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Announcement of Revision to Investment Plan in the UK for SoarnoL™, an ethylene-vinyl alcohol resin

Mitsubishi Chemical Group Corporation (MCG) hereby announces that it has decided today, as follows, to revise its investment plan for SoarnoL™, an ethylene-vinyl alcohol resin (EVOH) manufactured and marketed by its consolidated subsidiary, Mitsubishi Chemical UK Limited.

1. Reason for revising the investment plan

SoarnoL™, developed by Mitsubishi Chemical Corporation's own technology, is an ethylene-vinyl alcohol resin that provides high gas barrier properties, oil resistance, and clearness. When used as a food packaging material, it helps preserve the flavor and quality of food for longer, thereby contributing to reducing food waste. It can also be made thinner than other materials, thereby contributing to reducing the amount of plastic used. Demand for this environmentally friendly material is expanding worldwide.

To meet the growing demand for SoarnoL™, MCG has been making capital investments to increase its annual production capacity in the United Kingdom by 21,000 tons. However, the investment involves irregular construction work due to design and operational constraints, leading to complex contracts and management frameworks that have caused delays at each stage and necessitated additional safety assessments. As the design and on-site estimates were further refined, it became clear that construction-related costs would exceed the company's initial projection, partly also due to surging material and personnel expenses amid recent global inflation. The overall project is also behind schedule.

In light of the higher-than-projected expenses and the schedule delay, MCG has had to increase the investment amount, which is expected to reduce profitability. The impact of the investment increase is outlined in "3. Impact on business performance." The new manufacturing facility is scheduled to start operation in fiscal 2027.

MCG's management vision, KAITEKI Vision 35, designates food quality preservation as one of its business focus areas. SoarnoL™, the core of the vision, remains a growth driver for the company's Chemicals Business. MCG will continue to contribute to achieving a sustainable society by delivering materials that help preserve food quality.

2. Profiles of Mitsubishi Chemical UK Limited

(1) Name	Mitsubishi Chemical UK Limited
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(2) Address	Soarnol House, Saltend Chemicals Park, Hull HU12 8DS, United Kingdom
(3) Name and position of representative	KIDD, Malcolm David, Director
(4) Business description	Manufacturing and marketing of Soarnol™
(5) Capital	23,209 thousand EUR

3. Impact on business performance

Due to the revision of the investment plan, profitability is expected to decline. MCG will therefore post an impairment loss on Soarnol™-related fixed assets, including investment-related expenses incurred to date. As a result, the company expects to record an impairment loss of approximately 30 billion yen for the fiscal year ended March 31, 2026. This impact was not factored into the consolidated earnings forecast for the fiscal year ended March 31, 2026, announced on February 5, 2026. The consolidated financial results for the fiscal year ended March 31, 2026, including the impact of the investment increase, are currently under review. MCG will promptly announce any necessary revisions to the earnings forecast.

END

(Reference) Current consolidated earnings forecast (announced February 5, 2026) and consolidated results for previous fiscal year

	Sales revenue	Core operating income	Operating income	Net income	Net income attributable to owners of the parent	Basic earnings per share
	million yen	million yen	million yen	million yen	million yen	yen
Consolidated earnings forecast for the current fiscal year (ending March 2026)	3,672,000	250,000	70,000	114,800	47,000	34.29
Consolidated results for previous fiscal year (ended March 2025)	3,947,566	228,839	141,550	105,636	45,020	31.64

Note: Following the approval of the Ordinary General Meeting of Shareholders (June 25, 2025) concerning the agreement of transfer of all shares and related assets of Mitsubishi Tanabe Pharma Corporation (MTPC) by means of an absorption-type split, MCG transferred the businesses of MTPC and its subsidiaries, etc., effective July 1, 2025. In the forecast for fiscal year ending March 2026 and the results for previous fiscal year ended March 2025, the businesses of MTPC and its subsidiaries, etc. have been treated as a discontinued operation from the beginning of the fiscal year, and sales revenue, core operating income, and operating income present the amounts of continued operation, excluding those of discontinued operations.

Please note that Mitsubishi Tanabe Pharma Corporation changed its corporate name to Tanabe Pharma Corporation effective December 1, 2025.