



May 12, 2023

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Representative: Masashi Fujii, Representative Director & President
Securities code: 4182 (The Prime Market of the Tokyo Stock Exchange)
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Notice of Company Split (Simple Absorption-Type Company Split) with Consolidated Subsidiary

Mitsubishi Gas Chemical Company, Inc. ("MGC") hereby announces that its Board of Directors passed a resolution at a meeting held today with regard to a decision to transfer MGC's operations associated with the sale of formalin, formalol, and formalin stabilizers to MGC Woodchem Corporation ("WCM"), a wholly owned subsidiary of MGC. This transfer will be executed via the form of a simple absorption-type company split (the "Company Split").

In addition, some items have been partially omitted from this press release because this move involves only a simple absorption-type company split with the objective of transferring operations to a wholly owned subsidiary.

1. Background and Purpose

In line with its medium-term management plan, MGC has positioned its operations related to formalin as an unprofitable business or one needing rebuilding and, therefore, is promoting rationalization to improve profits. As a part of this effort, MGC has decided on a partial transfer of operations related to the sale of formalin.

By promoting integrated business management for the Group to create synergies, the Group will strengthen its customer response capabilities and achieve the further expansion of its formalin-related operations.

2. Details of the Company Split

(1) Schedule

Date of the Board of Directors' resolution	May 12, 2023
Date of the signing of the Company Split agreement	May 12, 2023
Effective date of the absorption-type split related to the sales business for products manufactured at WCM's own plants	October 1, 2023 (scheduled)
Effective date of the absorption-type split related to the sales business for purchased goods	April 1, 2024 (scheduled)

(Note) The Company Split will be a simple absorption-type split specified in Article 784, paragraph (2) of the Companies Act for MGC and a summary absorption-type split specified in Article 796, paragraph (1) of the Companies Act for WCM, and therefore, the Company Split will be carried out without obtaining approval pursuant to resolutions of their respective shareholders meetings.

(2) Split method

An absorption-type company split under which MGC becomes the split company and WCM becomes the succeeding company.

(3) Allocation of shares under the Company Split

The Company Split will entail no allotment of share-based, monetary or other consideration.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights in connection with the Company Split

None

(5) Capital to be changed via the Company Split

The Company Split will not result in changes in capital of MGC or that of WCM.

(6) Rights and obligations to be transferred to the succeeding company

WCM will assume relevant assets, liabilities, rights and obligations defined by the company split agreement.

(7) Prospects for fulfillment of obligations

MGC believes that MGC and WCM 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

Succeeding Company

(1) Company name	MGC Woodchem Corporation
(2) Location	6-1, Kandasurugadai 3-chome Chiyoda-ku, Tokyo
(3) Name/title of representative	Yasushi Tashiro, Representative Director
(4) Business description	Manufacture and sale of wood adhesives, paints and chemical products, etc.
(5) Capital stock (As of March 31, 2023)	JPY 80 million
(6) Date of foundation	April 1, 2022
(7) Number of shares issued (As of March 31, 2023)	80,000 shares
(8) Fiscal year-end	March 31

(9)	Major shareholder and ratio of shareholdings (As of September 30, 2022)	Mitsubishi Gas Chemical Company, Inc.: 100%	
(10)	Financial position and operating results for the most recent fiscal year ended March 31, 2023	Net assets	JPY 3,998 million
		Total assets	JPY 6,063 million
		Net assets per share	JPY 49,985.02
		Net sales	JPY 7,591 million

Split Company

(1)	Company name	Mitsubishi Gas Chemical Company, Inc.	
(2)	Location	5-2, Marunouchi 2-chome Chiyoda-ku, Tokyo	
(3)	Name/title of representative	Masashi Fujii, Representative Director	
(4)	Business description	Manufacture and sale of chemical products	
(5)	Capital stock (As of March 31, 2023)	JPY 41,970 million	
(6)	Date of foundation	April 21, 1951	
(7)	Number of shares issued (As of March 31, 2023)	222,239,199 shares	
(8)	Fiscal year-end	March 31	
(9)	Major shareholder and ratio of shareholdings (As of September 30, 2022)	The Master Trust Bank of Japan, Ltd. (Trust Account): 15.99% Custody Bank of Japan, Ltd. (Trust Account): 10.06% Meiji Yasuda Life Insurance Company: 4.30% Nippon Life Insurance Company: 2.86% The Norinchukin Bank: 2.46% AGC Inc.: 1.82% The Bank of Yokohama, Ltd.: 1.51% National Mutual Insurance Federation of Agricultural Cooperatives: 1.51% MUFG Bank, Ltd.: 1.32% Daishi Hokuetsu Bank, Ltd: 1.17%	
(10)	Financial position and operating results for the most recent fiscal year ended March 31, 2023 (consolidated)	Net assets	JPY 671,249 million
		Total assets	JPY 1,029,317 million
		Net assets per share	JPY 2,970.07
		Net sales	JPY 781,211 million
		Operating profit	JPY 49,030 million
		Ordinary profit	JPY 69,764 million
		Net profit attributable to owners of parent	JPY 49,085 million
		Net profit per share	JPY 239.08

4. Overview of Businesses to Be Transferred

(1) Businesses to be transferred

Operations related to sale of formalin, formalol, and formalin stabilizers

(2) Operating results of the above businesses

Net sales: JPY 4,112 million (fiscal year ended March 31, 2023)

(3) Breakdown of assets and liabilities to be transferred (approximate values)

Assets		Liabilities	
Items	Book value	Items	Book value
Total	-	Total	-

(Note) At this stage, it is not expected that there will be any assets or liabilities to be split. Only the rights and obligations described in “2. Details of the Company Split, (6) Rights and obligations to be transferred to the succeeding company” will be succeeded by the Company Split.

5. Changes Arising from the Company Split

The Company Split will not result in changes for both MGC and WCM in the company name, location, name/title of its representative, capital stock or fiscal year-end.

6. Outlook

The impact of the Company Split on MGC's consolidated operating results is minor as the move involves only an absorption-type company split with the objective of transferring operations to a wholly owned subsidiary.

(Note) This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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