

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (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 of annual general meeting of shareholders: June 25, 2025  
Scheduled date to commence dividend payments: June 4, 2025  
Scheduled date to file annual securities report: June 23, 2025  
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 fiscal year ended March 31, 2025 (from April 1, 2024 to March 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 |        |
|----------------------------------|---------------|-------|-------------------------|--------|------------------|--------|------------|--------|---|--------|----------------------|--------|
|                                  |               | %     |                         | %      |                  | %      |            | %      |   | %      |                      | %      |
| Fiscal year ended March 31, 2025 | 4,407,405     | 0.5   | 298,377                 | 43.4   | 196,694          | (24.9) | 105,636    | (40.8) | 45,020  | (62.4) | 77,464               | (78.7) |
| March 31, 2024                   | 4,387,218     | (5.3) | 208,116                 | (36.1) | 261,831          | 43.3   | 178,439    | 31.6   | 119,596   | 24.0   | 363,597              | 72.4   |

|                                  | Basic earnings per share | Diluted earnings per share | Return on equity attributable to owners of parent | Ratio of income before tax to total assets | Ratio of core operating income to sales revenue |
|----------------------------------|--------------------------|----------------------------|---|--|---|
|                                  | Yen                      | Yen                        | %   | %  | %   |
| Fiscal year ended March 31, 2025 | 31.64                    | 31.63                      | 2.6   | 2.5  | 6.8   |
| March 31, 2024                   | 84.07                    | 80.77                      | 7.2   | 4.1  | 4.7   |

Reference: Share of profit of associates and joint ventures

Fiscal year ended March 31, 2025: ¥8,067 million

Fiscal year ended March 31, 2024: ¥8,090 million

Income before taxes

Fiscal year ended March 31, 2025: ¥150,695 million((37.4)%)

Fiscal year ended March 31, 2024: ¥240,547 million(43.2%)

\* 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 | Equity attributable to owners of the parent per share |
|----------------------------------|--------------|--------------|---|--|---|
|                                  |              |              |   | %  | Yen   |
| Fiscal year ended March 31, 2025 | 5,894,619    | 2,284,569    | 1,740,570                                   | 29.5   | 1,223.01  |
| March 31, 2024                   | 6,104,513    | 2,275,495    | 1,763,447                                   | 28.9   | 1,239.61  |

#### (3) Cash Flows:

|                                  | Net cash provided by (used in) operating activities | Net cash provided by (used in) investing activities | Net cash provided by (used in) financing activities | Cash and cash equivalents at end of the period |
|----------------------------------|---|---|---|--|
| Fiscal year ended March 31, 2025 | 552,847   | (275,434)   | (246,654)   | 326,144  |
| March 31, 2024                   | 465,146   | (246,087)   | (241,724)   | 294,924  |

## 2. Cash dividends

|                           | Annual dividends per share |                    |                   |                 |       | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to equity attributable to owners of parent (Consolidated) |
|---------------------------|----------------------------|--------------------|-------------------|-----------------|-------|------------------------------|-----------------------------|--|
|                           | First quarter-end          | Second quarter-end | Third quarter-end | Fiscal year-end | Total |                              |                             |  |
| Fiscal year ended         | Yen                        | Yen                | Yen               | Yen             | Yen   |                              | %                           | %  |
| March 31, 2024            | —                          | 16.00              | —                 | 16.00           | 32.00 | 45,585                       | 38.1                        | 2.7  |
| March 31, 2025            | —                          | 16.00              | —                 | 16.00           | 32.00 | 45,595                       | 101.2                       | 2.6  |
| March 31, 2026 (Forecast) | —                          | 16.00              | —                 | 16.00           | 32.00 |                              | 31.4                        |  |

## 3. Prospects for the Following 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 FY2025 | 1,803,000     | (10.3) | 121,000                 | (6.5) | 111,000          | 3.1  | 163,000    | 129.1 | 130,000   | 217.7 | 91.34                    |
| FY2025               | 3,740,000     | (5.3)  | 265,000                 | 15.8  | 202,000          | 43.6 | 213,000    | 101.6 | 145,000   | 222.1 | 101.88                   |

Reference: Income before taxes

First Half of FY2025: ¥94,000 million(14.8%), FY2025: ¥165,000 million(67.7%)

## \* Notes

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

Newly included: — Excluded : 2

(Company Name) PT Mitsubishi Chemical Indonesia, Kansai Coke and Chemicals Company, Limited

(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<br>March 31, 2025 | 1,506,288,107 Shares | As of March<br>31, 2024 | 1,506,288,107 Shares |
|-------------------------|----------------------|-------------------------|----------------------|

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

|                         |                   |                         |                   |
|-------------------------|-------------------|-------------------------|-------------------|
| As of<br>March 31, 2025 | 83,102,073 Shares | As of March<br>31, 2024 | 83,705,108 Shares |
|-------------------------|-------------------|-------------------------|-------------------|

(iii) Average number of shares outstanding during the period

|                                     |                      |                                     |                      |
|-------------------------------------|----------------------|-------------------------------------|----------------------|
| Fiscal year ended<br>March 31, 2025 | 1,423,070,908 Shares | Fiscal year ended<br>March 31, 2024 | 1,422,496,052 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 Company's shares in executive compensation BIP trust:

|                |                  |
|----------------|------------------|
| March 31, 2025 | 1,670,494 Shares |
| March 31, 2024 | 1,989,461 Shares |

### Disclosure regarding audit procedures

Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

### 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. The Company's stance on forward-looking statements is described on pages [8] hereof.

\*As announced on February 7, 2025, The MCG Group has decided on the transfer of Mitsubishi Tanabe Pharma. In the forecast for fiscal 2025, the Pharma business is deemed as a discontinued operation from the beginning of period on the assumption that the transfer will be completed. Therefore, the results from the Pharma business are not included in sales revenue, core operating income, operating income, and income before taxes in the forecast for fiscal 2025. In addition, the percentage changes have been calculated by reclassifying the Pharma business as a discontinued operation for the fiscal year ended March 31, 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 fiscal year (April 1, 2024 - March 31, 2025; same hereafter) continued to show different levels of strength among regions and industries. In the United States, solid growth continued due to the favorable employment environment supporting private consumption. In Europe, there were signs of recovery on the back of calming inflation and monetary policies. In Japan, there was a moderate recovery trend in tandem with an increase in business expenditure and growing inbound demand. On the other hand, in China, growth slowed due to the slump in the real estate market among other factors.

Against this backdrop, compared to the previous consolidated fiscal year (April 1, 2023 - March 31, 2024; same hereafter), sales revenue of the Mitsubishi Chemical Group (the MCG Group) increased ¥20.2 billion, or 0.5% to ¥4,407.4 billion. In the profit front, core operating income rose ¥90.3 billion, or 43.4%, to ¥298.4 billion. Meanwhile, operating income was down ¥65.1 billion, or 24.9%, to ¥196.7 billion. Income before taxes decreased ¥89.8 billion, or 37.4%, to ¥150.7 billion. Net income attributable to owners of the parent dropped ¥74.6 billion, or 62.4% to ¥45.0 billion.

### Overview of Business Segments

The overview of financial results by business segment for fiscal 2024 is shown below. the MCG Group has reviewed reporting segments from the beginning of fiscal 2024. The order of reporting segments has been changed from the consolidated first three quarters of fiscal 2024. For details, please see "2. (6) Notes to 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 previous fiscal year, sales revenue increased ¥37.5 billion, to ¥1,081.3 billion and core operating income rose ¥17.7 billion, to ¥25.1 billion.

In Advanced Films and Polymers, while there were effects of 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 and efforts to maintain and improve selling prices of various products, on top of 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 some businesses, despite an increase in sales volume reflecting a rise in demand for semiconductors, 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 mainly to an increase in sales volume reflecting a recovery in demand for displays, semiconductors, barrier packaging and other applications as well as an improvement in price gap reflecting an effort to maintain and increase selling prices of various products, despite the effect of impairment of production equipment and intangible assets obtained by acquisition of Gelest, Inc.

In this segment in the fiscal year, 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 was completed in March 2025.
- In tandem with the expansion of the semiconductor market, the decision was made in October 2024 to increase the production capacity of ion exchange resins used to produce ultrapure water for use in semiconductor manufacturing processes at Kyushu-Fukuoka Plant. The upgraded facilities are scheduled to go into operation in April 2026.
- In order to meet the growing demand and requirements for higher quality with the increase in the size of liquid crystal display screens, the decision was made to expand the production facility for OPL Film™ products, optical polyvinyl alcohol (PVOH) film for polarizing plates, at Central Japan-Ogaki (Kanda) Plant (production capacity: 27 million square meters per year). The upgraded facility is scheduled to go into operation in the second half of FY2027, and after completion, the total production capacity of the MCG Group is expected to be 154 million square meters per year.
- In tandem with the expansion of the semiconductor market, the decision was made to establish a new plant in Fukushima Prefecture and expand the existing Iwate Plant for the semiconductor precision cleaning business. Both plants are scheduled to begin operations in October 2026.
- In tandem with the expansion of the semiconductor market, the decision was made to increase the production capacity of a synthetic silica powder used in the semiconductor manufacturing process by 35% over the current capacity at the Kyushu-Fukuoka Plant. Operations are scheduled to start in September 2028.
- In order to strengthen supply chains of anode material for automotive lithium-ion batteries and enhance efforts to make more carbon-neutral materials, the decision was made in December 2024 to develop a grade of natural graphite that exceeds the performance of synthetic graphite and to increase the production capacity of at its Kagawa Plant (production capacity: 11,000 tons/year). The upgraded facility is scheduled to go into operation in October 2026.
- As part of the business portfolio reform, the decision was made to withdraw from the business involving polysaccharide thickeners, a food additive. It is scheduled to terminate the manufacturing at the end of September 2025 and the marketing at the end of March 2026.
- A license agreement was concluded with SNF Group (SNF; Head office: France) regarding the N-vinylformamide (NVF) manufacturing technology. NVF is a raw material of functional polymers. By making use of its intangible assets including intellectual property, the MCG Group will contribute to the reduction of environmental impacts across a range of industries, including papermaking and water treatment.

## **MMA & Derivatives Segment**

In comparison with the previous fiscal year, sales revenue increased ¥54.1 billion, to ¥402.1 billion and core operating income rose ¥29.8 billion, to ¥35.3 billion.

In MMA, sales revenue increased due to the forex impact in addition to a rise in market prices chiefly for MMA monomer, despite a decline in demand for MMA monomer and other products.

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.

In this segment in the fiscal year, the following items were implemented by or occurred at the MCG Group.

- It had been considered to construct a new MMA monomer plant in Geismar, Louisiana (the U.S.) that would utilize the MCG Group's proprietary "New Ethylene Process (Alpha Process)" technology (hereinafter "Investment Plan"). However, the decision was made in January 2025 to discontinue consideration of the Investment Plan due in part to the prospect of meeting immediate demand with existing MMA monomer manufacturing facilities in Tennessee (the U.S.) and elsewhere and the failure in negotiations with customers to obtain long-term commitments on transactions after the execution of the Investment Plan based on increases in capital investment stemming from inflation and other factors.
- The decision was made in March 2025 to discontinue in stages the manufacturing of ammonia and its derivatives, methanol, and other products at Mitsubishi Chemical Corporation's Onahama Plant and Shinryo Corporation's Iwaki Plant. The manufacturing of products from these plants is scheduled to be discontinued in stages starting in March 2026, and fully terminated by the end of March 2027.

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

In comparison with the previous fiscal year, sales revenue decreased ¥134.1 billion, to ¥972.4 billion and core operating income rose ¥9.8 billion, to a loss of a loss of ¥15.6 billion.

In Materials and Polymers, sales revenue decreased year on year due to the effect of the transfer of shares of a specified subsidiary in the pure terephthalic acid (PTA) business and a decline in sales volume reflecting lower demand for various products, despite the forex impact and a rise in selling prices in tandem with higher raw material prices.

In Carbon Products, sales revenue dropped owing to the effects of the transfer of shares of a specified subsidiary in the cokes business, a decrease in sales volume due to sluggish demand, and a decline in selling prices for cokes in tandem with a fall in raw material prices.

Core operating income in this segment improved on the back of the widened price gap between raw materials and products, chiefly for polyolefins, despite the deterioration in inventory valuation gains mainly in the carbon business.

In this segment in the fiscal year, the following items were implemented by or occurred at the MCG Group.

- With regard to the press release entitled "Asahi Kasei, Mitsui Chemicals, and Mitsubishi Chemical to start joint feasibility study on carbon neutrality of ethylene production facilities in western Japan" announced in May 2024, based on initial assessment of discussions thus far, it was confirmed that coordination across districts would be valuable, and an agreement was reached with Asahi Kasei Corp. (Head office: Chiyoda-ku, Tokyo) and Mitsui Chemicals, Inc. (Head office: Chuo-ku, Tokyo) to perform more in-depth study on production optimization, including carbon neutrality of ethylene production facilities in western Japan and future capacity reductions, premised on the establishment of a joint operating entity.
- In August 2024, it was decided to reduce the number of coke ovens owned by Kagawa Plant from 250 to 150. The production through the targeted 100 ovens has been discontinued. 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.

## Pharma Segment

In comparison with the previous fiscal year, sales revenue increased ¥23.1 billion, to ¥460.3 billion and core operating income rose ¥9.1 billion, to ¥65.4 billion.

Although there was a negative impact from National Health Insurance drug price revisions in the domestic ethical pharmaceuticals business as well as from the increasing sales erosion by generic products including the selective treatment system, both sales revenue and core operating income increased year on year on the back of the significant growth in sales of RADICAVA ORS®, a treatment agent for patients with amyotrophic lateral sclerosis (ALS) which had been released in the United States, as well as the steady launch of sustained release GIP/GLP-1 receptor agonist Mounjaro and GOBIK Aqueous Suspension Syringes, Absorbed Diphtheria-Purified Pertussis-Tenanus-Inactivated Polio-Haemophilus type b conjugate Combined Vaccine.

In this segment in the fiscal year, 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 (MTPC) 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.
- With regard to investigational ND0612 for the treatment of motor fluctuations in people with Parkinson's Disease, a complete response letter (hereinafter "CRL") had been received from the U.S. Food and Drug Administration (hereinafter, "FDA"). The development plan in the United States was updated following a meeting was held with the FDA to discuss the contents of the CRL including additional safety information on the carbidopa ingredient of ND0612, as well as additional information on product quality, device, and manufacturing site inspections and next steps. Resubmission of a new drug application is targeted around mid-2025. In addition, it was notified in February 2025 that the European Medicines Agency (EMA) had accepted for review the marketing authorization application (MAA) for ND0612.
- In December 2024, Eli Lilly Japan K.K. received manufacturing and marketing authorization in Japan for Zepbound®, a long-acting GIP/GLP-1 receptor agonist, for the treatment of obesity disease\* and launched the marketing in April 2025. In Japan, MTPC is responsible for sales and distribution of Zepbound® and Eli Lilly Japan K.K. and MTPC will jointly provide information, in the same way as Mounjaro® with the same molecule, which is indicated for the treatment of type 2 diabetes mellitus and is marketed and distributed by the two companies.
  - \* However, its use is limited to people with any of hypertension, dyslipidemia, or type 2 diabetes mellitus and do not adequately respond to diet or exercise therapy and meet any of the following conditions:
    - BMI of  $\geq 27$  kg/m<sup>2</sup> in the presence of at least two obesity-related health conditions
    - BMI of  $\geq 35$  kg/m<sup>2</sup>.
- In February 2025, approval was obtained in Japan for an additional dosage form of CANALIA® Combination OD Tablets, which is orally disintegrating tablets (OD tablets) for CANALIA® Combination Tablets, the combination drug of selective DPP-4 inhibitor and SGLT2 inhibitor.

## Industrial Gases Segment

In comparison with the previous fiscal year, sales revenue increased ¥54.2 billion, to ¥1,301.1 billion and core operating income rose ¥23.1 billion, to ¥186.1 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 and a decline in the sales volume of products other than air-separated gases in tandem with sluggish gas demand in the U.S. 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 fiscal year, 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.
- In October 2024, an agreement on investment in Polaris (Head office: Italy), a plant engineering company renowned for its expertise in process and separation technological solutions, was signed in order to pursue and strengthen engineering capabilities.
- It was agreed with Wesfarmers Limited (Head office: Australia; hereinafter "Wesfarmers") to acquire Coregas Pty Ltd (Head office: Australia), Blacksmith Jacks Pty Ltd (Head office: Australia), and Coregas NZ Limited (Head office: New Zealand) (hereinafter collectively "Coregas Group"), which is currently owned by Wesfarmers and handles industrial gas businesses in Australia and New Zealand. An agreement on the acquisition of all shares of Coregas Group was signed in December 2024. The acquisition is expected to be completed by mid-calendar year 2025.
- With the aim of strengthening our homecare and respiratory business in Spain, it was agreed with Corporación Químico-Farmacéutica Esteve (Head office: Spain; hereinafter "CQFE") and Teijin Holdings Europe BV (Head office: the Netherlands; hereinafter "Teijin") regarding the acquisition of Esteve Teijin Healthcare (Head office: Spain; hereinafter "ETH"). An agreement on the acquisition of all shares of ETH was signed in December 2024. The acquisition of shares is scheduled to be completed upon obtaining approval from Spain's National Commission on Markets and Competition (Comisión Nacional de los Mercados y de la Competencia).

## Others

In comparison with the previous fiscal year, sales revenue decreased ¥14.6 billion, to ¥190.2 billion and core operating income declined ¥0.2 billion, to ¥13.4 billion.

In this segment in the fiscal year, the following items were implemented by or occurred at the MCG Group.

- In November 2024, it was decided to transfer the MCG Group's insurance agency business to Aon Japan Ltd. (Head office: Chiyoda-ku, Tokyo) in light of recent changes in the business environment surrounding in-house insurance agencies. The transfer was completed in March 2025.
- In December 2024, it was decided to transfer some of the MCG Group's real estate leasing and management business and its real estate assets related to this business to ES-CON JAPAN Ltd. (Head office: Minato-ku, Tokyo) in order to optimize its assets. The transfer was completed in April 2025.

## Group Performance Overview

- The MCG Group formulated a management vision "KAITEKI Vision 35" specifying the Group's targets toward 2035, and a "New Medium-Term Management Plan 2029" covering the period from fiscal year 2025 to the end of fiscal year 2029 and announced them in November 2024.
- Based on "KAITEKI Vision 35" and "New Medium-Term Management Plan 2029" announced on November 13, 2024, MCG has been exploring the best partner to achieve future growth in the pharmaceuticals business. Consequently, from a comprehensive perspective including alignment of management policies aimed at Mitsubishi Tanabe Pharma Corporation (MTPC)'s growth, MCG has resolved to transfer MTPC to K.K. BCJ-94 (Head office: Chiyoda-ku, Tokyo), a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP (Head office: the U.S.) (hereinafter the "Transfer"). It is assumed that the Transfer will be completed in the second quarter of the fiscal year ending March 31, 2026, subject to the resolution at the annual shareholders' meeting and the obtainment of necessary clearance and approval pursuant to the competition laws and related laws and regulations of Japan and other relevant jurisdictions.

## (2) Financial Position

Total assets at the end of the fiscal year totaled ¥5,894.6 billion, a decrease of ¥209.9 billion compared with the end of the previous fiscal year. This was primarily attributable to the sale of consolidated subsidiaries including Kansai Coke and Chemicals Company, Limited.

Total liabilities at the end of the fiscal year totaled ¥3,610.0 billion, a decrease of ¥219.0 billion in comparison with the end of the previous fiscal year due mainly to decreases in bonds and borrowings.

Note that interest-bearing debt, which included lease liabilities at the end of the fiscal year came to ¥2,178.5 billion, a decrease of ¥159.7 billion versus the end of the previous fiscal year.

Total equity at the end of the fiscal year was ¥2,284.6 billion, up ¥9.1 billion from the end of the previous fiscal year. Although equity shrank mainly reflecting the payout of dividends and a decrease in exchange differences on translation of foreign operations, equity rose given that the Company posted a profit attributable to owners of the parent and net income attributable to non-controlling interests.

As a result of these factors, the ratio of equity attributable to owners of the parent was up 0.6 points, to 29.5%. The net debt-to-equity ratio was down 0.10, to 1.06.

Notes:

Net debt-to-equity ratio = Net interest-bearing debt ÷ Equity attributable to owners of the parent

Net interest-bearing debt = Interest-bearing debt - (cash and cash equivalents + cash reserves)

## (3) Cash Flow Analysis

Net cash provided by operating activities increased ¥87.7 billion from the previous fiscal year, to ¥552.8 billion. This was mainly attributable to a decline in working capital as well as income before taxes and depreciation and amortization.

Net cash used in investing activities increased ¥29.3 billion from the previous fiscal year to ¥275.4 billion. This was chiefly attributable to an outflow of ¥325.0 billion in purchase of property, plant and equipment and intangible assets, which more than offset the proceeds from sales of property, plant and equipment as well as investments in subsidiaries. Consequently, free cash flow (cash flow from operating and investment activities) increased ¥58.3 billion to ¥277.4 billion.

Net cash used in financing activities increased ¥5.0 billion from the previous fiscal year to ¥246.7 billion. This is primarily attributable to an outflow of ¥182.9 billion due to repayment of interest-bearing debt and ¥63.3 billion for dividend payments.

As a result of these factors, cash and cash equivalents at the end of the fiscal year totaled ¥326.1 billion, an increase of ¥31.2 billion compared with the end of the previous fiscal year.

#### (4) Financial Results Forecasts for Fiscal 2025

Although the global economy surrounding the MCG Group will be supported by economic measures to be taken by respective countries, it is necessary to pay due attention to downside risks as uncertainties regarding the outlook continue to intensify, such as trade policy developments by the U.S., the protracted real estate recession in China, heightened geopolitical risks, and the effects of fluctuations in financial and capital markets.

Given these trends, we forecast that income in our MMA business will drop year on year due to the deterioration in market conditions, while year-on-year income growth is anticipated as a result of the promotion of efforts to raise prices in each business and the carbon business under Basic Materials & Polymers is projected to return to profit chiefly reflecting the positive effect of structural reform.

Accordingly, as for the consolidated financial results for the fiscal year ending March 31, 2026, we forecast ¥3,740.0 billion in sales revenue, ¥265.0 billion in core operating income, ¥202.0 billion in operating income, ¥165.0 billion in income before taxes, ¥213.0 billion in net income, and ¥145.0 billion in net income attributable to owners of the parent.

The following are estimates for major indicators for the above forecasts.

|                                  | (Billions of yen)                               |   |
|----------------------------------|---|---|
|                                  | Fiscal year<br>ended March 31,<br>2025 (Note 1) | Fiscal year<br>ending March 31,<br>2026 |
| Capital Expenditure              | 331.3   | 359.0                                   |
| Depreciation & Amortization      | 262.4   | 269.0                                   |
| R&D Expenses                     | 57.4  | 68.0                                    |
| Exchange rate (Yen/USD) (Note 2) | 152.6   | 140.0                                   |
| Naphtha price (Yen/KL) (Note 2)  | 75,600  | 65,000                                  |

Note 1: In the fiscal year ended March 31, 2025, the Pharma business has been presented following reclassification as a discontinued operation.

Note 2: These are the averages for April 1, 2024 - March 31, 2025 and April 1, 2025 - March 31, 2026.

## 2. Basic Approach to the Selection of Accounting Standards

The company has voluntarily applied IFRS from the fiscal year ended March 31, 2017 for its consolidated financial statements for the purpose of enhancing its reporting's international comparability and unifying accounting treatment within the Group.

### 3. Consolidated Financial Statements and Notes Concerning Consolidated Financial Statements

#### (1) Consolidated Statement of Profit or Loss

Fiscal year ended March 31, 2024 and 2025

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2024 | Fiscal year ended<br>March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Sales revenue   | 4,387,218                           | 4,407,405                           |
| Cost of sales   | (3,240,394)                         | (3,127,811)                         |
| Gross profit  | 1,146,824                           | 1,279,594                           |
| Selling, general and administrative expenses                    | (932,345)                           | (970,021)                           |
| Other operating income  | 117,801                             | 48,392                              |
| Other operating expenses  | (78,539)                            | (169,338)                           |
| Share of profit of associates and joint ventures                | 8,090                               | 8,067                               |
| Operating income  | 261,831                             | 196,694                             |
| Financial income  | 23,796                              | 8,988                               |
| Financial expenses  | (45,080)                            | (54,987)                            |
| Income before taxes   | 240,547                             | 150,695                             |
| Income taxes  | (62,108)                            | (45,059)                            |
| Net income  | 178,439                             | 105,636                             |
| <b>Net income attributable to</b>                               |                                     |                                     |
| Owners of the parent  | 119,596                             | 45,020                              |
| Non-controlling interests                                       | 58,843                              | 60,616                              |
| <b>Earnings per share(Yen)</b>                                  |                                     |                                     |
| Basic earnings per share attributable to owners of the parent   | 84.07                               | 31.64                               |
| Diluted earnings per share attributable to owners of the parent | 80.77                               | 31.63                               |

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

Fiscal year ended March 31, 2024 and 2025

(Millions of yen)

|  | Fiscal year ended<br>March 31, 2024 | Fiscal year ended<br>March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Net income   | 178,439                             | 105,636                             |
| Other comprehensive income   |                                     |                                     |
| Items that will not be reclassified to profit or loss  |                                     |                                     |
| Net gain (loss) on revaluation of financial assets<br>measured at fair value through other comprehensive<br>income | 7,792                               | (7,818)                             |
| Remeasurements of defined benefit plans  | 7,295                               | 6,091                               |
| Share of other comprehensive income(loss)<br>of associates and joint ventures for using<br>the equity method       | (26)                                | 95                                  |
| Total items that will not be reclassified to profit or loss  | 15,061                              | (1,632)                             |
| Items that may be subsequently reclassified to<br>profit or loss   |                                     |                                     |
| Exchange differences on translation of<br>foreign operations   | 166,868                             | (27,682)                            |
| Net gain (loss) on derivatives designated<br>as cash flow hedges   | 1,163                               | (1,115)                             |
| Share of other comprehensive income(loss)<br>of associates and joint ventures for using<br>the equity method       | 2,066                               | 2,257                               |
| Total items that may be subsequently reclassified<br>to profit or loss   | 170,097                             | (26,540)                            |
| Total other comprehensive income (net of tax)  | 185,158                             | (28,172)                            |
| Total comprehensive income   | 363,597                             | 77,464                              |
| Total comprehensive income attributable to   |                                     |                                     |
| Owners of the parent   | 249,349                             | 21,774                              |
| Non-controlling interests  | 114,248                             | 55,690                              |

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

(Millions of yen)

|   | March 31, 2024 | March 31, 2025 |
|---|----------------|----------------|
| <b>Assets</b>                                     |                |                |
| Current assets                                    |                |                |
| Cash and cash equivalents                         | 294,924        | 326,144        |
| Trade receivables                                 | 852,353        | 764,814        |
| Inventories                                       | 799,249        | 759,423        |
| Other financial assets                            | 82,804         | 66,103         |
| Other current assets                              | 131,721        | 128,973        |
| Subtotal  | 2,161,051      | 2,045,457      |
| Assets held for sale                              | 30,585         | 16,103         |
| Total current assets                              | 2,191,636      | 2,061,560      |
| Non-current assets                                |                |                |
| Property, plant and equipment                     | 2,043,330      | 2,004,447      |
| Goodwill  | 832,899        | 827,604        |
| Intangible assets                                 | 481,028        | 442,039        |
| Investments accounted for using the equity method | 164,246        | 166,753        |
| Other financial assets                            | 221,232        | 203,645        |
| Other non-current assets                          | 72,747         | 70,324         |
| Deferred tax assets                               | 97,395         | 118,247        |
| Total non-current assets                          | 3,912,877      | 3,833,059      |
| Total assets                                      | 6,104,513      | 5,894,619      |

(Millions of yen)

|   | March 31, 2024 | March 31, 2025 |
|---|----------------|----------------|
| Liabilities   |                |                |
| Current liabilities                                       |                |                |
| Trade payables  | 501,532        | 424,635        |
| Bonds and borrowings                                      | 605,307        | 428,067        |
| Income tax payable  | 22,890         | 39,441         |
| Other financial liabilities                               | 367,925        | 351,480        |
| Provisions  | 35,957         | 38,227         |
| Other current liabilities                                 | 187,420        | 217,563        |
| Subtotal  | 1,721,031      | 1,499,413      |
| Liabilities directly associated with assets held for sale | 3,881          | 745            |
| Total current liabilities                                 | 1,724,912      | 1,500,158      |
| Non-current liabilities                                   |                |                |
| Bonds and borrowings                                      | 1,595,704      | 1,612,920      |
| Other financial liabilities                               | 121,128        | 135,356        |
| Retirement benefit liabilities                            | 104,828        | 99,050         |
| Provisions  | 31,672         | 25,160         |
| Other non-current liabilities                             | 44,147         | 37,287         |
| Deferred tax liabilities                                  | 206,627        | 200,119        |
| Total non-current liabilities                             | 2,104,106      | 2,109,892      |
| Total liabilities   | 3,829,018      | 3,610,050      |
| Equity  |                |                |
| Common stock  | 50,000         | 50,000         |
| Additional paid-in capital                                | 159,602        | 160,114        |
| Treasury stock  | (61,857)       | (61,458)       |
| Retained earnings   | 1,355,131      | 1,363,689      |
| Other components of equity                                | 260,571        | 228,225        |
| Equity attributable to owners of the parent               | 1,763,447      | 1,740,570      |
| Non-controlling interests                                 | 512,048        | 543,999        |
| Total equity  | 2,275,495      | 2,284,569      |
| Total liabilities and equity                              | 6,104,513      | 5,894,619      |

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

Fiscal year ended March 31, 2024

(Millions of yen)

|  | Common<br>stock | Additional<br>paid-in<br>capital | Treasury<br>stock | Retained<br>earnings |
|--|-----------------|----------------------------------|-------------------|----------------------|
| Balance at April 1, 2023   | 50,000          | 167,917                          | (62,231)          | 1,270,577            |
| Net income   | —               | —                                | —                 | 119,596              |
| Other comprehensive income                                       | —               | —                                | —                 | —                    |
| Total comprehensive income                                       | —               | —                                | —                 | 119,596              |
| Purchase of treasury stock                                       | —               | —                                | (33)              | —                    |
| Disposal of treasury stock                                       | —               | (83)                             | 407               | —                    |
| Cash dividends   | —               | —                                | —                 | (44,094)             |
| Share-based payment transactions                                 | —               | 46                               | —                 | —                    |
| Forfeiture of share acquisition rights                           | —               | (1,993)                          | —                 | 1,445                |
| Changes in interests in subsidiaries                             | —               | (6,285)                          | —                 | —                    |
| Changes in scope of consolidation                                | —               | —                                | —                 | (10)                 |
| Transfer from other components<br>of equity to retained earnings | —               | —                                | —                 | 7,617                |
| Total transactions with owners                                   | —               | (8,315)                          | 374               | (35,042)             |
| Balance at March 31, 2024  | 50,000          | 159,602                          | (61,857)          | 1,355,131            |

#### Other components of equity

|  | Net gain<br>(loss) on<br>revaluation<br>of financial<br>assets<br>measured<br>at fair value<br>through other<br>comprehensiv<br>e income | Remeasure-<br>ments of<br>defined<br>benefit<br>plans | Exchange<br>differences<br>on<br>translation<br>of foreign<br>operations | Net gain<br>(loss) on<br>derivatives<br>designated<br>as cash flow<br>hedges | Total   | Equity<br>attributable<br>to owners of<br>the parent | Non-<br>controlling<br>interests | Total<br>equity |
|--|--|---|--|--|---------|--|----------------------------------|-----------------|
| Balance at April 1, 2023   | 34,291   | —   | 99,888   | 4,256  | 138,435 | 1,564,698  | 423,771                          | 1,988,469       |
| Net income   | —  | —   | —  | —  | —       | 119,596  | 58,843                           | 178,439         |
| Other comprehensive income                                       | 4,752  | 6,515   | 117,596  | 890  | 129,753 | 129,753  | 55,405                           | 185,158         |
| Total comprehensive income                                       | 4,752  | 6,515   | 117,596  | 890  | 129,753 | 249,349  | 114,248                          | 363,597         |
| Purchase of treasury stock                                       | —  | —   | —  | —  | —       | (33)   | —                                | (33)            |
| Disposal of treasury stock                                       | —  | —   | —  | —  | —       | 324  | —                                | 324             |
| Cash dividends   | —  | —   | —  | —  | —       | (44,094)   | (14,457)                         | (58,551)        |
| Share-based payment transactions                                 | —  | —   | —  | —  | —       | 46   | —                                | 46              |
| Forfeiture of share acquisition rights                           | —  | —   | —  | —  | —       | (548)  | —                                | (548)           |
| Changes in interests in subsidiaries                             | —  | —   | —  | —  | —       | (6,285)  | (11,503)                         | (17,788)        |
| Changes in scope of consolidation                                | —  | —   | —  | —  | —       | (10)   | (11)                             | (21)            |
| Transfer from other components<br>of equity to retained earnings | (1,102)  | (6,515)   | —  | —  | (7,617) | —  | —                                | —               |
| Total transactions with owners                                   | (1,102)  | (6,515)   | —  | —  | (7,617) | (50,600)   | (25,971)                         | (76,571)        |
| Balance at March 31, 2024  | 37,941   | —   | 217,484  | 5,146  | 260,571 | 1,763,447  | 512,048                          | 2,275,495       |



Fiscal year ended March 31, 2025

(Millions of yen)

|   | Common<br>stock | Additional<br>paid-in<br>capital | Treasury<br>stock | Retained<br>earnings |
|---|-----------------|----------------------------------|-------------------|----------------------|
| Balance at April 1, 2024                                      | 50,000          | 159,602                          | (61,857)          | 1,355,131            |
| Net income  | —               | —                                | —                 | 45,020               |
| Other comprehensive income                                    | —               | —                                | —                 | —                    |
| Total comprehensive income                                    | —               | —                                | —                 | 45,020               |
| Purchase of treasury stock                                    | —               | —                                | (26)              | —                    |
| Disposal of treasury stock                                    | —               | (144)                            | 425               | —                    |
| Cash dividends  | —               | —                                | —                 | (45,533)             |
| Share-based payment transactions                              | —               | (13)                             | —                 | —                    |
| Changes in interests in subsidiaries                          | —               | 669                              | —                 | —                    |
| Business combinations or business divestitures                | —               | —                                | —                 | —                    |
| Changes in scope of consolidation                             | —               | —                                | —                 | (29)                 |
| Transfer from other components of equity to retained earnings | —               | —                                | —                 | 9,100                |
| Total transactions with owners                                | —               | 512                              | 399               | (36,462)             |
| Balance at March 31, 2025                                     | 50,000          | 160,114                          | (61,458)          | 1,363,689            |

Other components of equity

|   | Net gain<br>(loss) on<br>revaluation<br>of financial<br>assets<br>measured<br>at fair value<br>through other<br>comprehensive<br>income | Remeasure-<br>ments of<br>defined<br>benefit<br>plans | Exchange<br>differences<br>on<br>translation<br>of foreign<br>operations | Net gain<br>(loss) on<br>derivatives<br>designated<br>as cash flow<br>hedges | Total    | Equity<br>attributable<br>to owners of<br>the parent | Non-<br>controlling<br>interests | Total<br>equity |
|---|---|---|--|--|----------|--|----------------------------------|-----------------|
| Balance at April 1, 2024                                      | 37,941  | —   | 217,484  | 5,146  | 260,571  | 1,763,447  | 512,048                          | 2,275,495       |
| Net income  | —   | —   | —  | —  | —        | 45,020   | 60,616                           | 105,636         |
| Other comprehensive income                                    | (5,840)   | 5,644   | (22,115)   | (935)  | (23,246) | (23,246)   | (4,926)                          | (28,172)        |
| Total comprehensive income                                    | (5,840)   | 5,644   | (22,115)   | (935)  | (23,246) | 21,774   | 55,690                           | 77,464          |
| Purchase of treasury stock                                    | —   | —   | —  | —  | —        | (26)   | —                                | (26)            |
| Disposal of treasury stock                                    | —   | —   | —  | —  | —        | 281  | —                                | 281             |
| Cash dividends  | —   | —   | —  | —  | —        | (45,533)   | (18,866)                         | (64,399)        |
| Share-based payment transactions                              | —   | —   | —  | —  | —        | (13)   | —                                | (13)            |
| Changes in interests in subsidiaries                          | —   | —   | —  | —  | —        | 669  | (1,265)                          | (596)           |
| Business combinations or business divestitures                | —   | —   | —  | —  | —        | —  | (3,579)                          | (3,579)         |
| Changes in scope of consolidation                             | —   | —   | —  | —  | —        | (29)   | (29)                             | (58)            |
| Transfer from other components of equity to retained earnings | (3,456)   | (5,644)   | —  | —  | (9,100)  | —  | —                                | —               |
| Total transactions with owners                                | (3,456)   | (5,644)   | —  | —  | (9,100)  | (44,651)   | (23,739)                         | (68,390)        |
| Balance at March 31, 2025                                     | 28,645  | —   | 195,369  | 4,211  | 228,225  | 1,740,570  | 543,999                          | 2,284,569       |

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

Fiscal year ended March 31, 2024 and 2025

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2024 | Fiscal year ended<br>March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities                                  |                                     |                                     |
| Income before taxes   | 240,547                             | 150,695                             |
| Depreciation and amortization   | 275,436                             | 275,933                             |
| Share of profit of associates and joint ventures                      | (8,090)                             | (8,067)                             |
| Interest and dividend income  | (11,681)                            | (8,426)                             |
| Interest expense  | 43,049                              | 41,114                              |
| (Increase) decrease in trade receivables                              | (14,184)                            | 53,118                              |
| (Increase) decrease in inventories                                    | 30,298                              | 13,436                              |
| Increase (decrease) in trade payables                                 | (2,663)                             | (22,457)                            |
| Increase (decrease) in retirement benefit assets and liabilities, net | (490)                               | 2,746                               |
| Increase (decrease) in employees' bonus liabilities                   | 868                                 | 7,179                               |
| Others  | (30,205)                            | 125,661                             |
| Subtotal  | 522,885                             | 630,932                             |
| Interest received   | 5,463                               | 4,887                               |
| Dividends received  | 28,145                              | 14,650                              |
| Interest paid   | (40,881)                            | (41,399)                            |
| Income tax (paid) received, net                                       | (50,466)                            | (56,223)                            |
| Net cash provided by (used in) operating activities                   | 465,146                             | 552,847                             |
| Cash flows from investing activities                                  |                                     |                                     |
| Purchase of property, plant and equipment                             | (268,686)                           | (314,533)                           |
| Proceeds from sales of property, plant and equipment                  | 6,020                               | 21,058                              |
| Purchase of intangible assets   | (5,786)                             | (10,439)                            |
| Purchase of other financial assets                                    | (7,313)                             | (2,291)                             |
| Proceeds from sales/redemption of other financial assets              | 21,983                              | 13,734                              |
| Net cash outflow on acquisition of subsidiaries                       | (49,519)                            | (781)                               |
| Proceeds from sales of investments in subsidiaries                    | 44,315                              | 16,391                              |
| Payments for transfer of business                                     | (10,024)                            | (5,646)                             |
| Proceeds from transfer of business                                    | 1,319                               | 5,292                               |
| Net (Increase) decrease of time deposits                              | (4,967)                             | (284)                               |
| Others  | 26,571                              | 2,065                               |
| Net cash provided by (used in) investing activities                   | (246,087)                           | (275,434)                           |

(Millions of yen)

|  | Fiscal year ended<br>March 31, 2024 | Fiscal year ended<br>March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from financing activities   |                                     |                                     |
| Net increase (decrease) in short-term borrowings   | 11,641                              | (23,425)                            |
| Net increase (decrease) in commercial papers   | 21,000                              | (97,000)                            |
| Proceeds from long-term borrowings   | 115,602                             | 253,118                             |
| Repayment of long-term borrowings  | (197,805)                           | (266,241)                           |
| Proceeds from issuance of bonds  | 119,446                             | 19,899                              |
| Redemption of bonds  | (200,000)                           | (35,000)                            |
| Repayment of lease liabilities   | (36,491)                            | (34,203)                            |
| Net (increase) decrease in treasury stock  | (33)                                | (25)                                |
| Dividends paid to owners of the parent   | (44,094)                            | (45,533)                            |
| Dividends paid to non-controlling interests  | (13,816)                            | (17,753)                            |
| Others   | (17,174)                            | (491)                               |
| Net cash provided by (used in) financing activities  | (241,724)                           | (246,654)                           |
| Effect of exchange rate changes on cash and cash equivalents   | 21,225                              | (2,698)                             |
| Net increase (decrease) in cash and cash equivalents   | (1,440)                             | 28,061                              |
| 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 | (1,045)                             | 3,040                               |
| Net increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | 185                                 | 17                                  |
| Net increase in cash and cash equivalents resulting from merger and acquisition                      | —                                   | 102                                 |
| Cash and cash equivalents at the end of the period   | 294,924                             | 326,144                             |

## (6) Notes to Consolidated Financial Statements

### (Applicable Financial Reporting Framework)

The MCG Group's consolidated financial statements disclosed in this Consolidated Financial Results, which comprise the Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flow, and Notes to Consolidated Financial Statements, omit certain disclosures and notes required by IFRS.

### (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).

In line with the New Medium-Term Management Plan 2029 announced in November 2024, the order of reporting segments has been changed from the third quarter of the fiscal year ending March 31, 2025.

The MCG Group used revised classifications and a revised order to present segment information for the fiscal year ended March 31, 2024.

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 Firms, 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  |
| 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   |
| Pharma                     |                              | Ethical Pharmaceuticals   |
| 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.

|   | REPORTING SEGMENT      |                      |                                  |         |                     | Others<br>(Note 1) | Adjustment<br>(Note 2) | Consolidated |
|---|------------------------|----------------------|----------------------------------|---------|---------------------|--------------------|------------------------|--------------|
|   | Specialty<br>Materials | MMA &<br>Derivatives | Basic<br>Materials &<br>Polymers | Pharma  | Industrial<br>Gases |                    |                        |              |
| Revenue   |                        |                      |                                  |         |                     |                    |                        |              |
| External revenue  | 1,043,754              | 347,941              | 1,106,560                        | 437,230 | 1,246,877           | 204,856            | —                      | 4,387,218    |
| Inter-segment<br>revenue                                | 9,848                  | 13,876               | 39,044                           | 138     | 8,204               | 149,588            | (220,698)              | —            |
| Total   | 1,053,602              | 361,817              | 1,145,604                        | 437,368 | 1,255,081           | 354,444            | (220,698)              | 4,387,218    |
| Segment profit (loss)                                   |                        |                      |                                  |         |                     |                    |                        |              |
| Core operating<br>income<br>(Note 3)                    | 7,444                  | 5,537                | (25,428)                         | 56,281  | 163,040             | 13,647             | (12,405)               | 208,116      |
| Segment assets  | 1,392,212              | 590,159              | 858,879                          | 933,618 | 2,454,108           | 274,249            | (398,712)              | 6,104,513    |
| Other items   |                        |                      |                                  |         |                     |                    |                        |              |
| Depreciation and<br>amortization                        | 62,328                 | 25,260               | 45,433                           | 13,814  | 114,781             | 7,228              | 6,592                  | 275,436      |
| Share of profit of<br>associates and joint<br>ventures  | 1,329                  | 1,743                | 47                               | 372     | 4,007               | 90                 | —                      | 7,588        |
| Investments<br>accounted for using<br>the equity method | 15,156                 | 28,719               | 48,538                           | 16,547  | 54,557              | 729                | —                      | 164,246      |
| Capital expenditures                                    | 80,867                 | 24,965               | 39,170                           | 5,129   | 126,257             | 4,417              | 3,069                  | 283,874      |

## 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 ¥ (12,392) million not allocated to reporting segments and inter-segment eliminations of ¥(13) million. Corporate costs include expenditures on basic testing, research, and other activities not allocated to reporting segments.  
The adjustment amount for segment assets includes corporate assets of ¥102,138 million yen not allocated to each reporting segment and inter-segment eliminations of ¥ (500,850) million yen among other factors. Corporate assets include financial assets not allocated to reporting segments.
3. Segment profit (loss) is Operating profit in accordance with IFRS after excluding earnings from non-recurring factors, such as losses from business withdrawals and downsizings, representing core operating income.

Fiscal year ended March 31, 2025

(Millions of yen)

|   | REPORTING SEGMENT      |                      |                                  |         |                     | Others<br>(Note 1) | Adjustment<br>(Note 2) | Consolidated |
|---|------------------------|----------------------|----------------------------------|---------|---------------------|--------------------|------------------------|--------------|
|   | Specialty<br>Materials | MMA &<br>Derivatives | Basic<br>Materials &<br>Polymers | Pharma  | Industrial<br>Gases |                    |                        |              |
| Revenue   |                        |                      |                                  |         |                     |                    |                        |              |
| External revenue  | 1,081,338              | 402,119              | 972,448                          | 460,328 | 1,301,105           | 190,067            | —                      | 4,407,405    |
| Inter-segment<br>revenue                                | 10,276                 | 14,276               | 34,818                           | 92      | 6,920               | 145,406            | (211,788)              | —            |
| Total   | 1,091,614              | 416,395              | 1,007,266                        | 460,420 | 1,308,025           | 335,473            | (211,788)              | 4,407,405    |
| Segment profit (loss)                                   |                        |                      |                                  |         |                     |                    |                        |              |
| Core operating<br>income<br>(Note 3)                    | 25,111                 | 35,285               | (15,570)                         | 65,402  | 186,069             | 13,437             | (11,357)               | 298,377      |
| Segment assets  | 1,342,072              | 529,179              | 704,404                          | 963,032 | 2,461,545           | 253,034            | (358,647)              | 5,894,619    |
| Other items   |                        |                      |                                  |         |                     |                    |                        |              |
| Depreciation and<br>amortization                        | 67,998                 | 25,253               | 37,437                           | 13,504  | 118,632             | 6,175              | 6,934                  | 275,933      |
| Share of profit of<br>associates and joint<br>ventures  | 1,609                  | 2,447                | (1,360)                          | 231     | 5,014               | 126                | —                      | 8,067        |
| Investments<br>accounted for using<br>the equity method | 15,776                 | 26,728               | 45,896                           | 16,487  | 61,055              | 811                | —                      | 166,753      |
| Capital expenditures                                    | 114,603                | 23,355               | 46,750                           | 7,920   | 142,427             | 2,243              | 1,929                  | 339,227      |

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 ¥ (11,552) million not allocated to reporting segments and inter-segment eliminations of ¥ 195 million. Corporate costs include expenditures on basic testing, research, and other activities not allocated to reporting segments.  
The adjustment amount for segment assets includes corporate assets of ¥149,448 million yen not allocated to each reporting segment and inter-segment eliminations of ¥ (508,095) million yen among other factors. Corporate assets include financial assets not allocated to reporting segments.
3. Segment profit (loss) is Operating profit in accordance with IFRS after excluding earnings from non-recurring factors, such as losses from business withdrawals and downsizings, representing core operating income.
4. From the third quarter of the fiscal year ending March 31, 2025, the MCG Group reclassified segments for some businesses. The MCG Group used new classifications to present segment information for the fiscal year ended March 31, 2024

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

|  | (Millions of yen)                      |  |
|--|--|--|
|  | Fiscal year<br>ended March 31,<br>2024 | Fiscal year<br>ended March 31,<br>2025 |
| Segment profit (loss)  | 208,116                                | 298,377                                |
| Gain on sales of shares of subsidiaries<br>and associates (Note 1) | 36,488                                 | 11,278                                 |
| Gain on sales of property, plant and<br>equipment                  | 1,632                                  | 9,739                                  |
| Gain on sale of carbon credit                                      | —                                      | 2,718                                  |
| Reversal of provision for loss on plant<br>closure                 | 11,960                                 | 1,864                                  |
| Gain on step acquisitions  | 27,000                                 | —                                      |
| Gain on reversal of asset retirement<br>obligations                | 4,681                                  | —                                      |
| Gain on forgiveness of debts                                       | 3,816                                  | —                                      |
| Impairment loss (Note 1)(Note 2)(Note 3)                           | (23,761)                               | (76,590)                               |
| Special retirement expense (Note 4)                                | (2,006)                                | (22,080)                               |
| Loss on sales and disposal of fixed<br>assets                      | (9,656)                                | (15,178)                               |
| Cancellation penalty   | (343)                                  | (3,480)                                |
| Loss on sales of shares of subsidiaries<br>and associates          | (149)                                  | (3,220)                                |
| Provision for loss on business liquidation                         | (1,832)                                | (1,850)                                |
| Loss on business liquidation                                       | (4,796)                                | (826)                                  |
| Loss on arbitration award  | (1,073)                                | (334)                                  |
| Others   | 11,754                                 | (3,724)                                |
| Operating income   | 261,831                                | 196,694                                |
| Financial income   | 23,796                                 | 8,988                                  |
| Financial expenses   | (45,080)                               | (54,987)                               |
| Income before taxes  | 240,547                                | 150,695                                |

Notes:

1. In the fiscal year ended March 31, 2025, 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. In the fiscal year ended March 31, 2024, with respect to the decision on the share transfer of the company, the MCG Group recorded an impairment loss of ¥ (10,652) million, provision for loss on business liquidation of ¥ (1,330) million, special retirement expense of ¥ (323) million and other associated losses of ¥ (28) million.
2. In the fiscal year ended March 31, 2025, regarding the hydrogen production facility currently under construction by Matheson Tri-Gas, Inc., the MCG Group recorded impairment loss of ¥ (25,843) million, in tandem with the decision to discontinue construction plans.
3. In the fiscal year ended March 31, 2025, as a result of the decision to discontinue consideration of a new MMA monomer plant being pursued by Mitsubishi Chemical America Inc., the MCG Group recorded impairment loss of ¥ (12,612) million, cancellation penalty of ¥ (3,323) million, special retirement expense of ¥ (209) and other associated losses of ¥ (367) million.
4. In the fiscal year ended March 31, 2025, with respect to the decision to implement a voluntary retirement program at Mitsubishi Tanabe Pharma Corporation, the MCG Group recorded special retirement expense of ¥ (16,632) million and other associated losses of ¥ (304) million.

**(Per Share Information)**

The bases for calculating basic and diluted earnings per share attributable to owners of the parent were as follows:

|   | Fiscal year<br>ended March 31,<br>2024 | Fiscal year<br>ended March 31,<br>2025 |
|---|--|--|
|   | (Millions of yen)                      |  |
| Net income attributable to owners of the parent                 | 119,596                                | 45,020                                 |
| Adjustment  | 169                                    | —                                      |
| Net income used to calculate diluted earnings per share         | 119,765                                | 45,020                                 |
|   | (Thousands of shares)                  |  |
| Average number of ordinary shares during period                 | 1,422,496                              | 1,423,071                              |
| Impact of potentially dilutive ordinary shares                  |  |  |
| Convertible bond-type bonds with subscription rights to shares  | 59,572                                 | —                                      |
| Subscription rights to shares                                   | 728                                    | 390                                    |
| Average number of diluted ordinary shares during period         | 1,482,796                              | 1,423,461                              |
|   | (Yen)                                  |  |
| Basic earnings per share attributable to owners of the parent   | 84.07                                  | 31.64                                  |
| Diluted earnings per share attributable to owners of the parent | 80.77                                  | 31.63                                  |

**Notes:**

In the calculation of basic and diluted net income per share attributable to owners of the parent, the Company stocks held by Board Incentive Plan trust are included in shares of treasury stock deducted in calculating the average number of shares during the period.



## (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<br>(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.

The relationship between the transfer consideration and the sales proceeds, the principal assets and liabilities upon loss of control in the subsidiary, and the gains and losses related to the transfer are as follows.

### (1) Proceeds from sale of subsidiary

|   | Millions of yen |
|---|-----------------|
| Cash consideration received   | 6,837           |
| Cash and cash equivalents of subsidiary over which control was lost | (1,650)         |
| Proceeds from sale of subsidiary                                    | <u>5,187</u>    |

### (2) Assets and liabilities of subsidiary

|  | Millions of yen |
|--|-----------------|
| Current assets (including cash and cash equivalents) | 52,325          |
| Non-current assets                                   | 34,051          |
| Total assets   | <u>86,376</u>   |
| Current liabilities                                  | 61,343          |
| Non-current liabilities                              | 5,998           |
| Total liabilities                                    | <u>67,341</u>   |

### (3) Gain or loss from sale of subsidiary

As a result of the decision on the Transfer, impairment loss (other operating expenses) of ¥1,891 million was recorded as the difference between the fair value less cost to sell and the carrying amount. In addition, loss on sales of shares of subsidiaries and associates (other operating expenses) of ¥1,822 million was recognized upon the completion of the transaction pertaining to land which is a part of the series of transactions relating to this transfer.

(The Transfer of Mitsubishi Tanabe Pharma Corporation and its Subsidiaries)

#### (1) Outline

The MCG Group has resolved, at a meeting of the Board of Directors held in February 2025, to transfer its consolidated subsidiary, Mitsubishi Tanabe Pharma Corporation (hereinafter "MTPC") to K.K. BCJ-94, a special purpose company indirectly owned by funds advised by Bain Capital Private Equity, LP (hereinafter the "Transfer"), and an agreement related to the Transfer was signed.

It is assumed that the Transfer will be completed in the second quarter of the fiscal year ending March 31, 2026, subject to the resolution at the annual shareholders' meeting and the obtainment of necessary clearance and approval pursuant to the competition laws and related laws and regulations of Japan and other relevant jurisdictions.

#### (2) Impact in the fiscal year ended March 31, 2025

At the end of the fiscal year, deferred tax assets of ¥16,626 million were recognized as temporary differences related to investments in MTPC, based on the judgement that they are likely to satisfy both of the following requirements.

(a) the temporary difference will reverse in the foreseeable future; and

(b) taxable profit will be available against which the temporary difference can be utilised.

Since the transfer has not been approved at the MCG's annual shareholders' meeting as of the end of the fiscal year, MTPC and its subsidiaries and affiliate have not been categorized as discontinued operations, based on the judgement that they do not fall under "the cases where the sale within one year is highly probable and the asset (or disposal group) is available for immediate sale in its present condition" which is a condition for categorization as a discontinued operation.

(Acquisition (conversion into a subsidiary) of the industrial gas business by Australian subsidiary)

The MCG Group reached an agreement with Wesfarmers Limited (hereinafter "Wesfarmers") in Australia to acquire Coregas Pty Ltd, Blacksmith Jacks Pty Ltd, and Coregas NZ Limited (hereinafter collectively "Coregas Group"), which is currently owned by Wesfarmers and handles industrial gas businesses in Australia and New Zealand, through the MCG Group's subsidiary in Australia NSC (Australia) Pty Ltd. An agreement on the acquisition of all shares of Coregas Group was signed in December 2024.

The acquisition of shares is scheduled to be completed upon obtaining approval from the Foreign Investment Review Board (FIRB) and the Australian Competition and Consumer Commission (ACCC).

(Acquisition (conversion into a subsidiary) of the homecare and respiratory business by European subsidiary)

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 Oximesa S.L.U. An agreement on the acquisition of all shares of ETH was signed in December 2024.

The acquisition of shares is scheduled to be completed upon obtaining approval from Spain's National Commission on Markets and Competition (Comisión Nacional de los Mercados y de la Competencia).

### **(Material Subsequent Events)**

(Acquisition and cancellation of treasury shares)

Mitsubishi Chemical Group Corporation (the "Company") hereby announces, that its Board of Directors held on May 13, 2025 and passed a resolution on matters pertaining to the acquisition of treasury shares pursuant to Article 459, Paragraph 1 of the Companies Act and Article 40 of the Company's Articles of Incorporation, and that its Corporate Executive Officers Committee resolved at a separate meeting held on the same day to cancel the Company's treasury shares pursuant to Article 178 of the Companies Act.

#### **1. Reason for acquisition and cancellation of treasury shares**

In the timely disclosure "Notice Concerning the Transfer of Mitsubishi Tanabe Pharma Corporation and its Subsidiaries" dated February 7, 2025, the Company announced that control of Mitsubishi Tanabe Pharma Corporation (Head Office: Chuo-ku, Osaka; Representative Directors: Akihiro Tsujimura and Hiroaki Ueno), a consolidated subsidiary of the Company, would be transferred to K.K. BCJ-94, a special purpose company indirectly owned by an investment fund advised by Bain Capital Private Equity, LP (together with its corporate group, "Bain Capital") (hereinafter referred to as the "Transfer"). Upon making the Transfer, the Company shall receive from Bain Capital a cash consideration equivalent to approximately ¥510 billion.

Having passed a resolution on matters pertaining to the acquisition of treasury shares in order to utilize the funds obtained from the Transfer to strengthen shareholder returns and improve capital efficiency, the Company shall cancel all such treasury shares acquired to improve shareholder value over the medium to long term.

#### **2. Acquisition of treasury shares**

(1) The class and number of shares to be acquired

MCG common shares Up to 100,000,000 shares

(2) Total acquisition price for shares

Up to ¥50 billion

(3) Acquisition period

May 14, 2025 - May 13, 2026

(4) Method of acquisition

On-market share purchase transaction on the Tokyo Stock Exchange on a discretionary trading contract.

#### **3. Cancellation of treasury shares**

(1) The class and number of shares to be canceled

MCG common shares

All treasury shares acquired in accordance with "2. Acquisition of treasury shares" described above

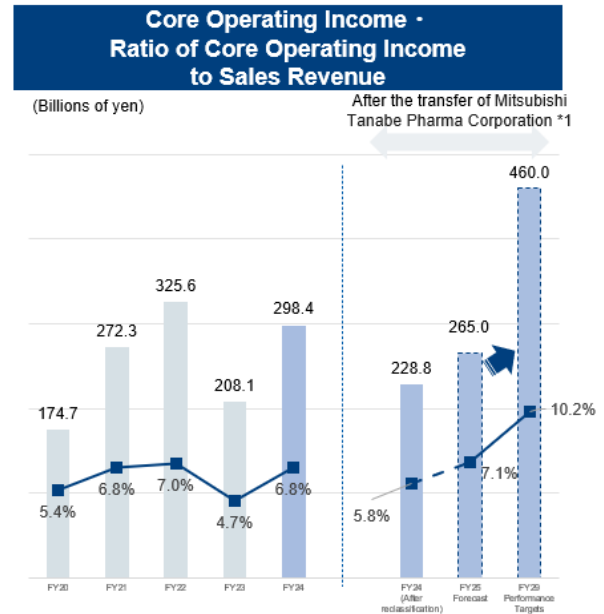
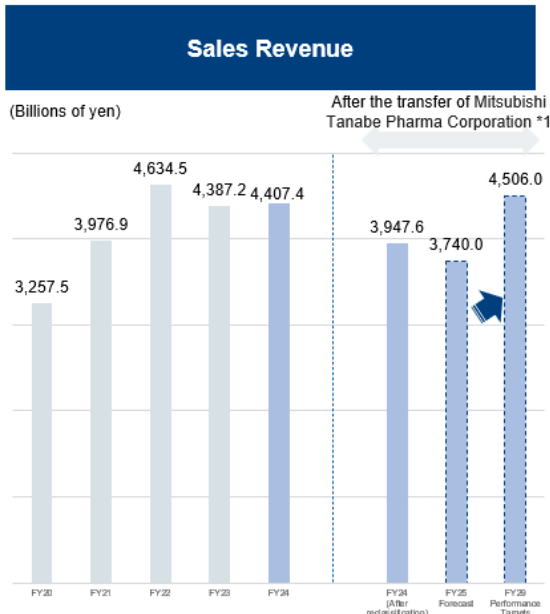
(2) Date of cancellation

June 30, 2026

# Supplemental materials for the Fiscal Year Ended March 31, 2025

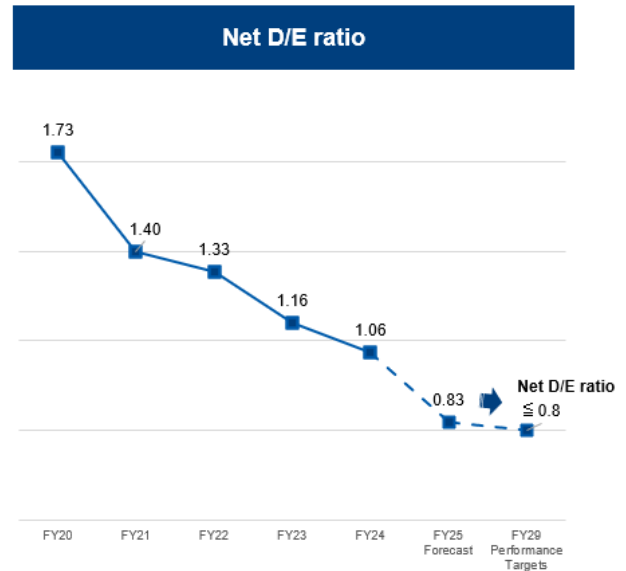
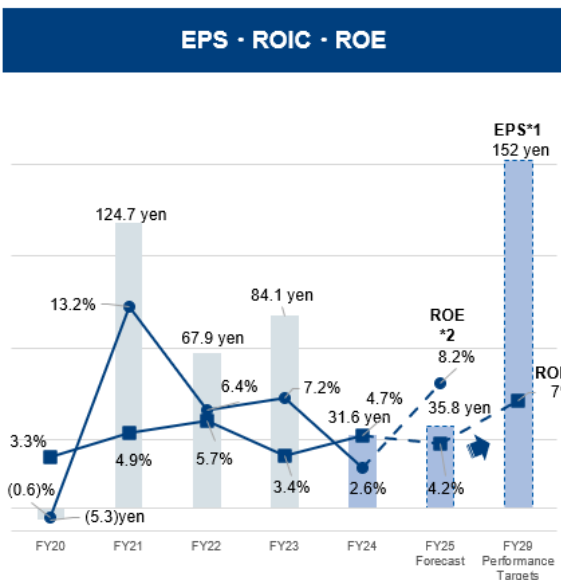
## 【Trends in Management Indicators】

### Trends in Sales Revenue and Core Operating



\*1 Following the resolution of the transfer of Mitsubishi Tanabe Pharma Corporation at MCG's annual shareholders' meeting, the Pharma business will be categorized as a discontinued operation and will be excluded from the scope of sales revenue and core operating income from continuing operations.

### Trends in Indicators for Profitability and Stability



\*1 EPS calculation excludes the profit of discontinued operations. Following the resolution of the transfer of Mitsubishi Tanabe Pharma Corporation at MCG's annual shareholders' meeting the Pharma business will be categorized as a discontinued operation and will be excluded from the scope of earnings per share (EPS) from continuing operations. FY25 forecast and FY29 target are based on the above assumptions. EPS for the fiscal year ended March 2025 calculated with this exclusion is (1.7) yen.

\*2 FY29 performance targets for ROE are not disclosed.

## Calculation formula of indicators

| Indicators    | Calculation formula  |
|---------------|--|
|               | NOPAT(*1) / Invested Capital (averages of beginning and end of fiscal years) (*2)  |
| ROIC          | (*1) NOPAT = (Core Operating Income - Share of profit of associates and joint ventures (included in Core Operating Income) X (1 - Tax rate)<br>+ Share of profit of associates and joint ventures (included in Core Operating Income) + Dividend Income<br>(*2) Invested Capital = Total Equity + Interest-bearing debt                                      |
| ROE           | Net income attributable to owners of the parent / Equity attributable to owners of the parents (averages of beginning and end of fiscal years)   |
| Net D/E ratio | Net interest-bearing debt(*3) / Equity attributable to owners of the parent<br>(*3) Net interest-bearing debt = Interest-bearing debt - (cash and cash equivalents + cash reserves(*4))<br>(*4) Cash reserves comprise certificates of deposits, securities, and other instruments other than cash equivalents that the Group holds to manage surplus funds. |