

**Other Items provided electronically for
the Notice of the 97th Ordinary General Meeting of Shareholders**

MITSUBISHI GAS CHEMICAL COMPANY, INC.

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(Stock Acquisition Rights)

- (1) Among stock acquisition rights, etc. held by corporate officers at the end of this fiscal year, matters on stock acquisition rights, etc. granted for the performance of their duties**

No applicable item.

- (2) Matters on stock acquisition rights, etc. granted to employees and others during this fiscal year 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, 2023 to March 31, 2024)

(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	34,293	521,426	△23,838	573,852	8,950	110	22,894	1,805	33,760	63,636	671,249
Changes during period												
Dividends of surplus			△16,367		△16,367							△16,367
Profit attributable to owners of parent			38,818		38,818							38,818
Purchase of treasury shares				△10,005	△10,005							△10,005
Disposal of treasury shares		25		45	70							70
Cancellation of treasury shares		△7,670		7,670	-							-
Transfer from retained earnings to capital surplus		7,645	△7,645		-							-
Change in ownership interest of parent due to transactions with non-controlling interests		1,258			1,258							1,258
Net changes of items other than shareholders' equity					-	8,622	61	17,249	10,423	36,356	△36,549	△192
Total changes during period	-	1,258	14,805	△2,288	13,775	8,622	61	17,249	10,423	36,356	△36,549	13,582
Balance at end of period	41,970	35,551	536,232	△26,127	587,627	17,573	171	40,143	12,229	70,117	27,087	684,832

(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: 46

Names of major consolidated subsidiaries:

Japan Finechem Company, Inc., 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., MGC Pure Chemicals Taiwan, Inc., Korea Polyacetal Co., Ltd., MGC Energy Co., Ltd., MGC Advance Co., Ltd., MGC Woodchem Corporation, MGC Advanced Polymers, Inc., MGC Specialty Chemicals Netherlands B.V., Eiwa Chemical Industry. Co., Ltd., Global Polyacetal Co., Ltd., Yonezawa Dia Electronics Co., Inc. and Ageless (Thailand) Co., Ltd., Mitsubishi Engineering-Plastics Corporation, Thai Polycarbonate Co., Ltd., Fudow Co., Ltd.

Mitsubishi Engineering-Plastics Corporation, Thai Polycarbonate Co., Ltd., Kashima Polymers Corporation, MEP Europe GmbH, MEP Engineering-Plastics (Thailand) Co., Ltd., MEP Singapore Pte Ltd., MEP Shanghai Limited, MEP Shanghai Co., Ltd., MEP Guangzhou Limited, MEP Taiwan Limited, MEP Hong Kong Limited and MEP America, Inc. have been included in the scope of consolidation, due to the acquisition of additional shares of Mitsubishi Engineering-Plastics Corporation.

As MGC tendered to a tender offer conducted by JSP Corporation to repurchase its treasury shares (the "Tender Offer") and the Tender Offer was completed, JSP Corporation has been excluded from the scope of consolidation and included in the scope of equity method.

In addition, JSP Foam Products (Thailand) Co., Ltd., JSP International Ltd., JSP Packaging Corporation, KP Corporation, Mirax Corporation, JSP Molding Corporation, Sansho Foam Tech Corporation, Hokuryo EPS Co., LTD., Honshu Petrochemistry, NK Kasei Co., LTD., Seihoku Package Co., LTD., JSP International Group LTD., JSP International S.A.R.L., JSP Foam Products PTE. LTD., KOSPA Corporation, Taiwan JSP Chemical Co., LTD., JSP Advanced Materials (Wuxi) Co., LTD., JSP Plastics (Shanghai) Co., LTD., Kunshan JSP Seihoku Packaging Material Co., LTD., JSP Advanced Materials (Dongguan) Co., LTD., JSP Foam India Private Limited, JSP Brasil Industria de Plasticos LTDA., JSP International, LLC, JSP International de Mexico S.A. de C.V., JSP Mold, LLC., JSP Specialty Foams, LLC, JSP Resins, LLC., JSP Realty, LLC, JSP International GmbH, JSP International GmbH & Co. KG, JSP International SRL, JSP International s.r.o., JSP International ooo, JSP International sarl and JSP Advanced Materials (Wuhan) Co., LTD. have been excluded from the scope of consolidation due to the completion of the Tender Offer.

Suzhou MGC Suhua Peroxide Co., Ltd. was excluded from the scope of consolidation due to liquidation.

(Translation)

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, profit 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.

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: 13

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, Korea Engineering Plastics Co., Ltd., Tai Hong Circuit Industrial Co., Ltd., Granopt Co., Ltd., Ryoden Kasei Co., Ltd.

Mitsubishi Engineering-Plastics Corporation and Thai Polycarbonate Co., Ltd. have been excluded from the scope of equity method and included in the scope of consolidation due to additional acquisition of shares of Mitsubishi Engineering-Plastics Corporation, and Samyang Kasei Co., Ltd. has been included in the scope of equity method.

CG Ester Corporation has been excluded from the scope of equity method due to the sale of all of its shares.

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 profit or 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 11 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.

(Translation)

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):

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 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.

(Translation)

6. Accounting Standards for Revenue and Expenses

The MGC Group mainly engages in the manufacture and sale of products in the Basic Chemicals and Specialty Chemicals Businesses, and revenue from sales of these products is recognized when they are delivered to the customer, as the Group determines that the customer acquires control over the products at the time of delivery of the products to the customer and the performance obligations are deemed to be satisfied. For transactions in which the Group's role in the sale of merchandise, etc. to the customer is that of an agent, revenue from sales of such merchandise, etc. is recognized at the net amount of the amount received from the customer less the amount to be paid to the suppliers of such merchandise, etc.

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, and 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:

Comparison 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.

(Translation)

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:	¥314,624 million
Intangible assets (excluding goodwill):	¥8,002 million
Goodwill:	¥16,868 million
Impairment loss:	¥1,488 million

Non-current assets held by the MGC and consolidated subsidiaries 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.

Goodwill represents the expected future excess earning power of the acquired company as a result of its future business development and is recorded as the difference between the acquisition price and the market value of the acquired company’s identifiable assets and liabilities at the date of the business combination.

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)
Land	765
Buildings and structures	513
Machinery, equipment and vehicles	666
Investments in securities (Note)	6,738
<u>Total</u>	<u>8,683</u>

Note: ¥2,614 million in shares of Yuzawa Geothermal Power Corporation, ¥2,555 million in shares of Appi Geothermal Energy Corporation, as well as ¥1,466 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	328
Long-term debt	753
<u>Total</u>	<u>1,082</u>

- Cumulative depreciation of property, plant and equipment: ¥639,475 million
Cumulative depreciation includes cumulative impairment loss on fixed assets.
- Reduction entry directly deducted from the acquisition price of property, plant and equipment: ¥13,215 million

(Translation)

4. Guarantees:

(Balance of debt guarantee) ¥14,489 million

(Major guaranteed parties)

DP Engineering Plastics (Nantong) Co., Ltd. ¥6,031 million

Hubei Lingyong Electronic Materials Co., Ltd. ¥2,269 million

Abashiri Biomass 3rd Power Plant LLC. ¥1,686 million

Employee ¥7 million

5. Notes maturing at the end of the fiscal year

Regarding accounting treatment of notes that mature at the end of the fiscal year, they are settled on the clearance date or settlement date. As the last day of the current fiscal year was a holiday of financial institutions, the following notes that mature at the end of the fiscal year are included in the balance at the end of the current fiscal year.

Notes receivable - trade ¥1,438 million

Notes payable - trade ¥939 million

Notes on Consolidated Statement on Changes in Net Assets

1. Matters Related to Issued and Outstanding Shares

Common Stock: 217,239,199 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, 2023	Common	¥8,183 million	¥40.00	March 31, 2023	June 8, 2023
Board of Directors' Meeting; November 8, 2023	Common	¥8,184 million	¥40.00	September 30, 2023	December 6, 2023

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

The resolution is scheduled as follows:

Resolution	Class of Stock	Total Amount of Dividends	Resource	Dividend per Share	Record Date	Effective Date
Board of Directors' Meeting; May 27, 2024	Common	¥8,009 million	Retained Earnings	¥40.00	March 31, 2024	June 6, 2024

(Translation)

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 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 trade receivables and liabilities and forecasted transactions denominated in foreign currency, 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 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, forecasted transactions denominated in foreign currency and surplus funds that have been

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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 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

Since certain variable factors are incorporated into the calculation of the fair values of financial instruments, 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, 2024. 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. Investments in partnerships, etc., which are carried on the consolidated balance sheets at the net value of the equity interest are not subject to the Fair value disclosure, and for which MGC applies the provisions of Paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Fair Value Measurement Guidance) (see (Note 2)).

(Millions of yen)

	Consolidated Balance Sheet Amount	Fair Value	Difference
(1) Securities and investment securities	38,323	38,323	—
(2) Bonds payable	30,000	29,611	(388)
(3) Long-term borrowings	69,671	67,409	(2,262)
(4) Derivative transactions			
1) Derivative transactions not qualifying for hedge accounting	75	75	—
2) Derivative transactions qualifying for hedge accounting	(97)	(97)	—

(*) 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	¥197,809 million

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

	Consolidated Balance Sheet Amount
Investments in partnerships, etc.	¥220 million

(Translation)

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 instruments carried in rest 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	36,857	-	-	36,857
Bonds	-	1,466	-	1,466
Derivative transactions				
Derivative transactions not qualifying for hedge accounting				
Currency-related	-	(17)	-	(17)
Interest-related	-	93	-	93
Derivative transactions qualifying for hedge accounting				
Currency-related	-	(97)	-	(97)

(*) 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.

(Translation)

(2) Financial instruments other than those carried in rest at fair value

(Millions of yen)

Class	Fair Value			
	Level 1	Level 2	Level 3	Total
Bonds	29,611	-	-	29,611
Long-term borrowings	-	67,409	-	67,409

Note: Explanation of the valuation techniques used to calculate fair value and inputs for the calculation of 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, 2024
Balance as of April 1, 2023	Changes during fiscal year	Balance as of March 31, 2024	
¥6,516 million	¥△2,100 million	¥4,416 million	¥7,895 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: ¥△1,855 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: ¥156 million

Profit or loss on sales of rental property: ¥△13 million

(Translation)

Notes on Per Share Information

Net Assets per Share	¥3,284.96
Earnings per Share	¥190.97

Notes on Revenue Recognition

1. Disaggregation of Revenue from Contracts with Customers

Revenue disaggregated by geographical segment is as follows:

	(Millions of yen)				
	Basic Chemicals Business Sector	Specialty Chemicals Business Sector	Other (Note)	Adjustment	Total
Japan	190,835	120,611	67	—	311,515
Asia (China)	37,392	93,992	—	—	131,384
Asia (Other)	81,791	139,423	—	—	221,215
U.S.A.	30,547	30,787	—	—	61,334
Other Regions	63,995	23,909	1	—	87,906
Revenue from contracts with customers	404,562	408,724	68	—	813,355
Other revenue	—	—	61	—	61
Net sales to external customers	4704,562	408,724	130	—	813,417

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

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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.

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, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity												Valuation and translation adjustments	Total net assets
	Share capital	Capital surplus			Legal retained earnings	Other retained earnings				Total retained earnings	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	
		Legal capital surplus	Other capital surplus	Total capital surplus		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	-	35,668	6,999	2,240	2,762	76,500	181,556	270,058	△23,838	323,859	8,063	331,922
Changes during period														
Dividends of surplus									△16,367	△16,367		△16,367		△16,367
Profit									31,730	31,730		31,730		31,730
Reversal of reserve for tax purpose reduction entry of non-current assets							△144		144	-		-		-
Provision of reserve for mine prospecting						330			△330	-		-		-
Reversal of reserve for mine prospecting						△451			451	-		-		-
Purchase of treasury shares											△10,005	△10,005		△10,005
Disposal of treasury shares			25	25							45	70		70
Cancellation of treasury shares			△7,670	△7,670							7,670	-		-
Transfer from retained earnings to capital surplus			7,645	7,645					△7,645	△7,645		-		-
Net changes of items other than shareholders' equity													6,320	6,320
Total changes during the period	-	-	-	-	-	△121	△144	-	7,983	7,717	△2,288	5,428	6,320	11,748
Balance at end of period	41,970	35,668	-	35,668	6,999	2,119	2,617	76,500	189,540	277,775	△26,127	329,287	14,383	343,671

(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 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.

(Translation)

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.

6. Accounting Standards for Revenue and Expenses

MGC mainly engages in the manufacture and sale of products in the Basic Chemicals and Specialty Chemicals Businesses, and revenue from sales of these products is recognized when they are delivered to the customer, as MGC determines that the customer acquires control over the products at the time of delivery of the products to the customer and the performance obligations are deemed to be satisfied.

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 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:	129,008
Intangible assets:	3,013
Impairment loss:	628

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.

(Translation)

Notes on Non-consolidated Balance Sheet

1. Collateralized Assets

Collateralized assets are as follows:

	(Millions of yen)
Investments in securities (Note 1)	1,574
Stocks of subsidiaries and affiliates (Note 2)	4,243

Notes: 1. ¥1,466 million in bonds and ¥108 million in shares of Fukushima Gas Power Co., Ltd. are collateralized for its bonds and loans.

2. ¥2,550 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:	¥347,665 million
Cumulative depreciation includes cumulative impairment loss on fixed assets.	
3. Reduction entry directly deducted from the acquisition price of property, plant and equipment:	¥9,983 million
4. Guarantees	
Loans, etc. of affiliates and others guaranteed:	
(Outstanding loan guarantees)	¥32,872 million

(Major guaranteed parties)

DP Engineering Plastics (Nantong) Co., Ltd.	¥6,031 million
Taixing MGC Suhua Specialty Materials Co., Ltd.	¥5,103 million
Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd.	¥5,020 million
MGC Pure Chemicals America, Inc.	¥3,694 million
Korea Polyacetal Co., Ltd.	¥3,150 million
MGC Specialty Chemicals Netherlands B.V.	¥2,033 million
Abashiri Biomass 3rd Power Plant LLC.	¥1,686 million
Abashiri Biomass 2nd Power Plant LLC.	¥1,584 million
Appi Geothermal Energy Corporation	¥1,122 million
Employee	¥7 million

5. Receivables from and Payables to Affiliates

Short-term receivables	¥107,999 million
Long-term receivables	¥7,178 million
Short-term payables	¥78,673 million

Notes on Non-consolidated Statement of Income

Volume of Transaction with Affiliates

Volume of Business Transactions

Sales	¥243,702 million
Purchase	¥120,410 million
Volume of Non-Business Transactions	¥35,131 million

Note on Non-consolidated Statement on Changes in Net Assets

Number of issued and Outstanding Shares

Common Stock	217,239,199 Shares
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Class and number of treasury shares as of the end the current fiscal year:

Common Stock	17,009,734 Shares
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(Translation)

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 ¥5,703 million

Provision for bonuses ¥889 million

Deferred tax assets are presented net of valuation allowance of ¥21,067 million.

Major Components of Deferred Tax Liabilities

Gain on contribution of securities to retirement benefit trust ¥△1,255 million

Reserve for tax purpose reduction entry of non-current assets ¥△1,155 million

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 Trading Inc.	100% direct ownership	Sale of MGC product, etc.	Sales of various products (Note 1)	105,917	Accounts receivable	36,253
Subsidiary	Global Polyacetal Co., Ltd.	100% direct ownership	Loan of funds, etc.	Loan of funds (Note 2)	2,913	Short-term loans receivable	13,100
Affiliate	JSP Corporation	47.75% direct ownership	Sales of shareholdings, etc.	Sales of shareholdings (Note 3)	Sale price 5,979 Profit on sale 3,520	Shares and investment in capital of subsidiaries and associates	8,407

Notes: 1. Sales of various products are determined in the same way as general trading conditions, referring to market prices.

2. 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.

3. As MGC tendered to a tender offer conducted by JSP Corporation to repurchase its treasury shares and the tender offer was completed, MGC has sold a portion of JSP Corporation's shares held by MGC.

Notes Related to Per Share Information

Net Asset per Share ¥1,716.39

Earnings per Share ¥156.09

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.

Other Notes

Amounts less than ¥1 million are rounded off.

- END of Notes to Non-consolidated Financial Statements -

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