



FY2021 1H  
**Results Presentation**

 **mitsubishi GAS CHEMICAL COMPANY, INC.**

November 9, 2021

TSE 4182



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## Top-line and profit growth driven largely by recovery from the impact of the pandemic, increased market prices and growth in unit sales to semiconductor industry

- Net sales: YoY growth driven largely by higher methanol prices and across-the-board recovery in unit sales
- Operating income: (+) Increased prices of general-purpose products  
(+) Recovery in product demand depressed by pandemic  
(+) Growth in unit sales to semiconductor industry  
(–) Raw material/fuel cost inflation  
(–) Decreased unit sales of optical polymer
- Equity in earnings of affiliates: growth in methanol and engineering-plastics affiliates' profits
- Variance from initial forecast: Above-forecast profits due largely to market price increases, above-forecast unit sales of high-performance products\* and reduction of SG&A expenses \*Previously called specialty aromatic chemicals; includes metaxylenediamine (MXDA), MX-Nylon, aromatic aldehydes
- Interim dividend: ¥45/share (¥35 ordinary dividend + ¥10 commemorative dividend)  
(+¥10 YoY, in line with initial forecast)

# FY2020 1H Results



【JPY in billions】	1H FY2021	1H FY2020	Changes		1H FY2021 Previous Forecast*
			Amount	%	
Net Sales	<b>335.8</b> ※	266.6	69.2	26.0	330.0
Operating Income	<b>30.0</b>	14.3	15.6	109.0	24.0
(Equity in earnings of affiliates)	<b>(6.9)</b>	(1.7)	(5.2)	—	(6.9)
Ordinary Income	<b>38.7</b>	16.5	22.2	134.3	31.0
Net income before taxes	<b>38.4</b>	17.7	20.6	116.3	31.0
Net income attributable to owners of the parent	<b>28.1</b>	14.2	13.9	97.7	23.0

※ From FY2021, the MGC Group adopted the Accounting Standard for Revenue Recognition. The effect of the adoption of this accounting standard on net sales was ¥17.1 billion.

\*Announced on Aug6,2021

E P S(JPY)

**135.50**

68.54

FX(JPY/USD)

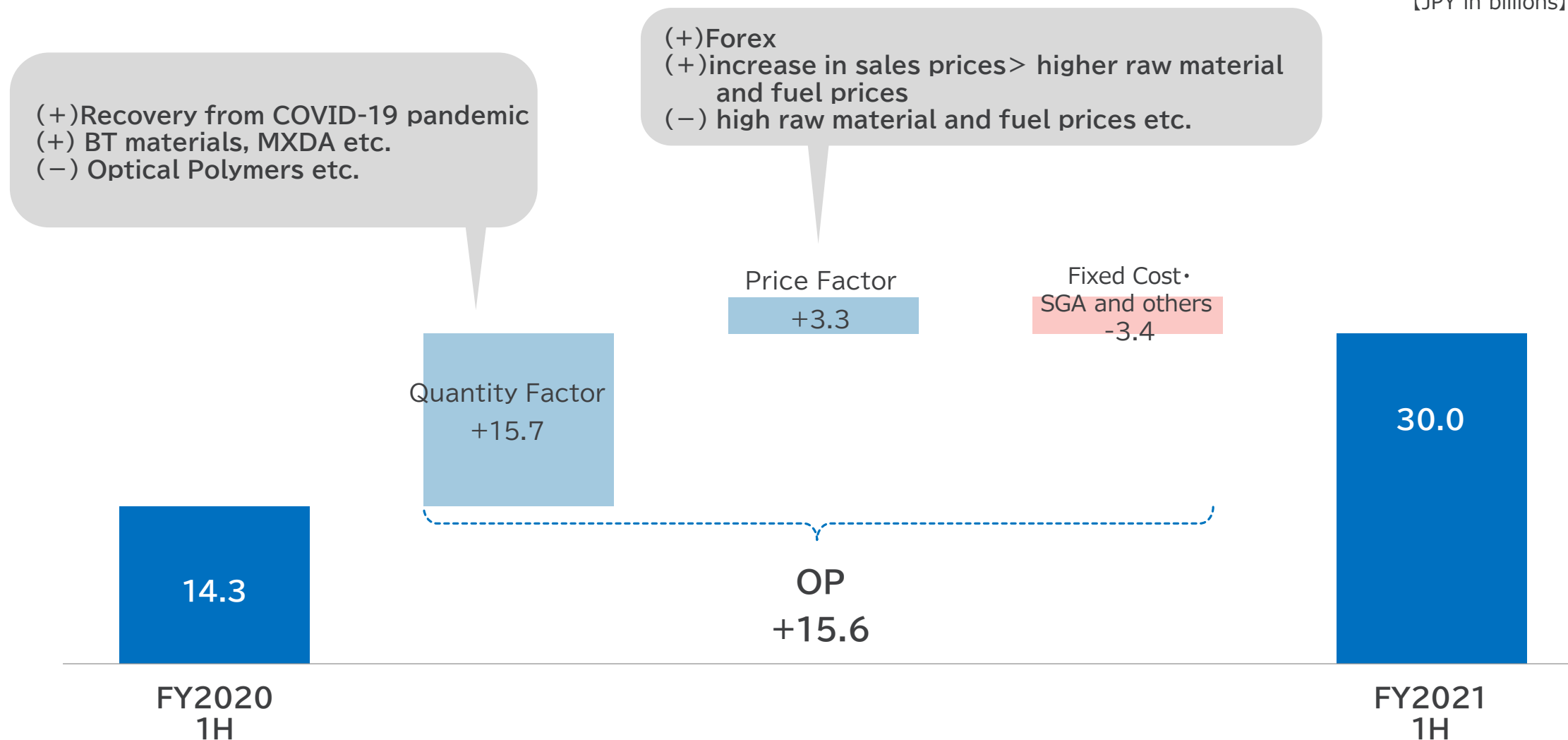
**110**

107

Figures shown on this and the following pages are rounded down to the closest 0.1 billion. Percentages are rounded off to the closest whole number.

# FY2021 1H Increase and decrease factors of Operating Income

【JPY in billions】



# FY2021 1H Non-Operating & Extraordinary Items



[JPY in billions]

	FY2021 1H	FY2020 1H	Changes
<b>Non-Operating items</b>	<b>8.7</b>	<b>2.1</b>	<b>6.5</b>
Equity in earnings of affiliates	6.9	1.7	5.2
Financial income or losses	1.8	1.6	0.1
Foreign exchange gains or losses	0.1	▲ 0.0	0.2
Others	▲ 0.2	▲ 1.0	0.8
<b>Extraordinary income</b>	<b>2.1</b>	<b>1.5</b>	<b>0.6</b>
Gains on step acquisitions	0.7	-	0.7
Insurance claim income	0.7	-	0.7
Gains on sales of investment securities	0.6	1.2	▲ 0.6
Others	-	0.2	▲ 0.2
<b>Extraordinary losses</b>	<b>▲ 2.4</b>	<b>▲ 0.3</b>	<b>▲ 2.1</b>
Impairment losses	▲ 1.3	-	▲ 1.3
Provision of allowance for doubtful accounts	▲ 0.7	-	▲ 0.7
Provisions of loss on business of subsidiaries and associates	▲ 0.2	-	▲ 0.2
Others	▲ 0.1	▲ 0.3	0.1

- **Equity in earnings of affiliates**  
Basic Chemicals +2.1  
Specialty Chemicals +3.0

# FY2021 1H Balance Sheets



[JPY in billions]

	Sep30,2021	Mar31,2021	Changes
<b>Current Assets</b>	<b>414.3</b>	402.1	12.1
Cash and deposits	88.4	101.7	▲ 13.3
Trade notes and Accounts receivable	164.5	159.0	5.5
Inventories	144.1	121.2	22.8
Others	17.1	20.0	▲ 2.8
<b>Non-current Assets</b>	<b>452.9</b>	434.2	18.7
Tangible assets	259.0	249.9	9.1
Intangible assets	10.8	10.4	0.3
Investments and other assets	183.0	173.7	9.2
<b>Total Assets</b>	<b>867.2</b>	836.3	30.9

	Sep30,2021	Mar31,2021	Changes
<b>Liabilities</b>	<b>258.0</b>	254.9	3.0
Trade note and accounts Payable	88.9	75.3	13.6
Interest-bearing debt	91.3	98.4	▲ 7.1
Others	77.7	81.1	▲ 3.4
<b>Net Assets</b>	<b>609.2</b>	581.4	27.8
Shareholders' equity	536.5	514.4	22.0
Accumulated other comprehensive income	12.7	9.7	2.9
Non controlling interest	60.0	57.1	2.8
<b>Total liabilities and net assets</b>	<b>867.2</b>	836.3	30.9
<b>Equity Ratio</b>	<b>63.3%</b>	62.7%	



# FY2021 1H Cash Flows



[JPY in billions]

	1H FY2021	1H FY2020	Changes
Operating activity cash flow	23.4	33.0	▲ 9.5
Investing activity cash flows	▲ 31.0	▲ 16.5	▲ 14.5
Free cash flows	▲ 7.5	16.5	▲ 24.1
Financing activity cash flows	▲ 15.6	14.8	▲ 30.4
Effect of exchange rate change on cash and cash equivalents	1.6	▲ 1.2	2.8
Net increase (decrease) in cash and cash equivalents	▲ 21.6	30.0	▲ 51.7
Cash and cash equivalents at beginning of period	91.0	70.0	21.0
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	1.5	-	1.5
Cash and cash equivalents at end of period	70.9	100.0	▲ 29.1

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2 | **FY2021 Forecast**

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## Initial forecast raised ¥3bn on operating income line, ¥7bn on ordinary income line

- Operating income (vs. forecast)
  - (+) Above-forecast 1H operating income, driven mainly by Basic Chemicals
  - (+) Forex (yen depreciation\*) \*2H USD/JPY forecast: revised to 113 from 108 initially
  - (–) Raw material/fuel cost inflation
  - (–) Below-forecast unit sales of optical polymer
- Equity in earnings of affiliates (vs. forecast)
  - Revised upward by ¥3bn in Basic Chemicals segment, largely to reflect revised methanol price outlook
- FY-end dividend: ¥35/share (unchanged YoY and from initial forecast)

# FY2021 Forecast



[JPY in billions]

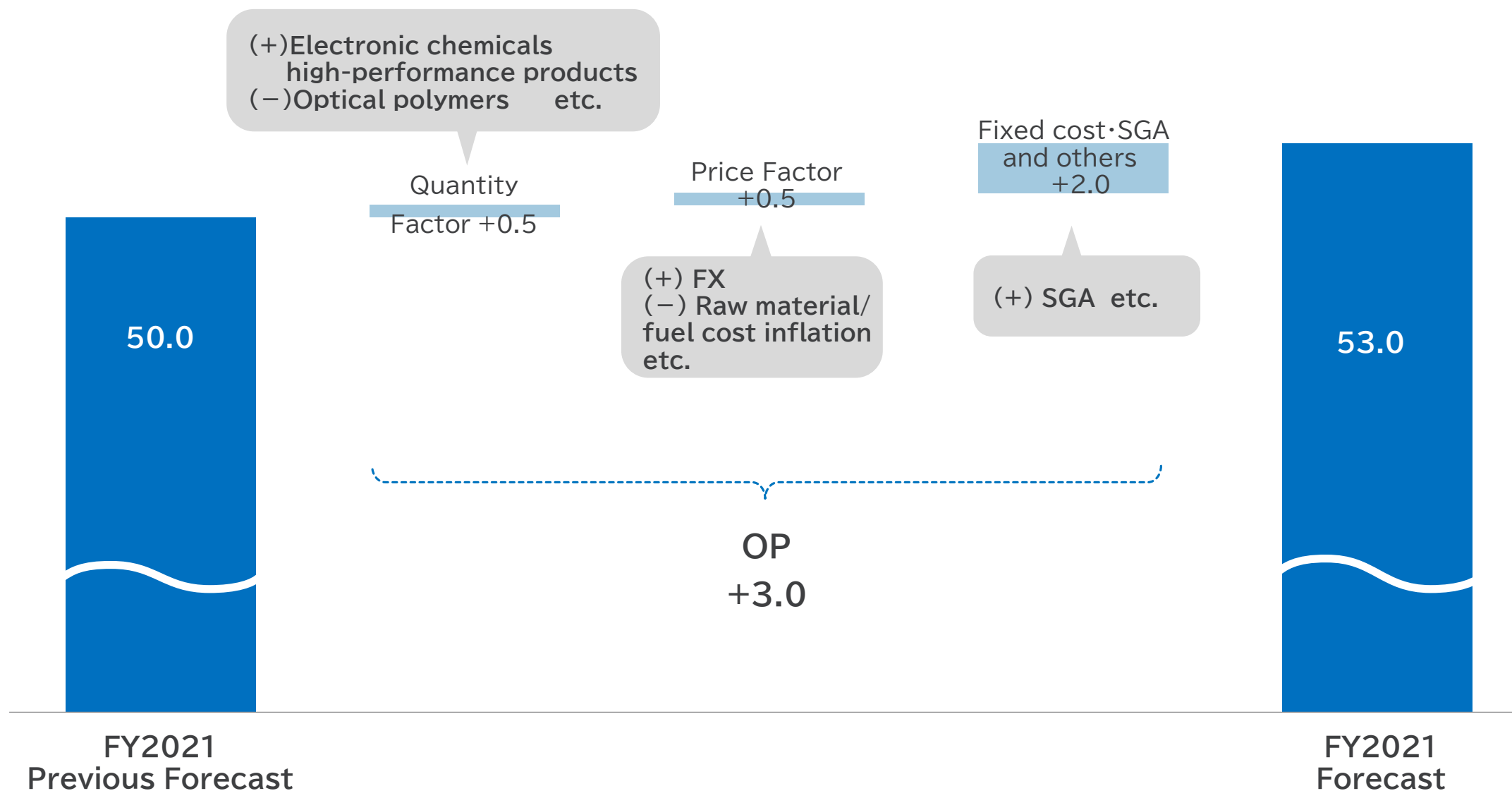
	FY2021 Forecast	FY2021 Previous Forecast*	Changes		FY2020
			Amount	%	
Net Sales	<b>690.0</b>	660.0	30.0	4.5%	595.7
Operating Income	<b>53.0</b>	50.0	3.0	6.0%	44.5
(Equity in earnings of affiliates)	<b>(16.3)</b>	(12.8)	(3.5)	-	(5.1)
Ordinary Income	<b>68.0</b>	61.0	7.0	11.5%	50.2
Net income before taxes	<b>66.0</b>	60.0	6.0	10.0%	48.9
Net income attributable to owners of the parent	<b>50.0</b>	45.0	5.0	11.1%	36.0

\*Announced on Aug6,2021

E P S(JPY)	<b>240.34</b>	216.31			173.41
R O E (%)	<b>9.4</b>	8.5			7.1
R O I C※ (%)	<b>9.8</b>	8.8			7.7
FX(JPY/USD)	<b>111</b>	108			106

※ROIC=Ordinary Income/Invested capital

# FY2021(F) Increase and decrease Factors of Operating Income



# Shareholder return policy / Shareholder return



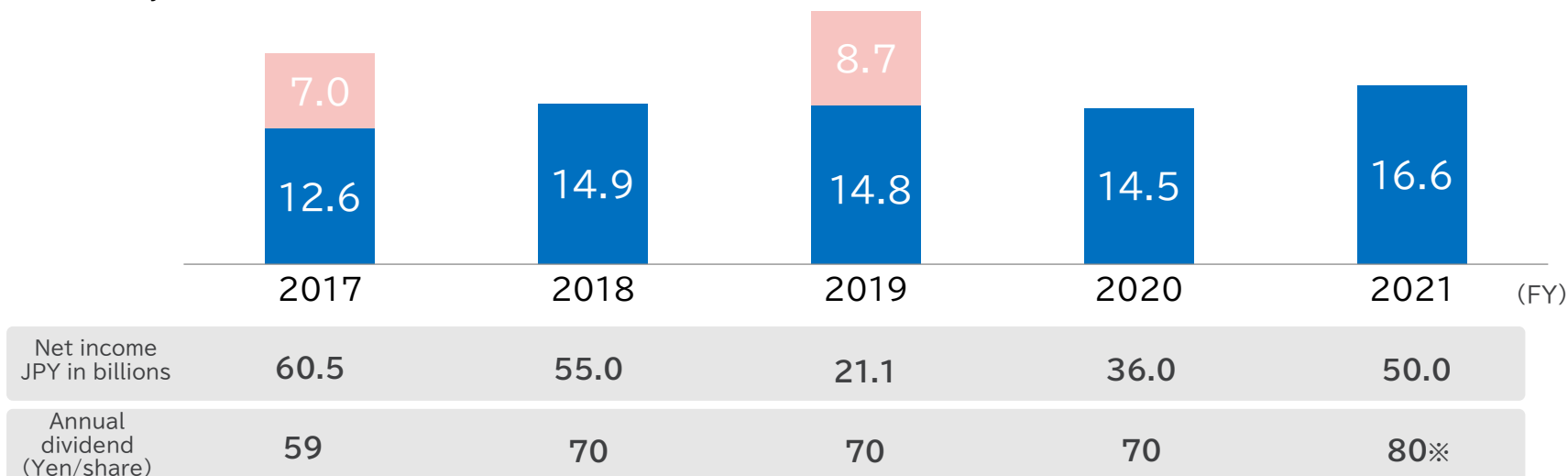
- The MGC Group places topmost management priority on enhancing corporate value.
- The Company will continuously provide stable dividends, while taking operating performance and other factors into account when determining the distribution amount.
- The Company's basic policy is to improve capital efficiency and enhance shareholder returns by flexibly purchasing treasury stock while considering the levels of internal reserves and returns to shareholders.
- Total payout ratio of 40% as a target for medium-term shareholder returns.

Full-year dividends for FY2021 expected to total ¥80※ per share

【JPY in billions】

■ Share buybacks ■ Total dividends

Forecast



※Interim 45yen (Commemorative 10yen), Year-end (Forecast) 35yen

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# Results and Forecast by Segment

[JPY in billions] 

	FY2020			FY2021(Previous Forecast)*			FY2021 forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
<b>Net sales</b>	266.6	329.0	595.7	330.0	330.0	660.0	<b>335.8</b>	<b>354.1</b>	<b>690.0</b>
Basic Chemicals	146.8	190.9	337.8	194.5	195.7	390.2	<b>200.9</b>	<b>210.5</b>	<b>411.4</b>
Specialty Chemicals	124.0	143.7	267.8	137.9	136.6	274.5	<b>137.5</b>	<b>146.8</b>	<b>284.4</b>
Other and Adjustment	▲4.2	▲5.6	▲9.9	▲2.4	▲2.3	▲4.7	▲2.6	▲3.2	▲5.8
<b>Operating income</b>	14.3	30.1	44.5	24.0	26.0	50.0	<b>30.0</b>	<b>23.0</b>	<b>53.0</b>
Basic Chemicals	0.3	12.4	12.8	11.4	8.9	20.3	<b>15.8</b>	<b>8.8</b>	<b>24.7</b>
Specialty Chemicals	15.3	19.4	34.8	14.5	19.0	33.5	<b>15.9</b>	<b>16.1</b>	<b>32.0</b>
Other and Adjustment	▲1.3	▲1.8	▲3.1	▲2.0	▲1.9	▲3.9	▲1.8	▲2.0	▲3.7
<b>Ordinary income</b>	16.5	33.6	50.2	31.0	30.0	61.0	<b>38.7</b>	<b>29.3</b>	<b>68.0</b>
Basic Chemicals	1.4	12.8	14.2	13.9	11.8	25.7	<b>19.1</b>	<b>13.1</b>	<b>32.2</b>
Specialty Chemicals	15.9	21.6	37.5	18.6	20.1	38.7	<b>20.7</b>	<b>17.8</b>	<b>38.6</b>
Other and Adjustment	▲0.7	▲0.7	▲1.5	▲1.6	▲1.8	▲3.4	▲1.1	▲1.8	▲2.9

Effective from the fiscal year ending March 31, 2022, the Company has changed the segments of some of its products. Segment information for the previous fiscal year has also been prepared based on the classification method after the change.

\*Announced on Aug6,2021



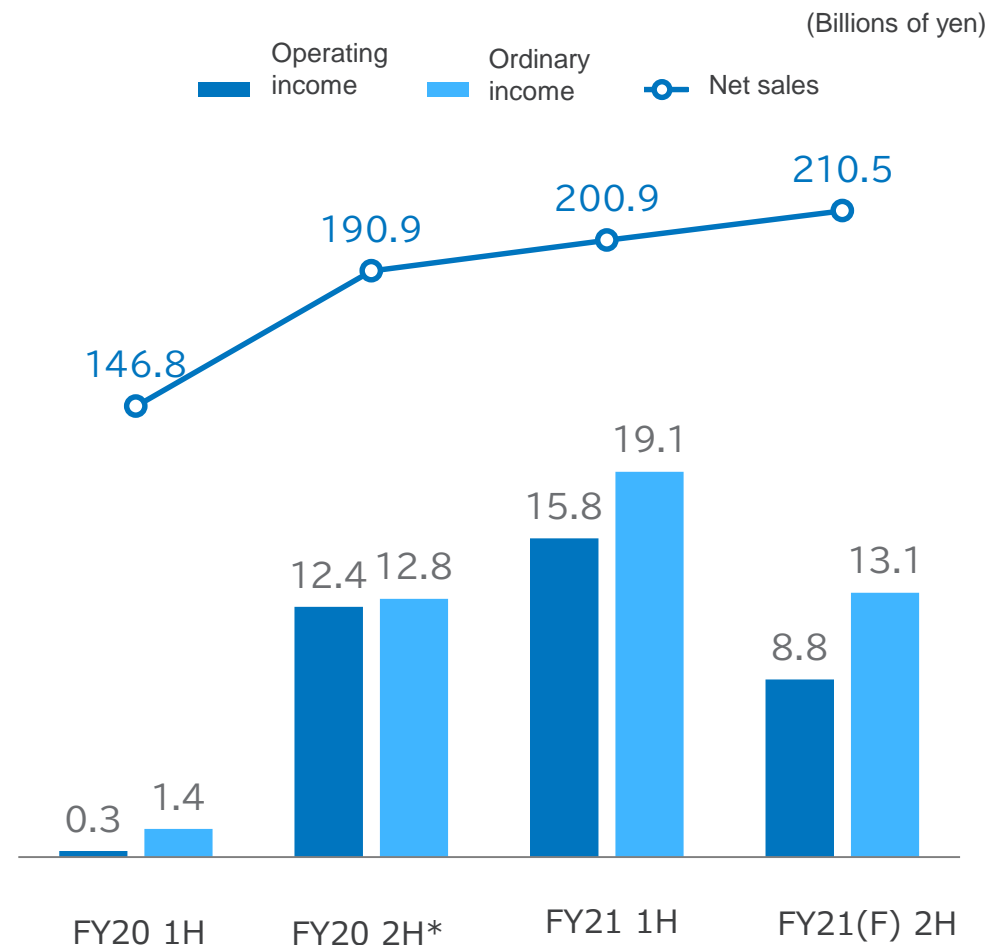
## 1H results (vs. FY2020 1H)

Net sales and profits grew substantially, largely by virtue of recovery from the impact of the pandemic, increased market prices and growth in unit sales of high-performance products.

\*Adoption of revised accounting standard for revenue recognition detracted from YoY net sales growth by ¥7bn

## 2H forecast (vs. 1H results)

We expect profits to decrease, largely as a result of increased repair expenses (scheduled maintenance at Mizushima Plant in 4Q) and raw material/fuel cost inflation. We expect equity in the earnings of affiliates to increase, boosted by increased methanol prices and other factors.



\* Includes ~¥3bn of profits in energy-related businesses due to spike in electricity pricing

# Basic Chemicals: 1H results and 2H outlook



## 1H results (vs. 1H FY2020)

- **Methanol:** Market price was much higher than in year-earlier period (US\$370 vs. \$194/t), when demand was heavily depressed by the pandemic. It rose sharply into 1H-end, largely in response to Chinese production cutbacks due to persistently high Chinese coal prices. Equity in the earnings of affiliates also increased largely by virtue of higher market prices despite nonrecurrence of a year-earlier tax refund and production downtime due to scheduled maintenance in Brunei.
- **Methanol/ammonia chemical products:** Net sales and profits grew, driven largely by higher neopentyl glycol prices, even as raw material prices also increased.
- **High-performance products\*1:** Net sales and profits grew, boosted by buoyant sales of aromatic aldehydes and major growth in metaxylenediamine (MXDA) unit-sales driven largely by ① recovery from the impact of the pandemic and ② inventory rebuilding by some customers.
- **Xylene separators/derivatives\*2:** Net sales and profits grew, boosted by increased purified isophthalic acid prices.
- **Foamed plastic (JSP):** Despite raw material/fuel cost inflation, net sales and profits grew in the wake of recovery in unit sales of automotive materials.

## 2H forecast (vs. 1H results)

- **Methanol:** With high Chinese coal prices likely to persist, we are forecasting a 2H methanol price of \$400/t, up from \$370 in 1H. We expect equity in the earnings of affiliates to increase.
- **Methanol/ammonia chemical products:** We expect profits to decrease, largely as a result of increased repair expenses and raw material cost inflation.
- **High-performance products\*1:** Although we anticipate continued robust demand, we expect unit sales to be down as a result of disproportionate concentration of sales in 1H.
- **Xylene separators/derivatives\*2:** We expect profits to decrease as a result of increased repair expenses and margin shrinkage. We will take action to stabilize earnings.
- **JSP:** We expect profits to be down under the weight of increased raw material and fuel costs.

\*1 Previously called specialty aromatic chemicals; includes MXDA, MX-Nylon, aromatic aldehydes

\*2 Previously called general-purpose aromatic chemicals; includes MX, PIA

# Specialty Chemicals: 1H results and 2H outlook



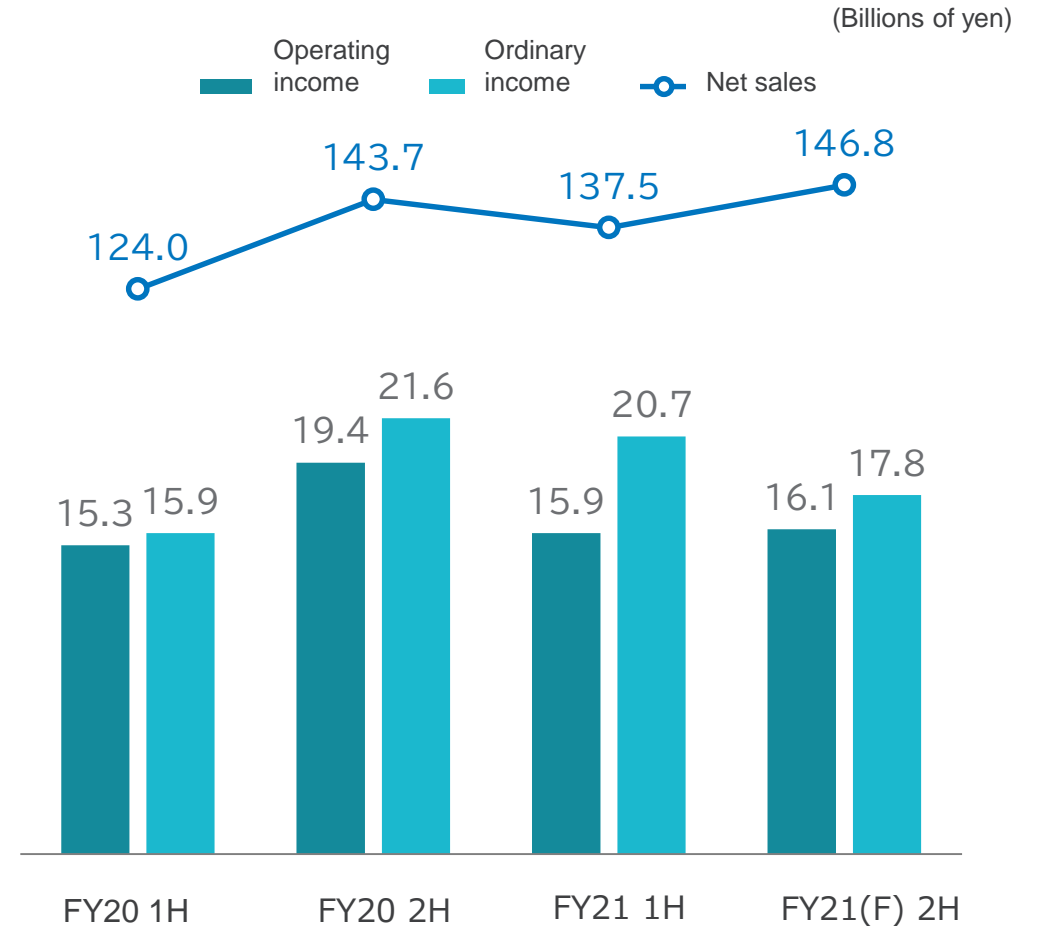
## 1H results (vs. FY2020 1H)

Net sales and profits grew, driven largely by recovery from the impact of the pandemic and growth in unit sales to the semiconductor industry. Optical polymer unit-sales decreased.

\*Adoption of revised accounting standard for revenue recognition detracted from YoY net sales growth by ¥10.1bn

## 2H forecast (vs. 1H results)

Although we expect optical polymer unit-sales to rebound, we are forecasting sequentially flat operating income, largely as a result of raw material/fuel cost inflation and a decline in unit sales of electronic materials from their high 1H level.



# Specialty Chemicals: 1H results and 2H outlook



## 1H results (vs. 1H FY2020)

- **Inorganic chemicals:** P/L improved YoY, largely by virtue of growth in unit sales of semiconductor chemicals.
- **Engineering plastics:** Despite raw material/fuel cost inflation, net sales and profits grew, driven largely by recovery in unit sales, mainly in the auto sector, and sales price increases.
- **Optical materials:** Unit sales decreased largely as a result of semiconductor shortages and customers' prolonged inventory destocking dating back to December 2020. Net sales and profits were both down substantially.
- **Electronic materials:** Unit sales of general-purpose materials used in a wide variety of products, including home electronics and PC-related hardware, grew substantially, driven largely by supply-chain inventory rebuilding. Sales of materials for memory devices and 5G smartphones also were strong. Both net sales and profits increased.
- **Oxygen absorbers:** P/L improved relative to the pandemic-stricken year-earlier period, largely by virtue of recovery in sales to the domestic food industry.

## 2H forecast (vs. 1H results)

- **Inorganic chemicals:** We expect P/L to improve sequentially, bolstered by continued buoyancy in semiconductor chemical unit-sales.
- **Engineering plastics:** We expect profits to decrease as a result of a persistently tight PC-BPA price spread and raw material/fuel cost inflation.
- **Optical materials:** Although prolongation of semiconductor shortages is a concern, customers' inventory destocking had more or less run its course by 1H-end. We expect sales to recover from their extremely depressed 1H level.
- **Electronic materials:** While we expect demand to remain robust, we anticipate a downshift in rebuilding of general-purpose material inventories. We expect unit sales to decline from their elevated 1H level.

1 | FY2021 1H Results

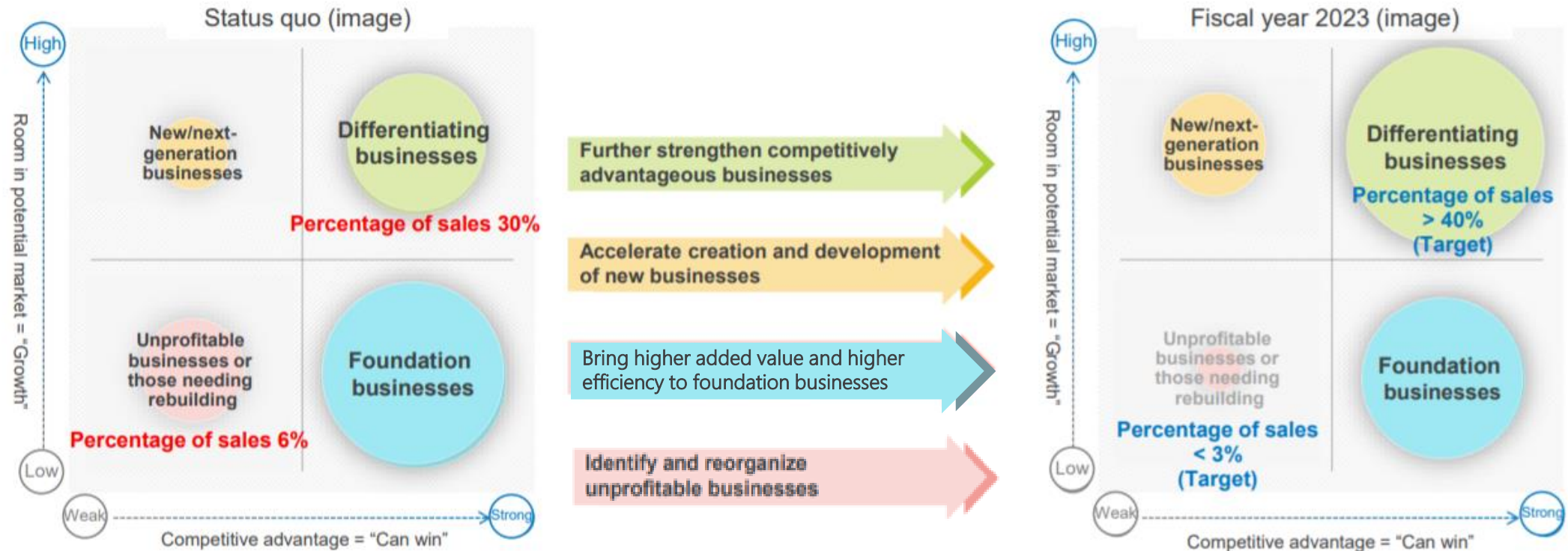
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# Business portfolio reform: Grow UP 2023 Medium-Term Management Plan's four-quadrant management model

- Differentiating and new/next-generation businesses: we are heavily allocating management resources and making growth investments (see next slide)
- Foundation businesses: we are exploring/executing initiatives to strengthen earnings power by, e.g., increasing value-add and improving efficiency
- Unprofitable businesses or those needing rebuilding: we are executing action plans to rebuild businesses  
We have decided to discontinue TMP (trimethylolpropane) and formalin production at Mizushima Plant and Yokkaichi Plant, respectively



# Growth investments in competitively advantaged (differentiated) businesses ①: **MGC** MXDA (meta-xylenediamine)

## We are building new MXDA production site in Europe, the world's biggest market

- MXDA\*1 demand is expected to continue growing steadily, driven mainly by demand for infrastructure coating materials
  - \*1. MXDA is a meta-xylene derivative used in, e.g., epoxy hardeners, polyamides (MX-Nylon) and isocyanates.
- Demand for MXDA as a repair material for environmentally friendly wind turbine blades is also expected to help drive market growth
- To meet growing demand, we established a wholly owned production subsidiary\*2 in Europe (Rotterdam), the world's biggest market
  - \*2. Slated to become a production subsidiary following a November 2021 capital increase (~€85 million)
- It is scheduled to commence commercial production in July 2024 with 25kt of annual production capacity)



Infrastructure application: anticorrosive paint



Infrastructure application: flooring material

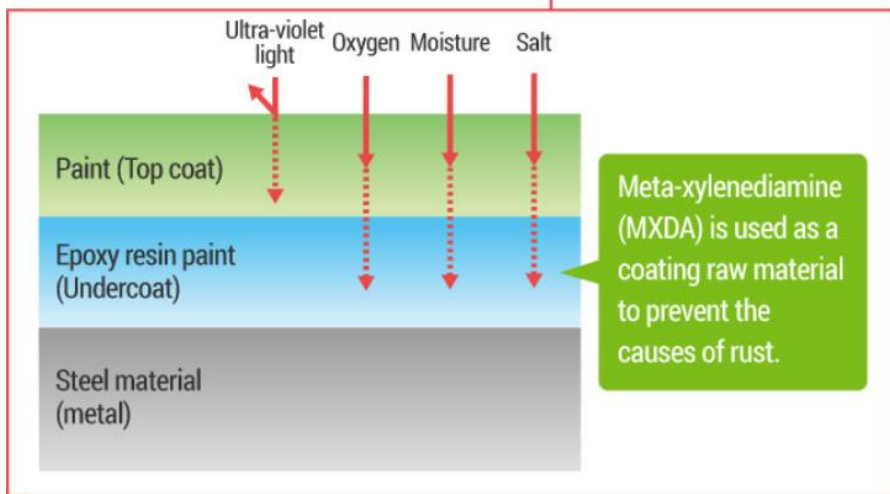


Repair material for wind turbine blades

# Reference: MXDA is an environmentally beneficial product that contributes to decarbonization

- Environmentally friendly and benign to humans, water-based epoxy paint emits no organic solvent vapors, an air pollutant. It also contributes to conservation of petroleum resources by reducing paint hardener consumption by approximately 20%.
- We are developing applications that contribute to a carbon-neutral society, including CO<sub>2</sub> capture and metal recycling

## Anticorrosive epoxy resin paint for metal surfaces



## We are developing applications that contribute to a carbon-neutral society

### ① Metal recycling



### ② CO<sub>2</sub> capture



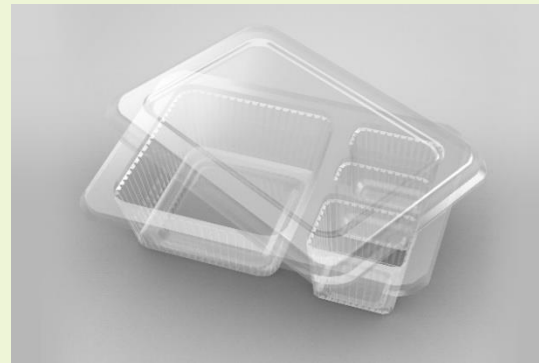


# Growth investments in advantageous (differentiating) businesses ②: aromatic aldehydes

## We are debottlenecking and expanding production capacity in the stably growing aromatic aldehyde market

- Our strength is a proprietary production process that uses a hard-to-handle superacid catalyst
- Market is stably growing at 4-5% CAGR, driven mainly by resin additive and fragrance applications\*
  - \* Resin additive: material that renders polypropylene transparent
  - Fragrance: fragrant ingredient of perfumes, soap, shampoo, laundry detergent, etc.; used by, e.g., laundry detergent and perfume makers
- As a first step to meet growing demand, we will debottleneck our existing production facilities (scheduled to be completed by Jul. 2022)
- As a second step, we have decided to increase the Mizushima Plant's production capacity (scheduled to come on line in Nov. 2023)

Resin additive applications



Fragrance applications

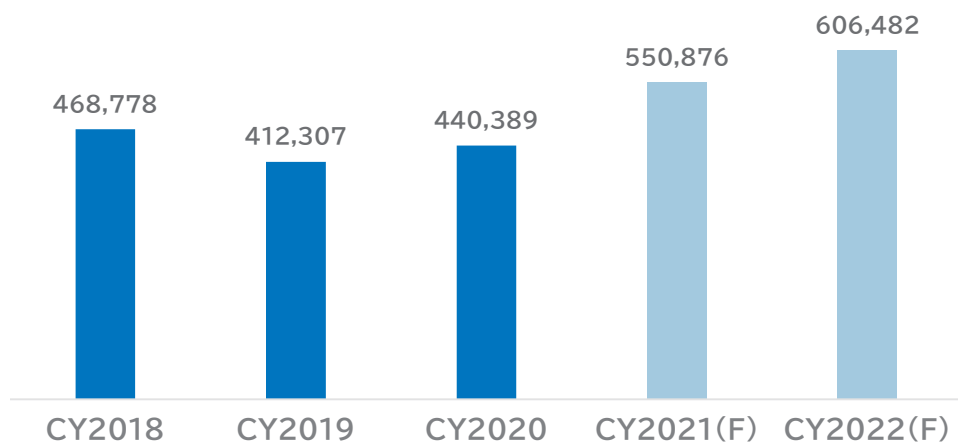


# Growth investments in competitively advantaged (differentiated) businesses ③: electronic chemicals (EL), BT materials

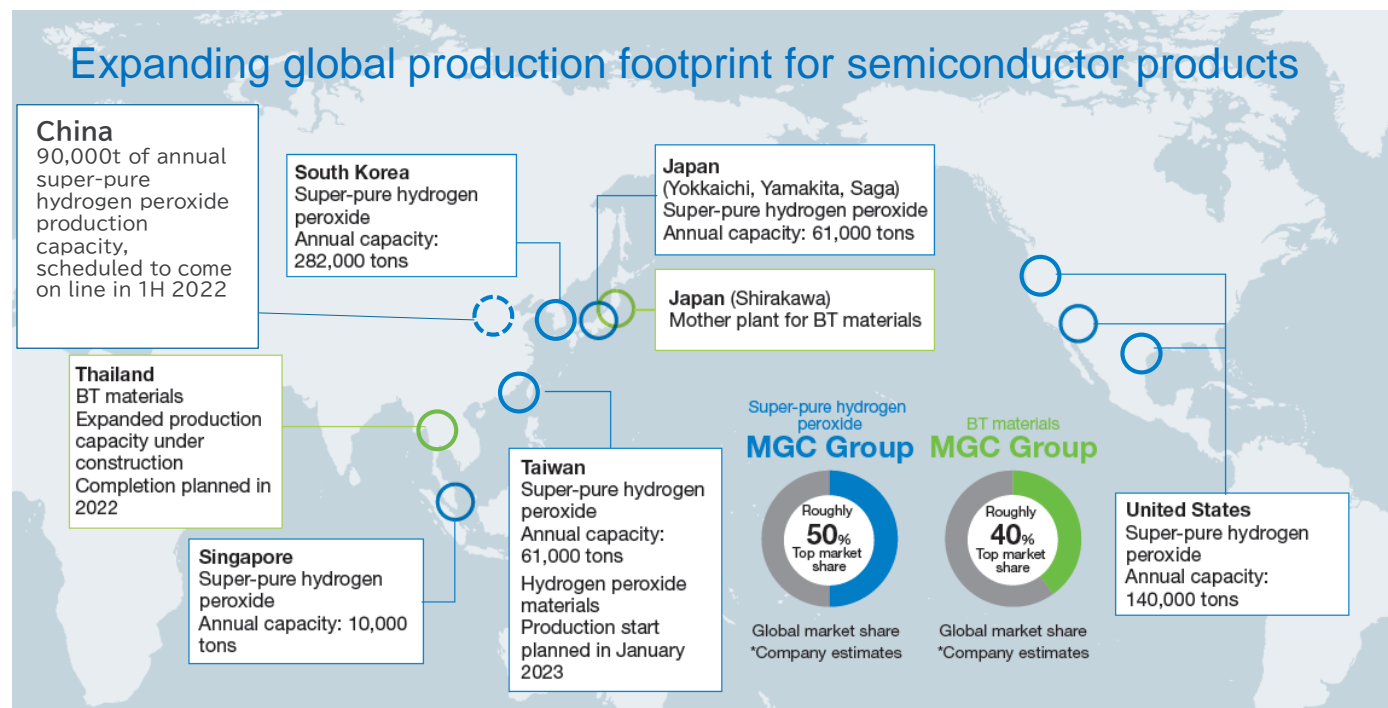
## We are expanding global production footprint to better serve semiconductor market, which is expected to keep growing

- BT: We are adding production capacity (scheduled to come on line in Apr. 2022) in Thailand to meet booming demand
- EL: We are building a hydrogen peroxide feedstock plant (scheduled to be commissioned in 2023) in Taiwan to integrate production operations from feedstock through super-pure hydrogen peroxide; we are building a hydrogen peroxide feedstock plant (scheduled to come on line in 1H 2022) in China also
- Rebuilding of Japan's semiconductor production capacity is another tailwind for MGC Group
- We are exploring additional investments in light of expectations of continued growth in the semiconductor market

WSTS semiconductor market forecasts



Source: WSTS(Aug,16 2021)



# Toward carbon neutrality by 2050 (1)

## Initiatives capitalizing on R&D capabilities and unique strengths in energy and methanol/ammonia businesses

### 1) Ammonia as next-generation energy source

We believe we have a major responsibility to supply clean ammonia as a CO<sub>2</sub>-free fuel. We are seeking stable overseas supply sources in addition to PT Panca Amara Utama, an indirect investee currently working on CCS (carbon capture and storage) in Indonesia. Having established an Ammonia Fuels Business Promotion Team within our Basic Chemicals Business Sector, we will accelerate development of an ammonia fuels business, including through collaborations with domestic and overseas partners, to start supplying ammonia fuels within Japan as early as possible.

(<https://www.mgc.co.jp/corporate/news/2021/210806-4.html>)

### 2) Circular carbon methanol (CCM) production process

We have started testing our circular carbon methanol production process using a pilot facility at our Niigata Plant. In September, we succeeded in producing methanol that meets international standards using CO<sub>2</sub> and hydrogen as feedstocks.

(<https://www.mgc.co.jp/corporate/news/2021/210806-4.html>)

### 3) Initiatives in Niigata area

On May 28, 2021, we issued a press release announcing a study on effective CO<sub>2</sub> utilization in collaboration with Japan Petroleum Exploration Co., Ltd. We are also working on promoting hydrogen utilization in Niigata Prefecture by producing blue hydrogen from methanol using CCUS (carbon capture, utilization and storage).

(<https://www.mgc.co.jp/corporate/news/files/210528.pdf>)



Methanol pilot facility (Niigata Plant)

## Toward carbon neutrality by 2050 (2)

### 4) Methanol as a hydrogen carrier and fuel

We offer a process we developed that uses proprietary technology to produce hydrogen from methanol. We have established it as a decentralized way to produce/supply hydrogen on site. When combined with our CCM production process (see preceding slide), we believe it is a practical method of producing and supplying hydrogen to reduce greenhouse gas (GHG) emissions and achieve carbon neutrality.

(<https://www.mgc.co.jp/products/nc/mh-md/>)



### 5) Reduction of CO<sub>2</sub> emissions with geothermal, LNG-fired and biomass-fired power generation

We aim to expand our renewable energy business. In addition to the currently under-construction Appi Geothermal Power Plant and an existing co-ownership stake in the LNG-fired Fukushima Natural Gas Power Plant, the output of which we are utilizing as low-GHG-intensity transitional energy, we are proactively pursuing new renewable energy projects, including geothermal and biomass-fired power plants.

(<https://www.mgc.co.jp/company/basic-chemicals/geothermal.html>)



# Disclosure in accord with TCFD recommendations



We endorsed the TCFD recommendations in May 2019. We address issues from the standpoint of both mitigating and adapting to climate change.

We disclose information on ① governance, ② strategy, ③ risk management and ④ indicators and objectives.

## [ 1. Governance ]

Long-term GHG emission reduction targets are set by the CSR Council, which is comprised of Directors and chaired by the President, after being thoroughly vetted by the Climate Change Action Technical Committee and CSR Committee, two cross-organizational bodies that address climate-change risks and other key CSR issues. The targets are incorporated into medium-term management plans. Management plays a leading role in overseeing progress toward the targets attainment.



## [2. Strategy: Responding to Climate Change Risks and Opportunities]

Strategy for responding to 2°C and 4°C scenarios by 2030

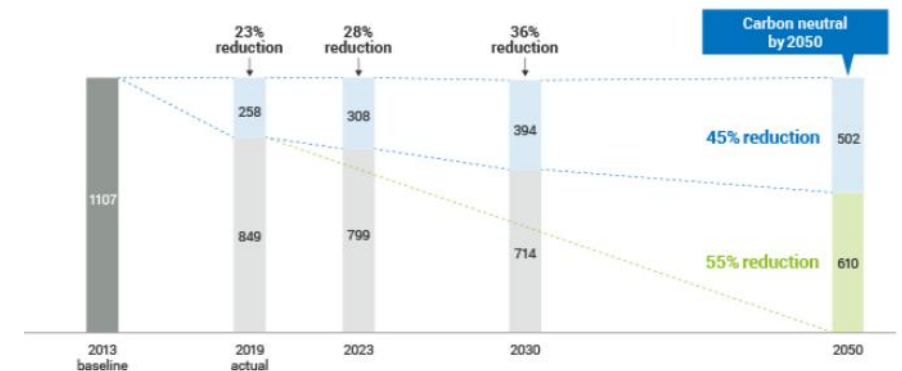
	Risks	Opportunities
Transition Risks and Opportunities (2C° scenario)	<ul style="list-style-type: none"> <li>Soaring raw fuel prices</li> <li>Deployment of environmentally friendly equipment</li> <li>Introduction of a carbon tax</li> </ul>	(Primary Responses) <ul style="list-style-type: none"> <li>Further improve energy use efficiency and develop decarbonization processes</li> <li>Expand deployment of renewable energy</li> <li>Decarbonize raw materials and fuels</li> <li>Develop decarbonized products</li> </ul>
	<ul style="list-style-type: none"> <li>Growing market for eco-friendly products</li> <li>Increasing demand for non-edible plant-derived chemicals</li> <li>Reduced costs for renewable energy</li> </ul>	
Physical risks (4C° scenario)	<ul style="list-style-type: none"> <li>Impact of much larger natural disasters on plant operations</li> <li>Supply chain disruption</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen BCP</li> </ul>

## [ 3. Risk Management ]

While managing risk through company-wide, cross-organizational ESG materiality management, we place utmost priority on proactively addressing environmental problems from the perspective of stakeholders and MGC itself. We take the initiative on environmental mitigation as a requirement for the Company's survival and ongoing activity.

To better quantify climate-change risks, we have adopted internal carbon pricing from April 2021.

## [ 4. Indicators and Objectives ]



# Appendix

# Appendix: Key Indicators (1)



単位:億円	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021(F)
Capital expenditure (1H)	30.9 [17.7]	25.4 [13.8]	22.2 [10.3]	30.5 [14.9]	35.0 [13.7]	30.9 [13.9]	39.2 [18.6]	42.3 [22.4]	40.2 [15.8]	67.0 [22.0]
Depreciation & Amortization (1H)	23.0 [10.7]	23.5 [11.4]	23.7 [11.5]	26.7 [13.1]	25.6 [12.2]	27.0 [13.1]	27.4 [13.5]	29.5 [14.4]	30.6 [15.1]	32.0 [15.8]
R&D expenditure (1H)	15.1 [7.2]	16.1 [8.0]	16.8 [8.0]	18.9 [9.2]	19.2 [9.6]	18.9 [9.5]	18.6 [9.1]	19.6 [9.4]	19.9 [9.8]	21.5 [10.1]
Employees(as of Mar 31)	5,323	5,445	8,254	8,176	8,034	8,009	8,276	8,954	8,998	10,122
EPS(Yen)*	▲35	66	192	154	222	281	257	101	173	240
ROA(%)	4.6	4.8	5.8	5.9	8.4	10.6	8.7	3.9	6.2	8.0
ROE (%)	▲2.8	5.0	12.6	9.0	12.0	13.6	11.3	4.3	7.1	9.4
ROIC(%)	5.8	6.1	7.2	7.3	10.4	13.2	10.9	4.9	7.7	9.8
Dividend(yen)* (of which, Interim dividend)	24.0 [12.0]	24.0 [12.0]	28.0 [14.0]	32.0 [16.0]	38.0 [16.0]	59.0 [24.0]	70.0 [35.0]	70.0 [35.0]	70.0 [35.0]	80.0※ [45.0※]

\*The Company conducted a consolidation of shares at a ratio of one share for every two shares effective October 1, 2016. EPS and dividends have been calculated by retroactive adjustment applying the above share consolidation to preceding periods as well.

※Commemorative dividend 10yen

## Appendix:Key Indicator (2) Capex, depreciation and amortization by segment



		2012	2013	2014	2015	2016	2017	2018	2019	2020	
Capex	Natural Gas	6.3	4.5	5.7	5.3	9.0	6.0	5.7	7.2	Basic Chemicals	19.4
	Aromatic	5.7	2.3	4.0	10.6	10.5	11.3	14.6	15.0		
	Specialty	15.0	11.2	7.6	9.9	8.1	11.0	14.4	14.6	Specialty Chemicals	18.6
	Information & Advanced Materials	3.3	6.6	4.3	3.8	6.6	1.9	2.3	2.6		
	Other	0.3	0.5	0.3	0.7	0.5	0.6	2.1	2.7		
	<b>Total</b>	<b>30.9</b>	<b>25.4</b>	<b>22.2</b>	<b>30.5</b>	<b>35.0</b>	<b>30.9</b>	<b>39.2</b>	<b>42.3</b>	<b>Total</b>	<b>40.2</b>
Depreciation	Natural Gas	6.2	6.3	6.9	6.1	5.0	5.1	5.5	6.3	Basic Chemicals	16.3
	Aromatic	5.8	4.1	3.9	8.2	8.5	8.5	8.7	9.5		
	Specialty	7.7	9.5	9.2	8.8	8.6	9.1	8.7	8.7	Specialty Chemicals	13.0
	Information & Advanced Materials	2.7	3.1	3.3	3.0	3.0	3.5	3.6	3.8		
	Other	0.3	0.3	0.3	0.3	0.3	0.5	0.8	1.0		
	<b>Total</b>	<b>23.0</b>	<b>23.5</b>	<b>23.7</b>	<b>26.7</b>	<b>25.6</b>	<b>27.0</b>	<b>27.4</b>	<b>29.5</b>	<b>Total</b>	<b>30.6</b>



# Appendix: Key Indicator (3)



	FY2017		FY2018		FY2019		FY2020		FY2021	
	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
FX(JPY/USD)	111	111	110	112	109	109	107	105	110	113
FX(JPY/EUR)	126	133	130	127	121	120	121	126	131	130
Crude Oil(Dubai) (US\$/BBL)	50	62	73	65	64	56	37	52	69	85
Methanol (US\$/MT)	296	381	408	335	277	245	194	319	370	400
Mixed Xylene(US\$/MT)	650	725	845	730	705	640	420	560	780	870
Bisphenol A (US\$/MT)*	1,100 ~1,300	1,200 ~1,700	1,600 ~1,900	1,200 ~1,800	1,000 ~1,450	1,050 ~1,350	900 ~1,450	1,400 ~3,300	2,750 ~3,700	1,700 ~3,200
Polycarbonate (US\$/MT)*	2,500 ~2,900	2,900 ~3,900	2,700 ~3,800	2,100 ~2,800	1,900 ~2,250	1,650 ~2,000	1,500 ~2,150	2,100 ~4,000	3,100 ~4,050	2,200 ~4,000

\*Describe the minimum and maximum values during the period

### Sensitivity (Rough estimates)

FX (USD) : with an appreciation(depreciation) of 1 yen against the USD, annual operating income falls (increase) by 0.6 billion yen, while annual ordinary income falls(increases) by 0.5 billion yen.

FX (EUR) : with an appreciation(depreciation) of 1 yen against the USD, annual operating income falls (increase) by 0.1 billion yen, while annual ordinary income falls(increases) by 0.1 billion yen.

Crude oil(Dubai) : A 1 dollar/BBL increase(drop) in crude oil reduces(raises) income by 0.15 billion yen. (exclude methanol affect)

Methanol : A 1 dollar/MT increase (drop) in market price raises (reduces) equity in earnings of affiliates by 0.1 billion yen.

# 【Reference】:Results and Forecast by Old Segment



	FY2020			FY2021(Previous Forecast)*			FY2021(Forecast)		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
<b>Net Sales</b>	266.6	329.0	595.7	330.0	330.0	660.0	<b>335.8</b>	<b>354.1</b>	<b>690.0</b>
Natural Gas	65.4	93.0	158.5	97.3	98.0	195.3	<b>104.9</b>	<b>111.1</b>	<b>216.0</b>
Aromatic	84.9	98.4	183.4	98.7	99.3	198.0	<b>97.6</b>	<b>100.8</b>	<b>198.5</b>
Specialty	96.4	111.0	207.4	102.8	106.1	208.9	<b>102.3</b>	<b>110.5</b>	<b>212.8</b>
Information & Advanced Materials	29.3	32.9	62.3	35.1	30.6	65.7	<b>35.3</b>	<b>36.3</b>	<b>71.7</b>
Corporate/Adjustment	▲9.6	▲6.4	▲16.0	▲4.1	▲4.0	▲8.1	▲4.3	▲4.8	▲9.1
<b>Operating income</b>	14.3	30.1	44.5	24.0	26.0	50.0	<b>30.0</b>	<b>22.9</b>	<b>53.0</b>
Natural Gas	▲3.5	4.5	0.9	2.9	2.6	5.5	<b>5.4</b>	<b>2.7</b>	<b>8.2</b>
Aromatic	3.8	7.9	11.7	8.5	6.2	14.7	<b>10.4</b>	<b>6.0</b>	<b>16.4</b>
Specialty	10.3	12.4	22.8	6.4	12.9	19.3	<b>7.8</b>	<b>9.4</b>	<b>17.3</b>
Information & Advanced Materials	4.9	6.9	11.9	8.1	6.1	14.2	<b>8.0</b>	<b>6.6</b>	<b>14.6</b>
Corporate/Adjustment	▲1.3	▲1.8	▲3.0	▲1.9	▲1.9	▲3.8	▲1.7	▲1.9	▲3.7
<b>Ordinary Income</b>	16.5	33.6	50.2	31.0	30.0	61.0	<b>38.7</b>	<b>29.2</b>	<b>68.0</b>
Natural Gas	▲2.3	4.9	2.6	5.3	5.6	10.9	<b>8.5</b>	<b>7.5</b>	<b>16.1</b>
Aromatic	3.7	7.8	11.6	8.6	6.1	14.7	<b>10.5</b>	<b>5.6</b>	<b>16.1</b>
Specialty	10.7	14.8	25.5	9.9	14.1	24.0	<b>12.0</b>	<b>11.3</b>	<b>23.4</b>
Information & Advanced Materials	5.1	6.8	11.9	8.6	6.1	14.7	<b>8.6</b>	<b>6.5</b>	<b>15.1</b>
Corporate/Adjustment	▲0.8	▲0.7	▲1.5	▲1.6	▲1.8	▲3.4	▲1.0	▲1.8	▲2.9

\*The figures are reference figures that have been simply rearranged for comparison with the new segment.

\*Announced on Aug6,2021

These materials contain performance forecasts and other statements concerning the future.

These forward-looking statements are based on information available at the time.

These materials were prepared and on certain premises judged to be reasonable.

None of these forward-looking statements are intended to be guarantees of future performance.

Various factors may cause actual performance to differ significantly from forecasts.