



SUMMARY OF FINANCIAL STATEMENTS (Consolidated)

First quarter results for the year ending March 31, 2007

MITSUBISHI GAS CHEMICAL COMPANY, INC.

July 31, 2006

Stock Code: 4182

Listed exchanges: Tokyo, Osaka, Nagoya 1st sections

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1. Notes to preparation of these financial statements

- Adoption of simplified accounting treatments: Partial use of simplified method for income taxes.
- Changes in accounting treatments applied compared to previous consolidated fiscal year: None
- Changes in the scope of consolidation and companies accounted for by the equity method: None

2. First quarter results (April 1, 2006 to June 30, 2006) for the fiscal year ending March 31, 2007

1) Consolidated Operating Results

Millions of yen, rounded down

	Three months ended June 30, 2006		Three months ended June 30, 2005		FY ended March 31, 2006
		Change %		Change %	
Net sales	114,623	12.8	101,620	10.6	439,829
Operating income	9,189	21.3	7,574	31.2	38,970
Ordinary income	15,152	52.5	9,938	22.3	50,410
Net income	12,112	71.6	7,058	23.5	32,944
Net income per share (¥)	¥26.20		¥15.26		¥70.98
Fully diluted earnings per share (¥)	--		--		--

Notes:

- Percentages for net sales, operating income, ordinary income and net income represent changes from the previous comparable period.
- Gain from investments in subsidiaries and affiliates accounted for by the equity method:

Three months ended June 30, 2006:	¥5,710 million
Three months ended June 30, 2005:	¥2,534 million
Fiscal year ended March 31, 2005:	¥15,122 million
- Average number of shares outstanding (consolidated) during period:

Three months ended June 30, 2006:	462,275,024 shares
Three months ended June 30, 2005:	462,396,933 shares
Fiscal year ended March 31, 20	462,355,096 shares

Note: Comparisons in this section of the report are with the first three months of the previous fiscal year, unless stated otherwise.

Consolidated net sales for the Mitsubishi Gas Chemical Company, Inc. group of companies ("MGC Group") in the first quarter (April 1, 2006 to June 30, 2006) of the fiscal year ending March 31, 2007 rose 12.8%, or ¥13.0 billion, to ¥114.6 billion. Consolidated operating income rose 21.3% or ¥1.6 billion to ¥9.1 billion. Consolidated current income rose 52.5%, or ¥5.2 billion, to ¥15.1 billion, and consolidated net income for the quarter rose 71.6%, or ¥5.0 billion, to ¥12.1 billion.

The overall demand picture remained robust during the period under review, with higher sales from both domestically marketed goods and exports. While operating income decreased due to a surge in prices of raw materials and fuel for chemicals along with increased fixed costs, sales of engineering plastics and electronic materials remained firm and as a whole the company increased consolidated revenues and profits.

Natural Gas Chemicals Company

Net sales in this business segment rose 9.3%, or ¥2.5 billion, to ¥30 billion, with operating income falling ¥1.6 billion, for a loss of ¥100 million.

In the methanol business, our overseas methanol production company performed well on the ongoing tight supply and demand balance, and as markets remained highly priced. Performance, however, decreased substantially compared to the same period of the previous year, due to factors such as increased fixed costs for the ammonia business as it entered its periodic maintenance and repair year, increased costs for methanol derivative products, and a decline in unit prices for CoenzymeQ10.

Aromatic Chemicals Company

Net sales in this business segment rose 6.3%, or ¥1.9 billion, to ¥33.0 billion, while operating profits fell 1.0% to end flat at ¥1.3 billion.

Revenues for general purpose aromatic chemical products decreased as the sales volume for paraxylene declined due to business reorganization, even as the surge in prices for the raw material xylene outpaced rises in crude oil prices and product prices increased. Specialty aromatic chemical products saw increased revenues on firm performances for the metaxylene based product, isophthalic acid, and metaxylene diamine.

Specialty Chemicals Company

Net sales in this business segment increased 14.1%, or ¥3.9 billion, to ¥32.2 billion, and operating profit increased by 42.3%, or ¥1.0 billion, to ¥3.4 billion.

Inorganic chemicals for industrial use recorded robust performance led by hydrogen peroxide for paper and pulp. Sales of chemicals for the electronics industry saw increased revenues and profits on the expansion of sales of chemicals for use in the manufacture of semi-conductors in both the domestic and overseas markets. The engineering plastics business saw ongoing firm demand mainly for polycarbonates for electrics and electronic uses along with automobiles, even in the face of increases in raw materials prices, while the sales volume for polycarbonate sheet and film also rose.

Information & Advanced Materials Company

Net sales in this business segment rose 31.9%, or ¥4.5 billion, to ¥19.0 billion and operating profit by 110.9%, or ¥2.2 billion, to ¥4.3 billion.

Materials for print circuit boards saw increased revenues and profits even as raw materials prices surged, on firm demand for semi-conductor packaging, as BT material sales volume rose, and as LE sheets also saw robust performance. The oxygen absorber AGELESS® was also firm against a backdrop of growth in the non-food area.

2) Consolidated Financial Position

Financial Position

Millions of yen, rounded down

	As of June 30, 2006	As of June 30, 2005	As of March 31, 2006
Total assets.....	557,996	498,813	564,483
Shareholders' equity	265,297	209,313	251,202
Equity ratio (%).....	46.1%	42.0%	44.5%
Shareholders' equity per share (¥)	¥555.96	¥452.68	¥543.12

Note: Outstanding shares (consolidated) as of:

June 30, 2006:	462,275,076 shares
June 30, 2005:	462,389,317 shares
March 31, 2005:	462,291,001 shares

Cash Flows

Millions of yen, rounded down

	Three months ended June 30, 2006	Three months ended June 30, 2005	FY ended March 31, 2006
Operating activity cash flow.....	(504)	325	36,055
Investing activity cash flow	(3,336)	(3,412)	(15,195)
Financing activity cash flow.....	(65)	(4,162)	(9,924)
Cash and cash equivalents at end of period	37,556	21,645	40,590

Assets, liabilities and shareholders' equity

Total consolidated assets were ¥557.9 billion, ¥6.4 billion lower than at the end of the previous fiscal year. This was primarily because of declines in accounts receivables.

Total liabilities declined ¥12.4 billion to ¥292.6 billion, due to factors such as declines in accounts payable.

Shareholders' equity stood at ¥265.2 billion, an increase of ¥14.0 billion, and shareholders' equity per share increased to ¥555.96 due to factors including net profits for the current quarter.

Consolidated cash flows

Net cash outflow provided by operating activities was ¥0.5 billion, with the negative impact on operating cash flow of increases in accounts receivables and higher inventories, exceeding positive cash flow resulting from items such as net income before income tax for the period, with additions from depreciation and amortization.

A net cash outflow of ¥3.3 billion was recorded from investing activities during the period under review, primarily because of the acquisition of fixed assets.

Financial activities produced net cash outflow of ¥0 billion, mainly because of an increase in interest bearing debt.

As a result of the above cash flow items, total cash and cash equivalents at the end of the first quarter for the period ending March 31, 2007 was ¥37.5 billion

3) Consolidated Forecasts for the Fiscal Year Ending March 31, 2007

Consolidated results for the first quarter for the period ending March 31, 2007 were largely in line with forecasts. Forecasts for the interim period ending September 30, 2006 and full year ending March 31, 2007 were announced on May 15, 2006, and remain unchanged.

<i>Millions of yen</i>	Interim period	Full year
Net sales	220,000	449,000
Operating income	16,500	39,000
Ordinary income	23,500	50,000
Net income	17,000	33,000
Estimated earnings per share (¥)		¥ 71.38

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

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