



Mitsubishi Gas Chemical Company, Inc.

April 27, 2011

## **Extraordinary Losses to Be Included in Business Results for Fiscal 2010**

Following the major earthquake that hit Eastern Japan on March 11, 2011, Mitsubishi Gas Chemical Company, Inc. (MGC) will include extraordinary losses in its financial statements for the fiscal year ended March 31, 2011.

### **1. Overview of damage**

#### **(1) Buildings and equipment**

Buildings and equipment at the MGC Kashima Plant (Kamisu City, Ibaraki) and Electrotechno Co., Ltd. (Nishigo-mura, Nishishirakawa-gun, Fukushima), a consolidated subsidiary of MGC, were affected. The losses are estimated at 2.2 billion yen.

#### **(2) Inventories**

Inventories at the Kashima Plant and Electrotechno Co., Ltd. were affected. The losses are estimated at 0.3 billion yen.

#### **(3) Other extraordinary losses**

Non-cost-bearing expenditures totaling approximately 0.5 billion yen, including fixed charges caused by the shutdown of plant production equipment, will be included as extraordinary losses.

Loss category	Amount (in billion yen)
Buildings and equipment	Approx. 2.2
Inventories	Approx. 0.3
Other extraordinary losses	Approx. 0.5
Total	Approx. 3.0

### **2. Insurance compensation**

On an independent or a joint basis, MGC and its consolidated subsidiaries maintain insurance against damage to major inventories and fixed assets that they own. The inventories, fixed assets, and other assets of the Kashima Plant and Electrotechno that have been damaged by the major earthquake are jointly covered by the special

anti-earthquake contract (insured amount: 2.2 billion yen, deductible: 0.5 billion yen) included in the fire insurance. However, it will take time to calculate the amount of insurance benefit, and therefore, this amount will be posted as it is determined, i.e., in the financial statements for next consolidated accounting year or after.

### 3. Outlook

MGC business results (both consolidated and non-consolidated) for the fiscal year ended March 31, 2011 are now being compiled. Any corrections to the previous forecasts that may be required will be announced in a timely fashion.

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