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MEMBERSHIP

May 12, 2025

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Mitsubishi Gas Chemical Company, Inc.
Listing: Tokyo Stock Exchange
Securities code: 4182
URL: https://www.mgc.co.jp/eng/
Representative: Yoshinori Isahaya, Representative Director, President
Inquiries: Satoshi Takizawa, Division Director, CSR & IR Division
TEL: +81-3-3283-5041
Scheduled date of ordinary general meeting of shareholders: June 25, 2025
Scheduled date to commence dividend payments: June 6, 2025
Scheduled date to file annual securities report: June 24, 2025

(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) Summary of consolidated income statement

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	773,591	(4.9)	50,851	7.4	60,316	31.0	45,544	17.3
March 31, 2024	813,417	4.1	47,337	(3.5)	46,040	(34.0)	38,818	(20.9)

Note: Comprehensive income March 31, 2025 ¥48,229 million [(45.0)%]
March 31, 2024 ¥87,753 million [25.8%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	228.93	–	6.9	5.5	6.6
March 31, 2024	190.97	–	6.1	4.4	5.8

Reference: Equity in earnings of entities accounted for using equity method
March 31, 2025 ¥10,956 million
March 31, 2024 ¥(5,696) million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,119,688	697,375	59.7	3,431.90
March 31, 2024	1,068,010	684,832	61.6	3,284.96

Reference: Equity
As of March 31, 2025 ¥668,222 million
As of March 31, 2024 ¥657,745 million

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	75,440	(90,994)	4,707	56,985
March 31, 2024	73,473	(76,172)	(40,689)	65,397

2. Dividends

	Annual dividend					Total dividend payment (total)	Dividend payout ratio (consolidated)	Dividend to net assets ratio (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	–	40.00	–	40.00	80.00	16,367	41.9	2.6
Fiscal year ended March 31, 2025	–	45.00	–	50.00	95.00	17,021	41.5	2.8
Fiscal year ending March 31, 2026 (Forecast)	–	50.00	–	50.00	100.00		54.1	

3. Consolidated business forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025 (cumulative)	360,000	(7.2)	24,000	(28.9)	27,000	(27.9)	20,000	(19.1)	102.72
Fiscal year ending March 31, 2026	730,000	(5.6)	46,000	(9.5)	50,000	(17.1)	36,000	(21.0)	184.89

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Company name: Cultivecs Inc.)
Excluded: 2 companies (Japan U-Pica Company, Ltd., MEP Shanghai Co., Ltd.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(3) Number of issued shares (common stock)

(i) Number of issued shares at term end (including treasury stock)

As of March 31, 2025	211,686,599
As of March 31, 2024	217,239,199

(ii) Number of shares of treasury stock at term-end

As of March 31, 2025	16,977,506
As of March 31, 2024	17,009,734

(iii) Average number of outstanding shares (cumulative from the beginning of the fiscal year)

For the year ended March 31, 2025	198,940,429
For the year ended March 31, 2024	203,277,084

[Reference] Outline of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	432,839	8.0	22,581	44.3	36,575	(2.6)	34,894	10.0
March 31, 2024	400,848	(8.8)	15,645	(18.3)	37,561	(7.3)	31,730	(15.1)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	175.40	–
March 31, 2024	156.09	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	604,746	343,691	56.8	1,765.15
March 31, 2024	609,326	343,671	56.4	1,716.39

Reference: Equity
As of March 31, 2025 ¥343,691 million
As of March 31, 2024 ¥343,671 million

2. Non-consolidated business forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	420,000	(3.0)	22,000	(2.6)	36,000	(1.6)	31,000	(11.2)	159.21

* These financial statements are exempt from audit procedure.

* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. A number of factors could cause actual results to differ materially from expectations.

(How to access supplementary material on financial results)

The supplementary material on financial results is disclosed on the same day as this financial results report, and it is made available on the Company's website.

Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	71,447	68,246
Notes and accounts receivable - trade, and contract assets	165,648	157,853
Merchandise and finished goods	111,668	119,814
Work in process	19,769	20,291
Raw materials and supplies	69,092	67,421
Other	26,175	27,399
Allowance for doubtful accounts	△651	△757
Total current assets	463,148	460,268
Non-current assets		
Property, plant and equipment		
Buildings and structures	232,324	245,699
Accumulated depreciation	△144,676	△150,703
Buildings and structures, net	87,647	94,996
Machinery, equipment and vehicles	535,257	582,742
Accumulated depreciation	△448,906	△463,773
Machinery, equipment and vehicles, net	86,350	118,969
Land	34,023	34,109
Leased assets	5,148	4,972
Accumulated depreciation	△1,731	△2,249
Leased assets, net	3,417	2,723
Construction in progress	94,631	106,085
Other	52,715	56,228
Accumulated depreciation	△44,161	△46,551
Other, net	8,553	9,677
Total property, plant and equipment	314,624	366,560
Intangible assets		
Goodwill	16,868	15,310
Leased assets	54	46
Software	4,921	6,726
Other	3,026	2,912
Total intangible assets	24,871	24,995
Investments and other assets		
Investment securities	236,354	233,519
Long-term loans receivable	8,488	8,579
Deferred tax assets	3,180	4,058
Retirement benefit asset	11,005	15,418
Other	7,854	8,044
Allowance for doubtful accounts	△1,518	△1,758
Total investments and other assets	265,365	267,863
Total non-current assets	604,861	659,419
Total assets	1,068,010	1,119,688

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	109,013	103,087
Short-term borrowings	51,818	75,617
Current portion of bonds payable	—	10,000
Accrued expenses	19,781	25,752
Lease liabilities	1,001	970
Income taxes payable	6,134	9,092
Provision for bonuses	5,116	5,509
Provision for business restructuring	683	2,521
Other provisions	122	462
Other	47,809	41,916
Total current liabilities	241,480	274,929
Non-current liabilities		
Bonds payable	30,000	35,000
Long-term borrowings	69,671	79,441
Lease liabilities	2,511	1,948
Deferred tax liabilities	16,334	11,794
Other provisions	2,620	926
Retirement benefit liability	4,257	4,015
Asset retirement obligations	5,707	7,022
Other	10,593	7,234
Total non-current liabilities	141,696	147,382
Total liabilities	383,177	422,312
Net assets		
Shareholders' equity		
Share capital	41,970	41,970
Capital surplus	35,551	35,554
Retained earnings	536,232	554,224
Treasury shares	△26,127	△30,956
Total shareholders' equity	587,627	600,792
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,573	13,472
Deferred gains or losses on hedges	171	232
Foreign currency translation adjustment	40,143	44,892
Remeasurements of defined benefit plans	12,229	8,831
Total accumulated other comprehensive income	70,117	67,429
Non-controlling interests	27,087	29,153
Total net assets	684,832	697,375
Total liabilities and net assets	1,068,010	1,119,688

2. Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	813,417	773,591
Cost of sales	640,227	609,298
Gross profit	173,189	164,293
Selling, general and administrative expenses	125,852	113,442
Operating profit	47,337	50,851
Non-operating income		
Interest income	1,775	1,841
Dividend income	3,205	3,218
Share of profit of entities accounted for using equity method	—	10,956
Other	6,436	1,907
Total non-operating income	11,417	17,924
Non-operating expenses		
Interest expenses	2,564	2,374
Personnel expenses for seconded employees	1,405	1,164
Loss on disposal of non-current assets	1,165	1,445
Foreign exchange losses	—	1,364
Rental expenses	660	240
Share of loss of entities accounted for using equity method	5,696	—
Other	1,221	1,869
Total non-operating expenses	12,714	8,458
Ordinary profit	46,040	60,316

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of investment securities	2,830	1,480
Subsidy income	893	1,419
Insurance claim income	1,434	167
Gain on step acquisitions	15,085	—
Gain on liquidation of subsidiaries and associates	325	—
Total extraordinary income	20,568	3,067
Extraordinary losses		
loss compensation	—	2,325
Loss on valuation of investment securities	—	1,384
Business restructuring expenses	—	1,013
Loss on tax purpose reduction entry of non-current assets	704	963
Impairment losses	1,488	723
Provision of allowance for doubtful accounts	200	250
Loss on disposal of non-current assets	307	200
Office relocation expenses	—	175
Loss on sale of shares of subsidiaries and associates	2,843	—
Loss on disaster	177	—
Total extraordinary losses	5,722	7,037
Profit before income taxes	60,887	56,347
Income taxes - current	14,528	14,080
Income taxes - deferred	△456	△8,671
Total income taxes	14,072	5,409
Profit	46,815	50,937
Profit attributable to non-controlling interests	7,996	5,393
Profit attributable to owners of parent	38,818	45,544

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	46,815	50,937
Other comprehensive income		
Valuation difference on available-for-sale securities	8,789	△4,050
Deferred gains or losses on hedges	△84	59
Foreign currency translation adjustment	16,189	2,433
Remeasurements of defined benefit plans, net of tax	10,995	△2,713
Share of other comprehensive income of entities accounted for using equity method	5,048	1,562
Total other comprehensive income	40,938	△2,708
Comprehensive income	87,753	48,229
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	75,162	42,855
Comprehensive income attributable to non-controlling interests	12,591	5,373

3. Consolidated Statement of Changes in Net Assets

FY2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	41,970	34,293	521,426	△23,838	573,852
Changes during period					
Dividends of surplus			△16,367		△16,367
Profit attributable to owners of parent			38,818		38,818
Purchase of treasury shares				△10,005	△10,005
Disposal of treasury shares		25		45	70
Cancellation of treasury shares		△7,670		7,670	－
Transfer from retained earnings to capital surplus		7,645	△7,645		－
Change in ownership interest of parent due to transactions with non-controlling interests		1,258			1,258
Net changes in items other than shareholders' equity					－
Total changes during period	－	1,258	14,805	△2,288	13,775
Balance at end of period	41,970	35,551	536,232	△26,127	587,627

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,950	110	22,894	1,805	33,760	63,636	671,249
Changes during period							
Dividends of surplus							△16,367
Profit attributable to owners of parent							38,818
Purchase of treasury shares							△10,005
Disposal of treasury shares							70
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Change in ownership interest of parent due to transactions with non-controlling interests							1,258
Net changes in items other than shareholders' equity	8,622	61	17,249	10,423	36,356	△36,549	△192
Total changes during period	8,622	61	17,249	10,423	36,356	△36,549	13,582
Balance at end of period	17,573	171	40,143	12,229	70,117	27,087	684,832

FY2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	41,970	35,551	536,232	△26,127	587,627
Changes during period					
Dividends of surplus			△17,021		△17,021
Profit attributable to owners of parent			45,544		45,544
Purchase of treasury shares				△15,006	△15,006
Disposal of treasury shares		53		53	106
Cancellation of treasury shares		△10,124		10,124	—
Transfer from retained earnings to capital surplus		10,071	△10,071		—
Change in scope of consolidation			△547		△547
Change in scope of equity method			87		87
Change in ownership interest of parent due to transactions with non-controlling interests		2			2
Net changes in items other than shareholders' equity					—
Total changes during period	—	2	17,991	△4,828	13,165
Balance at end of period	41,970	35,554	554,224	△30,956	600,792

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	17,573	171	40,143	12,229	70,117	27,087	684,832
Changes during period							
Dividends of surplus							△17,021
Profit attributable to owners of parent							45,544
Purchase of treasury shares							△15,006
Disposal of treasury shares							106
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Change in scope of consolidation							△547
Change in scope of equity method							87
Change in ownership interest of parent due to transactions with non-controlling interests							2
Net changes in items other than shareholders' equity	△4,101	61	4,749	△3,397	△2,688	2,066	△621
Total changes during period	△4,101	61	4,749	△3,397	△2,688	2,066	12,543
Balance at end of period	13,472	232	44,892	8,831	67,429	29,153	697,375

4. Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	60,887	56,347
Depreciation	36,304	34,672
Loss (gain) on disposal of non-current assets	1,254	1,637
Amortization of goodwill	1,929	1,734
Share of loss (profit) of entities accounted for using equity method	5,696	△10,956
Impairment losses	1,488	723
loss compensation	—	2,325
Subsidy income	△893	△1,419
Insurance claim income	△1,493	—
Loss (gain) on sale of shares of subsidiaries and associates	2,843	—
Increase (decrease) in allowance for doubtful accounts	172	368
Increase (decrease) in retirement benefit liability	△407	△2,308
Interest and dividend income	△4,980	△5,059
Interest expenses	2,564	2,374
Loss (gain) on sale of short-term and long-term investment securities	△2,866	△1,600
Loss (gain) on valuation of short-term and long-term investment securities	118	1,525
Loss (gain) on step acquisitions	△15,085	—
Decrease (increase) in trade receivables	16,865	9,268
Decrease (increase) in inventories	△742	△5,477
Increase (decrease) in trade payables	△14,286	△7,631
Increase (decrease) in accrued consumption taxes	△772	△991
Increase (decrease) in provision for retirement benefits for directors (and other officers)	△63	△54
Other, net	△15,437	△3,542
Subtotal	73,096	71,933
Interest and dividends received	4,986	5,053
Dividends received from entities accounted for using equity method	8,473	12,898
Interest paid	△2,565	△2,260
Income taxes paid	△12,588	△11,082
Subsidies received	574	633
compensation paid	—	△1,906
Proceeds from insurance income	1,496	169
Net cash provided by (used in) operating activities	73,473	75,440

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Purchase of non-current assets	△80,815	△85,366
Proceeds from sale of non-current assets	404	391
Purchase of investment securities	△550	△5,256
Proceeds from sale of investment securities	5,372	2,226
Loan advances	△4,179	△535
Proceeds from collection of loans receivable	296	31
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	11,894	—
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	△7,941	—
Other, net	△653	△2,485
Net cash provided by (used in) investing activities	△76,172	△90,994
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△1,528	25,214
Proceeds from long-term borrowings	10,254	14,717
Repayments of long-term borrowings	△23,234	△7,118
Proceeds from issuance of bonds	9,952	14,931
Purchase of treasury shares	△10,005	△15,006
Proceeds from sale of treasury shares	0	—
Dividends paid	△16,367	△17,021
Dividends paid to non-controlling interests	△7,023	△2,932
Other, net	△2,736	△8,076
Net cash provided by (used in) financing activities	△40,689	4,707
Effect of exchange rate change on cash and cash equivalents	7,601	1,818
Net increase (decrease) in cash and cash equivalents	△35,787	△9,027
Cash and cash equivalents at beginning of period	101,185	65,397
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	615
Cash and cash equivalents at end of period	65,397	56,985

5. Segment Information

FY2023

(Millions of yen)

	Green Energy and Chemicals Business Sector	Specialty Chemicals Business Sector	Other	Reconciling items	Per consolidated financial statements
Sales					
Revenues from external customers	404,562	408,724	130	0	813,417
Transactions with other segments	8,316	492	12	△8,821	―
Net sales	412,878	409,217	142	△8,821	813,417
Ordinary profit (loss)	10,138	38,689	110	△2,898	46,040
Assets	451,530	590,343	28,259	△2,123	1,068,010
Other items					
Depreciation	17,364	16,886	18	2,034	36,304
Amortization of goodwill	343	1,413	―	―	1,757
Interest income	990	1,190	1	△406	1,775
Interest expenses	525	2,386	0	△348	2,564
Equity in earnings (losses) of affiliates	△8,487	2,782	―	7	△5,696
Investments in entities accounted for using equity method	133,831	42,330	―	△0	176,162
Increase in property, plant and equipment and intangible assets	37,026	41,930	1	2,794	81,753

FY2024

(Millions of yen)

	Green Energy and Chemicals Business Sector	Specialty Chemicals Business Sector	Other	Reconciling items	Per consolidated financial statements
Sales					
Revenues from external customers	313,392	443,728	16,470	―	773,591
Transactions with other segments	9,806	454	2,693	△12,954	―
Net sales	323,199	444,183	19,163	△12,954	773,591
Ordinary profit (loss)	20,516	43,922	1,125	△5,248	60,316
Assets	464,140	587,193	46,517	21,835	1,119,688
Other items					
Depreciation	13,751	18,520	126	2,273	34,672
Amortization of goodwill	155	1,402	―	―	1,558
Interest income	503	1,163	0	175	1,841
Interest expenses	584	2,095	―	△305	2,374
Equity in earnings (losses) of affiliates	8,035	2,914	―	6	10,956
Investments in entities accounted for using equity method	140,689	39,165	―	△0	179,855
Increase in property, plant and equipment and intangible assets	34,967	50,032	90	3,703	88,794

Qualitative Information

Consolidated Business Results for This Period

Overview of Results

(Billions of yen)

	FY2024	FY2023	Change	Change (%)
Net sales	773.5	813.4	(39.8)	(4.9)
Operating profit	50.8	47.3	3.5	7.4
Equity in earnings of affiliates	10.9	(5.6)	16.6	-
Ordinary profit	60.3	46.0	14.2	31.0
Profit attributable to owners of parent	45.5	38.8	6.7	17.3

In the fiscal year ended March 31, 2025, the global economy benefited from a gradual recovery trend on the back of a slight moderation in inflationary pressure. On the other hand, financial and capital market conditions, such as foreign exchange rates, remained highly volatile due to the impact of such factors as changes in U.S. government policies following the presidential election and shifts in monetary policies undertaken in the United States and major European countries. Meanwhile, the Chinese economy remained stagnant, while prolonged conflicts in the Middle East as well as the ongoing Russia-Ukraine War continued to fuel geopolitical risks. Furthermore, due to the impact of tariff measures invoked by the United States, the global economy became increasingly exposed to policy risks. Together, these factors gave rise to persistent concerns about the further decoupling of economies and supply chains worldwide.

Against this backdrop, the gradual economic recovery around the globe helped drive a year-on-year recovery trend in overall product demand for the Mitsubishi Gas Chemical (MGC) Group. However, the business environment surrounding the Group remained quite uncertain due to such negative factors as a delayed pace of recovery in semiconductor market demand—except in the area of advanced materials—and the prolongation of China's economic stagnation.

Over the course of the fiscal year ended March 31, 2025, the MGC Group has pursued the new target of "Strengthening the resiliency of our business portfolio" under a medium-term management plan launched at the beginning of said fiscal year. Specifically, the Group has been pushing ahead with various measures with such themes as "Focusing on Uniqueness & Presence," "Building new value through innovation," and "Restructuring businesses requiring intensive management." In this way, we have been thoroughly implementing business portfolio reforms that are directly aimed at improving capital efficiency.

Due mainly to the December 2023 transition of JSP Corporation from consolidated subsidiary to equity-method affiliate, the Group's net sales decreased despite the depreciation of the yen, higher methanol market prices, growth in sales volumes of such products as optical materials for smartphone use, and other positive factors.

On the other hand, operating profit increased despite such negative factors as the aforementioned transition of JSP Corporation to equity-method affiliate. This increase was mainly attributable to year-on-year growth in earnings from

such engineering plastics as polycarbonate and polyacetal, optical materials, and the methanol business. Other factors contributing to higher operating profit included the depreciation of the yen.

Furthermore, ordinary profit rose due to the increase in operating profit and improvement in equity in earnings of affiliates. The latter was mainly attributable to the absence of impairment losses recorded at overseas methanol producing companies in the Republic of Trinidad and Tobago in the previous fiscal year, and higher methanol market prices.

Moreover, profit attributable to owners of parent increased despite being negatively affected by the absence of gain on step acquisitions recorded in the previous fiscal year in connection with the inclusion of Mitsubishi Engineering-Plastics Corporation into the scope of consolidation. This increase was mainly due to higher ordinary profit and a temporary improvement in income tax―deferred, the latter of which resulted from changes in the Group's classification of deferred tax assets in terms of recoverability.

Taking the above factors into account, the MGC Group's consolidated operating results were as presented above.

Operating results by segment are as described below.

Results by Business Segment

Operating results by segment are as described below.

Please note that reportable segment operations previously classified as “Basic Chemicals” were renamed “Green Energy & Chemicals” in the fiscal year ended March 31, 2025.

In addition, net sales presented for each reportable segment in the subsequent section, “Results by Business Segment,” previously comprised only revenues from external customers. However, from the beginning of the fiscal year ended March 31, 2025, the Company revised the method of presentation in this section to include both revenues from external customers and transactions with other segments in net sales for each such segment. Moreover, segment net sales for the previous fiscal year have been presented by retrospectively applying the above change.

Net sales Unit: Billions of yen

	FY2024	FY2023	Change	Change (%)
Green Energy & Chemicals	323.1	412.8	(89.6)	(21.7)
Specialty Chemicals	444.1	409.2	34.9	8.5
Other	19.1	0.1	19.0	-
Adjustments	(12.9)	(8.8)	(4.1)	-
Total	773.5	813.4	(39.8)	(4.9)

Operating profit Unit: Billions of yen

	FY2024	FY2023	Change	Change (%)
Green Energy & Chemicals	12.7	17.7	(5.0)	(28.2)
Specialty Chemicals	41.3	33.0	8.2	25.0
Other	1.1	0.0	1.0	-
Adjustments	(4.4)	(3.6)	(0.8)	-
Total	50.8	47.3	3.5	7.4

Ordinary profit Unit: Billions of yen

	FY2024	FY2023	Change	Change (%)
Green Energy & Chemicals	20.5	10.1	10.3	102.4
Specialty Chemicals	43.9	38.6	5.2	13.5
Other	1.1	0.1	1.0	916.0
Adjustments	(5.2)	(2.8)	(2.3)	-
Total	60.3	46.0	14.2	31.0

Green Energy & Chemicals

The methanol business saw increases in both net sales and earnings due primarily to the absence of impairment losses recorded at overseas methanol producing companies in the Republic of Trinidad and Tobago in the previous fiscal year, in addition to year-on-year rises in methanol market prices.

Methanol and ammonia-based chemicals posted a decrease in earnings despite the recovery trend in the sales volume of MMA products, due to higher repair costs and other negative factors.

The energy resources and environmental business saw increases in net sales and earnings due primarily to the higher sales volume of LNG for power generation use, along with growth in the sales volume of iodine and rising market prices for this offering.

Meta-xylenediamine and aromatic aldehydes recorded a decrease in earnings, reflecting such factors as the lower sales volume of derivatives for China-bound exports and higher fixed costs, despite a recovery trend in demand for products targeting European and U.S. customers.

Xylene separators and derivatives posted increases in both net sales and earnings, despite stagnant market prices for purified isophthalic acid, thanks to the depreciation of the yen and other positive factors.

Specialty Chemicals

Inorganic chemicals, which include those for use in semiconductor manufacturing, posted an increase in earnings, reflecting growth in the sales volume of hybrid chemicals and other products for use in the manufacture of highly functional memory devices.

Engineering plastics saw increases in both net sales and earnings due to growth in sales volumes of polycarbonate and polyacetal products, especially those with high-value-added applications, in addition to improvement in manufacturing costs, and other factors.

Optical materials posted increases in both net sales and earnings on the back of a higher sales volume of optical polymers that reflected a trend toward increasingly sophisticated smartphone camera functions, growing demand for products targeting emerging nations, and other factors.

Electronics materials posted earnings on par with the previous fiscal year. Despite such positive factors as robust sales of BT materials for smartphone-related IC plastic packaging—the core product category for electronics materials—and growth in the sales volume of OPE™ substrate material for AI servers, earnings remained flat due to higher costs for strengthened quality management measures implemented for customers of BT materials and other negative factors.

Oxygen absorbers such as AGELESS™ posted increases in net sales and earnings due to improvement in export prices on the back of the depreciation of the yen, and a higher sales volume of products for overseas customers.

Outlook for FY2025

In the fiscal year ending March 31, 2026, the global economy is expected to face a growing number of uncertainties, including tariff measures invoked by the United States, evolving trends in monetary policies enforced by major countries, the prolongation of China's economic stagnation, and looming geopolitical risks. Therefore, it is quite hard to formulate an overall economic outlook or to forecast how these factors will affect each country.

Against this backdrop, the Mitsubishi Gas Chemical (MGC) Group will continue to pursue its target of "Strengthening the resiliency of our business portfolio" under a medium-term management plan launched in the fiscal year ended March 31, 2025. Specifically, the Group will push ahead with various measures with such themes as "Focusing on Uniqueness & Presence," "Building new value through innovation," and "Restructuring businesses requiring intensive management." In this way, we intend to thoroughly implement business portfolio reforms that are directly aimed at improving capital efficiency.

Taking these and other factors into account, the MGC Group expects net sales to fall short of that recorded for the fiscal year ended March 31, 2025, due mainly to the appreciation of the yen and the Group's withdrawal from the ortho-xylene chain business.

The Group also forecasts a year-on-year decrease in operating profit despite expected growth in earnings from higher sales volumes of such products as electronics materials and optical materials as well as meta-xylenediamine and its derivatives. This projection is based primarily on higher depreciation costs stemming from aggressive growth investment, higher R&D expenses, and the appreciation of the yen.

Furthermore, the Group anticipates a year-on-year decrease in ordinary profit due to lower operating profit, a decline in equity in earnings of affiliates, an increase in interest expenses and other factors.

Similarly, the Group expects profit attributable to owners of the parent to decrease from the fiscal year ended March 31, 2025 due mainly to lower ordinary profit along with other factors.

Looking at the possible impact of tariff measures invoked by the United States, the MGC Group considers their probable direct impact on operating results to be insignificant as the Group's exports to said country account only for approximately 5% of its consolidated net sales. However, the MGC Group also understands that these tariffs could alter the global supply and demand balance and, accordingly, may indirectly affect its supply chain as a whole. Because the effect of such indirect impact remains largely unclear, the Group has yet to fully incorporate it into assumptions used for the formulation of its currently disclosed operating results forecasts. Going forward, the Group will implement such measures as transferring tariff-related costs to sales prices and optimizing the supply chain. If the Group recognizes the emergence of a factor that may materially affect its operating results, it will disclose that factor in a timely manner.

Taking these considerations into account, the Group's consolidated operating results forecasts for the fiscal year ending March 31, 2026, include net sales of ¥730.0billion, operating profit of ¥46.0 billion, ordinary profit of ¥50.0billion, and profit attributable to owners of the parent of ¥36.0 billion.

The above forecasts assume exchange rates of ¥140=$1 and ¥160=€1.

(End)