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May 13, 2026

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (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
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 TEL: +81-3-3283-5041
 Scheduled date of ordinary general meeting of shareholders: June 25, 2026
 Scheduled date to commence dividend payments: June 9, 2026
 Scheduled date to file annual securities report: June 22, 2026
 Presentation of supplementary material on financial results: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	738,243	(4.6)	45,293	(10.9)	51,947	(13.9)	(40,318)	—
March 31, 2025	773,591	(4.9)	50,851	7.4	60,316	31.0	45,544	17.3

Note: Comprehensive income March 31, 2026 ¥5,080 million [(89.5)%]
 March 31, 2025 ¥48,229 million [(45.0)%]

	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, 2026	(207.04)	—	(6.1)	4.7	6.1
March 31, 2025	228.93	—	6.9	5.5	6.6

Reference: Equity in earnings of entities accounted for using equity method

March 31, 2026 ¥1,545 million
 March 31, 2025 ¥10,956 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, 2026	1,113,040	679,550	58.1	3,319.36
March 31, 2025	1,119,688	697,375	59.7	3,431.90

Reference: Equity

As of March 31, 2026 ¥646,417 million
 As of March 31, 2025 ¥668,222 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, 2026	74,726	(61,311)	(14,364)	59,096
March 31, 2025	75,440	(90,994)	4,707	56,985

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, 2025	—	45.00	—	50.00	95.00	17,021	41.5	2.8
Fiscal year ended March 31, 2026	—	50.00	—	50.00	100.00	19,472	—	3.0
Fiscal year ending March 31, 2027 (Forecast)	—	55.00	—	55.00	110.00		46.6	

3. Consolidated business forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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, 2026 (cumulative)	420,000	16.1	28,000	11.4	31,000	(1.5)	20,000	—	102.63
Fiscal year ending March 31, 2027	840,000	13.8	59,000	30.3	66,000	27.1	46,000	—	236.06

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (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: None
- (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, 2026	211,686,599
As of March 31, 2025	211,686,599

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

As of March 31, 2026	16,945,105
As of March 31, 2025	16,977,506

(iii) Average number of outstanding shares during the period

For the year ended March 31, 2026	194,732,741
For the year ended March 31, 2025	198,940,429

[Reference] Outline of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	407,509	(5.9)	16,115	(28.6)	35,834	(2.0)	(47,080)	—
March 31, 2025	432,839	8.0	22,581	44.3	36,575	(2.6)	34,894	10.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	(241.77)	—
March 31, 2025	175.40	—

(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, 2026	585,253	285,210	48.7	1,464.56
March 31, 2025	604,746	343,691	56.8	1,765.15

Reference: Equity

As of March 31, 2026

¥285,210 million

As of March 31, 2025

¥343,691 million

2. Non-consolidated business forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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, 2027	500,000	22.7	27,000	67.5	42,000	17.2	36,000	—	184.74

* 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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	68,246	68,966
Notes and accounts receivable - trade, and contract assets	157,853	149,578
Merchandise and finished goods	119,814	110,137
Work in process	20,291	22,695
Raw materials and supplies	67,421	74,151
Other	27,399	26,023
Allowance for doubtful accounts	△757	△1,062
Total current assets	460,268	450,491
Non-current assets		
Property, plant and equipment		
Buildings and structures	245,699	269,254
Accumulated depreciation	△150,703	△163,685
Buildings and structures, net	94,996	105,569
Machinery, equipment and vehicles	582,742	620,450
Accumulated depreciation	△463,773	△510,492
Machinery, equipment and vehicles, net	118,969	109,957
Tools, furniture and fixtures	55,034	59,124
Accumulated depreciation	△45,931	△48,385
Tools, furniture and fixtures, net	9,103	10,738
Land	34,109	34,648
Leased assets	4,972	5,232
Accumulated depreciation	△2,249	△2,967
Leased assets, net	2,723	2,264
Construction in progress	106,085	70,512
Other	1,193	1,416
Accumulated depreciation	△619	△764
Other, net	574	652
Total property, plant and equipment	366,560	334,344
Intangible assets		
Goodwill	15,310	13,751
Leased assets	46	31
Software	6,726	6,649
Other	2,912	3,113
Total intangible assets	24,995	23,545
Investments and other assets		
Investment securities	233,519	254,005
Long-term loans receivable	8,579	5,422
Deferred tax assets	4,058	2,914
Retirement benefit asset	15,418	36,278
Other	8,044	8,023
Allowance for doubtful accounts	△1,758	△1,984
Total investments and other assets	267,863	304,659
Total non-current assets	659,419	662,549
Total assets	1,119,688	1,113,040

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	103,087	91,975
Short-term borrowings	75,617	64,240
Current portion of bonds payable	10,000	—
Accrued expenses	25,752	21,435
Lease liabilities	970	678
Income taxes payable	9,092	10,056
Provision for bonuses	5,509	5,974
Provision for business restructuring	2,521	2,348
Other provisions	462	475
Asset retirement obligations	—	16
Other	41,916	32,623
Total current liabilities	274,929	229,824
Non-current liabilities		
Bonds payable	35,000	55,000
Long-term borrowings	79,441	102,439
Lease liabilities	1,948	1,910
Deferred tax liabilities	11,794	23,943
Other provisions	926	2,474
Retirement benefit liability	4,015	5,307
Asset retirement obligations	7,022	7,660
Other	7,234	4,928
Total non-current liabilities	147,382	203,665
Total liabilities	422,312	433,490
Net assets		
Shareholders' equity		
Share capital	41,970	41,970
Capital surplus	35,554	35,764
Retained earnings	554,224	494,433
Treasury shares	△30,956	△30,899
Total shareholders' equity	600,792	541,268
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,472	28,667
Deferred gains or losses on hedges	232	255
Foreign currency translation adjustment	44,892	55,691
Remeasurements of defined benefit plans	8,831	20,534
Total accumulated other comprehensive income	67,429	105,149
Non-controlling interests	29,153	33,132
Total net assets	697,375	679,550
Total liabilities and net assets	1,119,688	1,113,040

2. Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	773,591	738,243
Cost of sales	609,298	576,881
Gross profit	164,293	161,362
Selling, general and administrative expenses	113,442	116,068
Operating profit	50,851	45,293
Non-operating income		
Interest income	1,841	1,458
Dividend income	3,218	3,789
Foreign exchange gains	—	4,664
Share of profit of entities accounted for using equity method	10,956	1,545
Other	1,907	2,523
Total non-operating income	17,924	13,981
Non-operating expenses		
Interest expenses	2,374	2,703
Personnel expenses for seconded employees	1,164	1,157
Loss on disposal of non-current assets	1,445	1,321
Foreign exchange losses	1,364	—
Rental expenses	240	236
Other	1,869	1,908
Total non-operating expenses	8,458	7,327
Ordinary profit	60,316	51,947

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of non-current assets	—	9,022
Gain on sale of investment securities	1,480	4,927
Insurance claim income	167	511
Subsidy income	1,419	268
Total extraordinary income	3,067	14,729
Extraordinary losses		
Impairment losses	723	78,448
Business restructuring expenses	1,013	1,809
Loss on discontinuance of construction	—	1,045
Loss compensation	2,325	659
Provision of allowance for doubtful accounts	250	595
Loss on valuation of investment securities	1,384	185
Loss on tax purpose reduction entry of non-current assets	963	—
Loss on disposal of non-current assets	200	—
Office relocation expenses	175	—
Total extraordinary losses	7,037	82,743
Profit (loss) before income taxes	56,347	△16,065
Income taxes - current	14,080	16,877
Income taxes - deferred	△8,671	1,198
Total income taxes	5,409	18,076
Profit (loss)	50,937	△34,142
Profit attributable to non-controlling interests	5,393	6,175
Profit (loss) attributable to owners of parent	45,544	△40,318

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit (loss)	50,937	△34,142
Other comprehensive income		
Valuation difference on available-for-sale securities	△4,050	15,223
Deferred gains or losses on hedges	59	7
Foreign currency translation adjustment	2,433	10,392
Remeasurements of defined benefit plans, net of tax	△2,713	11,325
Share of other comprehensive income of entities accounted for using equity method	1,562	2,274
Total other comprehensive income	△2,708	39,223
Comprehensive income	48,229	5,080
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	42,855	△2,598
Comprehensive income attributable to non-controlling interests	5,373	7,679

3. Consolidated Statement of Changes in Net Assets
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 (loss) 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 (loss) 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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	41,970	35,554	554,224	△ 30,956	600,792
Changes during period					
Dividends of surplus			△ 19,472		△ 19,472
Profit (loss) attributable to owners of parent			△ 40,318		△ 40,318
Purchase of treasury shares				△ 7	△ 7
Disposal of treasury shares		11		63	75
Change in ownership interest of parent due to transactions with non-controlling interests		198			198
Net changes in items other than shareholders' equity					—
Total changes during period	—	209	△ 59,790	56	△ 59,524
Balance at end of period	41,970	35,764	494,433	△ 30,899	541,268

	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	13,472	232	44,892	8,831	67,429	29,153	697,375
Changes during period							
Dividends of surplus							△19,472
Profit (loss) attributable to owners of parent							△40,318
Purchase of treasury shares							△7
Disposal of treasury shares							75
Change in ownership interest of parent due to transactions with non-controlling interests							198
Net changes in items other than shareholders' equity	15,195	22	10,798	11,702	37,719	3,979	41,698
Total changes during period	15,195	22	10,798	11,702	37,719	3,979	△17,825
Balance at end of period	28,667	255	55,691	20,534	105,149	33,132	679,550

4. Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	56,347	△16,065
Depreciation	34,672	38,242
Loss (gain) on disposal of non-current assets	1,637	△7,837
Amortization of goodwill	1,734	1,621
Share of loss (profit) of entities accounted for using equity method	△10,956	△1,545
Impairment losses	723	78,448
Loss on discontinuance of construction	—	1,045
Increase (decrease) in allowance for doubtful accounts	368	519
Decrease (increase) in retirement benefit asset	△327	△2,995
Increase (decrease) in retirement benefit liability	△2,308	△187
Interest and dividend income	△5,059	△5,247
Interest expenses	2,374	2,703
Foreign exchange losses (gains)	△1,341	△6,457
Loss (gain) on sale of short-term and long-term investment securities	△1,600	△4,931
Loss (gain) on valuation of short-term and long-term investment securities	1,525	188
Decrease (increase) in trade receivables	9,268	12,465
Decrease (increase) in inventories	△5,477	5,566
Increase (decrease) in trade payables	△7,631	△14,970
Increase (decrease) in accrued consumption taxes	△991	3,745
Increase (decrease) in provision for retirement benefits for directors (and other officers)	△54	△9
Increase (decrease) in provision for business restructuring	729	1,833
Other, net	△1,696	△9,292
Subtotal	71,933	76,838
Interest and dividends received	5,053	5,246
Dividends received from entities accounted for using equity method	12,898	10,055
Interest paid	△2,260	△2,110
Income taxes paid	△11,082	△16,138
Subsidies received	633	1,098
Compensation paid	△1,906	△778
Proceeds from insurance income	169	514
Net cash provided by (used in) operating activities	75,440	74,726

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Purchase of non-current assets	△85,366	△76,731
Proceeds from sale of non-current assets	391	9,939
Purchase of investment securities	△5,256	△1,617
Proceeds from sale of investment securities	2,226	6,387
Loan advances	△535	△1,094
Proceeds from collection of loans receivable	31	542
Other, net	△2,485	1,262
Net cash provided by (used in) investing activities	△90,994	△61,311
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	25,214	△35,719
Proceeds from long-term borrowings	14,717	46,557
Repayments of long-term borrowings	△7,118	△5,083
Proceeds from issuance of bonds	14,931	19,912
Redemption of bonds	—	△10,000
Purchase of treasury shares	△15,006	△7
Proceeds from sale of treasury shares	—	0
Dividends paid	△17,021	△19,472
Dividends paid to non-controlling interests	△2,932	△3,379
Other, net	△8,076	△7,172
Net cash provided by (used in) financing activities	4,707	△14,364
Effect of exchange rate change on cash and cash equivalents	1,818	3,059
Net increase (decrease) in cash and cash equivalents	△9,027	2,110
Cash and cash equivalents at beginning of period	65,397	56,985
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	615	—
Cash and cash equivalents at end of period	56,985	59,096

5. Segment Information

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

(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	277,904	447,999	12,339	—	738,243
Transactions with other segments	9,019	374	2,488	△11,882	—
Net sales	286,924	448,374	14,827	△11,882	738,243
Ordinary profit (loss)	3,857	49,118	1,324	△2,353	51,947
Assets	415,814	616,227	49,583	31,415	1,113,040
Other items					
Depreciation	13,217	22,521	139	2,364	38,242
Amortization of goodwill	155	1,402	—	—	1,558
Interest income	585	937	0	△64	1,458
Interest expenses	1,042	2,186	—	△525	2,703
Equity in earnings (losses) of affiliates	△807	2,343	—	9	1,545
Investments in entities accounted for using equity method	143,348	35,894	—	—	179,242
Increase in property, plant and equipment and intangible assets	24,644	42,564	98	4,614	71,922

Qualitative Information

Consolidated Business Results for This Period

Overview of Results

Unit: Billions of yen

	FY2025	FY2024	Change	Change (%)
Net sales	738.2	773.5	(35.3)	(4.6)
Operating profit	45.2	50.8	(5.5)	(10.9)
Equity in earnings of affiliates	1.5	10.9	(9.4)	(85.9)
Ordinary profit	51.9	60.3	(8.3)	(13.9)
Profit attributable to owners of parent	(40.3)	45.5	(85.8)	-

During the fiscal year ended March 31, 2026, the global economy was affected by a lingering sense of uncertainty over the future due to U.S. tariff policies. Against this backdrop, major countries sought to support their economies through monetary easing and other financial policies. In the United States, demand was robust in cutting-edge semiconductor fields, including those related to AI and data centers. On the other hand, demand in China and Europe lacked momentum due to continued stagnation in manufacturing and other sectors. From March 2026 onward, growing tensions in the Middle East led to surges in energy prices and shortages in raw material supplies. Reflecting these and other factors, economies around the world remained quite uncertain.

The Mitsubishi Gas Chemical (MGC) Group benefitted from consistently strong demand for cutting-edge semiconductor-related products. However, demand for general-purpose semiconductors has not fully recovered. Demand also remained weak for basic chemicals and engineering plastics on the back of the prolonged stagnation of the Chinese economy. Moreover, Group operations were partially impacted by the intensification of the Middle Eastern conflict. Thus, the business environment surrounding the Group was generally harsh.

Amid this environment, the MGC Group has pursued its target of “Strengthening the resiliency of our business portfolio” under the medium-term management plan launched in 2024. Specifically, the Group has striven to realize business management focused on optimizing the cost of capital and share prices, to this end pushing ahead with various measures, including “Focusing on Uniqueness & Presence,” “Building new value through innovation,” and “Restructuring businesses requiring intensive management.”

Despite robust sales of electronics materials, the MGC Group’s net sales decreased, mainly due to 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, intensifying competition in the market for meta-xylenediamine and its derivatives, and growth in fixed costs associated with the expansion of production capacities at a production base for chemicals for use in semiconductor manufacturing in Taiwan.

Ordinary profit decreased due mainly to reduced operating profit. Other factors leading to this decrease included lower methanol market prices and a decline in equity in earnings of affiliates resulting from such factors as impairment losses posted by methanol producing companies in the Republic of Trinidad and Tobago.

The MGC Group posted a loss attributable to owners of parent due to lower ordinary profit and the impairment of noncurrent assets in connection with several businesses, such as a subsidiary engaged in meta-xylenediamine manufacturing in the Netherlands and a subsidiary engaged in the manufacturing of chemicals for use in semiconductor manufacturing in Taiwan.

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

Results by Business Segment

Operating results by segment are as described below.

Net sales

Unit: Billions of yen

	FY2025	FY2024	Change	Change (%)
Green Energy & Chemicals	286.9	323.1	(36.2)	(11.2)
Specialty Chemicals	448.3	444.1	4.1	0.9
Other	14.8	19.1	(4.3)	(22.6)
Adjustments	(11.8)	(12.9)	1.0	-
Total	738.2	773.5	(35.3)	(4.6)

Operating profit

Unit: Billions of yen

	FY2025	FY2024	Change	Change (%)
Green Energy & Chemicals	5.6	12.7	(7.0)	(55.6)
Specialty Chemicals	43.8	41.3	2.4	5.9
Other	1.3	1.1	0.1	14.9
Adjustments	(5.5)	(4.4)	(1.0)	-
Total	45.2	50.8	(5.5)	(10.9)

Ordinary profit

Unit: Billions of yen

	FY2025	FY2024	Change	Change (%)
Green Energy & Chemicals	3.8	20.5	(16.6)	(81.2)
Specialty Chemicals	49.1	43.9	5.1	11.8
Other	1.3	1.1	0.1	17.7
Adjustments	(2.3)	(5.2)	2.8	-
Total	51.9	60.3	(8.3)	(13.9)

Green Energy & Chemicals

The methanol business saw decreases in both net sales and earnings due mainly to lower market prices compared with the previous fiscal year. This business was also affected by impairment losses posted by methanol producing companies in the Republic of Trinidad and Tobago.

Methanol and ammonia-based chemicals posted an increase in earnings, despite lower sales prices, thanks to such positive factors as the higher sales volume of MMA-related products and lower fixed costs.

The energy resources and environmental business posted operating profit on par with the previous fiscal year, backed by the robustness of iodine sales, even though net sales declined due to the lower sales volume of LNG for power generation use.

Meta-xylenediamine and its derivatives posted decreases in net sales and earnings, reflecting such factors as intensifying competition and a resulting decline in sales prices, along with higher fixed costs. In addition, these offerings were also affected by the impairment of noncurrent assets at a subsidiary engaged in meta-xylenediamine manufacturing in the Netherlands.

Xylene separators and derivatives posted a decrease in net sales due to the withdrawal from the ortho-xylene chain. However, earnings from these offerings were on par with the previous fiscal year thanks to lower repair costs, with no major periodic repair conducted in the fiscal year ended March 31, 2026.

Specialty Chemicals

Inorganic chemicals posted an increase in net sales due to the higher sales volume of chemicals for use in semiconductor manufacturing. However, earnings from these offerings decreased due mainly to growth in fixed costs associated with the expansion of capacity at a production base in Taiwan. These offerings were also affected by the impairment of noncurrent assets at manufacturing subsidiaries in China and Taiwan.

Engineering plastics saw decreases in net sales and earnings due to deterioration in the profitability of overseas manufacturing bases on the back of lower sales prices for polycarbonate and polyacetal as well as a decrease in their sales volume. These offerings were also affected by the impairment of noncurrent assets related to the polycarbonate business.

Optical materials posted decreases in net sales and earnings. This was due to the lower 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.

Electronics materials posted increases 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 growth in demand in a broad range of fields, a customer trend toward securing stockpiles in response to anxiety regarding the supply of some raw materials, and the higher sales volume of OPETM substrate material for AI servers.

LivingTech and hygiene-related products posted a decrease in earnings due mainly to the lower sales volume of oxygen absorbers for export and higher raw material prices.

Outlook for FY2026

In the fiscal year ending March 31, 2027, demand for cutting-edge semiconductor-related products is expected to remain robust. However, if tensions in the Middle East were to continue for a prolonged period of time, major economies could be considerably impacted by surges in energy prices, shortages of raw material supply, and other such consequences. These factors, in turn, will make it hard for the MGC Group to formulate an outlook for the global economy and its business environment.

In addition, the Group expects to complete its medium-term management plan in the fiscal year ending March 31, 2027. Under this plan, the Group intends to push ahead with such measures as “Focusing on Uniqueness & Presence,” “Building new value through innovation,” and “Restructuring businesses requiring intensive management.” In this way, we will continue to thoroughly implement business portfolio reforms that are directly aimed at improving capital efficiency.

Taking these factors into account, net sales for the fiscal year ending March 31, 2027 are expected to increase year on year due mainly to recovery in methanol market prices, sales price increases reflecting higher raw material costs, and the ongoing robustness of semiconductor demand.

The Group also anticipates that operating profit will increase year on year despite growth in fixed costs as well as in general and administrative expenses, due mainly to higher revenues from methanol, electronic materials and chemicals for use in semiconductor manufacturing. Other positive factors affecting operating profit include an expected decrease in depreciation due to the recording of impairment losses in the fiscal year ended March 31, 2026.

Ordinary profit is expected to increase year on year due primarily to higher operating profit, along with the absence of impairment losses recorded by overseas methanol producing companies in the fiscal year ended March 31, 2026. Other positive factors affecting ordinary profit include expected improvement in equity in earnings of affiliates.

Profit attributable to owners of parent is likely to increase year on year thanks mainly to higher ordinary profit and the absence of impairment losses recorded in the fiscal year ended March 31, 2026.

The Group believes that the current intensification of conflict in the Middle East could impact a broad range of areas in the fiscal year ending March 31, 2027, possibly resulting in surges in energy prices, raw material supply shortages and other complications. However, as the Group considers future developments related to these factors to remain largely uncertain, they have not been fully integrated into its current forecasts. 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, 2027, include net sales of ¥840.0 billion, operating profit of ¥59.0 billion, ordinary profit of ¥66.0 billion, and profit attributable to owners of the parent of ¥46.0 billion.

The above forecasts assume exchange rates of ¥155=\$1 and ¥180=€1.

(End)