The Information disclosed on the Internet regarding the Convocation Notice of the 95th Ordinary General Meeting of Shareholders

Documents listed above, which should be attached to the convocation notice of the 95th ordinary general meeting of shareholders, are disclosed on MGC's website (https://www.mgc.co.jp/ir/stockinfo/meeting.html) in accordance with laws and regulations and the provisions of Article 15 of the Articles of Incorporation of MGC.

MITSUBISHI GAS CHEMICAL COMPANY, INC.

(Translation)

(Stock Acquisition Rights)

(1) Matters on stock acquisition rights, etc. granted at the end of this fiscal year in remuneration for the performance of corporate officers' duties among which corporate officers hold

No applicable item.

(2) Matters on stock acquisition rights, etc. granted to employees and others during fiscal 2021 in remuneration for the performance of their duties

No applicable item.

(3) Other important matters on stock acquisition rights, etc.

No applicable item.

(Translation)

(Consolidated Statement of Changes in Net Assets)

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total of accumulated other comprehensive income		
Balance at beginning of Period	41,970	34,301	459,790	△21,562	514,499	14,419	△618	△3,542	△494	9,765	57,146	581,411
Cumulative effects of changes in accounting policies			△50		△50							△50
Restated balance	41,970	34,301	459,739	△21,562	514,448	14,419	△618	△3,542	△494	9,765	57,146	581,360
Changes during period												
Dividends of surplus			△16,642		△16,642							△16,642
Profit attributable to owners of parent			48,295		48,295							48,295
Purchase of treasury shares				△5	△5							△5
Disposal of treasury shares		39		42	81							81
Change in scope of consolidation			441		441							441
Change in scope of equity method			620		620							620
Change in ownership interest of parent due to transactions with non-controlling interests		△0			△0							△0
Net changes of items other than shareholders' equity					-	△3,043	291	13,404	1,108	11,761	4,974	16,736
Total changes during period	-	38	32,715	36	32,791	△3,043	291	13,404	1,108	11,761	4,974	49,527
Balance at end of period	41,970	34,339	492,455	△21,525	547,239	11,376	△326	9,861	614	21,526	62,121	630,887

(Translation)

(Notes to Consolidated Financial Statements)

Notes Related to Important Basis for the Preparation of Consolidated Financial Statements

Matters Related to the Scope of Consolidation

1. Number of consolidated subsidiaries and names of major consolidated subsidiaries, etc.
   Number of consolidated subsidiaries: 71
   Names of major consolidated subsidiaries:
   Japan Finechem Company, Inc., JSP Corporation, JSP International Group Ltd., Samyoung Pure Chemicals Co., Ltd, MGC Pure Chemicals America, Inc., Taixing MGC Lingsu Co., Ltd., MGC Filsheet Co., Ltd., Thai Polyacetal Co., Ltd., Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd., MGC Electrotechno Co., Ltd., MGC Electrotechno (Thailand) Co., Ltd., Mitsubishi Gas Chemical Trading Inc., Mitsubishi Gas Chemical Singapore Pte. Ltd., Mitsubishi Gas Chemical America, Inc. Japan U-Pica Company, Ltd., MGC Terminal Company, Inc., Toho Earthtech, Inc., MGC Pure Chemicals Singapore Pte. Ltd., and MGC Pure Chemicals Taiwan, Inc.

   MGC Ageless Co., Ltd., Global Polyacetal Co., Ltd. and MGC SPECIALTY CHEMICALS NETHERLANDS B.V. have been included in the scope of consolidation, due to its increased significance.
   Nisshin Unyu Co., Ltd., a non-consolidated subsidiary of MGC, merged with MGC Advance Chemical Inc., having been a consolidated subsidiary of MGC and MGC Engineering Co., Ltd., having been a non-consolidated subsidiary of MGC, and changed its trade name to MGC Advance Co., Ltd.. As a result, MGC Advance Chemical Inc. has been excluded from the scope of consolidation, as it was dissolved due to the absorption-type merger, and MGC Advance Co., Ltd. has been included in the scope of consolidation, due to its increased significance.
   JSP Sheet Foam LLC has been excluded from the scope of consolidation due to liquidation.
   J-Chemical Inc. is included in the scope of consolidation due to its acquisition of shares. Yutaka Chemical Corporation has been included in the scope of consolidation due to an increase in its shareholding ratio following the acquisition of shares of J-Chemical Inc.
   Japan Circuit Industrial Co., Ltd. has been excluded from the scope of consolidation, as it was liquidated.

2. Names, etc., of major non-consolidated subsidiaries
   Names of major non-consolidated subsidiaries:
   Hubei Lingyong Electronic Materials Co., Ltd.
   Reasons for exclusion from scope of consolidation:
   Non-consolidated subsidiaries are excluded from the scope of consolidation due to the fact that the net assets, sales, net income or loss, retained earnings corresponding to MGC’s interest in said companies are small and do not have a significant impact overall on the consolidated financial statements.

(Translation)

Matters Related to the Equity Method

1. Number and names, etc., of non-consolidated subsidiaries and affiliates not accounted for under the equity method

   Number of equity method non-consolidated subsidiary: 0

   Number of equity method affiliates: 15

   Names of major affiliates:

   Japan Saudi Arabia Methanol Co., Inc., Metanol De Oriente, Metor, S.A., Brunei Methanol Company Sdn. Bhd., Japan Trinidad Methanol Company, Inc., Yuzawa Geothermal Power Corporation, Mitsubishi Engineering-Plastics Corporation, Korea Engineering Plastics Co., Ltd., Thai Polycarbonate Co., Ltd., Tai Hong Circuit Industrial Co., Ltd., Granopt Co., Ltd., Ryoden Kasei Co., Ltd.

   Yuzawa Geothermal Power Corporation has been included in the scope of equity method, due to its increased significance.

2. Names, etc., of non-consolidated subsidiaries and affiliates not accounted for under equity method

   Names of major companies, etc.:

   (Non-consolidated subsidiaries)

   Hubei Lingyong Electronic Materials Co., Ltd.

   (Affiliates)

   Polyxylenol Singapore Pte. Ltd.

   Reasons for not applying the equity method:

   The equity method was not applied to these non-consolidated subsidiaries and affiliates since the net income and loss, retained earnings, and the like corresponding to MGC's interest in said companies are small and do not have a significant impact overall on the consolidated financial statements.

Matters Related to Business Year, etc., of Consolidated Subsidiaries

The business years of the consolidated subsidiaries are the same as the consolidated fiscal year with the exception of MGC Pure Chemicals Singapore Pte. Ltd., MGC Pure Chemicals Taiwan, Inc., and 28 other companies. In the case of the foregoing companies, December 31 marks the end of the business year, and non-consolidated financial statements as of said date are used. However, adjustment required in terms of consolidated statements is made with respect to major transactions taking place from January 1 to the end of the consolidated fiscal year.

Matters Related to Accounting Policy

1. Valuation Standard and Method for Securities

   Held-to-Maturity securities: Amortized cost method (straight-line method)

   Available-for-sale securities

   Securities apart from shares, etc. without market prices: Market value method (revaluation variances are all included directly in net assets and costs of sales are calculated by the moving average method)

   Shares, etc. without market prices: Moving average cost method

2. Valuation Standard and Method for Inventories
   Mainly periodic average cost method (The amounts on the balance sheet have been calculated using the cost accounting method of reducing book value based on declining profitability.)

3. Valuation Standard for Derivatives
   Mainly market value method

4. Depreciation of Fixed Assets
   Property, plant and equipment (except for lease assets): Mainly straight-line method
   Intangible fixed assets (except for lease assets):
   Straight-line method
   The expenses for internal use computer software are amortized by the straight-line method over the estimated useful life (5 years).
   Lease assets:
   Finance lease transactions that do not transfer ownership to the lessee
   Straight-line method for the duration of the lease period with a remaining balance of zero.

5. Accounting Standards for Reserves
   Allowance for doubtful accounts:
   Estimated uncollectible amounts are accounted for based on historical loan loss ratios in the case of general receivables and based on case-by-case examination of collectability in the case of specific receivables, including doubtful receivables, in preparation against loss from the inability to collect on accounts receivable, loans, and the like.
   Provision for bonuses:
   Estimated bonus payments for the current consolidated fiscal year are accounted for in preparation for payment of bonuses to employees.
   Provision for business restructuring:
   A reasonably estimated future loss amount is accounted for in preparation for loss expected to be incurred in line with the business structure improvement of businesses.
   Provision for retirement benefits for directors (and other officers):
   MGC and some of its consolidated subsidiaries account for an amount to be paid to Corporate Officers at the end of the fiscal year pursuant to internal rules in preparation for payment of retirement and severance benefits to Directors and Executive Officers.
   Provision for environment measures:
   An estimated amount of disposal and transport costs of polychlorinated biphenyl wastes, based on the handling cost publicized by Japan Environmental Storage & Safety Corporation, is accounted for to cover the cost of properly disposing of said chemical waste as required by the Law for Promotion of Correct Waste Disposal of Polychlorinated Biphenyls.
   Provision for loss on business withdrawal
   A reasonably estimated amount is accounted for in preparation for loss expected to be incurred from business withdrawal.
   Provision for loss on business of subsidiaries and associates
   An estimated loss amount to be borne by MGC is accounted for in preparation for loss concerning the business of subsidiaries and associates, in consideration of the financial condition, etc. of those subsidiaries and associates.

6. Accounting standards for revenue and expenses
   MGC applies the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., and recognizes revenue when control of promised goods or services is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for these goods and services.

7. Hedge Accounting Methods

Hedge accounting methods:

Deferred hedge accounting methods are applied. Also, allocation treatment is applied to exchange fluctuation risk hedging in cases where requirements are met and "Exceptional accounting" is applied to interest rate swaps in cases where requirements are met.

Hedging instruments and hedged items:

Forward exchange contracts hedge against accounts receivable and payable denominated in foreign currencies and forecasted transactions denominated in foreign currency; interest rate swaps hedge against interest rate transactions involved in borrowings.

Hedging policy:

MGC follows the policy of utilizing hedging instruments in the amount of the actual demand based on the maximum limit of the derivative transactions and does not enter into derivative transactions for speculative purposes.

Method of evaluation of effectiveness of hedging:

Comparision is made between market fluctuations of the hedges and or cumulative cash flow fluctuations, and market fluctuations of the hedging instruments and cumulative cash flow fluctuations, and effectiveness is evaluated based on the proportion of the amount of fluctuation. However, effectiveness evaluation is omitted for interest rate swaps applying exceptional accounting.

8. Depreciation Method and Period for Goodwill

Periods for which the effects of investments are generated are estimated for each investment target, and are depreciated within 20 years using the straight-line method.

9. Other significant matters for preparing the consolidated financial statements

Recognition of retirement benefit liability

To prepare for the payment of retirement and severance benefits to employees, the amount of accrued pension liabilities minus pension assets is recorded as retirement benefit liability, based on the estimated amount at the end of the current fiscal year.

MGC has a retirement and severance trust.

In the calculation of estimated retirement and severance benefits, the method for attributing estimated retirement and severance benefits to the period up to the end of the current fiscal year is based on the benefit formula standard.

Unrecognized prior service cost is amortized by the straight-line method over a portion (10 years) of the estimated average remaining service years of employees at the time the cost was incurred.

Unrecognized actuarial gain or loss is amortized mainly by the declining balance method over a portion (10 years) of the estimated average of remaining service years of employees from the following fiscal year.

Unrecognized actuarial gain or loss and unrecognized prior service cost are recorded as remeasurements of defined benefit plans in accumulated other comprehensive income under net assets, after adjustment for tax effects.

Notes on changes in accounting policy

1. Application of the Accounting Standard for Revenue Recognition, etc.

MGC has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter "Revenue Recognition Standard") and other standards from the beginning of the current fiscal year. MGC recognizes revenue when control of promised goods or services is transferred to a customer in an amount that reflects the consideration to which MGC expects to be entitled in exchange for those goods and services.

Accordingly, for paid supply transactions where MGC is under a repurchase obligation, whereas MGC previously recognized revenue from the sale of goods supplied, it now no longer recognizes revenue from these sales, or the extinguishment of the goods supplied.

Moreover, for transactions where the role of the MGC Group in the sale of products, etc. to customers is that of an agent, whereas MGC previously recognized the full value of the consideration receivable from the customer as revenue, it now only recognizes the net amount after deducting the amount payable to the supplier of the products, etc. as revenue.

MGC applies the Revenue Recognition Standard, etc. in accordance with the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Standard. The cumulative impact of retrospectively applying the new accounting policies to prior periods is added to or subtracted from retained earnings at the beginning of the fiscal year, in order to apply the new accounting policy from the beginning balance.

As a result, for the current fiscal year, net sales, cost of sales, selling, general and administrative expenses, and operating income were 34,823 million yen, 34,712 million yen, 79 million yen, and 31 million yen, respectively, lower than without the application of the new accounting policy. Ordinary income and profit before income taxes were each 3 million yen lower than without the application of the new accounting policy. In addition, the balance of retained earnings at the start of the fiscal year was 50 million yen lower than without the application of the new accounting policy.

Pursuant to the application of the Revenue Recognition Standard, etc., "notes and accounts receivable - trade," which was presented under "current assets" in the consolidated balance sheet for the previous fiscal year, has been included in "notes and accounts receivable - trade, and contract assets" from the current fiscal year.

2. Application of the Accounting Standard for Fair Value Measurement, etc.

MGC has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter "Fair Value Measurement Standard") and other standards from the beginning of the current fiscal year, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). Accordingly, for available-for-sale securities that are shares with market prices, whereas MGC previously applied the fair value method based on the average market prices, etc. in the month preceding the fiscal closing date, from the current fiscal year, it applies the fair value method based on market prices, etc. on the fiscal closing date. The impact of this change on the consolidated financial statements for the current fiscal year is immaterial.

Notes on accounting estimates

1. Impairment of non-current assets

Amounts recognized in the consolidated financial statements for the current fiscal year:

Property, plant and equipment:	¥276,384 million
Intangible assets:	¥11,290 million
Impairment loss:	¥7,059 million

Non-current assets held by the MGC Group are to be accounted for on the basis of the "Accounting Standard for Impairment of Fixed Assets"

Accordingly, certain assumptions have been made regarding years of remaining economic useful life, future cash flows, discount rates and other such variables in calculating recoverable amounts used in measuring impairment.

Whereas these assumptions are based on best estimates of management, they may be subject to changes with respect to future uncertainties in terms of economic conditions. Accordingly, any necessary revision in that regard may could materially affect amounts recognized in the consolidated financial statements of subsequent fiscal years.

Notes on Consolidated Balance Sheet

1. Collateralized Assets and Secured Debts

Collateralized assets are as follows:

	(millions of yen)
Notes and accounts receivable - trade, and contract assets	127
Land	3,338
Buildings and structures	1,354
Machinery, equipment and vehicles	773
Investments in securities (Note)	24,308
Total	29,903

Note: ¥17,920 million in shares of Brunei Methanol Company Sdn, Bhd., ¥2,380 million in shares of Appi Geothermal Energy Corporation, ¥2,163 million in shares of Yuzawa Geothermal Power Corporation, as well as ¥1,737 million in bonds and ¥108 million in shares of Fukushima Gas Power Co., Ltd. are collateralized for their respective loans.

Secured debts are as follows:

	(millions of yen)
Current portion of long-term borrowings	295
Long-term debt	746
Total	1,041

2. Cumulative depreciation of property, plant and equipment: ¥645,396 million

Cumulative depreciation includes cumulative impairment loss on fixed assets.

3. Reduction entry directly deducted from the acquisition price of property, plant and equipment:

¥12,686 million

4. Guarantees:

(Balance of debt guarantee)	¥35,809 million
(Major guaranteed parties)	
CARIBBEAN GAS CHEMICAL LTD.	¥27,612 million
HUBEI LINGYONG ELECTRONIC MATERIALS CO., LTD.	¥2,314 million
KOREA POLYACETAL CO., LTD.	¥2,026 million
Employee	¥34 million

Notes on Consolidated Statement on Changes in Net Assets

1. Matters Related to Issued and Outstanding Shares

Common Stock: 225,739,199 Shares

2. Matters Related to Dividends

(1) Dividends Paid

Resolution	Class of Stock	Total Amount of Dividends	Dividend per Share	Record Date	Effective Date
Board of Directors' Meeting; May 26, 2021	Common	¥7,280 million	¥35.00	March 31, 2021	June 7, 2021
Board of Directors' Meeting; November 5, 2021	Common	¥9,362 million	¥45.00	September 30, 2021	December 6, 2021

(2) Dividends for Which Record Date Falls in the Current Consolidated Fiscal Year but Effective Date Falls in the Following Consolidated Fiscal Year

Resolution	Class of Stock	Total Amount of Dividends	Resource	Dividend per Share	Record Date	Effective Date
Board of Directors' Meeting; May 26, 2022	Common	¥7,281million	Retained Earnings	¥35.00	March 31, 2022	June 9, 2022

Notes on Financial Instruments

1. Matters Relating to the Conditions of Financial Instruments

(1) Policy on Financial Instruments

The MGC Group primarily takes the plans for future cash flow into account when procuring necessary funds (mainly through bank loans and bond issues). Temporary surplus of funds is managed through secure financial assets and short-term working capital is financed through bank loans. The MGC Group uses derivatives for the purpose of mitigating the risks described below and does not engage in transactions for speculative purposes.

(2) Contents and Risk of Financial Instruments

Trade notes and accounts receivable are trade receivables, which are subject to the credit risks of the customers. Trade notes and accounts payable are trade liabilities due within one year. Although a portion of the Group's trade receivables and trade liabilities, being denominated in foreign currencies, are subject to risks associated with changes in the foreign currency exchange rates, the net position is basically hedged through the use of forward exchange contracts.

Short-term investments and investments in securities mainly comprise held-to-maturity bonds and stocks of companies with which the Group has business relations, and are subject to risks associated with fluctuations of their market prices.

Borrowings, bonds and lease liabilities associated with finance leases are used primarily for procuring the necessary funds for capital expenditures and working capital. Although a portion of these funds, having floating interest rates, is subject to risks associated with fluctuating interest rates, such risks are hedged through the use of derivative transactions (interest rate swap agreements).

Derivative transactions include forward exchange contracts used for the purpose of hedging against risks of exchange rate fluctuations of foreign-currency denominated receivables and liabilities, and interest rate and currency swap contracts used for the purpose of hedging against risks associated with the payment of interest and changes in the currency exchange rates of loans.

For methods of hedge accounting, hedging targets and hedging policies, please refer to "Methods of Hedge Accounting" under "Matters Related to Accounting Policy," stated above.

(3) System of Risk Management for Financial Instruments

1) Management of Credit Risks (risks associated with breach of contract by the customer)

MGC and its consolidated subsidiaries, in accordance with the Rules on the Management of Trade Receivables, manage their operating receivables by having the Sales Administration Department at each Division regularly monitor the status of their major customers and keep track of the payment dates and outstanding balances of each customer, while also enabling early recognition and mitigation of cases where there is concern for collection due to deteriorating financial conditions and other factors. Held-to-maturity bonds, pursuant to the Rules on Investment of Surplus Funds, are managed as bonds that may be converted into cash at any time.

The maximum risk amount as of the end of current fiscal year has been represented as the Consolidated Balance Sheet Amount of financial assets subject to credit risk.

2) Management of Market Risks (risks associated with changes in exchange and interest rates)

MGC and its consolidated subsidiaries, in accordance with the Financial Rules and the Rules for the Management of Derivatives, engage in transactions entailing market risks only after the division in charge of finances has obtained the approval of the officer in charge or other authorized decision-making parties.

Risks associated with trade receivables/trade obligations denominated in foreign currencies and surplus funds that have been monitored on a monthly basis and according to each currency are basically hedged through the use of forward exchange contracts. Additionally, interest rate and currency swap contracts are used to hedge against the risks associated with the payment of interest and changes in the currency exchange rates of loans.

In terms of securities and investment securities, their fair values and the financial status of the issuers (customers) are monitored on a regular basis; while the holding status of securities classified in categories other than held-to-maturity bonds are continuously reviewed.

3) Management of Liquidity Risk (risk of not being able to execute payment on payment date)

MGC and its consolidated subsidiaries manage liquidity risks by having the divisions in charge of finances prepare and update cash flow plans, as necessary, and maintain a certain level of liquidity at hand.

(4) Supplementary Explanation of Matters Relating to the Fair Value of Financial Instruments and Others

Fair values of financial instruments include the values based on market prices, and the values obtained by reasonable estimates when the financial instruments do not have market prices. Since certain variable factors are incorporated into such calculations, they may differ when adopting different assumptions.

2. Matters Relating to the Fair value of Financial Instruments and Others

The following are the consolidated balance sheet amounts, fair values and differences between them as of March 31, 2022. Shares, etc. without market prices are not included in the table below (see (Note 1)). Notes on cash are omitted, as are notes on deposits, notes receivable ‐ trade, accounts receivable - trade and contract assets, notes and accounts payable - trade, short-term borrowings, and accrued expenses, as these are settled in a short period of time and the balance sheet amount approximates fair value. Notes are also omitted for investments in partnerships, etc., which are carried on the consolidated balance sheets at the net value of the equity interest, and for which MGC applies the provisions of Paragraph 27 of Implementation Guidance on Accounting Standard for Fair Value Measurement (see (Note 2)).

(millions of yen)

	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Securities and investment securities	33,636	33,636	―
(2) Bonds payable	20,000	19,866	(133)
(3) Long-term borrowings	46,621	47,465	843
(4) Derivative transactions			
1) Derivative transactions not qualifying for hedge accounting	(456)	(456)	―
2) Derivative transactions qualifying for hedge accounting	(48)	(48)	―

(*) Net receivables and liabilities generated through derivative transactions are presented as net amounts and in cases where the total amount represents a net liability, such amounts have been put in parentheses.

Notes: 1. Shares, etc. without market prices

	Consolidated Balance Sheet Amount
Unlisted stocks	¥137,531 million

2. Investments in partnerships, etc., carried at the net value of the equity interest

	Consolidated Balance Sheet Amount
Investments in partnerships, etc.	¥284 million

3. Breakdown of Financial Instruments by Level of Fair Value

The fair value of financial instruments is classified into the following three levels based on the observability and significance of the inputs used to calculate fair value.

Level 1 fair values: Fair values calculated using (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 fair values: Fair values calculated using directly or indirectly observable inputs other than those in Level 1

Level 3 fair values: Fair values calculated using significant unobservable inputs

When multiple inputs that may have a material impact on the calculation of fair value are used, the calculated fair value is classified at the lowest level of the inputs used.

(1) Financial assets and financial liabilities carried on the consolidated balance sheets at fair value

(millions of yen)

Class	Fair Value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Shares	31,795			31,795
Bonds		1,737		1,737
Other	104			104
Derivative transactions				
Derivative transactions not qualifying for hedge accounting				
Currency-related		(498)		(498)
Interest-related		42		42
Derivative transactions qualifying for hedge accounting				
Currency-related		(48)		(48)

(2) Financial assets and financial liabilities not carried on the consolidated balance sheets at fair value

(millions of yen)

Class	Fair Value			
	Level 1	Level 2	Level 3	Total
Bonds	19,866			19,866
Long-term borrowings		47,465		47,465

Note: Explanation of the valuation techniques and inputs used to calculate fair value

Securities and investment securities

Shares are valued using prices on securities exchanges. Because shares are traded in active markets, their fair value is classified as Level 1. However, because the markets for bonds are not regarded as active markets due to the low frequency of transactions, their fair value is classified as Level 2.

Derivative transactions

Fair value is calculated based on the prices provided by MGC's partner financial institutions, etc., and is classified as Level 2.

Bonds

The fair value of bonds issued by MGC is calculated based on market prices, etc., and is classified as Level 1.

Long-term borrowings

Fair value is calculated as the present value of the sum of principal and interest amounts, discounted using the estimated rates for new borrowings, and is classified as Level 2.

Notes on Rental Property

Matters Concerning the Status and Fair Value of Rental Property

1. Outline of Rental Property
   MGC and a portion of its subsidiaries own land and buildings for rent in Tokyo and in other areas.

2. The Consolidated Balance Sheet Amount of Rental Property, Major Changes Thereof during the Fiscal Year, the Fair Value Thereof as of the Fiscal Year-end and the Method for Calculation of Fair Value

Consolidated Balance Sheet Amount			Fair value as of March 31, 2022
Balance as of April 1, 2021	Changes during fiscal year	Balance as of March 31, 2022	
¥10,200 million	¥△3,886 million	¥6,314million	¥9,448 million

Notes: 1. The consolidated balance sheet amount is the amount of acquisition cost less cumulative depreciation and cumulative impairment loss.

2. Major changes
   Decrease due to Change in scope of consolidation: ¥△3,755 million

3. Method for calculation of fair value
   The amount is based primarily on indices including roadside land prices.

3. Profit or Loss Relating to Rental Property
   Profit or loss from rent on rental property: ¥230 million

Notes on Per Share Information

Net Assets per Share ¥2,733.86
Net Income per Share ¥232.15

(Translation)

Notes on Revenue Recognition

1. Disaggregation of revenue from contracts with customers
   Revenue disaggregated by major goods and services is as follows:

(millions of yen)

	Basic Chemicals Business Sector	Specialty Chemicals Business Sector	Other (Note)	Adjustment	Total
Natural Gas Chemicals Segment	219,791	—	—	—	219,791
Aromatic Chemicals Segment	200,167	—	—	—	200,167
Specialty Chemicals Segment	—	213,908	—	—	213,908
Information & Advanced Materials Segment	—	71,511	—	—	71,511
Other Business Segments	—	—	76	△0	76
Revenue from contracts with customers	419,959	285,419	76	△0	705,456
Other revenue	—	—	200	—	200
Net sales to external customers	419,959	285,419	277	△0	705,656

Note: “Other” includes businesses such as real estate that do not belong to a reportable segment.

2. Information Fundamental for an Understanding of Revenue Arising from Contracts with Customers

The MGC Group recognizes revenue in an amount that reflects the consideration to which the MGC Group expects to be entitled in exchange for transferring goods or services to customers, based on the following five-step procedure for revenue recognition.

Step 1: Identify the contract with a customer
Step 2: Identify performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) performance obligations are satisfied

The main business of the MGC Group is the manufacture and sale of various products in the Basic Chemicals Business and Specialty Chemicals Business. Revenue from the sale of these products is recognized at the time of delivery, because MGC considers that, at the time of delivery, the customer gains control over the product, and MGC has therefore satisfied its performance obligations.

Revenue is estimated as the net consideration promised under the contract with the customer, after deducting discounts, rebates, returns, etc. Moreover, for transactions where the role of the MGC Group in the sale of products, etc. to customers is that of an agent, MGC only recognizes the net amount after deducting the amount payable to the supplier of the products, etc. as revenue.

The consideration under product sales contracts is generally collected within one year after control over the product is transferred to the customer, and therefore does not include a significant element of finance.

3. Information to Enable an Understanding of the Amount of Revenue for the Current Consolidated Fiscal Year and the Next Consolidated Fiscal Year Onward

(1) Balance of Contract Assets and Contract Liabilities

The balance of contract assets and contract liabilities for the MGC Group is omitted because the amounts are insignificant and there has been no material change in the amounts. The amount of revenue recognized in the current fiscal year from performance obligations satisfied (or partially satisfied) in previous periods is also immaterial.

(2) Transaction Price Allocated to Remaining Performance Obligations

MGC has applied practical expediency and omitted presentation of the transaction price allocated to remaining performance obligations for the MGC Group because there are no material contracts for which the initially expected contract term exceeds one year, with the exception of royalties based on net sales or usage volumes. Moreover, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction price.

Notes on Significant Subsequent Events

Repurchase and Cancellation of Own Shares

At a meeting of the Board of Directors held on May 12, 2022, MGC resolved to repurchase its own shares, pursuant to Article 459, Section 1 of the Companies Act and to cancel a part of its own shares pursuant to the provisions of Article 178 of the Companies Act.

(1) Reasons for Repurchase and Cancellation of Own Shares

MGC will repurchase and cancel its own shares in order to enhance shareholder returns, improve capital efficiency and conduct capital management flexibly.

(2) Outline of Repurchase

1) Type of shares to be repurchased:	Ordinary shares of MGC
2) Number of shares to be repurchased:	Maximum of 3,500,000 shares
3) Aggregate amount of repurchase price:	Up to JPY 8,000,000,000
4) Repurchase period:	From May 13, 2022 to July 29, 2022
5) Repurchase method:	Market purchases

(3) Outline of Cancellation

1) Type of shares to be cancelled:	Ordinary shares of MGC
2) Number of shares to be cancelled:	3,500,000 shares
3) Number of shares after the cancellation:	222,239,199 shares
4) Scheduled cancellation date	July 29, 2022

Other Notes

Amounts less than ¥1 million are rounded off.

- End of Notes to Consolidated Financial Statements -

(Translation)

(Non-Consolidated Statement of Changes in Net Assets)
(April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity												Valuation and translation adjustments	Total net assets
	Share capital	Capital surplus			Retained earnings						Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings				
						Reserve for mine prospecting	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward					
Balance at beginning of period	41,970	35,668	14	35,683	6,999	2,038	2,823	76,500	149,519	237,881	△21,562	293,972	12,506	306,478
Cumulative effects of changes in accounting policies									△395	△395		△395		△395
Restated balance	41,970	35,668	14	35,683	6,999	2,038	2,823	76,500	149,123	237,485	△21,562	293,577	12,506	306,083
Changes during period														
Dividends of surplus									△16,642	△16,642		△16,642		△16,642
Net income									35,812	35,812		35,812		35,812
Provision of reserve for tax purpose reduction entry of non-current assets							253		△253	-		—		—
Reversal of reserve for tax purpose reduction entry of non-current assets							△156		156	-		—		—
Provision of reserve for mine prospecting						326			△326	-		—		—
Purchase of treasury shares											△5	△ 5		△ 5
Disposal of treasury shares			39	39							42	81		81
Net changes of items other than shareholders' equity													△2,326	△2,326
Total changes during the period	-	-	39	39	-	326	96	-	18,747	19,170	36	19,246	△2,326	16,919
Balance at end of period	41,970	35,668	53	35,722	6,999	2,365	2,920	76,500	167,871	256,656	△21,525	312,823	10,179	323,002

(Translation)

(Notes to Non-consolidated Financial Statements)

Notes Related to Important Accounting Principles

1. Valuation Standard and Method for Securities
   Interest in Subsidiaries and Affiliates: Moving average cost method
   Other Securities
      Securities apart from shares, etc. without market prices:
      Market value method (revaluation variances are all included directly in net assets, and costs of sales are calculated by the moving average method)
      Shares, etc. without market prices: Moving average cost method

2. Valuation Standard and Method for Inventories:
   Total average cost method (The amounts on the balance sheet have been calculated using the cost accounting method of reducing book value based on declining profitability.)

3. Valuation Standard for Derivatives: Market value method

4. Depreciation of Fixed Assets
   Tangible Fixed Assets (except for lease assets):
   Straight-line method
   Intangible Fixed Assets (except for lease assets):
   Straight-line method
   The expenses for internal use computer software are amortized by the straight-line method over the estimated useful life (5 years).
   Lease assets:
   Finance lease transactions that do not transfer ownership to the lessee
   Straight-line method for the duration of the lease period with a remaining balance of zero.

5. Accounting Standards for Reserves
   Allowance for doubtful accounts:
      Estimated uncollectible amounts are accounted for based on historical loan loss ratios in the case of general receivables and based on case-by-case examination of collectability in the case of specific receivables, including doubtful receivables, in preparation against loss from the inability to collect on accounts receivable, loans, and the like.
   Provision for bonuses:
      Estimated bonus payments for the current fiscal year are accounted for in preparation for payment of bonuses to employees.
   Provision for business restructuring:
      A reasonably estimated future loss amount is accounted for in preparation for loss expected to be incurred in line with the business structure improvement.
   Provision for loss on business withdrawal:
      A reasonably estimated amount is accounted for in preparation for loss expected to be incurred from business withdrawal.
   Provision for loss on business of subsidiaries and associates:
      An estimated loss amount to be borne by MGC is accounted for in preparation for loss concerning the business of subsidiaries and associates, in consideration of the financial condition, etc. of those subsidiaries and associates.

Provision for retirement benefits:

An amount based on estimated accrued pension liabilities and pension assets as of the end of the current fiscal year is accounted for in preparation for payment of retirement and severance benefits to employees.

MGC has a retirement and severance trust.

In the calculation of accrued pension liabilities, the method for attributing estimated retirement and severance benefits to the period up to the end of the current fiscal year is based on the benefit formula standard.

Prior service cost is amortized by the straight-line method over a portion (10 years) of the estimated average remaining service years of employees at the time the cost was incurred.

Unrecognized actuarial gain or loss is amortized by the declining balance method over a portion (10 years) of the estimated average of remaining service years of employees from the following fiscal year.

Provision for environmental measures:

An estimated amount of disposal and transport costs of polychlorinated biphenyl wastes, based on the handling cost publicized by Japan Environmental Storage & Safety Corporation, is accounted for to cover the cost of properly disposing of said chemical waste as required by the Law for Promotion of Correct Waste Disposal of Polychlorinated Biphenyls.

6. Accounting standards for revenue and expenses

MGC applies the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., and recognizes revenue when control of promised goods or services is transferred to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for these goods and services.

7. Other significant matters that form the basis for preparing the non-consolidated financial statements

Hedge accounting methods

“Exceptional accounting” is applied to interest rate swaps in cases where requirements are met.

Accounting method for retirement benefits

The accounting method for unrecognized actuarial gain or loss and unrecognized prior service cost for retirement and severance benefits is different from that of consolidated financial statement.

Notes on changes in accounting policies

1. Application of the Accounting Standard for Revenue Recognition, etc.

MGC has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter “Revenue Recognition Standard”) and other standards from the beginning of the current fiscal year. MGC recognizes revenue when control of promised goods or services is transferred to a customer in an amount that reflects the consideration to which MGC expects to be entitled in exchange for those goods and services.

Accordingly, for paid supply transactions where MGC is under a repurchase obligation, whereas MGC previously recognized revenue from the sale of goods supplied, it now no longer recognizes revenue from these sales.

MGC applies the Revenue Recognition Standard, etc. in accordance with the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Standard. The cumulative impact of retrospectively applying the new accounting policies to prior periods is added to or subtracted from retained earnings at the beginning of the fiscal year, in order to apply the new accounting policy from the beginning balance.

As a result, for the current fiscal year, net sales and cost of sales were 11,195 million yen and 10,824 million yen, respectively, lower than without the application of the new accounting policy. Operating income, ordinary income, and income before income taxes were each 371 million yen lower than without the application of the new accounting policy. In addition, the balance of retained earnings at the start of the fiscal year was 395 million yen lower than without the application of the new accounting policy.

Pursuant to the application of the Revenue Recognition Standard, etc., “notes receivable - trade” and “accounts receivable - trade,” which were presented under “current assets” in the non-consolidated balance sheet for the previous fiscal year, have been included in “notes and accounts receivable - trade, and contract assets” from the current fiscal year.

2. Application of the Accounting Standard for Fair Value Measurement, etc.

MGC has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter “Fair Value Measurement Standard”) and other standards from the beginning of the current fiscal year, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). Accordingly, for available-for-sale securities that are shares with market prices, whereas MGC previously applied the fair value method based on the average market prices, etc. in the month preceding the fiscal closing date, from the current fiscal year, it applies the fair value method based on market prices, etc. on the fiscal closing date. The impact of this change on the financial statements for the current fiscal year is immaterial.

Notes on accounting estimates

1. Impairment of non-current assets

Amounts recognized in the financial statements for the current fiscal year:

	(millions of yen)
Property, plant and equipment:	111,007
Intangible assets:	1,603
Impairment loss:	2,991

Other information regarding the content of accounting estimates is omitted because it is the same as that stated in the notes to consolidated financial statements.

Notes on Non-consolidated Balance Sheet

1. Collateralized Assets

Collateralized assets are as follows:

	(millions of yen)
Investments in securities (Note 1)	1,845
Stocks of subsidiaries and affiliates (Note 2)	14,540

Notes: 1. ¥1,737 million in bonds and ¥108 million in shares of Fukushima Gas Power Co., Ltd. are collateralized for its bonds and loans.

2. ¥10,467 million in shares of Brunei Methanol Company Sdn, Bhd., ¥2,380 million in shares of Appi Geothermal Energy Corporation and ¥1,693 million in shares of Yuzawa Geothermal Power Corporation for their respective loans.

2. Cumulative depreciation of property, plant and equipment: ¥328,886 million

Cumulative depreciation includes cumulative impairment loss on fixed assets.

3. Reduction entry directly deducted from the acquisition price of property, plant and equipment:

¥9,424 million

4. Guarantees

Loans, etc. of affiliates and others guaranteed:

(Outstanding loan guarantees)	¥51,407 million

(Major guaranteed parties)

Caribbean Gas Chemical Ltd.	¥27,612 million
Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd.	¥10,702 million
Taixing MGC Suhua Specialty Materials Co., Ltd.	¥5,569 million
Korea Polyacetal Co., Ltd.	¥2,026 million
Abashiri Biomass 2nd Power Plant LLC.	¥1,382 million
Hubei Lingyong Electronic Materials Co., Ltd.	¥1,157 million
Yuzawa Geothermal Power Corporation	¥1,042 million

5. Receivables from and Payables to Affiliates

Short-term receivables	¥100,745 million
Long-term receivables	¥12,214 million
Short-term payables	¥69,025 million

Notes on Non-consolidated Statement of Income

Volume of Transaction with Affiliates

Volume of Business Transactions

Sales	¥269,335 million
Purchase	¥147,145 million
Volume of Non-Business Transactions	¥15,837 million

Note on Non-consolidated Statement on Changes in Net Assets

Number of issued and Outstanding Shares

Common Stock	225,739,199 Shares

Class and number of treasury shares as of the end the current fiscal year:

Common Stock	17,693,673 Shares

Note on Deferred Tax Accounting

Major Components of Deferred Tax Assets and Liabilities

Major components of deferred tax assets

Matters related to retirement and severance benefits	¥5,844 million
Provision for bonuses	¥933 million

Deferred tax assets are presented net of valuation allowance of ¥17,362 million.

Major components of deferred tax liabilities

Reserve for tax purpose reduction entry of non-current assets	¥△1,288 million
Gain on contribution of securities to retirement benefit trust	¥△1,255 million

(Translation)

Notes on Transactions with Affiliated Companies

Subsidiaries and Affiliates, etc.

(millions of yen)

Attribute	Name of Company	% Voting Rights Owned	Relationship with Affiliated Company	Description of Transaction	Transaction Volume	Class	Year-End Balance
Subsidiary	Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd.	91.05% direct ownership	Guarantee of debts, etc.	Guarantee of debts	10,702	--	--
Subsidiary	Taixing MGC Suhua Specialty Materials Co., Ltd.	100% direct ownership	Guarantee of debts, etc.	Guarantee of debts	5,569	--	--
Subsidiary	Mitsubishi Gas Chemical Trading Inc.	100% direct ownership	Sale of MGC product, etc.	Sales of various products (Note 1)	108,978	Accounts receivable	33,813
Subsidiary	Mitsubishi Gas Chemical Singapore Pte. Ltd.	100% direct ownership	Sale of MGC product, etc.	Sales of various products (Note 1)	42,999	Accounts receivable	5,407
Subsidiary	MGC Electrotechno Co., Ltd.	100% direct ownership	Purchase of processed products, etc.	Purchase of processed products (Note 2)	40,218	Accounts payable	7,605
Subsidiary	MGC Pure Chemicals Taiwan, Inc.	100% direct ownership	Loan of funds, etc.	Loan of funds (Note 3)	1,672	Long-term loans receivable	10,296
Subsidiary of Affiliate	Caribbean Gas Chemical Ltd.	26.25% indirect ownership	Guarantee of debts, etc.	Guarantee of debts (Note 4)	27,612	--	--

Notes: 1. Sales of various products are determined in the same way as general trading conditions, referring to market prices.
2. Purchase of processed products are determined in the same way as general trading conditions, referring to market prices and costs.
3. The interest rate on loans is determined reasonably in consideration of market interest rates. The transaction amount includes the net increase or decrease for the current fiscal year.
4. MGC is guaranteeing the loans of Caribbean Gas Chemical Ltd. without compensation.

Notes Related to Per Share Information

Net Asset per Share ¥1,552.56
Net Income per Share ¥172.15

Notes on Revenue Recognition

Information fundamental for an understanding of revenue from contracts with customers has been omitted, as it is the same as stated in the notes to consolidated financial statements.

Notes on Significant Subsequent Events

Repurchase and Cancellation of Own Shares

At a meeting of the Board of Directors held on May 12, 2022, MGC resolved to repurchase its own shares, pursuant to Article 459, Section 1 of the Companies Act and to cancel a part of its own shares pursuant to the provisions of Article 178 of the Companies Act.

(1) Reasons for Repurchase and Cancellation of Own Shares

MGC will repurchase and cancel its own shares in order to enhance shareholder returns, improve capital efficiency and conduct capital management flexibly.

(2) Outline of Repurchase

1) Type of shares to be repurchased: Ordinary shares of MGC
2) Number of shares to be repurchased: Maximum of 3,500,000 shares

3) Aggregate amount of repurchase price:	Up to JPY 8,000,000,000
4) Repurchase period:	From May 13, 2022 to July 29, 2022
5) Repurchase method:	Market purchases

(3) Outline of Cancellation

1) Type of shares to be cancelled:	Ordinary shares of MGC
2) Number of shares to be cancelled:	3,500,000 shares
3) Number of shares after the cancellation:	222,239,199 shares
4) Scheduled cancellation date	July 29, 2022

Other Notes

Amounts less than ¥1 million are rounded off.

- END of Notes to Non-consolidated Financial Statements -

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