



## **Notice on a Company Split (simple incorporation-type company split) Involving the Establishment of a New Intermediate Holding Company**

 **MITSUBISHI GAS CHEMICAL COMPANY, INC.**

April 18, 2018

At the meeting of the Board of Directors, Mitsubishi Gas Chemical Company, Inc. (MGC) resolved to establish an intermediate holding company to succeed to part of the shares that MGC owns in certain subsidiaries. (This process is referred to as the “Company Split” below.)

The information disclosed below regarding the Company Split is partly omitted as permitted by law, since the process represents a simple incorporation-type split involving MGC alone.

### **1. Purpose of company split**

In order to strengthen the business management structure of Tokyo Shokai, Ltd., Ryoko Chemical Co., Ltd. and Ryoyo Trading Co., Ltd. (referred to as the “Three Trade Houses”), which are the major trade houses of the MGC Group, MGC decided to transfer the MGC-owned shares of the Three Trade Houses to a new company to be established as an intermediate holding company.

The Company Split represents the first step in the possible future integration of the Three Trade Houses. The four companies are now studying the feasibility of completing the process by 2021, which will be MGC’s 50th anniversary.

### **2. Company split overview**

#### **(1) Schedule**

April 18, 2018 The Board of Directors met to approve the incorporation-type split plans.

July 2, 2018 The Company Split takes effect.

Note: The Company Split will be performed without approval at the Shareholders’ Meeting, since it fulfills the requirements for a simple incorporation-type split set forth in Article 805 the Companies Act.

#### **(2) Split method**

The Company Split constitutes a (simple) incorporation-type company split, in which MGC is the split company and the new company is the succeeding company.

#### **(3) Allocation of new company shares under company split**

With the Company Split, the new company will issue 2,000 common shares, all allocated to MGC.

#### **(4) Handling of stock acquisition rights and bonds with stock acquisition rights in connection with company split**

MGC issues no stock acquisition rights or bonds with stock acquisition rights.

(5) Capital to be changed with company split

The Company Split will cause no changes in MGC's capital.

(6) Rights and obligations to be succeeded to by the new company

The new company will succeed to all MGC-owned shares of the Three Trade Houses.

(7) Prospects for fulfillment of obligations

MGC believes that MGC and the new company will have no problems fulfilling the obligations that they will bear after the Company Split.

3. Overview of the corporate parties to the company split

|  | Split company<br>(As of March 31, 2018)  | New company<br>(Planned for July 2, 2018)            |
|--|--|--|
| (1) Trade name                                     | Mitsubishi Gas Chemical Company, Inc.  | MGC Trading, Inc.                                    |
| (2) Head office location                           | 5-2, Marunouchi 2-chome Chiyoda-ku, Tokyo  | 5-2, Marunouchi 2-chome Chiyoda-ku, Tokyo            |
| (3) Name and title of representative               | Toshikiyo Kurai, Representative Director and President   | Yasuhiro Sato, Representative Director and President |
| (4) Business description                           | Sale of chemical products  | Business management of domestic subsidiaries         |
| (5) Capital  | 41,970 million yen   | 100 million yen                                      |
| (6) Incorporation                                  | April 21, 1951   | July 2, 2018   |
| (7) Total number of issued and outstanding shares  | 231,739,199  | 2,000  |
| (8) Closing of accounts                            | March 31   | March 31   |
| (9) Principal shareholders and shareholding ratios | Japan Trustee Services Bank, Ltd. (Trust account): 4.9%<br>The Master Trust Bank of Japan, Ltd. (Trust account): 4.4%<br>Meiji Yasuda Life Insurance Company 4.3%<br>Nippon Life Insurance Company 4.3%<br>The Norinchukin Bank 2.4% | Mitsubishi Gas Chemical Company Inc. 100%            |

Note: Shareholding ratios are calculated by deducting treasury shares.

(10) Financial situation and business performance of the split company in the previous fiscal year (consolidated)

|                    |                     |
|--------------------|---------------------|
| Fiscal year ending | March 2017          |
| Net assets         | 476,749 million yen |
| Total assets       | 741,639 million yen |

|   |                    |
|---|--------------------|
| Net assets per share                            | 1,983.60 yen       |
| Net sales                                       | 556,480 million    |
| Operating income                                | 43,762 million yen |
| Ordinary income                                 | 62,378 million yen |
| Net income attributable to owners of the parent | 47,958 million yen |
| Net income per share                            | 221.57 yen         |

#### 4. Overview of business divisions to be split

##### (1) Business operations of the divisions to be split

The Company Split is a process that transfers the MGC-owned shares of certain subsidiaries and involves no transfer of business divisions.

##### (2) Business performance of the business divisions to be split (for the fiscal year ending March 2017)

No business divisions will be separated from MGC during the Company Split.

##### (3) Accounts and amounts of the assets and liabilities items to be split (as of March 31, 2018)

| Assets            |                 | Liabilities            |            |
|-------------------|-----------------|------------------------|------------|
| Account           | Book value      | Account                | Book value |
| Current assets    | -               | Current liabilities    | -          |
| Noncurrent assets | 404 million yen | Noncurrent liabilities | -          |
| Total             | 404 million yen | Total                  | -          |

#### 5. Impact of company split on MGC

The Company Split will have no impact on MGC's trade name, head office location, representative name and title, business description, capital or the date of closing of accounts.

#### 6. Outlook

The Company Split will have no impact on MGC's consolidated business performance.

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