

**Consolidated Financial Results
for the Third 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.mcmc.com/english/>
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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 Third Quarter of the Fiscal Year Ending March 31, 2026 ("FY2025") (from April 1, 2025 to December 31, 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	
Nine months ended December 31, 2025	2,737,283	(8.2)%	185,622	(2.4)%	113,322	(22.2)%	157,199	47.3%	105,429	77.6%	316,963	110.8%
December 31, 2024	2,982,711	(8.1)%	190,228	3.5%	145,661	(31.5)%	106,750	(26.0)%	59,369	(42.8)%	150,392	(42.6)%

	Basic earnings per share	Diluted earnings per share
Nine months ended December 31, 2025	Yen 76.70	Yen 76.67
December 31, 2024	41.72	41.70

Reference: Income before taxes

Nine months ended December 31, 2025: ¥89,340 million((23.9%))

Nine months ended December 31, 2024: ¥117,384 million((38.8%))

(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 had been 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 third quarter of the current fiscal year and the third quarter of the previous fiscal year represent the amounts of continued operations excluding discontinued operations.

Mitsubishi Tanabe Pharma Corporation changed its corporate name to Tanabe Pharma Corporation as of December 1, 2025.

(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				%
December 31, 2025	5,821,525	2,481,807	1,850,279	31.8
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 March 31, 2025	Yen —	Yen 16.00	Yen —	Yen 16.00	Yen 32.00
March 31, 2026	—	16.00	—	16.00	32.00
March 31, 2026 (Forecast)				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
FY2025	3,672,000	% (7.0)	250,000	9.2	70,000	% (50.5)	114,800	8.7	47,000	% 4.4	Yen 34.29

Reference: Income before taxes

FY2025: ¥36,000 million((63.7)%)

Note:

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

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

Excluded : 7 (Company Name) Mitsubishi Tanabe Pharma Corporation (current name: Tanabe Pharma Corporation), Mitsubishi Tanabe Pharma Factory Ltd. (current name: Tanabe Pharma Factory Co., Ltd.), Mitsubishi Tanabe Pharma America, Inc. (current name: Tanabe Pharma America, Inc.), Alpha Therapeutic Corporation, Welfide International Corporation, Medicago Inc., J-Flim Corporation

(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 December 31, 2025	1,441,467,207 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 December 31, 2025	82,918,365 Shares	As of March 31, 2025	83,102,073 Shares
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(iii) Weighted-average number of shares outstanding during the period

Nine months ended December 31, 2025	1,374,494,429 Shares	Nine months ended December 31, 2024	1,423,035,856 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:

December 31, 2025	1,490,207 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: None

*Upon the completion of the review (voluntary) of the Japanese-language originals of the quarterly consolidated financial results by certified public accountants or an audit firm, the Company will disclose the Japanese-language originals of the quarterly consolidated financial results with the review report.

Scheduled date of disclosure: February 12, 2026

*The English translation of the quarterly consolidated financial results will 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 three quarters (April 1, 2025 - December 31, 2025; same hereafter) generally maintained solid growth, supported by robust personal spending and 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, on top of economic stimulus measures in China and the recovery of personal spending underpinned by a robust employment environment in Europe, despite the spread of impact of U.S. trade policy across the regions.

Against this backdrop, compared to the same period of the previous consolidated fiscal year (April 1, 2024 - December 31, 2024; same hereafter), sales revenue of the MCG Group decreased ¥245.4 billion, or 8.2%, to ¥2,737.3 billion. In the profit front, core operating income declined ¥4.6 billion, or 2.4%, to ¥185.6 billion. Operating income was down ¥32.4 billion, or 22.2%, to ¥113.3 billion. Income before taxes dropped ¥28.1 billion, or 23.9%, to ¥89.3 billion. Meanwhile, net income attributable to owners of the parent surged ¥46.0 billion, or 77.6% to ¥105.4 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"; current name: Tanabe Pharma Corporation), which had been MCG's consolidated subsidiary, MTPC and its subsidiaries and affiliates were 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 for the third quarter of the current fiscal year and the third 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 three quarters 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 period of the previous consolidated fiscal year, sales revenue decreased ¥19.5 billion, to ¥785.8 billion and core operating income rose ¥11.8 billion, to ¥45.2 billion.

In Advanced Films and Polymers, sales revenue decreased mainly reflecting inventory adjustments by customers for display-related applications resulting from a rebound decline following the robust demand seen in the previous fiscal year, 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, a decrease in sales volume of construction materials in Japan, 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.

In Advanced Composites and Shapes, sales revenue increased due mainly to a rise in demand mainly for high-performance engineering plastics for semiconductor manufacturing equipment applications, despite a drop in sales volume reflecting partial suspension of carbonization lines as well as lower selling prices in the carbon fiber business.

Core operating income in this segment increased year on year due mainly to a rise in demand mainly for high-performance engineering plastics for semiconductor manufacturing equipment 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 improve selling prices in semiconductor-related and other businesses, despite factors such as a rise in cost due mainly to inflation and a deterioration in price gap of the carbon fiber and composite materials business mainly in the first half of the current fiscal year.

MMA & Derivatives Segment

In comparison with the same period in the previous consolidated fiscal year, sales revenue decreased ¥56.8 billion, to ¥263.8 billion and core operating income dropped ¥31.4 billion, to ¥1.6 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 a deterioration in 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 ¥191.6 billion, to ¥593.0 billion and core operating income rose ¥9.1 billion, to a loss of ¥2.9 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, a decrease in sales volume of polyolefins and other products, and the forex impact.

In Carbon Products, sales revenue dropped due primarily 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 year on year on the back of the widened price gap between raw materials and products, chiefly for polyolefins, 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 factors such as a deterioration in inventory valuation gains and losses in materials & polymers and a rise in cost due mainly to inflation.

Industrial Gases Segment

In comparison with the same period in the previous consolidated fiscal year, sales revenue increased ¥26.5 billion, to ¥992.3 billion and core operating income rose ¥6.9 billion, to ¥144.4 billion.

Sales revenue increased year on year due to the effect of the acquisition and consolidation of a plant engineering company in Europe and the industrial gas business and other businesses in Australia and New Zealand on top of the forex impact and the positive effect of price management efforts in each region, despite a decline in sales as domestic and overseas demand remained sluggish overall.

Core operating income in this segment rose year on year on the back of the positive effects of price management efforts and 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 ¥4.0 billion, to ¥102.4 billion and core operating income increased ¥1.1 billion, to ¥7.7 billion.

(2) Financial Position

Total assets at the end of the third quarter of the fiscal year ending March 31, 2026 totaled ¥5,821.5 billion, a decrease of ¥73.1 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 Mitsubishi Tanabe Pharma Corporation (hereinafter "MTPC"; current name: Tanabe Pharma Corporation), despite an increase in the value of assets translated into yen at overseas consolidated subsidiaries in tandem with the further depreciation of the yen and an increase in cash on hand due to receipt of proceeds from the transfer of MTPC.

(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 October 31, 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 (February 5, 2026)

(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 Oct. 31, 2025)	3,672.0	250.0	176.0	189.9	125.0	91.21
Revised forecast (B)	3,672.0	250.0	70.0	114.8	47.0	34.29
Difference (B-A)	—	—	(106.0)	(75.1)	(78.0)	
Difference (%)	—	—	(60.2)	(39.5)	(62.4)	
Reference: Results for fiscal 2024	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 ¥138.0 billion to ¥36.0 billion.

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

*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": current name: Tanabe Pharma Corporation), 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 since the beginning of the fiscal year, and sales revenue, core operating income, operating income and income before taxes, and for the consolidated financial results forecast for fiscal 2025 and financial results for fiscal 2024 represent the amounts of continued operations excluding discontinued operations.

(ii) Reason for revision

We predict that sales revenue and core operating income for fiscal 2025 are expected to remain unchanged from the previously announced forecast. Operating income, net income, and net income attributable to owners of the parent are anticipated to fall behind the previously announced forecast, as the Company expects to record additional non-recurring losses related to various structural reform measures, including a loss associated with the business withdrawal described in the "Notice of Withdrawal from Coke and Carbon Materials Business" announced on February 2, 2026.

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

Nine months ended December 31, 2024 and 2025

	(Millions of yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Continuing operations		
Sales revenue	2,982,711	2,737,283
Cost of sales	(2,202,071)	(1,954,903)
Gross profit	780,640	782,380
Selling, general and administrative expenses	(591,719)	(600,308)
Other operating income	21,248	24,658
Other operating expenses	(71,452)	(93,330)
Share of profit (loss) of associates and joint ventures	6,944	(78)
Operating income	145,661	113,322
Financial income	7,983	6,690
Financial expenses	(36,260)	(30,672)
Income before taxes	117,384	89,340
Income taxes	(38,457)	(26,965)
Net income from continuing operations	78,927	62,375
Discontinued operations		
Net income from discontinued operations	27,823	94,824
Net income	106,750	157,199
Net income attributable to		
Owners of the parent	59,369	105,429
Non-controlling interests	47,381	51,770
Net income	106,750	157,199
Earnings per share (Yen)		
Basic earnings per share attributable to owners of the parent		
Continuing operations	22.59	7.83
Discontinued operations	19.13	68.87
Total	41.72	76.70
Diluted earnings per share attributable to owners of the parent		
Continuing operations	22.58	7.83
Discontinued operations	19.12	68.84
Total	41.70	76.67

(2) Condensed Consolidated Statement of Comprehensive Income

Nine months ended December 31, 2024 and 2025

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	(Millions of yen)
Net income	106,750	157,199	
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	(779)	12,436	
Remeasurements of defined benefit plans	(73)	1,296	
Share of other comprehensive income (loss) of associates and joint ventures for using the equity method	25	92	
Total items that will not be reclassified to profit or loss	(827)	13,824	
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations	44,102	145,507	
Net gain (loss) on derivatives designated as cash flow hedges	244	975	
Share of other comprehensive income (loss) of associates and joint ventures for using the equity method	123	(542)	
Total items that may be subsequently reclassified to profit or loss	44,469	145,940	
Total other comprehensive income (net of tax)	43,642	159,764	
Total comprehensive income	150,392	316,963	
Total comprehensive income attributable to			
Owners of the parent	89,249	205,009	
Non-controlling interests	61,143	111,954	

(3) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	March 31, 2025	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	326,144	366,458
Trade receivables	764,814	678,444
Inventories	759,423	675,563
Other financial assets	66,103	202,396
Other current assets	128,973	126,797
Subtotal	2,045,457	2,049,658
Assets held for sale	16,103	4,742
Total current assets	2,061,560	2,054,400
Non-current assets		
Property, plant and equipment	2,004,447	2,099,075
Goodwill	827,604	880,181
Intangible assets	442,039	372,912
Investments accounted for using the equity method	166,753	151,272
Other financial assets	203,645	192,715
Other non-current assets	70,324	22,949
Deferred tax assets	118,247	48,021
Total non-current assets	3,833,059	3,767,125
Total assets	5,894,619	5,821,525

	(Millions of yen)	
	March 31, 2025	December 31, 2025
Liabilities		
Current liabilities		
Trade payables	424,635	405,053
Bonds and borrowings	428,067	406,858
Income tax payable	39,441	23,483
Other financial liabilities	351,480	305,997
Provisions	38,227	19,449
Other current liabilities	217,563	196,878
Subtotal	<u>1,499,413</u>	<u>1,357,718</u>
Liabilities directly associated with assets held for sale	<u>745</u>	<u>503</u>
Total current liabilities	<u>1,500,158</u>	<u>1,358,221</u>
Non-current liabilities		
Bonds and borrowings	1,612,920	1,496,612
Other financial liabilities	135,356	125,869
Retirement benefit liabilities	99,050	103,058
Provisions	25,160	20,902
Other non-current liabilities	37,287	34,826
Deferred tax liabilities	200,119	200,230
Total non-current liabilities	<u>2,109,892</u>	<u>1,981,497</u>
Total liabilities	<u>3,610,050</u>	<u>3,339,718</u>
Equity		
Common stock	50,000	50,000
Additional paid-in capital	160,114	117,003
Treasury stock	(61,458)	(67,535)
Retained earnings	1,363,689	1,427,102
Other components of equity	228,225	323,709
Equity attributable to owners of the parent	<u>1,740,570</u>	<u>1,850,279</u>
Non-controlling interests	543,999	631,528
Total equity	<u>2,284,569</u>	<u>2,481,807</u>
Total liabilities and equity	<u>5,894,619</u>	<u>5,821,525</u>

(4) Condensed Consolidated Statement of Changes in Equity

Nine months ended December 31, 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	—	—	—	59,369				
Other comprehensive income	—	—	—	—				
Total comprehensive income	—	—	—	59,369				
Purchase of treasury stock	—	—	(20)	—				
Disposal of treasury stock	—	(127)	407	—				
Cash dividends	—	—	—	(45,533)				
Share-based payment transactions	—	50	—	—				
Changes in interests in subsidiaries	—	498	—	—				
Business combinations or business divestitures	—	—	—	—				
Changes in scope of consolidation	—	—	—	(37)				
Transfer from other components of equity to retained earnings	—	—	—	3,588				
Total transactions with owners	—	421	387	(41,982)				
Balance at December 31, 2024	50,000	160,023	(61,470)	1,372,518				
Other components of 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	Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2024	37,941	—	217,484	5,146	260,571	1,763,447	512,048	2,275,495
Net income	—	—	—	—	—	59,369	47,381	106,750
Other comprehensive income	(100)	(115)	29,747	348	29,880	29,880	13,762	43,642
Total comprehensive income	(100)	(115)	29,747	348	29,880	89,249	61,143	150,392
Purchase of treasury stock	—	—	—	—	—	(20)	—	(20)
Disposal of treasury stock	—	—	—	—	—	280	—	280
Cash dividends	—	—	—	—	—	(45,533)	(15,528)	(61,061)
Share-based payment transactions	—	—	—	—	—	50	—	50
Changes in interests in subsidiaries	—	—	—	—	—	498	(1,021)	(523)
Business combinations or business divestitures	—	—	—	—	—	—	(3,153)	(3,153)
Changes in scope of consolidation	—	—	—	—	—	(37)	(36)	(73)
Transfer from other components of equity to retained earnings	(3,703)	115	—	—	(3,588)	—	—	—
Total transactions with owners	(3,703)	115	—	—	(3,588)	(44,762)	(19,738)	(64,500)
Balance at December 31, 2024	34,138	—	247,231	5,494	286,863	1,807,934	553,453	2,361,387

Nine months ended December 31, 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	—	—	—	105,429				
Other comprehensive income	—	—	—	—				
Total comprehensive income	—	—	—	105,429				
Purchase of treasury stock	—	—	(50,016)	—				
Disposal of treasury stock	—	(60)	167	—				
Cancellation of treasury stock	—	(43,772)	43,772	—				
Cash dividends	—	—	—	(44,508)				
Share-based payment transactions	—	53	—	—				
Changes in interests in subsidiaries	—	668	—	—				
Business combinations or business divestitures	—	—	—	—				
Changes in scope of consolidation	—	—	—	14				
Transfer from other components of equity to retained earnings	—	—	—	2,478				
Transfer from other components of equity to non-financial assets and others	—	—	—	—				
Other changes	—	—	—	—				
Total transactions with owners	—	(43,111)	(6,077)	(42,016)				
Balance at December 31, 2025	50,000	117,003	(67,535)	1,427,102				
Other components of 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	Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2025	28,645	—	195,369	4,211	228,225	1,740,570	543,999	2,284,569
Net income	—	—	—	—	—	105,429	51,770	157,199
Other comprehensive income	9,663	1,365	87,417	1,135	99,580	99,580	60,184	159,764
Total comprehensive income	9,663	1,365	87,417	1,135	99,580	205,009	111,954	316,963
Purchase of treasury stock	—	—	—	—	—	(50,016)	—	(50,016)
Disposal of treasury stock	—	—	—	—	—	107	—	107
Cancellation of treasury stock	—	—	—	—	—	—	—	—
Cash dividends	—	—	—	—	—	(44,508)	(21,160)	(65,668)
Share-based payment transactions	—	—	—	—	—	53	—	53
Changes in interests in subsidiaries	—	—	—	—	—	668	(2,340)	(1,672)
Business combinations or business divestitures	—	—	—	—	—	—	(2,725)	(2,725)
Changes in scope of consolidation	—	—	—	—	—	14	13	27
Transfer from other components of equity to retained earnings	(1,113)	(1,365)	—	—	(2,478)	—	—	—
Transfer from other components of equity to non-financial assets and others	—	—	—	(1,618)	(1,618)	(1,618)	—	(1,618)
Other changes	—	—	—	—	—	—	1,787	1,787
Total transactions with owners	(1,113)	(1,365)	—	(1,618)	(4,096)	(95,300)	(24,425)	(119,725)
Balance at December 31, 2025	37,195	—	282,786	3,728	323,709	1,850,279	631,528	2,481,807

(5) Condensed Consolidated Statement of Cash Flow

Nine months ended December 31, 2024 and 2025

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities		
Income before taxes	117,384	89,340
Income before taxes from discontinued operations	44,101	134,387
Depreciation and amortization	207,533	202,087
Share of profit of associates and joint ventures	(7,111)	(5)
Interest and dividend income	(7,372)	(6,522)
Interest expense	32,651	27,999
(Increase) decrease in trade receivables	7,217	(7,930)
(Increase) decrease in inventories	(28,247)	(6,426)
Increase (decrease) in trade payables	2,757	4,858
Increase (decrease) in retirement benefit assets and liabilities, net	4,007	2,224
Increase (decrease) in employees' bonus liabilities	(14,654)	(24,033)
Others	44,773	(86,820)
Subtotal	403,039	329,159
Interest received	3,821	3,052
Dividends received	14,142	8,178
Interest paid	(35,474)	(30,743)
Income tax (paid) received, net	(42,705)	(61,977)
Net cash provided by (used in) operating activities	342,823	247,669
Cash flows from investing activities		
Purchase of property, plant and equipment	(237,176)	(203,563)
Proceeds from sales of property, plant and equipment	8,278	4,570
Purchase of intangible assets	(6,651)	(5,434)
Purchase of other financial assets	(1,368)	(2,204)
Proceeds from sales/redemption of other financial assets	9,088	12,610
Net cash outflow on acquisition of subsidiaries	(781)	(76,461)
Proceeds from sales of investments in subsidiaries	18,006	516,781
Payments for transfer of business	(5,646)	(8,420)
Proceeds from transfer of business	3,601	10,268
Net (Increase) decrease of time deposits	1	(140,275)
Others	1,609	15,257
Net cash provided by (used in) investing activities	(211,039)	123,129

	(Millions of yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,783	(113,190)
Net increase (decrease) in commercial papers	(24,000)	14,000
Proceeds from long-term borrowings	169,985	42,544
Repayment of long-term borrowings	(182,773)	(99,349)
Redemption of bonds	(35,000)	(45,000)
Repayment of lease liabilities	(25,557)	(24,310)
Net (increase) decrease in treasury stock	(20)	(50,016)
Dividends paid to owners of the parent	(45,533)	(44,508)
Dividends paid to non-controlling interests	(16,112)	(22,252)
Others	(258)	(5,182)
Net cash provided by (used in) financing activities	<u>(153,485)</u>	<u>(347,263)</u>
Effect of exchange rate changes on cash and cash equivalents	7,102	16,685
Net increase (decrease) in cash and cash equivalents	<u>(14,599)</u>	<u>40,220</u>
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	3,058	10
Net increase in cash and cash equivalents resulting from merger	102	84
Cash and cash equivalents at the end of the period	<u>283,485</u>	<u>366,458</u>

(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 three months ended June 30, 2025.

The segment revenue and operating results for the nine months ended December 31, 2025, and the nine months ended December 31, 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 Firms, 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.

Nine months ended December 31, 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	805,263	320,646	784,571	965,836	2,876,316	106,395	2,982,711	—	2,982,711
Inter-segment revenue	15,116	21,002	56,075	5,428	97,621	104,344	201,965	(201,965)	—
Total	820,379	341,648	840,646	971,264	2,973,937	210,739	3,184,676	(201,965)	2,982,711
Segment profit (loss) Core operating income (Note 3)	33,389	32,957	(12,008)	137,455	191,793	6,549	198,342	(8,114)	190,228

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 ¥ (8,820) million not allocated to reporting segments and inter-segment eliminations of ¥706 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.

Nine months ended December 31, 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	785,774	263,779	592,966	992,269	2,634,788	102,495	2,737,283	—	2,737,283
Inter-segment revenue	11,507	9,853	23,862	5,450	50,672	115,237	165,909	(165,909)	—
Total	797,281	273,632	616,828	997,719	2,685,460	217,732	2,903,192	(165,909)	2,737,283
Segment profit (loss) Core operating income (Note 3)	45,174	1,561	(2,869)	144,415	188,281	7,697	195,978	(10,356)	185,622

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 ¥ (9,872) million not allocated to reporting segments and inter-segment eliminations of ¥ (484) 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 nine months ended December 31, 2025, the MCG Group reclassified segments for some businesses and subsidiaries. The MCG Group used new classifications to present segment information for the nine months ended December 31, 2024.

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

	(Millions of yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Segment profit (loss)	190,228	185,622
Gain on business transfer	—	7,950
Gain on sales of shares of subsidiaries and associates	5,593	2,343
Reversal of provision for loss on plant closure	1,864	1,071
Gain on sales of property, plant and equipment	1,575	878
Gain on sale of carbon credit	2,718	—
Special retirement expense (Note 1)	(1,674)	(37,301)
Impairment loss (Note 2)	(41,188)	(30,787)
Share of loss of associates and joint ventures	—	(4,525)
Loss on disposal of inventories (Note 2)	(248)	(4,218)
Loss on sales and disposal of fixed assets	(6,439)	(3,280)
Provision for loss on business liquidation	(1,850)	(197)
Cancellation penalty	(3,323)	—
Others	(1,595)	(4,234)
Operating income	145,661	113,322
Financial income	7,983	6,690
Financial expenses	(36,260)	(30,672)
Income before taxes	117,384	89,340

Notes:

1. In the nine months ended December 31, 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 ¥ (31,122) million and other associated losses of ¥ (602) million based on estimates.
2. In the nine months ended December 31, 2025, with respect to the decision to withdraw from the cokes and carbon materials businesses, the MCG Group recorded impairment loss of ¥ (15,825) million and loss on disposal of inventories of ¥ (2,677) million. See the Note "Material Subsequent Events" for details.

(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 had been 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 affiliates have been classified as discontinued operations. They have been classified as discontinued operations for the nine months ended December 31, 2025, and their results for the nine months ended December 31, 2024, have been separately represented as discontinued operations.

MTPC changed its corporate name to Tanabe Pharma Corporation as of December 1, 2025.

2. Profit or Loss from Discontinued Operations

	(Millions of yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Revenue	360,732	244,321
Cost	(316,631)	(109,934)
Income before taxes from discontinued operations (Note 1)	44,101	134,387
Income taxes (Note 2)	(16,278)	(39,563)
Net Income from discontinued operations	27,823	94,824

Note:

1. In the nine months ended December 31, 2025, gains associated with the transfer of all shares and related assets of MTPC of ¥128,660 million are included.
2. In the nine months ended December 31, 2025, income taxes on gains associated with the transfer of all shares and related assets of MTPC of ¥(36,756) million are included.

3. Cash Flows from Discontinued Operations

Cash flows related to discontinued operations included in the Condensed Consolidated Statement of Cash Flow are as follows.

	(Millions of yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities	16,457	(359)
Cash flows from investing activities	13,126	512,702
Cash flows from financing activities	(11,663)	(3,693)
Total	17,920	508,650

4. Supplementary Information on Cash Flows

	(Millions of yen)
Cash consideration	536,800
Cash and cash equivalents of subsidiary over which control was lost	(25,202)
Proceeds from sale of subsidiary	511,598

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
Trade receivables (Note 1)	3,741
Other	3,493
Non-current assets	
Property, plant and equipment (Note 2)	37,995
Intangible assets (Note 2)	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 (Note 3) (Note 4)	27,771

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.

Notes:

1. 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.
2. 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.
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.

(4) Acquisition-related expenses

The acquisition-related expenses amount to ¥906 million and were recorded under "selling, general and administrative expenses". Among these, the acquisition-related expenses incurred in the previous consolidated fiscal year were ¥410 million and ¥496 million were recorded as the acquisition-related expenses during the nine months ended December 31, 2025.

(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)

(European business company to acquire Spanish respiratory home therapy service company (subsidiary formation))
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 in the Industrial Gases segment, Oximesa S.L.U. An agreement on the acquisition of all shares of ETH was signed in December 2024.

The transaction is expected to be completed as soon as approval is received from Spain's authorities including National Commission on Markets and Competition (Comisión Nacional de los Mercados y de la Competencia) for the acquisition of shares.

(Material Subsequent Events)

(Withdrawal from the cokes and carbon materials businesses)

At the Corporate Executive Officers Meeting held on February 2, 2026, MCG resolved to withdraw from the coke and carbon materials (needle coke, pitch coke) business (hereinafter referred to as "the Product Group"), which belongs to the Basic Materials & Polymers segment of the MCG Group.

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.

- Overview of the 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

- (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

As a result of the decision to withdraw from the Product Group, the MCG Group has recorded an impairment loss on fixed assets and a loss on disposal of inventories of approximately ¥18.5 billion as other operating expenses during the nine months ended December 31, 2025. In addition, the MCG Group expects to incur approximately ¥66.0 billion in expenses related to equipment removal costs and employee support measures in the fourth quarter of the consolidated fiscal year ending March 2026. However, the impact of these items is still under evaluation and examination at this time.