July 31, 2026

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (Under IFRS)

Company name: Mitsubishi Chemical Group Corporation Listing: Tokyo Stock Exchange
Securities code: 4188 URL: https://www.mcgc.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 First Quarter of the Fiscal Year Ending March 31, 2027 ("FY2026") (from April 1, 2026 to June 30, 2026)

(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	
Three months ended		%		%		%		%		%		%
June 30, 2026	1,004,246	14.0	114,104	101.7	118,400	94.4	83,313	131.6	57,706	194.0	117,037	97.7
June 30, 2025	880,652	(13.4)	56,562	(11.1)	60,908	(9.3)	35,968	(36.1)	19,627	(50.5)	59,213	(64.6)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	42.47	42.45
June 30, 2025	13.96	13.95

Reference: Income before taxes
Three months ended June 30, 2026: ¥111,806 million (122.9%)
Three months ended June 30, 2025: ¥50,158 million ((14.5)%)

Note:
Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring factors.

(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				%
June 30, 2026	5,881,036	2,500,880	1,821,439	31.0
March 31, 2026	5,876,609	2,414,680	1,761,675	30.0

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, 2026	—	16.00	—	16.00	32.00
March 31, 2027	—				
March 31, 2027 (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
First Half of FY2026	2,043,000	13.6	194,000	53.8	189,000	118.5	130,000	(8.8)	86,000	(21.9)	63.30
FY2026	3,800,000	2.6	305,000	35.6	300,000	897.4	200,000	155.0	127,000	973.6	93.48

Reference: Income before taxes

First Half of FY2026: ¥175,000 million (154.6%), FY2026: ¥270,000 million (－%)

Note:

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

Only the consolidated financial results forecast for the first half of the fiscal year ending March 31, 2027 has been revised. 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 : None

Newly included: - Excluded: -

(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 June 30, 2026	1,441,467,207 Shares	As of March 31, 2026	1,441,467,207 Shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2026	82,779,392 Shares	As of March 31, 2026	82,919,774 Shares

(iii) Weighted-average number of shares outstanding during the period

Three months ended June 30, 2026	1,358,630,906 Shares	Three months ended June 30, 2025	1,406,093,780 Shares

*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 the Company's shares in executive compensation BIP trust:

June 30, 2026	1,376,066 Shares
March 31, 2026	1,490,207 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: August 7, 2026

*The English translation of the quarterly consolidated financial results did 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.

*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.

Contents:

1. Qualitative Information on Financial Results for the Term

(1) Business Performance

Performance Overview

During the consolidated first quarter (April 1, 2026 to June 30, 2026; the same hereinafter), the economic outlook remained uncertain as inflationary pressures continued to spread globally against the backdrop of the situation in the Middle East. In this environment, the global economy was supported by robust personal spending and capital investment driven by AI-related demand in the United States, as well as by a recovery in consumer spending resulting from improvements in employment and income conditions and capital investment backed by solid corporate earnings in Japan. However, amid concerns over an economic slowdown in China and the lack of momentum in the European economy, the overall pace of global economic growth has been slowing.

Against this backdrop, compared to the same period of the previous consolidated fiscal year (April 1, 2025 to June 30, 2025; the same hereafter), sales revenue of the MCG Group increased ¥123.5 billion, or 14.0%, to ¥1,004.2 billion. In terms of profits, core operating income increased ¥57.5 billion, or 101.7%, to ¥114.1 billion. Operating income increased ¥57.5 billion, or 94.4%, to ¥118.4 billion. Income before taxes increased ¥61.6 billion, or 122.9%, to ¥111.8 billion. Meanwhile, net income attributable to owners of the parent increased ¥38.1 billion, or 194.0%, to ¥57.7 billion.

Overview of Business Segments

The overview of financial results by business segment for the consolidated first quarter of the fiscal year ending March 31, 2027, is shown below. The MCG Group has revised its reporting segments from the first quarter of the current fiscal year. For details, please refer to "2. (6) Notes to Condensed Consolidated Financial Statements (Segment Information)".

Segment profit (loss) is presented as core operating income, which excludes gains or losses from non-recurring factors such as 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 increased ¥46.6 billion, to ¥332.5 billion and core operating income increased ¥20.9 billion, to ¥38.3 billion.

In Films & Performance Materials, despite the transfer of shares of J-Film Corporation, sales revenue increased due to higher sales volumes of various products, mainly films for barrier packaging applications and films for MLCC, as well as improved selling prices and the positive impact of foreign exchange rates.

In Composites & Shapes, sales revenue increased due mainly to higher sales volumes of carbon fiber composite parts, particularly for robotaxi applications, increased demand for high-performance engineering plastics, mainly for semiconductor manufacturing equipment applications, as well as the impact of foreign exchange rates.

In Information Electronics, sales revenue increased due to improved selling prices across various products, higher sales volumes driven by increasing demand for semiconductor-related products and services, and the impact of foreign exchange rates.

In Polymer Compounds, sales revenue increased due to higher sales volumes of various products for automotive applications, improved selling prices, and the impact of foreign exchange rates.

In Water & Infrastructure, despite improved selling prices across various products, sales revenue decreased primarily due to the absence of large-scale equipment projects in the same period of the previous fiscal year.

Core operating income in this segment increased year on year despite higher costs associated with inflation, due mainly to increased demand for high-performance engineering plastics, particularly for semiconductor manufacturing equipment applications, higher sales volumes of carbon fiber composite parts, etc., mainly for robotaxi applications, cost reductions, an improved price-cost spread, primarily reflecting overall improvements in selling prices, and the impact of foreign exchange rates.

MMA & Derivatives Segment

In comparison with the same period of the previous consolidated fiscal year, sales revenue increased ¥10.3 billion, to ¥99.9 billion and core operating income increased ¥4.3 billion, to ¥8.0 billion.

In MMA, although sales volumes decreased due to the impact of the situation in the Middle East on manufacturing and supply systems, sales revenue increased due to higher market prices for MMA monomers and other products, as well as the impact of foreign exchange rates.

In Functional Chemicals, sales revenue increased due to improved selling prices for various products.

Although the volume effect deteriorated due mainly to the impact of the situation in the Middle East, core operating income in this segment increased year on year due to higher market prices for MMA monomers and other products and improvements in the price-cost spread resulting from improved selling prices for various products.

Basic Materials Segment

In comparison with the same period of the previous consolidated fiscal year, sales revenue increased ¥19.5 billion, to ¥185.0 billion and core operating income increased ¥21.5 billion, to ¥14.8 billion.

In Basic Chemicals, although sales volumes decreased due to the expanded impact of scheduled maintenance and repairs at the ethylene production facility and the situation in the Middle East, sales revenue increased due to improved selling prices driven by rising raw material prices, as well as the impact of foreign exchange rates.
In Carbon Products, sales revenue increased due mainly to improved selling prices for cokes reflecting higher raw material prices, as well as the impact of foreign exchange rates.
Although the price spread between raw materials and products mainly for polyolefins narrowed, core operating income in this segment increased due mainly to an overall improvement in inventory valuation gains/losses.

Industrial Gases Segment

In comparison with the same period of the previous consolidated fiscal year, sales revenue increased ¥47.0 billion, to ¥360.0 billion and core operating income increased ¥9.1 billion, to ¥54.1 billion.

Sales revenue increased year on year due to price management efforts in each region, the acquisition and consolidation of the industrial gas business and other businesses in Australia and New Zealand, as well as the impact of foreign exchange rates.
Core operating income in this segment increased on the back of price management efforts, cost reductions, and the impact of foreign exchange rates, despite a deterioration of the price-cost spread due to higher electricity prices and other factors in the United States.

Others

In comparison with the same period in the previous consolidated fiscal year, sales revenue increased ¥0.1 billion, to ¥26.8 billion and core operating income increased ¥0.0 billion, to ¥0.3 billion.

(2) Financial Position

Total assets at the end of the first quarter of the fiscal year ending March 31, 2027, totaled ¥5,881.0 billion, an increase of ¥4.4 billion compared with the end of the previous fiscal year. The increase in total assets was primarily attributable to an increase in the yen equivalent of assets of overseas consolidated subsidiaries due to the depreciation of the yen, and an increase in inventories resulting from higher raw material prices, despite a decline in cash and cash equivalents due to the repayment of interest-bearing debt and other factors.

(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 for the first half of the fiscal year ending March 31, 2027, previously announced on May 13, 2026, as follows. Also, please refer to the Notice of Revision to Consolidated Financial Results Forecast for the First Half of the Fiscal Year Ending March 31, 2027, announced today (July 31, 2026).

(ⅰ) Revision to consolidated financial results forecast for the first half of the fiscal year ending March 31, 2027 (April 1, 2026 - September 30, 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, 2026)	1,861.0	139.0	143.0	98.0	59.0	43.43
Revised forecast (B)	2,043.0	194.0	189.0	130.0	86.0	63.30
Difference (B－A)	182.0	55.0	46.0	32.0	27.0	
Difference (%)	9.8	39.6	32.2	32.7	45.8	
Reference: Results for the first half of the fiscal year ended March 31, 2026	1,799.1	126.1	86.5	142.5	110.1	79.66

Notes:
*The forecast for income before taxes has been changed from ¥129.0 billion to ¥175.0 billion.
*Core operating income is operating income (loss) after excluding certain gains and expenses attributable to non-recurring factors.

(ⅱ) Reason for revision

During the first quarter of the fiscal year ending March 31, 2027, sales of semiconductor-related products were strong. In addition, the situation in the Middle East led to soaring naphtha prices, which resulted in inventory valuation gains and a temporary surge in demand driven by customers' concerns about raw material procurement. While the outlook for the situation in the Middle East remains uncertain, sales revenue and each level of profit from core operating income onward for the first half of the fiscal year ending March 31, 2027, are now expected to exceed the previously announced forecast figures, primarily driven by the Chemicals Business.
As it is difficult to make a reliable assessment of financial performance for the second half at this stage, no new forecast has been prepared for full-year consolidated financial results, and there are no revisions to the previously announced forecast.

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

Three months ended June 30, 2025 and 2026

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Continuing operations		
Sales revenue	880,652	1,004,246
Cost of sales	(630,826)	(683,135)
Gross profit	249,826	321,111
Selling, general and administrative expenses	(194,208)	(210,977)
Other operating income	11,399	16,876
Other operating expenses	(7,610)	(9,561)
Share of profit of associates and joint ventures	1,501	951
Operating income	60,908	118,400
Financial income	2,924	3,453
Financial expenses	(13,674)	(10,047)
Income before taxes	50,158	111,806
Income taxes	(17,110)	(28,493)
Net income from continuing operations	33,048	83,313
Discontinued operations		
Net income from discontinued operations	2,920	—
Net income	35,968	83,313
Net income attributable to		
Owners of the parent	19,627	57,706
Non-controlling interests	16,341	25,607
Net income	35,968	83,313
Earnings per share (Yen)		
Basic earnings per share attributable to owners of the parent		
Continuing operations	12.00	42.47
Discontinued operations	1.96	—
Total	13.96	42.47
Diluted earnings per share attributable to owners of the parent		
Continuing operations	11.99	42.45
Discontinued operations	1.96	—
Total	13.95	42.45

(2) Condensed Consolidated Statement of Comprehensive Income

Three months ended June 30, 2025 and 2026

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net income	35,968	83,313
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	6,538	5,810
Remeasurements of defined benefit plans	1,002	148
Share of other comprehensive income (loss) of associates and joint ventures for using the equity method	(36)	(2)
Total items that will not be reclassified to profit or loss	7,504	5,956
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	16,424	27,592
Net gain (loss) on derivatives designated as cash flow hedges	1,553	(321)
Share of other comprehensive income (loss) of associates and joint ventures for using the equity method	(2,236)	497
Total items that may be subsequently reclassified to profit or loss	15,741	27,768
Total other comprehensive income (net of tax)	23,245	33,724
Total comprehensive income	59,213	117,037
Total comprehensive income attributable to		
Owners of the parent	33,622	81,430
Non-controlling interests	25,591	35,607

(3) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	March 31, 2026	June 30, 2026
Assets		
Current assets		
Cash and cash equivalents	527,104	445,086
Trade receivables	671,912	679,555
Inventories	669,126	710,948
Other financial assets	94,504	98,933
Other current assets	95,050	123,847
Subtotal	2,057,696	2,058,369
Assets held for sale	37,551	12,648
Total current assets	2,095,247	2,071,017
Non-current assets		
Property, plant and equipment	2,096,630	2,112,367
Goodwill	891,032	900,760
Intangible assets	377,656	375,130
Investments accounted for using the equity method	150,396	149,203
Other financial assets	152,769	157,886
Other non-current assets	24,586	25,270
Deferred tax assets	88,293	89,403
Total non-current assets	3,781,362	3,810,019
Total assets	5,876,609	5,881,036

(Millions of yen)

	March 31, 2026	June 30, 2026
Liabilities		
Current liabilities		
Trade payables	383,664	380,354
Bonds and borrowings	387,064	341,070
Income tax payable	27,958	33,016
Other financial liabilities	344,290	306,412
Provisions	25,841	25,843
Other current liabilities	221,856	222,652
Subtotal	1,390,673	1,309,347
Liabilities directly associated with assets held for sale	10,228	7,693
Total current liabilities	1,400,901	1,317,040
Non-current liabilities		
Bonds and borrowings	1,503,457	1,503,983
Other financial liabilities	134,467	135,004
Retirement benefit liabilities	95,383	96,086
Provisions	90,535	90,392
Other non-current liabilities	36,175	36,885
Deferred tax liabilities	201,011	200,766
Total non-current liabilities	2,061,028	2,063,116
Total liabilities	3,461,929	3,380,156
Equity		
Common stock	50,000	50,000
Additional paid-in capital	116,789	116,743
Treasury stock	(67,538)	(67,421)
Retained earnings	1,339,150	1,388,500
Other components of equity	323,274	333,617
Equity attributable to owners of the parent	1,761,675	1,821,439
Non-controlling interests	653,005	679,441
Total equity	2,414,680	2,500,880
Total liabilities and equity	5,876,609	5,881,036

(4) Condensed Consolidated Statement of Changes in Equity

Three months ended June 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	―	―	―	19,627
Other comprehensive income	―	―	―	―
Total comprehensive income	―	―	―	19,627
Purchase of treasury stock	―	―	(26,557)	―
Disposal of treasury stock	―	(66)	116	―
Cash dividends	―	―	―	(22,771)
Share-based payment transactions	―	22	―	―
Changes in interests in subsidiaries	―	236	―	―
Business combinations or business divestitures	―	―	―	―
Transfer from other components of equity to retained earnings	―	―	―	2,624
Other changes	―	―	―	―
Total transactions with owners	―	192	(26,441)	(20,147)
Balance at June 30, 2025	50,000	160,306	(87,899)	1,363,169

	Other components of 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	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	―	―	―	―	―	19,627	16,341	35,968
Other comprehensive income	5,447	988	6,771	789	13,995	13,995	9,250	23,245
Total comprehensive income	5,447	988	6,771	789	13,995	33,622	25,591	59,213
Purchase of treasury stock	―	―	―	―	―	(26,557)	―	(26,557)
Disposal of treasury stock	―	―	―	―	―	50	―	50
Cash dividends	―	―	―	―	―	(22,771)	(12,071)	(34,842)
Share-based payment transactions	―	―	―	―	―	22	―	22
Changes in interests in subsidiaries	―	―	―	―	―	236	573	809
Business combinations or business divestitures	―	―	―	―	―	―	(416)	(416)
Transfer from other components of equity to retained earnings	(1,636)	(988)	―	―	(2,624)	―	―	―
Other changes	―	―	―	―	―	―	621	621
Total transactions with owners	(1,636)	(988)	―	―	(2,624)	(49,020)	(11,293)	(60,313)
Balance at June 30, 2025	32,456	―	202,140	5,000	239,596	1,725,172	558,297	2,283,469

Three months ended June 30, 2026

(Millions of yen)

	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2026	50,000	116,789	(67,538)	1,339,150
Net income	—	—	—	57,706
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	57,706
Purchase of treasury stock	—	—	(6)	—
Disposal of treasury stock	—	(72)	123	—
Cash dividends	—	—	—	(21,737)
Share-based payment transactions	—	35	—	—
Changes in interests in subsidiaries	—	(9)	—	—
Change in scope of consolidation	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	13,381
Other changes	—	—	—	—
Total transactions with owners	—	(46)	117	(8,356)
Balance at June 30, 2026	50,000	116,743	(67,421)	1,388,500

	Other components of 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	Total	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2026	22,653	—	296,444	4,177	323,274	1,761,675	653,005	2,414,680
Net income	—	—	—	—	—	57,706	25,607	83,313
Other comprehensive income	4,391	85	19,204	44	23,724	23,724	10,000	33,724
Total comprehensive income	4,391	85	19,204	44	23,724	81,430	35,607	117,037
Purchase of treasury stock	—	—	—	—	—	(6)	—	(6)
Disposal of treasury stock	—	—	—	—	—	51	—	51
Cash dividends	—	—	—	—	—	(21,737)	(9,235)	(30,972)
Share-based payment transactions	—	—	—	—	—	35	—	35
Changes in interests in subsidiaries	—	—	—	—	—	(9)	69	60
Change in scope of consolidation	—	—	—	—	—	—	(141)	(141)
Transfer from other components of equity to retained earnings	(13,296)	(85)	—	—	(13,381)	—	—	—
Other changes	—	—	—	—	—	—	136	136
Total transactions with owners	(13,296)	(85)	—	—	(13,381)	(21,666)	(9,171)	(30,837)
Balance at June 30, 2026	13,748	—	315,648	4,221	333,617	1,821,439	679,441	2,500,880

(5) Condensed Consolidated Statement of Cash Flow

Three months ended June 30, 2025 and 2026

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities		
Income before taxes	50,158	111,806
Income before taxes from discontinued operations	5,727	—
Depreciation and amortization	67,336	70,062
Share of profit of associates and joint ventures	(1,584)	(951)
Interest and dividend income	(2,894)	(2,709)
Interest expense	9,365	9,318
(Increase) decrease in trade receivables	51,977	(2,760)
(Increase) decrease in inventories	(356)	(38,065)
Increase (decrease) in trade payables	(33,708)	(7,256)
Increase (decrease) in retirement benefit assets and liabilities, net	1,064	427
Increase (decrease) in employees' bonus liabilities	(44,546)	(29,317)
Others	5,391	(46,443)
Subtotal	107,930	64,112
Interest received	965	1,342
Dividends received	4,918	8,465
Interest paid	(12,028)	(10,833)
Income tax (paid) received, net	(41,557)	(28,019)
Net cash provided by (used in) operating activities	60,228	35,067
Cash flows from investing activities		
Purchase of property, plant and equipment	(61,513)	(65,079)
Proceeds from sales of property, plant and equipment	303	15,837
Purchase of intangible assets	(2,404)	(1,105)
Purchase of other financial assets	(367)	(4,057)
Proceeds from sales/redemption of other financial assets	6,731	25,727
Net cash outflow on acquisition of subsidiaries	(231)	—
Proceeds from sales of investments in subsidiaries	743	452
Payments for transfer of business	(305)	(236)
Proceeds from transfer of business	10,268	3,607
Net (Increase) decrease of time deposits	1,668	(2,202)
Others	9,357	707
Net cash provided by (used in) investing activities	(35,750)	(26,349)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	50,990	(7,844)
Net increase (decrease) in commercial papers	35,000	—
Proceeds from long-term borrowings	11,777	17,470
Repayment of long-term borrowings	(29,401)	(33,670)
Redemption of bonds	(35,000)	(30,000)
Repayment of lease liabilities	(9,060)	(8,443)
Net (increase) decrease in treasury stock	(26,558)	(6)
Dividends paid to owners of the parent	(22,771)	(21,737)
Dividends paid to non-controlling interests	(13,536)	(9,235)
Others	(106)	75
Net cash provided by (used in) financing activities	(38,665)	(93,390)
Effect of exchange rate changes on cash and cash equivalents	2,343	3,359
Net increase (decrease) in cash and cash equivalents	(11,844)	(81,313)
Cash and cash equivalents at the beginning of the period	326,144	527,104
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	(25,830)	(749)
Net increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	44
Cash and cash equivalents at the end of the period	288,470	445,086

(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)

1. Overview of Reporting Segments

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.

Under the management policy "KAITEKI Vision 35" and the "Medium-Term Management Plan 2029" announced in November 2024, the MCG Group has been working to enhance its corporate value by boosting its profitability and achieving business growth. In April 2026, the MCG Group reorganized its business divisions from the perspectives of market and business models in order to establish an organizational structure that enables each business division to operate its business with ownership and make decisions more swiftly. In line with this organizational restructuring, the MCG Group reviewed its reporting segments and, effective from the first quarter of the fiscal year ending March 31, 2027, changed the segment classification from the previous four segments of "Specialty Materials", "MMA & Derivatives", "Basic Materials & Polymers", and "Industrial Gases" to four segments consisting of "Specialty Materials", "MMA & Derivatives", "Basic Materials", and "Industrial Gases".

Segment information for the first quarter of the fiscal year ended March 31, 2026 has been prepared based on the revised reporting segment classification.

The businesses in each reporting segment are as follows.

Business Segments	Business Sub-Segments	Businesses
Specialty Materials	Films & Performance Materials	Soarnol, Gohsenol, Packaging & Barrier Films, Industrial & Medical Films, Acetyl & Optical Films, Polyester Films, and Food & Healthcare
	Composites & Shapes	Engineering Shapes, Carbon Fiber & Composite Engineering
	Information & Electronics	Semiconductor, Electronics, and Battery Materials
	Polymer Compounds	Performance Polymers, Engineering Plastics, and Polypropylene Compounds
	Water & Infrastructure	Water & Environment Solutions, Infrastructure Solutions
MMA & Derivatives	MMA	MMA, PMMA
	Functional Chemicals	Coating Materials, Additives & Modifiers
Basic Materials	Basic Chemicals	Basic Petrochemicals, Polyolefins, and Basic Chemicals
	Carbon Products	Carbon Products
Industrial Gases	Industrial Gases	Industrial Gases

Accounting policies for reportable segments are identical to the Group accounting policies adopted in the consolidated financial statements. Inter-segment sales and transfers are based mainly on prevailing market prices.

2. Segment Revenue and Results

The MCG Group's revenue and results by reporting segment are as follows. The MCG Group evaluates segment performance based on segment profit (loss).

Three months ended June 30, 2025

(Millions of yen)

	REPORTING SEGMENT					Others (Note 1)	Subtotal	Adjustment (Note 2)	Consolidated
	Specialty Materials	MMA & Derivatives	Basic Materials	Industrial Gases	Total				
Revenue									
External revenue	285,887	89,602	165,494	313,022	854,005	26,647	880,652	—	880,652
Inter-segment revenue	7,048	2,469	8,997	1,736	20,250	34,465	54,715	(54,715)	—
Total	292,935	92,071	174,491	314,758	874,255	61,112	935,367	(54,715)	880,652
Segment profit (loss) Core operating income (Note 3)	17,382	3,655	(6,696)	45,009	59,350	280	59,630	(3,068)	56,562

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 ¥ (3,313) million not allocated to reporting segments and inter-segment eliminations of ¥245 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. The Company has classified the operations of Mitsubishi Tanabe Pharma Corporation (current name: Tanabe Pharma Corporation) and its subsidiaries and affiliates as discontinued operations for the fiscal year ended March 31, 2026. Accordingly, the segment information presents amounts for continuing operations, excluding discontinued operations.

Three months ended June 30, 2026

(Millions of yen)

	REPORTING SEGMENT					Others (Note 1)	Subtotal	Adjustment (Note 2)	Consolidated
	Specialty Materials	MMA & Derivatives	Basic Materials	Industrial Gases	Total				
Revenue									
External revenue	332,538	99,927	185,041	359,995	977,501	26,745	1,004,246	—	1,004,246
Inter-segment revenue	8,716	2,417	8,808	1,769	21,710	28,025	49,735	(49,735)	—
Total	341,254	102,344	193,849	361,764	999,211	54,770	1,053,981	(49,735)	1,004,246
Segment profit (loss) Core operating income (Note 3)	38,340	8,008	14,814	54,079	115,241	315	115,556	(1,452)	114,104

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 ¥ (1,604) million not allocated to reporting segments and inter-segment eliminations of ¥152 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.

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

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Segment profit (loss)	56,562	114,104
Gain on sale of property, plant and equipment (Note)	—	12,815
Gain on business transfer	7,950	—
Impairment loss (Note)	(127)	(3,932)
Share of loss of associates and joint ventures	(45)	(2,907)
Loss on sale and disposal of fixed assets	(181)	(504)
Special retirement expenses	(1,843)	(54)
Others	(1,408)	(1,122)
Operating income	60,908	118,400
Financial income	2,924	3,453
Financial expenses	(13,674)	(10,047)
Income before taxes	50,158	111,806

Notes:

During the first quarter of the fiscal year ending March 31, 2027, the MCG Group recorded a gain on sale of property, plant and equipment of ¥10,437 million and an impairment loss of ¥ (1,891) million on the head office building of Nippon Sanso Holdings Corporation, in connection with the sale of land associated with the relocation of its head office.

(Discontinued Operations)

1. Outline of Discontinued Operations

At the Company'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 (current name: Tanabe Pharma Corporation), which had been the Company's consolidated subsidiary, to K.K. BCJ-94, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP. The transaction was completed on July 1, 2025.

Consequently, the operations of Mitsubishi Tanabe Pharma Corporation (current name: Tanabe Pharma Corporation) and its subsidiaries and affiliates were classified as discontinued operations in the first quarter of the fiscal year ended March 31, 2026.

2. Profit or Loss from Discontinued Operations

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Revenue	113,576	–
Cost	(107,849)	–
Income before taxes from discontinued operations	5,727	–
Income taxes	(2,807)	–
Net income from discontinued operations	2,920	–

3. Cash Flows from Discontinued Operations

Cash flows relating to discontinued operations included in the condensed quarterly consolidated statement of cash flows are as follows:

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities	2,570	–
Cash flows from investing activities	1,104	–
Cash flows from financing activities	(3,693)	–
Total	(19)	–