

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

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Scheduled date to file semi-annual securities report: November 12, 2025
Scheduled date to commence dividend payments: December 2, 2025
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 Half of the Fiscal Year Ending March 31, 2026("FY2025") (from April 1, 2025 to September 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	
Six months ended		%		%		%		%		%		%
September 30, 2025	1,799,124	(10.5)	126,110	(2.6)	86,489	(19.6)	142,526	100.3	110,132	169.1	194,584	—
September 30, 2024	2,009,772	(6.5)	129,471	8.3	107,631	(22.4)	71,158	(24.4)	40,921	(39.1)	14,130	(94.3)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	79.66	79.63
September 30, 2024	28.76	28.74

Reference: Income before taxes

Six months ended September 30, 2025: ¥68,735 million((16.1)%)

Six months ended September 30, 2024: ¥81,877 million((37.1)%)

(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 transferred on July 1, 2025. 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 current interim consolidated accounting period and the previous interim consolidated accounting period 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				%
September 30, 2025	5,664,062	2,388,683	1,804,310	31.9
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
FY2025	3,672,000	(7.0)	250,000	9.2	176,000	24.3	189,900	79.8	125,000	177.7	91.21

Note:

Revisions to the forecast for the current fiscal year most recently announced: Yes

Reference: Income before taxes

FY2025: ¥138,000 million(39.0%)

Details are described in "1. Qualitative Information on Financial Results for the Term (3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking" on page [4] hereof.

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included : 1 (Company Name) Coregas Pty Ltd

(Company Name) Mitsubishi Tanabe Pharma Corporation, Mitsubishi Tanabe Pharma Factory Ltd.,

Excluded : 6 Mitsubishi Tanabe Pharma America, Inc., Alpha Therapeutic Corporation, Welfide International Corporation, Medicago Inc.

(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 September 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 September 30, 2025	147,733,065 Shares	As of March 31, 2025	83,102,073 Shares
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(iii) Weighted-average number of shares outstanding during the period

Six months ended September 30, 2025	1,382,466,073 Shares	Six months ended September 30, 2024	1,422,980,607 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:

September 30, 2025	1,490,207 Shares
March 31, 2025	1,670,494 Shares

Disclosure regarding quarterly review procedures

Quarterly (semi-annual) financial results reports are exempt from review conducted 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 business environment of the interim consolidated accounting period (April 1, 2025 - September 30, 2025; same hereafter) of the Mitsubishi Chemical Group (the MCG Group) experienced slowing economic growth in general, due to the spread of impact of U.S. trade policy across the regions, despite being supported by policies such as economic stimulus measures in China and aggressive fiscal spending in some European countries, in addition to robust private consumption, capital investment reflecting AI-related demand in the United States, the recovery of personal spending due to an improvement in the employment and income situation, and Capital investment on the back of solid corporate earnings in Japan.

Against this backdrop, compared to the same period of the previous consolidated fiscal year (April 1, 2024 - September 30, 2024; same hereafter), sales revenue of the Mitsubishi Chemical Group (the MCG Group) decreased ¥210.7 billion, or 10.5%, to ¥1,799.1 billion. In the profit front, core operating income declined ¥3.4 billion, or 2.6%, to ¥126.1 billion. Operating income was down ¥21.1 billion, or 19.6%, to ¥86.5 billion. Income before taxes dropped ¥13.2 billion, or 16.1%, to ¥68.7 billion. Meanwhile, net income attributable to owners of the parent surged ¥69.2 billion, or 169.1% to ¥110.1 billion.

Upon the approval at MCG's annual shareholders' meeting 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 was MCG's consolidated subsidiary, MTPC and its subsidiaries and affiliates have been transferred on July 1, 2025. 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.

Overview of Business Segment

The overview of financial results by business segment for the interim consolidated accounting period 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 period of the previous consolidated fiscal year, sales revenue decreased ¥18.3 billion, to ¥520.6 billion and core operating income rose ¥8.9 billion, to ¥33.5 billion.

In Advanced Films and Polymers, sales revenue decreased mainly reflecting inventory adjustments by customers for display-related applications and the forex impact, on top of the effects of the transfer of triacetate fiber and other businesses, despite the efforts to maintain and improve selling prices.

In Advanced Solutions, sales revenue decreased due primarily to a decline in demand for EV applications in Europe and the United States and a drop in sales volume of printing materials due to U.S. tariffs, despite the efforts to maintain and improve selling prices of various products and the completion of water treatment equipment project for semiconductor manufacturing.

In Advanced Composites and Shapes, sales revenue decreased due mainly to a drop in sales volume and lower selling prices reflecting a decline in demand in the carbon fiber and composite business, 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 high-performance engineering plastics 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 improve selling prices in semiconductor-related and other businesses, despite a deterioration in price gap of the carbon fiber and composite business and a rise in cost due mainly to inflation.

MMA & Derivatives Segment

In comparison with the same period in the previous consolidated fiscal year, sales revenue decreased ¥46.2 billion, to ¥178.1 billion and core operating income dropped ¥22.6 billion, to ¥4.2 billion.

In MMA, sales revenue decreased due primarily to a decline in market prices for MMA monomer and other products and a drop in sales volume due to lower demand.

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 and a drop in sales volume owing to lower demand in general.

Basic Materials & Polymers Segment

In comparison with the same period in the previous consolidated fiscal year, sales revenue decreased ¥151.2 billion, to ¥386.4 billion and core operating income rose ¥9.3 billion, to a loss of ¥2.8 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, a drop in selling prices in tandem with lower raw material prices, and the forex impact.

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 inventory valuation gains and losses in the carbon products business, an improvement in price gap through the structural reform, and cost reduction efforts, despite a deterioration in inventory valuation gains and losses mainly in materials & polymers.

Industrial Gases Segment

In comparison with the same period in the previous consolidated fiscal year, sales revenue increased ¥7.6 billion, to ¥647.0 billion and core operating income rose ¥1.2 billion, to ¥93.0 billion.

Sales revenue increased year on year due to the effect of the acquisition and new consolidation of the industrial gas business in Australia and New Zealand on top of the positive effect of price management efforts in each region, despite a decline in sales as domestic and overseas demand remained sluggish overall in addition to the forex impact. Core operating income rose on the back of the positive effects of cost reduction, despite the rising price of electricity in the United States and a deterioration in sales volume mainly in Europe and the United States.

Others

In comparison with the same period in the previous consolidated fiscal year, sales revenue decreased ¥2.5 billion, to ¥67.0 billion and core operating income increased ¥1.2 billion, to ¥4.8 billion.

(2) Financial Position

Total assets at the end of the interim consolidated accounting period totaled ¥5,664.1 billion, a decrease of ¥230.5 billion compared with the end of the previous fiscal year. The decrease in total assets was primarily attributable to a decline in assets as a result of the transfer of MTPC, despite an increase in cash on hand due to receipt of proceeds from the transfer of MTPC and an increase in the value of assets translated into yen at overseas consolidated subsidiaries in tandem with the further depreciation of the yen against the euro.

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

In light of recent performance trends, the Company has revised the consolidated financial results forecast that it announced on May 14, 2025 for the fiscal 2025, as follows. Also, please refer to the Notice of Revision to Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026, announced today (November 31, 2025)

(i) Revision to consolidated financial results forecast for fiscal 2025 (April 1, 2025 - March 31, 2026)

(Billions of yen; unless otherwise noted)

	Sales revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent	Basic earnings per share (yen)
Previous forecast (A) (announced on May 13, 2025)	3,740.0	265.0	202.0	213.0	14.5	101.88
Revised forecast (B)	3,672.0	250.0	176.0	189.9	125.0	91.21
Difference (B—A)	(68.0)	(15.0)	(26.0)	(23.1)	(20.0)	
Difference (%)	(1.8)	(5.7)	(12.9)	(10.8)	(13.8)	
Reference: Results for fiscal 2023	3,947.6	228.8	141.6	105.6	45.0	31.64

Notes:

*The forecast for net income before taxes has been changed from ¥165.0 billion to ¥138.0 billion.

*Core operating income is operating income (loss) after excluding certain gains and expenses attributable to non-recurring factors.

(ii) Reason for revision

We predict that core operating income for fiscal 2025 will decrease 5.6% compared to the previous forecast to ¥250.0 billion. Core operating income is expected to fall behind the initial forecast due mainly to a reduction in price gap and a decline in sales volume reflecting lower market prices in the MMA & Derivatives segment and the Basic Materials & Polymers segment, despite robust demand expected for various products in the Specialty Materials segment.

Operating income, net income, and net income attributable to owners of the parent are anticipated to fall behind the initial forecast due to losses under special items, which are expected to be recorded in the second half of fiscal 2025 in tandem with structure reforms, on top of a decline in core operating income.

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 effect of industry competition.

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

(1) Condensed Consolidated Statement of Profit or Loss

Six months ended September 30, 2024 and 2025

	(Millions of yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Continuing operations		
Sales revenue	2,009,772	1,799,124
Cost of sales	(1,489,140)	(1,280,997)
Gross profit	520,632	518,127
Selling, general and administrative expenses	(389,665)	(393,899)
Other operating income	16,987	17,117
Other operating expenses	(43,322)	(57,233)
Share of profit of associates and joint ventures	2,999	2,377
Operating income	107,631	86,489
Financial income	4,909	4,397
Financial expenses	(30,663)	(22,151)
Income before taxes	81,877	68,735
Income taxes	(28,229)	(21,100)
Net income from continuing operations	53,648	47,635
Discontinued operations		
Net income from discontinued operations	17,510	94,891
Net income	71,158	142,526
Net income attributable to		
Owners of the parent	40,921	110,132
Non-controlling interests	30,237	32,394
Net income	71,158	142,526
Earnings per share (Yen)		
Basic earnings per share attributable to owners of the parent		
Continuing operations	16.71	11.14
Discontinued operations	12.04	68.52
Total	28.76	79.66
Diluted earnings per share attributable to owners of the parent		
Continuing operations	16.71	11.14
Discontinued operations	12.04	68.49
Total	28.74	79.63

(2) Condensed Consolidated Statement of Comprehensive Income

Six months ended September 30, 2024 and 2025

	(Millions of yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Net income	71,158	142,526
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	(4,397)	8,958
Remeasurements of defined benefit plans	(776)	1,244
Share of other comprehensive income(loss) of associates and joint ventures for using the equity method	147	(44)
Total items that will not be reclassified to profit or loss	(5,026)	10,158
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	(55,119)	43,526
Net gain (loss) on derivatives designated as cash flow hedges	(1,613)	654
Share of other comprehensive income(loss) of associates and joint ventures for using the equity method	4,730	(2,280)
Total items that may be subsequently reclassified to profit or loss	(52,002)	41,900
Total other comprehensive income (net of tax)	(57,028)	52,058
Total comprehensive income	14,130	194,584
Total comprehensive income attributable to		
Owners of the parent	(2,200)	137,305
Non-controlling interests	16,330	57,279

(3) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	March 31, 2025	September 30, 2025
Assets		
Current assets		
Cash and cash equivalents	326,144	373,889
Trade receivables	764,814	627,740
Inventories	759,423	663,020
Other financial assets	66,103	211,548
Other current assets	128,973	122,777
Subtotal	2,045,457	1,998,974
Assets held for sale	16,103	19,912
Total current assets	2,061,560	2,018,886
Non-current assets		
Property, plant and equipment	2,004,447	2,032,616
Goodwill	827,604	840,575
Intangible assets	442,039	362,808
Investments accounted for using the equity method	166,753	149,751
Other financial assets	203,645	187,859
Other non-current assets	70,324	22,650
Deferred tax assets	118,247	48,917
Total non-current assets	3,833,059	3,645,176
Total assets	5,894,619	5,664,062

(Millions of yen)

	March 31, 2025	September 30, 2025
Liabilities		
Current liabilities		
Trade payables	424,635	370,518
Bonds and borrowings	428,067	341,622
Income tax payable	39,441	25,017
Other financial liabilities	351,480	273,589
Provisions	38,227	50,098
Other current liabilities	217,563	189,623
Subtotal	1,499,413	1,250,467
Liabilities directly associated with assets held for sale	745	7,613
Total current liabilities	1,500,158	1,258,080
Non-current liabilities		
Bonds and borrowings	1,612,920	1,544,993
Other financial liabilities	135,356	122,886
Retirement benefit liabilities	99,050	100,666
Provisions	25,160	19,242
Other non-current liabilities	37,287	34,681
Deferred tax liabilities	200,119	194,831
Total non-current liabilities	2,109,892	2,017,299
Total liabilities	3,610,050	3,275,379
Equity		
Common stock	50,000	50,000
Additional paid-in capital	160,114	160,782
Treasury stock	(61,458)	(111,302)
Retained earnings	1,363,689	1,451,893
Other components of equity	228,225	252,937
Equity attributable to owners of the parent	1,740,570	1,804,310
Non-controlling interests	543,999	584,373
Total equity	2,284,569	2,388,683
Total liabilities and equity	5,894,619	5,664,062

(4) Condensed Consolidated Statement of Changes in Equity

Six months ended September 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	—	—	—	40,921
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	40,921
Purchase of treasury stock	—	—	(15)	—
Disposal of treasury stock	—	(115)	394	—
Cash dividends	—	—	—	(22,762)
Share-based payment transactions	—	32	—	—
Changes in interests in subsidiaries	—	68	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	263
Total transactions with owners	—	(15)	379	(22,499)
Balance at September 30, 2024	50,000	159,587	(61,478)	1,373,553

	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	—	—	—	—	—	40,921	30,237	71,158
Other comprehensive income	(2,564)	(667)	(38,407)	(1,483)	(43,121)	(43,121)	(13,907)	(57,028)
Total comprehensive income	(2,564)	(667)	(38,407)	(1,483)	(43,121)	(2,200)	16,330	14,130
Purchase of treasury stock	—	—	—	—	—	(15)	—	(15)
Disposal of treasury stock	—	—	—	—	—	279	—	279
Cash dividends	—	—	—	—	—	(22,762)	(7,863)	(30,625)
Share-based payment transactions	—	—	—	—	—	32	—	32
Changes in interests in subsidiaries	—	—	—	—	—	68	(202)	(134)
Business combinations or business divestitures	—	—	—	—	—	—	(1,194)	(1,194)
Transfer from other components of equity to retained earnings	(930)	667	—	—	(263)	—	—	—
Total transactions with owners	(930)	667	—	—	(263)	(22,398)	(9,259)	(31,657)
Balance at September 30, 2024	34,447	—	179,077	3,663	217,187	1,738,849	519,119	2,257,968

Six months ended September 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	—	—	—	110,132
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	110,132
Purchase of treasury stock	—	—	(50,010)	—
Disposal of treasury stock	—	(69)	166	—
Cash dividends	—	—	—	(22,771)
Share-based payment transactions	—	31	—	—
Changes in interests in subsidiaries	—	706	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	843
Transfer from other components of equity to non-financial assets and others	—	—	—	—
Other changes	—	—	—	—
Total transactions with owners	—	668	(49,844)	(21,928)
Balance at September 30, 2025	50,000	160,782	(111,302)	1,451,893

	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	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	—	—	—	—	—	110,132	32,394	142,526
Other comprehensive income	6,838	1,236	18,291	808	27,173	27,173	24,885	52,058
Total comprehensive income	6,838	1,236	18,291	808	27,173	137,305	57,279	194,584
Purchase of treasury stock	—	—	—	—	—	(50,010)	—	(50,010)
Disposal of treasury stock	—	—	—	—	—	97	—	97
Cash dividends	—	—	—	—	—	(22,771)	(12,863)	(35,634)
Share-based payment transactions	—	—	—	—	—	31	—	31
Changes in interests in subsidiaries	—	—	—	—	—	706	(2,304)	(1,598)
Business combinations or business divestitures	—	—	—	—	—	—	(2,725)	(2,725)
Transfer from other components of equity to retained earnings	393	(1,236)	—	—	(843)	—	—	—
Transfer from other components of equity to non-financial assets and others	—	—	—	(1,618)	(1,618)	(1,618)	—	(1,618)
Other changes	—	—	—	—	—	—	987	987
Total transactions with owners	393	(1,236)	—	(1,618)	(2,461)	(73,565)	(16,905)	(90,470)
Balance at September 30, 2025	35,876	—	213,660	3,401	252,937	1,804,310	584,373	2,388,683

(5) Condensed Consolidated Statement of Cash Flow

Six months ended September 30, 2024 and 2025

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Income before taxes	81,877	68,735
Income before taxes from discontinued operations	24,225	134,480
Depreciation and amortization	139,192	134,374
Share of profit of associates and joint ventures	(3,085)	(2,460)
Interest and dividend income	(5,055)	(4,333)
Interest expense	22,104	18,659
(Increase) decrease in trade receivables	47,763	27,878
(Increase) decrease in inventories	(42,372)	(7,535)
Increase (decrease) in trade payables	(14,472)	(22,299)
Increase (decrease) in retirement benefit assets and liabilities, net	2,390	1,332
Increase (decrease) in employees' bonus liabilities	(19,490)	(32,139)
Others	64,863	(99,779)
Subtotal	297,940	216,913
Interest received	2,565	1,935
Dividends received	11,018	6,224
Interest paid	(21,880)	(19,092)
Income tax (paid) received, net	(14,588)	(44,341)
Net cash provided by (used in) operating activities	275,055	161,639
Cash flows from investing activities		
Purchase of property, plant and equipment	(166,813)	(127,876)
Proceeds from sales of property, plant and equipment	5,941	3,322
Purchase of intangible assets	(5,168)	(3,961)
Purchase of other financial assets	(555)	(444)
Proceeds from sales/redemption of other financial assets	5,028	9,287
Net cash outflow on acquisition of subsidiaries	(438)	(71,914)
Proceeds from sales of investments in subsidiaries	10,531	490,941
Payments for transfer of business	—	(7,796)
Proceeds from transfer of business	3,447	10,268
Net (Increase) decrease of time deposits	172	(135,971)
Others	2,582	8,151
Net cash provided by (used in) investing activities	(145,273)	174,007

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,455	(94,029)
Net increase (decrease) in commercial papers	(87,000)	—
Proceeds from long-term borrowings	88,688	12,875
Repayment of long-term borrowings	(64,761)	(67,026)
Redemption of bonds	(15,000)	(35,000)
Repayment of lease liabilities	(17,127)	(16,647)
Net (increase) decrease in treasury stock	(15)	(50,010)
Dividends paid to owners of the parent	(22,762)	(22,771)
Dividends paid to non-controlling interests	(8,446)	(14,523)
Others	(36)	(5,181)
Net cash provided by (used in) financing activities	(124,004)	(292,312)
Effect of exchange rate changes on cash and cash equivalents	(4,573)	4,585
Net increase (decrease) in cash and cash equivalents	1,205	47,919
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	1,397	(209)
Net increase in cash and cash equivalents resulting from merger and acquisition	—	35
Cash and cash equivalents at the end of the period	297,526	373,889

(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.

(Notes regarding assumption of a going concern)

Not applicable

(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 six months ended September 30, 2025.

The segment revenue and operating results for the six months ended September 30, 2025 and the six months ended September 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.

Six months ended September 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	538,912	224,297	537,662	639,443	1,940,314	69,458	2,009,772	—	2,009,772
Inter-segment revenue	10,495	14,903	36,210	3,603	65,211	69,628	134,839	(134,839)	—
Total	549,407	239,200	573,872	643,046	2,005,525	139,086	2,144,611	(134,839)	2,009,772
Segment profit (loss) Core operating income (Note 3)	24,535	26,776	(12,087)	91,855	131,079	3,646	134,725	(5,254)	129,471

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 ¥ (5,609) million not allocated to reporting segments and inter-segment eliminations of ¥355 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.

Six months ended September 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	520,624	178,078	386,418	647,032	1,732,152	66,972	1,799,124	—	1,799,124
Inter-segment revenue	7,731	7,048	15,565	3,797	34,141	75,428	109,569	(109,569)	—
Total	528,355	185,126	401,983	650,829	1,766,293	142,400	1,908,693	(109,569)	1,799,124
Segment profit (loss) Core operating income (Note 3)	33,475	4,200	(2,751)	93,037	127,961	4,831	132,792	(6,682)	126,110

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 ¥ (6,542) million not allocated to reporting segments and inter-segment eliminations of ¥ (140) 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. In the six months ended September 30, 2025, the MCG Group reclassified segments for some businesses and subsidiaries. The MCG Group used new classifications to present segment information for the six months ended September 30, 2024.

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

	(Millions of yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Segment profit (loss)	129,471	126,110
Gain on business transfer	—	7,950
Gain on sales of property, plant and equipment	1,527	817
Gain on sales of shares of subsidiaries and associates	5,578	66
Gain on sale of carbon credit	2,718	—
Special retirement expense (Note)	(1,353)	(32,317)
Impairment loss	(25,872)	(11,839)
Loss on sales and disposal of fixed assets	(2,766)	(264)
Provision for loss on business liquidation	(1,826)	—
Others	154	(4,034)
Operating income	107,631	86,489
Financial income	4,909	4,397
Financial expenses	(30,663)	(22,151)
Income before taxes	81,877	68,735

Notes:

In the six months ended September 30, 2025, with respect to the decision to implement the Next-stage Support Program for employees of Mitsubishi Chemical Corporation, the MCG Group recorded special retirement expense of ¥ (27,043) million and other associated losses of ¥ (684) million based on estimates.

(Discontinued Operations)

1. Outline of Discontinued Operations

At the MCG's annual shareholders' meeting 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 was MCG's consolidated subsidiary, to K.K. BCJ-94, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP. The transfer was completed on July 1, 2025.

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 six months ended September 30, 2025, and their results for the six months ended September 30, 2024 have been separately represented as discontinued operations.

2. Profit or Loss from Discontinued Operations

		(Millions of yen)
	Six months ended September 30, 2024	Six months ended September 30, 2025
Revenue	241,596	244,321
Cost	(217,371)	(109,841)
Income before taxes from discontinued operations (Note 1)	24,225	134,480
Income taxes (Note 2)	(6,715)	(39,589)
Net Income from discontinued operations	17,510	94,891

Note:

1. In the six months ended September 30, 2025, gains associated with to the transfer of all shares and related assets of Mitsubishi Tanabe Pharma Corporation of ¥128,753 million are included.
2. In the six months ended September 30, 2025, income taxes on gains associated with to the transfer of all shares and related assets of Mitsubishi Tanabe Pharma Corporation of ¥ (36,782) million are included.

3. Cash Flows from Discontinued Operations

		(Millions of yen)
	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities	23,539	(266)
Cash flows from investing activities	14,272	491,163
Cash flows from financing activities	(10,024)	(3,693)
Total	27,787	487,204

4. Supplementary Information on Cash Flows

	(Millions of yen)
Cash consideration	536,800
Accounts receivable-other	(21,539)
Cash and cash equivalents of subsidiary over which control was lost	(25,202)
Proceeds from sale of subsidiary	490,059

5. Assets and liabilities of subsidiaries

	(Millions of yen)
Current assets (including cash and cash equivalents)	273,304
Non-current assets	327,787
Total assets	601,091
Current liabilities	133,895
Non-current liabilities	33,798
Total liabilities	167,693

(Business Combination)

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

On July 1, 2025, the MCG Group acquired a business conducted by Coregas Pty Ltd in Australia and New Zealand through NSC, the MCG Group's subsidiary in Australia.

(1) Overview of the business acquisition

① Name of the acquired company and the content of its business

Name of the acquired company: Coregas Pty Ltd, and three others

Business description: Industrial gas businesses in Australia and New Zealand under the umbrella of Wesfarmers

② Main reasons for the business acquisition

Supagas, business subsidiary in Australia, operates a stable business supplying a wide range of industrial gases, primarily LPG. The acquired companies, Coregas Pty Ltd, Blacksmith Jacks Pty Ltd, and Coregas NZ Limited (collectively referred to as the "Coregas Group"), have an extensive sales network across Australia and New Zealand. They are engaged in the manufacture and sale of industrial gases, medical gases, specialty gases, and other industrial gases, as well as related services, in addition to 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.

③ Acquisition date

July 1, 2025

④ Method of acquiring control of the acquired company

This is due to the acquisition of shares of the acquired company by our consolidated subsidiaries, including NSC (Australia) Pty Ltd, with cash as consideration.

⑤ Percentage of acquired voting equity interest

100.0%

(2) Fair value of acquisition consideration

	(Millions of yen)
	Acquisition date (July 1, 2025)
Cash	71,521
Total acquisition amount	71,521

(3) Acquired assets, assumed liabilities, and goodwill

	(Millions of yen)
	Acquisition date (July 1, 2025)
Current assets	
Cash and cash equivalents	89
Other	7,235
Non-current assets	
Property, plant and equipment	37,995
Intangible assets	11,289
Other	788
Acquired assets	57,398
Current liabilities	
Other financial liabilities	5,826
Other	2,072
Non-current liabilities	5,748
Assumed liabilities	13,648
Acquired assets and assumed liabilities (net amount)	43,749
Goodwill	27,771

Notes:

1. Breakdown of tangible fixed assets and intangible assets

The breakdown of tangible fixed assets mainly consists of tools, instruments, and equipment worth ¥20,999 million. The composition of intangible assets mainly consists of intangible assets related to customers amounting to ¥10,663 million.

2. Fair value of acquired receivables, contractually unpaid amounts, and estimated uncollectible amounts

The fair value of the acquired claims and the contractually unrecovered amount are approximately the same. There are no outstanding contract receivables that are expected to be uncollectible.

3. Goodwill

The main content of goodwill is the synergy effects and excess earning power expected to arise from the acquisition with existing businesses that individually do not meet the recognition criteria. Additionally, goodwill cannot be included as a deductible expense for tax purposes.

4. Basis adjustment

To hedge the foreign exchange risk related to investments in the acquired company, we executed a foreign exchange forward contract. The scheduled transaction in question is subject to hedge accounting as a cash flow hedge, and the fair value of the hedging instrument on the acquisition date of ¥1,618 million was adjusted as a basis adjustment to the initial recognition amount of goodwill arising from the business combination, resulting in a decrease of the same amount in the initial recognition amount of goodwill.

Because the accounting treatment for the business combination at the time of acquisition has not been completed, the above amount is a provisional fair value based on the best estimate at the present time, and if additional information regarding facts and circumstances existing as of the acquisition date is obtained and evaluated, the above amount may be adjusted within one year from the acquisition date.

(4) Acquisition-related expenses

The acquisition-related expenses amount to ¥919 million, all of which are recorded under "selling, general and administrative expenses. Among these, the acquisition-related expenses incurred in the previous consolidated fiscal year were ¥410 million, and those incurred during this interim consolidated accounting period were ¥508 million.

(5) Impact on the performance of the MCG Group

Profit and loss information after the acquisition date and pro forma information on the assumption that the business combination was carried out on April 1, 2025, the beginning of the current consolidated fiscal year, are not disclosed because their impact on the consolidated financial statements is not material.

(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)

(Cancellation of treasury shares)

Mitsubishi Chemical Group Corporation (the "Company") completed the cancellation of the Company's treasury shares pursuant to Article 178 of the Companies Act, which had been resolved at its Corporate Executive Officers Committee held on October 14, 2025, as below.

1. Class of shares to be cancelled

Common shares of the Company

2. Number of shares to be cancelled

64,820,900 shares (4.3% of the total number of issued shares before cancellation)

3. Date of cancellation

October 28, 2025

4. Total number of issued shares after cancellation

1,441,467,207 shares