

Management Strategy

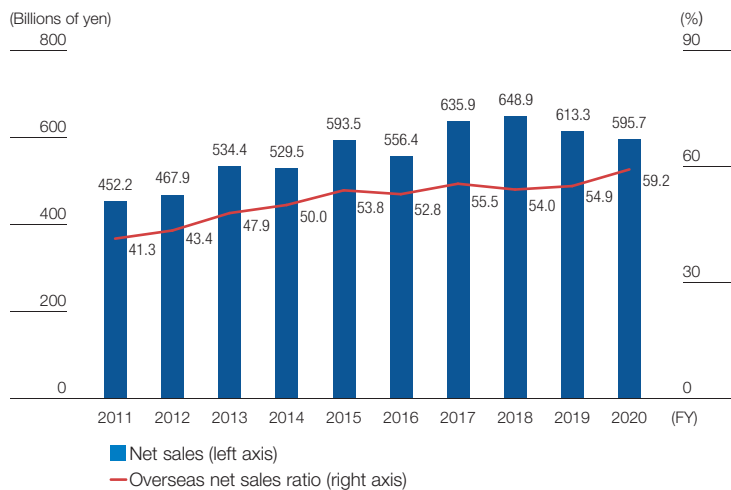
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Performance Highlights

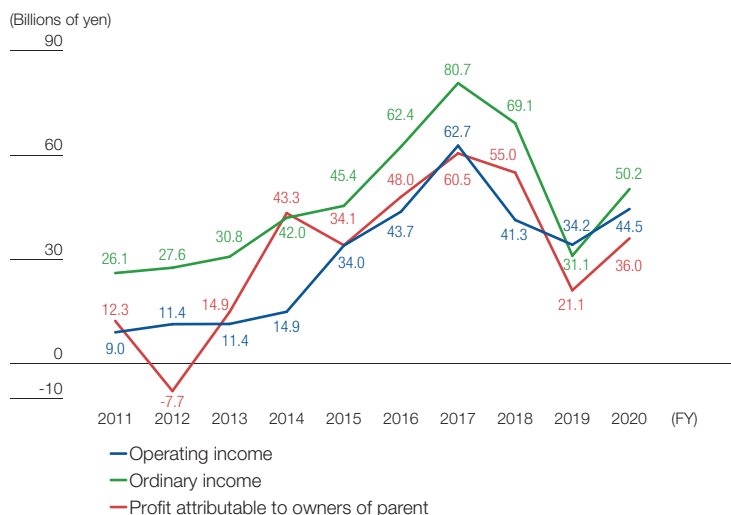
Net Sales, Overseas Net Sales Ratio



Factor Analysis

- **Net sales:** In fiscal 2020, a decrease in sales volume of general-purpose aromatic chemicals and foamed plastic, among other factors, led to a decline in net sales.
- **Overseas net sales ratio:** Global expansion progressed, with sites in Asia, as well as in the Middle East, Europe and the U.S.

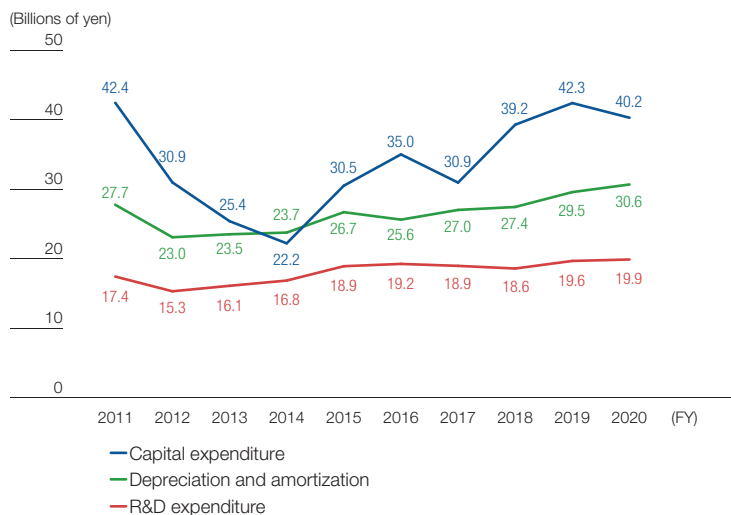
Operating Income, Ordinary Income, Profit Attributable to Owners of Parent



Factor Analysis

- **Operating income:** While fixed costs such as repair expenses increased in fiscal 2020, income rose due to an increase in sales of semiconductor products and optical polymers, lower raw material and fuel prices, and other factors.
- **Ordinary income:** In addition to an increase in operating income in fiscal 2020, ordinary income rose on an improvement in equity in earnings of affiliates related to overseas methanol companies due to the elimination of one-time costs (¥7.8 billion) in a joint venture in Saudi Arabia recorded in the previous fiscal year.
- **Profit attributable to owners of parent:** Despite such factors as an increase in impairment losses and a decline in gain on sale of investment securities, profit attributable to owners of parent rose in fiscal 2020 on an increase in ordinary income and other factors.

Capital Expenditure, Depreciation and Amortization, R&D Expenditure



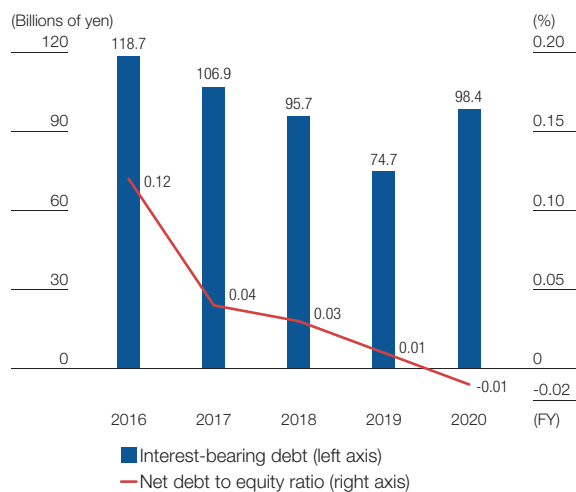
Factor Analysis

- **Capital expenditure:** In fiscal 2020, capital expenditures focused primarily on hydrogen peroxide-related investments in Taiwan and China, and on boosting production capacity for existing products as well as maintaining and upgrading equipment. By segment, ¥19.4 billion in Basic Chemicals, ¥18.6 billion in Specialty Chemicals.
- **R&D expenditure:** Active R&D investments pursued to strengthen profitability of existing businesses and generate new ones.

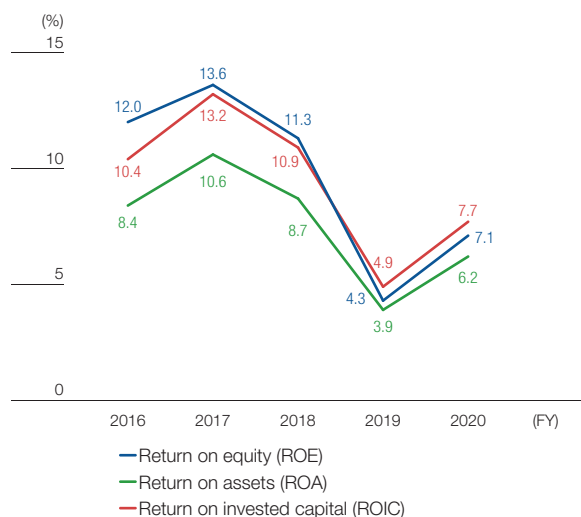
Cash Flows



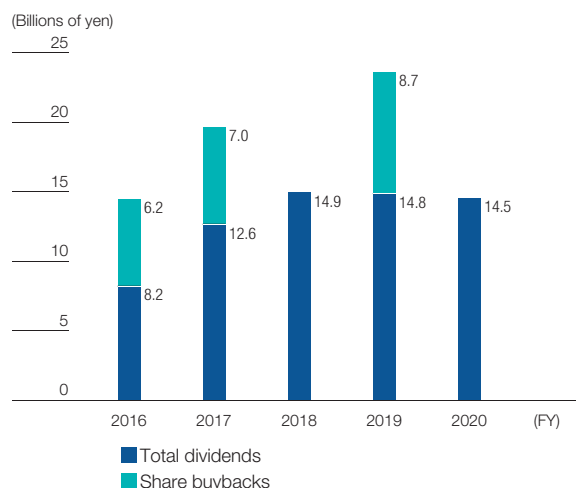
Interest-bearing Debt, Net Debt to Equity Ratio



ROE, ROA, ROIC



Total Dividends, Share Buybacks

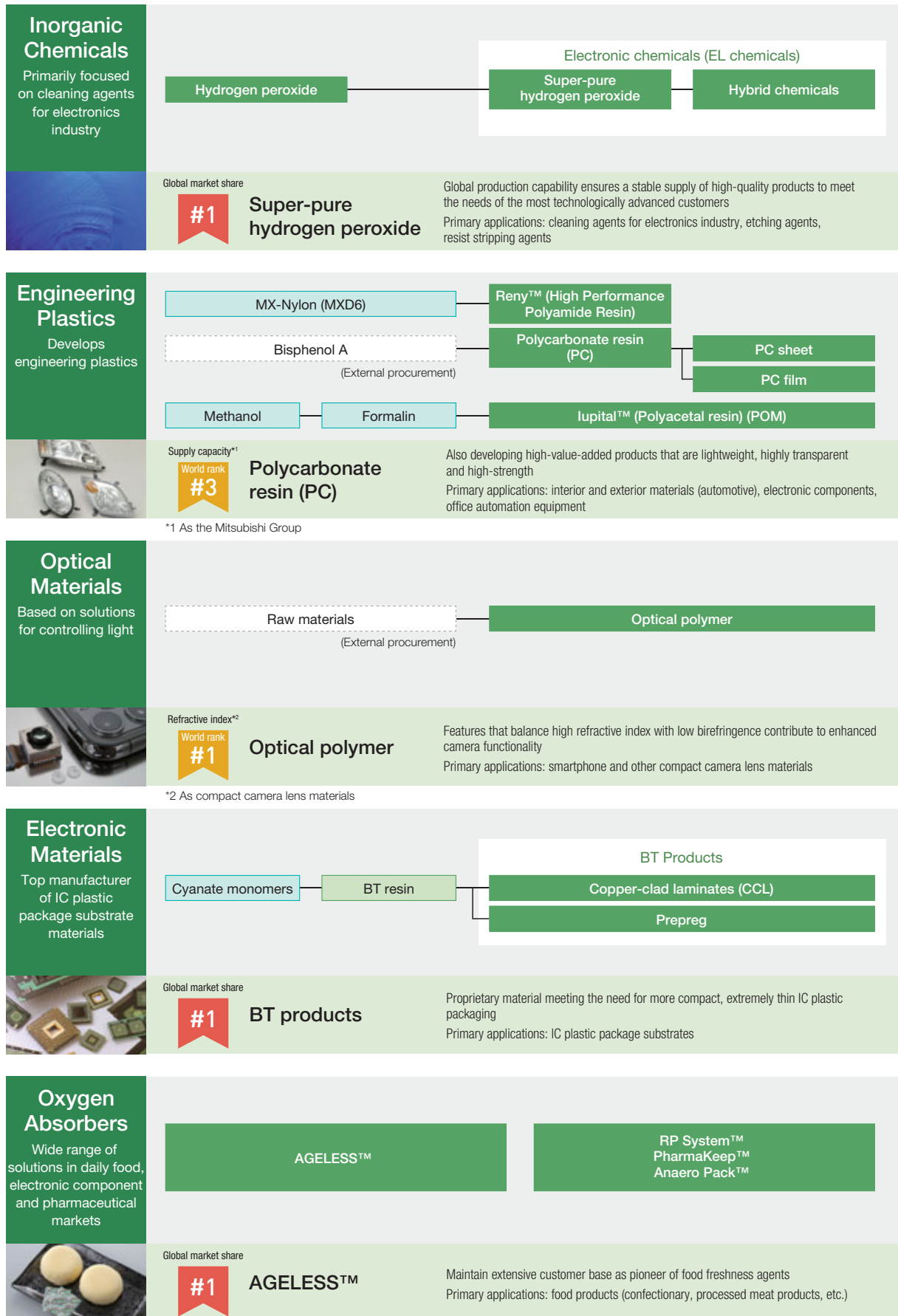


Performance Analysis by Segment (fiscal 2020)

Specialty Chemicals	
Net sales:	¥267.8 billion
Operating income:	¥34.8 billion
- In inorganic chemicals, earnings increased compared with the previous fiscal year due mainly to increased sales volume in chemicals for use in semiconductor manufacturing. - In engineering plastics, despite declining demand in the automotive and other fields in the first half, demand recovered in the second half and income was on par with the previous fiscal year. - In optical materials, a stagnation in sales volume was seen in the fourth quarter due to the impact of semiconductor shortages and customer inventory adjustments, but net sales and earnings rose on growth in demand for smartphones equipped with multiple camera lenses, and on a boost in production capacity in October 2019, which also contributed to increased sales volume. - Electronic materials saw net sales and earnings increase on growing demand for products used in data centers and other ICT-related fields, and with the introduction of a new product for use in antenna-in-package substrates to be installed in 5G-compatible smartphones. - Despite a decline in demand for offerings used in souvenirs and other tourism-related products, exports of oxygen absorbers were strong, and earnings exceeded the previous fiscal year.	

Basic Chemicals	
Net sales:	¥322.8 billion
Operating income:	¥9.6 billion
- The methanol business saw an improvement in earnings thanks mainly to an upturn in market prices in the second half. - Profits declined in methanol and ammonia chemical products on soaring raw material prices and an increase in repair expenditures. - In specialty aromatic chemicals, income was on par with the previous fiscal year as sales of aromatic aldehydes remained strong and sales volume in meta-xylenediamine (MXDA), demand for which had declined in the first half, recovered significantly in the second half. - Sales and profits declined in general-purpose aromatic chemicals despite lower raw fuel prices, due in part to sluggish sales volumes in meta-xylene and purified isophthalic acid (PIA) and a decline in sales prices. - In the foamed plastic business, earnings were virtually unchanged from the previous fiscal year, as the automotive industry recovered in the second half after the drop in demand seen in the first half, and as demand also increased in food packaging and civil engineering.	

Specialty Chemicals



Basic Chemicals

