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August 7, 2025

Summary of Consolidated Financial Results for the Three Months Ended June 30, 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/>
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 Scheduled date to commence dividend payments: —
 Presentation of supplementary material on financial results: Yes

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Summary of consolidated income statement (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	177,977	(5.4)	10,982	(30.2)	13,830	(23.0)	8,405	(28.4)
June 30, 2024	188,115	0.6	15,729	153.3	17,954	155.6	11,733	(40.9)

Note: Comprehensive income Three months ended June 30, 2025 ¥6,802 million [(75.1)%]
 Three months ended June 30, 2024 ¥27,319 million [(14.2)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	43.17	—
June 30, 2024	58.60	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	1,114,084	693,444	59.5
March 31, 2025	1,119,688	697,375	59.7

Reference: Equity
 As of June 30, 2025 ¥663,196 million
 As of March 31, 2025 ¥668,222 million

2. Dividends

	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	45.00	—	50.00	95.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		50.00	—	50.00	100.00

Note: Revisions to the forecast most recently announced: No

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)	102.71
Fiscal year ending March 31, 2026	750,000	(3.0)	46,000	(9.5)	50,000	(17.1)	36,000	(21.0)	184.87

Note: Revisions to the forecast most recently announced: Yes

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) 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
- (4) Number of issued shares (common stock)

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

As of June 30, 2025	211,686,599
As of March 31, 2025	211,686,599

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

As of June 30, 2025	16,977,839
As of March 31, 2025	16,977,506

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

Three months ended June 30, 2025	194,708,928
Three months ended June 30, 2024	200,229,259

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

- * 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 quarterly 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 June 30, 2025
Assets		
Current assets		
Cash and deposits	68,246	76,940
Notes and accounts receivable - trade, and contract assets	157,853	147,774
Merchandise and finished goods	119,814	114,498
Work in process	20,291	18,791
Raw materials and supplies	67,421	65,954
Other	27,399	26,996
Allowance for doubtful accounts	△757	△706
Total current assets	460,268	450,250
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	94,996	102,034
Machinery, equipment and vehicles, net	118,969	115,944
Other, net	152,595	154,225
Total property, plant and equipment	366,560	372,204
Intangible assets		
Goodwill	15,310	14,920
Other	9,685	9,812
Total intangible assets	24,995	24,733
Investments and other assets		
Investment securities	233,519	233,398
Other	36,101	35,303
Allowance for doubtful accounts	△1,758	△1,805
Total investments and other assets	267,863	266,895
Total non-current assets	659,419	663,833
Total assets	1,119,688	1,114,084

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	103,087	79,093
Short-term borrowings	75,617	76,310
Current portion of bonds payable	10,000	10,000
Income taxes payable	9,092	4,262
Provisions	8,493	6,469
Other	68,639	91,064
Total current liabilities	274,929	267,199
Non-current liabilities		
Bonds payable	35,000	35,000
Long-term borrowings	79,441	82,888
Provisions	926	835
Retirement benefit liability	4,015	4,104
Asset retirement obligations	7,022	7,036
Other	20,977	23,575
Total non-current liabilities	147,382	153,440
Total liabilities	422,312	420,639
Net assets		
Shareholders' equity		
Share capital	41,970	41,970
Capital surplus	35,554	35,554
Retained earnings	554,224	552,894
Treasury shares	△30,956	△30,956
Total shareholders' equity	600,792	599,462
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,472	15,486
Deferred gains or losses on hedges	232	188
Foreign currency translation adjustment	44,892	39,709
Remeasurements of defined benefit plans	8,831	8,349
Total accumulated other comprehensive income	67,429	63,733
Non-controlling interests	29,153	30,248
Total net assets	697,375	693,444
Total liabilities and net assets	1,119,688	1,114,084

2. Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	188,115	177,977
Cost of sales	144,866	138,714
Gross profit	43,249	39,263
Selling, general and administrative expenses	27,520	28,280
Operating profit	15,729	10,982
Non-operating income		
Interest income	296	332
Dividend income	969	1,537
Foreign exchange gains	1,284	—
Share of profit of entities accounted for using equity method	1,212	2,315
Other	561	847
Total non-operating income	4,323	5,033
Non-operating expenses		
Interest expenses	886	657
Personnel expenses for seconded employees	398	424
Foreign exchange losses	—	446
Other	812	657
Total non-operating expenses	2,098	2,185
Ordinary profit	17,954	13,830
Extraordinary income		
Reversal of provision for business restructuring	—	108
Total extraordinary income	—	108
Extraordinary losses		
loss compensation	—	234
Total extraordinary losses	—	234
Profit before income taxes	17,954	13,704
Income taxes	4,427	3,648
Profit	13,526	10,056
Profit attributable to non-controlling interests	1,793	1,650
Profit attributable to owners of parent	11,733	8,405

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	13,526	10,056
Other comprehensive income		
Valuation difference on available-for-sale securities	626	2,036
Deferred gains or losses on hedges	△199	7
Foreign currency translation adjustment	8,112	△1,000
Remeasurements of defined benefit plans, net of tax	△698	△556
Share of other comprehensive income of entities accounted for using equity method	5,951	△3,741
Total other comprehensive income	13,792	△3,254
Comprehensive income	27,319	6,802
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,567	4,709
Comprehensive income attributable to non-controlling interests	2,752	2,092

Qualitative Information

Consolidated Business Results for This Period

Overview of Results

Unit: Billions of yen

	FY2025/1Q	FY2024/1Q	Change	Change (%)
Net sales	177.9	188.1	(10.1)	(5.4)
Operating profit	10.9	15.7	(4.7)	(30.2)
Equity in earnings of affiliates	2.3	1.2	1.1	91.0
Ordinary profit	13.8	17.9	(4.1)	(23.0)
Profit attributable to owners of parent	8.4	11.7	(3.3)	(28.4)

In the first three months (April 1, 2025 – June 30, 2025) of the fiscal year ending March 31, 2026, although inflation slowed, the global economy was affected by the imposition of additional U.S. tariff measures, which significantly impacted major economies and demand-related trends. Moreover, the decoupling of global manufacturing networks continued, driven by the supply chain reorganization executed by major corporations. This, in turn, made it difficult to formulate the economic outlook. In addition, foreign exchange rates and other conditions in financial and capital markets remained highly volatile on the back of such factors as shifts in monetary policies undertaken in major countries and growing turmoil in Middle Eastern affairs.

Against this backdrop, 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 been striving 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.”

The Group’s net sales decreased mainly due to the impact of the appreciation of the yen, lower methanol market prices, and withdrawal from the ortho-xylene chain business.

Operating profit declined due primarily to drops in polycarbonate sales prices, growth in fixed costs associated with inorganic chemicals, and sluggish demand for meta-xylenediamine, in addition to the appreciation of the yen.

Ordinary profit decreased, despite an increase in equity in earnings of affiliates related to the methanol business on the back of recording of foreign exchange gains and other factors, due to lower operating profit.

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

Operating results by segment are described below.

Results by Business Segment

Net sales

Unit: Billions of yen

	FY2025/1Q	FY2024/1Q	Change	Change (%)
Green Energy & Chemicals	68.2	78.3	(10.1)	(12.9)
Specialty Chemicals	108.9	109.2	(0.3)	(0.3)
Other	3.6	3.9	(0.2)	(7.3)
Adjustments	(2.8)	(3.5)	0.6	-
Total	177.9	188.1	(10.1)	(5.4)

Operating profit

Unit: Billions of yen

	FY2025/1Q	FY2024/1Q	Change	Change (%)
Green Energy & Chemicals	1.9	4.1	(2.1)	(51.9)
Specialty Chemicals	9.6	12.6	(2.9)	(23.2)
Other	0.3	0.3	(0.0)	(9.1)
Adjustments	(0.9)	(1.3)	0.3	-
Total	10.9	15.7	(4.7)	(30.2)

Ordinary profit

Unit: Billions of yen

	FY2025/1Q	FY2024/1Q	Change	Change (%)
Green Energy & Chemicals	3.9	4.5	(0.6)	(13.3)
Specialty Chemicals	9.9	13.9	(4.0)	(28.7)
Other	(0.2)	0.3	(0.5)	-
Adjustments	0.2	(0.8)	1.0	-
Total	13.8	17.9	(4.1)	(23.0)

Green Energy & Chemicals

The methanol business saw decreases 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, as higher sales volumes were offset by lower ammonia and MMA market prices.

The energy resources and environmental business saw a decrease in net sales due to the lower sales volume of LNG for power generation use, but recorded an increase in earnings on the back of higher iodine sales volumes and other factors.

Meta-xylenediamine and its derivatives posted decreases in net sales and earnings, reflecting such factors as sluggish demand for products targeting European, U.S. and Chinese markets, as well as higher fixed costs.

Xylene separators and derivatives posted a decrease 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.

Specialty Chemicals

Inorganic chemicals, which include those for use in semiconductor manufacturing, posted decreases in net sales. Earnings similarly declined year on year due primarily to higher depreciation costs in connection with the expansion of production capacity. Other factors leading to decreases in net sales and earnings included the appreciation of the yen and wide differences in demand on a company-by-company basis, despite constantly robust showings of hybrid chemicals for use in cutting-edge semiconductor manufacturing.

Engineering plastics saw decreases in net sales and earnings due mainly to lower polycarbonate sales prices and the impact of foreign exchange fluctuations, along with losses recorded by overseas bases using the lower of cost or market valuation method.

Optical materials posted net sales and earnings on par with the same period of the previous fiscal year on the back of the ongoing robustness of demand in smartphones, a primary application of optical polymers.

Electronics materials posted an increase in net sales due to recovery in demand for BT materials for IC plastic packaging. Sales of BT materials were also positively affected by the tightening of the supply of certain raw materials and a growing customer trend toward securing raw material stockpiles in preparation for the imposition of U.S. tariffs. Other factors contributing to the increase in net sales included growth in the sales volume of OPE™ substrate material for AI servers. In addition, earnings increased, albeit only slightly, as the strengthening of quality management measures for BT materials resulted in higher costs.

LivingTech and hygiene solutions 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 solution category from April 1, 2025.

(End)