

November 1, 2018

MITSUBISHI GAS CHEMICAL COMPANY, INC.

**Notice of the Period of  
the Methanol Joint Venture Agreement in Saudi Arabia  
of JSMC, a MGC's Equity Method Affiliate**

Japan Saudi Arabia Methanol Co., Inc. (JSMC), an equity method affiliate of Mitsubishi Gas Chemical Company, Inc. (MGC), and Saudi Basic Industries Corp. (SABIC) have started in 1980 the fifty-fifty methanol operations joint venture through a newly established Saudi Methanol Company (AR-RAZI). The joint operation agreement on AR-RAZI is scheduled to be expired on November 29, 2018.

JSMC and SABIC have been negotiating details of the AR-RAZI joint venture scheme, intending to extend the current agreement. However, the both companies have yet to reach their final agreement even today, when the second results of MGC is due to be disclosed along with forecasts for the current fiscal year end. The discussions are still underway, considering all possibilities. MGC will immediately disclose the fact when finalized the negotiations between JSMC and SABIC.

The impact of this matter on MGC's consolidated business performance is not included in the business forecasts announced today, since the possible effects have yet to be determined. MGC will immediately announce any corrections in the business forecasts that may be necessary in the future.

END

For reference

1. Equity in earnings of affiliates in relation to JSMC, stated in the Consolidated Statements of Income:  
annual average of approximately JPY 12.0 billion (from fiscal 2008 to 2017)
2. JSMC's portion of the investments in securities posted in the Consolidated Balance Sheet:  
approximately JPY 41.1 billion\* (as of the end of September 2018)

\*Of which assets arising from the AR-RAZI stocks are approximately JPY 21.8 billion

MGC has issued no debt guarantees for JSMC.

### 3. Overview of Japan Saudi Arabia Methanol Company, Inc. (JSMC)

(1) Company Name	Japan Saudi Arabia Methanol Company, Inc.
(2) Location	2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo
(3) Rep.Name/Title	Akira Ishiwada, Chairman & CEO
(4) Business Description	(a) Investments in and financing as well as business guidance for the company producing and distributing methanol in the Kingdom of Saudi Arabia  (b) Import and distribution of methanol produced by the company stated in item (a) above
(5) Capital Stock	JPY 2,310 million
(6) Date of Foundation	November 12, 1979
(7) Fiscal Year End	December
(8) Stockholders' Equity	JPY 33,196 million (as of December 31, 2017)
(9) Total Assets	JPY 39,649 million (as of December 31, 2017)
(10) Shareholders	MGC: 47%, JICA and other 6 companies

### 4. Overview of Saudi Methanol Company (AR-RAZI)

(1) Company Name	SAUDI METHANOL COMPANY
(2) Location	Al-Jubail Industrial City, Kingdom of Saudi Arabia
(3) Rep.Name/Title	Ahmed T. Al-Shaikh, Chairman
(4) Business Description	Production and distribution of methanol
(5) Capital Stock	SAR 259 million
(6) Date of Foundation	February 9, 1980
(7) Fiscal Year End	December
(8) Stockholders' Equity	SAR 3,064 million (as of December 31, 2017)
(9) Total Assets	SAR 4,501 million (as of December 31, 2017)
(10) Shareholders	JSMC: 50%, SABIC: 50%

SAR 1 = about JPY 30.3 (the end of September, 2018)

## INQUIRIES

Corporate Communications Division, MITSUBISHI GAS CHEMICAL COMPANY, INC.  
TEL: +81-3-3283-5041 <https://www.mgc.co.jp/eng/>