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In the event of any discrepancy between this translation and the Japanese original, The Japanese language original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from this translation.

Securities Code 4182
June 5, 2019

Dear Shareholders with Voting Rights

Masashi Fujii
President and Representative Director
Mitsubishi Gas Chemical Company, Inc.
Mitsubishi Building,
5-2 Marunouchi 2-chome, Chiyoda-ku,
Tokyo, Japan

Notice of the 92ndOrdinary General Meeting of Shareholders

You are cordially invited to attend the 92nd Ordinary General Meeting of Shareholders of Mitsubishi Gas Chemical Company, Inc. (hereinafter "MGC") to be held as described below.

In the event you are not able to attend the meeting, you may exercise your voting rights by 5:30 p.m. of June 24, 2019, as it is possible to exercise your voting rights by mail or via the Internet.

1. **Date and Time:** Tuesday, June 25, 2019 at 10:00 a.m.
2. **Place:** MGC Head Office (6th Floor, Mitsubishi Building)
   5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo
3. **Agenda for the Meeting:**

Matters to be reported:
(1) Report on the Business Report, Consolidated Financial Statements, and results of audits of the Consolidated Financial Statements by the independent Auditor and the Audit & Supervisory Board for the 92nd Business Term (from April 1, 2018 to March 31, 2019)
(2) Report on the Non-Consolidated Financial Statements for the 92nd Business Term (from April 1, 2018 to March 31, 2019)

Matters for Resolution:

Proposal No. 1: Election of Eleven Directors
Proposal No. 2: Election of Three Audit & Supervisory Board Members
Proposal No. 3: Election of One Substitute Audit & Supervisory Board Member

4. Disclosure on the internet

● Among the documents that should be attached to this convocation notice, in accordance with laws and regulations and the provisions of Article 15 of the Articles of Incorporation of MGC, the following documents are posted on MGC's website and are not included in this convocation notice.

(ⅰ) Stock Acquisition Rights
(ⅱ) Consolidated Statement of Changes in Net Assets
(ⅲ) Notes to Consolidated Financial Statements
(ⅳ) Non-Consolidated Statement of Changes in Net Assets
(ⅴ) Notes to Non-consolidated Financial Statements

(Translation)

●Please be advised that if minor amendments are required to matters contained in the Reference Documents for General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, or the Consolidated Financial Statements, MGC will post revisions on its website.

MGC's website : https://www.mgc.co.jp/ir/stockinfo/meeting.html

◇It is requested that you bring the enclosed Voting Form to the reception desk when attending the Ordinary General Meeting of Shareholders. To conserve resources, please bring this booklet with you to the meeting.

Information on Exercising Voting Rights

●Attending the General Meeting of Shareholders

Please submit your Voting Form to the reception desk at the venue.
Date and Time of the General Meeting of Shareholders : June 25th 2019(Tue) 10:00a.m. (Japan Time)
Place : MGC Head Office (6th Floor, Mitsubishi Building)
5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo

●Postal Mail

Please indicate your approval or disapproval of agenda items on the Voting Form and return it by mail.
Voting forms must arrive no later than 5:30 p.m. on Monday, June 24th 2019(Japan Time).

●Internet

Please access the voting website (https://evote.tr.mufg.jp/) and enter your approval or disapproval of the proposals. Exercise deadline: Until 5:30 p.m. on Monday, June 24, 2019(Japan Time).

■Multiple Exercise of Voting Rights

In the event voting rights are exercised multiple times via the mailing of the Voting Form and via Internet, votes submitted via Internet will be deemed valid.
In the event that voting rights are exercised multiple times via Internet, the last set of votes cast will be deemed valid.

＜To Institutional Investors＞

The "Electronic Proxy Voting Platform" operated by ICJ, Inc. is available for exercising voting rights for MGC's General Meeting of Shareholders.

(Translation)

Reference Documents for General Meeting of Shareholders

Proposal No. 1: Election of Eleven Directors

The term of office of all twelve current Directors will expire as of the close of this Ordinary General Meeting of Shareholders. Therefore, it is proposed that eleven Directors, including 2 Outside Directors, be elected.

The candidates are as follows:

Number	Name	Position	Responsibilities at Mitsubishi Gas Chemical	
1	Toshikiyo Kurai	Representative Director Chairman	—	Renomination
2	Masashi Fujii	Representative Director President	—	Renomination
3	Masamichi Mizukami	Representative Director Senior Managing Executive Officer	Deputy Chairman of Compliance Committee, Administrative Management of Research & Development Division, Advanced Business Development Division, Business Strategy Division, General Manager QOL Innovation Center Shirakawa	Renomination
4	Masahiro Johno	Director, Managing Executive Officer	President of Specialty Chemicals Company	Renomination
5	Masato Inari	Director, Managing Executive Officer	Administrative Management of Production Technology Division, Environment Safety and Quality Assurance Division	Renomination
6	Nobuhisa Ariyoshi	Director, Managing Executive Officer	Chairman of Internal Control Promotion Committee, Administrative Management of Compliance, Risk Management, Internal Audit Division, Corporate Planning Division, Administrative & Personnel Center and Corporate Communications Division, General Manager Tokyo Techno Park	Renomination
7	Tomohiko Okubo	Managing Executive Officer	Administrative Management of LNG Project Team, President of Natural Gas Chemicals Company	NewNomination
8	Hiroyuki Otsuka	Managing Executive Officer	President of Aromatic Chemicals Company	NewNomination
9	Kenji Kato	Managing Executive Officer	President of Information & Advanced Materials Company	NewNomination
10	Kazuo Tanigawa	Director	—	Renomination Outside Director IndependentDirector
11	Tsugio Sato	Director	—	Renomination Outside Director IndependentDirector

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
1	Renomination Toshikiyo Kurai (January 9, 1952)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2019) 14 held, 14 attended	April 1975 Joined MGC. June 2003 General Manager, Inorganic Chemicals Division, Specialty Chemicals Company June 2006 Executive Officer, and General Manager, Inorganic Chemicals Division, Specialty Chemicals Company June 2008 Executive Officer, and President of Specialty Chemicals Company June 2009 Director, Managing Executive Officer, and President of Specialty Chemicals Company June 2010 Director, Managing Executive Officer, President of Specialty Chemicals Company, and General Manager, Engineering Plastics Division October 2011 Director, Managing Executive Officer, and President of Specialty Chemicals Company June 2012 Representative Director, Senior Managing Executive Officer, Assistant to the President, and President of Specialty Chemicals Company June 2013 President and Representative Director April 2019 Chairman and Representative Director (to the present) ■ Reason for nomination as candidate Mr. Toshikiyo Kurai, following his service in important positions mainly in Specialty Chemicals department and his presiding over the R&D, manufacture and whole business of the Inorganic Chemicals division and Engineering Plastics division, was appointed to be a Director in June 2009, and served from June 2013 to March 2019 as President and Representative Director, and has served from April 2019 as Chairman and Representative Director, and due to his abundant experience and knowledge of MGC's business and management control as a whole, he has once again been nominated as a candidate for Director.	41,832 Shares

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
2	Renomination Masashi Fujii (March 10, 1959)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2019) 14 held, 14 attended	April 1981 Joined MGC. June 2010 General Manager, Organic Chemicals Division, Natural Gas Chemicals Company June 2012 Executive Officer, and General Manager, Organic Chemicals Division, Natural Gas Chemicals Company June 2014 Executive Officer, and General Manager, Methanol Division, Natural Gas Chemicals Company April 2015 Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company June 2015 Director, Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company. Outside Director, Co-op Chemical Co., Ltd (currently Katakura & Co-op Agri Corporation) April 2018 Director, Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company and Manager of Energy & Resources Division. October 2018 Director, Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company. April 2019 President and Representative Director (to the present) ■ Reason for nomination as candidate Mr. Masashi Fujii, following his service in important positions in the Administrative & Personnel, Natural Gas Chemicals department, was appointed to be a Director in June 2015 and was presiding over Natural Gas Chemicals department, and due to his abundant experience and knowledge of MGC's business and management control as a whole, he has once again been nominated as a candidate for Director.	14,200 Shares

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
3	Renomination Masamichi Mizukami (September 11, 1958)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2019) 14 held, 14 attended	April 1983 Joined MGC. June 2012 Plant Manager, Yamakita Plant, Specialty Chemicals Company June 2013 Executive Officer, and Plant Manager, Yamakita Plant, Specialty Chemicals Company December 2013 Executive Officer, and Plant Manager, Kashima Plant, Specialty Chemicals Company April 2016 Managing Executive Officer, Chairman of The Committee on Future R&D, Administrative Management of Research & Development Division and Advanced Business Development Division, and General Manager, Advanced Business Development Division June 2016 Director, Managing Executive Officer, Chairman of The Committee on Future R&D, Administrative Management of Research & Development Division and Advanced Business Development Division, and General Manager, Advanced Business Development Division January 2017 Director, Managing Executive Officer, Administrative Management of Research & Development Division and Advanced Business Development Division, and General Manager, Advanced Business Development Division April 2017 Director, Managing Executive Officer, Deputy Chairman of Compliance Committee, Administrative Management of Research & Development Division and Advanced Business Development Division April 2019 Representative Director, Senior Managing Executive Officer, Deputy Chairman of Compliance Committee, Administrative Management of Research & Development Division, Advanced Business Development Division, Business Strategy Division, General Manager QOL Innovation Center Shirakawa (to the present) ■ Reason for nomination as candidate Mr. Masamichi Mizukami, following his engagement mainly in the R&D of Specialty Chemicals department, served in important positions in Specialty Chemicals and Corporate Planning department, etc., was appointed to be a Director in June 2016, is Administrative Management of Research & Development, and Advanced Business Development Division, as well as Compliance, and due to his abundant experience and knowledge of R&D and administration of factory, etc., he has once again been nominated as a candidate for Director	15,000 Shares

(Translation)

<table>
<tr><th>No.</th><th>Name
(Date of Birth)</th><th>Profile, position and responsibility in MGC
(Important positions concurrently held at other companies, etc.)</th><th>Number of shares of MGC held</th></tr>
<tr><td>4</td><td>Renomination
Masahiro Johno
(July 22, 1956)

Attendance of Board of Directors Meeting
(the fiscal year ended March 31, 2019)
14 held, 14 attended</td><td>April 1981 Joined MGC.
October 2009 Deputy General Manager, Tokyo Techno Park, and General Manager, Tokyo Research Laboratory, Specialty Chemicals Company
June 2011 Executive Officer, Deputy General Manager, Tokyo Techno Park, and General Manager, Tokyo Research Laboratory, Specialty Chemicals Company
June 2013 Director, Managing Executive Officer, and President of Information & Advanced Materials Company
October 2016 Director, Managing Executive Officer, President of Information & Advanced Materials Company, and General Manager, Oxygen Absorbers Division
July 2017 Director, Managing Executive Officer, President of Information & Advanced Materials Company
April 2019 Director, Managing Executive Officer, President of Specialty Chemicals Company
(to the present)

■ Reason for nomination as candidate
Mr. Masahiro Johno, following his engagement in the R&D of Specialty Chemicals and Information & Advanced Materials department, served in important positions in Specialty Chemicals department, was appointed to be a Director in June 2013 and is presiding over Specialty Chemicals department, and due to his abundant experience and knowledge of R&D and business management, etc., he has once again been nominated as a candidate for Director.</td><td>15,400 Shares</td></tr>
<tr><td>5</td><td>Renomination
Masato Inari
(January 23, 1961)

Attendance of Board of Directors Meeting
(the fiscal year ended March 31, 2019)
14 held, 14 attended</td><td>April 1985 Joined MGC.
June 2011 Plant Manager, Niigata Plant, Natural Gas Chemicals Company
June 2014 Executive Officer, Plant Manager, Niigata Plant, Natural Gas Chemicals Company
April 2016 Executive Officer, President of Aromatic Chemicals Company
June 2016 Director, JSP Corporation
April 2017 Managing Executive Officer, President of Aromatic Chemicals Company
June 2017 Director, Managing Executive Officer, President of Aromatic Chemicals Company
April 2019 Director, Managing Executive Officer, Administrative Management of Production Technology Division, Environment Safety and Quality Assurance Division (to the present)

■ Reason for nomination as candidate
Mr. Masato Inari, following his engagement mainly in the R&D of Aromatic Chemicals department, served in important positions in Natural Gas Chemicals and Aromatic Chemicals department, presides over Aromatic Chemicals department, and was appointed to be a Director in June 2017. With his abundant experience and knowledge of R&D and business management, etc., he has once again been nominated as a candidate for Director.</td><td>8,703Shares</td></tr>
</table>

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
6	Renomination Nobuhisa Ariyoshi (November 26,1961)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2019) 11 held, 11 attended	April 1984 Joined MGC. June 2012 General Manager, Administrative & Personnel Center April 2016 Executive Officer, General Manager, Electronic Materials Division, Information & Advanced Materials Company April 2018 Managing Executive Officer, Administrative Management of Finance & Accounting Center , Information Systems Division, and Purchasing & Logistics Center June 2018 Director, Managing Executive Officer, Administrative Management of Finance & Accounting Center , Information Systems Division, and Purchasing & Logistics Center April 2019 Director, Managing Executive Officer, Chairman of Internal Control Promotion Committee, Administrative Management of Compliance, Risk Management, Internal Audit Division, Corporate Planning Division, Administrative & Personnel Center and Corporate Communications Division, General Manager Tokyo Techno Park (to the present) ■ Reason for nomination as candidate Mr. Nobuhisa Ariyoshi, following his engagement mainly in Information & Advanced Materials and Specialty Chemicals department, served in important positions in the Administrative & Personnel and Information & Advanced Materials department, and was appointed to be a Director in June 2018, and was Administrative Management of Finance & Accounting Center, Information Systems Division, and Purchasing & Logistics Center. With his abundant experience and knowledge of MGC's business and administration of management, etc., he has once again been nominated as a candidate for Director.	7,100 Shares

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
7	New Nomination Tomohiko Okubo (April 26,1961) 	April 1985 Joined MGC. June 2010 Manager, Sales Group, Methanol Division, Natural Gas Chemicals Company October 2014 Manager, Business Development Department, Natural Gas Chemicals Company April 2015 General Manager, Methanol Division, Natural Gas Chemicals Company April 2016 Executive Officer, General Manager, Methanol Division, Natural Gas Chemicals Company April 2019 Director, Managing Executive Officer, Administrative Management of LNG Project Team, and President of Natural Gas Chemicals Company. (to the present) ■ Reason for nomination as candidate Mr. Tomohiko Okubo, following his engagement mainly in Aromatic Chemicals department and Natural Gas Chemicals department, served in important positions in Natural Gas Chemicals department. With his abundant experience and knowledge of MGC's business and administration of management, etc., he is deemed to be able to sufficiently carry out his roles as Director in MGC's decision making and supervision of management executives and for this reason he has been nominated as a candidate for Director.	5,500 Shares
8	New Nomination Hiroyuki Otsuka (October 21,1961) 	April 1984 Joined MGC. July 2011 President, Mitsubishi Gas Chemical Europe GmbH June 2013 General Manager, Aromatic Chemicals Division Ⅰ, Aromatic Chemicals Company April 2016 Executive Officer, Tokyo Techno Park, and General Manager, Tokyo Research Laboratory, Specialty Chemicals Company April 2019 Director, Managing Executive Officer, President of Aromatic Chemicals Company.(to the present) ■ Reason for nomination as candidate Mr. Hiroyuki Otsuka, following his engagement mainly in the Aromatic Chemicals department, served in important positions in subsidiary company in Europe, Aromatic Chemicals department and Specialty Chemicals department. With his abundant experience and knowledge of MGC's business and administration of management, etc., he is deemed to be able to sufficiently carry out his roles as Director in MGC's decision making and supervision of management executives and for this reason he has been nominated as a candidate for Director.	6,066 Shares

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
9	New Nomination Kenji Kato (June 2,1962) 	April 1987 Joined MGC. June 2013 General Manager, Tokyo Research Laboratory, Specialty Chemicals Company April 2016 Executive Officer, and Plant Manager, Kashima Plant, Specialty Chemicals Company April 2018 Executive Officer, General Manager, Electronic Materials Division, Information & Advanced Materials Company April 2019 Director, Managing Executive Officer, President of Information & Advanced Materials Company (to the present) ■ Reason for nomination as candidate Mr. Kenji Kato, following his engagement in the R&D of Specialty Chemicals, served in important positions in Specialty Chemicals and Information & Advanced Materials department. With his abundant experience and knowledge of MGC's business and administration of management, etc., he is deemed to be able to sufficiently carry out his roles as Director in MGC's decision making and supervision of management executives and for this reason he has been nominated as a candidate for Director.	9,200 Shares
10	Renomination Outside Director Independent Director Kazuo Tanigawa (September 8, 1949)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2019) 14 held, 14 attended	April 1972 Joined Tokyo Shibaura Electric Co., Ltd. (currently Toshiba Corporation) June 2004 Executive Officer, and Corporate Vice President, Toshiba Corporation June 2007 Director, Executive Officer, and Corporate Senior Vice President, Toshiba Corporation June 2008 Director, Executive Officer, and Corporate Executive Vice President, Toshiba Corporation June 2011 Advisor, Toshiba Corporation Outside Audit and Supervisory Board Member, Toshiba Machine Co., Ltd. May 2012 Chairman, Board of Trustees, Business Research Institute Chairman, Japan Society for Human Resource Management June 2015 Outside Director, MGC (to the present) ■ Reason for nomination as candidate Mr. Kazuo Tanigawa has many years of experience and insight as a manager at a company operating on a global scale, and provides appropriate supervision and advice to MGC's management. Since it is deemed that he would contribute to ensuring the validity and appropriateness of MGC's decision making in the future, he has once again been nominated as a candidate for Outside Director. Additionally, although he was a business execution manager until June 2011 at Toshiba Corporation, a business partner of MGC, over seven years have passed since his retirement. While there are transactional relationships between MGC and said company including the sale of products, the amount was less than 1% of consolidated net sales for FY2018. Furthermore, although he served until May 2015 at Business Research Institute, a business partner of MGC, over four years have passed since his retirement. While there are transactional relationships between MGC and said company including participation in seminars, the amount during FY2018 was insignificant, totaling ¥3 million.	4,800 Shares

(Translation)

No.	Name (Date of Birth)	Profile, position and responsibility in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
11	Renomination Outside Director Independent Director Tsugio Sato (February 20,1951)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2019) 14 held, 14 attended	April 1975 Assistant, Applied Chemistry, Faculty of Engineering, Tohoku University February 1989 Associate Professor, molecular chemical engineering, Faculty of Engineering, Tohoku University April 1994 Professor, Institute for Chemical Reaction Science, Tohoku University April 2001 Professor, Institute of Multidisciplinary Research for Advanced Materials, Tohoku University April 2010 Deputy Director, Institute of Multidisciplinary Research for Advanced Materials, Tohoku University April 2013 Director, Center for Exploration of New Inorganic Materials, Institute of Multidisciplinary Research for Advanced Materials, Tohoku University August 2013 Director, The Foundation for Japanese Chemical Research April 2016 Professor Emeritus, Tohoku University (to the present) June 2017 Outside Director, MGC (to the present) ■ Reason for nomination as candidate Mr. Tsugio Sato has highly advanced expertise in wide fields of study in chemicals such as inorganic materials chemistry, and provides appropriate supervision and advice to MGC's management. Since it is deemed that he would contribute to ensuring the validity and appropriateness of MGC's decision making in the future, he has once again been nominated as a candidate for Outside Director. Although he has not been directly involved in corporate management, other than as Outside Director of MGC, he has served in important positions at university research institutions, and it is deemed that he would continue to perform his duties as Outside Director appropriately. Additionally, while there are transactional relationships between MGC and Tohoku University, where he serves as Professor Emeritus, including payment of consideration for joint research, the amount during FY2018 was insignificant, totaling ¥9 million.	0 shares

(Notes) 1. No conflict of interest exists between MGC and any of these candidates.
2. Mr. Masato Inari is scheduled to resign from his position of Director of JSP Corporation on June, 27, 2019.
3. Mr. Masato Inari is scheduled to assume the office of Outside Director of Katakura & Co-op Agri Corporation on June, 27, 2019.
4. Mr. Hiroyuki Otsuka is scheduled to assume the office of Director of JSP Corporation on June, 27, 2019.
5. Of the candidates, Messrs. Kazuo Tanigawa and Tsugio Sato are nominated as Outside Directors.
6. Mr. Kazuo Tanigawa will have been in office as Outside Director for four years as of the close of this Ordinary General Meeting of Shareholders. Mr. Tsugio Sato will have been in office as Outside Director for two years as of the close of this Ordinary General Meeting of Shareholders.
7. MGC has executed Limitation of Liability Agreements with Messrs. Kazuo Tanigawa and Tsugio Sato, currently MGC's Outside Directors, limiting their liabilities pursuant to Article 423 Paragraph 1 of the Companies Act to the maximum amount stipulated by the Companies Act. Aforementioned

Limitation of Liability Agreements will be extended in the event their re-elections are approved.

8. MGC has registered Mr. Kazuo Tanigawa and Mr. Tsugio Sato as independent director at Tokyo Stock Exchange, Inc. and will continue to register them as such in the event their re-elections are approved.

(Translation)

Proposal No. 2: Election of Three Audit & Supervisory Board Members

The term of office of three Audit & Supervisory Board Member Messrs. Takashi Kimura, Kunio Kawa and Yasuomi Matsuyama will expire as of the close of this Ordinary General Meeting of Shareholders. Therefore, it is proposed that three Audit & Supervisory Board Member be elected.
The Audit & Supervisory Board has already given consent to this proposal.

The candidates are as follows:

No.	Name (Date of Birth)	Profile and position in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
1	Renomination Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member Takashi Kimura (September 1, 1954)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2019) 14 held, 14 attended Attendance of Audit & Supervisory Board Meeting 14held, 14 attended	April 1977 Joined Mitsubishi Bank, Ltd. June 2004 Executive Officer, The Bank of Tokyo-Mitsubishi, Ltd., Executive Officer, Mitsubishi Tokyo Financial Group October 2005 Executive Officer, Mitsubishi UFJ Financial Group January 2006 Executive Officer, The Bank of Tokyo-Mitsubishi UFJ May 2007 Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ October 2009 President, Mitsubishi Research Institute DCS Co., Ltd. June 2014 Outside Audit & Supervisory Board Member, MGC (Fulltime) (to the present) ■ Reason for nomination as candidate Mr. Takashi Kimura has many years of experience and insight as a manager at a financial institute and a sufficient knowledge of finance and accounting. Since it is deemed that he would possess sufficient insight and knowledge essential for Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of Directors' duties, therefore, he has been nominated as a candidate for Audit & Supervisory Board Member. Additionally, although he was a business execution manager until September 2009 at The Bank of Tokyo-Mitsubishi UFJ (currently MUFG Bank, Ltd.), a business partner of MGC, over nine years have passed since his retirement. While there are transactional relationships between MGC and said bank including the borrowing of funds, the amount of borrowings from said bank was less than 2.2% of consolidated total assets as of March 31, 2019. Furthermore, although said bank holds shares in MGC, the percentage is 1.2% of issued and outstanding shares.	5,600 Shares

(Translation)

No.	Name (Date of Birth)	Profile and position in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
2	Renomination Kunio Kawa (July 16, 1955)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2019) 14 held, 14 attended Attendance of Audit & Supervisory Board Meeting 9 held, 9 attended	November 1990 Joined MGC. June 2006 General Manager, Finance Department, Finance & Accounting Center June 2009 Executive Officer, and General Manager, Corporate Planning Division June 2012 Director, Managing Executive Officer, Administrative Management of Finance & Accounting Center and Corporate Communications Division, and Deputy Administrative Management of Corporate Planning Division June 2013 Director, Managing Executive Officer, Deputy Chairman of Compliance Committee, and Administrative Management of Finance & Accounting Center and Corporate Communications Division, and Deputy Administrative Management of Corporate Planning Division June 2014 Director, Managing Executive Officer, Deputy Chairman of Compliance Committee, Administrative Management of Corporate Planning Division and Corporate Communications Division April 2015 Director, Senior Managing Executive Officer, Deputy Chairman of Compliance Committee, and Administrative Management of Corporate Planning Division and Corporate Communications Division June 2015 Representative Director, Senior Managing Executive Officer, Deputy Chairman of Compliance Committee, and Administrative Management of Corporate Planning Division and Corporate Communications Division April 2016 Representative Director, Senior Managing Executive Officer, and Administrative Management of Finance & Accounting Center and Corporate Communications Division October2017 Representative Director, Senior Managing Executive Officer, and Administrative Management of Finance & Accounting Center, Information Systems Division and Corporate Communications Division April 2018 Director June 2018 Audit & Supervisory Board Member（Fulltime）(to the present) ■ Reason for nomination as candidate Mr. Kunio Kawa was appointed to be a Director in June 2012 and was Administrative Management of Finance & Accounting, Corporate Planning, Corporate Communications, Internal Control and Compliance, etc., has a wealth of experience in MGC's business and corporate management, and a sufficient knowledge of finance and accounting. It is deemed that he would possess sufficient insight and knowledge essential for Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of Directors' duties, therefore, he has been nominated as a candidate for Audit & Supervisory Board Member.	27,700 Shares

(Translation)

No.	Name (Date of Birth)	Profile and position in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
3	Renomination Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member Yasuomi Matsuyama (November 14, 1956)  Attendance of Board of Directors Meeting (the fiscal year ended March 31, 2019) 14 held, 14 attended Attendance of Audit & Supervisory Board Meeting 14 held, 14 attended	April 1979 Joined Nippon Life Insurance Company July 2006 Director, Nippon Life Insurance Company January 2007 Director and Executive Officer, Nippon Life Insurance Company July 2007 Executive Officer, Nippon Life Insurance Company March 2009 Managing Executive Officer, Nippon Life Insurance Company July 2009 Director and Managing Executive Officer, Nippon Life Insurance Company April 2011 Director and Senior Managing Executive Officer, Nippon Life Insurance Company March 2013 Director, Nippon Life Insurance Company April 2013 Advisor, Seiwa Business Link Co. Ltd June 2013 President, Seiwa Business Link Co. Ltd Outside Audit & Supervisory Board Member, MGC (to the present) June 2016 External Audit & Supervisory Board Member, Keisei Electric Railway Co., Ltd. (to the present) June 2017 Chairman, Nissay Information Technology Co, Ltd. (to the present) ■ Reason for nomination as candidate Mr. Yasuomi Matsuyama has many years of experience and insight as a manager at a financial institute. Since It is deemed that he would possess sufficient insight and knowledge essential for Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of Directors' duties, therefore, he has been nominated as a candidate for Audit & Supervisory Board Member. Additionally, although he was a business execution manager until July 2013 at Nippon Life Insurance Company, a business partner of MGC, over five years have passed since his retirement. While there are transactional relationships between MGC and said company including the borrowing of funds, the amount of borrowings from said company was less than 1.2% of consolidated total assets as of March 31, 2019. Furthermore, although said company holds shares in MGC, the percentage is 4.1% of issued and outstanding shares.	1,000 Shares

(Notes) 1. No conflict of interests exists between MGC and any of these candidates.
2. Mr. Yasuomi Matsuyama is scheduled to assume the office of President in Nissay Culture Foundation on June 11, 2019.
3. Mr. Yasuomi Matsuyama is scheduled to resign from his position of Chairman in Nissay Information Technology Co, Ltd. on June 20, 2019.
4. Mr. Yasuomi Matsuyama is scheduled to assume the office of President in Tokyo Opera City Cultural Foundation on June 24, 2019.
5. Of the candidates, Messrs. Takashi Kimura and Yasuomi Matsuyama are nominated as Outside Audit & Supervisory Board Member.
6. As of the close of this Ordinary General Meeting of Shareholders, Mr. Takashi Kimura will have been in office as Outside Audit & Supervisory Board Member for five years, and Mr. Yasuomi Matsuyama for six years.
7. MGC has executed Limitation of Liability Agreements with Messrs. Takashi Kimura and Yasuomi Matsuyama, currently MGC's Outside Audit & Supervisory Board Members, limiting their liability pursuant to Article 423 Paragraph 1 of the Companies Act to the maximum amount stipulated by the Companies Act. Aforementioned Limitation of Liability Agreements will be extended in the event

their re-election is approved.

8. MGC has registered Messrs. Takashi Kimura and Yasuomi Matsuyama as independent auditors at Tokyo Stock Exchange, Inc. and will continue to register them as such in the event their re-election is approved.

(Translation)

Proposal No. 3: Election of One Substitute Audit & Supervisory Board Member

The effective period for the resolution at the 90th Ordinary General Meeting of Shareholders concerning the election of Mr. Hiroaki Kanzaki as Substitute Outside Audit & Supervisory Board Member will expire at the beginning of this Ordinary General Meeting of Shareholders, as stipulated in the Articles of Incorporation of MGC.

Therefore, it is proposed that one Substitute Outside Audit & Supervisory Board Member be continuously elected to prepare for the event in which the number of Outside Audit & Supervisory Board Members may fall short of such number as is required by laws and regulations.

Additionally, prior to assuming the post, the validity of election may be revoked upon approval of the Audit & Supervisory Board and resolution of the Board of Directors.

The Audit & Supervisory Board has already given consent to this proposal.

The candidate is as follows:

Name (Date of Birth)	Profile and position in MGC (Important positions concurrently held at other companies, etc.)	Number of shares of MGC held
Renomination Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member Hiroaki Kanzaki (November 2, 1962)	April 1991 Admitted to the bar (Daiichi Tokyo Bar Association), Joined Sugimoto Law Office April 1992 Committee Member of the Committee on Human Rights Protection (Daiichi Tokyo Bar Association) (to the present) April 1997 Joined Ichibancho Sogo Law Office April 2004 Director, Orifa Servicer Corporation April 2010 Member of the Central Election Management Council of Japan May 2010 Attorney at law, Representative Partner , Ichibancho Sogo Law Officies L.P.C (to the present) June 2010 Member of the Society for Contract Law, Ministry of Defense (to the present) July 2010 Director, Orifa Servicer Corporation April 2012 Vice-President of Daiichi Tokyo Bar Association April 2013 Member of Attorneys Recommendation Committee (Daiichi Tokyo Bar Association) Member of the Finance Committee (Japan Federation of Bar Associations) Chairperson, Central Election Management Council of Japan. Member of the Finance Committee (Daiichi Tokyo Bar Association) (to the present) ■ Reason for nomination as candidate Mr. Hiroaki Kanzaki has highly advanced expertise as an attorney at law, as well as experience of direct involvement in corporate management and sufficient insight into corporate management derived thereof. It is deemed that, derived from those experiences, he would possess sufficient insight and knowledge essential for Audit & Supervisory Board Member to be responsible for ensuring the lawfulness and appropriateness of the execution of Directors' duties, therefore, he has been nominated as a candidate for Substitute Outside Audit & Supervisory Board Member.	0 Shares

(Notes) 1. No conflict of interests exists between MGC and the candidate.

2. In the event the election of Mr. Hiroaki Kanzaki is approved, MGC is scheduled to conclude an identical Limitation of Liability Agreement with him, limiting his liabilities pursuant to Article 423 Paragraph 1 of the Companies Act to the maximum amount stipulated by the Companies Act.
3. In the event the election of Mr. Hiroaki Kanzaki is approved, MGC will also register him as an independent auditor at Tokyo Stock Exchange, Inc..

(Translation)

(Reference) MGC Standards on Independence for Outside Corporate Officers

A candidate is deemed to qualify as an independent officer as long as none of the following matters apply.

1. If any of the following applies to the candidate.
    1) Has been a business execution manager (*1) of the MGC Group (*2).
    2) Is a major shareholder of MGC (*3) or is or has been a business execution manager for a major shareholder company within the previous five years.
    3) Is or has been a business execution manager within the previous five years of an important business partner (*4).
    4) Has been dispatched from a company or organization that has established a relationship with the MGC Group through the reciprocal appointment of outside officers.
    5) Works for or has worked for an accounting firm within the previous five years that has conducted a statutory audit of MGC.
    6) Provides or has provided consulting services other than statutory auditing to the MGC Group within the previous three years, for which he or she has received high compensation (*5).
2. If any of the following applies to a close relation (*6) of the candidate.
    1) Is or has been an important business execution manager (*7) of the MGC Group within the previous five years.
    2) Is a major shareholder of MGC or a business execution manager for a major shareholder company.
    3) Is or has been a business execution manager within the previous five years of an important business partner.
    4) Works for or has worked for an accounting firm within the previous five years that has conducted a statutory audit of MGC.
    5) Provides or has provided consulting services other than statutory auditing to the MGC Group within the previous three years, for which he or she has received high compensation.
3. The candidate has another important vested interest in the MGC Group and has been reasonably deemed to be unable to fulfill his or her duties as an independent officer.

(*1) Business execution manager: Either a Director overseeing business execution, an Executive Officer, other officer involved in business execution, or an employee.

(*2) MGC Group: MGC or one of its subsidiaries.

(*3) Major shareholder of MGC: A shareholder currently holding, either directly or indirectly, 10% or more of total shares issued and outstanding.

(*4) Important business partner: A business partner that has made transactions, including buying and selling, amounting to 2% or more of consolidated net sales over the previous three consecutive years. Consolidated net sales pertains to the MGC Group in the event the MGC Group is the seller, or to the partner in the event the MGC Group is the buyer.

(*5) High compensation: In the case of an individual, an annual amount of 10 million yen or more, or in the case of a member of company or organization, compensation exceeding 2% of its consolidated net sales or total revenue.

(*6) Close relation: Either a spouse, first- or second-degree relative, or financial dependent.

(*7) Important business execution manager: Either a Director overseeing business execution, an Executive Officer, or other officer involved in business execution.

BUSINESS REPORT

(from April 1, 2018 to March 31, 2019)

1. Review of Results

(1) Overview of results

In the fiscal year ended March 31, 2019, the world economy continued to show signs of a slow recovery. However, concerns about trade friction, the deceleration of China's economic growth and the volatility of financial and capital markets reinforced existing economic uncertainty.

The Japanese economy saw gradual but overarching recovery thanks to continued improvement in employment and private income, overcoming recent stagnation in some export and production areas as well as the impact of increased costs for manufacturing and logistics brought about by labor shortage.

The management environment surrounding the MGC Group saw such changes as increases in raw material and fuel prices. However, the market prices of key products including polycarbonates and purified isophthalic acid saw the end of a prolonged high and began to decline. The Group's performance was particularly impacted by this market price decline in the second half of the fiscal year. As such, the MGC Group continued to face harsh conditions.

Against this backdrop, the MGC Group adhered to the Group Vision of "Creating values to share with society" in a bid to improve its corporate value. In the first fiscal year of the "MGC Advance 2020" Medium-term Management Plan, the Group moved ahead with the plan's basic policies: "strengthening the earning power of existing businesses with a focus on core businesses," "creating and developing new businesses" and "implementing investment strategies to form an optimal business portfolio."

The MGC Group achieved growth in net sales compared with the previous fiscal year, primarily because of the market prices of methanol, which, despite a downward trend from last November onward, remained higher than the levels recorded in the same period of the previous fiscal year. Also contributing were strong overall sales volumes.

Operating income fell compared with results for the previous fiscal year. While sales volumes of special polycarbonates increased, the market prices of purified isophthalic acid and polycarbonates fell significantly. Furthermore, the profitability of foamed plastics has deteriorated due to hikes in raw material and fuel prices.

Despite increased equity in earnings of affiliates associated with the Group's overseas methanol producing companies, ordinary income decreased year on year due to the decline in operating income.

Consequently, net income attributable to owners of the parent decreased year on year. This was mainly due to the decline in operating income despite a decrease in extraordinary losses from the previous fiscal year in which the Group posted a loss on valuation of investment securities in connection with a shale gas and LNG project in Canada.

In fiscal 2018, the MGC Group achieved ¥648.9 billion in consolidated net sales, an increase of ¥13.0 billion (2.1%) from the previous year. Consolidated operating income was ¥41.3 billion, a decrease of ¥21.3 billion (34.0%). As a result of recording equity in earnings of affiliates of ¥28.4 billion, an increase of ¥10.1 billion (55.4%), consolidated ordinary income was ¥69.1 billion, a decrease of ¥11.5 billion (14.3%). The Group achieved a profit attributable to owners of parent of ¥55.0 billion, a decrease of ¥5.5 billion (9.1%).

As announced* in the fiscal year under review, MGC's equity method affiliate JSMC and Saudi Basic Industries Corp. (SABIC) reached an agreement regarding the Saudi Methanol Company

(AR-RAZI), whose joint venture agreement was set to expire on November 29, 2018. Based on this agreement, JSMC will sell 50% of its shares in AR-RAZI (this represents 25% of all AR-RAZI shares) to SABIC for US$150 million to reduce its shareholding ratio to 25:75. In addition, JSMC has decided to continue the joint venture status of AR-RAZI until November 29, 2038.
As for the expected impact on MGC's consolidated financial performance, the transfer of shares is expected to generate a total loss of around ¥5.0 billion. However, MGC recorded only the originally projected ¥1.7 billion in tax-related expenses as equity in earnings (losses) of affiliated companies for the fiscal year ended March 31, 2019, as the approval of governmental authorities charged with ensuring fair competition in the relevant countries had yet to be obtained and, accordingly, mandatory procedures associated with the transfer of the aforementioned shares had not been completed as of the end of said fiscal year. The decrease in JSMC's shareholding for AR-RAZI will subsequently be recorded in MGC's equity in earnings (losses) of affiliated companies. However, for the fiscal year under review, MGC calculated equity in earnings (losses) of affiliated companies related to JSMC at the pre-sale 50:50 shareholding ratio for the period after November 29, 2018, when the former joint venture agreement was set to expire, taking into account that the transfer of shares had yet to be approved.
Due to the same reasons, MGC's operating results for the fiscal year under review do not include amortization costs associated with the US$1,350 million to be paid by JSMC to SABIC as consideration for the continuation of the joint venture status.

* Announced via the two MGC news releases entitled "Notice about the Methanol Joint Venture in Saudi Arabia of JSMC, a MGC's Equity Method Affiliate" and "Notice about the Continuation of the Joint Venture in Saudi Arabia of JSMC, a MGC's Equity Method Affiliate" dated December 4, 2018 and March 22, 2019, respectively

(2) Results by business segment

Natural Gas Chemicals Segment

Main businesses	Methanol Methanol/Ammonia Based Chemicals formalin, ammonia, methylamine and its derivatives, methyl methacrylate, methacrylic acid ester, dimethyl ether, polyols, etc. Energy crude oil, geothermal power generation, etc. Life Science Related Products functional food materials

The methanol business grew in revenue due to an increase in methanol market prices compared with the previous year. Methanol and ammonia-based chemicals had higher revenue due mainly to an overall increase in sales volumes. Earnings from these chemicals, however, decreased year on year, due to higher raw material prices and a drop in neopentyl glycol market price as well as rises in repair expenses and other fixed costs.
Crude oil and other energy sources achieved prior-year-level earnings. Despite a crude oil price increase, crude oil sales volume dropped.
In fiscal 2018, the Natural Gas Chemicals Segment achieved consolidated net sales of ¥180.5 billion, an increase of ¥13.5 billion (8.1%) from the previous year and an operating income of ¥3.3 billion, a

decrease of ¥2.0 billion (37.9%). Additionally, due to ¥19.4 billion equity in earnings of affiliates, coming primarily from overseas methanol producing companies, the segment achieved ordinary income of ¥22.6 billion, an increase of ¥8.3 billion (58.7%).

Aromatic Chemicals Segment

Main Businesses	Commodity Aromatic Chemicals m-xylene, p-xylene, o-xylene, purified isophthalic acid, phthalic anhydride, plasticizers, etc. Specialty Aromatic Chemicals m-xylenediamine (MXDA), MX-Nylon, aromatic aldehydes, etc. Foamed Plastics foamed polystyrene, foamed polyolefin, etc.

Specialty aromatic chemical products posted growth in both revenue and earnings compared with the same period of the previous fiscal year. The negative impact of higher raw material and fuel prices was more than offset by solid sales of meta-xylenediamine and aromatic aldehydes. Commodity aromatic chemical products suffered significantly lower earnings. Negative influences included lower market prices and higher raw material and fuel prices, which together caused the profitability of purified isophthalic acid to deteriorate.
Foamed plastics saw a decline in earnings primarily due to higher raw material and fuel prices.
In fiscal 2018, the Aromatic Chemicals Segment achieved consolidated net sales of ¥211.1 billion, a decrease of ¥0.9 billion (0.4%), an operating income of ¥14.6 billion, a decrease of ¥10.9 billion (42.8%), and an ordinary income of ¥13.9 billion, a decrease of ¥10.6 billion (43.2%).

Specialty Chemicals Segment

Main Businesses	Inorganic Chemicals hydrogen peroxide, super-pure hydrogen peroxide, persulfates, hybrid chemicals, chemical polishing agent, etc. Plastic Lens Monomer Engineering Plastics polycarbonate resin, polyacetal resin, polyphenylene ether resin, polycarbonate sheets and films, etc.

Although higher sales volumes helped drive up sales of inorganic chemicals, lower earnings were posted due to increasing competition in liquid chemicals used for semiconductor and LCD displays, as well as higher fixed costs in connection with the launch of a new production facility in North America.
The engineering plastics business saw a sales volume increase for special polycarbonates used in smartphone camera lenses. However, earnings decreased due to the deteriorating profitability of polycarbonates as well as a lower sales volume for films used in flat panel displays.
In fiscal 2018, the Specialty Chemicals Segment posted consolidated net sales of ¥204.6 billion, an increase of ¥1.0 billion (0.5%) from the previous year and an operating income of ¥21.2 billion, a decrease of ¥8.3 billion (28.2%). Due to ¥7.8 billion equity in earnings of affiliates, ordinary income was ¥28.2 billion, a decrease of ¥9.7 billion (25.7%).

Information & Advanced Materials Segment

Main Businesses	Electronics Materials printed circuit board materials (epoxy resin-based copper-clad laminates, BT resin-based copper-clad laminates), LE sheet for drilling holes in printed circuit boards. Oxygen Absorbers Ageless®, PharmaKeep®, etc.

Electronic materials recorded earnings that are virtually on par with the previous fiscal year. Despite firm sales volume in the first half, this result was mainly attributable to the lower sales volume of mainstay BT materials for semiconductor packaging due to declining demand for materials for smartphones and those used in memory devices in the second half.
Oxygen absorbers such as AGELESS® saw a drop in earnings, primarily due to increasing competition in Japan and overseas as well as rising raw material prices
In fiscal 2018, the Information & Advanced Materials Segment achieved consolidated net sales of ¥51.9 billion, a decrease of ¥0.7 billion (1.4%) and an operating income of ¥3.9 billion, a decrease of ¥0.3 billion (7.6%). Due to ¥0.7 billion in equity in earnings of affiliates, ordinary income was ¥4.4 billion, a decrease of ¥1.0 billion (19.5%)

Other Business Segments

The other business segment achieved consolidated net sales of ¥0.6 billion, an increase of ¥0.1 billion (30.4%). Operating income was ¥0.1 billion, a decrease of ¥0.0 billion (9.0%), and ordinary income was ¥0.4 billion, an increase of ¥0.2 billion (84.0%).

Sales by Business Segment

Segment	FY2017 (April 2017 - March 2018)		FY2018 (April 2018 - March 2019)		Year-on-Year Increase/ Decrease (%)
	Sales Amount (millions of yen)	Percentage Total (%)	Sales Amount (millions of yen)	Percentage Total (%)	
Natural Gas Chemicals Segment	167,035	26.3	180,554	27.8	8.1
Aromatic Chemicals Segment	212,050	33.3	211,123	32.6	(0.4)
Specialty Chemicals Segment	203,561	32.0	204,634	31.5	0.5
Information & Advanced Materials Segment	52,735	8.3	51,986	8.0	(1.4)
Other Business Segments	526	0.1	686	0.1	30.4
Total	635,909	100.0	648,986	100.0	2.1

Note: The figures shown in parentheses represent loss or minus.

(3) Capital Expenditures

Capital expenditures for the current fiscal year were made largely in relation to reinforcing the production capabilities for existing products and maintaining /renovating equipment and facilities. Major expenditures incurred are as follows:

1) Major facilities completed during the current fiscal year

No applicable items.

2) Construction initiated or continuing through the current fiscal year

MGC PURE CHEMICALS AMERICA, Inc.

・Factory for Super-pure hydrogen peroxide, Oregon, U.S.A.
（Specialty Chemicals Segment）

・Factory for Super-pure hydrogen peroxide, Texas, U.S.A.
（Specialty Chemicals Segment）

(4) Funding

The funds for equipment and facilities as well as for working capital for the current fiscal year were provided by MGC's own resources and borrowings from financial institutions.

(5) Operations Results and Financial Position

1) MGC Group (consolidated basis) (Millions of yen)

Classification	FY2015 April 2015 – March 2016	FY2016 April 2016 – March 2017	FY2017 April 2017 – March 2018	FY2018 April 2018 – March 2019
Sales	593,502	556,480	635,909	648,986
Ordinary income	45,432	62,430	80,711	69,199
Profit attributable to owners of parent(Mitsubishi GasChemical)	34,134	48,013	60,531	55,000
Net income per Share (yen)	153.85	221.83	281.39	257.46
Total assets	739,582	738,188	785,687	804,038
Net assets	423,135	473,370	519,144	553,282

Note 1: From FY 2017 in applying the equity method to some of the overseas associated companies, financial statements created in compliance with IFRS are used as a basis. Figures for FY2016 above contain values that reflect a retroactive application of this change.

Note 2: From the beginning of FY2018, MGC has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan ("ASBJ") Statement No. 28; February 16, 2018), etc., and figures for FY2017 in the table above have been retroactively restated after application of said accounting standard, etc.

Note 3: With an effective date of October 1, 2016, MGC conducted a reverse stock split for MGC's ordinary shares on a 2:1 basis. As a result, net income per share in the above table is calculated assuming that the reverse stock split had been conducted at the beginning of FY2015.

2) MGC (Non-consolidated basis) (Millions of yen)

Classification	FY2015 April 2015 – March 2016	FY2016 April 2016 – March 2017	FY2017 April 2017 – March 2018	FY2018 April 2018 – March 2019
Sales	311,118	299,234	364,433	375,129
Ordinary income	33,908	31,409	54,149	41,329
Net income	30,868	27,996	41,386	34,690
Net income per Share (yen)	139.13	129.35	192.39	162.39
Total assets	413,583	426,324	455,869	457,427
Net assets	229,025	251,521	275,255	291,198

Note 1: From the beginning of FY2018, MGC has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan ("ASBJ") Statement No. 28; February 16, 2018), etc., and figures for FY2017 in the table above have been retroactively restated after application of said accounting standard, etc.

Note 2: With an effective date of October 1, 2016, MGC conducted a reverse stock split for MGC's ordinary

shares on a 2:1 basis. As a result, net income per share in the above table is calculated assuming that the reverse stock split had been conducted at the beginning of FY2015.

(Translation)

(6) Key Challenges for the Mitsubishi Gas Chemical Group

1) State of progress in important measures as of the end of FY2018

The new medium-term management plan "MGC Advance2020: A Brighter Future from Bigger Dreams!" started in fiscal 2018. Under the MGC Group Vison of "Creating values to share with society," the Group has launched the new basic strategies of "Enhancing the corporate value of the MGC Group" and "Deepening the trust of MGC Group stakeholders." In order to realize these strategies, the Group will promote the following five measures.

◆MGC Group Vision

"Creating values to share with society"

◆New medium-term management plan

"MGC Advance2020: A brighter Future from Bigger Dreams!"

●Fundamental Objectives

Enhancing the corporate value of the MGC Group

Deepening the trust of MGC Group stakeholders

■Strategies

- Strengthening the earning power of existing businesses with a focus on core businesses
- Creating and developing new businesses
- Implementing investment strategies to form an optimal business portfolio
- Promoting unified MGC Group management
- Improving total enterprise quality to support sustainable growth

The Group's core businesses range from resource energy, chemical products and materials such as methanol, hydrogen peroxide, polycarbonate and m-xylenediamine, MX-Nylon to specialty products such as sheets & films, foamed plastics, electronics chemicals, BT materials and oxygen absorber "Ageless®", providing value to society. By continuing to concentrate management resources on these core businesses into the future, the Group will strengthen further its profitability.

During FY2018, the Group decided to increase capacity at the special polycarbonate manufacturing plant of the Kashima Plant.

In "Creating and developing new businesses," under a plan to invest proactively in the areas of "medical and food," "information and communications," and "mobility" while keeping in mind the megatrends in society, the Group established a joint venture in the business of manufacturing and sales of factory farmed vegetables, in addition to an investment in a company that conducts research and development in areas such as testing and diagnostic devices and regenerative medicine.

In "Implementing investment strategies to form an optimal business portfolio," the Group will plan and implement active investment strategies including M&A in order to withstand changes in the external environment.

In "Promoting unified MGC Group management," MGC Trading Co., Ltd. was established as a first step toward integrating the three MGC Group trading companies, moving forward with improving efficiency and strengthening trading company functions within the Group. Evaluation and introduction operations also continued for the unification and integration of accounting systems across the Group.

Regarding "Improving total enterprise quality to support sustainable growth," in addition to further improving group-wide safety awareness and culture and further strengthening internal control and compliance structures, by improving the "quality" of management resources such as human

resources, technologies, information, funds, brands, and patents held by the Group, the Group will continue to realize sustainable growth.

2) Revision of financial targets

In the medium-term management plan announced on May 9, 2018, the Group set consolidated financial targets of ¥750 billion in sales, ¥65 billion in operating income, ¥90 billion in ordinary income, and ROE (return on investment) of 12% or higher.

However, upon agreement by the parties involved in the Saudi Arabian methanol joint venture, MGC's ownership ratio in the joint venture will be halved, which will result in a significant decline in equity in earnings of affiliates, a factor that was not incorporated upon formulation of the plan. As a result, financial targets have been revised as follows, as described in the materials disclosed on May 13, 2019.

Additionally, other factors such as basic policies, initiatives, and assumed conditions have not been changed.

● Financial targets (to be achieved in the final fiscal year of MGC Advance 2020)

(JPY in billions)

Consolidated parameter	Target Fiscal2020		Change
	Initial targets (A)*	Revised targets (B)	(B – A)
Sales	7,500	7,500	-
Operating Income	650	650	-
Ordinary Income	900	800	△100
ROE (Return On Equity)	12％ or higher	12％ or higher	-

*Announced on May 9, 2018

＜Assumptions＞ Exchange rate：110JPY／US$

Crude oil (Dubai)： 60US$/BBL

3) Future initiatives

Moving forward, MGC will make efforts in the five measures set forth in the medium-term management plan and strive as a unified MGC Group toward achieving the financial targets. In particular, toward creating an optimal business portfolio that is not affected by changes in the external environment, the Group will aim to effectively distribute management resources, maintaining plans for a total investment amount of ¥200 billion and a cumulative R&D amount of ¥66 billion during the medium-term management plan. Additionally, in strengthening the earning power of existing businesses with a focus on core businesses, with initiatives including increasing production capacity of meta-xylenediamine at the forefront, the Group will actively implement strategic investment that contributes to strengthening foundations for existing businesses, and upon enriching the R&D structure, accelerate the creation and development of new businesses by maximizing the use of technologies and personnel both within and outside of the Group.

* Plans and descriptions concerning the future such as target values provided in "Key Challenges for the Mitsubishi Gas Chemical Group" are based on information available to the Group as of the date of preparation of this document and certain assumptions which the Group deems reasonable, and therefore include uncertainties. Actual results may differ significantly from these projections due to various factors.

(Translation)

(7) Major Places of Business of Mitsubishi Gas Chemical (As of March 31, 2019)

1) MGC

	Name	Location
Head Office:	5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan	
Branch Office:	Osaka Branch	Osaka Prefecture
Research Institutes:	Tokyo Techno Park	Tokyo
	Niigata Research Laboratory	Niigata Prefecture
	Hiratsuka Research Laboratory	Kanagawa Prefecture
Plants:	Niigata Plant	Niigata Prefecture
	Mizushima Plant	Okayama Prefecture
	Yokkaichi Plant	Mie Prefecture
	Yamakita Plant	Kanagawa Prefecture
	Kashima Plant	Ibaraki Prefecture

Notes: 1. Facility below is added as Plant on April 1, 2019

	Name	Location
Plant:	QOL Innovation Center Shirakawa	Fukushima Prefecture

2) Subsidiaries

Company Name	Head Office	Business and Production Site
Kinoe Terminal Co., Ltd.	Tokyo	Hiroshima Prefecture, etc.
Tokyo Shokai, Ltd.	Tokyo	Osaka Prefecture, etc.
Japan Finechem Co., Inc.	Tokyo	Kagawa Prefecture, etc.
Ryoko Chemical Co., Ltd.	Tokyo	Osaka Prefecture, etc.
MGC Electrotechno Co., Ltd.	Tokyo	Fukushima Prefecture
MGC Pure Chemicals America, Inc.	U.S.A.	---
MGC Filsheet Co., Ltd.	Saitama Prefecture	Osaka Prefecture,etc.
Thai Polyacetal Co., Ltd.	Thailand	Thailand
Mitsubishi Gas Chemical America, Inc.	U.S.A.	---
Ryoyo Trading Co., Ltd.	Tokyo	Osaka Prefecture, etc.
Mitsubishi Gas Chemical Singapore Pte. Ltd.	Singapore	---
Samyoung Pure Chemicals Co., Ltd.	Korea	Korea
Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd.	China	---
MGC Pure Chemicals Taiwan, Inc.	Taiwan	---
MGC Pure Chemicals Singapore Pte. Ltd.	Singapore	---
JSP Corporation	Tokyo	Tochigi Prefecture, etc.
Eiwa Chemical Industry Co., Ltd.	Kyoto	Aichi Prefecture, etc.
Marine Transport and Terminal Co., Ltd.	Niigata	---
Yonezawa Dia Electronics Co., Inc.	Yamagata	---
MGC Advanced Polymers Inc.	U.S.A.	---

(8) Number of Employees (As of March 31, 2019)

1) MGC Group (Consolidated)

Segment	Number of Employees	Change from End of FY2019
Natural Gas Chemicals Segment	985	38
Aromatic Chemicals Segment	3,971	164
Specialty Chemicals Segment	2,232	74
Information & Advanced Materials Segment	789	(23)
Other Segments	21	(2)
Corporate (Shared)	278	16
Total	8,276	267

Notes: 1. Only employees working within the Group are included in the headcount (excludes individuals on assignment from the Group to companies outside of the Group and includes individuals on assignment from outside of the Group to companies within the Group).
2. The employees in the Corporate (Shared) segment are individuals who belong to administrative departments that cannot be classified into specific business segments.

2) MGC (Non-Consolidated)

Number of Employees	Change from End of FY2017	Average Age	Average Duration in Employment
2,355	65	40 years old and 2 month	17 years and 5 month

Note: Only employees working within MGC are included in the headcount (excludes individuals on assignment from MGC to other companies and includes individuals on assignment from other companies to MGC).

(9) Major Subsidiaries and Affiliates (As of March 31, 2019)

Company	Issued Share Capital (millions of yen)	Ratio of Voting Rights (%)	Principal Business
Kinoe Terminal Co., Ltd.	493	100.0	Storage services for methanol
Tokyo Shokai, Ltd.	200	100.0 (100.0)	Sale of compound resins and electronic materials
Japan Finechem Co., Inc.	274	94.9 (10.1)	Manufacture and sale of organic synthetic chemicals, including polymeric initiators and raw materials for agrichemicals, and electronics parts
Ryoko Chemical Co., Ltd.	100	100.0 (100.0)	Sale of industrial chemicals
MGC Electrotechno Co., Ltd.	500	100.0	Manufacture and sale of printed circuit board materials
MGC Pure Chemicals America, Inc.	(thousands of USD) 5,000	100.0 (20.0)	Manufacture and sale of super pure hydrogen peroxide and other products
MGC Filsheet Co., Ltd.	50	100.0 (45.4)	Manufacture and sale of polycarbonate sheets/films
Thai Polyacetal Co., Ltd.	(millions of THB) 840	70.0	Manufacture and sale of polyacetal resins
Mitsubishi Gas Chemical America, Inc.	(thousands of USD) 1,084	100.0	Sale of chemicals and other products
Ryoyo Trading Co., Ltd.	90	100.0 (100.0)	Sale of chemicals and insurance agency business
Mitsubishi Gas Chemical Singapore Pte. Ltd.	(thousands of USD) 1,161	100.0	Sale of chemicals and other products
Samyoung Pure Chemicals Co., Ltd.	(millions of KRW) 3,500	51.0	Manufacture and sale of super pure hydrogen peroxide and other products

(Translation)

Company	Issued Share Capital (millions of yen)	Ratio of Voting Rights (%)	Principal Business
Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd.	(millions of RMB) 1,504	91.0	Manufacture and sale of polycarbonate resins
MGC Pure Chemicals Taiwan, Inc.	(millions of NTD) 80	85.0	Manufacture and sale of super pure hydrogen peroxide and other products
MGC Pure Chemicals Singapore Pte. Ltd.	(thousands of USD) 7,106	100.0 (10.0)	Manufacture and sale of super pure hydrogen peroxide and other products
JSP Corporation	10,128	54.0 (0.2)	Manufacture and sale of foamed polystyrene and foamed polyolefin
Eiwa Chemical Industry Co., Ltd.	420	90.9	Manufacture and sale of blowing agents, blowing agent activators, and resin processing products
Marine Transport and Terminal Co., Ltd.	400	100.0 (40.0)	Handles shipping cargo of methanol and other chemical products, lorry shipping, pipeline conveyance, and storage
Yonezawa Dia Electronics Co., Inc.	90	100.0 (100.0)	Manufacturing of Mass lamination board and LE sheet, entry sheet for PWB drilling
MGC Advanced Polymers Inc.	(thousands of USD) 6,000	80.0 (20.0)	Manufacture and sale of MX-Nylon
Mitsubishi Engineering-Plastics Corporation	3,000	50.0	Sale and manufacture of engineering plastics
Japan U-Pica Co., Ltd.	1,100	46.1 (8.1)	Manufacture and sale of unsaturated polyester resins, coating resins, and methacrylic acid esters
Japan Saudi Arabia Methanol Co., Inc.	2,310	47.4	Import and sale of methanol, and investment in and finance for foreign companies
Korea Engineering Plastics Co., Ltd.	(millions of KRW) 12,600	40.0	Manufacture and sale of engineering plastics, mainly polyacetal resins
Brunei Methanol Company Sdn.Bhd.	(thousands of USD) 189,400	50.0	Manufacture and sale of methanol
Tai Hong Circuit Industrial Co., Ltd.	(millions of NTD) 1,104	50.0	Manufacture and sale of printed circuit boards (single-sided boards, double-sided boards, and double layer boards)
Ryoden Kasei Co.,Ltd	300	45.0	Manufacture and sale of electric/electronic related materials and their applied products.
Granopt Co., Ltd.	150	49.0	Manufacture and sale of magneto-optics crystal
Kokuka Sangyo Co.,Ltd	100	50.0	Shipping of chemical products
Toho Earthtech,Inc.	240	47.5	Production and sale of natural gas and iodine, and Seismic reinforcement works

Note: The figures in parentheses represent the percentage of voting rights indirectly held by MGC's subsidiaries, included in totals.

(Translation)

(10) Major Lenders (As of March 31, 2019) (Millions of yen)

Lender	Balance of Borrowings
MUFG Bank, Ltd.	16,990
The Norinchukin Bank	13,326
Nippon Life Insurance Company	9,018
Mizuho Bank, Ltd.	6,193
Sumitomo Mitsui Banking Corporation	4,898
Development Bank of Japan Inc.	4,465
Meiji Yasuda Life Insurance Company	4,087
The Bank of Yokohama, Ltd.	3,763

(Translation)

2. Information Concerning Stock (As of March 31, 2019)

(1) Authorized Shares 492,428,000 (No change from end of FY2018)

(2) Issued and Outstanding Shares 231,739,199 (No change from end of FY2018)

*MGC conducted a retirement of treasury stock on May 27, 2019, and the number of issued and outstanding shares was 229,039,199 shares as of that date.

(3) Number of Shareholders 23,235 (Increase by 3,147 from end of FY2018)

(4) Principal Shareholders (ten largest shareholders)

Name of shareholder	Investment to MGC	
	Number of Shares Held (thousands Shares)	Percentage to Total Shares Outstanding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	12,639	5.9
Japan Trustee Services Bank, Ltd. (Trust account)	11,793	5.5
Meiji Yasuda Life Insurance Company	8,797	4.1
Nippon Life Insurance Company	8,795	4.1
The Norinchukin Bank	5,026	2.4
AGC Inc.	4,835	2.3
SSBTC Client Omnibus Account	4,577	2.1
Japan Trustee Services Bank, Ltd. (Trust account 5)	3,950	1.8
JP Morgan Securities Japan Co., Ltd.	3,380	1.6
The Bank of Yokohama,Ltd.	3,085	1.4

Notes: 1. MGC holds 18,099 thousands shares of treasury stock, which is not included in the above list of principal shareholders.
2. Percentage to Total Shares Outstanding is calculated excluding treasury stock.

3. Information Concerning Corporate Officers

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2019)

Position	Name	Responsibilities at MGC and Important current positions at other companies, etc.
Representative Director Chairman	Kazuo Sakai	
Representative Director President	Toshikiyo Kurai	
Representative Director Senior Managing Executive Officer	Kenji Inamasa	Administrative Management of Production Technology Division, Environment & Safety Division, Business Strategy Division, General Manager of Business Strategy Division

(Translation)

Position	Name	Responsibilities at MGC and Important current positions at other companies, etc.
Representative Director Senior Managing Executive Officer	Yasuhiro Sato	Chairman of Internal Control Promotion Committee, Administrative Management of Compliance, Risk Management, Internal Audit Division, Corporate Planning Division, Administrative & Personnel Center and Corporate Communications Division
Director Managing Executive Officer	Masahiro Johno	President of Information & Advanced Materials Company
Director Managing Executive Officer	Masashi Fujii	Administrative Management of LNG Project Team, President of Natural Gas Chemicals Company Outside Director, Katakura & Co-op Agri Corporation
Director Managing Executive Officer	Susumu Yoshida	President of Specialty Chemicals Company
Director Managing Executive Officer	Masamichi Mizukami	Deputy Chairman of Compliance Committee, Administrative Management of Research & Development Division, Advanced Business Development Division
Director Managing Executive Officer	Masato Inari	President of Aromatic Chemicals Company Director, JSP Corporation
Director Managing Executive Officer	Nobuhisa Ariyoshi	Administrative Management of Finance & Accounting Center, Information Systems Division, Purchasing & Logistics Center
Director	Kazuo Tanigawa	
Director	Tsugio Sato	
Audit & Supervisory Board Member (Fulltime)	Takashi Kimura	
Audit & Supervisory Board Member (Fulltime)	Katsuhiko Sugita	
Audit & Supervisory Board Member (Fulltime)	Kunio Kawa	
Audit & Supervisory Board Member	Yasuomi Matsuyama	Chairman of Nissay Information Technology Co.,Ltd External Audit & Supervisory Board Member of Keisei Electric Railway Co., Ltd.

Notes: 1. MGC has adopted the executive officer system.
2. Of the Directors, Mr. Nobuhisa Ariyoshi newly assumed his office as of June 26, 2018.
3. Of the Directors, Messrs. Kazuo Tanigawa and Tsugio Sato are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
4. Of the Audit & Supervisory Board Members, Messrs. Takashi Kimura and Yasuomi Matsuyama are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
5. Audit & Supervisory Board Member, Mr. Takashi Kimura, has been involved with financial institutions for a number of years, and has experience in corporate management as a manager, and possesses a considerable degree of knowledge regarding finance and accounting.
6. Audit & Supervisory Board Member, Mr. Katsuhiko Sugita, has been involved in the Finance Department of MGC for a number of years, and has experience in management through his role in

administrative management of the Finance & Accounting Division, and possesses a considerable degree of knowledge regarding finance and accounting.

7. Audit & Supervisory Board Member, Mr Kunio Kawa, has been involved in the Finance Department of MGC for a number of years, and has experience in management through his role in administrative management of the Finance & Accounting Division, and possesses a considerable degree of knowledge regarding finance and accounting.
8. Audit & Supervisory Board Member, Mr. Yasuomi Matsuyama, has been involved with financial institutions for a number of years, and has experience in corporate management through his role in administrative management of the Accounting Division, and possesses a considerable degree of knowledge regarding finance and accounting.
9. MGC has registered Directors, Messrs. Kazuo Tanigawa and Tsugio Sato, and Audit & Supervisory Board Members, Messrs. Takashi Kimura and Yasuomi Matsuyama, as independent directors/auditors at Tokyo Stock Exchange, Inc.
10. There is no material business relation between MGC and the other companies, etc. in which Audit & Supervisory Board Member, Mr. Yasuomi Matsuyama, serves concurrently.
11. Corporate Officers who have retired during the current fiscal year are as follows:
    Representative Director Mr. Kunio Kawa
    (Retired upon expiry of the term of office on June 26 2018)
    Audit & Supervisory Board Member (Fulltime) Mr. Takayuki Watanabe
    (Retired upon resignation on June 26 2018)
12. Effective from April 1, 2019 Responsibility at MGC and important current positions at other companies, etc. changed as follows.

Position	Name	Responsibility at MGC and Important current positions at other companies, etc.
Director	Kazuo Sakai	—
Representative Director Chairman	Toshikiyo Kurai	—
Director	Kenji Inamasa	—
Director	Yasuhiro Sato	—
Director Managing Executive Officer	Masahiro Johno	President of Specialty Chemicals Company
Representative Director President	Masashi Fujii	—
Director	Susumu Yoshida	—
Representative Director Senior Managing Executive Officer	Masamichi Mizukami	Deputy Chairman of Compliance Committee, Administrative Management of Research & Development Division, Advanced Business Development Division, Business Strategy Division, General Manager QOL Innovation Center Shirakawa
Director Managing Executive Officer	Masato Inari	Administrative Management of Production Technology Division, Environment Safety and Quality Assurance Division Director, JSP Corporation
Director Managing Executive Officer	Nobuhisa Ariyoshi	Chairman of Internal Control Promotion Committee, Administrative Management of Compliance, Risk Management, Internal Audit Division, Corporate Planning Division, Administrative & Personnel Center and Corporate Communications Division, General Manager Tokyo Techno Park

(Translation)

(2) Directors' and Audit &Supervisory Board members' Remuneration

Classification	Number	Amount of Remuneration, etc. (millions of yen)
Directors	13	570
Audit & Supervisory Board Members	5	87
Total (Outside Corporate Officers [included above])	18 (4)	657 (55)

Note:1.The amount of remuneration and other benefits to Directors during the fiscal year under review includes ¥93 million provision for reserved retirement benefits. Such provision includes no amount for Outside Directors, who are outside the scope of the reserved retirement benefits system.

2.The amount of remuneration and other benefits to Directors during the fiscal year under review includes ¥40 million provision for restricted stock remuneration. Such provision includes no amount for Outside Directors, who are outside the scope of the reserved retirement benefits system.

(3) Policies and Methods for Deciding Remuneration and Other Benefits of Corporate Officers

1) Directors' Remuneration

Remuneration to Directors (excluding Outside Directors) consists of monthly remuneration which is the total of a basic remuneration decided in accordance with each Director's position and duties and performance-based remuneration reconsidered every fiscal year, reserved retirement benefit and restricted stock remuneration. Reserved retirement benefit consists of a reserved sum that reflects each Director's performance to be paid in full upon retirement.

Restricted stock remuneration is newly introduced system in the Ordinary General Meeting of Shareholders held on 26th June, 2018 with the purpose of sharing value with shareholders, which grants of restricted stock to Applicable Directors and will in turn provide incentives for Applicable Directors to create sustainable growth in MGC's corporate value.

In addition to these forms of remuneration, a bonus amount that is considered appropriate may be paid upon resolution of a General Meeting of Shareholders.

Additionally, to incentivize Directors to share shareholder values and further motivate them to increase medium- to long-term corporate value, guidelines have been created that establish a minimum number of MGC shares to be held and a set amount of Director remuneration to be used to contribute to Director share ownership through the acquisition of MGC's shares.

Furthermore remuneration proposal is supposed to be discussed in the Remuneration and Nominating Committee consisting of the Chairman, the President, and Outside Directors prior to proposal at the Board of Directors.

2) Audit & Supervisory Board Members' Remuneration

Audit & Supervisory Board Members' remuneration consists only of a basic remuneration and is decided among the Audit & Supervisory Board Members within the amount stipulated by the General Meeting of Shareholders.

(4) Information Concerning Outside Corporate Officers

1) Relations between MGC and Other Companies in which Officers Concurrently Hold Important Positions

The relations between MGC and other companies in which the outside corporate officers concurrently hold important positions are as described in (1).

(Translation)

2) Major Activities of Outside Corporate Officers

Outside Director	Attendance at Board of Directors Meeting	Major Activities
Kazuo Tanigawa	14 of 14 meetings	Drawing on his many years of experience and insight as a manager at a company operating on a global scale, Mr. Tanigawa adequately demonstrated management supervision functions by making comments as necessary at Board of Directors meetings and other important meetings from an external perspective to ensure appropriate and proper decision-making of MGC.
Tsugio Sato	14 of 14 meetings	Drawing on his highly advanced expertise in a wide field of study in chemicals such as inorganic materials chemistry and on his extensive experience holding prominent positions in various organizations, including universities and academic societies, Mr. Sato adequately demonstrated management supervision functions by making comments as necessary at Board of Directors meetings and other important meetings subsequent to assuming office as Director from an external perspective to ensure appropriate and proper decision-making of MGC.

(Translation)

Outside Audit & Supervisory Board Member	Attendance at Board of Directors Meeting	Attendance at Audit and Supervisory Board Meeting	Major Activities
Takashi Kimura	14 of 14 meetings	14 of 14 meetings	Drawing on his experience with financial institutions and as a business manager, Mr. Kimura asked questions and offered advice at Board of Directors meetings and other important meetings to ensure the appropriate execution of business. Further, in compliance with audit policies stipulated by the Audit & Supervisory Board, Mr. Kimura audited each division and office and carried out inspection of subsidiaries, etc., while adequately demonstrating audit functions as a Full-time Audit & Supervisory Board Member
Yasuomi Matsuyama	14 of 14 meetings	14 of 14 meetings	Drawing on his experience with financial institutions and as a business manager, Mr. Matsuyama made comments from an external perspective to ensure appropriate decision making by the Board of Directors. Further, in compliance with audit policies stipulated by the Audit & Supervisory Board, Mr. Matsuyama discussed and exchanged views on important matters related to auditing, adequately demonstrating audit functions.

3) General Intent of Limitation of Liability Agreement

MGC has entered into a Limitation of Liability Agreement with each Outside Corporate Officers to limit their liabilities with respect to Article 423 Paragraph 1 of the Companies Act up to the amount stipulated by the law, based on Article 427 Paragraph 1 of said Act.

4. Information Concerning Independent Auditor

(1) Name of Independent Auditor

BDO Toyo & Co.

(2) Independent Auditors' Fees in FY2018

1) Fee for the audit performed as stipulated in Article 2 Paragraph 1 of the Certified Public Accountants Law	¥64 million
2) Aggregate amount of cash and other monetary payments made by MGC and MGC's subsidiaries	¥69 million

Notes: 1. The fee for audit pursuant to the Companies Act and that for audit pursuant to the Financial Instruments and Exchange Act are not differentiated in the Audit Agreement between MGC and Independent Auditor. As such, the amount in 1) includes the amount of the fee and other payments for the audit due pursuant to the Financial Instruments and Exchange Act.

2. Of MGC's main subsidiaries, the financial statements of JSP Corporation and foreign subsidiaries are audited (as stipulated in the Companies Act or Financial Instruments and Exchange Act,

including equivalent foreign laws and ordinances) by certified public accountants or accounting firms (including those with equivalent foreign certifications) other than MGC's Independent Auditor.

3. MGC and MGC's subsidiary entrusts agreed-upon procedural operations as duties other than duties prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act, and pay consideration to Independent Auditors.

4. The Audit & Supervisory Board agreed to the amount listed above in 1) after confirming the content of the Independent Auditor's audit plan, quality management systems, the state of execution of audit, estimates of audit remuneration, etc.

(3) Policy for Dismissal and Non-reappointment of independent Auditors

In the case that any of the items in Article 340, Paragraph 1 of the Companies Act apply to an Independent Auditor, that Independent Auditor's dismissal will be considered, and in the case that their dismissal is judged to be appropriate, the Audit & Supervisory Board will dismiss the Independent Auditor upon the consent of all Audit & Supervisory Board Members.

Also, in the case that the Audit & Supervisory Board recognizes that it has become difficult for the Independent Auditor to appropriately execute duties, or if otherwise judged necessary, the Audit & Supervisory Board will submit an agenda item regarding the dismissal or nonrenewal of the Independent Auditor to the General Meeting of Shareholders.

(Translation)

5. Resolution on Establishing Systems to Ensure Appropriate Business Operations

In following with the regulations of Article 362, Paragraph 4, Item 6 of the Companies Act, Paragraph 5 of the same Article, and Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, MGC resolved in the Board of Directors meeting with respect to systems to ensure appropriate business operations (Internal Control System). Additionally, the status of the maintenance and operation of internal controls is being reported to the Board of Directors on a yearly basis, and in addition to verifying and resolving upon the appropriateness of this resolution, the Board of Directors also deliberates and resolves upon a basic policy and plans regarding the following year's maintenance and operation of internal controls. The content of internal control resolutions and operational status during FY2018 are as follows.

(1) Content of Resolution on Systems to Ensure Appropriate Business Operations

① Systems for Ensuring Duties of Directors and Employees Are Executed in Compliance with Laws, Regulations, and Articles of Incorporation

1) MGC shall view compliance as broadly encompassing conformity with laws, regulations, Articles of Incorporation, and internal rules, as well as the conduct of fair, transparent, and free business based on an awareness of corporate responsibility to society, and shall establish MGC Corporate Behavior Guidelines, Compliance Rules, and MGC Code of Conduct.

2) Administrative Management of Compliance shall be appointed and a Compliance Advisory Committee chaired by said Officer shall be established as an organization directly under the President. The Compliance Committee shall examine and implement measures to enhance MGC's compliance systems, as well as provide instructions and supervision regarding compliance.

3) In order to detect internal compliance violations and take corrective measures promptly, Compliance Consultation Desk shall be established as a means of receiving internal reports from officers, employees, their families, contractors, business partners, and the like.

4) In order to eliminate anti-social forces, in addition to clarifying its firm stance against such forces in MGC Corporate Behavior Guidelines and MGC Code of Conduct, MGC shall promote its policies in each relevant department.

5) An Internal Audit Division shall be established to conduct internal audits pursuant to the Internal Audit Rules in addition to auditing by Audit & Supervisory Board Members and by Independent Auditors.

6) In order to ensure that MGC and its Group companies construct, maintain and operate internal controls appropriately MGC shall establish an Internal Control Promotion Committee headed by the director responsible for the Internal Audit Division.

7) MGC shall issue MGC Compliance Handbook and distribute to officers and employees to ensure their understanding of the compliance system, as well as cultivate awareness of compliance through education and training.

(Translation)

② Systems for Ensuring Efficient Execution of Duties by Directors

1) MGC shall separate the decision-making, supervision, and business execution functions of the management and implement the Executive Officer system for expeditious decision-making and business execution. At the same time, the company system shall be adopted in the operating divisions to achieve efficient business management by clarifying accountability for performance.

2) In order to make decisions on matters that have material effect on MGC based on multifaceted considerations, a Management Council shall be established to deliberate on management policies and an Operations Council shall be established to deliberate on specific execution plans.

3) Organization Regulations, Segregation of Duties Rules, and Rules Defining Extent of Authority shall be established to clarify the duties and authorities of Directors to ensure efficient and appropriate execution of duties.

4) Performance shall be monitored based on numerical targets clarified through the Group's medium-term management plan, annual budget, and the like.

③ System for Archiving and Managing Information on Execution of Duties by Directors

Information pertaining to the execution of duties by Directors shall be archived and managed in accordance with the Document Control Procedures and other internal rules.

④ Rules and Other Systems for Managing Risk of Loss

1) MGC shall establish Risk Management Rules in order to understand and appropriately manage business risks.

2) A Risk Management Committee shall be chaired by the Administrative Management of Risk Management and shall be established as an organization directly under the President to identify the status of risk management and provide supervision and instructions on prioritizing risks and devising reduction measures.

3) Being a chemical manufacturer, MGC shall engage in responsible care (RC) activities as a voluntary undertaking to ensure environmental protection and safety through the life cycle of chemicals from production to disposal.

⑤ System for Ensuring Appropriate Execution of Business by MGC Group

While valuing the autonomous management of all Group companies and clarifying the managerial accountability of its Board of Directors, MGC has established the following systems that include the maintenance of various regulations to ensure the appropriate execution of business within the MGC Group.

Also regarding the appropriate execution of business within the MGC Group, companies within the Group are controlled through methods including the assignment of officers and the exercise of voting rights as required of the nature of the business, degree of importance, etc.

- In addition to establishing departments responsible for items relating to Group management as well as divisions that supervise individual Group companies, regulations such as Rules on Subsidiaries and Affiliates are maintained and a reporting system is created in order to receive regular and emergency reports from each of the Group companies.

- Regarding Internal Audit Rules, Group companies are also subject to internal audits. Also,

regarding Basic Risk Management Rules, risk management conducted by Group companies are also subject to these rules, and instruction and education is carried out so that Group companies will maintain and improve appropriate risk management systems.

- MGC establishes MGC Corporate Behavior Guidelines and MGC Code of Conduct as basic policies for the entire Group and seeks from each Group company the maintenance of compliance structures that meet them. Also, MGC's Compliance Consultation Desk is also available to the officers and employees of each Group companies, as well as their families, contractors, business partners, etc.

- Through medium-term management plan, annual budget, etc. of Group companies, MGC clarifies each company's performance goals and conducts performance management based on these goals. Regarding important business activities performed by Group companies, MGC's supervisory division ensures appropriate decision-making through management discussions, etc.

⑥ Systems for Ensuring Effective Auditing of Audit & Supervisory Board Members

1) Matters Related to Employees Assisting with Audit & Supervisory Board Members' Duties
Employees shall be assigned to assist Audit & Supervisory Board Members with their duties pursuant to consultations with Audit & Supervisory Board Members.

2) Matters Related to Independence from Directors of Employees Assisting with Audit & Supervisory Board Members' Duties
Employees assigned to assist with the duties of Audit & Supervisory Board Members shall engage full time in said assignment and shall not be subject to orders and instructions from Directors. The prior consent of the Audit & Supervisory Board is required for their transfer, appraisal, and disciplinary punishment.

3) Matters related to the ensuring of the effectiveness of orders given to employees who assist Audit & Supervisory Board Members in their duties
It is made clear that employees who assist Audit & Supervisory Board Members in their duties are to obey instructions given to them by Audit & Supervisory Board Members, and employees who possess the aptitude for such duties are nominated.

4) Matters Related to Reports from Directors and Employees to Audit & Supervisory Board Members
   i) In the event Directors or employees find violations of laws and regulations or facts and the like that may cause significant damage to MGC, they must report said violations, facts, and the like to the Audit & Supervisory Board Members in accordance with laws, regulations, Compliance Rules, and other internal rules.
   ii) Directors and employees must report regularly, and promptly in the case of important matters, on the execution status of business operations including internal control of MGC and supervised Group companies, risk management and implementation of compliance to the Audit & Supervisory Board Members, as well as promptly conduct investigations and provide reports in the event Audit & Supervisory Board Members request investigations and reports concerning these status.
   iii) Directors, Audit & Supervisory Board Members, and employees of Group companies will, based on laws and regulations, quickly conduct surveys and deliver reports in the case that a report is demanded from Audit & Supervisory Board Members.
   iv) The Compliance Committee must promptly report to Audit & Supervisory Board Members the

content of consultations and reports involving MGC or Group companies received through Compliance Consultation Desk.

5) Matters related to the treatment of individuals who make reports, etc. to Audit & Supervisory Board Members
Individuals responsible for aforementioned reports and surveys as well as those who work together with them, etc. shall not be subject to work reassignment, discrimination, or other unfavorable treatment as a result of that action, and knowledge of this prohibition will be made well-known.

6) Matters related costs, etc., resulting from the execution of Audit & Supervisory Board Members' duties
i) In order to defray costs that occur as the result of the execution of Audit & Supervisory Board Members' duties, an appropriate budget shall be established each fiscal year based on projected activities.
ii) If a request for prepayment or settling of accounts regarding costs necessary for the execution of Audit & Supervisory Board Members' duties is received, MGC shall promptly comply.
iii) Even in cases where costs incurred as the result of the execution of Audit & Supervisory Board Members' duties exceed the amount budgeted for each fiscal year, Audit & Supervisory Board Members and the related Directors shall meet and as a rule make considerations to respond to the necessity of those costs.

7) Other Systems for Ensuring Effective Auditing of Audit & Supervisory Board Members
i) Representative Directors shall arrange for regular exchange of views with Audit & Supervisory Board Members. Further, the Internal Audit Division and the Independent Auditor shall communicate and deliberate with Audit & Supervisory Board Members to ensure the effectiveness of Audit & Supervisory Board Members' operations.
ii) Audit & Supervisory Board Members may attend Board of Directors Meetings and other important meetings in order to understand the decision making status regarding important matters and the execution status of business operations, in addition to reviewing important documents and requesting explanations of Directors and employees on the execution of business operations.
iii) In the case that the Audit & Supervisory Board requests the use of independent external specialists, MGC shall bear those costs, excepting cases where their use is deemed not necessary to the execution of Audit & Supervisory Board Members' duties.

(2) Summary of Operational Status of Systems to Ensure Appropriate Business Operations

① Systems for Ensuring Duties of Directors and Employees Are Executed in Compliance with Laws, Regulations, and Articles of Incorporation

1) MGC seeks to conduct CSR activities and achieve thorough compliance, by emphasizing publication of the MGC Corporate Behavior Guidelines Directives for Corporate Actions etc. by delivering it through the President's message. Furthermore, the Compliance Advisory Committee met two times during the fiscal year under review, deliberated specific items, and undertook measures to enhance the compliance system. The Compliance Consultation Desk, in addition to the internal desk, has had an external desk established as well, in order to lower the hurdle in making reports.
2) The Internal Control Promotion Committee met three times during the fiscal year under review, and deliberated the readiness and operational status of internal controls. Furthermore, after being

approved by the Board of Directors, information concerning basic policies and plans relating to internal controls deliberated by the Committee is spread to MGC officers, employees, and all Group Companies.

3) Internal audits are performed based on audit plan, and measures are undertaken to maintain the proper performance of duties. Items designated by internal audits are responded to within timeframes established by the audited division.

4) To eliminate anti-social forces, in addition to the creation of a response manual and spreading information internally, when entering into contracts with outside parties, MGC seeks a pledge that the party is not an anti-social force, and contracts can be nullified, etc. if it is later determined that the party is an anti-social force.

② Systems for Ensuring Efficient Execution of Duties by Directors.

1) MGC is working to reinforce the management execution system and strengthen its governance through clearly defining the functions and responsibilities of management, by placing an Executive Officer system that makes prompt decision-making possible, and allows the Board of Directors to concentrate on making decisions on the most important business matters and conduct supervision over business execution.
Regarding matters that have material effect on MGC, decisions are made via considerations through multifaceted deliberations at a Management Council that deliberates on management policies and at an Operations Council that deliberates on specific execution plans, and the advice of attorneys and other professionals is received as needed.

2) Based on the medium-term management plan and annual budget, performance is regularly monitored.

3) Duties and authorities of Directors, officers and employees are reviewed on a yearly basis to work toward ensuring efficient and appropriate execution of duties.

③ System for Archiving and Managing Information on Execution of Duties by Directors

Information pertaining to the execution of duties by Directors is archived and managed in accordance with the Document Control Procedures and other internal rules through the creation of management registers and their archival for an established length of time.

④ Rules and Other Systems for Managing Risk of Loss

1) Standards, By-Laws, and an Operational Manual, etc. have been established under the Risk Management Rules as systems to manage risk during ordinary periods and emergencies. Additionally, the Risk Management Committee met three times during the fiscal year under review, providing supervision and instructions on the status of risk management.

2) In addition to voluntary responsible care (RC) activities, in accordance with policies established at environmental safety meetings attended by all Directors, MGC strives to protect the environment and maintain safety, and continuously repeats the PDCA cycle for the protection of the environment and maintenance of safety, including confirming the progress of activities with internal audits.

⑤ System for Ensuring Appropriate Execution of Business by MGC Group

1) Based on regulations such as Rules on Subsidiaries and Affiliates, Group companies are managed through supervisory divisions, and regular reports on management status, etc. are received from Group companies. Additionally, a reporting system has been created for times of emergency. While a medium-term management plan and annual budget that include Group companies are formulated and performance management is being conducted, MGC aims to ensure appropriate decision-making through the assignment of officers, etc.

2) To ensure the appropriate execution of business within MGC Group companies and enhance risk management, the Internal Audit Division systematically conducts internal audits at major Group companies, and through a supervisory division the Risk Management Committee strives to maintain and enhance each Group company's risk management system. Additionally, MGC states that the Compliance Consultation Desk is available for use by all individuals involved in the Company Group's business activities.

⑥ Systems for Ensuring Effective Auditing of Audit & Supervisory Board Members

1) Aside from attending meetings of the Board of Directors, Executive Officers, and other important committees, Audit & Supervisory Board Members exchange opinions with Representative Directors and the Board of Directors, receives reports from each department, and periodically conducts onsite audits of key subsidiaries. Furthermore, Audit & Supervisory Board Members strive to enhance the effectiveness of audits, including by exchanging opinions with the head of the Internal Control Promotion Division and Independent Auditor.
2) Through various committees related to internal control, risk management and compliance, reports are provided to Audit & Supervisory Board Members, on the status of business execution, etc. Also, consultations and reports discussed with Compliance Consultation Desk are quickly reported, and it has come to be well understood that unfavorable treatment of individuals who make reports is prohibited.
3) Staff dedicated to audit functions based on instructions from Audit & Supervisory Board Members are placed, and all costs required for business activity audits are defrayed.

6. Policy on Appropriation of Retained Earnings, etc.

The MGC Group places the improvement of corporate value as a challenge on the management of the greatest importance. Based on the view that the improvement of corporate value will lead to the benefits of all stakeholders including shareholders, the MGC Group takes into consideration investment and lending plans, financial health, and future business trends in order to realize future business growth, and works to achieve a balanced allotment of retained earnings and returns to shareholders. Retained earnings are allotted to be used as investment and lending funds for business expansion and growth and to strengthen the corporate structure. Regarding dividends, the decision to continue steady dividends is made taking into account trends in business results, while working to improve capital efficiency and enhance returns to shareholders through implementing flexible purchase of treasury stock in consideration of the levels of retained earnings and shareholder return.
The year-end dividend payout for FY2018 was ¥35. Since the interim dividend payout was ¥35, the annual dividend for FY2018 is ¥70 per share, an increase of ¥11 from the previous year of ¥59, which resulted in 27.2% of dividend payout ratio on a consolidated basis.

Regarding dividends for the next fiscal year, the interim dividend is planned to be ¥35 per share, while the year-end dividend is planned to be ¥35 per share.

(Translation)

Consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Account item	Amount	Account item	Amount
(Assets)		(Liabilities)	
Total current assets	378,845	Total current liabilities	188,420
Cash and deposits	91,130	Notes and accounts payable-trade	80,089
Notes and accounts receivable-trade	155,507	Short-term loans payable	58,749
Short-term investment securities	23	Accrued expenses	20,493
Merchandise and finished goods	67,681	Lease obligations	97
Work in process	13,308	Income taxes payable	3,439
Raw materials and supplies	38,262	Provision for bonuses	5,539
Other	13,965	Provision for bonuses for directors	2
Allowance for doubtful accounts	(1,033)	Provision for environmental measures	129
Total noncurrent assets	425,193	Provision for loss on business withdrawal	17
Property, plant and equipment	228,492	Provision for business restructuring	19
Buildings and structures, net	81,630	Provision for loss on liquidation of subsidiaries and associates	505
Machinery, equipment and vehicles, net	78,700	Asset retirement obligations	113
Land	39,826	Other	19,223
Lease assets, net	377	Total noncurrent liabilities	62,336
Construction in progress	20,522	Corporate bonds	10,000
Other	7,435	Long-term loans payable	26,615
Total Intangible assets	8,614	Lease obligations	290
Goodwill	3,841	Deferred tax liabilities	9,521
Lease assets	5	Provision for directors' retirement benefits	337
Software	2,187	Provision for loss on guarantees	2,358
Other	2,579	Provision for environment measures	164
Total investments and other assets	188,086	Provision for business structure improvement	1,017
Investments in securities	177,011	Provision for loss on liquidation of subsidiaries and associates	72
Long-term loans receivable	2,831	Other provision	218
Deferred tax assets	2,510	Retirement benefit liability	5,247
Retirement benefit asset	1,174	Asset retirement obligations	2,324
Other	5,101	Other	4,166
Allowance for doubtful accounts	(543)	Total liabilities	250,756
		(Net assets)	
		Total shareholders' equity	495,418
		Capital stock	41,970
		Capital surplus	34,298
		Retained earnings	439,080
		Treasury stock	(19,930)
		Total accumulated other comprehensive income	7,542
		Valuation difference on available-for-sale securities	13,023
		Deferred gains or losses on hedges	1
		Revaluation reserve for land	222
		Foreign currency translation adjustments	(6,327)
		Remeasurements of retirement benefit plans	623
		Non-controlling interests	50,321
		Total net assets	553,282
Total assets	804,038	Total liabilities and net assets	804,038

(Translation)

Consolidated Statement of Income

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Account item	Amount	
Net sales		648,986
Cost of sales		512,857
Gross profit		136,129
Selling, general and administrative expenses		94,742
Operating income		41,386
Non-operating income		
Interest and dividend income	2,842	
Equity in earnings of affiliates	28,408	
Other	3,443	34,694
Non-operating expenses		
Interest expenses	1,018	
Other	5,864	6,882
Ordinary income		69,199
Extraordinary income		
Gain on sales of investment securities	989	
Gain on sales of non-current assets	714	
Gain on reversal of asset retirement obligations	650	
Insurance claim income	116	2,471
Extraordinary loss		
Provision for loss on guarantees	1,267	
Loss on valuation of investment securities	690	
Loss on disposal of non-current assets	646	2,604
Income before income taxes and minority interests		69,066
Income taxes-current	8,333	
Income taxes-deferred	755	9,087
Net income		59,979
Profit attributable to non-controlling interests		4,979
Profit attributable to owners of parent		55,000

(Translation)

Non-consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Account item	Amount	Account item	Amount
(Assets)		(Liabilities)	
Total current assets	233,372	Total current liabilities	129,484
Cash and deposits	46,557	Electronically recorded obligations-operating	341
Notes receivable-trade	615	Accounts payable-trade	43,047
Accounts receivable-trade	101,901	Short-term loans payable	51,905
Merchandise and finished goods	34,681	Lease obligations	82
Work in process	9,140	Accrued payable-other	8,804
Raw materials and supplies	20,147	Income taxes payable	1,220
Prepaid expenses	962	Accrued expenses	17,343
Short-term loans receivable	12,552	Deposits received	324
Accounts receivable-other	3,490	Provision for bonuses	2,980
Other	3,939	Provision for environmental measures	129
Allowance for doubtful accounts	(617)	Provision for loss on business withdrawal	17
Total noncurrent assets	224,055	Asset retirement obligations	113
Total property, plant and equipment	104,461	Other	3,175
Buildings, net	24,055	Total noncurrent liabilities	36,744
Structures, net	12,602	Corporate bonds	10,000
Machinery and equipment, net	36,872	Long-term loans payable	10,010
Vehicles, net	57	Lease obligations	276
Tools and appliances, net	4,072	Provision for retirement benefits	3,189
Land	18,868	Provision for directors' retirement benefits	119
Lease assets, net	356	Provision for loss on guarantees	2,355
Construction in progress	7,577	Provision for environment measures	164
Total intangible assets	1,232	Provision for loss on liquidation of subsidiaries and associates	120
Patent right	3	Provision for business structure improvement	1,017
Software	1,205	Asset retirement obligations	2,046
Other	23	Deferred tax liabilities	5,734
Total investments and other assets	118,360	Other	1,710
Investments in securities	41,967	Total liabilities	166,229
Stocks and investments in capital of subsidiaries and affiliates	70,980	(Net assets)	
Long-term loans receivable	4,993	Total shareholders' equity	278,724
Long-term prepaid expenses	1,048	Capital stock	41,970
Other	1,533	Total capital surpluses	35,721
Allowance for doubtful accounts	(2,163)	Legal capital surplus	35,668
		Other capital surplus	53
		Total earned surpluses	220,962
		Legal retained earnings	6,999
		Other retained earnings	213,963
		Reserve for mine prospecting	1,917
		Reserve for tax purpose reduction entry of non-current assets	2,690
		General reserve	76,500
		Retained earnings brought forward	132,855
		Treasury stock	(19,930)
		Total valuation and translation adjustments	12,474
		Valuation difference on available-for-sale securities	12,474
		Total net assets	291,198
Total assets	457,427	Total liabilities and net assets	457,427

(Translation)

Non-consolidated Statement of Income

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Account item	Amount	
Net sales		375,129
Cost of finished goods sold		309,919
Gross profit		65,209
Selling, general and administrative expenses		42,086
Operating profit		23,122
Non-operating income		
Interest and dividend income	20,522	
Other	3,089	23,612
Non-operating expenses		
Interest expenses	440	
Other	4,965	5,405
Ordinary income		41,329
Extraordinary income		
Gain on sales of non-current assets	714	
Gain on reversal of asset retirement obligations	650	
Gain on sales of investment securities	130	
Gain on sales of shares of subsidiaries and associates	100	1,595
Extraordinary loss		
Provision for loss on guarantees	1,267	
Loss on valuation of investment securities	690	
Loss on disposal of non-current assets	503	2,460
Income before income taxes		40,464
Income taxes-current	3,724	
Income taxes-deferred	2,048	5,773
Net income		34,690

Independent Auditors' Audit Report on Consolidated Financial Statements (Certified Copy)

INDEPENDENT AUDITORS' REPORT

May 16, 2019

To: The Board of Directors
Mitsubishi Gas Chemical Company, Inc.

BDO Toyo & Co.

Takao Motohashi, CPA
Designated Partner,
Engagement Partner

Hiroaki Izawa, CPA
Designated Partner,
Engagement Partner

Takayuki Kawakubo, CPA
Designated Partner,
Engagement Partner

We have audited the consolidated financial statements of namely, the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to consolidated financial statements of Mitsubishi Gas Chemical Co., Inc. (the Company) from April 1, 2018 to March 31, 2019, in accordance with paragraph 4, Article 444 of the Companies Act.

Management's Responsibility for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected and applied depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and consolidated subsidiaries and the results of its operations for the period covered thereby in conformity with accounting principles generally accepted in Japan

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Translation)

Independent Auditors' Audit Report (Certified Copy)

INDEPENDENT AUDITORS' REPORT

May 16, 2019

To: The Board of Directors
Mitsubishi Gas Chemical Company, Inc.

BDO Toyo & Co.

Takao Motohashi, CPA
Designated Partner,
Engagement Partner

Hiroaki Izawa, CPA
Designated Partner,
Engagement Partner

Takayuki Kawakubo, CPA
Designated Partner,
Engagement Partner

We have audited the financial statements of namely, the balance sheet, the statement of income, the statement of changes in net assets, the notes to financial statements and the supporting schedules of Mitsubishi Gas Chemical Co., Inc. (the Company) for the 92nd business year from April 1, 2018 to March 31, 2019, in accordance with item 1, paragraph 2, Article 436 of the Companies Act.

Management's Responsibility for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the financial statements and the related supporting schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supporting schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements and the related supporting schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supporting schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supporting schedules. The procedures selected and applied depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements and the related supporting schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the related supporting schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supporting schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supporting schedules referred to above present fairly, in all material respects, the financial position and results of operations of Mitsubishi Gas Chemical Company, Inc. applicable to the 92nd fiscal year ended March 31, 2019, in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Translation)

Audit & Supervisory Board's Audit Report (Certified Copy)

AUDIT REPORT

We, the Audit & Supervisory Board, deliberated and prepared this audit report as follows on the execution of duties by MGC Directors during the 92nd business term from April 1, 2018 to March 31, 2019, based on the audit report prepared by each Audit & Supervisory Board Member:

1. Method and Description of Audit by Audit & Supervisory Board Members and Audit by Audit & Supervisory Board
   (1) We determined the audit policy, audit duty assignments and the like, received reports from each Audit & Supervisory Board Member on individual audit status and results, received reports from the Directors and Independent Auditor on the status of the execution of their duties, and requested explanation as necessary.
   (2) Each Audit & Supervisory Board Member conducted the audit by following method as well as we made efforts to collect information and enhance the auditing environment by communicating with the Directors, Internal Audit Division, other employees, and others in accordance with the Audit & Supervisory Board Members' Audit Standards, audit policy, audit duties, and the like as determined by the Audit & Supervisory Board.
      i) We attended the Board of Directors' Meetings and other important meetings, received reports from Directors, employees and others on the status of execution of their duties, requested explanation as necessary, examined important decision-rendering documents and other documents, and investigated the state of activities and assets at the head office and principal business offices. With respect to subsidiaries, we communicated and exchanged information with the division controlling each subsidiary in MGC, the directors and Audit & Supervisory Board Members of subsidiaries, requested business reports therefrom as necessary, and visited major subsidiaries to investigate the state of activities and assets.
      ii) With respect to the contents of resolutions of the Board of Directors regarding the development of systems necessary to ensure that the execution of duties by directors complies with laws and regulations and the articles of incorporation, and other systems prescribed by Article 100, paragraph 1 and 3 of Ordinance for Enforcement of the Companies Act as systems necessary to ensure the properness of operations of group of enterprises consisting of stock company and its subsidiaries, and the systems developed based on such resolutions (internal control systems), as stated in the business report, we periodically received reports from the Directors, employees and others, requested explanations as necessary and made opinions, regarding establishment and management of such systems.
      iii) We monitored and verified that the Independent Auditor maintained its independence and performed its auditing duties adequately, as well as received reports from the Independent Auditor on the performance status of its duties and requested explanations as necessary. We received a notice from the Independent Auditors to the effect that structures for ensuring that duties are appropriately performed (matters stipulated in the items under Article 131 of the Regulations on Corporate Accounting) were being improved pursuant to Quality Management Standards for Auditing (October 28, 2005; Business Accounting Council) and requested explanations as necessary.

The business report and its supplementary schedules for this business term, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement on changes in net assets and notes to non-consolidated financial statements), their supplementary schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement on changes in net assets and notes to the consolidated financial statements) for this business term were examined based on the foregoing method.

2. Results of Audit
   (1) Audit Result of Business Report, etc.
      i) The business report and its supporting schedules are recognized as correctly presenting the state of MGC in accordance with the laws, regulations and the Articles of Incorporation.
      ii) No dishonest acts or material violations of laws, regulations or the Articles of Incorporation were recognized in connection with the performance by Directors of their duties.
      iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control

(Translation)

systems are appropriate. We also acknowledge that in terms of the development and maintenance of said systems, continuous improvements are being made and therefore, did not find any matter to be mentioned regarding such internal control systems.

(2) Audit Result of Non-Consolidated Financial Statements and Their Supplementary Schedule
We are of the opinion that the method and results of the audit performed by the Independent Auditor, BDO Toyo & Co., are appropriate.

(3) Audit Result of Consolidated Financial Statements
We are of the opinion that the method and results of the audit performed by the Independent Auditor, BDO Toyo & Co., are appropriate.

May 23, 2019

Mitsubishi Gas Chemical Company, Inc. Audit & Supervisory Board

Audit & Supervisory Board Member(full-time)
(Outside Audit & Supervisory Board Member)
Takashi Kimura

Audit & Supervisory Board Member(full-time)
Katsuhiko Sugita

Audit & Supervisory Board Member(full-time)
Kunio Kawa

Outside Audit & Supervisory Board Member
Yasuomi Matsuyama

- END -