



Withdrawal from the Purified Terephthalic Acid (PTA) Business

 **MITSUBISHI GAS CHEMICAL COMPANY, INC.**

October 2, 2014

Mitsubishi Gas Chemical Company, Inc. (MGC; Head Office: Chiyoda-ku, Tokyo; President: Toshikiyo Kurai) has decided to withdraw from the purified terephthalic acid (PTA) business at the end of March 2015.

Mizushima Aroma Co., Ltd., the joint venture established by MGC and Toyobo Co., Ltd., represents the PTA production and distribution of the MGC Group and at the end of March 2015, will stop producing PTA and start procedures for dissolution.

MGC's PTA business has been continuously facing difficulty in achieving profitability. Although polyester, PTA's primary application, is expected to see an annual increase in demand of some six percent going forward, the PTA market suffers from a substantial excess supply worldwide due to an overall increase in production capacity. It remains unlikely that the excess supply will be eliminated in the foreseeable future, making it impossible for MGC to expect the profitability of its PTA business to improve. The company has therefore decided that the best policy is to quit the business.

MGC has been implementing structural reforms in accordance with the basic policy stated in its medium-term management plan. While making early withdrawals from unprofitable businesses, MGC enhances its core businesses and accelerates the creation and development of new businesses in order to strengthen its business structure.

About Mizushima Aroma Co., Ltd.

- Established: 1970
- Capital: 2 billion yen
- Shareholding: MGC 50% and Toyobo 50%
- Location: 2-3-1 Mizushima Nakadori, Kurashiki-shi, Okayama
- Company representative: Yoshihiro Yamane
- Business description: production and distribution of crude terephthalic acid and purified terephthalic acid
- PTA production capacity: 260,000 tons/year