



MITSUBISHI GAS CHEMICAL COMPANY, INC.

March 3, 2004

The transfer of part of the subsidiary company's stocks

Mitsubishi Gas Chemical Company, Inc.

Mitsubishi Gas Chemical Company, Inc. (MGC; Head office in Chiyoda-ku, Tokyo, President: Hideki Odaka) has transferred the stocks of the wholly owned subsidiary company, A. G. International Chemical Company, Inc. (AGIC; Head office in Minato-ku, Tokyo, President: Yoshio Kawazoe) to N. N. Chemical Corporation. (NNCC; Head office in Minato-ku, Tokyo, President Eigoro Kuniyoshi). The transfer to NNCC was made on 71,400 stocks, which is 8.4% of issued stocks of AGIC, at the total price of about 500 million yen.

AGIC is the second largest company in the world for the production of isophthalic acid, which is used for modifier of PET resin and powdered paints. The world market size of isophthalic acid is about 450 thousand tons, about 150 thousand tons are used in Asia, and the annual growth rate of Asian market is expected to be 10% or more. AGIC is the largest maker in Asia that holds the production capacity of 120 thousand tons per year. And AGIC is one of the largest customers for the MGC's methaxylene.

In order to strengthen the line of methaxylene business, MGC bought the share of the BP Group last year to make it into a 100% subsidiary company. NNCC is one of the Asian sales agents of AGIC. NNCC offered to invest into AGIC this time and MGC accepted the investment in view of utilizing the sales channels of NNCC more than ever.

AGIC's strategy would remain unchanged even after the sale of the stocks. The transfer of AGIC stocks to NNCC affects MGC's business achievement very small.

[For inquiries, please call]:

Mitsubishi Gas Chemical Company, Inc.

Corporate Communication Division

Tel. +81-3-3283-5041