



February 2, 2026

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Notice of Withdrawal from Coke and Carbon Materials Business

Mitsubishi Chemical Group Corporation hereby announces that its Corporate Executive Officers Meeting today resolved to withdraw from the coke and carbon materials (needle coke, pitch coke) business (hereinafter referred to as "the Product Group") within the coal business of the Company's consolidated subsidiary Mitsubishi Chemical Corporation.

In connection with the withdrawal from this business, the Company anticipates a total non-recurring loss of approximately ¥85 billion, and expects to record a non-recurring loss of approximately ¥19 billion in the third quarter financial results for the fiscal year ending March 2026. The remaining balance of approximately ¥66 billion is to be recorded as an estimate in the financial results for the fourth quarter of the fiscal year ending March 2026.

1. Background and circumstances of business withdrawal

The Company has been pursuing business portfolio reform based on its "KAITEKI Vision 35" and "Medium-Term Management Plan 2029" announced on November 13, 2024. As announced in the "Notice Regarding the Structural Reform of the Coal Business" dated August 1, 2024, the Company has sought to transform to a business structure less susceptible to market fluctuations as part of its reform efforts. This transformation involves optimizing the production structure of the coke business and revising sales policies in response to a challenging business environment characterized by a continued slump in the overseas coke market driven by the prolonged weakness in steel demand, particularly from China.

In structurally transforming its coal business, the Company has been steadily improving the profitability of its coke operations not only by reducing fixed costs through downsizing production scale, but also by reviewing its domestic and international sales portfolio and introducing a coking coal-linked price formula. Additionally, the Company has made thorough cost cuts alongside product price revisions in the carbon materials segment and pursued every possible measure to improve profitability with the continued operation of this Product Group as its premise.

However, the prolonged slump in the overseas coke market persists due to a global supply glut stemming from overproduction in China and the start-up of new large-scale facilities in Indonesia. With no prospect of resolving these structural issues despite the various measures taken to improve profitability and the quality advantage of the Company's coke, the Company has determined that medium- to long-term growth would be difficult to achieve and it has therefore decided to cease coke production. Oversupply and

sluggish demand continue to plague the carbon materials sector as well. Since the production system for carbon materials is based on the operation of coke ovens, halting coke production would directly impact the cost structure of carbon materials.

In view of these circumstances, the Company comprehensively reviewed the medium-to-long-term positioning of this Product Group within its overall business portfolio against the three criteria for business selection established by the Company -- consistency with its Vision, competitive advantage, and growth potential -- and has consequently decided on a business withdrawal from this Product Group.

2. Profiles of Mitsubishi Chemical Corporation

(1) Name	Mitsubishi Chemical Corporation
(2) Address	1-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3) Name and position of representative	Manabu Chikumoto, Representative Director of the Board, President and CEO Yasuo Shimodaira, Representative Director, Director of the Board
(4) Business description	Performance products, industrial materials, and others
(5) Capital	53,229 million yen

3. Overview of business withdrawal

(1) Target products: coke and carbon materials (needle coke, pitch coke)

The following products manufactured at the Kagawa Plant are NOT subject to the withdrawal:

Pitch-based carbon fibers and related products utilizing them, anode materials

(2) Target facility and location: Mitsubishi Chemical Corporation Kagawa Plant (1 Bannosu-cho, Sakaide-shi, Kagawa Prefecture)

(3) Sales revenue of target business (actual sales revenue for fiscal year ended March 2025): 115,790 million yen

(4) Business withdrawal schedule (tentative)

- Production termination: second half of fiscal year 2027
- Sales discontinuation: sales will end sequentially after production terminates

The Company will promptly proceed with the removal of equipment after production stops.

(5) Employees engaged in this Product Group (as of February 2, 2026): approximately 600

4. Impact on business performance

In connection with the withdrawal from this Product Group, the Company anticipates a total non-recurring loss of approximately ¥85 billion in its consolidated results, including impairment losses on fixed assets, equipment removal costs, and expenses related to employee support measures. The Company continues to evaluate and scrutinize these impacts, but anticipates impairment losses on fixed assets and other related items totaling approximately ¥19 billion, which are to be recorded as extraordinary losses in the third-quarter financial results for the fiscal year ending March 2026. The Company also anticipates approximately ¥66 billion in costs for equipment removal and expenses related to employee support measures, which are to be recorded as estimates in the financial results for the fourth quarter of the fiscal year ending March 2026.

Please note that these impacts have not been factored into the full-year consolidated earnings forecast for the fiscal year ending March 2026, which was announced on October 31, 2025. The Company will promptly disclose a consolidated earnings forecast for the fiscal year ending March 2026 that takes into account the impacts of this withdrawal once a thorough review incorporating other factors has been completed.

END

(Reference) Current consolidated earnings forecast (announced October 31, 2025) 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	176,000	189,900	125,000	91.21
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.