



February 3, 2021

**Mitsubishi Chemical Holdings Corporation**  
**Condensed Consolidated Financial Information**  
**for the Third Quarter of the Fiscal Year Ending March 31, 2021**

**1. Business Results**

(Fiscal 2020 Third Quarter: April 1 through December 31, 2020)

Millions of yen	
FY2020 3rd Quarter	FY2019 3rd Quarter

**(1) Results of Operations:**

Sales revenue	2,355,441	2,730,767
Core operating income*	113,612	181,037
Operating income	728	160,568
Income before taxes	(12,769)	144,724
Net Income	(28,403)	108,280
Net income attributable to owners of the parent	(47,830)	76,272
Comprehensive income	28,908	93,063

\* Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring factors.

(Yen)

Earnings per share - Basic	(33.68)	53.71
- Diluted	(33.68)	49.54

**(2) Segment Information:**

**[Sales Revenue by Business Segment]**

Performance Products	745,458	847,709
Chemicals	607,472	815,682
Industrial Gases	587,477	628,255
Health Care	299,663	307,861
Others	115,371	131,260
Total	2,355,441	2,730,767

**[Core Operating Income (Loss) by Business Segment]**

Performance Products	39,909	53,612
Chemicals	(5,863)	38,393
Industrial Gases	58,861	66,503
Health Care	22,380	21,936
Others	8,965	8,640
Elimination and corporate	(10,640)	(8,047)
Total	113,612	181,037

Millions of yen	
As of December 31, 2020	As of March 31, 2020

**(3) Financial Position:**

Total assets	5,121,680	5,132,149
Total equity	1,441,539	1,450,829
Equity attributable to owners of the parent	1,132,898	1,170,222
Ratio of equity attributable to owners of the parent to total assets (%)	22.1	22.8

Millions of yen	
FY2020 3rd Quarter	FY2019 3rd Quarter

**(4) Cash Flows:**

Net cash provided by (used in) operating activities	272,235	337,737
Net cash provided by (used in) investing activities	(148,787)	(114,958)
Net cash provided by (used in) financing activities	(34,775)	(294,294)
Cash and cash equivalents at the end of the period	321,066	245,348

**Notes:**

- In the third quarter of fiscal 2020, the Company posted an ¥84,534 million impairment loss on technology-related intangible assets (in-process research and development expenses) relating to development at NeuroDerm Ltd., of a treatment for Parkinson's disease, as the recoverable amount (¥43,272 million) was less than the book value. This loss stemmed from a review of plans based on market research in view of expectations that this consolidated subsidiary's profitability would deteriorate in line with changes in the business climate.
- In the third quarter of fiscal 2020, the Company posted an ¥19,382 million impairment loss on the facility as it was unlikely that investments would be recoverable. This loss stemmed from a decision to end methyl methacrylate (MMA) monomer and methacrylic acid (MAA) production at the Beaumont site of Lucite International, Inc., in Texas and close that facility. The Company made this move to boost competitiveness and optimize its supply chain in keeping with demand and supply trends for raw materials.  
As well as posting an impairment loss, the Company booked ¥901 million in special retirement expenses and a ¥3,318 million provision for loss on plant closure.

**2. Forecast for Fiscal 2020**

	Millions of yen
	FY2020
Sales revenue	3,193,000
Core operating income	153,000
Operating income	23,000
Net income attributable to owners of the parent	(48,000)

(Yen)

Earnings per share - Basic	(33.80)
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**Note:**

The profit and loss forecast for fiscal 2020 has been revised to the above from those announced on November 4, 2020.

### 3. Qualitative Information on Financial Results for the Term

#### (1) Business Performance

##### Performance Overview

During the first three quarters (April 1 through December 31, 2020) of fiscal 2020, demand for automotive applications and other offerings was sluggish, particularly in the first half of the year, owing to the impact of the COVID-19 pandemic. Although demand picked up from the third quarter, it remains vital to keep monitoring the pandemic's impact.

It was against this backdrop that sales revenue for the term decreased ¥375.4 billion, or 13.7%, from the previous corresponding period, to ¥2,355.4 billion. Core operating income dropped ¥67.4 billion, or 37.2%, to ¥113.6 billion. Operating income declined ¥159.9 billion, to 0.7 billion. This was due mainly to an impairment loss relating to non-recurring items in the Health Care domain. Income before taxes was down ¥157.5 billion, to a loss of ¥12.8 billion. Net income attributable to owners of the parent fell ¥124.1 billion, to a loss of ¥47.8 billion.

In the third quarter (October 1 through December 31, 2020), core operating income increased ¥8.8 billion, or 17.3%, from the previous corresponding period, to ¥59.0 billion. This reflected a demand recovery, particularly in automotive applications, that drove gains in all segments except Health Care.

##### Overview of Business Segments

The overview of financial results by business segment for the first three quarters is shown below. Segment gains or losses are stated as core operating income, which excludes gains or losses from non-recurring factors and including losses from business withdrawals, streamlining, and other factors.

*In the following sections, all comparisons are with the same period of the previous fiscal year unless stated otherwise.*

##### Performance Products Segment, Performance Products Domain

Sales revenue decreased ¥102.4 billion, to ¥745.4 billion. Core operating income was down ¥13.6 billion, to ¥39.9 billion.

Functional products sales revenue declined. This was despite demand picking up from the third quarter, and reflected lower sales volumes for automotive applications of high-performance engineering plastics and other offerings for advanced moldings and composites.

In performance chemicals, sales revenue decreased amid lower sales volumes for automobiles, including for performance polymers in advanced polymers and other offerings. Another downside sales volume factor includes the impact of scheduled maintenance and repairs for phenol-polycarbonate chain materials facilities in advanced polymers.

Core operating income decreased because of the impact of these scheduled maintenance and repairs and lower sales volumes for automobiles, including for high-performance engineering plastics for advanced moldings and composites, and performance polymers for advanced polymers.

Major initiatives in the Performance Products segment during the first three quarters of fiscal 2020:

- In April 2020, Mitsubishi Chemical Corporation decided to acquire Gelest, Inc., and made it a consolidated subsidiary in October. This purchase will enable Mitsubishi Chemical to broaden its customer solutions by combining its advanced technologies, business resources, and customer network with Gelest's capabilities. Gelest's key strengths include its advanced molecular design and compounding technologies in silicon compounds for contact lens materials, antimicrobials, and other materials, and the extensive use of the company's metal compounds for semiconductor precursors and other materials.
- In October 2020, Mitsubishi Chemical Corporation and Ube Industries, Ltd., established joint venture MU Ionic Solutions Corporation based on a joint incorporation-type split plan agreed in July 2020. The new entity has succeeded the electrolyte businesses of both partners, as announced in March 2020.

#### **Chemicals Segment, Industrial Materials Domain**

Sales revenue decreased ¥208.4 billion, to ¥607.4 billion. Core operating income was down ¥44.3 billion, to a loss of ¥5.9 billion.

In MMA, sales revenue declined despite improving prices from the third quarter in the MMA monomer and other markets, as market prices were lower than a year earlier.

In petrochemicals, sales revenue decreased. This reflected lower sales volumes because of a greater impact from scheduled maintenance and repairs at the ethylene production facility, with sales prices declining owing to lower raw materials costs and other factors.

In carbon products, sales revenue was down because of lower sales prices as a result of reduced raw materials costs and a drop in sales volumes from declining in demand for coke and other offerings.

Core operating income was off mainly because lower market prices for MMA monomers and other offerings. Other factors included the greater impact of scheduled maintenance and repairs on petrochemicals, inventory valuation losses from lower raw materials costs, and lower sales volumes for carbon products.

Major initiatives in the Chemicals segment during the first three quarters of fiscal 2020:

- Mitsubishi Chemical Corporation consolidated subsidiary Japan Polypropylene Corporation closed one polypropylene production line (with an annual capacity of 70,000 metric tons) at the Goi Plant in January 2021. The move was part of reforms to bolster profitability.
- In September 2020, Mitsubishi Chemical Corporation consolidated subsidiary Japan Polyethylene Corporation (JPE) decided to close one high pressure low-density polyethylene production line (with an annual capacity of 62,000 metric tons) at the Kashima Plant, effective May 2021 (planned). JPE will concentrate the production of this polyethylene at its Kawasaki Plant and discontinue the production and

sale of ethylene-vinyl acetate copolymer from the plant as part of restructuring efforts.

- Mitsubishi Chemical Corporation decided to implement metallurgical coke business reforms at its Kagawa Plant to optimize production and sales systems. These efforts will include reducing the number of coke ovens from 323, to 250, by the end of March 2021, and doubling export shipping facilities to two lines, the second becoming operational from the end of March 2022.
- Mitsubishi Chemical Corporation decided to end MMA monomer and MAA production (with an annual capacity of 135,000 metric tons) at the Beaumont site of Lucite International, Inc., its consolidated subsidiary in Texas, the United States, and close that facility at the end of February 2021 (planned).
- Mitsubishi Chemical Corporation acquired a green field property in Geismar, Louisiana, the United States to construct a 350,000 metric ton MMA plant that would leverage its proven, proprietary new ethylene method (Alpha technology). The company looks to finalize its investment decision by the middle of 2022, making the plant operational by the end of 2025.

### **Industrial Gases Segment, Industrial Materials Domain**

Sales revenue decreased ¥40.8 billion, to ¥587.5 billion. Core operating income was down ¥7.6 billion, to ¥58.9 billion.

In industrial gases, sales revenue and core operating income were down amid lower domestic and overseas demand, although demand for electronics-related gases remained strong.

Major initiative in the Industrial Gases segment during the first three quarters of fiscal 2020:

- Taiyo Nippon Sanso Corporation adopted a holding company structure and changed its tradename to Nippon Sanso Holdings Corporation on October 1, 2020. The company seeks to establish a competitive group operation framework as a global gas major.

### **Health Care Segment, Health Care Domain**

Sales revenue declined ¥8.1 billion, to ¥299.7 billion. Core operating income increased ¥0.4 billion, to ¥22.4 billion.

In pharmaceuticals, sales revenue was down due to lower domestic sales prices for pharmaceuticals owing to National Health Insurance drug price revisions and other factors. Core operating income was basically unchanged, however, because constrained activities owing to the COVID-19 pandemic suppressed selling, general and administrative expenses and research and development expenditure. The Company decided not to recognize some royalty revenue from Novartis Pharma for *Gilenya*, a treatment for multiple sclerosis, as sales revenue in accordance with IFRS 15 (Revenue from Contracts with Customers), because arbitration proceedings started in February 2019 and were still ongoing during the first three quarters of this fiscal year. Major initiative in the Health Care segment during the first three quarters of fiscal 2020:

- In July 2020, Mitsubishi Tanabe Pharma Corporation received approval for edaravone (branded *Radicava* in the United States) as an intravenous treatment for amyotrophic lateral sclerosis in Indonesia, followed by Japan, South Korea, the United States, Canada, Switzerland, and China.

## Others

Sales revenue decreased ¥15.7 billion, to ¥115.4 billion. Core operating income increased ¥0.3 billion, to ¥8.9 billion.

## (2) Financial Position

Total assets at December 31, 2020 were down ¥10.4 billion from March 31, 2020, to ¥5,121.7 billion. This was due partly to an impairment loss on intangible assets of NeuroDerm Ltd., which offset efforts to secure cash and cash equivalents to cover unexpected circumstances in view of the pandemic and an increase in the yen value of the assets of consolidated subsidiaries overseas owing to the euro's appreciation.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

In light of recent performance trends, the Company has revised the forecast that it announced on November 4, 2020 for fiscal 2020, as follows. Also, please refer to the Notice Regarding Revision to Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021, announced today (February 3, 2021).

### Revision to consolidated financial results forecast for fiscal 2020 (April 1, 2020 – March 31, 2021)

(Billions of yen; unless otherwise noted)

	Sales revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent	Net income per share (yen)
Previous forecast (A) (announced on November 4, 2020)	3,175.0	140.0	4.0	(34.0)	(59.0)	(41.54)
Revised forecast (B)	3,193.0	153.0	23.0	(22.0)	(48.0)	(33.80)
Difference (B – A)	18.0	13.0	19.0	12.0	11.0	
Difference (%)	0.6	9.3	475.0	—	—	
Reference: Results for fiscal 2019	3,580.5	194.8	144.3	86.6	54.1	38.08

#### Notes:

- The forecast for net income before taxes has been changed from ¥(16.0) billion to 4.0 billion.
- Core operating income is operating income (loss) after excluding certain gains and expenses attributable to non-recurring factors.

For the full fiscal year, sales revenue and all the earnings accounts following core operating income should exceed the previous forecast. This would be due largely to the recovery of demand, primarily for automotive applications and the rise in market conditions of MMA and other products have exceeded the previous forecast announced on November 4, 2020.

Under the previous forecast, the Company assumed in view of difficulty of predicting when the COVID-19 pandemic would run its course that conditions would remain adverse during the current fiscal year, with the situation improving after the third quarter, based on which the previous forecast reflected risks of demand downturns in each business segment. The revised forecast largely retains this assumption.

## Forward-Looking Statements

The forward-looking statements are based largely on the Company's expectations and information available as of the date hereof, and are subject to risks and uncertainties which may be beyond the Company's control. Actual results could differ materially due to numerous factors, including, without limitation, market conditions, and the impact of industry competition. The Company's stance on forward-looking statements is described on page [2] and [6] hereof.

## Reference

### (1) Condensed Consolidated Statement of Profit or Loss

Nine months ended December 31, 2019 and 2020

	(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Continuing operations</b>		
Sales revenue	2,730,767	2,355,441
Cost of sales	(1,968,854)	(1,694,438)
Gross profit	761,913	661,003
Selling, general and administrative expenses	(592,896)	(550,694)
Other operating income	17,610	19,564
Other operating expenses	(36,746)	(137,165)
Share of profit of associates and joint ventures	10,687	8,020
Operating income	160,568	728
Financial income	6,785	4,823
Financial expenses	(22,629)	(18,320)
Income (loss) before taxes	144,724	(12,769)
Income taxes	(53,336)	(15,634)
Net income (loss) from continuing operations	91,388	(28,403)
<b>Discontinued operations</b>		
Net income from discontinued operations	16,892	—
Net income (loss)	108,280	(28,403)
<b>Net income (loss) attributable to</b>		
Owners of the parent	76,272	(47,830)
Non-controlling interests	32,008	19,427
Net income (loss)	108,280	(28,403)
<b>Earnings per share</b>		
Basic (Yen)		
Continuing operations	41.82	(33.68)
Discontinued operations	11.89	—
Total	53.71	(33.68)
Diluted (Yen)		
Continuing operations	38.60	(33.68)
Discontinued operations	10.94	—
Total	49.54	(33.68)

**(2) Condensed Consolidated Statement of Comprehensive Income**

Nine months ended December 31, 2019 and 2020

	(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net income (loss)	108,280	(28,403)
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	5,593	6,125
Remeasurements of defined benefit pensions plans	6,701	24,544
Share of other comprehensive income(loss) of associates and joint ventures for using the equity method	(143)	(74)
Total items that will not be reclassified to profit or loss	12,151	30,595
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	(22,338)	25,893
Net gain (loss) on derivatives designated as cash flow hedges	(28)	233
Share of other comprehensive income(loss) of associates and joint ventures for using the equity method	(5,002)	590
Total items that may be subsequently reclassified to profit or loss	(27,368)	26,716
Total other comprehensive income (net of tax)	(15,217)	57,311
Total comprehensive income	93,063	28,908
Total comprehensive income attributable to		
Owners of the parent	69,247	(6,417)
Non-controlling interests	23,816	35,325



**(3) Condensed Consolidated Statement of Financial Position**

(Millions of yen)

	March 31, 2020	December 31, 2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	228,211	321,066
Trade receivables	698,516	716,697
Inventories	606,505	568,036
Other financial assets	117,628	42,980
Other current assets	90,140	90,620
Subtotal	1,741,000	1,739,399
Assets held for sales	8,281	18,072
Total current assets	1,749,281	1,757,471
Non-current assets		
Property, plant and equipment	1,742,216	1,735,435
Goodwill	616,769	655,974
Intangible assets	510,575	448,424
Investments accounted for using the equity method	169,958	171,839
Other financial assets	226,488	225,019
Other non-current assets	42,813	60,553
Deferred tax assets	74,049	66,965
Total non-current assets	3,382,868	3,364,209
Total assets	5,132,149	5,121,680

(Millions of yen)

	March 31, 2020	December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Trade payables	398,061	370,435
Bonds and borrowings	727,307	668,053
Income tax payable	19,287	22,832
Other financial liabilities	359,540	226,786
Provisions	7,968	12,032
Other current liabilities	122,575	140,300
Subtotal	1,634,738	1,440,438
Liabilities directly associated with assets held for sales	1,761	2,624
Total current liabilities	1,636,499	1,443,062
Non-current liabilities		
Bonds and borrowings	1,555,947	1,750,118
Other financial liabilities	88,533	84,902
Retirement benefit liabilities	125,611	110,692
Provisions	31,893	27,195
Other non-current liabilities	80,840	103,368
Deferred tax liabilities	161,997	160,804
Total non-current liabilities	2,044,821	2,237,079
Total liabilities	3,681,320	3,680,141
<b>Equity</b>		
Common stock	50,000	50,000
Additional paid-in capital	176,715	179,744
Treasury stock	(63,485)	(63,256)
Retained earnings	1,071,260	1,016,892
Other components of equity	(64,268)	(50,482)
Equity attributable to owners of the parent	1,170,222	1,132,898
Non-controlling interests	280,607	308,641
Total equity	1,450,829	1,441,539
Total liabilities and equity	5,132,149	5,121,680

#### (4) Condensed Consolidated Statement of Changes in Equity

Nine months ended December 31, 2019

	(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 (loss)	—	—	—	76,272
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	76,272
Purchase of treasury stock	—	—	(20)	—
Disposal of treasury stock	—	(77)	79	—
Cash dividends	—	—	—	(56,804)
Share-based payment transactions	—	289	—	—
Share-based payment transactions of subsidiaries	—	—	—	—
Changes in interests in subsidiaries	—	(1,316)	—	—
Business combinations or business divestitures	—	2,192	—	—
Changes in scope of consolidation	—	—	—	351
Transfer from other components of equity to retained earnings	—	—	—	6,357
Total transactions with owners	—	1,088	59	(50,096)
Balance at December 31, 2019	50,000	322,565	(63,501)	1,100,049

	Other components of equity				Total	Equity attributable to owners of the parent	Non- controlling interests	Total equity
	Net gain (loss) on revaluation of financial assets measured at fair value	Remeasure- ments of defined benefit pensions plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges				
Balance at April 1, 2019	51,500	—	(55,530)	187	(3,843)	1,377,947	647,907	2,025,854
Net income (loss)	—	—	—	—	—	76,272	32,008	108,280
Other comprehensive income	7,463	5,398	(19,788)	(98)	(7,025)	(7,025)	(8,192)	(15,217)
Total comprehensive income	7,463	5,398	(19,788)	(98)	(7,025)	69,247	23,816	93,063
Purchase of treasury stock	—	—	—	—	—	(20)	—	(20)
Disposal of treasury stock	—	—	—	—	—	2	—	2
Cash dividends	—	—	—	—	—	(56,804)	(29,091)	(85,895)
Share-based payment transactions	—	—	—	—	—	289	—	289
Share-based payment transactions of subsidiaries	—	—	—	—	—	—	(14)	(14)
Changes in interests in subsidiaries	—	—	—	—	—	(1,316)	(172)	(1,488)
Business combinations or business divestitures	—	—	—	—	—	2,192	4,148	6,340
Changes in scope of consolidation	—	—	—	—	—	351	536	887
Transfer from other components of equity to retained earnings	(959)	(5,398)	—	—	(6,357)	—	—	—
Total transactions with owners	(959)	(5,398)	—	—	(6,357)	(55,306)	(24,593)	(79,899)
Balance at December 31, 2019	58,004	—	(75,318)	89	(17,225)	1,391,888	647,130	2,039,018

Nine months ended December 31, 2020

	(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)	—	—	—	(47,830)
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	(47,830)
Purchase of treasury stock	—	—	(13)	—
Disposal of treasury stock	—	(180)	242	—
Cash dividends	—	—	—	(34,091)
Share-based payment transactions	—	(7)	—	—
Changes in interests in subsidiaries	—	760	—	—
Business combinations or business divestitures	—	2,456	—	—
Changes in scope of consolidation	—	—	—	79
Transfer from other components of equity to retained earnings	—	—	—	27,474
Transfer from other components of equity to non-financial assets, etc.	—	—	—	—
Total transactions with owners	—	3,029	229	(6,538)
Balance at December 31, 2020	50,000	179,744	(63,256)	1,016,892

	Other components of equity				Total	Equity attributable to owners of the parent	Non- controlling interests	Total equity
	Net gain (loss) on revaluation of financial assets measured at fair value	Remeasure- ments of defined benefit pensions plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges				
Balance at April 1, 2020	38,335	—	(102,773)	170	(64,268)	1,170,222	280,607	1,450,829
Net income (loss)	—	—	—	—	—	(47,830)	19,427	(28,403)
Other comprehensive income	3,307	24,456	13,486	164	41,413	41,413	15,898	57,311
Total comprehensive income	3,307	24,456	13,486	164	41,413	(6,417)	35,325	28,908
Purchase of treasury stock	—	—	—	—	—	(13)	—	(13)
Disposal of treasury stock	—	—	—	—	—	62	—	62
Cash dividends	—	—	—	—	—	(34,091)	(10,392)	(44,483)
Share-based payment transactions	—	—	—	—	—	(7)	—	(7)
Changes in interests in subsidiaries	—	—	—	—	—	760	1,667	2,427
Business combinations or business divestitures	—	—	—	—	—	2,456	1,488	3,944
Changes in scope of consolidation	—	—	—	—	—	79	(54)	25
Transfer from other components of equity to retained earnings	(3,018)	(24,456)	—	—	(27,474)	—	—	—
Transfer from other components of equity to non-financial assets, etc.	—	—	—	(153)	(153)	(153)	—	(153)
Total transactions with owners	(3,018)	(24,456)	—	(153)	(27,627)	(30,907)	(7,291)	(38,198)
Balance at December 31, 2020	38,624	—	(89,287)	181	(50,482)	1,132,898	308,641	1,441,539

**(5) Condensed Consolidated Statement of Cash Flow**

Nine months ended December 31, 2019 and 2020

	(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Cash flows from operating activities</b>		
Income (loss) before taxes	144,724	(12,769)
Income before taxes from discontinued operations	25,585	—
Depreciation and amortization	179,374	181,000
Share of profit of associates and joint ventures	(10,692)	(8,020)
Gain on share exchanges	(23,922)	—
Interest and dividend income	(6,520)	(4,560)
Interest expenses	19,133	16,381
(Increase) decrease in trade receivables	54,654	(10,171)
(Increase) decrease in inventories	5,938	46,114
Increase (decrease) in trade payables	(22,820)	(32,183)
Increase (decrease) in retirement benefit assets and liabilities, net	558	2,709
Other	19,541	122,336
Subtotal	385,553	300,837
Interest received	2,800	1,123
Dividends received	22,975	14,140
Interest paid	(17,508)	(15,779)
Income tax (paid) received, net	(56,083)	(28,086)
Net cash provided by (used in) operating activities	337,737	272,235
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(163,357)	(176,446)
Proceeds from sales of property, plant and equipment	10,836	14,914
Purchase of intangible assets	(4,386)	(7,905)
Purchase of other financial assets	(342,795)	(2,198)
Proceeds from sales/redemption of other financial assets	348,834	72,386
Net cash outflow on acquisition of subsidiaries	(1,429)	(28,449)
Proceeds from sales of investments in subsidiaries	2,836	1,971
Payments for transfer of business	—	(374)
Net (Increase) decrease of time deposits	25,054	4,727
Other	9,449	(27,413)
Net cash provided by (used in) investing activities	(114,958)	(148,787)

	(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(465,199)	(76,705)
Net increase (decrease) in commercial papers	(20,000)	47,000
Proceeds from long-term borrowings	399,636	274,133
Repayment of long-term borrowings	(117,842)	(143,956)
Proceeds from issuance of bonds	79,549	69,640
Redemption of bonds	(60,000)	(45,000)
Repayment of lease liabilities	(22,800)	(22,356)
Net (increase) decrease in treasury stock	(18)	(12)
Dividends paid to owners of the parent	(56,804)	(34,091)
Dividends paid to non-controlling interests	(29,105)	(10,446)
Payments for acquisition of subsidiaries' interests from non-controlling interests	(1,714)	(98,525)
Proceeds from stock issuance to non-controlling interests	3	4,404
Other	—	1,139
Net cash provided by (used in) financing activities	(294,294)	(34,775)
Effect of exchange rate changes on cash and cash equivalents	(7,436)	3,413
Net increase (decrease) in cash and cash equivalents	(78,951)	92,086
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 sales	2,152	1
Net increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	606	749
Increase in cash and cash equivalents resulting from merger	—	19
Cash and cash equivalents at the end of the period	245,348	321,066