



Mitsubishi Gas Chemical Company, Inc.

October 4, 2010

Losses on Appraisal of Investments in Securities for the Second Quarter of the Fiscal Year ending March 2011

MGC financial statements for the second quarter of the fiscal year ending March 2011 (July 1-September 30, 2010) posted appraisal losses calculated as extraordinary losses. This asset-impairment accounting process was deemed necessary due to the fact that there were some company-owned securities falling into the category of “other securities” which showed no prospects for recovery as a result of substantial declines in their market value.

Our quarterly asset-impairment accounting for investments in securities employs the laundering method. The extraordinary losses may, therefore, change or even no extraordinary losses may be posted for the third quarter and the full year depending on the market value at the end of these future periods.

1. Losses on appraisal of investments in securities for the second quarter of the fiscal year ending March 2011

(In ¥ million)

| | Consolidated | Non-consolidated |
|---|--------------|------------------|
| (A) Total losses on securities for the second quarter of the fiscal year ending March 2011 (July 1-September 30, 2010) (=a-b) | ¥ 6,444 | ¥ 6,444 |
| (a) Cumulative total losses on securities until the end of the second quarter of the fiscal year ending March 2011 (April 1-September 30, 2010) | ¥ 6,444 | ¥ 6,444 |
| (b) Cumulative total losses on securities until the previous (first) quarter of the fiscal year ending March 2011 (April 1-June 30, 2010) | ¥ — | ¥ — |

Note: 1. Our quarterly appraisal for securities employs the laundering method.

2. The company closes its accounts on March 31 every year.

- Percentage shares of the above second-quarter losses on securities with respect to net asset, ordinary income, and net income

(Amounts in ¥ million)

| | Consolidated | Non-consolidated |
|--|--------------|------------------|
| (B) Net asset at the end of the fiscal year ended March 2010 | ¥ 278,094 | ¥ 174,966 |
| (A/B×100) | 2.3% | 3.7% |
| (a/B×100) | 2.3% | 3.7% |
| (C) Ordinary income at the end of the fiscal year ended March 2010 | ¥ 7,365 | ¥ 307 |
| (A/C×100) | 87.5% | 2,099.0% |
| (a/C×100) | 87.5% | 2,099.0% |
| (D) Net income at the end of the fiscal year ended March 2010 | ¥ 5,827 | ¥ 4,578 |
| (A/D×100) | 110.6% | 140.8% |
| (a/D×100) | 110.6% | 140.8% |

2. Outlook

Earnings forecasts (consolidated and non-consolidated) for the fiscal year ending March 2011 are now being compiled. Corrections deemed necessary will be announced in a timely fashion.

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