



FY2025 1H
**Consolidated
Financial Results**

 **MITSUBISHI GAS CHEMICAL COMPANY, INC.**

November 10, 2025

TSE 4182

 **MITSUBISHI GAS CHEMICAL**



Key Points of Today's Results Briefing

1. FY2025 1H Results

[JPY in billions]		YoY
Net Sales	361.6	-26.4
Operating profit	25.1	-8.6
Profit attributable to owners of parent	(27.9)	-52.6

For the Netherlands MXDA plant where temporary suspension of construction was announced, an impairment loss on non-current assets (50.2 billion yen) was recorded as an extraordinary loss in the second quarter.

(Note) Recorded at our consolidated subsidiary MGC Specialty Chemicals Netherlands B.V. (MSCN)

2. FY2025 Full-Year Forecast

[JPY in billions]		vs. Previous Forecast
Net Sales	730.0	-20.0
Operating profit	44.0	-2.0
Profit attributable to owners of parent	(17.0)	-53.0

(Note) Figures shown on this and the following pages are rounded down to the closest 0.1 billion. Percentage figures, per-share indicators, and performance assumptions are rounded off to the closest whole number.



Net Sales	<ul style="list-style-type: none"> + Increase in sales volume of BT materials - Deterioration in polycarbonate (PC) and methanol market prices - Withdrawal from the ortho-xylene (OX) chain business
Operating profit	<ul style="list-style-type: none"> - Increase in fixed costs due to capacity expansion for inorganic chemicals - Deterioration in profitability of meta-xylenediamine (MXDA) products

Net Sales	<ul style="list-style-type: none"> + Increase in sales volume of BT materials - Deterioration in PC market prices - Decrease in sales volume of inorganic chemicals
Operating profit	<ul style="list-style-type: none"> + Increase in sales volume of BT materials - Deterioration in profitability of MXDA products - Decline in profitability due to deterioration in methanol market prices
Dividend Policy	Interim dividend 50 yen* (confirmed) the year-end dividend 50 yen* (forecast) <small>*No change from previous forecast for either</small>

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Let's start by looking at the key points of today's results briefing.

First, FY2025 1H results show a YoY decline in both net sales and profits due to various factors, including declining polycarbonate (PC) and methanol market prices, rising fixed costs for inorganic chemicals, and the declining profitability of meta-xylenediamine (MXDA) products, despite sales growth for BT materials.

In addition, as announced on September 17, construction on the Netherlands MXDA plant has been suspended temporarily due to the worsening business environment. After assessing the recoverability in this accounting period, we recorded an impairment loss of about 50 billion yen as an extraordinary second-quarter loss.

Thus, we expect to record a net loss. We deeply regret any concerns this will cause among shareholders and investors. We will address the status of this project later.

Second, we revised FY2025 full-year forecasts downward by 20.0 billion yen for consolidated net sales, 2.0 billion yen for operating profit, and 53.0 billion yen for profit attributable to owners of parent. This reflects expectations for falling polycarbonate (PC) and methanol market prices and lower sales of inorganic chemicals, in addition to the impairment loss in the MXDA business.

Our dividend policy remains unchanged. We project a year-end dividend of 50 yen.

We will explain the details of these matters later.

1 | FY2025 1H Results

2 | FY2025 Forecast

3 | Results and Forecast by Segment

We will give an overview of FY2025 1H results first, followed by FY2025 forecasts, and then results and forecasts by segment.

1 | FY2025 1H Results

2 | FY2025 Forecast

3 | Results and Forecast by Segment

First, let's look at FY2025 1H results.

FY2025 1H Results



Net sales: Despite robust sales of electronics materials, the Group's net sales decreased, mainly due to the impact of the appreciation of the yen, lower market prices for engineering plastics and methanol, and withdrawal from the ortho-xylene chain business.

Operating profit: Declined due primarily to lower market prices for the above offerings and growth in fixed costs associated with the expansion of production capacities of inorganic chemicals. Other factors leading to this decline included sluggish demand for meta-xylenediamine and its derivatives as well as intensifying competition in the market for these products, in addition to the appreciation of the yen.

Ordinary profit: Decreased, due mainly to a decline in equity in earnings of affiliates related to the methanol business on the back of foreign exchange fluctuations and other factors.

Interim loss attributable to owners of parent: Posted due to lower ordinary profit and the impairment of noncurrent assets at a subsidiary engaged in meta-xylenediamine manufacturing in the Netherlands.

[JPY in billions]	FY2024 1H	FY2025 1H	Changes		FY2025 1H Previous Forecast*
			Amount	%	
Net Sales	388.1	361.6	-26.4	-6.8	360.0
Operating profit	33.7	25.1	-8.6	-25.5	24.0
Equity in earnings of affiliates	5.9	2.9	-2.9	-50.3	3.3
Ordinary profit	37.4	31.4	-5.9	-15.9	27.0
Profit attributable to owners of parent	24.7	(27.9)	-52.6	-	20.0
*Announced on Aug. 7, 2025					
E P S (JPY)	123.47	(143.48)			102.71
FX (JPY/USD)	153	146			

Page 5 summarizes FY2025 1H results.

Despite growth in sales of electronics materials, net sales fell by 26.4 billion yen to 361.6 billion yen, mainly due to lower market prices for engineering plastics and methanol and our withdrawal from the ortho-xylene chain business, in addition to yen appreciation.

Operating profit declined by 8.6 billion yen to 25.1 billion yen due primarily to higher fixed costs associated with expanding production capacity for inorganic chemicals, sluggish demand and intensifying market competition for meta-xylenediamine and its derivatives, and yen appreciation.

Ordinary profit fell by 5.9 billion yen to 31.4 billion yen due mainly to a decline in equity in earnings of affiliates related to the methanol business amid foreign exchange fluctuations and other factors.

Interim profit attributable to owners of parent fell by 52.6 billion yen to a 27.9 billion yen loss due to the impairment loss posted by MSCN, the Netherlands meta-xylenediamine manufacturing subsidiary.

FY2025 1H Non-Operating and Extraordinary Items



[JPY in billions]	FY2024 1H	FY2025 1H	Changes	
Non-operating items	3.6	6.3	+2.6	
Equity in earnings of affiliates	5.9	2.9	-2.9	Content of the Difference • Equity in earnings of affiliates GEC -2.2 Specialty Chemicals -0.7
Financial income or losses	1.0	2.5	+1.5	
Foreign exchange gains or losses	(1.9)	1.5	+3.5	
Others	(1.3)	(0.7)	+0.5	
Extraordinary income	1.1	5.4	+4.3	
Gains on sales of noncurrent assets	-	3.5	+3.5	
Gains on sales of investment securities	0.1	1.0	+0.9	
Subsidy income	0.9	0.1	-0.7	
Others	-	0.6	+0.6	
Extraordinary losses	(1.6)	(51.0)	-49.3	
Impairment losses	(0.1)	(50.2)	-50.0	Content of the Difference • Impairment losses -50.0 · Impairment of MXDA Plant at MSCN, etc.
Provision allowance for doubtful accounts	(0.1)	(0.3)	-0.2	
Loss on tax purpose reduction entry of non-current assets	(0.6)	-	+0.6	
Others	(0.7)	(0.4)	+0.2	
Total extraordinary income and losses	(0.5)	(45.6)	-45.0	

Page 6 shows non-operating and extraordinary items.

First, non-operating items were up 2.6 billion yen due to various factors, including improvements in financial income or losses and foreign exchange gains or losses, although equity in earnings of affiliates was down due to lower earnings at an overseas methanol production company.

Next, extraordinary income grew by 4.3 billion yen in total due to gains on sales of noncurrent assets, gains on sales of investment securities, and other factors. Extraordinary losses fell by 49.3 billion yen in total due to the impairment losses related to MSCN and other factors.

About the MXDA Europe Plant

Aims of the project:

Securing a production base in Europe, MXDA's largest market

- MXDA is one of the meta-xylene derivatives, and its main applications include epoxy resin curing agents, polyamides, and isocyanates.
- Low-environmental-impact repair materials for wind power generation blades are also being increasingly recognized as a new application, and stable market growth is expected in the future. Currently, our company produces MXDA at two production bases in Japan.
- In September 2021, we announced plans to construct an MXDA production facility with an annual capacity of 20,000 MT in Europe (Rotterdam industrial zone, Netherlands), the largest market for MXDA.
- We proceeded with construction, initially aiming to start production in July 2024, through our consolidated subsidiary MGC Specialty Chemicals Netherlands B.V. (MSCN).



Temporary suspension of construction work-impairment loss recorded

- In addition to delays in the schedule due to factors including the switch of construction contractors last fiscal year, the business environment for the project has rapidly deteriorated due to soaring construction and labor costs stemming from the Russia-Ukraine conflict along with changes in the competitive environment in the MXDA market.
 - In light of this situation, [we resolved and announced the temporary suspension of the construction work at the meeting of the Board of Directors held on September 17, 2025.](#)
 - Following the temporary suspension of construction, as a result of a comprehensive evaluation of the project's economic viability and ability to recoup investment, [we recognized a 50.2 billion yen impairment loss on MSCN's non-current assets in the FY2025 second-quarter consolidated results.](#)
- (Note) In the non-consolidated results, we recorded 29.9 billion yen in valuation loss on shares of subsidiaries and affiliates and 21.9 billion yen in provision for business losses of subsidiaries and affiliates, but these are eliminated in the consolidated results.
- Currently, we are considering all options toward improving profitability for the entire MXDA business, including whether to continue the construction.

Page 7 describes the MXDA Europe Plant, for which impairment losses were recorded.

The purpose of this project was to build a new plant in Europe, the largest MXDA market, to establish stable supply capacity and meet market demand. Currently, our MXDA supply is limited by production restricted to two production bases in Japan.

Construction on this project had proceeded with production start slated for July 2024. But the business climate rapidly deteriorated for various reasons, including construction delays resulting from a change in construction contractors and intensifying market competition, in addition to inflation spurred by the Russia-Ukraine conflict.

Under these conditions, on September 17 of this fiscal year, our Board of Directors resolved to suspend construction temporarily as we announced on that date.

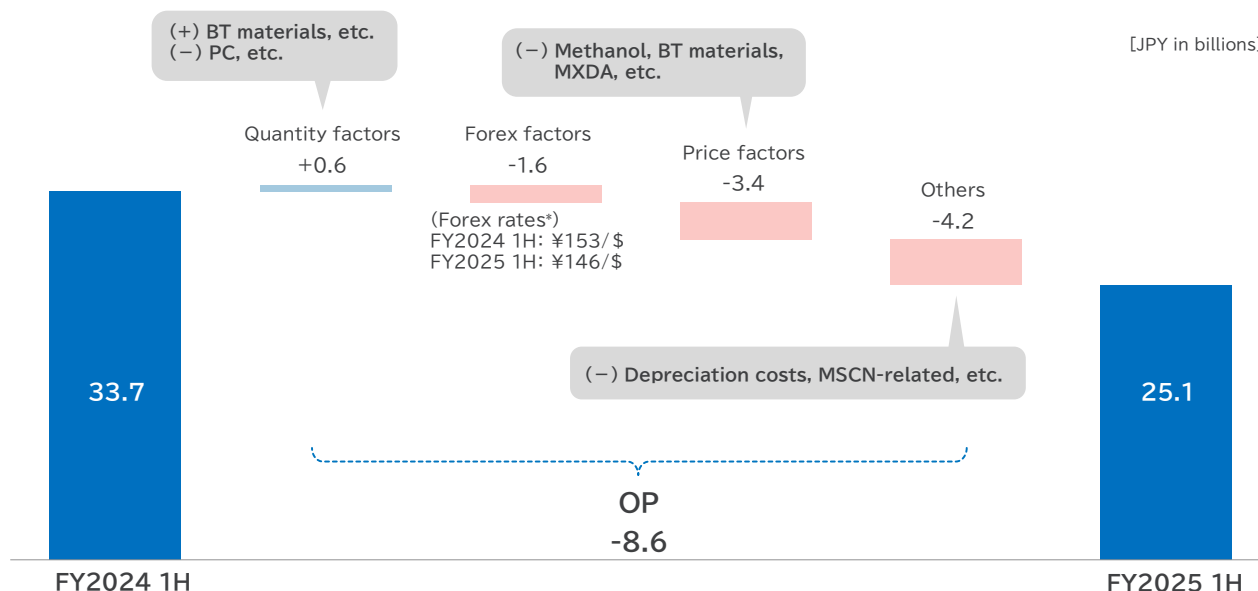
Following the suspension of construction, we evaluated the project's economic viability and ability to recoup investment. As a result, we have recognized an impairment loss of 50.2 billion yen in this first half.

We are considering various possible future directions for the project, including resuming construction, withdrawing from the project, or taking another course of action, all having the goal of improving the profitability of the entire MXDA business. We will promptly disclose any relevant information.

FY2025 1H Increase and Decrease Factors of Operating Profit (YoY)



[JPY in billions]



* Exchange Sensitivity

USD, rough estimate : with an appreciation (depreciation) of ¥1 against the USD, annual operating profit falls (increases) by ¥0.5bn, while annual ordinary profit falls (increases) by ¥0.5bn.

EUR, rough estimate : with an appreciation (depreciation) of ¥1 against the EUR, annual operating profit falls (increases) by ¥0.1bn, while annual ordinary profit falls (increases) by ¥0.1bn.

Page 8 compares the factors contributing to increases and decreases in FY2025 1H operating profit to those for the first half of last year.

Quantity factors include expanding sales volumes of BT materials; forex factors include lower profit due to the yen's appreciation; and price factors include falling selling prices in addition to the BT materials higher costs associated with enhancing the quality.

Other factors include higher depreciation costs and costs associated with the European MXDA plant.

1 | FY2025 1H Results

2 | FY2025 Forecast

3 | Results and Forecast by Segment

Next we will look at the FY2025 Forecast.

FY2025 Full-Year Forecast



- Based on the impairment loss recorded in the second quarter and recent business trends, we have revised downward our full-year forecast and expect a net loss for the full year.
- Although we expect an increase in the sales volume of BT materials, operating profit is expected to decrease due to deterioration in profitability for MXDA and its derivatives, and a decrease in sales volume for chemicals for use in semiconductor manufacturing.

[JPY in billions]	FY2025 Previous Forecast* ¹	FY2025 Revised Forecast	Changes		FY2024
			Amount	%	
Net sales	750.0	730.0	-20.0	-2.7	773.5
Operating profit	46.0	44.0	-2.0	-4.3	50.8
Ordinary profit	50.0	50.0	-	-	60.3
Profit attributable to owners of parent	36.0	(17.0)	-53.0	-	45.5
E P S (JPY)	184.87	(87.30)			228.93
R O E (%)	5.4	-			6.9
R O I C* ² (%)	4.2	3.9			6.4
FX (JPY/USD)	145	146			153

*1 Announced on Aug. 7, 2025

*2 ROIC = (Operating profit - Income taxes + Equity in earnings of affiliates) / invested capital

Page 10 gives an overview of FY2025 full-year forecasts.

Compared to previous forecasts, net sales are expected to be down by 20.0 billion yen to 730.0 billion yen and operating profit by 2.0 billion yen to 44.0 billion yen. The forecast for ordinary profit remains unchanged at 50.0 billion yen. Profit attributable to owners of parent is projected to show a loss of 17.0 billion yen, which is down 53.0 billion yen from the previous forecast.

Key Points of FY2025 Full-Year Forecast



- Changes from previous forecast : net sales -¥20.0 billion; operating profit -¥2.0 billion; ordinary profit is same as the previous forecast.

Key individual change factors of operating profit

- (－) Deterioration in profitability for MXDA and its derivatives, deterioration in earnings due to change in MSCN operation assumptions
- (－) Deterioration in methanol market prices
- (－) Delay in recovery of demand from some customers for chemicals for use in semiconductor manufacturing
- (＋) Increase in sales volume of BT materials
- (＋) Decrease in SG&A expenses

- Year-end dividend forecast : ¥50 (same as the previous forecast*)

* Announced on Aug. 7, 2025

■ Assumed exchange rates (2H): \$1=¥145 (same as the previous forecast), €1=¥170 (¥5 depreciation against the previous forecast)

(Sensitivity (USD, rough estimate): with an appreciation (depreciation) of ¥1 against the USD, annual operating profit falls (increases) by ¥0.5bn, while annual ordinary profit falls (increases) by ¥0.5bn)

(Sensitivity (EUR, rough estimate): with an appreciation (depreciation) of ¥1 against the EUR, annual operating profit falls (increases) by ¥0.1bn, while annual ordinary profit falls (increases) by ¥0.1bn.)

■ Assumed crude oil prices (2H): \$70/bbl. (same as the previous forecast)

(Sensitivity (USD, rough estimate): \$1/bbl. Increase (drop) in crude oil reduces (raises) profit by ¥0.3bn, excluding methanol affect)

Page 11 shows some key points of the FY2025 full-year forecasts.

Forecasts of net sales and operating profit are down from the previous forecasts for various reasons, including declining methanol market prices and profitability of MXDA and its derivatives, as well as lower sales volumes for EL chemicals (chemicals for use in semiconductor manufacturing) due to lagging demand recovery, although the sales volume of BT materials is expected to increase.

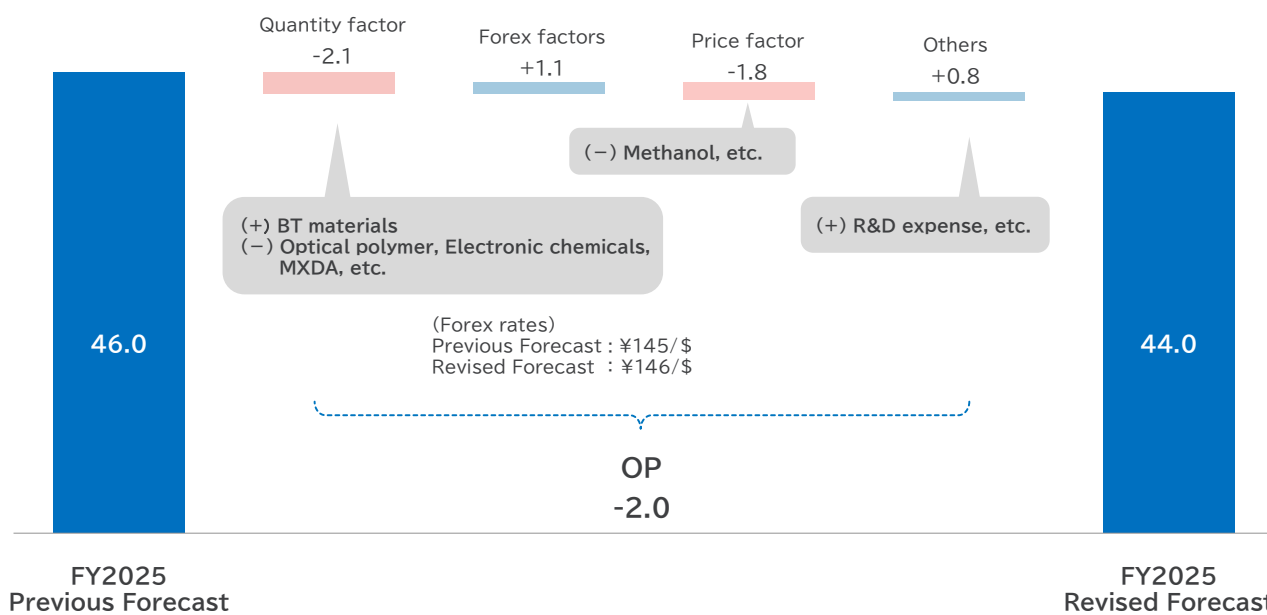
Forecast ordinary profit remains unchanged from the previous forecast in light of various factors, including improved foreign exchange gains or losses.

Our projected year-end dividend, 50 yen, remains unchanged from the previous forecast.

FY2025(F) Increase and Decrease Factors of Operating Profit (vs. Previous Forecast)



[JPY in billions]



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The waterfall chart on page 12 shows the factors underlying the increases and decreases in operating profit vs. previous forecasts.

We encourage you to return to this information when you have time.

FY2025 2H Forecast (vs. 1H Results)



- Second-half forecast: Although profitability is expected to improve for methanol due to improving market prices, operating profit is expected to decrease due to a reactionary decline from the strong performance of BT materials in the first half, as well as increases in fixed costs such as scheduled maintenance expenses and depreciation.
- Net profit is expected to increase due to the impact of the impairment loss recorded in the first half.

[JPY in billions]	FY2025 1H Results	FY2025 2H Forecast	Changes
Net Sales	361.6	368.3	+6.6
Operating profit	25.1	18.8	-6.2
Equity in earnings of affiliates	2.9	2.5	-0.4
Ordinary profit	31.4	18.5	-12.9
Profit attributable to owners of parent	(27.9)	10.9	+38.8

Please turn to page 13.

Here you can see FY2025 1H results and 2H forecasts as well as the differences between them.

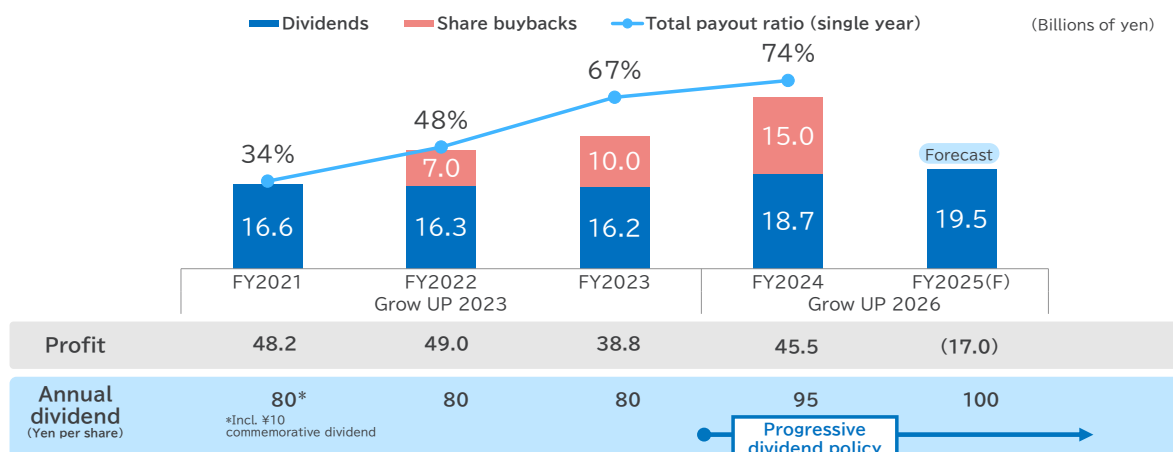
Although profitability is expected to improve in the second half due to improving methanol market prices, operating profit is expected to decline due to the rebound from the strong performance of BT materials in the first half, as well as increases in fixed costs, including scheduled maintenance expenses and depreciation. Net profit is expected to increase due to the impairment loss recorded in the first half.

Investment Policy and Shareholder Returns



Although a full-year net loss is expected for FY2025, financial soundness will continue to be maintained. There is no change to the shareholder return policy* during the period of the medium-term management plan, and the previous forecast (interim dividend of 50 yen, year-end dividend of 50 yen) remains unchanged. We will continue implementing balance sheet control to reduce the cost of capital and improve capital profitability.

* The adoption of a progressive dividend policy, the total payout ratio to 50% and DOE (dividend on equity) of 3%



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Please turn to page 14.

This slide describes capital policy and shareholder returns.

Although we anticipate a full-year net loss for FY2025, we expect to maintain our fundamental financial soundness.

No change will be made in the shareholder return policy for the period of the medium-term management plan, which calls for a progressive dividend policy, targeting a total payout ratio of 50%, and a dividend on equity (DOE) of 3.0%. The previous dividend forecast remains unchanged.

We will continue to consider capital policies and shareholder returns from the perspective of balance sheet control, seeking to reduce the cost of capital and improve capital profitability.

1 | FY2025 1H Results

2 | FY2025 Forecast

3 | Results and Forecast by Segment

Let's look at a summary of results and forecast by segment.

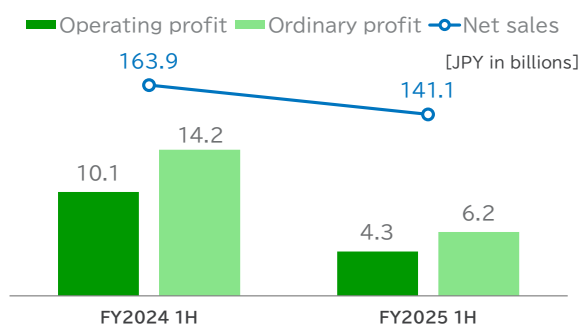
FY2025 1H Results

Net sales: Sales decreased due to factors including a deterioration in methanol market prices, and withdrawal from the OX chain business.

Operating profit: Profit decreased due to factors including a deterioration in profitability for methanol, MXDA and derivatives, and appreciation of the yen.

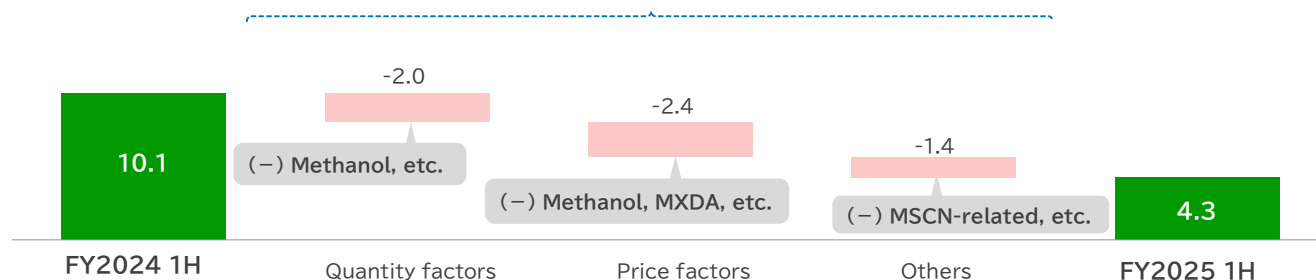
Ordinary profit: Profit decreased due to deterioration in equity-method earnings for methanol due in part to Forex factors.

Extraordinary losses: Impairment loss on non-current assets at MSCN recorded.



【 FY2025 1H Increase and Decrease Factors of Operating Profit (YoY) 】

Operating Profit -5.8



Page 16 considers the Green Energy & Chemicals, or GEC, segment.

As shown in the graph in the upper right, net sales fell for various reasons, including declining methanol market prices and our withdrawal from the OX chain business. Operating profit decreased due to the declining profitability of methanol and of MXDA and its derivatives, yen appreciation, and other factors.

Ordinary profit also decreased due to declining equity method earnings on methanol production companies overseas attributable in part to forex factors.

The waterfall chart at the bottom of the page shows the factors driving the changes in operating profit vs. the previous year.

We encourage you to return to this information when you have time.

[JPY in billions]	FY2024 1H Results	FY2025 1H Results	Changes
Net sales	163.9	141.1	-22.8
Natural Gas	119.5	104.5	-14.9
Aromatic	44.9	36.8	-8.1
Other/Adjustment	(0.4)	(0.2)	+0.2
Operating profit	10.1	4.3	-5.8
Natural Gas	7.7	3.0	-4.6
Aromatic	2.3	1.2	-1.1
Other/Adjustment	0.0	0.0	-0.0
Ordinary profit	14.2	6.2	-8.0
Natural Gas	11.0	4.0	-7.0
Aromatic	3.2	2.2	-1.0
Other/Adjustment	0.0	0.0	-0.0






(Note) Breakdown shows segments by major product group

		FY2025 1H Results (Compared with FY2024 1H Results)	
Natural Gas Chemicals	Methanol		Decreased in both net sales and earnings due to lower market prices compared with the same period of the previous fiscal year.
	Methanol and ammonia-based chemicals		Posted net sales and operating profit on par with the same period of the previous fiscal year, despite lower ammonia and MMA market prices, thanks to such positive factors as lower fixed costs.
	The energy resources And environmental business		Decreased in net sales and earnings due to the lower sales volume of LNG for power generation use and a decline in crude oil prices.
Aromatic Chemicals	MXDA*, aromatic aldehydes and polymer Materials * including derivatives		Decreased in net sales and earnings, reflecting such factors as sluggish demand for products targeting European, U.S. and Chinese markets, as well as intensifying competition and higher fixed costs.
	Xylene separators and derivatives		Decreased in net sales due to the withdrawal from the ortho-xylene chain, but recorded an increase in earnings due primarily to reductions in fixed costs following the withdrawal.

Page 17 shows YoY trends in GEC first-half results for major businesses.
We encourage you to return to this when you have time.

[JPY in billions]	FY2025 1H Results	FY2025 2H Forecast	Changes
Net sales	141.1	146.8	+5.7
Natural Gas	104.5	108.4	+3.8
Aromatic	36.8	38.6	+1.8
Other/Adjustment	(0.2)	(0.2)	+0.0
Operating profit	4.3	3.7	-0.5
Natural Gas	3.0	3.3	+0.2
Aromatic	1.2	0.4	-0.8
Other/Adjustment	0.0	0.0	-0.0
Ordinary profit	6.2	4.1	-2.0
Natural Gas	4.0	3.5	-0.4
Aromatic	2.2	0.6	-1.5
Other/Adjustment	0.0	(0.0)	-0.0

(Note) Breakdown shows segments by major product group

		FY2025 2H Forecast (Compared with FY2025 1H Results)	
Natural Gas Chemicals	Methanol		Market prices expected to improve mainly due to strengthened US sanctions on Iranian products and limited raw material natural gas supplies in winter (1H results \$309 → 2H forecast \$325).
	Methanol and ammonia-based chemicals		Although a recovery in demand is assumed, a decline in profit is expected mainly due to scheduled maintenance for MMA products in the second half.
	The energy resources And environmental business		Although an increase in revenue is expected from the sales of LNG for power generation, a decline in profit is expected mainly due to an increase in fixed costs for the iodine business.
Aromatic Chemicals	MXDA*, aromatic aldehydes and polymer Materials * including derivatives		Although an increase in volume is expected from the recovery of demand in China and Europe/US and price adjustments, profit is expected to decrease due to scheduled maintenance.
	Xylene separators and derivatives		Continued sluggish market prices for purified isophthalic acid (PIA) are expected. A decline in profit is expected, factoring in scheduled maintenance.

Page 18 considers forecasts for the second half.

Methanol market prices are expected to rise, generating higher profits, due mainly to strengthened US sanctions on Iranian products and the limited supply of the raw material natural gas in winter (1H results \$309 → 2H forecast \$325).

While we anticipate demand recovery for methanol and ammonia-based chemicals, we expect lower profits due mainly to scheduled maintenance for MMA plants in the second half.

In the energy resources and environmental business, despite expectations of increased revenue from sales of LNG for power generation, we anticipate lower profits due mainly to rising fixed costs for the iodine business.

For MXDA and aromatic aldehydes, despite the volume growth expected from recovering demand in China and Europe/US and price adjustments, we expect lower profits due to scheduled maintenance.

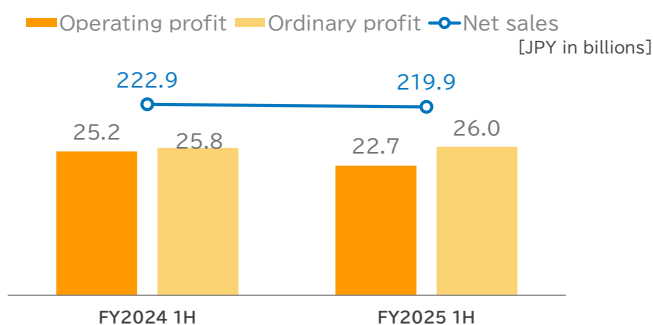
FY2025 1H Results

Net sales:

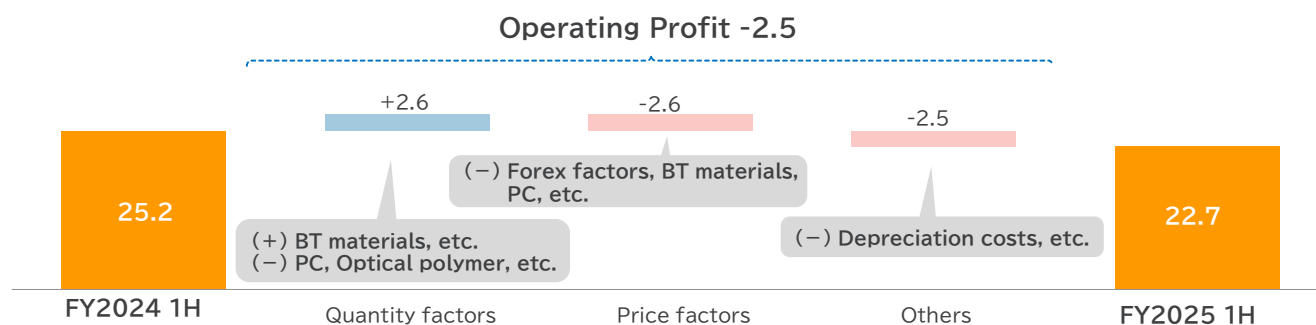
Although sales volume of electronic materials such as BT materials increased, revenue decreased due to factors including a decline in engineering plastics market prices and appreciation of the yen.

Operating profit:

Profit declined mainly due to the factors stated above, as well as increased fixed costs for inorganic chemicals and increased costs associated with enhanced quality measures for BT materials.



[FY2025 1H Increase and Decrease Factors of Operating Profit (YoY)]



Page 19 addresses the Specialty Chemicals segment.

Net sales decreased due to various factors, including a decline in engineering plastics market prices and yen appreciation, despite growth in sales volumes for electronic materials such as BT materials.

Operating profit declined due mainly to higher fixed costs for inorganic chemicals and rising costs associated with enhanced quality measures for BT materials, in addition to the factors that contributed to the decrease in net sales.

The chart at the bottom of the slide shows the factors underlying the changes in operating profit for Specialty Chemicals vs. the previous year. We encourage you to return to this information when you have time.

Specialty Chemicals



[JPY in billions]	FY2024 1H Results	FY2025 1H Results	Changes
Net sales	222.9	219.9	-2.9
Specialty	186.6	174.0	-12.6
Information & Advanced Materials	36.2	45.9	+9.6
Other/Adjustment	(0.0)	(0.0)	-0.0
Operating profit	25.2	22.7	-2.4
Specialty	17.2	12.7	-4.4
Information & Advanced Materials	7.9	9.9	+1.9
Other/Adjustment	0.0	0.0	-0.0
Ordinary profit	25.8	26.0	+0.1
Specialty	16.8	14.7	-2.1
Information & Advanced Materials	8.9	11.2	+2.3
Other/Adjustment	0.0	0.0	-0.0

(Note) Breakdown shows segments by major product group

		FY2025 1H Results (Compared with FY2024 1H Results)	
Specialty Chemicals	Inorganic chemicals		Decreased in net sales and earnings due to growth in fixed costs associated with the expansion of production capacities at a production base for chemicals for use in semiconductor manufacturing in Taiwan. Other factors leading to decreases in net sales and earnings included the appreciation of the yen.
	Engineering plastics		Decreased in net sales and earnings due mainly to lower polycarbonate sales prices and lower sales volume which, in turn, resulted in deterioration in the profitability of overseas manufacturing bases.
	Optical materials		Decreased in net sales and earnings. This was due to inventory adjustments carried out by customers and a resulting decline in the sales volume of products for use in smartphones, a primary application of optical polymers. Other factors leading to decreases in net sales and earnings included growth in such fixed costs as depreciation.
Information & Advanced Materials	Electronics materials		Increased in net sales and earnings, even though the strengthening of quality management measures for BT materials for IC plastic packaging resulted in higher costs. The above increases were attributable to recovery in demand, a customer trend toward securing stockpiles in response to anxiety regarding the supply of some raw materials, and growth in the sales volume of OPETM substrate material for AI servers.
	Living Tech and Hygiene Solutions (Former oxygen absorbers)		Posted net sales and earnings on par with the same period of the previous fiscal year, despite the lower sales volume of oxygen absorbers for export, as environmental sanitation chemicals were transferred from the inorganic chemicals business and included in the above product category from April 1, 2025.

Page 20 shows trends in Specialty Chemicals results for major businesses. We encourage you to return to this when you have time.

Specialty Chemicals



[JPY in billions]	FY2025 1H Results	FY2025 2H Forecast	Changes
Net sales	219.9	219.4	-0.4
Specialty	174.0	174.6	+0.5
Information & Advanced Materials	45.9	44.8	-1.0
Other/Adjustment	(0.0)	(0.0)	+0.0
Operating profit	22.7	17.7	-4.9
Specialty	12.7	8.8	-3.9
Information & Advanced Materials	9.9	8.9	-1.0
Other/Adjustment	0.0	(0.0)	-0.0
Ordinary profit	26.0	16.7	-9.3
Specialty	14.7	7.7	-7.0
Information & Advanced Materials	11.2	8.9	-2.3
Other/Adjustment	0.0	(0.0)	-0.0

(Note) Breakdown shows segments by major product group

		FY2025 2H Forecast (Compared with FY2025 1H Results)	
Specialty Chemicals	Inorganic chemicals	↓	Although demand for chemicals for use in semiconductor manufacturing is on a recovery trend, a decline in profit is forecasted, incorporating factors such as increased fixed costs from new plant operations.
	Engineering plastics	↓	Continued sluggish market prices for general-purpose PC are expected in the second half as well. Moreover, a decline in profit is expected, mainly due to increased fixed cost burdens at production bases in Japan.
	Optical materials	↓	Strong sales are expected for optical polymers. A decline in profit is expected, anticipating the impact of scheduled maintenance and other factors.
Information & Advanced Materials	Electronics materials	↓	A decline in profit is expected due to a reactionary decline from a strong performance in the first half. Costs from enhanced quality measures are expected to decrease compared to the first half. Expanded plant at the Thailand site to start commercial operations in the second half.
	Living Tech and Hygiene Solutions (Former oxygen absorbers)	↓	Although strong sales are expected for oxygen absorbers in Japan, a decrease in export volume is anticipated, leading to an expected decline in profit.

Page 21 looks at forecasts for the second half.

In inorganic chemicals, while demand for chemicals for use in semiconductor manufacturing is trending toward recovery, profits are forecast to decline for various reasons, including rising fixed costs related to new plant operations.

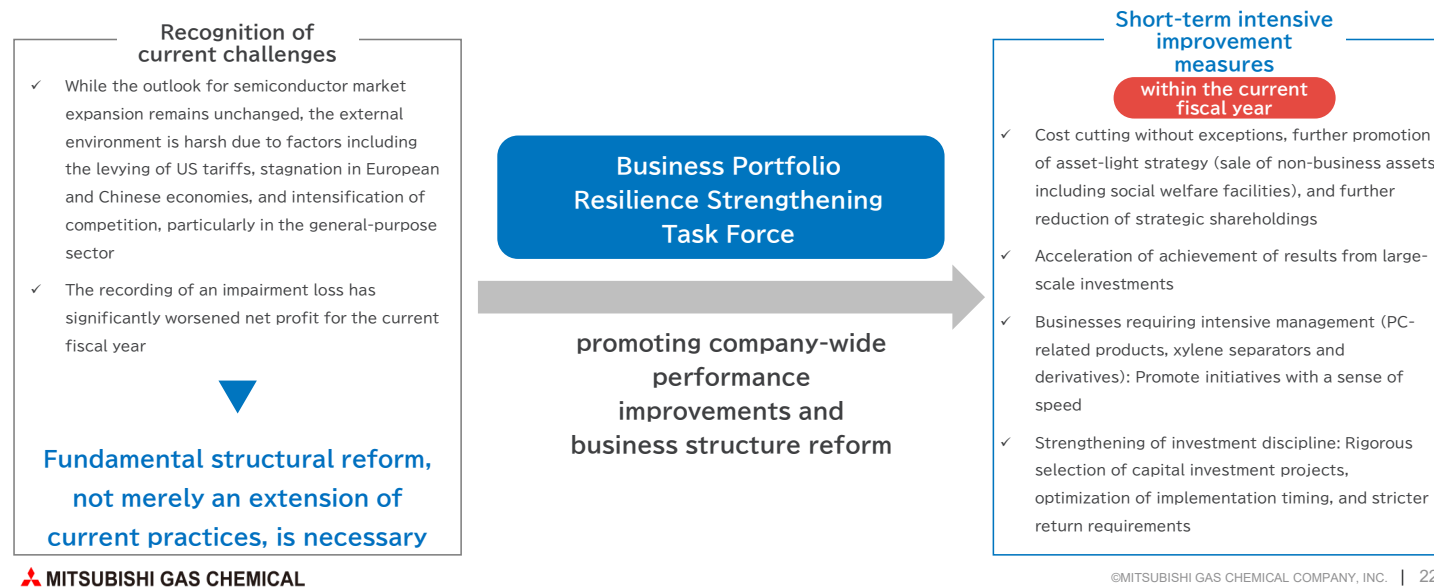
In engineering plastics, since sluggish market prices for general-purpose PC are expected to continue in the second half, profit is expected to decline. This is also due mainly to increased fixed cost burdens at production bases in Japan.

In optical materials, strong sales are expected for optical polymers. A decline in profit is expected due to the impact of scheduled maintenance and other increases in fixed costs.

A decline in profit is expected in electronics materials due to a reactionary decline from strong performance in the first half, although costs related to enhanced quality measures are expected to fall from the first half. The expanded plant at the Thailand site, announced in a press release today, is slated to begin operating on a commercial basis in December.

Recognition of Current Challenges and Implementation of Short-term Intensive Improvement Measures

- We recognize the need to implement initiatives to improve performance in the short term in response to rapid changes in the external environment and the recording of an impairment loss, and to further accelerate the strengthening of the resiliency of our business portfolio.
- We established the Business Portfolio Resilience Strengthening Task Force led by the President to further promote short-term performance improvements and business structure reform.



Please turn to page 22.

We recognize the need to implement fundamental structural reforms—not merely extensions of current practices—in response to rapid changes in the external environment and the recording of a significant impairment loss.

Toward this end, we have established an internal Business Portfolio Resilience Strengthening Task Force to promote companywide performance improvements and business structure reforms with a sense of urgency.

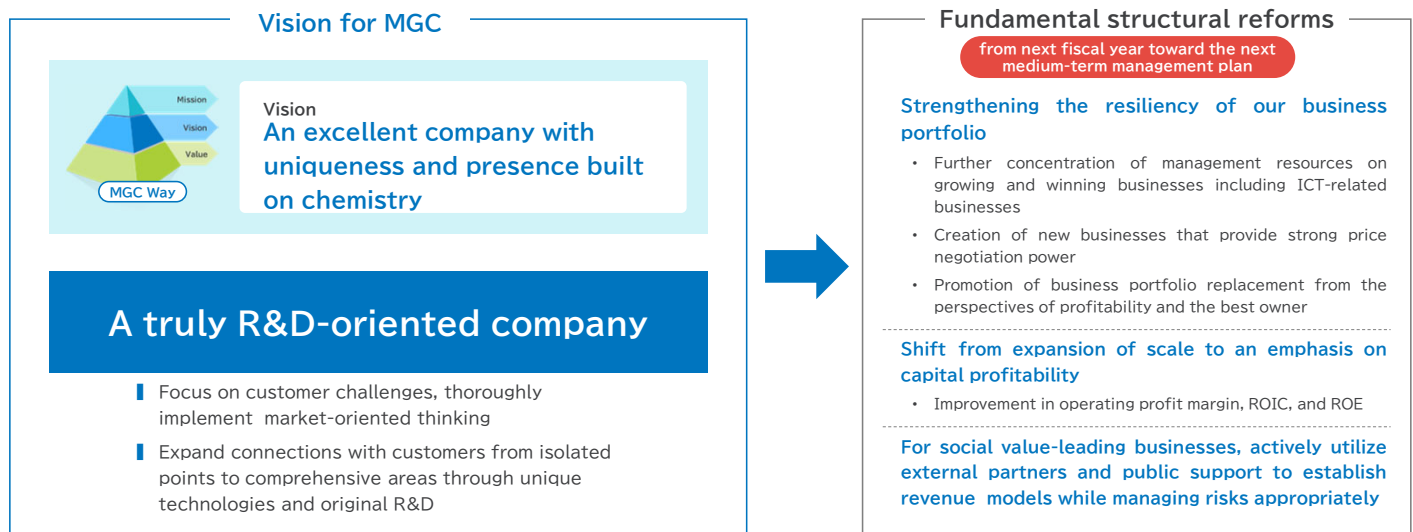
Through short-term intensive improvement measures set for the current fiscal year, we plan to cut costs without exception; further promote an asset-light strategy; and further reduce strategic shareholdings. To make our business portfolio more resilient, we will reap the results of large-scale investments centered on the three ICT business and accelerate measures to address businesses requiring intensive management.

To strengthen investment discipline, we will take a more rigorous approach to selecting capital investment projects from various perspectives, including investment timing, even for products expected to grow over the medium to long term, and prioritize investments in products that offer promising returns.

Fundamental Structural Reforms and Our Vision for MGC



- To realize the vision set forth in the MGC Way, “an excellent company with uniqueness and presence built on chemistry,” we will execute fundamental structural reforms in addition to short-term intensive improvement measures.
- The progress on various measures will be reported at the Management Overview Briefing to be held in June of next year.



Please turn to page 23.

Our vision for MGC is described in the words *an excellent company with uniqueness and presence built on chemistry*. Specifically, we will strive to become a truly R&D-oriented company capable of proposing a wide range of products to meet customer needs by focusing first on customer challenges, by connecting to customers through market-out oriented thinking, and by deploying unique technologies and original R&D.

The courses of action for our fundamental structural reforms are based on backcasting from this vision. We will implement various measures from the next fiscal year to prepare for starting the next medium-term management plan.

To strengthen the resiliency of our business portfolio, we will continue to concentrate management resources on growing and winning businesses, including ICT-related businesses; create new businesses capable of providing strong price negotiation power; and promote business portfolio replacement from the perspectives of profitability and best owners.

We will also shift from expanding scale of sales and other figures to a greater emphasis on capital profitability and efficiency, including operating profit margin, ROIC, and ROE.

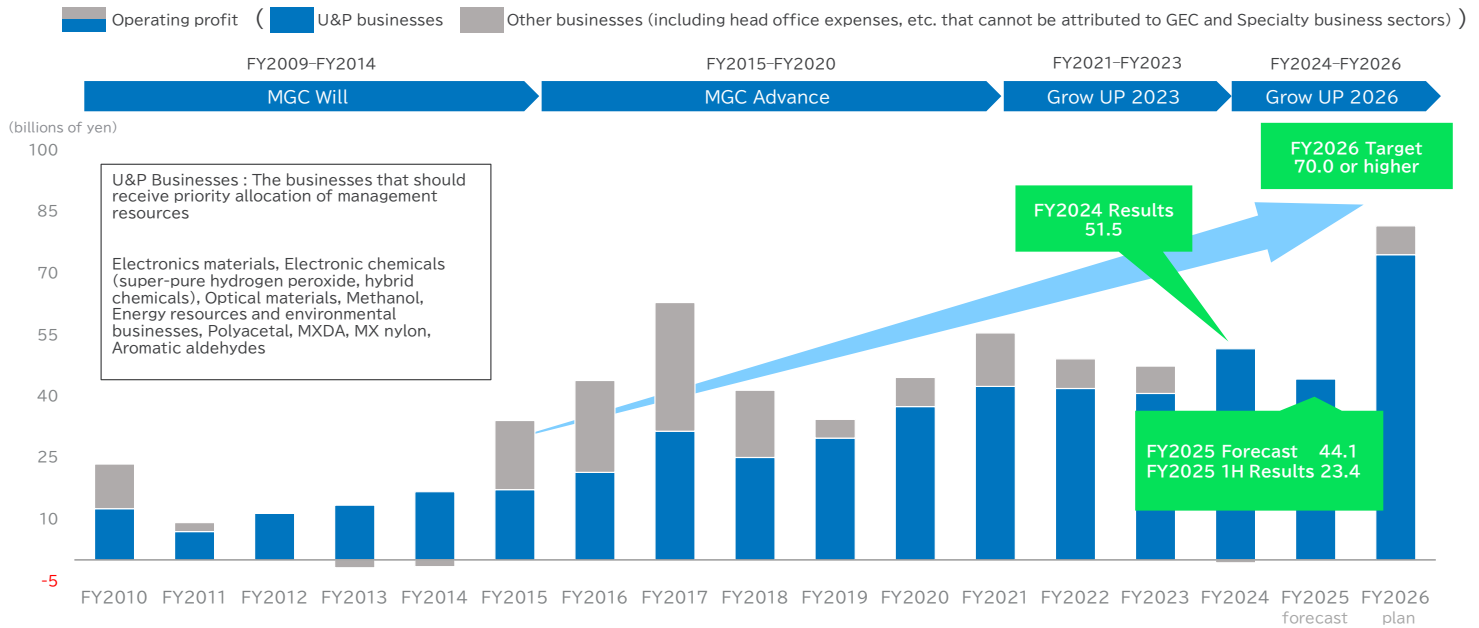
For carbon neutrality and other social value-leading businesses, since most of them take time for commercialization and often face issues in profitability, we plan to make active use of external partners and public support to establish business models capable of boosting revenue while effectively managing risk.

We plan to report on our progress on these measures at the Management Overview Briefing to be held in June of next year.

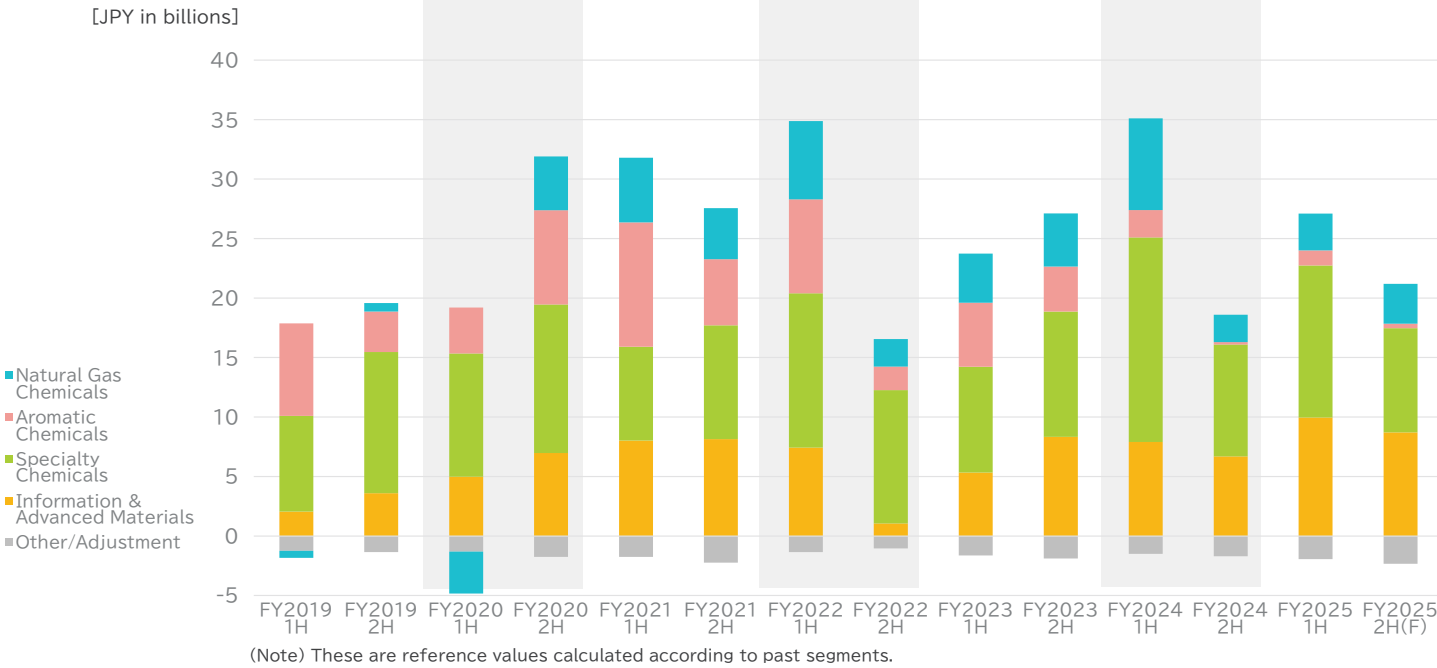
Appendix

Operating Profit Trend of Uniqueness & Presence Businesses

- Re-expand during this medium-term management plan, mainly by promoting the three ICT businesses as growth drivers



Operating Profit by Major Product Groups



Results and Forecast by Segment



[JPY in billions]	FY2024 Results			FY2025 Previous Forecast*			FY2025 Revised Forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	388.1	385.4	773.5	360.0	390.0	750.0	361.6	368.3	730.0
GEC	163.9	159.2	323.1	142.3	159.0	301.3	141.1	146.8	288.0
Specialty Chemicals	222.9	221.2	444.1	216.3	229.6	445.9	219.9	219.4	439.3
Other/Adjustment	1.2	4.9	6.2	1.3	1.2	2.6	0.6	1.9	2.5
Operating profit	33.7	17.0	50.8	24.0	22.0	46.0	25.1	18.8	44.0
GEC	10.1	2.6	12.7	3.8	6.3	10.2	4.3	3.7	8.1
Specialty Chemicals	25.2	16.1	41.3	22.6	18.3	41.0	22.7	17.7	40.5
Other/Adjustment	(1.5)	(1.6)	(3.2)	(2.5)	(2.7)	(5.2)	(1.9)	(2.6)	(4.6)
Ordinary profit	37.4	22.8	60.3	27.0	23.0	50.0	31.4	18.5	50.0
GEC	14.2	6.2	20.5	6.2	8.5	14.8	6.2	4.1	10.4
Specialty Chemicals	25.8	18.0	43.9	23.1	17.0	40.1	26.0	16.7	42.7
Other/Adjustment	(2.7)	(1.3)	(4.1)	(2.4)	(2.5)	(4.9)	(0.7)	(2.3)	(3.1)

* Announced on Aug 7, 2025

Quarterly Results by Segment



[JPY in billions]	FY2024 Results				FY2025 Results	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	188.1	200.0	195.0	190.4	177.9	183.7
GEC	78.3	85.5	80.4	78.7	68.2	72.8
Specialty Chemicals	109.2	113.6	113.4	107.8	108.9	111.0
Other/Adjustment	0.4	0.8	1.0	3.8	0.8	(0.1)
Operating profit	15.7	18.0	11.5	5.5	10.9	14.1
GEC	4.1	6.0	2.8	(0.2)	1.9	2.3
Specialty Chemicals	12.6	12.6	9.9	6.2	9.6	13.0
Other/Adjustment	(0.9)	(0.6)	(1.2)	(0.4)	(0.6)	(1.2)
Ordinary profit	17.9	19.4	16.4	6.4	13.8	17.6
GEC	4.5	9.7	4.1	2.1	3.9	2.3
Specialty Chemicals	13.9	11.9	12.6	5.4	9.9	16.0
Other/Adjustment	(0.5)	(2.2)	(0.2)	(1.0)	(0.0)	(0.7)

Results and Forecast by Major Product Groups



[JPY in billions]	FY2024 Results			FY2025 Previous Forecast*			FY2025 Revised Forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	388.1	385.4	773.5	360.0	390.0	750.0	361.6	368.3	730.0
Natural Gas	119.5	113.4	232.9	105.7	116.8	222.6	104.5	108.4	213.0
Aromatic	44.9	46.3	91.2	36.9	42.4	79.3	36.8	38.6	75.4
Specialty	186.6	184.0	370.6	172.2	186.5	358.8	174.0	174.6	348.6
Information & Advanced Materials	36.2	37.2	73.5	44.0	43.1	87.1	45.9	44.8	90.7
Other/Adjustment	0.7	4.3	5.1	0.9	1.0	2.0	0.3	1.7	2.0
Operating profit	33.7	17.0	50.8	24.0	22.0	46.0	25.1	18.8	44.0
Natural Gas	7.7	2.3	10.0	2.4	4.8	7.3	3.0	3.3	6.3
Aromatic	2.3	0.2	2.6	1.3	1.4	2.8	1.2	0.4	1.7
Specialty	17.2	9.4	26.6	12.8	10.3	23.1	12.7	8.8	21.6
Information & Advanced Materials	7.9	6.7	14.6	9.8	8.0	17.8	9.9	8.9	18.9
Other/Adjustment	(1.5)	(1.7)	(3.2)	(2.4)	(2.7)	(5.1)	(1.9)	(2.6)	(4.6)
Ordinary profit	37.4	22.8	60.3	27.0	23.0	50.0	31.4	18.5	50.0
Natural Gas	11.0	4.4	15.5	3.8	7.0	10.9	4.0	3.5	7.5
Aromatic	3.2	1.7	4.9	2.3	1.4	3.8	2.2	0.6	2.8
Specialty	16.8	11.0	27.9	13.5	9.1	22.6	14.7	7.7	22.5
Information & Advanced Materials	8.9	7.0	15.9	9.6	7.8	17.4	11.2	8.9	20.2
Other/Adjustment	(2.6)	(1.4)	(4.1)	(2.4)	(2.5)	(4.9)	(0.7)	(2.3)	(3.1)

(Note) These are reference values calculated according to past segments.

* Announced on Aug 7, 2025

Quarterly Results by Major Product Groups



JPY in billions]	FY2024 Results				FY2025 Results	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	188.1	200.0	195.0	190.4	177.9	183.7
Natural Gas	56.5	62.9	55.2	58.2	49.8	54.6
Aromatic	22.0	22.8	25.4	20.9	18.5	18.3
Specialty	91.0	95.6	94.9	89.0	86.9	87.0
Information & Advanced Materials	18.2	17.9	18.4	18.7	21.9	23.9
Other/Adjustment	0.1	0.5	0.9	3.4	0.6	(0.3)
Operating profit	15.7	18.0	11.5	5.5	10.9	14.1
Natural Gas	2.7	4.9	(0.0)	2.4	1.2	1.8
Aromatic	1.3	1.0	2.9	(2.7)	0.6	0.5
Specialty	8.4	8.8	6.6	2.8	5.1	7.6
Information & Advanced Materials	4.1	3.8	3.3	3.3	4.4	5.4
Other/Adjustment	(0.9)	(0.6)	(1.3)	(0.4)	(0.6)	(1.2)
Ordinary profit	17.9	19.4	16.4	6.4	13.8	17.6
Natural Gas	2.6	8.3	(0.5)	5.0	3.0	1.0
Aromatic	1.7	1.4	4.6	(2.9)	0.8	1.3
Specialty	9.0	7.8	8.9	2.0	4.7	10.0
Information & Advanced Materials	4.9	4.0	3.6	3.3	5.2	6.0
Other/Adjustment	(0.4)	(2.2)	(0.3)	(1.0)	(0.0)	(0.7)

(Note) These are reference values calculated according to past segments.

FY2025 1H Balance Sheets



[JPY in billions]	Mar. 31, 2025	Sep. 30, 2025	Changes
Current assets	460.2	436.5	-23.7
Cash and deposits	68.2	60.7	-7.4
Trade notes and Accounts receivable	157.8	144.1	-13.6
Inventories	207.5	206.0	-1.4
Others	26.6	25.4	-1.1
Non-current assets	659.4	638.8	-20.5
Tangible assets	366.5	342.7	-23.8
Intangible assets	24.9	24.4	-0.5
Investments and other assets	267.8	271.7	+3.8
Total assets	1,119.6	1,075.4	-44.2

[JPY in billions]	Mar. 31, 2025	Sep. 30, 2025	Changes
Liabilities	422.3	409.8	-12.4
Trade note and accounts payable	103.0	83.9	-19.1
Interest-bearing debt	213.9	231.4	+17.4
Others	105.2	94.4	-10.7
Net assets	697.3	665.5	-31.8
Shareholders' equity	600.7	563.3	-37.4
Accumulated other comprehensive income	67.4	69.9	+2.4
Non controlling interest	29.1	32.2	+3.0
Total liabilities and net assets	1,119.6	1,075.4	-44.2

Equity Ratio **58.9%** (as of Sep. 30, 2025)

FY2025 1H Cash Flows



[JPY in billions]	FY2024 1H	FY2025 1H	Changes
Operating activity cash flows	35.5	29.8	-5.7
Investing activity cash flows	(49.6)	(39.9)	+9.7
Free cash flows	(14.0)	(10.0)	+4.0
Financing activity cash flows	8.6	3.2	-5.4
Effect of exchange rate change on cash and cash equivalents	1.2	(0.3)	-1.5
Net increase (decrease) in cash and cash equivalents	(4.1)	(7.1)	-3.0
Cash and cash equivalents at beginning of period	65.3	56.9	-8.4
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	0.6	-	-0.6
Cash and cash equivalents at end of period	61.8	49.8	-12.0

Reference: Key Indicators (1)



[JPY in billions]	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (F)
Capital expenditure [1Q]	35.0 [5.6]	30.9 [6.1]	39.2 [9.1]	42.3 [11.5]	40.2 [8.7]	54.7 [11.5]	64.6 [15.3]	81.7 [18.3]	88.7 [17.7]	82.0 [41.5]
Depreciation& amortization [1Q]	25.6 [6.1]	27.0 [6.4]	27.4 [6.7]	29.5 [7.1]	30.6 [7.5]	31.9 [7.8]	33.5 [7.9]	36.3 [9.1]	34.6 [8.2]	39.0 [18.5]
R&D expenditure [1Q]	19.2 [4.8]	18.9 [4.5]	18.6 [4.5]	19.6 [4.5]	19.9 [4.7]	21.0 [4.9]	23.5 [5.5]	25.6 [6.2]	26.1 [6.2]	28.0 [12.4]
Employees (as of Mar. 31)	8,034	8,009	8,276	8,954	8,998	9,888	10,050	7,918	8,146	8,300
EBITDA*1	89.4	108.8	97.6	61.6	81.7	107.0	105.0	84.9	97.3	92.0
Operating Profit of U&P Businesses	21.3	31.4	25.0	29.7	37.4	42.3	41.8	40.6	51.5	44.1
ROE (%)	12.0	13.6	11.3	4.3	7.1	8.8	8.3	6.1	6.9	-
ROIC (%)*2	9.6	12.1	9.5	3.6	6.2	7.4	6.4	3.3	6.4	3.9
Operating profit margin (%)	7.9	9.9	6.4	5.6	7.5	7.8	6.3	5.8	6.6	6.0
EPS (Yen)	221.83	281.39	257.46	100.50	173.41	232.15	239.08	190.97	228.93	(87.30)
DPS*4 (Yen) [Interim dividend]	38.00 [16.00]	59.00 [24.00]	70.00 [35.00]	70.00 [35.00]	70.00 [35.00]	80.00*3 [45.00*3]	80.00 [40.00]	80.00 [40.00]	95.00 [45.00]	100.00 [50.00]
Total payout ratio (%)	30.1	32.5	27.2	111.4	40.4	34.5	47.9	67.5	74.1	-

*1 EBITDA = Ordinary profit + depreciation expense + interest paid *2 ROIC =(Operating profit - Income taxes + Equity in earnings of affiliates) / invested capital

*3 Commemorative dividend 10yen

*4 The Company conducted a consolidation of shares at a ratio of one share for every two shares effective October1,2016. EPS and dividends of 2016 are retroactively adjusted figures assuming such reverse stock split had taken place.

Reference: Key Indicator (2) Capex, depreciation and amortization by segment



[JPY in billions]		FY2016	FY2017	FY2018	FY2019		FY2020	FY2021	FY2022	FY2023	FY2024
Capex*	Natural Gas	9.0	6.0	5.7	7.2	GEC	19.7	19.2	32.0	37.0	34.9
	Aromatic	10.5	11.3	14.6	15.0						
	Specialty	8.1	11.0	14.4	14.6	Specialty Chemicals	18.6	32.6	28.6	41.9	50.0
	Information & Advanced Materials	6.6	1.9	2.3	2.6						
	Other	0.5	0.6	2.1	2.7	Other	1.8	2.9	3.9	2.7	3.7
	Total	35.0	30.9	39.2	42.3	Total	40.2	54.7	64.6	81.7	88.7
Depreciation	Natural Gas	5.0	5.1	5.5	6.3	GEC	16.4	17.1	17.9	17.3	13.7
	Aromatic	8.5	8.5	8.7	9.5						
	Specialty	8.6	9.1	8.7	8.7	Specialty Chemicals	13.0	13.0	13.7	16.8	18.5
	Information & Advanced Materials	3.0	3.5	3.6	3.8						
	Other	0.3	0.5	0.8	1.0	Other	1.1	1.7	1.8	2.0	2.4
	Total	25.6	27.0	27.4	29.5	Total	30.6	31.9	33.5	36.3	34.6

*Fixed assets recorded basis

Reference: Key Indicators (3)



	FY2021		FY2022		FY2023		FY2024		FY2025 (F)	
	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H (F)
FX(JPY/USD)	110	115	134	137	141	148	153	152	146	145
FX(JPY/EUR)	131	130	139	143	153	160	166	162	168	170
Crude oil (Dubai) (USD/bbl.)	69	87	102	83	82	82	82	75	69	70
Methanol (USD/MT)	370	428	375	351	297	324	333	335	309	325
Mixed xylene (USD/MT)	780	875	1,105	925	960	910	885	750	695	725
Bisphenol A (USD/MT)*	2,750 ~3,700	2,100 ~3,150	1,450 ~2,200	1,250 ~1,700	1,150 ~1,400	1,250 ~1,350	1,250 ~1,350	1,200 ~1,350	1,100 ~1,250	1,100 ~1,200
Polycarbonate (USD/MT)*	3,100 ~4,050	2,650 ~3,650	1,950 ~2,900	1,800 ~2,200	1,650 ~1,900	1,700 ~1,900	1,750 ~1,900	1,600 ~1,800	1,500 ~1,650	1,500 ~1,600

* Describe the minimum and maximum values during the period

Sensitivity (rough estimates)

FX (USD): with an appreciation (depreciation) of ¥1 against the USD, annual operating profit falls (increases) by ¥0.5 bn, while annual ordinary profit falls (increases) by ¥0.5 bn.

FX (EUR): with an appreciation (depreciation) of ¥1 against the EUR, annual operating profit falls (increases) by ¥0.1 bn, while annual ordinary profit falls (increases) by ¥0.1 bn.

Crude oil (Dubai): A \$1/bbl. increase (drop) in crude oil reduces (raises) profit by ¥0.3 bn (excluding methanol affect).

Methanol: \$1/MT increase (drop) in market price raises (reduces) equity in earnings of affiliates by ¥0.1 bn.

Main products of Each Reportable Segment

Reportable Segments	Former Segments	Main Products(~FY2024)	Main Products(FY2025~)
Green Energy & Chemicals	Natural Gas Chemicals	<ul style="list-style-type: none"> •Methanol •Methanol and ammonia-based chemicals (ammonia and amines, MMA products, formalin and polyol products, etc.) •Energy resources and environmental businesses 	no change
	Aromatic Chemicals	<ul style="list-style-type: none"> •MXDA, aromatic aldehydes, polymer materials(MX nylon, etc.) •Xylene separators and derivatives (Meta-xylene, purified isophthalic acid (PIA), etc.) 	no change
Specialty Chemicals	Specialty Chemicals	<ul style="list-style-type: none"> •Inorganic chemicals (electronic chemicals (super-pure hydrogen peroxide, hybrid chemicals), hydrogen peroxide, etc.) •Engineering plastics (polycarbonate/sheet film, polyacetal, etc.) •Optical materials (optical polymers, ultra-high refractive lens monomer, etc.) 	no change*
	Information and Advanced Materials	<ul style="list-style-type: none"> •Electronic materials (BT materials for IC plastic packaging, etc.) •Oxygen absorbers (AGELESS™, etc.) 	<ul style="list-style-type: none"> •Electronic materials (BT materials for IC plastic packaging, etc.) •LivingTech and Hygiene Solutions* (Oxygen absorbers : AGELESS™, etc.) (Environmental and Hygiene Chemicals: DIAPOWER, etc.)

* With the establishment of the LivingTech and Hygiene Solutions Division in April 2025, inorganic chemicals related to environmental hygiene (medical equipment cleaning, beverage container sterilization, pollution control chemicals) were transferred to main products of the Information & Advanced Materials group.

- FY2025 third quarter financial results announcement
February 10, 2026 (Tuesday) 15:30
- FY2025 third quarter results presentation for analysts and
institutional investors
February 10, 2026 (Tuesday) Time to be announced

(Note) The above schedule is subject to change without notice.

Disclaimer

This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

This document contains performance forecasts and other statements concerning the future. These forward-looking statements are based on information available at the time. These materials were prepared and on certain premises judged to be reasonable. None of these forward-looking statements are intended to be guarantees of future performance. Various factors may cause actual performance to differ significantly from forecasts.

