

Key Figures of Consolidated Financial Results for 1st Quarter FY2024

August 2nd, 2024
Sumitomo Chemical Co., Ltd.
(Billions of yen)

1. Financial Summary (IFRS)

	Q1 FY2024	Q1 FY2023	Variance	FY2024 (Forecast announced in April)	FY2023
Sales revenue	612.1	563.1	49.0	2,670.0	2,446.9
Core operating income (loss)	5.7	(53.6)	59.3	100.0	(149.0)
Operating income (loss)	11.5	(71.7)	83.2	70.0	(488.8)
Net income (loss) attributable to owners of the parent	24.4	(33.2)	57.5	20.0	(311.8)
Basic earnings (loss) per share	¥ 14.91	¥ (20.27)	¥ 35.18	¥ 12.23	¥ (190.69)
Return on equity	2.5%	(2.8)%	5.3%	2.1%	(29.2)%
Overseas sales revenue	69.2%	65.8%	3.4%	67.8%	68.0%
Exchange rate (yen/\$)	155.85	137.49	—	145.00	144.59
Naphtha price (yen/kl)	79,000	67,500	—	75,000	69,100

*Core operating income is a gain and loss concept that reflects recurring earning capacity by deducting gains and losses incurred by non-recurring factors from operating income, which includes the share of profits or losses from investments accounted for using the equity method.

2. Sales Revenue / Core Operating Income by Business Segment (IFRS)

(Billions of yen)

		Q1 FY2024	Q1 FY2023	Variance	FY2024 (Forecast announced in April)	FY2023
Essential Chemicals & Plastics	Sales revenue	201.9	192.4	9.5	900.0	774.0
	Core operating income	(20.7)	(21.0)	0.3	(35.0)	(90.7)
Energy & Functional Materials	Sales revenue	68.0	73.4	(5.4)	290.0	300.3
	Core operating income	3.7	3.0	0.7	11.0	7.8
IT-related Chemicals	Sales revenue	111.5	94.5	17.0	410.0	414.2
	Core operating income	18.5	6.7	11.9	47.0	44.0
Health & Crop Sciences	Sales revenue	113.3	102.7	10.6	610.0	546.0
	Core operating income	5.0	(7.0)	12.0	62.0	30.9
Pharmaceuticals	Sales revenue	97.9	83.0	14.9	370.0	342.7
	Core operating income	(0.5)	(33.3)	32.7	3.0	(133.0)
Others	Sales revenue	19.6	17.3	2.3	90.0	69.8
	Core operating income	2.8	2.4	0.4	8.0	8.1
Adjustments	Sales revenue	—	—	—	—	—
	Core operating income	(3.2)	(4.4)	1.2	4.0	(16.1)
Total	Sales revenue	612.1	563.1	49.0	2,670.0	2,446.9
	Core operating income	5.7	(53.6)	59.3	100.0	(149.0)

3. Summary of Consolidated Statement of Income (IFRS)

(Billions of yen)

	Q1 FY2024	Q1 FY2023	Variance	Variance Ratio
Sales revenue	612.1	563.1	49.0	8.7%
Core operating income (loss)	5.7	(53.6)	59.3	—
Of which equity in earnings	(17.4)	(12.0)	(5.3)	—
Total non-recurring items	5.8	(18.1)	24.0	—
Of which gains on sales of property, plant and equipment, and intangible assets	10.1	0.7	9.4	—
Of which restructuring costs	(3.5)	(19.3)	15.8	—
Others	(0.8)	0.4	(1.2)	—
Operating income (loss)	11.5	(71.7)	83.2	—
Finance income/expenses	26.0	21.9	4.1	—
Of which gain on foreign currency transactions including gain or loss on derivatives	29.0	23.8	5.3	—
Income (loss) before taxes	37.5	(49.9)	87.3	—
Income tax expenses	(3.6)	(1.3)	(2.3)	—
Net income (loss)	33.9	(51.2)	85.1	—
Net (income) loss attributable to non-controlling interests	(9.5)	18.0	(27.5)	—
Net income (loss) attributable to owners of the parent	24.4	(33.2)	57.5	—
ROE	2.5%	(2.8)%		
Exchange rate (yen/\$)	155.85	137.49		
Naphtha price (yen/kl)	79,000	67,500		
Overseas sales revenue ratio	69.2%	65.8%		

4. Summary of Consolidated Statement of Financial Position (IFRS)

(Billions of yen)

	30-Jun-24	31-Mar-24	Variance		30-Jun-24	31-Mar-24	Variance
Current Assets	1,763.5	1,675.9	87.6	Liabilities	2,722.8	2,770.5	(47.6)
Cash and cash equivalents	234.3	217.4	16.8	Trade and other payables	564.3	543.4	21.0
Trade and other receivables	604.6	620.0	(15.4)	Interest-bearing liabilities	1,518.7	1,563.5	(44.8)
Inventories	760.9	709.6	51.3	Others	639.8	663.6	(23.8)
Others	163.8	128.8	35.0	Equity	1,226.9	1,164.4	62.6
Non-current assets	2,186.2	2,258.9	(72.7)	Shareholders' equity	706.4	660.0	46.5
Property, plant and equipment	819.9	796.5	23.4	Other components of equity	316.5	305.8	10.8
Goodwill and intangible assets	561.5	536.7	24.8	Non-controlling interests	203.9	198.6	5.3
Others	804.8	925.7	(120.9)				
Total	3,949.7	3,934.8	14.9	Total	3,949.7	3,934.8	14.9
				Ratio of equity attributable to owners of the parent to total assets	25.9%	24.5%	1.4%
				D/E ratio (times)	1.2	1.3	(0.1)

5. Summary of Consolidated Statement of Cash Flows (IFRS)

(Billions of yen)

	Q1 FY2024	Q1 FY2023	Variance	FY2023
Cash flows from operating activities	(12.3)	(131.9)	119.7	(51.3)
Cash flows from investing activities	82.5	(13.4)	95.9	(112.2)
Free cash flows	70.2	(145.4)	215.6	(163.6)
Cash flows from financing activities	(63.0)	142.0	(205.1)	49.2
Others	6.9	19.5	(12.6)	28.7
Increase (decrease) in cash and cash equivalents	14.1	16.2	(2.1)	(85.6)
Cash and cash equivalents at the end of the period	234.3	323.1	(88.9)	217.4

Note: This document has been translated from the Japanese-language original (hereinafter, the "original") for reference purposes only. In the event of any discrepancy between this translated document and the original, the original shall prevail. The original of Quarterly Consolidated Financial Statements has undergone a review by the Company's audit firm. Please refer to the Japanese review report for details.



August 2, 2024

Summary of Consolidated Financial Results for First Quarter Fiscal Year 2024 (Under IFRS)

Company name: Sumitomo Chemical Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4005
 URL: <https://www.sumitomo-chem.co.jp/english/>
 Representative: Keiichi Iwata, Representative Director & President
 Inquiries: Shunji Kobayashi, General Manager, Corporate Communications Dept.
 Telephone: +81-3-5201-0200
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(All amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for First Quarter Fiscal Year 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Sales revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q1 FY2024	612,144	8.7	5,670	—	11,499	—	33,886	—	24,383	—	69,876	(6.2)
Q1 FY2023	563,143	(27.3)	(53,598)	—	(71,747)	—	(51,182)	—	(33,153)	—	74,497	(61.3)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q1 FY2024	14.91	14.90
Q1 FY2023	(20.27)	—

Reference: Share of profit or loss of investments accounted for using the equity method

Q1 FY2024: ¥ (17,352)million Q1 FY2023: ¥ (12,042)million

Income before taxes

Q1 FY2024: ¥ 37,481 million Q1 FY2023: ¥ (49,862)million

*Core operating income is a gain and loss concept that reflects recurring earning capacity by deducting gains and losses incurred by non-recurring factors from operating income, which includes the share of profits or losses from investments accounted for using the equity method.

*For diluted earnings per share for Q1 FY2023, although there are potential shares, they are not listed because they have an anti-dilutive effect.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2024	3,949,741	1,226,921	1,022,977	25.9
March 31, 2024	3,934,818	1,164,366	965,753	24.5

2. Dividends

	Dividends per share				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Annual
FY2023	Yen —	Yen 6.00	Yen —	Yen 3.00	Yen 9.00
FY2024	—				
FY2024 (Forecast)		3.00	—	6.00	9.00

Note: Revision of dividend forecasts from the latest announcement: None

3. Consolidated Financial Forecasts for Fiscal Year 2024 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Sales revenue		Core operating income		Operating income		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First-half of FY2024	—	—	—	—	—	—	—	—	—
Full-year of FY2024	2,670,000	9.1	100,000	—	70,000	—	20,000	—	12.23

Note: Revision of financial forecasts from the latest announcement: None

*The consolidated financial forecast for the first-half of FY2024 is not disclosed due to difficulties with predicting.

Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: —

Excluded: —

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of shares issued (common shares)

(i) Total number of shares issued at the end of the period (including treasury shares)

As of June 30, 2024	1,656,449,145 shares
As of March 31, 2024	1,656,449,145 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2024	20,504,544 shares
As of March 31, 2024	20,500,922 shares

(iii) Average number of shares outstanding during the period

Three Months ended June 30, 2024	1,635,748,188 shares
Three Months ended June 30, 2023	1,635,216,496 shares

* Review of the Japanese-language original of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Notes to appropriate use of forecasts and other special items:

Descriptions regarding forward-looking statements about the future performance of the Company contained in this summary are based on information currently available to the Company and certain assumptions judged reasonable and involve risks and uncertainties. The important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, general economic conditions in the Company's markets; demand for, and competitive pricing pressure on, the Company's products in the marketplace; rise in prices of raw materials; and fluctuations in foreign exchange rates.

Attachments

1. Summary of Operating Results for First Quarter Fiscal Year 2024	2
(1) Operating Results	2
(2) Consolidated Financial Position	3
(3) Consolidated Forecast and Other Forward-Looking Information	3
2. Consolidated Financial Statements and Major Notes	4
(1) Consolidated Statement of Financial Position	4
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	6
(3) Consolidated Statement of Changes in Equity	8
(4) Consolidated Statement of Cash Flows	10
(5) Notes to Consolidated Financial Statements	11
(Framework of Financial Report)	11
(Going Concern Assumption)	11
(Segment Information)	11

1. Summary of Operating Results for First Quarter Fiscal Year 2024

(1) Operating Results

For Q1 FY2024, the Group's sales revenue increased by ¥49.0 billion compared to Q1 FY2023, to ¥612.1 billion. In terms of profits and losses, core operating income* was ¥5.7 billion, operating income was ¥11.5 billion, and net income attributable to owners of the parent was ¥24.4 billion. Results in every category of income improved compared to Q1 FY2023.

*Core operating income is a gain and loss concept that reflects recurring earning capacity by deducting gains and losses incurred by non-recurring factors from operating income, which includes the share of profits or losses from investments accounted for using the equity method.

The financial results by business segment for Q1 FY2024 are as follows:

Essential Chemicals & Plastics

Selling prices for synthetic resins, methyl methacrylate and various industrial chemicals increased due to higher raw material prices. As a result, sales revenue increased by ¥9.5 billion from Q1 FY2023, to ¥201.9 billion. There was a deterioration in the financial performance of Rabigh Refining and Petrochemical Company, an affiliated company accounted for by the equity-method, but because of an improvement in market conditions, core operating income was essentially unchanged from Q1 FY2023, with a loss of ¥20.7 billion.

Energy & Functional Materials

Market conditions for battery metals for cathode materials remained at a low level. In addition, shipments of aluminum declined. On the other hand, shipments of products for automotive-related applications, which had been weak in Q1 FY2023, increased. As a result, sales revenue decreased by ¥5.4 billion from Q1 FY2023, to ¥68.0 billion. Core operating income was ¥3.7 billion, increased by ¥0.7 billion from Q1 FY2023 because of lower fixed costs and other factors.

IT-related Chemicals

Shipments of display-related materials and processing materials for semiconductors, such as high-purity chemicals and photoresists, increased because of higher demand. As a result, sales revenue increased by ¥17.0 billion from Q1 FY2023, to ¥111.5 billion. Core operating income was ¥18.5 billion, increased by ¥11.9 billion from Q1 FY2023.

Health & Crop Sciences

Shipments of crop protection products in such locations as North America and India increased. Moreover, market conditions for methionine (feed additives) improved compared to Q1 FY2023. As a result, sales revenue increased by ¥10.6 billion from Q1 FY2023 to ¥113.3 billion. Core operating income was ¥5.0 billion, increased by ¥12.0 billion from Q1 FY2023.

Pharmaceuticals

In North America, there was an increase in sales of ORGOVYX® (therapeutic agent for advanced prostate cancer), MYFEMBREE® (therapeutic agent for uterine fibroids and endometriosis) and GEMTESA® (therapeutic agent for overactive bladder). On the other hand, in Japan, sales revenues were affected by National Health Insurance (NHI) drug price revisions. As a result, sales revenue increased by ¥14.9 billion from Q1 FY2023, to ¥97.9 billion. Core operating income posted a loss of ¥0.5 billion, improved by ¥32.7 billion from Q1 FY2023, because of increased sales revenue and significant reduction in selling, general and administrative expenses, including a decline in research and development expenses. These reductions resulted from the manifestation of effects of business structure improvement through the restructuring of the Group companies in North America and the selection and concentration of research and development investments.

Others

In addition to the above five segments, the Group supplies electric power and steam, designs chemical plants and supervises the construction of those facilities, provides transportation and warehousing, and conducts physical property analysis and environmental analysis. Sales revenue of these businesses increased by ¥2.3 billion from Q1 FY2023, to ¥19.6 billion, and core operating income increased by ¥0.4 billion from Q1 FY2023, to ¥2.8 billion.

(2) Consolidated Financial Position

As of the end of Q1 FY2024, total assets increased by ¥14.9 billion compared to the end of FY2023, to ¥3,949.7 billion due to the effect of foreign exchange conversions from the weak yen. Mainly inventories increased.

Total liabilities decreased by ¥47.6 billion compared to the end of FY2023, to ¥2,722.8 billion. Interest-bearing liabilities decreased by ¥44.8 billion compared to the end of FY2023, to ¥1,518.7 billion.

Total equity (including non-controlling interests) increased by ¥62.6 billion compared to the end of FY2023, to ¥1,226.9 billion, owing to net income and the increase of exchange differences on conversion of foreign operations resulting from the weak yen. The ratio of equity attributable to the owners of the parent company increased by 1.4 percentage points compared to the end of FY2023, to 25.9%.

(3) Consolidated Forecast and Other Forward-Looking Information

There is no change from the consolidated financial forecasts announced on April 30, 2024.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Statement of Financial Position

Millions of yen	As of June 30, 2024	As of March 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	¥ 234,258	¥ 217,449
Trade and other receivables	604,600	620,022
Other financial assets	55,231	31,338
Inventories	760,915	709,637
Other current assets	93,163	79,077
Subtotal	1,748,167	1,657,523
Assets held for sale	15,363	18,359
Total current assets	1,763,530	1,675,882
Non-current assets:		
Property, plant and equipment	819,942	796,526
Goodwill	278,547	263,757
Intangible assets	282,905	272,921
Investments accounted for using the equity method	317,363	319,988
Other financial assets	298,795	412,747
Retirement benefit assets	110,436	110,390
Deferred tax assets	42,211	37,070
Other non-current assets	36,012	45,537
Total non-current assets	2,186,211	2,258,936
Total assets	¥ 3,949,741	¥ 3,934,818

Liabilities and equity**Liabilities**

Current liabilities:

Bonds and borrowings	¥	566,734	¥	585,905
Trade and other payables		564,337		543,384
Other financial liabilities		78,967		77,610
Income taxes payable		29,207		8,545
Provisions		98,118		90,919
Other current liabilities		105,007		129,087
Subtotal		1,442,370		1,435,450
Liabilities directly associated with assets held for sale		18,225		8,037
Total current liabilities		1,460,595		1,443,487

Non-current liabilities:

Bonds and borrowings		951,999		977,581
Other financial liabilities		100,562		100,144
Retirement benefit liabilities		30,832		30,589
Provisions		32,384		46,059
Deferred tax liabilities		100,480		121,146
Other non-current liabilities		45,968		51,446
Total non-current liabilities		1,262,225		1,326,965
Total liabilities		2,722,820		2,770,452

Equity

Share capital		89,938		89,938
Capital surplus		213		237
Retained earnings		624,651		578,175
Treasury shares		(8,356)		(8,355)
Other components of equity		316,649		304,033
Other comprehensive income associated with assets held for sale		(118)		1,725
Equity attributable to owners of the parent		1,022,977		965,753
Non-controlling interests		203,944		198,613
Total equity		1,226,921		1,164,366
Total liabilities and equity	¥	3,949,741	¥	3,934,818

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

First quarter ended June 30, 2024 and 2023

Millions of yen	Q1 FY2024		Q1 FY2023	
Sales revenue	¥	612,144	¥	563,143
Cost of sales		(440,306)		(434,011)
Gross profit		171,838		129,132
Selling, general and administrative expenses		(151,235)		(178,072)
Other operating income		13,632		10,135
Other operating expenses		(5,384)		(20,900)
Share of profit (loss) of investments accounted for using the equity method		(17,352)		(12,042)
Operating income (loss)		11,499		(71,747)
Finance income		40,162		39,171
Finance expenses		(14,180)		(17,286)
Income (loss) before taxes		37,481		(49,862)
Income tax expenses		(3,595)		(1,320)
Net income (loss)		33,886		(51,182)
Net income (loss) attributable to:				
Owners of the parent		24,383		(33,153)
Non-controlling interests		9,503		(18,029)
Net income (loss)	¥	33,886	¥	(51,182)

Yen	Q1 FY2024		Q1 FY2023	
Earnings per share:				
Basic earnings (loss) per share		14.91		(20.27)
Diluted earnings per share		14.90		—

Consolidated Statement of Comprehensive Income

First quarter ended June 30, 2024 and 2023

Millions of yen	Q1 FY2024	Q1 FY2023
Net income (loss)	¥ 33,886	¥ (51,182)
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of financial assets measured at fair value through other comprehensive income	(5,376)	36,468
Remeasurements of defined benefit plans	(7)	(5)
Share of other comprehensive income of investments accounted for using the equity method	981	407
Total items that will not be reclassified to profit or loss	(4,402)	36,870
Items that may be subsequently reclassified to profit or loss		
Cash flow hedge	387	816
Exchange differences on conversion of foreign operations	29,117	81,672
Share of other comprehensive income of investments accounted for using the equity method	10,888	6,321
Total items that may be subsequently reclassified to profit or loss	40,392	88,809
Other comprehensive income, net of taxes	35,990	125,679
Total comprehensive income	69,876	74,497
Total comprehensive income attributable to:		
Owners of the parent	62,157	63,422
Non-controlling interests	7,719	11,075
Total comprehensive income	¥ 69,876	¥ 74,497

(3) Consolidated Statement of Changes in Equity

First quarter ended June 30, 2024

Millions of yen	Equity attributable to owners of the parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Remeasurements of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	
Balance as of April 1, 2024	¥ 89,938	¥ 237	¥ 578,175	¥ (8,355)	¥ 83,448	¥ —	
Net income (loss)	—	—	24,383	—	—	—	
Other comprehensive income	—	—	—	—	(623)	274	
Total comprehensive income	—	—	24,383	—	(623)	274	
Purchase of treasury shares	—	—	—	(1)	—	—	
Disposal of treasury shares	—	(0)	—	0	—	—	
Dividends	—	—	(4,908)	—	—	—	
Changes resulting from loss of control of subsidiaries	—	—	—	—	—	—	
Change in interest due to transactions with non-controlling interests	—	(24)	—	—	—	—	
Transfer from other components of equity to retained earnings	—	—	27,001	—	(26,727)	(274)	
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—	—	—	
Total transactions with owners	—	(24)	22,093	(1)	(26,727)	(274)	
Balance as of June 30, 2024	¥ 89,938	¥ 213	¥ 624,651	¥ (8,356)	¥ 56,098	¥ —	

	Equity attributable to owners of the parent							Non-controlling interests	Total equity
	Other components of equity			Other comprehensive income associated with assets held for sale	Equity attributable to owners of the parent				
	Cash flow hedges	Exchange differences on conversion of foreign operations	Total						
Balance as of April 1, 2024	¥ 319	¥ 220,266	¥ 304,033	¥ 1,725	¥ 965,753	¥ 198,613	¥ 1,164,366		
Net income (loss)	—	—	—	—	24,383	9,503	33,886		
Other comprehensive income	387	39,461	39,499	(1,725)	37,774	(1,784)	35,990		
Total comprehensive income	387	39,461	39,499	(1,725)	62,157	7,719	69,876		
Purchase of treasury shares	—	—	—	—	(1)	—	(1)		
Disposal of treasury shares	—	—	—	—	0	—	0		
Dividends	—	—	—	—	(4,908)	(2,440)	(7,348)		
Changes resulting from loss of control of subsidiaries	—	—	—	—	—	28	28		
Change in interest due to transactions with non-controlling interests	—	—	—	—	(24)	24	—		
Transfer from other components of equity to retained earnings	—	—	(27,001)	—	—	—	—		
Transfer to other comprehensive income associated with assets held for sale	—	118	118	(118)	—	—	—		
Total transactions with owners	—	118	(26,883)	(118)	(4,933)	(2,388)	(7,321)		
Balance as of June 30, 2024	¥ 706	¥ 259,845	¥ 316,649	¥ (118)	¥ 1,022,977	¥ 203,944	¥ 1,226,921		

First quarter ended June 30, 2023

	Equity attributable to owners of the parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
					Remeasurements of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans		
Millions of yen								
Balance as of April 1, 2023	¥ 89,810	¥ —	¥ 891,552	¥ (8,349)	¥ 81,869	¥ —	¥ —	
Net income (loss)	—	—	(33,153)	—	—	—	—	
Other comprehensive income	—	—	—	—	21,714	—	10	
Total comprehensive income	—	—	(33,153)	—	21,714	—	10	
Purchase of treasury shares	—	—	—	(1)	—	—	—	
Disposal of treasury shares	—	0	—	0	—	—	—	
Dividends	—	—	(9,812)	—	—	—	—	
Changes resulting from loss of control of subsidiaries	—	—	349	—	—	—	—	
Change in interest due to transactions with non-controlling interests	—	—	—	—	—	—	—	
Transfer from other components of equity to retained earnings	—	—	5,366	—	(5,356)	—	(10)	
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—	—	—	—	
Total transactions with owners	—	0	(4,097)	(1)	(5,356)	—	(10)	
Balance as of June 30, 2023	¥ 89,810	¥ 0	¥ 854,302	¥ (8,350)	¥ 98,227	¥ —	¥ —	

	Equity attributable to owners of the parent							
	Cash flow hedges	Other components of equity		Other comprehensive income associated with assets held for sale	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
		Exchange differences on conversion of foreign operations	Total					
Balance as of April 1, 2023	¥ (539)	¥ 116,500	¥ 197,830	¥ 349	¥ 1,171,192	¥ 317,997	¥ 1,489,189	
Net income (loss)	—	—	—	—	(33,153)	(18,029)	(51,182)	
Other comprehensive income	869	73,982	96,575	—	96,575	29,104	125,679	
Total comprehensive income	869	73,982	96,575	—	63,422	11,075	74,497	
Purchase of treasury shares	—	—	—	—	(1)	—	(1)	
Disposal of treasury shares	—	—	—	—	0	—	0	
Dividends	—	—	—	—	(9,812)	(3,934)	(13,746)	
Changes resulting from loss of control of subsidiaries	—	—	—	(349)	—	—	—	
Change in interest due to transactions with non-controlling interests	—	—	—	—	—	—	—	
Transfer from other components of equity to retained earnings	—	—	(5,366)	—	—	—	—	
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—	—	—	—	
Total transactions with owners	—	—	(5,366)	(349)	(9,813)	(3,934)	(13,747)	
Balance as of June 30, 2023	¥ 330	¥ 190,482	¥ 289,039	¥ —	¥ 1,224,801	¥ 325,138	¥ 1,549,939	

(4) Consolidated Statement of Cash Flows

First quarter ended June 30, 2024 and 2023

Millions of yen	Q1 FY2024	Q1 FY2023
Cash flows from operating activities:		
Income (loss) before taxes	¥ 37,481	¥ (49,862)
Depreciation and amortization	33,569	39,300
Share of (profit) loss of investments accounted for using the equity method	17,352	12,042
Interest and dividend income	(6,589)	(5,581)
Interest expenses	7,425	6,784
Restructuring costs	3,533	19,297
(Gain) loss on sale of property, plant and equipment, and intangible assets	(10,135)	(725)
(Increase) decrease in trade receivables	35,473	53,451
(Increase) decrease in inventories	(39,931)	(34,127)
Increase (decrease) in trade payables	3,782	(22,303)
Increase (decrease) in unearned revenue	(2,961)	(2,927)
Increase (decrease) in provisions	1,268	(35,791)
Others, net	(76,316)	(82,192)
Subtotal	3,951	(102,634)
Interest and dividends received	10,643	9,034
Interest paid	(7,808)	(6,875)
Income taxes paid	(8,104)	(30,749)
Restructuring costs paid	(10,940)	(694)
Net cash provided by (used in) operating activities	(12,258)	(131,918)
Cash flows from investing activities:		
Net (increase) decrease in securities	(3,454)	(4,599)
Purchase of property, plant and equipment, and intangible assets	(36,076)	(44,188)
Proceeds from sales of property, plant and equipment, and intangible assets	12,242	430
Proceeds from sales of subsidiaries	—	11,074
Payments for sales of subsidiaries	(3,911)	—
Purchase of other financial assets	(902)	(2,343)
Proceeds from sales and redemption of other financial assets	113,633	24,788
Others, net	962	1,399
Net cash provided by (used in) investing activities	82,494	(13,439)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(21,922)	79,406
Net increase (decrease) in commercial paper	18,000	53,000
Proceeds from long-term borrowings	34	29,956
Repayments of long-term borrowings	(36,718)	(1,815)
Redemption of bonds	(10,000)	—
Repayments of finance lease liabilities	(4,550)	(4,340)
Cash dividends paid	(4,919)	(9,821)
Cash dividends paid to non-controlling interests	(2,441)	(3,888)
Others, net	(524)	(450)
Net cash provided by (used in) financing activities	(63,040)	142,048
Effect of exchange rate changes on cash and cash equivalents	6,862	19,464
Increase (decrease) in cash and cash equivalents	14,058	16,155
Cash and cash equivalents at the beginning of the year	217,449	305,844
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	2,751	1,135
Cash and cash equivalents at the end of the period	¥ 234,258	¥ 323,134

(5) Notes to Consolidated Financial Statements

Framework of Financial Report

The Group's quarterly consolidated financial statements are prepared in accordance with Article 5, Paragraph 2 of the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements, applying the omitted disclosures as set forth in Article 5, Paragraph 5 of the Standards for the Preparation of Quarterly Financial Statements.

Going Concern Assumption

Not applicable.

Segment Information

1. Reportable Segments

The reportable segments of the Group refer to business units for which separate financial information is available and that are reviewed regularly at the Board of Directors meeting in order to determine the allocation of management resources and evaluate the business performance of each business unit.

The Group divides its operations into business sectors identified by products and services, which manage manufacturing, sales, and research in an integrated manner. Each business sector is responsible for developing comprehensive domestic and overseas strategies with respect to its products and services, and operates its business activities.

Accordingly, the Group has five reportable segments based on its products and services in accordance with its business sectors, including "Essential Chemicals & Plastics," "Energy & Functional Materials," "IT-related Chemicals," "Health & Crop Sciences," and "Pharmaceuticals."

The major products and services of each reportable segment are as follows:

Reportable Segment	Major Products and Services
Essential Chemicals & Plastics	Synthetic resins, raw materials for synthetic fibers, various industrial chemicals, methyl methacrylate products, synthetic resin processed products, etc.
Energy & Functional Materials	Alumina, aluminum, specialty chemicals, additives, synthetic rubber, engineering plastics, battery materials, etc.
IT-related Chemicals	Optical products, semiconductor processing materials, compound semiconductor materials, touch screen sensor panels, etc.
Health & Crop Sciences	Crop protection chemicals, fertilizers, agricultural materials, household insecticides, products for control of infectious diseases, feed additives, active pharmaceutical ingredients and intermediates, etc.
Pharmaceuticals	Pharmaceuticals for medical treatment, radiopharmaceuticals, etc.

2. Reportable Segment Information

The accounting methods for each reportable segment are, in principle, identical to those used in the consolidated financial statements. The segment profit or loss is core operating income, which is calculated from operating income after excluding effects from non-recurring factors.

Inter-segment sales revenue is based on market prices.

First Quarter Fiscal Year 2024

Millions of yen	Essential Chemicals & Plastics	Energy & Functional Materials	IT-related Chemicals	Health & Crop Sciences	Pharma- ceuticals	Total	Others (Note 1)	Adjustments (Note 2)	Consoli- dated
Sales revenue:									
Sales revenues from external customers	¥ 201,893	¥ 67,989	¥ 111,471	¥ 113,314	¥ 97,917	¥ 592,584	¥ 19,560	—	¥ 612,144
Inter-segment sales revenues	1,509	4,214	118	361	1	6,203	18,714	(24,917)	—
Total sales revenue	203,402	72,203	111,589	113,675	97,918	598,787	38,274	(24,917)	612,144
Segment profit (loss) : core operating income (loss)	¥ (20,701)	¥ 3,745	¥ 18,549	¥ 4,962	¥ (541)	¥ 6,014	¥ 2,832	¥ (3,176)	¥ 5,670

Note 1: "Others" represents businesses such as supplying electrical power and steam, providing services for the design, engineering, and construction management of chemical plants, providing transport and warehousing, and conducting materials and environmental analysis, which are not included in reportable segments.

Note 2: ¥(3,176) million for segment profit (loss) in "Adjustments" includes inter-segment elimination of ¥329 million and corporate expenses of ¥(3,505) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for company-wide research, which are not attributed to reportable segments.

First Quarter Fiscal Year 2023

Millions of yen	Essential Chemicals & Plastics	Energy & Functional Materials	IT-related Chemicals	Health & Crop Sciences	Pharma- ceuticals	Total	Others (Note 1)	Adjustments (Note 2)	Consoli- dated
Sales revenue:									
Sales revenues from external customers	¥ 192,353	¥ 73,383	¥ 94,451	¥ 102,707	¥ 82,985	¥ 545,879	¥ 17,264	—	¥ 563,143
Inter-segment sales revenues	1,361	5,466	110	762	1	7,700	20,164	(27,864)	—
Total sales revenue	193,714	78,849	94,561	103,469	82,986	553,579	37,428	(27,864)	563,143
Segment profit (loss) : core operating income (loss)	¥ (21,005)	¥ 3,004	¥ 6,669	¥ (7,049)	¥ (33,273)	¥ (51,654)	¥ 2,430	¥ (4,374)	¥ (53,598)

Note 1: "Others" represents businesses such as supplying electrical power and steam, providing services for the design, engineering, and construction management of chemical plants, providing transport and warehousing, and conducting materials and environmental analysis, which are not included in reportable segments.

Note 2: ¥(4,374) million for segment profit (loss) in "Adjustments" includes inter-segment elimination of ¥5 million and corporate expenses of ¥(4,379) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for company-wide research, which are not attributed to reportable segments.

Adjustments to income (loss) before taxes from core operating income (loss) were as follows:

Millions of yen	Q1 FY2024	Q1 FY2023
Core operating income (loss)	¥ 5,670	¥ (53,598)
Gains on sales of property, plant and equipment, and intangible assets	10,135	725
Restructuring costs	(3,533)	(19,297)
Changes in fair value of contingent consideration	(78)	(38)
Others, net	(695)	461
Operating income (loss)	11,499	(71,747)
Finance income	40,162	39,171
Finance expenses	(14,180)	(17,286)
Income (loss) before taxes	¥ 37,481	¥ (49,862)