 billion yen compared with the corresponding period of the previous fiscal year to 67.5 billion yen and comprised 15% of total sales. Operating income before special items increased 1.3 billion yen to 5.8 billion yen year on year. The increase in income was mainly due to healthy sales in vision care materials and agrochemicals.

In **vision care materials**, sales were healthy for ophthalmic lens materials due to cancellation of inventory adjustments by customers.

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

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

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

Mobility Solutions

Sales revenue increased 16.5 billion yen year on year to 143.9 billion yen and comprised 32% of total sales. Operating income before special items increased 3.4 billion yen to 15.7 billion yen, mainly due to an increase in sales volume and improved terms of trade resulting from exchange rate differences, etc.

In **elastomers**, sales were healthy.

In **polypropylene compounds**, sales remained the same level as the corresponding period of the previous fiscal year, and terms of trade improved resulting from exchange rate differences, etc.

In **solutions business**, sales remained the same level as the corresponding period of the previous fiscal year.

ICT Solutions

Sales revenue decreased 9.2 billion yen compared with the corresponding period of the previous fiscal year to 53.8 billion yen and comprised 12% of total sales, as our consolidated subsidiaries have become equity method affiliates through partial transfer of subsidiary stock. On the other hand, operating income before special items increased 0.2 billion yen to 6.0 billion yen year on year. This was mainly due to improved terms of trade resulting from exchange rate differences, etc.

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

In **coatings & engineering materials**, sales remained the same level as the corresponding period of the previous fiscal year.

In **Industrial films & sheets**, terms of trade improved resulting from exchange rate differences, etc.

Basic & Green Materials

Sales revenue increased 24.2 billion yen compared with the corresponding period of the previous fiscal year to 180.8 billion yen and accounted for 40% of total sales. Operating income before special items increased 5.0 billion yen, resulting in a 4.0 billion yen profit. This was due to inventory revaluation gains resulting from rising raw material prices such as naphtha.

Sales of **polyolefin** and **phenols** remained weak. On the other hand, terms of trade improved due to inventory revaluation gains resulting from rising raw material prices such as naphtha.

Naphtha cracker operating rates remained at a low level due to decrease in demand for downstream products.

Others

Sales revenue decreased 0.3 billion yen to 3.5 billion yen and comprised 1% of total sales. Operating loss before special items was 0.7 billion yen, remaining at the same level as the corresponding period of the previous fiscal year.

2. Financial Position

(1) Status of Assets, Liabilities and Net Assets

Total assets at the end of the first quarter stood at 2,217.8 billion yen, an increase of 2.0 billion yen compared with the previous fiscal year-end.

Total liabilities at the end of first quarter decreased 21.4 billion yen compared with the previous fiscal year-end to 1,209.6 billion yen. **Interest-bearing debt** amounted to 822.8 billion yen, an increase of 11.3 billion yen compared with the previous fiscal year-end. As a result, the interest-bearing debt ratio was 37.1%, an increase of 0.5 percentage point.

Total equity was 1,008.2 billion yen, an increase of 23.4 billion yen compared with the previous fiscal year-end. The **ratio of equity attributable to owners of the parent** was 39.9%, an increase of 1.0 percentage point.

Accounting for the aforementioned factors, the **net debt-equity ratio** stood at 0.67 at the end of the first quarter, a 0.02-percentage point decrease from the previous fiscal year-end.

(2) Cash Flow Status

Cash and cash equivalents (hereinafter "net cash") at the end of the first quarter increased 13.2 billion yen to 223.5 billion yen compared with the previous fiscal year-end.

Cash Flows from Operating Activities

Net cash provided by operating activities was 39.8 billion yen, compared with 11.7 billion yen in expenditure in the corresponding period of the previous fiscal year, due to a decrease in working capital and an increase of income before income taxes.

Cash Flows from Investing Activities

Net cash used in investing activities was 23.9 billion yen, compared with 9.9 billion yen in income in the corresponding period of the previous fiscal year, due to a decrease of proceeds from the sale of subsidiaries.

Cash Flows from Financing Activities

Net cash used in financing activities was decreased 11.9 billion yen to 11.1 billion yen compared with the same period of the previous fiscal year. This is mainly due to a decrease in repayments of Interest-bearing debt.

3. Outlook for Fiscal 2024 (Year Ending March 31, 2025)

(1) Overview

Revised financial forecasts are based on the following assumptions:

- a) Exchange rate is 156 yen/US\$ for the first half
- b) Average price of domestic naphtha is 79,000 yen/kl for the first half

Sales revenue is expected to be higher than previously announced, due to rising average price of domestic naphtha price, etc.

Each income is expected to be affected by changes in sales volume and exchange rate fluctuations. However, as the impact of the event described in "Subsequent Events" on our business performance is currently under investigation, the previously announced forecasts is not revised.

As the economy in the second half is uncertain and its outlook cannot be assured at the moment, outlook for the full year is unchanged from the previous announcement.

Revisions of Financial Forecasts for the First Half

Chart (Apr. 1, 2024 - Sept. 30, 2024)

(Billions of Yen)

	Sales Revenue	Operating Income before Special Items	Operating Income	Net Income	Net Income Attributable to Owners of the Parent	Basic Earnings per Share (yen)
Previous forecast (A)	890.0	52.0	46.0	33.5	29.0	152.52
Revised forecast (B)	910.0	52.0	46.0	33.5	29.0	152.51
Difference (B-A)	20.0	0.0	0.0	0.0	0.0	
Difference (%)	2.2	0	0	0	0	
(Reference) FY2023 First Half Actual (Apr. 1 - Sept. 30, 2023)	823.7	42.0	31.2	24.3	20.7	108.82

(2) Business Segment

Forecast by business segment is as follows.

(Billions of Yen)

	Sales Revenue						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
First half	141.0	297.0	110.0	355.0	7.0	-	910.0

(Billions of Yen)

	Operating Income before Special Items						
	Life & Healthcare Solutions	Mobility Solutions	ICT Solutions	Basic & Green Materials	Others	Adjustment	Total
First half	16.0	28.0	13.0	(3.0)	(0.5)	(1.5)	52.0

4. Quarterly Consolidated Statements of Financial Position

	Millions of yen	
	FY2023	FY2024
	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	210,292	223,490
Trade receivables	365,896	361,132
Inventories	451,075	457,301
Other financial assets	39,218	37,910
Other current assets	37,230	38,692
Total	1,103,711	1,118,525
Assets held for sale	46,868	12,578
Total current assets	1,150,579	1,131,103
Non-current assets		
Property, plant and equipment	605,789	606,688
Right-of-use assets	46,309	47,278
Goodwill	21,169	21,340
Intangible assets	55,241	56,973
Investment property	21,667	21,666
Investments accounted for using equity method	155,924	178,309
Other financial assets	61,669	62,246
Retirement benefit assets	82,777	75,008
Deferred tax assets	5,039	7,336
Other non-current assets	9,656	9,815
Total non-current assets	1,065,240	1,086,659
Total assets	2,215,819	2,217,762

	Millions of yen	
	FY2023	FY2024
	As of	As of
	March 31, 2024	June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	179,947	173,370
Bonds and borrowings	324,088	342,535
Income taxes payable	4,038	7,352
Other financial liabilities	109,774	94,533
Provisions	1,267	1,471
Other current liabilities	42,103	33,452
Total	661,217	652,713
Liabilities directly associated with assets held for sale	15,362	3,010
Total current liabilities	676,579	655,723
Non-current liabilities		
Bonds and borrowings	432,670	424,799
Other financial liabilities	54,149	54,995
Retirement benefit liabilities	17,882	17,924
Provisions	6,845	7,373
Deferred tax liabilities	42,136	48,160
Other non-current liabilities	752	621
Total non-current liabilities	554,434	553,872
Total liabilities	1,231,013	1,209,595
Equity		
Share capital	125,738	125,738
Capital surplus	55,027	55,027
Treasury stock	(32,751)	(32,760)
Retained earnings	617,400	623,469
Other components of equity	97,437	113,711
Total equity attributable to owners of the parent	862,851	885,185
Non-controlling interests	121,955	122,982
Total equity	984,806	1,008,167
Total liabilities and equity	2,215,819	2,217,762

5. Quarterly Consolidated Statements of Income Statements and Quarterly Consolidated Statements of Comprehensive Income Statements

(Quarterly Consolidated Income Statements)

	Millions of yen	
	FY2023	FY2024
	April 1, 2023 to June 30, 2023	April 1, 2024 to June 30, 2024
Sales revenue	407,925	449,471
Cost of sales	(320,684)	(349,710)
Gross profit	87,241	99,761
Selling, general and administrative expenses	(68,541)	(72,728)
Other operating income	3,046	1,215
Other operating expenses	(10,939)	(4,680)
Share of profit of investments accounted for using equity method	3,080	3,634
Operating income	13,887	27,202
Financial income	4,460	6,196
Financial expenses	(4,196)	(4,125)
Income before income taxes	14,151	29,273
Income tax expense	(2,693)	(8,982)
Net income	11,458	20,291
Net income attributable to:		
Owners of parent	9,591	17,889
Non-controlling interests	1,867	2,402
Net income	11,458	20,291
Earnings per share		
Basic earnings per share (Yen)	50.46	94.09

(Quarterly Consolidated Statements of Comprehensive Income)

	Millions of yen	
	FY2023	FY2024
	April 1, 2023 to June 30, 2023	April 1, 2024 to June 30, 2024
Net income	11,458	20,291
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,662	371
Remeasurements of defined benefit plans	5,203	(449)
Share of other comprehensive income of investments accounted for using equity method	167	18
Total of items that will not be reclassified to profit or loss	7,032	(60)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	19,498	18,370
Effective portion of net change in fair value of cash flow hedges	(8)	(5)
Share of other comprehensive income of investments accounted for using equity method	266	2,294
Total of items that may be reclassified to profit or loss	19,756	20,659
Total other comprehensive income, net of tax	26,788	20,599
Comprehensive income	38,246	40,890
Comprehensive income attributable to:		
Owners of parent	33,919	35,797
Non-controlling interests	4,327	5,093
Comprehensive income	38,246	40,890

6. Quarterly Consolidated Statements of Cash Flows

	Millions of yen	
	FY2023	FY2024
	April 1, 2023 to June 30, 2023	April 1, 2024 to June 30, 2024
Net cash provided by (used in) operating activities		
Income before income taxes	14,151	29,273
Depreciation and amortization	23,113	24,349
Impairment loss	9,178	3,118
Interest and dividend income	(1,453)	(1,817)
Interest expenses	1,877	2,063
Share of loss (profit) of investments accounted for using equity method	(3,080)	(3,634)
Decrease (increase) in trade receivables	21,052	16,084
Decrease (increase) in inventories	(11,033)	(1,920)
Increase (decrease) in trade payables	(27,220)	(9,139)
Increase (decrease) in accrued expenses	(5,148)	(5,932)
Other	(23,836)	(8,795)
Subtotal	(2,399)	43,650
Interest and dividends received	2,430	2,425
Proceeds from insurance income	47	50
Interest paid	(1,940)	(2,115)
Income taxes refund (paid)	(9,868)	(4,199)
Net cash provided by (used in) operating activities	(11,730)	39,811
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(23,157)	(31,869)
Proceeds from sale of property, plant and equipment	386	148
Purchase of intangible assets	(2,281)	(2,595)
Proceeds from sale of intangible assets	0	0
Purchase of investment securities	(145)	(346)
Proceeds from sale and redemption of investment securities	122	232
Proceeds from sale of subsidiaries	36,449	10,897
Purchase of equity accounted investments	(1)	—
Other	(1,415)	(395)
Net cash provided by (used in) investing activities	9,958	(23,928)

	Millions of yen	
	FY2023	FY2024
	April 1, 2023 to June 30, 2023	April 1, 2024 to June 30, 2024
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	(25,518)	31,328
Increase (decrease) in commercial papers	40,000	(20,000)
Proceeds from long-term borrowings	28	3,468
Repayments of long-term borrowings	(21,193)	(7,214)
Repayments of lease liabilities	(2,374)	(2,535)
Proceeds from sale of treasury stock	—	0
Purchase of treasury stock	(9)	(9)
Dividends paid	(11,404)	(13,309)
Dividends paid to non-controlling interests	(2,504)	(2,793)
Net cash provided by (used in) financing activities	(22,974)	(11,064)
Effect of exchange rate change on cash and cash equivalents	7,484	8,379
Net increase (decrease) in cash and cash equivalents	(17,262)	13,198
Cash and cash equivalents at beginning of period	186,310	210,292
Cash and cash equivalents at end of period	169,048	223,490

7. Basis of Preparation

Our quarterly consolidated financial statements have been prepared in accordance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. (the Standards), applying the provisions for reduced disclosures as set forth in Article 5, Paragraph 5 of the Standards, accordingly certain disclosures and notes required by IAS 34 are not given.

8. 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 corresponding period of 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

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, and Income or Loss by Reportable Business Segment

The Same period of previous fiscal year (April 1, 2023 – June 30, 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	57,075	127,368	63,032	156,624	404,099	3,826	-	407,925
2) Intersegment	1,369	925	1,817	27,329	31,440	18,444	(49,884)	-
Total	58,444	128,293	64,849	183,953	435,539	22,270	(49,884)	407,925
Segment income (Operating income before special items)	4,497	12,320	5,800	(962)	21,655	(692)	(37)	20,926

- Notes:
1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
 2. The negative 37 million yen in adjustments to segment income includes corporate profit (loss) of negative 191 million yen not allocated to reportable segments and 154 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 First quarter (April 1, 2024 – June 30, 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	67,470	143,874	53,774	180,850	445,968	3,503	-	449,471
2) Intersegment	1,054	604	1,962	23,999	27,619	15,642	(43,261)	-
Total	68,524	144,478	55,736	204,849	473,587	19,145	(43,261)	449,471
Segment income (Operating income before special items)	5,855	15,682	6,040	3,953	31,530	(746)	(624)	30,160

- Notes:
1. "Others" encompasses business segments not included in the reportable segments and includes other related businesses, etc.
 2. The negative 624 million yen in adjustments to segment income includes corporate profit (loss) of negative 394 million yen not allocated to reportable segments and negative 230 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.

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

(Millions of yen)

	The Same period of previous fiscal year (April 1, 2023 – June 30, 2023)	The First quarter (April 1, 2024 – June 30, 2024)
Total reportable segment income	20,926	30,160
Gain on sales of shares of subsidiaries	2,363	-
Impairment loss	(9,178)	(3,118)
Loss on disposal of non-current assets	(190)	(164)
Other	(34)	324
Operating income	13,887	27,202
Financial income	4,460	6,196
Financial expense	(4,196)	(4,125)
Income before income taxes	14,151	29,273

9. Subsequent Events

(Delay to production restart at our consolidated subsidiary's ethylene plant)

Osaka Petrochemical Industries, Ltd., our consolidated subsidiary, has discovered a failure in the steam supply system of its ethylene plant while production was paused for scheduled maintenance. The restart of production operations will be delayed until the problem is resolved.

We are currently investigating how the incident may affect our business results.