



Mitsubishi Gas Chemical Company, Inc.

October 29, 2010

# **Differences from Business Forecasts (Consolidated and Non-consolidated) for the First Six-month Period of the Fiscal Year Ending March 2011 and Revision of Full-year Business Forecasts**

Mitsubishi Gas Chemical Co., Inc. (MGC) announced today that the consolidated and non-consolidated results for the first six-month period of the fiscal year ending March 2011 include differences from the forecasts announced on July 30, 2010.

In view of recent business developments, MGC has also revised the consolidated and non-consolidated business forecasts for the full-year period ending March 2011, also announced on July 30, 2010.

## **1. Differences between forecasts and results for the first six-month period of the fiscal year ending March 31, 2011 (April 1 – September 30, 2010)**

### (1) Consolidated results

(In ¥ million)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A) (announced July 30, 2010)	230,000	10,000	13,000	7,000	15.49
Results (B)	227,054	12,616	17,276	6,392	14.14
Change (B – A)	(2,945)	2,616	4,276	(607)	—
Change (%)	(1.3)	26.2	32.9	(8.7)	—
Results for the same previous period (ended September 30, 2009)	180,770	(1,101)	(2,592)	(2,433)	(5.38)

### (2) Non-consolidated results

(In ¥ million)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A) (announced July 30, 2010)	160,000	1,500	4,500	2,000	4.42
Results (B)	161,207	3,079	6,559	(718)	(1.57)
Change (B – A)	1,207	1,579	2,059	(2,718)	—
Change (%)	0.8	105.3	45.8	—	—
Results for the same previous period (ended September 30, 2009)	130,550	(6,136)	(3,656)	(712)	(1.58)

## 2. Revision of business forecasts for the full-year period of the fiscal year ending March 31, 2011 (April 1, 2010 – March 31, 2011)

### (1) Consolidated forecasts

(In ¥ million)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A) (announced July 30, 2010)	460,000	20,000	27,000	17,000	37.61
Revised forecasts (B)	445,000	21,000	30,000	15,000	33.18
Change (B – A)	(15,000)	1,000	3,000	(2,000)	—
Change (%)	(3.3)	5.0	11.1	(11.8)	—
Results for the same previous period (ended March 31, 2010)	384,528	4,090	7,365	5,827	12.89

### (2) Non-consolidated forecasts

(In ¥ million)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A) (announced July 30, 2010)	330,000	6,000	11,500	8,000	17.70
Revised forecast (B)	330,000	7,500	14,000	5,000	11.06
Change (B – A)	0	1,500	2,500	(3,000)	—
Change (%)	0.0	25.0	21.7	(37.5)	—
Results for the same previous period (ended March 31, 2010)	278,955	(7,225)	307	4,578	10.13

## 3. Reasons for the revisions

The non-consolidated business performance for the first six-month period improved from the forecasts announced on July 30, 2010. This was due to factors such as increases in Aromatic Chemicals Company sales volumes, reductions in raw material costs, and increases in dividends received. The consolidated figures also surpassed the previous forecasts because of improvements in non-consolidated figures and an increase in equity in earnings of affiliates.

However, both consolidated and non-consolidated net incomes for the first six-month period were lower than the corresponding previous forecasts due to the inclusion of ¥6,444 million in losses on appraisal of investments in securities as an extraordinary loss.

For the full-year period, both operating and ordinary incomes are expected to surpass the corresponding previous forecasts. During the second six-month period, however, MGC anticipates declines in profitability as a result of the strong yen, reductions in the sales volumes of materials for semiconductors and liquid crystals, and reductions in equity in earnings of affiliates due to declining methanol sales prices. It is, therefore, expected that

earnings for the second six-month period will be lower than those for the first six months. In addition, both consolidated and non-consolidated net income figures will fall short of the previous forecasts due to the inclusion of losses on appraisal of investments in securities posted at the end of the second quarter.

Note: Interim appraisals for securities employ the laundering method.

*Forecasts in this document are based on information available at the current time. Actual results may differ significantly due to a variety of factors.*

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