



Mitsubishi Gas Chemical Company, Inc.  
February 5, 2014

## **Notice on Extraordinary Loss**

A consolidated subsidiary of MGC, Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd., has reported an extraordinary loss.

### **1. Overview of the subsidiary**

Name: Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd.

Location: No. 55 Mu Hua Road, Shanghai Chemical Industry Park, Shanghai 201507, People's Republic of China

Representative: Chairman Katsushige Hayashi

Business operations: Manufacturing/distribution of and providing technical services for polycarbonates and polycarbonate compounds, etc.

Capital: 1,061 million RMB

### **2. Reason for posting the extraordinary loss**

Due to excess supply and weak demand, polycarbonate prices in Greater China have remained low. The slow recovery of market prices for polycarbonate products has raised a concern over a possible fixed asset impairment. An investigation was conducted into the future recoverability of the noncurrent assets owned by the Shanghai subsidiary before recording ¥11.8 billion in impairment losses.

### **3. Impact on business performances**

Due to the extraordinary loss suffered by the Shanghai subsidiary, the MGC Group reported a ¥11.5 billion impairment loss as an extraordinary item in its consolidated financial results for the third quarter of the fiscal year ending March 2014.

MGC's non-consolidated financial results for the third quarter of the fiscal year ending March 2014 recorded an extraordinary loss of ¥19.1 billion by recognizing a loss on valuation of shares in affiliates as well as the loss to be charged to MGC in the future for the Shanghai subsidiary's business as a provision. Note, however, that this loss is eliminated in the consolidated financial statements.

For business forecasts, see the "Summary of Consolidated Financial Statements, Results for the Third Quarter of Fiscal Year 2013," which was announced on February 5, 2014.