



FY2024 1H
**Consolidated
Financial Results**

 **MITSUBISHI GAS CHEMICAL COMPANY, INC.**

November 8, 2024

TSE 4182

 **MITSUBISHI GAS CHEMICAL**



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FY2024 1H Results



Net sales: Decreased due mainly to the December 2023 transition of JSP Corporation from consolidated subsidiary to equity-method affiliate, despite higher methanol market prices, growth in sales volumes of such products as optical polymers for smartphone use and electronics materials, the depreciation of the yen, and other positive factors.

Operating profit: Increased due mainly attributable to overall growth in earnings from the Specialty Chemicals business segment compared with the same period of the previous fiscal year despite such negative factors as the aforementioned transition of JSP Corporation to equity-method affiliate.

Ordinary profit: Rose due to the increase in operating profit as well as higher methanol market prices and other positive factors leading to improvement in equity in earnings of affiliates.

Interim profit attributable to owners of parent: Decreased due primarily to the absence of gain on step acquisitions recorded in the same period of the previous fiscal year in connection with the inclusion of Mitsubishi Engineering Plastics Corporation into the scope of consolidation. (-15.0 billion yen)

[JPY in billions]	FY2023 1H	FY2024 1H	Changes		FY2024 1H Previous Forecast*
			Amount	%	
Net Sales	399.6	388.1	-11.5	-2.9	390.0
Operating profit	22.1	33.7	+11.6	+52.7	28.0
Equity in earnings of affiliates	(1.0)	(5.9)	+6.9	-	5.7
Ordinary profit	24.9	37.4	+12.4	+50.1	33.0
Profit attributable to owners of parent	31.2	24.7	-6.5	-20.8	23.0
E P S (JPY)	152.67	123.47			114.86
FX (JPY/USD)	141	153			

*Announced on Aug. 7, 2024

(Note) Figures shown on this and the following pages are rounded down to the closest 0.1 billion. Percentage figures, per-share indicators, and performance assumptions are rounded off to the closest whole number.

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I will begin by explaining the results for Q2 of FY2024.

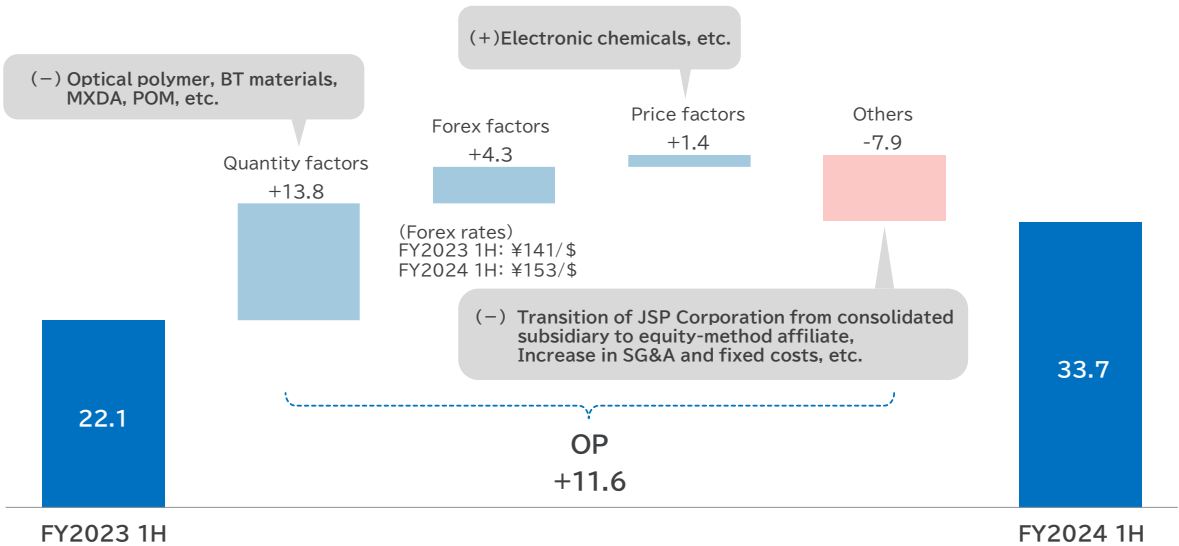
Please see page four. The following table shows the performance summary for Q2 of FY2024.

Although higher methanol market prices, increased sales volumes of optical polymers, electronics materials, and other products, as well as the weaker yen were factors in the increase in net sales, overall sales decreased due to the significant impact of making JSP an equity-method affiliate.

Although the conversion of JSP to an equity-method affiliate had a negative impact on profit, operating profit increased due to factors such as the overall improvement in the profitability of the specialty chemicals business compared to the same period of the previous year.

Ordinary profit increased due to the rise in operating profit, as well as improvements in equity-method income from overseas methanol production companies driven by higher methanol market prices.

Interim profit attributable to owners of parent decreased due to factors such as the absence of the gain from the step acquisition associated with the consolidation of Mitsubishi Engineering Plastics Corporation, referred to as MEP hereinafter.



Please see page five. The following table shows the factors that contribute to the increase or decrease in operating profit for Q2 of FY2024 compared to the same period of the previous year. Please refer to it later.

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FY2024 Full-Year Forecast



- The engineering plastics business has been benefitting from improvement in profitability and sales of optical polymer for smartphone use remained strong. Taking these and other factors into account, the Group expects operating profit and ordinary profit to exceed the previous forecasts.

[JPY in billions]	FY2024 Previous Forecast*1	FY2024 Revised Forecast	Changes		FY2023
			Amount	%	
Net sales	790.0	770.0	-20.0	-2.5%	813.4
Operating profit	54.0	56.0	+2.0	+3.7%	47.3
Ordinary profit	62.0	63.0	+1.0	+1.6%	46.0
Profit attributable to owners of parent	48.0	48.0	-	-	38.8
E P S (JPY)	239.69	243.10			190.97
R O E (%)	7.2	7.3			6.1
R O I C*2 (%)	6.6	6.8			3.3
FX (JPY/USD)	151	149			145

*1 Announced on Aug. 7, 2024
*2 ROIC=Ordinary profit/invested capital

I would like to continue by explaining our full-year forecast for FY2024.

Page seven is a summary of the full-year forecast.

The forecast is JPY770 billion in net sales, JPY56 billion in operating profit, and JPY63 billion in ordinary profit.

In conjunction with today's earnings announcement, we also announced a revision to our full-year forecast, which we expect to exceed our previous forecast by JPY2 billion in operating profit and JPY1 billion in ordinary profit.

- Changes from previous forecast : net sales -¥20.0 billion; operating profit +¥2.0 billion; ordinary profit +¥1.0 billion
- Key individual change factors
 - Sales downturn in electronics materials and inorganic chemicals (electronic chemicals) (delayed recovery of semiconductor-related demand)
 - Forex factors (appreciation of the yen*1)
 - (+) Upturn in optical polymers sales, improved profitability for engineering plastics (PC, POM)
 - (+) Decrease in SG&A expenses
- Year-end dividend forecast : ¥50 (up ¥5 from previous forecast*2)

*1 Full-year forecast (\$1=¥151(previous forecast) → \$1=¥149(revised forecast))

*2 Announced on May 10, 2024

■ Assumed exchange rates (2H): \$1=¥145 (¥5 appreciation against the previous forecast), €1=¥155 (¥5 appreciation against the previous forecast)
(Sensitivity (USD, rough estimate): with an appreciation (depreciation) of ¥1 against the USD, annual operating profit falls (increases) by ¥0.6bn, while annual ordinary profit falls (increases) by ¥0.6bn)
(Sensitivity (EUR, rough estimate): with an appreciation (depreciation) of ¥1 against the EUR, annual operating profit falls (increases) by ¥0.1bn, while annual ordinary profit falls (increases) by ¥0.1bn.)

■ Assumed crude oil prices (2H): \$80/bbl. (same as the previous forecast)
(Sensitivity (USD, rough estimate): \$1/bbl. Increase (drop) in crude oil reduces (raises) profit by ¥0.25bn, excluding methanol affect)

Key points of the full-year forecast are shown on page eight.

Regarding net sales, we anticipate a decline from the previous forecast due to factors such as the adjustment of the exchange rate toward yen appreciation and expected lower sales in semiconductor-related materials, including electronics materials and inorganic chemicals. While demand related to advanced applications such as generative AI remains strong, weaker-than-expected recovery in other areas is projected to impact sales.

Regarding operating profit and ordinary profit, although the exchange rate factors and anticipated decline in sales of semiconductor-related materials are expected to negatively impact earnings, we project results to exceed the previous forecast due to factors such as strong sales of optical polymers for smartphones, improved profitability in the engineering plastics business, and a reduction in general administrative expenses.

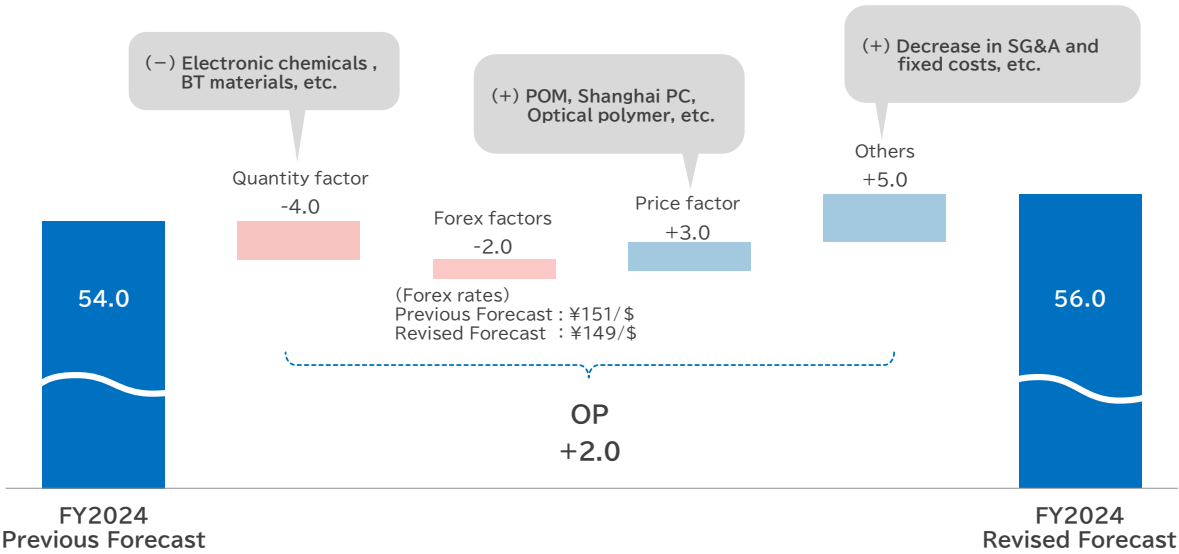
The year-end dividend is expected to be JPY50, an increase of JPY5 from the previous forecast, which was also announced today along with the revision of the earnings forecast.

This will also be explained later.

FY2024(F) Increase and Decrease Factors of Operating Profit
(vs. Previous Forecast)

MGC

[JPY in billions]



Page nine shows the factors for the increase or decrease in operating profit compared to the previous forecast, presented in a waterfall chart. Please refer to it later.

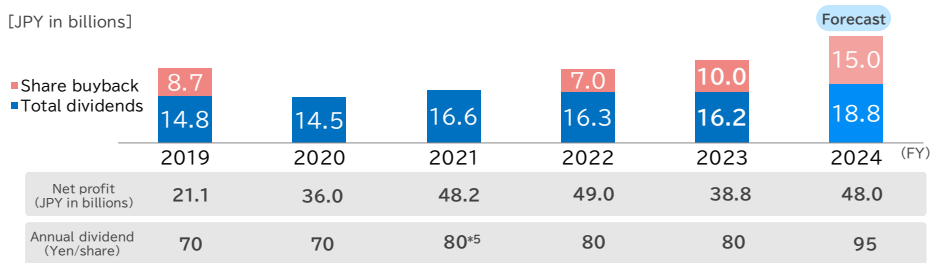
Shareholder Return / Financial Strategy



- In the medium-term management plan, the Group is working to enhance its profitability with an eye to curbing the cost of capital and strengthening the resiliency of its business portfolio. Moreover, the Group has adopted a progressive dividend policy*1 while upwardly revising its total shareholder return ratio target to 50%*2. As such, the Group is committed to proactively delivering shareholder returns.
 - The Group's efforts under way to reduce the cost of capital include strengthening control over the balance sheet via, for example, the use of financial leverage in a way that maintains financial soundness.
- *1: Covers the three-year period of the medium-term management plan. Dividends will be in principle, no reduction – either increase or maintain.
*2: Raise medium-to long term for shareholder return ratio from 40% to 50%.

Giving comprehensive consideration to balancing the reduction of the cost of capital with the enhancement of capital efficiency and the maintenance of financial soundness, the Group decided on Nov. 8, 2024, [to execute share repurchases, in addition to planning to increase annual dividends.](#)

- **Revising Dividend Forecasts:** Annual dividend for FY2024 expected to be ¥95 per share. Interim dividend ¥45, the year-end dividend forecast of ¥50 per share(Dividend increased by ¥5 from the previous forecast*3)
 - **Share Repurchases:** MGC decided to repurchase (up to ¥15 billion/5.6 million shares*4) and cancel (5.6 million shares) its own shares.
- *3 Announced on May 10, 2024
*4 Representing 2.80% of the total number of issued shares (excluding treasury shares)



Page 10 shows shareholder returns.

In the medium-term management plan announced in May of this year, we aim to improve profitability with a focus on capital costs. Additionally, we have strengthened our shareholder return policy by adopting a new progressive dividend policy, under which dividends will, in principle, not be reduced and will either be increased or maintained. We have also raised the total payout ratio to 50% to enhance shareholder returns.

In addition, while ensuring financial soundness, the Company is promoting initiatives to reduce the cost of capital by strengthening balance sheet controls, including the use of financial leverage.

As stated in today's announcements regarding the revision of the dividend forecast and share repurchases and cancelation, we have comprehensively considered factors such as our shareholder return policy, capital cost reduction, capital efficiency improvement, and the balance of financial soundness. As a result, we have set the forecast for the year-end dividend at JPY50 per share.

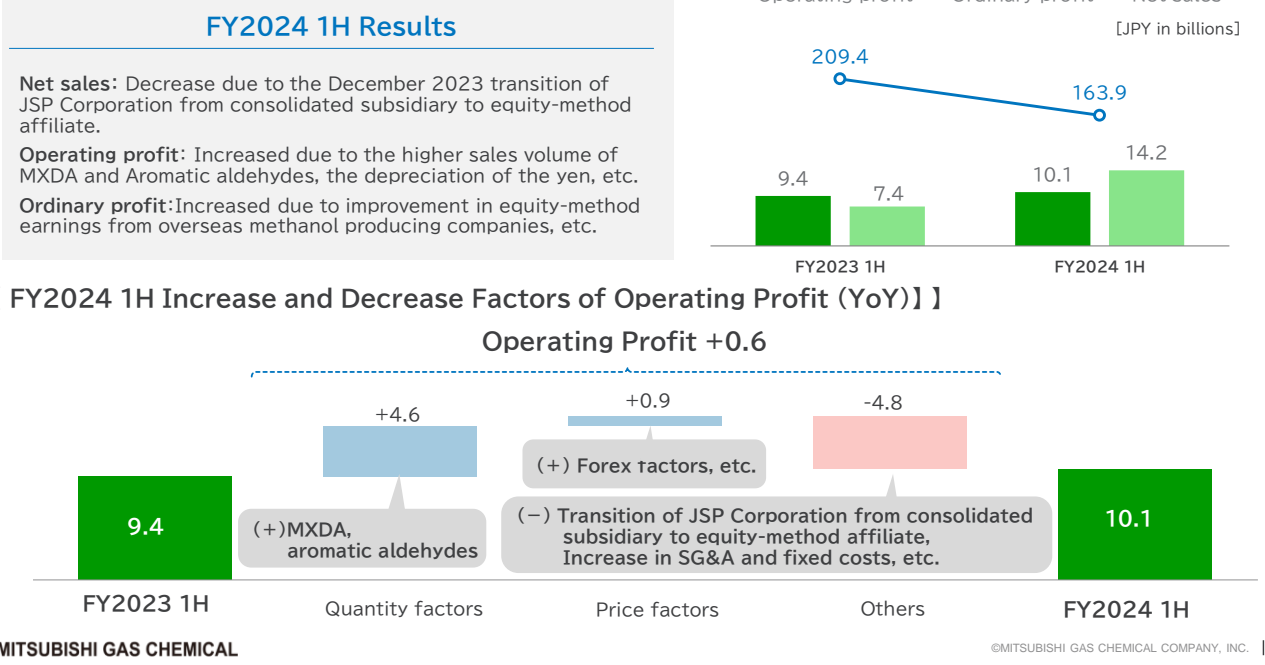
As a result, the annual dividend forecast is JPY95 per share.

We have also decided to implement a share repurchase program with an upper limit of JPY15 billion or 5.6 million shares. To enhance shareholder value over the medium to long term, we will cancel all repurchased shares.

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3 | Results and Forecast by Segment



Next, I will provide an overview of results by segment.

On page 12, I will explain our former basic chemicals business, green energy and chemicals. Hereinafter referred to as GEC.

As for the H1 results, as shown in the upper right graph, net sales decreased due to the conversion of JSP into an equity-method affiliate, but operating profit increased due to higher sales volumes of MXDA and Aromatic aldehydes, as well as the weaker yen.

Ordinary profit also increased due to improvements in equity-method income from overseas methanol production companies, driven by higher methanol market prices.

The lower section shows the factors behind the YoY variance in operating profit, presented in a waterfall chart. Please refer to it later.

[JPY in billions]	FY2023 1H Results	FY2024 1H Results	Changes
Net sales	209.4	163.9	-45.4
Natural Gas	97.5	119.5	+ 21.9
Aromatic	113.3	44.9	-68.4*
Other/Adjustment	(1.5)	(0.4)	+1.0
Operating profit	9.4	10.1	+0.6
Natural Gas	4.1	7.7	+3.5
Aromatic	5.3	2.3	-2.9
Other/Adjustment	(0.0)	0.0	+0.0
Ordinary profit	7.4	14.2	+6.8
Natural Gas	1.8	11.0	+9.1
Aromatic	5.6	3.2	-2.4
Other/Adjustment	(0.0)	0.0	+0.0

(Note) Breakdown shows segments by major product group

*Decreased due to the December 2023 transition of JSP Corporation from consolidated subsidiary to equity-method affiliate.

		FY2024 1H Results (Compared with FY2023 1H Results)	
Natural Gas Chemicals	Methanol		Increased in both net sales and earnings due primarily to higher market prices compared with the same period of the previous fiscal year.
	Methanol and ammonia-based chemicals		Increased in both net sales and earnings due mainly to recovery in the sales volume of MMA products and higher market prices, in addition to the depreciation of the yen.
	The energy resources And environmental business		Increased in net sales and earnings due primarily to the higher sales volume of LNG for power generation use, along with growth in the sales volume of iodine, and rising market prices for this offering.
Aromatic Chemicals	MXDA, aromatic aldehydes, polymer materials		Increased in net sales, but recorded a decrease in earnings, reflecting such factors as the lower sales volume of derivatives for China-bound exports and higher fixed costs, despite a recovery trend in demand for products targeting European and U.S. customers.
	Xylene separators and derivatives		Earnings on par with the same period of the previous fiscal year, despite stagnant market prices for purified isophthalic acid (PIA), thanks to the depreciation of the yen and other positive factors.

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Page 13 shows GEC's H1 results by major business segment, with a comparison to the same period of the previous year.

Methanol profit increased due to higher market prices.

In methanol and ammonia-based chemicals, earnings increased due to a recovery in sales volume of MMA-based products and higher market prices.

The energy resources and environmental business saw increased revenue and profit due to higher sales volumes of LNG for power generation, increased sales volumes of iodine, and rising market prices.

Although demand for MXDA and aromatic aldehydes in Europe and the US is showing signs of recovery, profit declined due to a decrease in sales volumes of MXDA derivatives caused by the economic slowdown in China, as well as an increase in fixed costs and selling, general, and administrative expenses associated with growth investments.

[JPY in billions]	FY2024 1H Results	FY2024 2H Forecast	Changes
Net sales	163.9	164.1	+0.1
Natural Gas	119.5	114.4	-5.0
Aromatic	44.9	50.2	+5.3
Other/Adjustment	(0.4)	(0.5)	-0.0
Operating profit	10.1	4.7	-5.4
Natural Gas	7.7	3.2	-4.4
Aromatic	2.3	1.4	-0.9
Other/Adjustment	0.0	(0.0)	-0.0
Ordinary profit	14.2	8.4	-5.8
Natural Gas	11.0	6.0	-4.9
Aromatic	3.2	2.3	-0.8
Other/Adjustment	0.0	(0.0)	-0.0

(Note) Breakdown shows segments by major product group

		FY2024 2H Forecast (Compared with FY2024 1H Results)	
Natural Gas Chemicals	Methanol	➡	Market prices are expected to rise mainly due to limited raw material natural gas supplies in winter (1H \$333 →2H forecast \$345). However, lower earnings are expected due to appreciation of the yen and other factors.
	Methanol and ammonia-based chemicals	➡	Outlook for demand is firm but lower earnings are projected mainly due to turnaround maintenance of MMA plant.
	The energy resources And environmental business	➡	Lower net sales and earnings are projected mainly due to concentration of sales of LNG for power generation in the first half. Iodine sales are expected to remain firm.
Aromatic Chemicals	MXDA, aromatic aldehydes, polymer materials	➡	While sales volume is expected to continue rebounding, lower earnings are projected due to turnaround maintenance (4Q).
	Xylene separators and derivatives	➡	Market prices for purified isophthalic acid (PIA) are expected to remain weak. Lower earnings are projected, due also to turnaround maintenance (4Q).

Continuing on page 14 is the forecast for H2 of the fiscal year.

We expect methanol market prices to rise slightly due to supply restrictions on raw material natural gas during the winter.

Although demand for methanol and ammonia-based chemicals is expected to remain strong in H2, we anticipate a decline in profits due to factors such as increased fixed costs from major maintenance of MMA-related facilities.

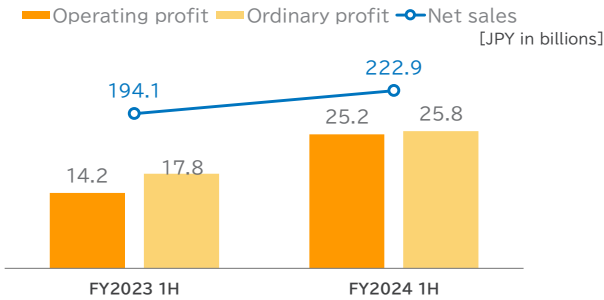
In the energy resources and environmental business, while the iodine business is expected to continue performing well, profits are projected to decline compared to H1 due to factors such as the concentration of LNG sales for power generation in H1.

Although sales volumes of MXDA and aromatic aldehydes are expected to recover, we anticipate a decline in profits due to factoring in increased fixed costs from major maintenance scheduled for Q4.

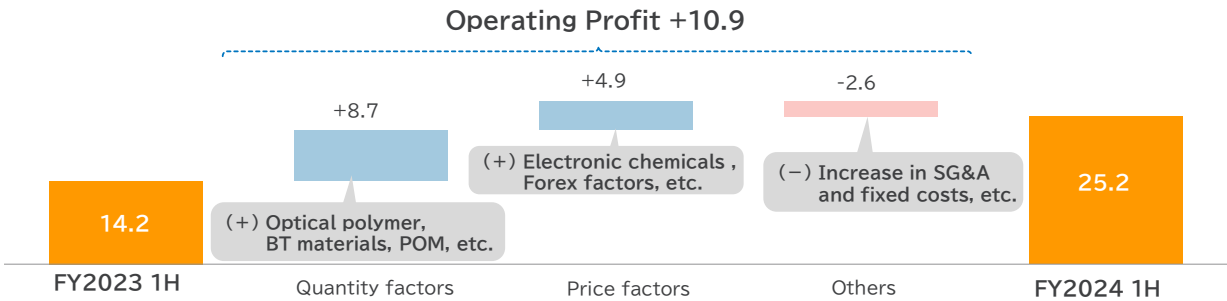
FY2024 1H Results

Net sales, Operating profit:Increased in both net sales and earnings due to a recovery in demand for semiconductors in inorganic chemicals and electronics materials, as well as higher sales volumes of optical polymer for smartphones and improved profitability of engineering plastics, etc.

Interim profit attributable to owners of parent :Decreased due primarily to the absence of gain on step acquisitions recorded in the same period of the previous fiscal year in connection with the inclusion of Mitsubishi Engineering Plastics Corporation into the scope of consolidation (-15.0 billion yen) , etc.



【 FY2024 1H Increase and Decrease Factors of Operating Profit (YoY) 】








On page 15, I will explain the specialty chemicals business.

As mentioned in the H1 performance summary at the beginning of this presentation, earnings in the specialty chemicals business generally exceeded those of the same period of the previous year, and operating profit increased.

The lower section presents the factors behind the YoY variance in operating profit, displayed in a waterfall chart. Please refer to it later.

[JPY in billions]	FY2023 1H Results	FY2024 1H Results	Changes
Net sales	194.1	222.9	+28.7
Specialty	164.8	186.6	+21.7
Information & Advanced Materials	29.3	36.2	+6.9
Other/Adjustment	(0.0)	(0.0)	+0.0
Operating profit	14.2	25.2	+10.9
Specialty	8.8	17.2	+8.3
Information & Advanced Materials	5.3	7.9	+2.6
Other/Adjustment	(0.0)	0.0	+0.0
Ordinary profit	17.8	25.8	+7.9
Specialty	11.6	16.8	+5.2
Information & Advanced Materials	6.1	8.9	+2.7
Other/Adjustment	(0.0)	0.0	+0.0

(Note) Breakdown shows segments by major product group

		FY2024 1H Results (Compared with FY2023 1H Results)	
Specialty Chemicals	Inorganic chemicals		Increased in both net sales and earnings, reflecting such factors as robust showings of chemicals for use in semiconductor manufacturing, as semiconductor demand returned to a recovery track from previous stagnation.
	Engineering plastics		Increased in both net sales and earnings due to higher sales volumes of such offerings as products related to office automation equipment, in addition to improvement in manufacturing costs.
	Optical materials		Increased in both net sales and earnings on the back of the higher sales volume of optical polymer that reflected a trend toward increasing the sophistication of smartphone camera functions, growing demand for products targeting emerging nations, and other factors.
Information & Advanced Materials	Electronics materials		Increased in net sales and earnings, due mainly to ongoing recovery in demand for smartphone-related and other BT materials for IC plastic packaging, the core product category for electronics materials.
	Oxygen absorbers		Increased in net sales and earnings due to improvement in export prices and the higher sales volume of products for overseas customers.

Page 16, please. The following table shows the H1 results of specialty chemicals by major business segment, compared with the same period of the previous year.

Sales and profits increased for semiconductor-related materials, such as inorganic chemicals and electronics materials, due to the recovering demand for semiconductors.






Additionally, profits increased for optical materials due to the trend toward higher functionality in smartphone cameras and growing demand from emerging markets.

Profits also increased for engineering plastics, as demand recovered for major products, such as polycarbonate and polyacetal, particularly for OA equipment, along with improvements in manufacturing costs for utilities and other inputs.

Profits also increased for oxygen absorbers due to factors such as improved export prices and higher sales for overseas markets.

[JPY in billions]	FY2024 1H Results	FY2024 2H Forecast	Changes
Net sales	222.9	217.8	-5.0
Specialty	186.6	177.3	-9.3
Information & Advanced Materials	36.2	40.5	+4.2
Other/Adjustment	(0.0)	(0.0)	-0.0
Operating profit	25.2	19.7	-5.4
Specialty	17.2	9.7	-7.4
Information & Advanced Materials	7.9	10.0	+2.0
Other/Adjustment	0.0	(0.0)	-0.0
Ordinary profit	25.8	19.4	-6.4
Specialty	16.8	9.2	-7.6
Information & Advanced Materials	8.9	10.1	+1.2
Other/Adjustment	0.0	(0.0)	-0.0

(Note) Breakdown shows segments by major product group

		FY2024 2H Forecast (Compared with FY2024 1H Results)	
Specialty Chemicals	Inorganic chemicals		While the outlook is for a continued rebound in demand for chemicals for semiconductors, lower earnings are projected, incorporating higher fixed costs accompanying the start of operations at new plants of overseas subsidiaries, and other factors.
	Engineering plastics		Lower earnings are projected, reflecting an increase in fixed cost burden largely due to scheduled maintenance in the second half, declining market prices, and incorporation of persistently high transportation costs, among other factors.
	Optical materials		Robust sales are expected to continue, backed by the trend toward high performance in smartphone cameras, enhancement of new models, and other factors.
Information & Advanced Materials	Electronics materials		Increased sales volume is expected on recovery in demand across the board, from high-performance materials for smartphones to general-purpose materials.
	Oxygen absorbers		Favorable sales are expected, continuing on from the first half of the year.

Page 17 shows the forecast for H2.

Although demand for inorganic chemicals for semiconductors is expected to recover, with some variation across regions and customers, we anticipate a decline in profits due to factors such as increased fixed costs associated with the startup of a new plant at an overseas subsidiary.

We anticipate a decline in profits for engineering plastics, taking into account increased fixed costs due to scheduled maintenance for polycarbonate in H2, softened market conditions, and persistently high transportation costs.

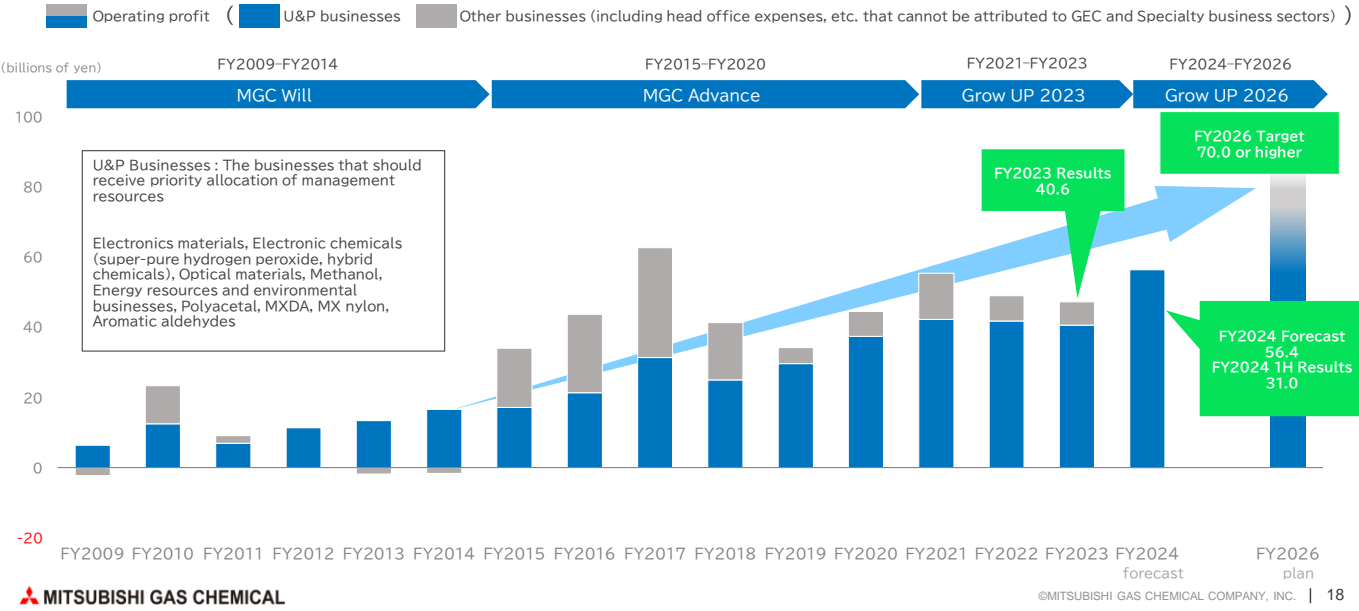
Sales of optical materials are expected to remain strong, supported by the ongoing trend toward higher functionality in smartphone cameras and the production of new models, including North American smartphones.

Although the pace of recovery in electronics materials has been delayed from the previous forecast, we expect a general recovery in demand for everything from high-functional materials for smartphones to general-purpose materials.

Operating Profit Trend of Uniqueness & Presence Businesses

MGC

- Re-expand during this medium-term management plan, mainly by promoting the three ICT businesses as growth drivers



Finally, on page 18, we show the trends in the operating profit for our uniqueness and presence business, as defined in our medium-term plan, which was released in May of this year.

Operating profit in the uniqueness and presence business is growing steadily, with the H1 results totaling JPY31 billion and a full-year forecast of JPY56.4 billion for FY2024.

That is all from me. Thank you.

Appendix

Results and Forecast by Segment



[JPY in billions]	FY2023 Results			FY2024 Previous Forecast*			FY2024 Revised Forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	399.6	413.7	813.4	390.0	400.0	790.0	388.1	381.8	770.0
GEC	209.4	203.4	412.8	167.9	161.7	329.7	163.9	164.1	328.1
Specialty Chemicals	194.1	215.0	409.2	216.3	230.5	446.9	222.9	217.8	440.7
Other/Adjustment	(3.9)	(4.7)	(8.6)	5.6	7.7	13.3	1.2	(0.1)	1.1
Operating profit	22.1	25.2	47.3	28.0	26.0	54.0	33.7	22.2	56.0
GEC	9.4	8.2	17.7	7.5	4.9	12.4	10.1	4.7	14.8
Specialty Chemicals	14.2	18.8	33.0	22.2	23.0	45.3	25.2	19.7	44.9
Other/Adjustment	(1.6)	(1.9)	(3.5)	(1.7)	(2.0)	(3.7)	(1.5)	(2.2)	(3.8)
Ordinary profit	24.9	21.0	46.0	33.0	29.0	62.0	37.4	25.5	63.0
GEC	7.4	2.6	10.1	11.4	8.7	20.1	14.2	8.4	22.7
Specialty Chemicals	17.8	20.7	38.6	23.3	22.3	45.6	25.8	19.4	45.3
Other/Adjustment	(0.4)	(2.3)	(2.7)	(1.8)	(2.0)	(3.8)	(2.7)	(2.2)	(5.0)

* Announced on Aug 7, 2024

Reference: Results and Forecast by Major Product Groups



[JPY in billions]	FY2023 Results			FY2024 Previous Forecast*			FY2024 Revised Forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	399.6	413.7	813.4	390.0	400.0	790.0	388.1	381.8	770.0
Natural Gas	97.5	118.0	215.5	123.8	114.5	238.3	119.5	114.4	233.9
Aromatic	113.3	87.2	200.6	44.5	47.6	92.2	44.9	50.2	95.1
Specialty	164.8	180.3	345.2	179.9	189.4	369.4	186.6	177.3	364.0
Information & Advanced Materials	29.3	34.7	64.0	37.4	42.2	79.7	36.2	40.5	76.7
Other/Adjustment	(5.5)	(6.5)	(12.0)	4.1	6.0	10.2	0.7	(0.6)	0.1
Operating profit	22.1	25.2	47.3	28.0	26.0	54.0	33.7	22.2	56.0
Natural Gas	4.1	4.4	8.5	4.6	2.8	7.5	7.7	3.2	10.9
Aromatic	5.3	3.7	9.1	2.8	2.0	4.9	2.3	1.4	3.8
Specialty	8.8	10.5	19.4	13.1	11.6	24.8	17.2	9.7	26.9
Information & Advanced Materials	5.3	8.3	13.6	9.0	11.3	20.4	7.9	10.0	18.0
Other/Adjustment	(1.6)	(1.8)	(3.5)	(1.7)	(1.9)	(3.7)	(1.5)	(2.2)	(3.8)
Ordinary profit	24.9	21.0	46.0	33.0	29.0	62.0	37.4	25.5	63.0
Natural Gas	1.8	(1.8)	0.0	7.2	6.2	13.4	11.0	6.0	17.1
Aromatic	5.6	4.4	10.1	4.2	2.4	6.7	3.2	2.3	5.5
Specialty	11.6	11.8	23.4	13.1	10.5	23.6	16.8	9.2	26.1
Information & Advanced Materials	6.1	8.9	15.1	10.1	11.7	21.9	8.9	10.1	19.1
Other/Adjustment	(0.4)	(2.3)	(2.8)	(1.8)	(2.0)	(3.8)	(2.6)	(2.3)	(5.0)

(Note) These are reference values calculated according to past segments.
* Announced on Aug 7, 2024

Quarterly Results by Segment



[JPY in billions]	FY2023 Results				FY2024 Results	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	187.0	212.6	222.0	191.6	188.1	200.0
GEC	101.9	107.4	115.5	87.8	78.3	85.5
Specialty Chemicals	87.2	106.9	108.7	106.2	109.2	113.6
Other/Adjustment	(2.1)	(1.7)	(2.2)	(2.4)	0.4	0.8
Operating profit	6.2	15.8	16.5	8.6	15.7	18.0
GEC	3.2	6.2	6.9	1.2	4.1	6.0
Specialty Chemicals	3.5	10.6	10.7	8.1	12.6	12.6
Other/Adjustment	(0.5)	(1.0)	(1.1)	(0.7)	(0.9)	(0.6)
Ordinary profit	7.0	17.9	18.4	2.6	17.9	19.4
GEC	2.0	5.4	9.0	(6.3)	4.5	9.7
Specialty Chemicals	4.7	13.1	11.4	9.3	13.9	11.9
Other/Adjustment	0.2	(0.6)	(2.0)	(0.3)	(0.5)	(2.2)

Reference: Quarterly Results by Major Product Groups



JPY in billions]	FY2023 Results				FY2024 Results	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	187.0	212.6	222.0	191.6	188.1	200.0
Natural Gas	49.2	48.3	54.5	63.4	56.5	62.9
Aromatic	53.5	59.8	61.9	25.3	22.0	22.8
Specialty	73.5	91.3	91.2	89.0	91.0	95.6
Information & Advanced Materials	13.6	15.6	17.5	17.1	18.2	17.9
Other/Adjustment	(2.9)	(2.5)	(3.1)	(3.4)	0.1	0.5
Operating profit	6.2	15.8	16.5	8.6	15.7	18.0
Natural Gas	1.8	2.2	1.6	2.8	2.7	4.9
Aromatic	1.3	3.9	5.3	(1.5)	1.3	1.0
Specialty	1.6	7.2	6.3	4.1	8.4	8.8
Information & Advanced Materials	1.8	3.4	4.3	3.9	4.1	3.8
Other/Adjustment	(0.6)	(1.0)	(1.1)	(0.7)	(0.9)	(0.6)
Ordinary profit	7.0	17.9	18.4	2.6	17.9	19.4
Natural Gas	0.5	1.2	3.3	(5.1)	2.6	8.3
Aromatic	1.5	4.1	5.7	(1.2)	1.7	1.4
Specialty	2.4	9.2	6.5	5.2	9.0	7.8
Information & Advanced Materials	2.2	3.9	4.8	4.1	4.9	4.0
Other/Adjustment	0.2	(0.6)	(2.0)	(0.3)	(0.4)	(2.2)

(Note) These are reference values calculated according to past segments.

FY2024 1H Non-Operating and Extraordinary Items



[JPY in billions]	FY2023 1H	FY2024 1H	Changes
Non-operating items	2.8	3.6	+0.8
Equity in earnings of affiliates	(1.0)	5.9	+6.9
Financial income or losses	2.1	1.0	-1.0
Foreign exchange gains or losses	2.5	(1.9)	-4.5
Others	(0.7)	(1.3)	-0.5
Extraordinary income	18.3	1.1	-17.2
Subsidy income	0.3	0.9	+0.6
Gains on sales of investment securities	2.8	0.1	-2.7
Gains on step acquisitions	15.0	-	-15.0
Others	0.1	-	-0.1
Extraordinary losses	(0.6)	(1.6)	-1.0
Loss on tax purpose reduction entry of non-current assets	(0.2)	(0.6)	-0.4
Provision for business structure improvement	-	(0.5)	-0.5
Impairment losses	-	(0.1)	-0.1
Others	(0.4)	(0.2)	+0.1
Total extraordinary income and losses	17.7	(0.5)	-18.3

• Equity in earnings of affiliates
GEC +6.9
Specialty Chemicals -0.0 etc.

FY2024 1H Balance Sheets

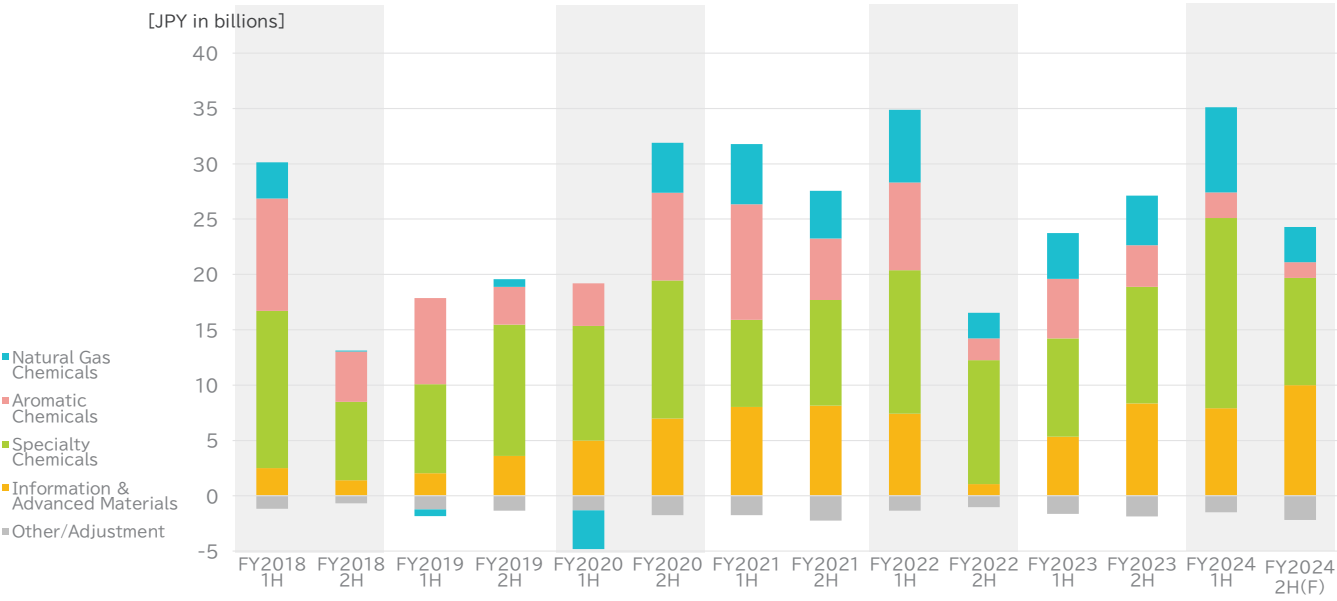


[JPY in billions]	Mar. 31, 2024	Sep. 30, 2024	Changes	[JPY in billions]	Mar. 31, 2024	Sep. 30, 2024	Changes
Current assets	463.1	454.5	-8.5	Liabilities	383.1	381.4	-1.7
Cash and deposits	71.4	71.7	+0.3	Trade note and accounts payable	109.0	94.7	-14.2
Trade notes and Accounts receivable	165.6	151.3	-14.3	Interest-bearing debt	173.0	190.1	+17.1
Inventories	200.5	207.2	+6.7	Others	101.1	96.5	-4.6
Others	25.5	24.2	-1.3				
Non-current assets	604.8	632.9	+28.1	Net assets	684.8	706.1	+21.2
Tangible assets	314.6	336.6	+22.0	Shareholders' equity	587.6	603.9	+16.3
Intangible assets	24.8	24.4	-0.3	Accumulated other comprehensive income	70.1	71.1	+1.0
Investments and other assets	265.3	271.8	+6.4	Non controlling interest	27.0	30.9	+3.8
Total assets	1,068.0	1,087.5	+19.5	Total liabilities and net assets	1,068.0	1,087.5	+19.5

FY2024 1H Cash Flows



[JPY in billions]	FY2023 1H	FY2024 1H	Changes
Operating activity cash flows	36.9	35.5	-1.3
Investing activity cash flows	(19.3)	(49.6)	-30.3
Free cash flows	17.6	(14.0)	-31.6
Financing activity cash flows	(16.7)	8.6	+25.4
Effect of exchange rate change on cash and cash equivalents	6.3	1.2	-5.0
Net increase (decrease) in cash and cash equivalents	7.1	(4.1)	-11.3
Cash and cash equivalents at beginning of period	101.1	65.3	-35.7
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	0.6	+0.6
Cash and cash equivalents at end of period	108.3	61.8	-46.4



(Note) These are reference values calculated according to past segments.

Appendix: Key Indicators (1)



[JPY in billions]	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (F)
Capital expenditure [1H]	30.5 [14.9]	35.0 [13.7]	30.9 [13.9]	39.2 [18.6]	42.3 [22.4]	40.2 [15.8]	54.7 [22.0]	64.6 [31.2]	81.7 [38.0]	94.0 [39.7]
Depreciation& amortization [1H]	26.7 [13.1]	25.6 [12.2]	27.0 [13.1]	27.4 [13.5]	29.5 [14.4]	30.6 [15.1]	31.9 [15.8]	33.5 [16.1]	36.3 [18.3]	34.0 [16.8]
R&D expenditure [1H]	18.9 [9.2]	19.2 [9.6]	18.9 [9.5]	18.6 [9.1]	19.6 [9.4]	19.9 [9.8]	21.0 [10.1]	23.5 [11.1]	25.6 [12.6]	26.5 [12.7]
Employees (as of Mar. 31)	8,176	8,034	8,009	8,276	8,954	8,998	9,888	10,050	7,918	8,237
EBITDA* ¹	74.6	89.4	108.8	97.6	61.6	81.7	107.0	105.0	84.9	96.7
Operating Profit of U&P Businesses	17.1	21.3	31.4	25.0	29.7	37.4	42.3	41.8	40.6	56.4
ROA (%)	5.9	8.4	10.6	8.7	3.9	6.2	8.4	7.1	4.4	5.8
ROE (%)	9.0	12.0	13.6	11.3	4.3	7.1	8.8	8.3	6.1	7.3
ROIC (%) ^{*2}	7.0	9.6	12.1	9.5	3.6	6.2	7.4	6.4	3.3	6.8
Operating profit margin (%)	5.7	7.9	9.9	6.4	5.6	7.5	7.8	6.3	5.8	7.3
EPS (Yen)	153.85	221.83	281.39	257.46	100.50	173.41	232.15	239.08	190.97	243.10
DPS (Yen) [Interim dividend]	32.00 [16.00]	38.00 [16.00]	59.00 [24.00]	70.00 [35.00]	70.00 [35.00]	70.00 [35.00]	80.00 ^{*3} [45.00 ^{*3}]	80.00 [40.00]	80.00 [40.00]	95.00 [45.00]
Total payout ratio (%)	42.5	30.1	32.5	27.2	111.4	40.4	34.5	47.9	67.5	70.3

*1 EBITDA = Ordinary profit + depreciation expense + interest paid *2 ROIC =(Operating profit - Income taxes + Equity in earnings of affiliates) / invested capital

*3 Commemorative dividend 10yen

Reference: Key Indicators (2) Capex, Depreciation and Amortization by Segment



		2015	2016	2017	2018	2019		2020	2021	2022	2023
Capex*	Natural Gas	5.3	9.0	6.0	5.7	7.2	GEC	19.7	19.2	32.0	37.0
	Aromatic	10.6	10.5	11.3	14.6	15.0					
	Specialty	9.9	8.1	11.0	14.4	14.6	Specialty Chemicals	18.6	32.6	28.6	41.9
	Information & Advanced Materials	3.8	6.6	1.9	2.3	2.6					
	Other	0.7	0.5	0.6	2.1	2.7	Other	1.8	2.9	3.9	2.7
	Total	30.5	35.0	30.9	39.2	42.3	Total	40.2	54.7	64.6	81.7
Depreciation	Natural Gas	6.1	5.0	5.1	5.5	6.3	GEC	16.4	17.1	17.9	17.3
	Aromatic	8.2	8.5	8.5	8.7	9.5					
	Specialty	8.8	8.6	9.1	8.7	8.7	Specialty Chemicals	13.0	13.0	13.7	16.8
	Information & Advanced Materials	3.0	3.0	3.5	3.6	3.8					
	Other	0.3	0.3	0.5	0.8	1.0	Other	1.1	1.7	1.8	2.0
	Total	26.7	25.6	27.0	27.4	29.5	Total	30.6	31.9	33.5	36.3

*Fixed assets recorded basis

Appendix: Key Indicators (2)



	FY2020		FY2021		FY2022		FY2023		FY2024 (F)	
	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H (F)
FX(JPY/USD)	107	105	110	115	134	137	141	148	153	145
FX(JPY/EUR)	121	126	131	130	139	143	153	160	166	155
Crude oil (Dubai) (USD/bbl.)	37	52	69	87	102	83	82	82	82	80
Methanol (USD/MT)	194	319	370	428	375	351	297	324	333	345
Mixed xylene (USD/MT)	420	560	780	875	1,105	925	960	910	885	840
Bisphenol A (USD/MT)*	900 ~1,450	1,400 ~3,300	2,750 ~3,700	2,100 ~3,150	1,450 ~2,200	1,250 ~1,700	1,150 ~1,400	1,250 ~1,350	1,250 ~1,350	1,250 ~1,350
Polycarbonate (USD/MT)*	1,500 ~2,150	2,100 ~4,000	3,100 ~4,050	2,650 ~3,650	1,950 ~2,900	1,800 ~2,200	1,650 ~1,900	1,700 ~1,900	1,750 ~1,900	1,750 ~1,900

*Describe the minimum and maximum values during the period

Sensitivity (rough estimates)

FX (USD): with an appreciation (depreciation) of ¥1 against the USD, annual operating profit falls (increases) by ¥0.6 bn, while annual ordinary profit falls (increases) by ¥0.6 bn.

FX (EUR): with an appreciation (depreciation) of ¥1 against the EUR, annual operating profit falls (increases) by ¥0.1 bn, while annual ordinary profit falls (increases) by ¥0.1 bn.

Crude oil (Dubai): A \$1/bbl. increase (drop) in crude oil reduces (raises) profit by ¥0.25 bn (excluding methanol affect).

Methanol: \$1/MT increase (drop) in market price raises (reduces) equity in earnings of affiliates by ¥0.1 bn.

Reference: Main products of Each Reportable Segment



Reportable Segments	Major Product Groups	Main Products
Green Energy & Chemicals (former Basic Chemicals)	Natural Gas Chemicals	·Methanol ·Methanol and ammonia-based chemicals (ammonia and amines, MMA products, formalin and polyol products, etc.) ·Energy resources and environmental businesses
	Aromatic Chemicals	·MXDA, aromatic aldehydes, polymer materials(MX nylon, etc.) ·Xylene separators and derivatives (Meta-xylene, purified isophthalic acid (PIA), etc.)
Specialty Chemicals	Specialty Chemicals	·Inorganic chemicals (electronic chemicals (super-pure hydrogen peroxide, hybrid chemicals), hydrogen peroxide, etc.) ·Engineering plastics (polycarbonate/sheet film, polyacetal, etc.) ·Optical materials (optical polymer, ultra-high refractive lens monomer, etc.)
	Information and Advanced Materials	·Electronics materials (BT materials for IC plastic packaging, etc.) ·Oxygen absorbers (AGELESS™, etc.)

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