

## Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2025 (Under IFRS)

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Securities code: 4188 URL: <https://www.mcgc.com/english/>  
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Scheduled date to file semi-annual securities report: November 12, 2024  
Scheduled date to commence dividend payments: December 3, 2024  
Preparation of supplementary material on financial results: Yes  
Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the First Half of the Fiscal Year Ending March 31, 2025("FY2024") (from April 1, 2024 to September 30, 2024)

#### (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	
		%		%		%		%		%		%
Six months ended September 30, 2024	2,242,066	4.3	172,356	44.2	136,660	(1.4)	71,158	(24.4)	40,921	(39.1)	14,130	(94.3)
September 30, 2023	2,149,898	(5.3)	119,564	(2.5)	138,618	17.1	94,142	2.9	67,212	(9.1)	248,897	4.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	28.76	28.74
September 30, 2023	47.25	45.22

Reference: Income before taxes

Six months ended September 30, 2024: ¥106,102 million((18.5)%)

Six months ended September 30, 2023: ¥130,151 million(6.7%)

\* 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				%
September 30, 2024	5,945,231	2,257,968	1,738,849	29.2
March 31, 2024	6,104,513	2,275,495	1,763,447	28.9

### 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, 2024	Yen —	Yen 16.00	Yen —	Yen 16.00	Yen 32.00
March 31, 2025	—	16.00			
March 31, 2025 (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
		%		%		%		%		%	Yen
FY2024	4,470,000	1.9	290,000	39.3	218,000	(16.7)	112,000	(37.2)	52,000	(56.5)	36.54

Reference: Income before taxes

FY2024: ¥166,000 million((31.0)%)

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" on page [6] hereof.

#### \* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: — Excluded : 1

(Company Name) PT Mitsubishi Chemical Indonesia

(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 September 30, 2024	1,506,288,107 Shares	As of March 31, 2024	1,506,288,107 Shares
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(ii) Number of treasury shares at the end of the period

As of September 30, 2024	83,150,008 Shares	As of March 31, 2024	83,705,108 Shares
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(iii) Average number of shares outstanding during the period

Six months ended September 30, 2024	1,422,980,607 Shares	Six months ended September 30, 2023	1,422,443,040 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:

September 30, 2024	1,670,494 Shares
March 31, 2024	1,989,461 Shares

#### Disclosure regarding quarterly (semi-annual) review procedures

Quarterly (semi-annual) financial results reports are exempt from review conducted 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.

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## 1. Qualitative Information on Financial Results for the Term

### (1) Business Performance

#### Performance Overview

In the business environment of the interim consolidated accounting period (April 1, 2024 - September 30, 2024; same hereafter) of the Mitsubishi Chemical Group (the MCG Group), generally maintained a moderate recovery path, despite some different levels of strength among regions and industries. On the other hand, outlook remained uncertain due to concerns about fluctuations in financial and capital markets caused by policies in various countries, the protracted real estate slump in China, and the expansion of geopolitical risks.

Against this backdrop, compared to the same quarter in the previous consolidated fiscal year (April 1, 2023 - September 30, 2023; same hereafter) sales revenue increased ¥92.2 billion, or 4.3%, to ¥2,242.1 billion. In the profit front, core operating income rose ¥52.8 billion, or 44.2%, to ¥172.4 billion. Operating income was down ¥1.9 billion, or 1.4%, to ¥136.7 billion. Income before taxes decreased ¥24.1 billion, or 18.5%, to ¥106.1 billion. Meanwhile, net income attributable to owners of the parent dropped ¥26.3 billion, or 39.1% to ¥40.9 billion.

#### Overview of Business Segment

The overview of financial results by business segment for the interim consolidated accounting period is shown below. The MCG Group has reviewed reporting segments from the beginning of fiscal 2024. For details, please see "2. (6) Notes to Condensed Consolidated Financial Statements (Segment Information)".

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 quarter in the previous consolidated fiscal year, sales revenue increased ¥22.6 billion, to ¥542.8 billion and core operating income rose ¥5.7 billion, to ¥24.5 billion.

In Advanced Films and Polymers, while there were effects of a decline in selling prices in some businesses as well as business transfer and withdrawal, sales revenue increased reflecting a rise in sales volume on the back of a moderate recovery in demand for displays, barrier packaging and other applications as well as the forex impact.

In Advanced Solutions, sales revenue decreased due primarily to a drop in sales volume of EV applications in Europe and the U.S. and a decline in selling prices in tandem with lower raw prices in some businesses, despite an increase in sales volume reflecting a rise in demand for displays and other applications, on top of the forex impact.

In Advanced Composites and Shapes, sales revenue increased as a result of the effects of the attainment of full ownership of C.P.C. S.r.l., a rise in sales volume reflecting a recovery in demand for high-performance engineering plastics and the forex impact.

Core operating income in this segment increased year on year due to an overall improvement in the balance between cost and selling prices as a result of an effort to maintain and increase selling prices as well as an increase in sales volume reflecting a recovery in demand for displays and high performance engineering plastics.

In this segment in the interim consolidated accounting period, the following items were implemented by or occurred at the MCG Group.

- In response to an anticipated increase in demand for ArF and EUV photoresists in tandem with the miniaturization of semiconductor devices and to strengthen the supply chain, the MCG Group has decided to increase the production capacity of its Lithomax™ photosensitive polymers for photoresists at its Kyushu-Fukuoka Plant. This will more than

double the production capacity of Lithomax™ for ArF photoresists, and also signal the start of mass production of Lithomax™ for EUV photoresists. The Plant is scheduled to commence operations in October 2025 for Lithomax™ for ArF photoresists and in September 2025 for Lithomax™ for EUV photoresists.

- As part of its business portfolio reform, the MCG Group reached a deal with GSI Creos Corporation (Head office: Minato-ku, Tokyo) to transfer its triacetate fiber business to this same corporation and signed a share transfer agreement in September 2024. The transfer is scheduled in March 2025.

### **Industrial Gases Segment**

In comparison with the same quarter in the previous consolidated fiscal year, sales revenue increased ¥31.2 billion, to ¥639.4 billion and core operating income rose ¥11.6 billion, to ¥91.9 billion.

Sales revenue increased as a result of price management efforts in each region as well as the forex impact, despite the effects of business restructuring in Japan. Core operating income rose on the back of the effects of cost reduction initiatives on top of an increase in sales revenue.

In this segment in the interim consolidated accounting period, the following items were implemented by or occurred at the MCG Group.

- In May 2024, a purchase and sale agreement was signed with Wesfarmers Kleenheat Gas Pty Ltd (Head office: Australia; hereinafter "Kleenheat"), which handles the LPG business of Wesfarmers Chemicals, Energy and Fertilisers (Head office: Australia) in Australia, to acquire the LPG sales business in Western Australia and Northern Territory of Kleenheat.

### **Pharma Segment**

In comparison with the same quarter in the previous consolidated fiscal year, sales revenue increased ¥13.2 billion, to ¥232.5 billion and core operating income rose ¥9.0 billion, to ¥41.4 billion.

Both sales revenue and core operating income rose. Although there was negative impact mainly from National Health Insurance drug price revisions in the domestic ethical pharmaceuticals business, there was offset by positive impact from the growth in sales of RADICAVA ORS®, a treatment agent for patients with amyotrophic lateral sclerosis (ALS) which had been released in the United States, currency fluctuations, the growth in sales of sustained release GIP/GLP-1 receptor agonist Mounjaro and influenza vaccine, as well as the steady launch of GOBIK Aqueous Suspension Syringes, Absorbed Diphtheria-Purified Pertussis-Tenanus-Inactivated Polio-Haemophilus type b conjugate Combined Vaccine.

In this segment in the interim consolidated accounting period, the following items were implemented by or occurred at the MCG Group.

- In March 2024, the United States Food and Drug Administration (FDA) recognized seven years of orphan-drug exclusive approval for RADICAVA ORS® (edaravone) for treatment of amyotrophic lateral sclerosis (ALS). The period of exclusive approval is seven years from May 12, 2022, the date of approval of New Drug Application (NDA).
- In July 2024, Mitsubishi Tanabe Pharma Corporation announced that it will implement a voluntary retirement program to accelerate the review of its human resource portfolio towards developing personnel with the capabilities required to its growth strategies and realizing an organization where highly specialized and diverse human resources can thrive with the aim for growth in the global market.

### **MMA & Derivatives Segment**

In comparison with the same quarter in the previous consolidated fiscal year, sales revenue increased ¥46.1 billion, to ¥227.4 billion and core operating income rose ¥23.7 billion, to ¥25.9 billion.

In MMA, sales revenue increased due to the forex impact in addition to a rise in market prices chiefly for MMA monomer.

In Coating and Additives, sales revenue grew reflecting an effort to maintain and increase selling prices on top of an increase in sales volume due to a moderate recovery in demand for paints / adhesives / inks / additives, among other applications.

Core operating income in this segment increased year on year due mainly to an improvement in the balance between cost and selling prices as a result of the rise in market prices chiefly for MMA monomer.

### **Basic Materials & Polymers Segment**

In comparison with the same quarter in the previous consolidated fiscal year, sales revenue decreased ¥7.5billion, to ¥521.2 billion and core operating income rose ¥4.2 billion, to a loss of ¥10.5 billion.

In Materials and Polymers, sales revenue increased due to the forex impact and a rise in selling prices in tandem with higher raw material prices, despite a decline in sales volume owing primarily to the transfer of shares of a specified subsidiary in the pure terephthalic acid (PTA) business and the expanded impact of scheduled maintenance and repairs at the ethylene production facility.

In Carbon Products, sales revenue dropped reflecting a decrease in sales volume due to sluggish demand and a decrease in selling prices for cokes in tandem with a fall in raw material prices.

Core operating income in this segment increased on the back of an increase in inventory valuation gains and a diminished impact from the troubles during the previous fiscal year in Materials and Polymers, although the impact of scheduled maintenance and repairs at the ethylene production facility expanded and the price gap between raw materials and products diminished, chiefly for cokes.

In this segment in the interim consolidated accounting period, the following items were implemented by or occurred at the MCG Group.

- It has been decided to perform a joint feasibility study with Asahi Kasei Corp. (Head office: Chiyoda-ku, Tokyo) and Mitsui Chemicals, Inc. (Head office: Chuo-ku, Tokyo) on feedstock and fuel conversion etc. at the three companies' ethylene production facilities in western Japan in order to advance carbon neutrality and lead the decarbonization of society. Moving forward, the three companies will study concrete measures that contribute to the transition to carbon neutrality such as replacing petroleum-derived resources with biomass feedstock, conversion to low-carbon fuel, etc., while also studying optimal future production arrangements.
- In August 2024, it was decided to reduce the number of coke ovens owned by Kagawa Plant from 250 to 150. It is scheduled to discontinue production through the targeted 100 ovens by the end of March 2025. Furthermore, it is planned to review the MCG Group's domestic and overseas sales portfolios and implement additional streamlining measures to transform its coal business structure into one that is not affected by market fluctuations. Along with this structural reform, MCG's aim is to make its coal business profitable from the fiscal year ending March 31, 2026. It will continue to be reviewed the mid- to long-term positioning of the coal business in the business portfolio of the entire MCG Group while steadily promoting this structural reform.
- In September 2024, it was decided to transfer all shares held by the MCG Group of Kansai Coke and Chemicals Company, Limited (Head office: Amagasaki City, Hyogo Prefecture), which engages in the production and sale of coke and its byproducts to Kobe Steel, Ltd. (Head office: Kobe City, Hyogo Prefecture) as part of the business portfolio reform. The share transfer was completed in October 2024.

**Others**

In comparison with the same quarter in the previous consolidated fiscal year, sales revenue decreased ¥13.4 billion, to ¥78.8 billion and core operating income declined ¥1.8 billion, to ¥4.3 billion.

**(2) Financial Position**

Total assets at the end of the interim consolidated accounting period totaled ¥5,945.2 billion, a decrease of ¥159.3 billion compared with the end of the previous fiscal year. The decrease in total assets was primarily attributable to a decline in the value of assets translated into yen at overseas consolidated subsidiaries mainly from the impact of the appreciation of the yen.

### (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 May 15, 2024 for the fiscal 2024, as follows. Also, please refer to the Notice of Revision to Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025, announced today (November 1, 2024)

#### ( i ) Revision to consolidated financial results forecast for fiscal 2024 (April 1, 2024 - March 31, 2025)

(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 15, 2024)	4,623.0	250.0	210.0	116.0	52.0	36.55
Revised forecast (B)	4,470.0	290.0	218.0	112.0	52.0	36.54
Difference (B－A)	(153.0)	40.0	8.0	(4.0)	-	
Difference (%)	(3.3)	16.0	3.8	(3.4)	-	
Reference: Results for fiscal 2023	4,387.2	208.1	261.8	178.4	119.6	84.07

Notes:

\*The forecast for net income before taxes has been changed from ¥171.0 billion to ¥166.0 billion.

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

#### ( ii ) Reason for revision

We predict that core operating income for fiscal 2024 will increase 16% compared to the previous forecast to 290.0 billion yen. In the second half of fiscal 2024, business performance is expected to fall behind the initial forecast, mainly in the Specialty Materials Segment and the Basic Materials & Polymers Segment, due mainly to a reactionary decline in demand related to displays, which had been brisk during the first half of fiscal 2024, a delay in the recovery of demand related to semiconductors for consumer, industrial and automobile applications, intensified competitions for carbon fibers, and a delay in the recovery of market prices for petrochemicals and carbon products. On a full-year basis, however, fiscal 2024 results are expected to exceed the previous forecast based on the robust business performance during the first half of fiscal 2024. On the other hand, we reiterate our previous forecast for net income attributable to owners of the parent as several business structure reform projects are considered in the second half of fiscal 2024 and losses under special items are expected to be recorded.

#### 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

Six months ended September 30, 2023 and 2024

	(Millions of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Sales revenue	2,149,898	2,242,066
Cost of sales	(1,587,539)	(1,599,376)
Gross profit	562,359	642,690
Selling, general and administrative expenses	(448,806)	(471,976)
Other operating income	37,374	25,875
Other operating expenses	(16,522)	(63,014)
Share of profit of associates and joint ventures	4,213	3,085
Operating income	138,618	136,660
Financial income	14,737	5,237
Financial expenses	(23,204)	(35,795)
Income before taxes	130,151	106,102
Income taxes	(36,009)	(34,944)
Net income	94,142	71,158
<b>Net income attributable to</b>		
Owners of the parent	67,212	40,921
Non-controlling interests	26,930	30,237
<b>Earnings per share(Yen)</b>		
Basic earnings per share attributable to owners of the parent	47.25	28.76
Diluted earnings per share attributable to owners of the parent	45.22	28.74

**(2) Condensed Consolidated Statement of Comprehensive Income**

Six months ended September 30, 2023 and 2024

	(Millions of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Net income	94,142	71,158
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	7,067	(4,397)
Remeasurements of defined benefit plans	2,085	(776)
Share of other comprehensive income(loss) of associates and joint ventures for using the equity method	(11)	147
Total items that will not be reclassified to profit or loss	9,141	(5,026)
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	134,589	(55,119)
Net gain (loss) on derivatives designated as cash flow hedges	2,549	(1,613)
Share of other comprehensive income(loss) of associates and joint ventures for using the equity method	8,476	4,730
Total items that may be subsequently reclassified to profit or loss	145,614	(52,002)
Total other comprehensive income (net of tax)	154,755	(57,028)
Total comprehensive income	248,897	14,130
Total comprehensive income attributable to		
Owners of the parent	179,412	(2,200)
Non-controlling interests	69,485	16,330

**(3) Condensed Consolidated Statement of Financial Position**

(Millions of yen)

	March 31, 2024	September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	294,924	297,526
Trade receivables	852,353	761,072
Inventories	799,249	808,784
Other financial assets	82,804	54,566
Other current assets	131,721	132,214
Subtotal	2,161,051	2,054,162
Assets held for sale	30,585	98,174
Total current assets	2,191,636	2,152,336
Non-current assets		
Property, plant and equipment	2,043,330	1,985,607
Goodwill	832,899	815,896
Intangible assets	481,028	448,430
Investments accounted for using the equity method	164,246	168,342
Other financial assets	221,232	211,940
Other non-current assets	72,747	67,022
Deferred tax assets	97,395	95,658
Total non-current assets	3,912,877	3,792,895
Total assets	6,104,513	5,945,231

(Millions of yen)

	March 31, 2024	September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Trade payables	501,532	424,595
Bonds and borrowings	605,307	533,855
Income tax payable	22,890	42,505
Other financial liabilities	367,925	334,146
Provisions	35,957	51,792
Other current liabilities	187,420	180,627
Subtotal	1,721,031	1,567,520
Liabilities directly associated with assets held for sale	3,881	71,210
Total current liabilities	1,724,912	1,638,730
Non-current liabilities		
Bonds and borrowings	1,595,704	1,558,863
Other financial liabilities	121,128	116,756
Retirement benefit liabilities	104,828	104,595
Provisions	31,672	28,863
Other non-current liabilities	44,147	47,371
Deferred tax liabilities	206,627	192,085
Total non-current liabilities	2,104,106	2,048,533
Total liabilities	3,829,018	3,687,263
<b>Equity</b>		
Common stock	50,000	50,000
Additional paid-in capital	159,602	159,587
Treasury stock	(61,857)	(61,478)
Retained earnings	1,355,131	1,373,553
Other components of equity	260,571	217,187
Equity attributable to owners of the parent	1,763,447	1,738,849
Non-controlling interests	512,048	519,119
Total equity	2,275,495	2,257,968
<b>Total liabilities and equity</b>	<b>6,104,513</b>	<b>5,945,231</b>

#### (4) Condensed Consolidated Statement of Changes in Equity

Six months ended September 30, 2023

(Millions of yen)

	Common stock	Additional paid-in capital	Treasury stock	Retained earnings
Balance at April 1, 2023	50,000	167,917	(62,231)	1,270,577
Net income	—	—	—	67,212
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	67,212
Purchase of treasury stock	—	—	(13)	—
Disposal of treasury stock	—	(37)	370	—
Cash dividends	—	—	—	(21,333)
Share-based payment transactions	—	98	—	—
Changes in interests in subsidiaries	—	(172)	—	—
Changes in scope of consolidation	—	—	—	(8)
Transfer from other components of equity to retained earnings	—	—	—	3,515
Total transactions with owners	—	(111)	357	(17,826)
Balance at September 30, 2023	50,000	167,806	(61,874)	1,319,963

	Other components of equity				Total	Equity attributable to owners of the parent	Non-controlling interests	Total 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				
Balance at April 1, 2023	34,291	—	99,888	4,256	138,435	1,564,698	423,771	1,988,469
Net income	—	—	—	—	—	67,212	26,930	94,142
Other comprehensive income	4,431	2,067	103,397	2,305	112,200	112,200	42,555	154,755
Total comprehensive income	4,431	2,067	103,397	2,305	112,200	179,412	69,485	248,897
Purchase of treasury stock	—	—	—	—	—	(13)	—	(13)
Disposal of treasury stock	—	—	—	—	—	333	—	333
Cash dividends	—	—	—	—	—	(21,333)	(7,595)	(28,928)
Share-based payment transactions	—	—	—	—	—	98	—	98
Changes in interests in subsidiaries	—	—	—	—	—	(172)	(522)	(694)
Changes in scope of consolidation	—	—	—	—	—	(8)	(8)	(16)
Transfer from other components of equity to retained earnings	(1,448)	(2,067)	—	—	(3,515)	—	—	—
Total transactions with owners	(1,448)	(2,067)	—	—	(3,515)	(21,095)	(8,125)	(29,220)
Balance at September 30, 2023	37,274	—	203,285	6,561	247,120	1,723,015	485,131	2,208,146

Six months ended September 30, 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	—	—	—	40,921
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	—	40,921
Purchase of treasury stock	—	—	(15)	—
Disposal of treasury stock	—	(115)	394	—
Cash dividends	—	—	—	(22,762)
Share-based payment transactions	—	32	—	—
Changes in interests in subsidiaries	—	68	—	—
Business combinations or business divestitures	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	263
Total transactions with owners	—	(15)	379	(22,499)
Balance at September 30, 2024	50,000	159,587	(61,478)	1,373,553

	Other components of equity				Total	Equity attributable to owners of the parent	Non-controlling interests	Total 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				
Balance at April 1, 2024	37,941	—	217,484	5,146	260,571	1,763,447	512,048	2,275,495
Net income	—	—	—	—	—	40,921	30,237	71,158
Other comprehensive income	(2,564)	(667)	(38,407)	(1,483)	(43,121)	(43,121)	(13,907)	(57,028)
Total comprehensive income	(2,564)	(667)	(38,407)	(1,483)	(43,121)	(2,200)	16,330	14,130
Purchase of treasury stock	—	—	—	—	—	(15)	—	(15)
Disposal of treasury stock	—	—	—	—	—	279	—	279
Cash dividends	—	—	—	—	—	(22,762)	(7,863)	(30,625)
Share-based payment transactions	—	—	—	—	—	32	—	32
Changes in interests in subsidiaries	—	—	—	—	—	68	(202)	(134)
Business combinations or business divestitures	—	—	—	—	—	—	(1,194)	(1,194)
Transfer from other components of equity to retained earnings	(930)	667	—	—	(263)	—	—	—
Total transactions with owners	(930)	667	—	—	(263)	(22,398)	(9,259)	(31,657)
Balance at September 30, 2024	34,447	—	179,077	3,663	217,187	1,738,849	519,119	2,257,968

**(5) Condensed Consolidated Statement of Cash Flow**

Six months ended September 30, 2023 and 2024

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Income before taxes	130,151	106,102
Depreciation and amortization	135,631	139,192
Share of profit of associates and joint ventures	(4,213)	(3,085)
Interest and dividend income	(7,238)	(5,055)
Interest expense	21,333	22,104
(Increase) decrease in trade receivables	(518)	47,763
(Increase) decrease in inventories	344	(42,372)
Increase (decrease) in trade payables	(6,748)	(14,472)
Increase (decrease) in retirement benefit assets and liabilities, net	1,873	2,390
Increase (decrease) in employees' bonus liabilities	(22,454)	(19,490)
Others	(48,569)	64,863
Subtotal	199,592	297,940
Interest received	2,461	2,565
Dividends received	18,858	11,018
Interest paid	(19,251)	(21,880)
Income tax (paid) received, net	(5,948)	(14,588)
Net cash provided by (used in) operating activities	195,712	275,055
Cash flows from investing activities		
Purchase of property, plant and equipment	(123,858)	(166,813)
Proceeds from sales of property, plant and equipment	2,691	5,941
Purchase of intangible assets	(2,437)	(5,168)
Purchase of other financial assets	(910)	(555)
Proceeds from sales/redemption of other financial assets	20,120	5,028
Net cash outflow on acquisition of subsidiaries	(2,196)	(438)
Proceeds from sales of investments in subsidiaries	4,215	10,531
Payments for transfer of business	(9,440)	—
Proceeds from transfer of business	1,319	3,447
Net (Increase) decrease of time deposits	(3,587)	172
Others	(1,549)	2,582
Net cash provided by (used in) investing activities	(115,632)	(145,273)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,744	2,455
Net increase (decrease) in commercial papers	(11,000)	(87,000)
Proceeds from long-term borrowings	34,920	88,688
Repayment of long-term borrowings	(66,775)	(64,761)
Proceeds from issuance of bonds	100,000	—
Redemption of bonds	(10,000)	(15,000)
Repayment of lease liabilities	(17,420)	(17,127)
Net (increase) decrease in treasury stock	(13)	(15)
Dividends paid to owners of the parent	(21,333)	(22,762)
Dividends paid to non-controlling interests	(7,495)	(8,446)
Others	(116)	(36)
Net cash provided by (used in) financing activities	6,512	(124,004)
Effect of exchange rate changes on cash and cash equivalents	18,392	(4,573)
Net increase (decrease) in cash and cash equivalents	104,984	1,205
Cash and cash equivalents at the beginning of the period	297,224	294,924
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	(3,376)	1,397
Cash and cash equivalents at the end of the period	398,832	297,526



## (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 certain disclosures and notes required by IAS 34 are not given.

### (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.

As of April 1, 2024, the MCG Group reorganized its business structure with the aim of further reinforcing collaboration among businesses and accelerating growth. In tandem with this reorganization, businesses within reporting segments have been reorganized and the previous five reporting segments (Specialty Materials, Industrial Gases, Health Care, MMA, and Basic Materials) have been reclassified into the new five reporting segments (Specialty Materials, Industrial Gases, Pharma, MMA & Derivatives, and Basic Materials & Polymers).

The MCG Group used new classifications to present segment information for the six months ended September 30, 2023.

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, Industrial & Medical Films, Acetyl Films, Polyester Films, and Fiber
	Advanced Solutions	Aqua Solution, Life Solution, Infrastructure Solution, Semiconductor, Electronics, and Battery Materials
	Advanced Composites & Shapes	Engineering Shapes & Solutions, Carbon Fiber and Composite Materials
Industrial Gases		Industrial Gases
Pharma		Ethical Pharmaceuticals
MMA & Derivatives	MMA	MMA, PMMA
	Coating & Additives	Coating Material, Additives & Fine
Basic Materials & Polymers	Materials & Polymers	Basic Petrochemicals, Polyolefins, Basic Chemical Derivatives, Sustainable Polymers, and Engineering Plastic
	Carbon Products	Carbon Products

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.

Six months ended September 30, 2023

(Millions of yen)

	REPORTING SEGMENT					Others (Note 1)	Adjustment (Note 2)	Consolidated
	Specialty Materials	Industrial Gases	Pharma	MMA & Derivatives	Basic Materials & Polymers			
Revenue								
External revenue	520,166	608,236	219,331	181,240	528,745	92,180	—	2,149,898
Inter-segment revenue	5,491	4,336	67	6,141	19,560	73,222	(108,817)	—
Total	525,657	612,572	219,398	187,381	548,305	165,402	(108,817)	2,149,898
Segment profit (loss)								
Core operating income (Note 3)	18,812	80,271	32,334	2,230	(14,632)	6,061	(5,512)	119,564

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 ¥ (6,675) million not allocated to reporting segments and inter-segment eliminations of ¥1,163 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.

Six months ended September 30, 2024

(Millions of yen)

	REPORTING SEGMENT					Others (Note 1)	Adjustment (Note 2)	Consolidated
	Specialty Materials	Industrial Gases	Pharma	MMA & Derivatives	Basic Materials & Polymers			
Revenue								
External revenue	542,733	639,443	232,528	227,425	521,143	78,794	—	2,242,066
Inter-segment revenue	5,379	3,603	50	8,489	18,180	70,895	(106,596)	—
Total	548,112	643,046	232,578	235,914	539,323	149,689	(106,596)	2,242,066
Segment profit (loss)								
Core operating income (Note 3)	24,505	91,855	41,377	25,857	(10,513)	4,336	(5,061)	172,356

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 ¥ (5,416) million not allocated to reporting segments and inter-segment eliminations of ¥ 355 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 to income before taxes from segment profit (loss) are as follows:

	(Millions of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Segment profit (loss)	119,564	172,356
Gain on sales of shares of subsidiaries and associates (Note1)	7,351	11,132
Gain on sale of carbon credit	—	2,718
Gain on sales of property, plant and equipment	839	1,528
Reversal of provision for loss on plant closure	1,791	673
Gain on reversal of asset retirement obligations	2,639	—
Impairment loss (Note2)	(3,186)	(27,603)
Special retirement expense (Note3)	(436)	(17,882)
Loss on sales and disposal of fixed assets	(1,267)	(2,765)
Provision for loss on business liquidation	(467)	(1,826)
Loss on business liquidation	(2,741)	(595)
Others (Note3)	14,531	(1,076)
Operating income	138,618	136,660
Financial income	14,737	5,237
Financial expenses	(23,204)	(35,795)
Income before taxes	130,151	106,102

Notes:

1. In the six months ended September 30, 2024, concerning the transfer of shares in PT Mitsubishi Chemical Indonesia, the MCG Group recorded gain on sales of shares of subsidiaries and associates of ¥5,578 million, mainly reflecting the realization of the foreign currency translation adjustments, which are recognized at the time sales are completed.
2. In the six months ended September 30, 2024, regarding the hydrogen production facility currently under construction by Matheson Tri-Gas, Inc., the MCG Group recorded impairment loss of ¥10,758 million, in tandem with the decision to suspend construction plans.
3. In the six months ended September 30, 2024, with respect to the decision to implement a voluntary retirement program at Mitsubishi Tanabe Pharma Corporation, the MCG Group recorded special retirement expense of ¥16,500 million and other associated losses of ¥380 million based on estimates.

## (Business Combination)

The finalization of the provisional accounting for the acquisition of C.P.C. S.r.l. (CPC)

On January 10, 2024, the MCG Group, through its subsidiary Mitsubishi Chemical Europe GmbH acquired additional shares in CPC. CPC manufactures and distributes automotive components crafted from carbon fiber reinforced plastic (CFRP).

While the fair values of acquired assets and liabilities assumed were provisional amounts in the previous fiscal year, the initial accounting for the business combination was completed in the first quarter of the current fiscal year and the amounts have been determined as below. The adjusted amounts resulting from this determination are not material.

Net assets acquired, liabilities assumed and goodwill

	Millions of yen
	Acquisition date (January 10, 2024)
Current assets:	
Cash and cash equivalents	6,529
Trade receivables	9,497
Inventories	8,301
Other current assets	1,322
Non-current assets:	
Property, plant and equipment (Note 1)	20,756
Intangible assets (Note 2)	21,399
Other non-current assets	291
Acquired assets	68,095
Current liabilities:	
Trade payables	4,692
Borrowings	5,844
Other current liabilities	3,353
Non-current liabilities:	
Lease liabilities	4,912
Deferred tax liabilities	5,682
Other non-current liabilities	2,042
Assumed liabilities	26,525
Net assets acquired and liabilities assumed	41,570
Fair value of equity interest in acquired company held before business combination	42,313
Fair value of consideration paid for additional acquisition	54,280
Goodwill (Note 3)	55,023

Notes:

1. Composition of property, plant and equipment:

Property, plant and equipment mainly comprise ¥13,376 million in buildings and structures.

2. Composition of intangible assets:

Intangible assets primarily comprise ¥19,554 million in customer-related intangible assets.

3. Goodwill:

The principal components of goodwill are synergies with existing businesses and excess earnings expected to arise from the acquisition that do not meet individual recognition criteria. Also, goodwill is not fully deductible for tax purposes.

**(Additional Information)**

Transfer of shares in the Kansai Coke and Chemicals Company, Limited.

In September 2024, it was decided to transfer all shares held by the MCG Group of Kansai Coke and Chemicals Company, Limited, which engages in the production and sale of coke and its byproducts, to Kobe Steel, Ltd. as part of the business portfolio reform. The share transfer was completed in October 2024.

**(Material Subsequent Events)**

Not applicable