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Notice On Differences between Financial Results Forecast and Financial Results for the First Half of Fiscal 2023, ending March 31, 2024, and Revisions to Annual Forecast

Mitsubishi Chemical Group Corporation (MCG) hereby announces differences between the consolidated financial results forecast for the first half of the fiscal year ending March 31, 2024, announced on May 12, 2023, and the actual results for the same period announced today. In addition, in light of recent performance trends, MCG has also revised the full-year financial results forecast ending March 31, 2024, that it announced on May 12, 2023, as follows.

1. Differences between consolidated financial results forecast and actual financial results for the first half of fiscal 2023 (April 1, 2023 – September 30, 2023)

(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 12, 2023)	2,221.0	108.0	110.0	63.0	43.0	30.24
Results (B)	2,149.9	119.6	138.6	94.1	67.2	47.25
Difference (B – A)	(71.1)	11.6	28.6	31.1	24.2	
Difference (%)	(3.2)	10.7	26.0	49.4	56.3	
Reference: Results for the same period of fiscal 2022	2,269.8	122.6	118.4	91.5	73.9	52.02

Notes:

- The forecast for net income before taxes has been changed from ¥92.0 billion to ¥130.2 billion.
- Core operating income is operating income (loss) after excluding certain gains and expenses attributable to non-recurring factors.

2. Revisions to consolidated financial results forecast for fiscal 2023 (April 1, 2023 - March 31, 2024)

(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 12, 2023)	4,555.0	250.0	239.0	143.0	97.0	68.21
Revised forecast (B)	4,455.0	250.0	295.0	193.0	135.0	94.90
Difference (B – A)	(100.0)	-	56.0	50.0	38.0	
Difference (%)	(2.2)	-	23.4	35.0	39.2	
Reference: Results for fiscal 2022	4,634.5	325.6	182.7	135.5	96.4	67.85

Notes:

- The forecast for net income before taxes has been changed from ¥201.0 billion to ¥263.0 billion.
- Core operating income is operating income (loss) after excluding certain gains and expenses attributable to non-recurring factors.

3. Reasons for differences and revision

As for the financial results of the first half of fiscal 2023, core operating income, operating income, net income, and net income attributable to owners of the parent outperformed the previously disclosed forecast due mainly to the steady progress in cost structure reforms, in addition to the progress in price management efforts in the Industrial Gases segment as well as the robust sales of RADICAVA® Oral Suspension in the Health Care Segment which are expected to exceed the initial forecast.

As for the consolidated financial results forecast for fiscal 2023, there has been no revision from the previously disclosed forecast for core operating income as robust business performance is expected in the Industrial Gases Segment and the Health Care Segment, despite sluggish demand in tandem with slow recovery in market conditions in the Specialty Materials Segment and the Basic Materials Segment.

On the other hand, operating income, net income, and net income attributable to owners of the parent are expected to outperform the previously disclosed forecast in prospect of the recording of gain on sale of Qualicaps Co., Ltd. and gain resulting from the acquisition of additional shares of C.P.C.SRL in the second half.

Reference:

Core operating income by segment (April 1, 2023 - March 31, 2024)

(Billions of yen)

	Revised forecast	Previous forecast	Difference
Specialty Materials	38.0	73.0	(35.0)
Industrial Gases	153.0	125.0	28.0
Health Care	58.0	20.0	38.0
MMA	5.0	10.0	(5.0)
Basic Materials	(5.0)	22.0	(27.0)
Others	1.0	0.0	1.0
Total	250.0	250.0	-

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.