

Consolidated Financial Statements

Consolidated Statement of Income

Mitsubishi Chemical Holdings Corporation and Consolidated Subsidiaries
Years ended March 31

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2021
Continuing operations:		
Sales revenue	¥ 3,580,510	¥ 3,257,535
Cost of sales	(2,593,247)	(2,331,286)
Gross profit	987,263	926,249
Selling, general and administrative expenses	(800,572)	(752,693)
Other operating income	27,571	30,713
Other operating expenses	(83,373)	(172,391)
Share of profit of associates and joint ventures	13,396	15,640
Operating income	144,285	47,518
Financial income	7,206	8,252
Financial expenses	(29,488)	(22,862)
Income before taxes	122,003	32,908
Income taxes	(52,335)	(10,186)
Net income from continuing operations	69,668	22,722
Discontinued operations:		
Net income from discontinued operations	16,892	—
Net income	¥ 86,560	¥ 22,722
Net income attributable to:		
Owners of the parent	¥ 54,077	¥ (7,557)
Non-controlling interests	32,483	30,279
Net income	¥ 86,560	¥ 22,722
Earnings per share: (Yen)		
Basic earnings(loss) per share attributable to owners of the parent		
Continuing operations	¥ 26.19	¥ (5.32)
Discontinued operations	11.89	—
Total	¥ 38.08	¥ (5.32)
Diluted earnings(loss) per share attributable to owners of the parent		
Continuing operations	¥ 24.27	¥ (5.32)
Discontinued operations	10.94	—
Total	¥ 35.21	¥ (5.32)

Consolidated Statement of Comprehensive Income

Mitsubishi Chemical Holdings Corporation and Consolidated Subsidiaries
Years ended March 31

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2021
Net income	¥ 86,560	¥ 22,722
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	(15,912)	26,675
Remeasurements of defined benefit pensions plans	(735)	26,817
Share of other comprehensive income (loss) of associates and joint ventures for using the equity method	(183)	(191)
Total items that will not be reclassified to profit or loss	(16,830)	53,301
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(63,517)	81,019
Net gain (loss) on derivatives designated as cash flow hedges	36	180
Share of other comprehensive income (loss) of associates and joint ventures for using the equity method	(5,774)	3,329
Total items that may be subsequently reclassified to profit or loss	(69,255)	84,528
Total other comprehensive income (net of tax)	(86,085)	137,829
Total comprehensive income	¥ 475	¥160,551
Total comprehensive income attributable to:		
Owners of the parent	¥(6,664)	¥ 97,068
Non-controlling interests	7,139	63,483

Consolidated Financial Statements

Consolidated Statement of Financial Position

Mitsubishi Chemical Holdings Corporation and Consolidated Subsidiaries
As of March 31

		Millions of yen	
		March 31, 2020	March 31, 2021
Assets	Current assets:		
	Cash and cash equivalents	¥ 228,211	¥ 349,577
	Trade receivables	698,516	716,392
	Inventories	606,505	576,473
	Other financial assets	117,628	47,818
	Other current assets	90,140	83,462
	Subtotal	1,741,000	1,773,722
	Assets held for sale	8,281	23,812
	Total current assets	1,749,281	1,797,534
	Non-current assets:		
	Property, plant and equipment	1,742,216	1,813,838
	Goodwill	616,769	671,889
	Intangible assets	510,575	455,317
	Investments accounted for using the equity method	169,958	162,042
	Other financial assets	226,488	251,211
	Other non-current assets	42,813	68,051
	Deferred tax assets	74,049	67,346
	Total non-current assets	3,382,868	3,489,694
	Total assets	¥5,132,149	¥5,287,228

		Millions of yen	
		March 31, 2020	March 31, 2021
Liabilities and Equity			
Liabilities	Current liabilities:		
	Trade payables	¥ 398,061	¥ 382,272
	Bonds and borrowings	727,307	653,475
	Income tax payable	19,287	22,283
	Other financial liabilities	359,540	272,341
	Provisions	7,968	11,690
	Other current liabilities	122,575	147,911
	Subtotal	1,634,738	1,489,972
	Liabilities directly associated with assets held for sale	1,761	2,534
	Total current liabilities	1,636,499	1,492,506
	Non-current liabilities:		
	Bonds and borrowings	1,555,947	1,696,029
	Other financial liabilities	88,533	118,300
	Retirement benefit liabilities	125,611	112,272
	Provisions	31,893	27,398
	Other non-current liabilities	80,840	113,730
	Deferred tax liabilities	161,997	155,845
	Total non-current liabilities	2,044,821	2,223,574
	Total liabilities	3,681,320	3,716,080
Equity	Common stock:	50,000	50,000
	Additional paid-in capital	176,715	179,716
	Treasury stock	(63,485)	(63,244)
	Retained earnings	1,071,260	1,060,069
	Other components of equity	(64,268)	9,798
	Equity attributable to owners of the parent	1,170,222	1,236,339
	Non-controlling interests	280,607	334,809
	Total equity	1,450,829	1,571,148
	Total liabilities and equity	¥5,132,149	¥5,287,228

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

Mitsubishi Chemical Holdings Corporation and Consolidated Subsidiaries

Year ended March 31, 2020

	Millions of yen			
	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2019	¥50,000	¥ 321,477	¥ (63,560)	¥1,073,873
Net income	—	—	—	54,077
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	54,077
Purchase of treasury stock	—	—	(27)	—
Disposal of treasury stock	—	(100)	102	—
Cash dividends	—	—	—	(56,804)
Share-based payment transactions	—	194	—	—
Share-based payment transactions of subsidiaries	—	—	—	—
Changes in interests in subsidiaries	—	(146,638)	—	—
Business combinations or business divestitures	—	1,782	—	—
Changes in scope of consolidation	—	—	—	430
Transfer from other components of equity to retained earnings	—	—	—	(316)
Total transactions with owners	—	(144,762)	75	(56,690)
Balance at March 31, 2020	¥50,000	¥176,715	¥(63,485)	¥1,071,260

	Other components of equity							Total equity
	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit pensions plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges	Total	Equity attributable to owners of the parent	Non-controlling interests	
Balance at April 1, 2019	¥51,500	¥ —	¥(55,530)	¥187	¥(3,843)	¥1,377,947	¥647,907	¥2,025,854
Net income	—	—	—	—	—	54,077	32,483	86,560
Other comprehensive income	(11,737)	(1,744)	(47,243)	(17)	(60,741)	(60,741)	(25,344)	(86,085)
Total comprehensive income	(11,737)	(1,744)	(47,243)	(17)	(60,741)	(6,664)	7,139	475
Purchase of treasury stock	—	—	—	—	—	(27)	—	(27)
Disposal of treasury stock	—	—	—	—	—	2	—	2
Cash dividends	—	—	—	—	—	(56,804)	(31,111)	(87,915)
Share-based payment transactions	—	—	—	—	—	194	—	194
Share-based payment transactions of subsidiaries	—	—	—	—	—	—	(14)	(14)
Changes in interests in subsidiaries	—	—	—	—	—	(146,638)	(347,666)	(494,304)
Business combinations or business divestitures	—	—	—	—	—	1,782	3,737	5,519
Changes in scope of consolidation	—	—	—	—	—	430	615	1,045
Transfer from other components of equity to retained earnings	(1,428)	1,744	—	—	316	—	—	—
Total transactions with owners	(1,428)	1,744	—	—	316	(201,061)	(374,439)	(575,500)
Balance at March 31, 2020	¥38,335	¥ —	¥(102,773)	¥170	¥(64,268)	¥1,170,222	¥280,607	¥1,450,829

Year ended March 31, 2021

	Millions of yen			
	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2020	¥50,000	¥ 176,715	¥ (63,485)	¥1,071,260
Net income(loss)	—	—	—	(7,557)
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	(7,557)
Purchase of treasury stock	—	—	(20)	—
Disposal of treasury stock	—	(198)	261	—
Cash dividends	—	—	—	(34,091)
Share-based payment transactions	—	(13)	—	—
Changes in interests in subsidiaries	—	(756)	—	—
Business combinations or business divestitures	—	2,456	—	—
Changes in scope of consolidation	—	—	—	51
Transfer from other components of equity to retained earnings	—	—	—	30,406
Transfer from other components of equity to non-financial assets	—	—	—	—
Total transactions with owners	—	3,001	241	(3,634)
Balance at March 31, 2021	¥50,000	¥179,716	¥(63,244)	¥1,060,069

	Other components of equity							Total equity
	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit pensions plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges	Total	Equity attributable to owners of the parent	Non-controlling interests	
Balance at April 1, 2020	¥38,335	¥ —	¥(102,773)	¥170	¥(64,268)	¥1,170,222	¥280,607	¥1,450,829
Net income(loss)	—	—	—	—	—	(7,557)	30,279	22,722
Other comprehensive income	22,523	26,255	55,696	151	104,625	104,625	33,204	137,829
Total comprehensive income	22,523	26,255	55,696	151	104,625	97,068	63,483	160,551
Purchase of treasury stock	—	—	—	—	—	(20)	—	(20)
Disposal of treasury stock	—	—	—	—	—	63	—	63
Cash dividends	—	—	—	—	—	(34,091)	(11,049)	(45,140)
Share-based payment transactions	—	—	—	—	—	(13)	—	(13)
Changes in interests in subsidiaries	—	—	—	—	—	756	361	1,117
Business combinations or business divestitures	—	—	—	—	—	2,456	1,488	3,944
Changes in scope of consolidation	—	—	—	—	—	51	(81)	(30)
Transfer from other components of equity to retained earnings	(4,151)	(26,255)	—	—	(30,406)	—	—	—
Transfer from other components of equity to non-financial assets	—	—	—	(153)	(153)	(153)	—	(153)
Total transactions with owners	(4,151)	(26,255)	—	(153)	(30,559)	(30,951)	(9,281)	(40,232)
Balance at March 31, 2021	¥56,707	¥ —	¥(47,077)	¥168	¥9,798	¥1,236,339	¥334,809	¥1,571,148

Consolidated Financial Statements

Consolidated Statement of Cash Flows

Mitsubishi Chemical Holdings Corporation and Consolidated Subsidiaries
Years ended March 31

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2021
Cash flows from operating activities:		
Income before taxes	¥122,003	¥32,908
Income before taxes from discontinued operations	25,585	—
Depreciation and amortization	239,824	243,793
Share of profit of associates and joint ventures	(13,401)	(15,640)
Impairment loss	48,647	127,193
Loss on sales and retirement of property, plant and equipment	15,797	11,458
Loss on liquidation of subsidiaries and associates	—	7,379
Provision for loss related to plant closure	—	3,318
Loss on sales of shares of subsidiaries and associates	1,567	554
Gain on sales of property, plant and equipment	(8,533)	(9,869)
Gain on transfer of businesses	—	(1,428)
Gain on step acquisitions	—	(1,295)
Gain on sales of shares of subsidiaries and associates	(530)	(1,168)
Gain on share exchanges	(23,922)	—
Gain on reversal of impairment loss	(1,720)	—
Interest and dividend income	(6,886)	(5,547)
Interest expense	24,515	21,404
(Increase) decrease in trade receivables	122,281	(237)
(Increase) decrease in inventories	7,139	44,629
Increase (decrease) in trade payables	(79,540)	(27,240)
Increase (decrease) in retirement benefit assets and liabilities, net	(719)	446
Others	34,960	71,141
Subtotal	507,067	501,799
Interest received	3,040	1,391
Dividends received	25,310	19,019
Interest paid	(21,847)	(19,891)
Income tax (paid) received, net	(61,567)	(35,185)
Net cash provided by (used in) operating activities	452,003	467,133
Cash flows from investing activities:		
Purchase of property, plant and equipment	(223,478)	(246,410)
Proceeds from sales of property, plant and equipment	14,995	15,843
Purchase of intangible assets	(12,601)	(10,606)
Purchase of other financial assets	(348,240)	(3,106)
Proceeds from sales/redemption of other financial assets	453,694	76,982
Purchase of investments in subsidiaries	(5,490)	(28,677)
Proceeds from sales of investments in subsidiaries	2,836	3,020
Proceeds from loss of control due to share exchange	14,432	—
Payments for transfer of businesses	(3,000)	(983)
Net (increase) decrease in time deposits	25,236	5,708
Others	(5,947)	(28,781)
Net cash provided by (used in) investing activities	(87,563)	(217,010)

Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(330,088)	(115,453)
Net increase (decrease) in commercial papers	2,000	(3,000)
Proceeds from long-term borrowings	490,580	301,531
Repayment of long-term borrowings	(183,865)	(171,789)
Proceeds from issuance of bonds	149,185	69,640
Redemption of bonds	(60,000)	(55,000)
Repayment of lease liabilities	(30,555)	(30,349)
Net (increase) decrease in treasury stock	(25)	(19)
Dividends paid to owners of the parent	(56,804)	(34,091)
Dividends paid to non-controlling interests	(31,070)	(11,007)
Proceeds from stock issuance to non-controlling interests	3	4,404
Payment for acquisition of subsidiaries' interests from non-controlling interests	(399,834)	(98,779)
Others	(50)	1,139
Net cash provided in (used in) financing activities	(450,523)	(142,773)
Effect of exchange rate changes on cash and cash equivalents	(10,184)	13,094
Net increase (decrease) in cash and cash equivalents	(96,267)	120,444
Cash and cash equivalents at the beginning of the period	321,541	228,211
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	2,103	49
Net increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	834	854
Net increase in cash and cash equivalents resulting from merger and acquisition	—	19
Cash and cash equivalents at the end of the period	¥228,211	¥349,577