



SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

Results for the First Quarter of Fiscal Year 2011

(April 1 – June 30, 2011)

August 2, 2011

MITSUBISHI GAS CHEMICAL COMPANY, INC.

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Scheduled date of filing of the quarterly financial report: August 9, 2011

Scheduled date of payment of dividend: —

1. Summary of Consolidated Results for the First Quarter of Fiscal Year 2011(April 1, 2011 – June 30, 2011)

1) Operating results

Millions of yen, rounded down

Percentage figures denote change compared to equivalent period of previous year

	April 1 – June 30, 2011		April 1 – June 30, 2010	
		Change %		Change %
Net sales	115,360	4.0	110,871	30.0
Operating income (loss)	5,561	(11.4)	6,274	-
Ordinary income (loss)	10,069	19.9	8,395	-
Net income (loss)	7,053	82.2	3,870	-
Net income (loss) per share (¥)	15.60		8.56	
Fully diluted net income (loss) per share (¥)	15.26		8.37	

(Note) Comprehensive income: as of June 30, 2011: ¥8,768 million (138.3%); as of June 30, 2010: ¥3,679 million (–%)

2) Financial position

Millions of yen, rounded down

	As of June 30, 2011	As of March 31, 2011
Total assets	592,584	577,045
Net assets	295,743	288,257
Equity ratio (%)	48.2	48.2

(Note) Shareholders' equity as of June 30, 2011: ¥285,539 million; as of March 31, 2011: ¥278,096 million

2. Cash Dividends

	FY 2011	FY 2010
Interim dividend per share (¥)	6.00 (Forecast)	4.00
Year-end dividend per share (¥)	6.00 (Forecast)	4.00
Annual dividend per share (¥)	12.00 (Forecast)	8.00

(Note) Revision of cash dividend forecast during this period: Yes

3. Consolidated Forecasts for Fiscal Year 2011 (April 1, 2011 - March 31, 2012)

Millions of yen, rounded down

Percentage figures denote change compared to equivalent period of previous year

	Six-month period		Full year	
		Change %		Change %
Net sales	230,000	1.3	480,000	6.4
Operating income (loss)	10,000	(20.7)	21,000	(10.1)
Ordinary income (loss)	17,000	(1.6)	37,000	1.7
Net Income (loss)	12,000	87.7	27,000	42.5
Net income (loss) per share (¥)	26.55		59.73	

(Note) Revision of consolidated forecasts during this period: Yes

4. Other Information

1) **Transfer of important subsidiaries during the period under review: None**

(Transfers of certain subsidiaries resulting in changes in the scope of consolidation)

2) **Adoption of simplified accounting methods: None**

3) **Changes in accounting policies, changes in accounting estimate or restatement of corrections:**

1. **Changes in accounting policies following revisions to accounting standards: None**

2. **Changes other than 1: None**

3. **Changes in accounting estimates: None**

4. **Restatement of corrections: None**

4) **Number of shares outstanding (ordinary shares)**

	June 30, 2011	March 31, 2011
Number of shares issued at end of period (including treasury shares)	483,478,398	483,478,398
Number of treasury shares at end of period	31,474,711	31,471,354
	April 1 – June 30, 2011	April 1 – June 30, 2010
Average shares outstanding during period	452,005,364	452,030,904

(NOTE)

1. *These quarterly financial results are not subject to quarterly review procedures. At this time of disclosure of these financial results, the quarterly financial statement review procedures based on the Financial Instrument and Exchange Law have not been completed.*
2. *Forecasts, etc., recorded in this document contain forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.*

1. Consolidated business results for this period

Note: All comparisons are with the first quarter of the previous fiscal year, unless stated otherwise.

(1) Consolidated operating results

Overview of results

In the first quarter of the fiscal year ending March 2012 (April 1-June 30, 2011), the MGC Group achieved consolidated net sales of ¥115.3 billion, an increase of ¥4.4 billion (4.0%) from the prior-year period, a consolidated operating income of ¥5.5 billion, a decline of ¥0.7 billion (11.4%), equity in earnings of affiliates of ¥5.0 billion, an increase of ¥1.3 billion (37.4%), a consolidated ordinary income of ¥10.0 billion, an increase of ¥1.6 billion (19.9%), and a consolidated quarterly net income of ¥7.0 billion, an increase of ¥3.1 billion (82.2%).

The March 11 earthquake affected the MGC Kashima Plant and the MGC electronic materials production subsidiary Electrotechno Co., Ltd. The all-out efforts to restore the affected sites enabled both to restart production in the first quarter of the fiscal year. However, suspended production affected the earnings of the affected sites.

The earthquake weakened demand from domestic customers, while the yen continued to appreciate and sales of some products for LCD displays remained sluggish, causing a decline in operating income.

The Group achieved year-on-year growth in ordinary income thanks to an increase in equity in earnings of overseas methanol producing companies and other affiliates. The extraordinary losses amounting to ¥1.2 billion include loss on disaster.

Results by business segment

Natural Gas Chemicals Company

The methanol business enjoyed an increase in net sales thanks to high market prices and growing sales volumes due to steady world demand and crude oil prices that remained at high levels.

Methanol and ammonia derivatives marked improvements in both net sales and earnings with most sales volumes remaining strong while sales prices of MMA-based products rose.

The enzyme and coenzyme business posted lower earnings compared with the prior-year period as sales of coenzyme Q10 remained sluggish.

Crude oil and other energy marked higher earnings thanks to increasing sales prices of crude oil.

In the first quarter of fiscal 2011, the Natural Gas Chemicals Company achieved net sales of ¥39.8 billion, an increase of 8.4 billion (27.1%) and an operating income of ¥0.6 billion, an improvement of ¥1.5 billion. Due to the improvement in performance of overseas methanol producing companies, equity in earnings of affiliates of ¥3.8 billion was posted, resulting in an ordinary income of ¥4.2 billion, an increase of ¥2.9 billion (235.0%).

Aromatic Chemicals Company

Specialty aromatic chemicals grew in both terms of net sales and earnings, due to the strong performance of meta-xylenediamine for epoxy resin curing agents, Nylon-MXD6 for gas barriers in PET bottles, and aromatic aldehydes for resin additives in Europe and the USA.

The purified isophthalic acid business recorded higher earnings compared with the prior-year period. The

sales volume declined due to a slowdown in demand in China as well as the strong yen and increasing raw material prices. These negative factors were more than offset because the increase in market price, which began in the second half of the previous year, continued until part of the first quarter of 2011.

In the first quarter of fiscal 2011, the Aromatic Chemicals Company achieved net sales of ¥31.8 billion, an increase of ¥4.2 billion (15.5%), an operating income of ¥0.6 billion, an improvement of ¥0.7 billion, and an ordinary income of ¥0.4 billion, an improvement of ¥0.8 billion.

Specialty Chemicals Company

The inorganic chemicals business suffered losses in both revenue and earnings due to the reduction in the sales volume of hydrogen peroxide caused by the suspended production at the Kashima Plant.

The electronic chemicals business achieved increases in both revenue and earnings. A reduction in domestic sales volume of super-pure hydrogen peroxide was more than offset by the successful performance of overseas subsidiaries.

In engineering plastics, polycarbonates suffered losses in both revenue and earnings due to lower sales volumes (following the suspended production at the Kashima Plant) and increases in raw material prices. By contrast, polyacetal were successful mainly in overseas markets, surpassing the earnings for the prior-year period.

Polycarbonate sheets and films posted lower revenue and earnings because, despite the success of hard-coated sheets for cellular phones, net sales of films used in flat panel displays fell sharply.

In the first quarter of fiscal 2011, the Specialty Chemicals Company posted net sales of ¥28.3 billion, a decline of ¥5.7 billion (16.9%) and an operating income of ¥2.4 billion, a drop of ¥1.8 billion (42.9%). Due to ¥0.5 billion equity in earnings of affiliates, ordinary income fell by ¥1.7 billion (38.2%) to ¥2.8 billion.

Information & Advanced Materials Company

After achieving early recovery of Electrotechno BT materials for semiconductor packaging enjoyed high levels of incoming orders, mainly for products used in cellular phones. However, the overall sales volume of electronic materials failed to reach the level achieved in the prior-year period. Another negative factor was an increase in manufacturing costs, which resulted in lower profitability.

Thanks to overall steady performance in the core market for domestic food and export markets, oxygen absorbers such as AGELESS[®] reached the same sales and earnings as for the prior-year period.

In the first quarter of fiscal 2011, the Information & Advanced Materials Company posted net sales of ¥15.0 billion, a decline of ¥2.4 billion (14.1%), an operating income of ¥2.1 billion, a drop of ¥0.5 billion (19.1%), and an ordinary income of ¥2.1 billion, a drop of ¥0.5 billion (21.3%).

Other

In the first quarter of fiscal 2011, other business operations achieved net sales of ¥0.1 billion, a decline of ¥0.0 billion (3.1%) and an operating income of ¥0.0 billion, a drop of ¥0.0 billion (41.6%), and an ordinary income of ¥0.3 billion, a decline of ¥0.1 billion (33.8%).

(2) Consolidated financial position

In the first quarter of fiscal 2011, the MGC Group posted consolidated assets of ¥592.5 billion, an increase of ¥15.5 billion from the prior-year period, due to increases in short-term investments, property, plant and equipment, and investments in securities. Total liabilities increased by ¥8.0 billion to ¥296.8 billion, primarily due to an increase in trade notes and accounts payable. Net assets grew to ¥295.7 billion, an increase of ¥7.4 billion, primarily due to an increase in retained earnings.

(3) Consolidated forecasts for the fiscal year ending March 31, 2012

The MGC Group previously announced that forecasts for consolidated financial results for fiscal 2011 had yet to be determined because the aftereffects of the major earthquake on March 11 prevented the Group from making calculations on a reasonable basis as it published the financial results for the fiscal year ending March 2011. The Group has now made forecasts for the first six-month and full-year periods, as shown below, in consideration of the latest business environment and developments.

These forecasts assume exchange rates of ¥80=\$1 and ¥115=€1.

Six-month period ending September 30, 2011 (April 1 – September 30, 2011)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	—	—	—	—	—
Revised forecasts (B)	230,000	10,000	17,000	12,000	26.55
Change (B – A)	—	—	—	—	—
Change (%)	—	—	—	—	—
Results for the same previous period (ended September 30, 2010)	227,054	12,616	17,276	6,392	14.14

Full year ending March 31, 2012 (April 1, 2011 – March 31, 2012)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	—	—	—	—	—
Revised forecasts (B)	480,000	21,000	37,000	27,000	59.73
Change (B – A)	—	—	—	—	—
Change (%)	—	—	—	—	—
Results for the same previous period (ended March 31, 2011)	451,033	23,363	36,394	18,950	41.92

(Reference) Business forecasts by segment

(Billions of yen)

	Six-month period		Full year	
	Sales	Ordinary income	Sales	Ordinary income
Natural gas chemicals	79.1	6.9	164.8	14.1
Aromatic chemicals	68.7	1.4	140.2	3.0
Specialty chemicals	68.7	5.2	134.2	11.8
Information and advanced materials	30.1	4.2	61.6	8.5
Other	0.3	0.8	0.7	1.5
Adjustment	(17.1)	(1.7)	(21.8)	(2.2)
Total	230.0	17.0	480.0	37.0

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

Millions of yen, rounded down

	As of March 31, 2011	As of June 30, 2011
ASSETS		
Current assets		
Cash and deposits	47,964	36,067
Trade notes and accounts receivable.....	112,029	109,646
Short-term investments securities	613	17,640
Merchandise and finished goods.....	36,334	41,425
Work in progress	10,312	10,426
Raw materials and supplies.....	21,570	21,263
Other	16,476	15,616
Allowance for doubtful accounts.....	(778)	(710)
Total current assets	244,522	251,376
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net.....	50,453	51,016
Machinery, equipment and vehicles, net.....	66,884	65,469
Other, net	59,485	63,291
Total property, plant and equipment	176,823	179,777
Intangible assets		
Goodwill	56	68
Other	4,175	4,307
Total intangible assets	4,231	4,375
Investments and other assets		
Investment securities	131,047	133,917
Other	20,883	23,598
Allowance for doubtful accounts.....	(462)	(461)
Total investments and other assets.....	151,468	157,055
Total noncurrent assets	332,523	341,208
Total assets	577,045	592,584

Consolidated Quarterly Balance Sheets (contd.)

Millions of yen, rounded down

	As of March 31, 2011	As of June 30, 2011
LIABILITIES		
Current Liabilities		
Trade notes and accounts payable	60,108	70,802
Short-term loans payable	69,845	69,988
Current portion of bonds	20,000	20,000
Income taxes payable	1,869	981
Provision	5,912	3,908
Other	24,792	24,735
Total current liabilities	182,527	190,416
Noncurrent liabilities		
Long-term loans payable	75,850	75,508
Provision for retirement benefits	5,402	6,001
Other provision	1,302	1,226
Asset retirement obligations	3,472	3,489
Other	20,232	20,199
Total noncurrent liabilities	106,260	106,424
Total liabilities	288,787	294,841
NET ASSETS		
Shareholders' equity		
Capital stock	41,970	41,970
Capital surplus	35,591	35,591
Retained earnings	236,597	242,520
Treasury stock	(7,920)	(7,922)
Total shareholders' equity	306,238	312,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,197	3,258
Deferred gains or less on hedges	—	5
Revaluation reserve for land	192	192
Foreign currency translation adjustment	(32,531)	(30,076)
Total accumulated other comprehensive income ..	(28,142)	(26,621)
Minority interests	10,161	10,203
Total net assets	288,257	295,743
Total liabilities and net assets	577,045	592,584

(2) Consolidated Quarterly Statements of Income*Millions of yen, rounded down*

	April 1 - June 30, 2010	April 1 - June 30, 2011
Net sales.....	110,871	115,360
Cost of sales	90,582	95,546
Gross profit	20,289	19,813
Selling, general and administrative expenses	14,015	14,252
Operating income	6,274	5,561
Non-operating income		
Interest income.....	31	30
Dividend income.....	552	658
Equity in earnings of affiliates.....	3,681	5,057
Other	569	522
Total non-operating income	4,834	6,269
Non-operating expenses		
Interest expense.....	593	490
Foreign exchange losses	357	386
Personnel expenses for seconded employees.....	1,284	223
Other	477	660
Total non-operating expenses	2,713	1,761
Ordinary income	8,395	10,069
Extraordinary income		
Gain on change in equity	—	17
Total extraordinary income	—	17
Extraordinary losses		
Loss on disaster.....	—	488
Environmental improvement expensive	296	463
Loss on valuation of investment securities.....	—	307
Impairment loss.....	205	4
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,777	—
Total extraordinary losses.....	2,279	1,264
Income before income taxes and minority interests	6,115	8,822
Income taxes, etc.	1,969	1,389
Net income before minority interests	4,146	7,433
Minority interests in income	276	379
Net income	3,870	7,053

(Consolidated Quarterly Statements of Comprehensive Income)

	<i>Millions of yen, rounded down</i>	
	April 1 - June 30, 2010	April 1 - June 30, 2011
Income before minority Interests	4,146	7,433
Other comprehensive Income		
Valuation difference on available-for-sale securities.....	(1,681)	(930)
Deferred gains or losses on hedges	—	6
Foreign currency statements translation adjustment	580	749
Share of other comprehensive income of associates accounted for using equity method	634	1,511
Total other comprehensive Income	(466)	1,335
Comprehensive Income	3,679	8,768
Total comprehensive Income Attributable to		
Owners of the parent	3,240	8,225
Minority interests	439	543

4. Consolidated Quarterly Segment Information

(1) Three-month period ended June 30, 2010 (April 1 – June 30, 2010)

1. Revenue and earnings by segment

Millions of yen, rounded down

	Natural gas chemicals	Aromatic chemicals	Specialty chemicals	Information and advanced materials	Other (Note 1)	Adjustment (Note 2)	Consolidated (Note 3)
Sales to outside customers	31,373	27,567	34,178	17,573	178	—	110,871
Inter-segment sales	1,013	292	1,193	166	31	(2,696)	—
Total	32,387	27,859	35,371	17,740	209	(2,696)	110,871
Segment income (loss) [Ordinary income (loss)].....	1,268	(428)	4,661	2,736	483	(326)	8,395

Notes :

- The 'Other' segment includes operations not included in the other segments, such as listed related companies and real estate business.
- The adjustment amounts are as follows:
The ¥326 million segment loss adjustment consists of ¥54 million loss in inter-segment sales, and ¥272 million loss of overall costs not allocated to segments.
Overall costs include SG&A expenses, financing expenses, and other expenses not allocated to segments.
- Segment income (loss) is based on ordinary income as provided in the quarterly consolidated statement of income.

(2) Three-month period ended June 30, 2011(April 1 – June 30, 2011)

1. Revenue and earnings by segment

Millions of yen, rounded down

	Natural gas chemicals	Aromatic chemicals	Specialty chemicals	Information and advanced materials	Other (Note 1)	Adjustment (Note 2)	Consolidated (Note 3)
Sales to outside customers	39,867	31,835	28,385	15,098	172	—	115,360
Inter-segment sales	1,876	419	380	0	19	(2,697)	—
Total	41,743	32,255	28,766	15,099	192	(2,697)	115,360
Segment income (loss) [Ordinary income (loss)].....	4,249	420	2,881	2,154	320	42	10,069

Notes :

- The 'Other' segment includes operations not included in the other segments, such as listed related companies and real estate business.
- The adjustment amounts are as follows:
The ¥42 million segment income adjustment consists of ¥95 million loss in inter-segment sales, and ¥138 million income of overall costs not allocated to segments.
Overall costs include SG&A expenses, financing expenses, and other expenses not allocated to segments.
- Segment income (loss) is based on ordinary income as provided in the quarterly consolidated statement of income.