

August 8, 2025

Company name:	Mitsubishi Chemical Group Corporation
Representative:	Manabu Chikumoto Representative Corporate Executive Officer, President & Chief Executive Officer Listed on The Prime Market TSE (stock code:4188)
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**Notice Regarding Completion of Interim review of the Japanese Originals of
the “Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026
(Under IFRS)” by certified public accountants, etc.**

Mitsubishi Chemical Group Corporation (MCG) hereby announces that the interim review of the Japanese originals of the MCG's condensed consolidated statements, which MCG disclosed on August 1, 2025 in “Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (Under IFRS)”, have been completed by an independent auditor.

There are no changes to the condensed consolidated statement announced on August 1, 2025.

Note that the English translation of the quarterly consolidated financial results did not receive a quarterly review by certified public accountants or an audit firm.

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (Under IFRS)

Company name: Mitsubishi Chemical Group Corporation Listing: Tokyo Stock Exchange
Securities code: 4188 URL: <https://www.mcgc.com/english/>
Representative: Manabu Chikumoto
Representative Corporate Executive Officer, President&Chief Executive Officer
Contact: Minoru Kida TEL: Media [+81] (0)3-6748-7140
Executive Officer, Chief Financial Officer IR [+81] (0)3-6748-7120
Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Yen amounts are rounded to millions, unless otherwise noted.)

1. Consolidated financial results for the First Quarter of the Fiscal Year Ending March 31, 2026("FY2025") (from April 1, 2025 to June 30, 2025)

(1) Results of Operations:

(Percentages indicate year-on-year changes.)

	Sales Revenue		Core Operating Income		Operating income		Net income		Net income attributable to owners of the parent		Comprehensive Income	
Three months ended		%		%		%		%		%		%
June 30, 2025	880,652	(13.4)	56,562	(11.1)	60,908	(9.3)	35,968	(36.1)	19,627	(50.5)	59,213	(64.6)
June 30, 2024	1,016,998	(4.2)	63,647	25.3	67,180	(3.7)	56,298	0.8	39,652	(6.8)	167,117	(7.0)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	13.96	13.95
June 30, 2024	27.87	27.85

Reference: Income before taxes

Three months ended June 30, 2025: ¥50,158 million((14.5)%)

Three months ended June 30, 2024: ¥58,631 million((14.8)%)

(Note1) Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring factors.

(Note2) Upon the approval at MCG's Ordinary General Meeting of Shareholders held on June 25, 2025 with regard to the absorption-type split agreement to transfer all shares and related assets of Mitsubishi Tanabe Pharma Corporation (hereinafter "MTPC"), which is MCG's consolidated subsidiary, MTPC and its subsidiaries and affiliates have been classified as discontinued operations, and sales revenue, core operating income, operating income and income before taxes, and for the first quarter of the current fiscal year and the first quarter of the previous fiscal year represent the amounts of continued operations excluding discontinued operations.

(2) Financial Position:

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of parent to total assets
As of				%
June 30, 2025	5,840,649	2,283,469	1,725,172	29.5
March 31, 2025	5,894,619	2,284,569	1,740,570	29.5

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2025	—	16.00	—	16.00	32.00
March 31, 2026	—	—	—	—	—
March 31, 2026 (Forecast)	—	16.00	—	16.00	32.00

Note:

Revisions to the forecast of cash dividends most recently announced: None

3. Forecast for the Current Fiscal Year

(Percentages indicate changes in comparison with the same period of the previous fiscal year)

	Sales Revenue		Core Operating Income		Operating income		Net income		Net income attributable to owners of the parent		Basic earnings per share
		%		%		%		%		%	Yen
First Half of FY2025	1,803,000	(10.3)	121,000	(6.5)	111,000	3.1	163,000	129.1	130,000	217.7	91.34
FY2025	3,740,000	(5.3)	265,000	15.8	202,000	42.7	213,000	101.6	145,000	222.1	101.88

Reference: Income before taxes

First Half of FY2025: ¥94,000 million(14.8%), FY2025: ¥165,000 million(66.3%)

Note:

Revisions to the forecast for the current fiscal year most recently announced: None

* Notes

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

(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 issued shares (ordinary shares)

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

As of June 30, 2025	1,506,288,107 Shares	As of March 31, 2025	1,506,288,107 Shares
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(ii) Number of treasury shares at the end of the period

As of June 30, 2025	118,180,174 Shares	As of March 31, 2025	83,102,073 Shares
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(iii) Weighted-average number of shares outstanding during the period

Three months ended June 30, 2025	1,406,093,780 Shares	Three months ended June 30, 2024	1,422,839,820 Shares
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*Mitsubishi Chemical Group Corporation adopted a performance-based share compensation plan that uses executive compensation Board Incentive Plan (BIP) trusts. Mitsubishi Chemical Group Corporation stocks held by BIP trust are included in treasury shares.

(Reference)

Number of Company's shares in executive compensation BIP trust:

June 30, 2025	1,540,999 Shares
March 31, 2025	1,670,494 Shares

Disclosure regarding quarterly review procedures

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

*The English translation of the quarterly consolidated financial results did not receive a quarterly review by certified public accountants or an audit firm.

Proper use of earnings forecasts, and other special matters

*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.

*As a result of the review of effect of the reclassification of discontinued operations, the operating results of the fiscal year ended March 31, 2025, which had been used for calculating the percentage of changes in "3. Forecast for the Current Fiscal Year", have been partially revised from the figures announced on May 13, 2025.

*This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Qualitative Information on Financial Results for the Term

(1) Business Performance

Performance Overview

The global economy during the consolidated first quarter (April 1, 2025 - June 30, 2025; same hereafter) showed signs of slowing economic growth in general, reflecting the spread of concerns over economic downturn across the regions as a result of U.S. trade policy, despite being supported by policies in various countries including economic stimulus measures in China and aggressive fiscal spending in Europe, in addition to robust private consumption in the United States and the recovery of personal spending in Japan due to an improvement in the employment and income situation.

Against this backdrop, compared to the same period of the previous consolidated fiscal year (April 1, 2024 - June 30, 2024; same hereafter), sales revenue of the Mitsubishi Chemical Group (the MCG Group) decreased ¥136.3 billion, or 13.4%, to ¥880.7 billion. In the profit front, core operating income declined ¥7.0 billion, or 11.1%, to ¥56.6 billion. Operating income was down ¥6.3 billion, or 9.3%, to ¥60.9 billion. Income before taxes dropped ¥8.4 billion, or 14.5%, to ¥50.2 billion. Meanwhile, net income attributable to owners of the parent fell ¥20.1 billion, or 50.5% to ¥19.6 billion.

Upon the approval at MCG's Ordinary General Meeting of Shareholders held on June 25, 2025 with regard to the absorption-type split agreement to transfer all shares and related assets of Mitsubishi Tanabe Pharma Corporation (hereinafter "MTPC"), which is MCG's consolidated subsidiary, MTPC and its subsidiaries and affiliates have been classified as discontinued operations, and sales revenue, core operating income, operating income, and income before taxes for the first quarter of the current fiscal year and the first quarter of the previous fiscal year represent the amounts of continued operations excluding discontinued operations.

Overview of Business Segment

The overview of financial results by business segment for the consolidated first quarter of fiscal 2025 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.

Specialty Materials Segment

In comparison with the same quarter in the previous consolidated fiscal year, sales revenue decreased ¥16.3 billion, to ¥258.7 billion and core operating income rose ¥2.6 billion, to ¥14.1 billion.

In Advanced Films and Polymers, sales revenue decreased mainly reflecting the effects of the transfer of triacetate fiber and other businesses, on top of the forex impact, despite a rise in sales volume on the back of a moderate recovery in demand for barrier packaging and other applications.

In Advanced Solutions, sales revenue decreased due primarily to a drop in sales volume reflecting a decline in demand for EV applications in Europe and the U.S. and diminished demand for display-related applications.

In Advanced Composites and Shapes, sales revenue decreased due mainly to the forex impact as well as a drop in sales volume and lower selling prices reflecting a decline in demand for molded products using carbon fiber and composite materials, despite a rise in sales volume as a result of growing demand for high-performance engineering plastics.

Core operating income in this segment increased year on year due mainly to an increase in sales volume reflecting a recovery in demand for barrier packaging and other applications and the effect of rationalization through the review of production sites in each business, in addition to an improvement in price gap mainly through the effort to increase selling prices in semiconductor-related and other businesses, despite a deterioration in price gap due to the change in sales composition of the carbon fiber business.

MMA & Derivatives Segment

In comparison with the same quarter in the previous consolidated fiscal year, sales revenue decreased ¥20.7 billion, to ¥91.2 billion and core operating income dropped ¥7.1 billion, to ¥3.9 billion.

In MMA, sales revenue decreased due primarily to the forex impact in addition to a decline in market prices for MMA monomer and other products.

In Coating and Additives, sales revenue dropped reflecting a decline in sales volume due to a decrease in demand for paints / adhesives / inks / additives, among other applications.

Core operating income in this segment decreased year on year primarily reflecting reduced price gap due to a decline in market prices for MMA monomer and other products, despite an improvement in sales volume owing to diminished impact of scheduled maintenance.

Basic Materials & Polymers Segment

In comparison with the same quarter in the previous consolidated fiscal year, sales revenue decreased ¥80.3 billion, to ¥191.1 billion and core operating income rose ¥3.5 billion, to a loss of ¥3.6 billion.

In Materials and Polymers, sales revenue decreased due primarily to the effect of the transfer of shares of a specified subsidiary in the pure terephthalic acid (PTA) business, the forex impact and a drop in selling prices in tandem with lower raw material prices.

In Carbon Products, sales revenue dropped owing to the effects of the transfer of shares of a specified subsidiary in the cokes business, a decrease in sales volume as a result of the reduction of cokes production capacity, and a decline in selling prices for cokes in tandem with a fall in raw material prices and sluggish demand.

Core operating income in this segment improved on the back of the widened price gap between raw materials and products, chiefly for polyolefins, diminished impact of scheduled maintenance of ethylene production facilities, as well as an improvement in price gap and cost reduction efforts through the structural reform of the carbon products business, despite a deterioration in inventory valuation gains and losses mainly in materials & polymers.

Industrial Gases Segment

In comparison with the same quarter in the previous consolidated fiscal year, sales revenue decreased ¥14.5 billion, to ¥313.0 billion and core operating income dropped ¥2.4 billion, to ¥45.0 billion.

Sales revenue decreased year on year as domestic and overseas demand remained sluggish overall in addition to the forex impact, despite the positive effect of price management efforts in each region. Core operating income declined due primarily to the forex impact, on top of a deterioration in sales volume mainly in Europe and the United States, despite the positive effects of cost reduction.

Others

In comparison with the same quarter in the previous consolidated fiscal year, sales revenue decreased ¥4.5 billion, to ¥26.7 billion and core operating income declined ¥3.6 billion, to ¥0.3 billion.

(2) Financial Position

Total assets at the end of the first quarter of the fiscal year ending March 31, 2026 totaled ¥5,840.6 billion, a decrease of ¥54.0 billion compared with the end of the previous fiscal year. The decrease in total assets was primarily attributable to a decline in trade receivables in tandem with a drop in market prices and the sale of the real estate business.

2. Condensed Consolidated Financial Statements and Notes Concerning Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Profit or Loss

Three months ended June 30, 2024 and 2025

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Continuing operations		
Sales revenue	1,016,998	880,652
Cost of sales	(756,443)	(630,826)
Gross profit	260,555	249,826
Selling, general and administrative expenses	(197,518)	(194,208)
Other operating income	8,221	11,399
Other operating expenses	(6,039)	(7,610)
Share of profit of associates and joint ventures	1,961	1,501
Operating income	67,180	60,908
Financial income	6,044	2,924
Financial expenses	(14,593)	(13,674)
Income before taxes	58,631	50,158
Income taxes	(16,433)	(17,110)
Net income from continuing operations	42,198	33,048
Discontinued operations		
Net income from discontinued operations	14,100	2,920
Net income	56,298	35,968
Net income attributable to		
Owners of the parent	39,652	19,627
Non-controlling interests	16,646	16,341
Net income	56,298	35,968
Earnings per share (Yen)		
Basic earnings per share attributable to owners of the parent		
Continuing operations	18.07	12.00
Discontinued operations	9.80	1.96
Total	27.87	13.96
Diluted earnings per share attributable to owners of the parent		
Continuing operations	18.06	11.99
Discontinued operations	9.79	1.96
Total	27.85	13.95

(2) Condensed Consolidated Statement of Comprehensive Income

Three months ended June 30, 2024 and 2025

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Net income	56,298	35,968
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	5,354	6,538
Remeasurements of defined benefit plans	566	1,002
Share of other comprehensive income(loss) of associates and joint ventures for using the equity method	132	(36)
Total items that will not be reclassified to profit or loss	6,052	7,504
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	101,505	16,424
Net gain (loss) on derivatives designated as cash flow hedges	130	1,553
Share of other comprehensive income(loss) of associates and joint ventures for using the equity method	3,132	(2,236)
Total items that may be subsequently reclassified to profit or loss	104,767	15,741
Total other comprehensive income (net of tax)	110,819	23,245
Total comprehensive income	167,117	59,213
Total comprehensive income attributable to		
Owners of the parent	118,161	33,622
Non-controlling interests	48,956	25,591

(3) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	March 31, 2025	June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	326,144	288,470
Trade receivables	764,814	599,407
Inventories	759,423	650,715
Other financial assets	66,103	51,441
Other current assets	128,973	117,570
Subtotal	2,045,457	1,707,603
Assets held for sale	16,103	604,534
Total current assets	2,061,560	2,312,137
Non-current assets		
Property, plant and equipment	2,004,447	1,959,493
Goodwill	827,604	790,984
Intangible assets	442,039	347,017
Investments accounted for using the equity method	166,753	148,795
Other financial assets	203,645	188,594
Other non-current assets	70,324	24,541
Deferred tax assets	118,247	69,088
Total non-current assets	3,833,059	3,528,512
Total assets	5,894,619	5,840,649

(Millions of yen)

	March 31, 2025	June 30, 2025
Liabilities		
Current liabilities		
Trade payables	424,635	355,992
Bonds and borrowings	428,067	509,931
Income tax payable	39,441	14,143
Other financial liabilities	351,480	279,678
Provisions	38,227	20,559
Other current liabilities	217,563	178,553
Subtotal	1,499,413	1,358,856
Liabilities directly associated with assets held for sale	745	161,938
Total current liabilities	1,500,158	1,520,794
Non-current liabilities		
Bonds and borrowings	1,612,920	1,574,749
Other financial liabilities	135,356	123,692
Retirement benefit liabilities	99,050	100,276
Provisions	25,160	18,415
Other non-current liabilities	37,287	34,350
Deferred tax liabilities	200,119	184,904
Total non-current liabilities	2,109,892	2,036,386
Total liabilities	3,610,050	3,557,180
Equity		
Common stock	50,000	50,000
Additional paid-in capital	160,114	160,306
Treasury stock	(61,458)	(87,899)
Retained earnings	1,363,689	1,363,169
Other components of equity	228,225	239,596
Equity attributable to owners of the parent	1,740,570	1,725,172
Non-controlling interests	543,999	558,297
Total equity	2,284,569	2,283,469
Total liabilities and equity	5,894,619	5,840,649

(4) Condensed Consolidated Statement of Changes in Equity

Three months ended June 30, 2024

(Millions of yen)

	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2024	50,000	159,602	(61,857)	1,355,131
Net income	—	—	—	39,652
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	39,652
Purchase of treasury stock	—	—	(8)	—
Disposal of treasury stock	—	(86)	349	—
Cash dividends	—	—	—	(22,762)
Share-based payment transactions	—	16	—	—
Changes in interests in subsidiaries	—	(103)	—	—
Transfer from other components of equity to retained earnings	—	—	—	1,323
Total transactions with owners	—	(173)	341	(21,439)
Balance at June 30, 2024	50,000	159,429	(61,516)	1,373,344

	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 through other comprehensive income	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges				
Balance at April 1, 2024	37,941	—	217,484	5,146	260,571	1,763,447	512,048	2,275,495
Net income	—	—	—	—	—	39,652	16,646	56,298
Other comprehensive income	4,914	631	72,818	146	78,509	78,509	32,310	110,819
Total comprehensive income	4,914	631	72,818	146	78,509	118,161	48,956	167,117
Purchase of treasury stock	—	—	—	—	—	(8)	—	(8)
Disposal of treasury stock	—	—	—	—	—	263	—	263
Cash dividends	—	—	—	—	—	(22,762)	(6,476)	(29,238)
Share-based payment transactions	—	—	—	—	—	16	—	16
Changes in interests in subsidiaries	—	—	—	—	—	(103)	(142)	(245)
Transfer from other components of equity to retained earnings	(692)	(631)	—	—	(1,323)	—	—	—
Total transactions with owners	(692)	(631)	—	—	(1,323)	(22,594)	(6,618)	(29,212)
Balance at June 30, 2024	42,163	—	290,302	5,292	337,757	1,859,014	554,386	2,413,400

Three months ended June 30, 2025

(Millions of yen)

	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2025	50,000	160,114	(61,458)	1,363,689
Net income	—	—	—	19,627
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	19,627
Purchase of treasury stock	—	—	(26,557)	—
Disposal of treasury stock	—	(66)	116	—
Cash dividends	—	—	—	(22,771)
Share-based payment transactions	—	22	—	—
Changes in interests in subsidiaries	—	236	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	2,624
Other changes	—	—	—	—
Total transactions with owners	—	192	(26,441)	(20,147)
Balance at June 30, 2025	50,000	160,306	(87,899)	1,363,169

	Other components of equity				Total	Equity attributable to owners of the parent	Non- controlling interests	Total equity
	Net gain (loss) on reevaluation of financial assets measured at fair value through other comprehensive income	Remeasure- ments of defined benefit plans	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges				
Balance at April 1, 2025	28,645	—	195,369	4,211	228,225	1,740,570	543,999	2,284,569
Net income	—	—	—	—	—	19,627	16,341	35,968
Other comprehensive income	5,447	988	6,771	789	13,995	13,995	9,250	23,245
Total comprehensive income	5,447	988	6,771	789	13,995	33,622	25,591	59,213
Purchase of treasury stock	—	—	—	—	—	(26,557)	—	(26,557)
Disposal of treasury stock	—	—	—	—	—	50	—	50
Cash dividends	—	—	—	—	—	(22,771)	(12,071)	(34,842)
Share-based payment transactions	—	—	—	—	—	22	—	22
Changes in interests in subsidiaries	—	—	—	—	—	236	573	809
Business combinations or business divestitures	—	—	—	—	—	—	(416)	(416)
Transfer from other components of equity to retained earnings	(1,636)	(988)	—	—	(2,624)	—	—	—
Other changes	—	—	—	—	—	—	621	621
Total transactions with owners	(1,636)	(988)	—	—	(2,624)	(49,020)	(11,293)	(60,313)
Balance at June 30, 2025	32,456	—	202,140	5,000	239,596	1,725,172	558,297	2,283,469

(5) Condensed Consolidated Statement of Cash Flow

Three months ended June 30, 2024 and 2025

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Income before taxes	58,631	50,158
Income before taxes from discontinued operations	18,388	5,727
Depreciation and amortization	71,212	67,336
Share of profit of associates and joint ventures	(1,948)	(1,584)
Interest and dividend income	(3,653)	(2,894)
Interest expense	11,236	9,365
(Increase) decrease in trade receivables	31,627	51,977
(Increase) decrease in inventories	(14,550)	(356)
Increase (decrease) in trade payables	(1,451)	(33,708)
Increase (decrease) in retirement benefit assets and liabilities, net	1,268	1,064
Increase (decrease) in employees' bonus liabilities	(34,800)	(44,546)
Others	(43,189)	5,391
Subtotal	92,771	107,930
Interest received	1,352	965
Dividends received	9,951	4,918
Interest paid	(15,138)	(12,028)
Income tax (paid) received, net	(15,052)	(41,557)
Net cash provided by (used in) operating activities	73,884	60,228
Cash flows from investing activities		
Purchase of property, plant and equipment	(84,253)	(61,513)
Proceeds from sales of property, plant and equipment	3,362	303
Purchase of intangible assets	(2,212)	(2,404)
Purchase of other financial assets	(123)	(367)
Proceeds from sales/redemption of other financial assets	1,036	6,731
Net cash outflow on acquisition of subsidiaries	—	(231)
Proceeds from sales of investments in subsidiaries	—	743
Payments for transfer of business	—	(305)
Proceeds from transfer of business	—	10,268
Net (Increase) decrease of time deposits	1,753	1,668
Others	(53)	9,357
Net cash provided by (used in) investing activities	(80,490)	(35,750)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,343	50,990
Net increase (decrease) in commercial papers	2,000	35,000
Proceeds from long-term borrowings	79,689	11,777
Repayment of long-term borrowings	(52,707)	(29,401)
Redemption of bonds	(15,000)	(35,000)
Repayment of lease liabilities	(8,718)	(9,060)
Net (increase) decrease in treasury stock	(8)	(26,558)
Dividends paid to owners of the parent	(22,762)	(22,771)
Dividends paid to non-controlling interests	(7,060)	(13,536)
Others	(31)	(106)
Net cash provided by (used in) financing activities	(17,254)	(38,665)
Effect of exchange rate changes on cash and cash equivalents	13,039	2,343
Net increase (decrease) in cash and cash equivalents	(10,821)	(11,844)
Cash and cash equivalents at the beginning of the period	294,924	326,144
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	(1,960)	(25,830)
Cash and cash equivalents at the end of the period	282,143	288,470

(6) Notes to Condensed Consolidated Financial Statements

(Applicable Financial Reporting Framework)

The MCG Group's condensed quarterly consolidated financial statements, which comprise the Condensed Consolidated Statement of Profit or Loss, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flow and Notes to Condensed Consolidated Financial Statements disclosed in this Consolidated Financial Results, have been prepared in accordance with Article 5, Paragraph 2 of the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements (the Standards), applying the provisions for reduced disclosures as set forth in Article 5, Paragraph 5 of the Standards, accordingly certain disclosures and notes required by IAS 34 are not given.

(Segment Information)

The MCG Group's reporting segments are the components for which separate financial information is available, and the chief operating decision maker regularly assesses this information in deciding how to allocate resources and evaluate results. No operating segments or components have been aggregated in preparing the reporting segment information.

The MCG Group conventionally had five reporting segments (Specialty Materials, MMA & Derivatives, Basic Materials & Polymers, Pharma and Industrial Gases). Following the classification of the operations of MTPC and its subsidiaries and affiliates as discontinued operations, the MCG Group has four reporting segments (Specialty Materials, MMA & Derivatives, Basic Materials & Polymers and Industrial Gases) from the first quarter of the fiscal year ended March 31, 2026.

The segment revenue and operating results for the three months ended June 30, 2025 and the three months ended June 30, 2024 represent the amounts of continued operations excluding discontinued operations. The details of discontinued operations are included in the notes on "Discontinued Operations."

The businesses in each reporting segment are as follows.

Business Segments	Business Sub-Segments	Businesses
Specialty Materials	Advanced Films & Polymers	Performance Polymers, Soarnol, Gohsenol Packaging & Barrier Films, Industrial & Medical Films, Acetyl & Optical Films, and Polyester Films
	Advanced Solutions	Aqua Solution, Life Solution, Infrastructure Solution, Semiconductor, Electronics, and Battery Materials
	Advanced Composites & Shapes	Engineering Shapes & Solutions, Carbon Fiber and Composite Materials
MMA & Derivatives	MMA	MMA, PMMA
	Coating & Additives	Coating Material, Additives & Modifiers
Basic Materials & Polymers	Materials & Polymers	Basic Petrochemicals, Polyolefins, Basic Chemical Derivatives, Sustainable Polymers, and Engineering Plastic
	Carbon Products	Carbon Products
Industrial Gases		Industrial Gases

Accounting policies for reportable segments are identical to those Group accounting policies adopted to consolidated financial statements. Inter-segment sales and transfers are based mainly on prevailing market prices.

Three months ended June 30, 2024

(Millions of yen)

	REPORTING SEGMENT					Others (Note 1)	Subtotal	Adjustment (Note 2)	Consolidated
	Specialty Materials	MMA & Derivatives	Basic Materials & Polymers	Industrial Gases	Total				
Revenue									
External revenue	275,021	111,863	271,442	327,544	985,870	31,128	1,016,998	—	1,016,998
Inter-segment revenue	5,409	8,073	17,158	1,731	32,371	31,148	63,519	(63,519)	—
Total	280,430	119,936	288,600	329,275	1,018,241	62,276	1,080,517	(63,519)	1,016,998
Segment profit (loss) Core operating income (Note 3)	11,489	10,958	(7,102)	47,424	62,769	3,868	66,637	(2,990)	63,647

Notes:

1. The Others category consists of businesses not included in reporting segments and mainly includes engineering, transportation, and warehousing operations.
2. The segment profit (loss) adjustment includes corporate costs of ¥ (3,271) million not allocated to reporting segments and inter-segment eliminations of ¥281 million. Corporate costs include expenditures on basic testing, research, and other activities not allocated to reporting segments.
3. Segment profit (loss) is Operating profit after excluding earnings from non-recurring factors, such as losses from business withdrawals and downsizings, representing core operating income.

Three months ended June 30, 2025

(Millions of yen)

	REPORTING SEGMENT					Others (Note 1)	Subtotal	Adjustment (Note 2)	Consolidated
	Specialty Materials	MMA & Derivatives	Basic Materials & Polymers	Industrial Gases	Total				
Revenue									
External revenue	258,659	91,183	191,141	313,022	854,005	26,647	880,652	—	880,652
Inter-segment revenue	3,976	3,593	8,130	1,736	17,435	34,465	51,900	(51,900)	—
Total	262,635	94,776	199,271	314,758	871,440	61,112	932,552	(51,900)	880,652
Segment profit (loss) Core operating income (Note 3)	14,053	3,925	(3,591)	45,009	59,396	280	59,676	(3,114)	56,562

Notes:

1. The Others category consists of businesses not included in reporting segments and mainly includes engineering, transportation, and warehousing operations.
2. The segment profit (loss) adjustment includes corporate costs of ¥ (3,359) million not allocated to reporting segments and inter-segment eliminations of ¥ 245 million. Corporate costs include expenditures on basic testing, research, and other activities not allocated to reporting segments.
3. Segment profit (loss) is Operating profit after excluding earnings from non-recurring factors, such as losses from business withdrawals and downsizings, representing core operating income.
4. From the first quarter of the fiscal year ended March 31, 2026, the MCG Group reclassified segments for some businesses and subsidiaries. The MCG Group used new classifications to present segment information for the three months ended June 30, 2024.

Adjustments to income before taxes from segment profit (loss) are as follows:

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Segment profit (loss)	63,647	56,562
Gain on business transfer	—	7,950
Reversal of provision for loss on plant closure	1,280	776
Gain on sale of carbon credit	2,718	—
Gain on sales of property, plant and equipment	1,495	—
Special retirement expense	—	(1,843)
Loss on sales and disposal of fixed assets	(1,218)	(181)
Impairment loss	(196)	(127)
Others	(546)	(2,229)
Operating income	67,180	60,908
Financial income	6,044	2,924
Financial expenses	(14,593)	(13,674)
Income before taxes	58,631	50,158

(Discontinued Operations)

1. Outline of Discontinued Operations

At the MCG's annual shareholders' meeting of Shareholders held on June 25, 2025, an absorption-type split agreement was approved to transfer all shares and related assets of Mitsubishi Tanabe Pharma Corporation (hereinafter "MTPC"), which is MCG's consolidated subsidiary, to K.K. BCJ-94, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP.

Consequently, the operations of MTPC and its subsidiaries and affiliate have been classified as discontinued operations. They have been classified as discontinued operations for the three months ended June 30, 2025, and their results for the three months ended June 30, 2024 have been separately represented as discontinued operations.

2. Profit or Loss from Discontinued Operations

	(Millions of Yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Revenue	114,878	113,576
Cost	(96,490)	(107,849)
Income before taxes from discontinued operations	18,388	5,727
Income taxes	(4,288)	(2,807)
Net Income from discontinued operations	14,100	2,920

The absorption-type split was completed on July 1, 2025, and the proceeds from the transaction (after-tax) are estimated to be about 85 billion yen, but the details are currently being calculated.

3. Cash Flows from Discontinued Operations

	(Millions of Yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities	11,856	2,570
Cash flows from investing activities	(473)	1,104
Cash flows from financing activities	(8,122)	(3,693)
Total	3,261	(19)

(Additional Information)

(Acquisition (conversion into a subsidiary) of the homecare and respiratory business by European subsidiary)

The MCG Group reached an agreement with Corporación Químico-Farmacéutica Esteve (hereinafter "CQFE") in Spain and Teijin Holdings Europe BV (hereinafter "Teijin") regarding the acquisition of Esteve Teijin Healthcare, S.L. (hereinafter "ETH"), a joint venture by CQFE and Teijin which operates respiratory home therapy services in Spain, through the MCG Group's subsidiary in Europe Oximesa S.L.U. An agreement on the acquisition of all shares of ETH was signed in December 2024.

The acquisition of shares is scheduled to be completed upon obtaining approval from Spain's National Commission on Markets and Competition (Comisión Nacional de los Mercados y de la Competencia).

(Material Subsequent Events)

(Acquisition (conversion into a subsidiary) of the industrial gas business by Australian subsidiary)

The MCG Group reached an agreement with Wesfarmers Limited (hereinafter "Wesfarmers") in Australia to acquire Coregas Pty Ltd, Blacksmith Jacks Pty Ltd, and Coregas NZ Limited (hereinafter collectively "Coregas Group"), which is currently owned by Wesfarmers and handles industrial gas businesses in Australia and New Zealand, through the MCG Group's subsidiary in Australia NSC (Australia) Pty Ltd. An agreement on the acquisition of all shares of Coregas Group was signed in December 2024.

The processes of the acquisition of the shares of the target company pursuant to the agreement were completed on July 1, 2025.

(1) Overview of business combination

(i) Name and Description of acquired business

Name: Coregas Pty Ltd and 3 companies

Description: Industrial gas businesses operated by Wesfarmers in Australia and New Zealand

(ii) Main reason for business combination

Supagas Pty Ltd (hereinafter "Supagas"), an Australian entity in the MCG Group' s Industrial Gases segment, operates a stable business supplying a wide range of industrial gases, primarily LPG in Australia. Coregas Group has an extensive sales network throughout Australia and New Zealand. It is engaged in the manufacturing and sales of industrial gases, including medical gases, and specialty gases, as well as related services, and also handles welding-related businesses.

Through the acquisition of Coregas Group, which has a different customer base and product portfolio than Supagas, the MCG Group will strive to create further value for its customers between its LPG business and industrial gas business, and enhance its presence in Australia and New Zealand.

(iii) Acquisition date

July 1,2025

(iv) Acquisition method

Acquisition of shares for cash

(v) Percentage of voting equity interests acquired

100%

(2) Fair value of acquisition consideration

	Millions of yen
	Acquisition date (July 1, 2025)
Cash	71,326
Cost of acquisition	71,326

(Note) The acquisition price will be adjusted based on factors such as the balance of cash and deposits, outstanding loans payable, and changes in working capital as of the closing date.

Since the initial accounting process of the acquisition has not been completed, the details of assets acquired, liabilities assumed, goodwill and others are yet to be determined.