



Mitsubishi Gas Chemical Company, Inc.
March 19, 2013

Notice of Recording of Extraordinary Losses and Revision of Business Forecasts

Mitsubishi Gas Chemical Company, Inc. (MGC) has decided to post in its financial statements for the fiscal year ending March 31, 2013 (FY2012) an extraordinary loss due to the structural reform of meta-xylene (MX) and purified isophthalic acid (PIA) businesses. Accordingly, the company revises the FY2012 business forecasts that it announced on February 5, 2013.

1. Recording of Extraordinary Losses due to restructuring of MX-PIA Businesses

The PIA business continued to face a difficult business environment due to the prolonged appreciation of the yen against other currencies and a worsened demand-supply balance caused by increases in production capacity at competitors. Under one of the basic strategies ("restructuring loss-making businesses") stated in the "MGC Will2014" Mid-term Management Plan, MGC has strived to improve the profitability of the business. Nevertheless, it remains unlikely that the environment of this business will turn for the better in the foreseeable future. MGC therefore decided to discontinue PIA production at the Matsuyama, Ehime plant of A.G. International Chemical Co., Inc. (AGIC), a consolidated subsidiary of MGC, in November 2013, and remove the production facilities for another use. AGIC will accordingly post the losses caused due to this decision, such as an impairment in the remaining book value of the PIA production facilities and costs for removing the facilities and preparing the land, as extraordinary losses in the financial statements to be published at the end of March 2013.

MGC will not only post a valuation loss in its stake in AGIC, but also transfer AGIC's MX production facilities using PIA raw material to MGC and write off these facilities to a recoverable amount. Assuming that the subsidiary will be liquidated following the removal of the facilities and preparation of the land at the Matsuyama plant, MGC will also report an allowance for the relevant losses.

Following the above decision, the MGC financial statements for FY2012 will post ¥15 billion (¥18 billion in non-consolidated terms) in business structural reform expenses as an extraordinary loss. This extraordinary loss will include the previously announced loss due to the withdrawal from the coenzyme Q10 business.

For the immediate future, the PIA production at the AGIC plant in Mizushima, Okayama, will be continued after being transferred to MGC. This business is expected to keep profitability.

2. Revision of consolidated business forecasts

Fiscal year ending March 31, 2013 (April 1, 2012 - March 31, 2013)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	470,000	10,000	24,000	5,000	11.07
Revised forecasts (B)	470,000	10,000	26,000	(10,000)	(22.14)
Change (B - A)	-	-	2,000	(15,000)	-
Change (%)	-	-	8.3	-	-
Results for the previous period (ended March 31, 2012)	452,217	9,083	26,116	12,327	27.28

(Reference) Revision of non-consolidated business forecasts

Fiscal year ending March 31, 2013 (April 1, 2012 - March 31, 2013)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	370,000	5,000	23,000	5,000	11.07
Revised forecasts (B)	370,000	6,000	25,000	(10,000)	(22.14)
Change (B - A)	-	1,000	2,000	(15,000)	-
Change (%)	-	20.0	8.7	-	-
Results for the previous period (ended March 31, 2012)	349,892	(882)	18,126	7,390	16.36

In connection with the posting of the expenses for improving business structure and the current business outlook, MGC studied the recoverability of deferred income taxes and decided to reverse them partially. This has made us anticipate the net results for FY2012 to decline from the previously announced forecast to a negative figure, which has been reflected in the revised full-year MGC performance forecasts. These performance forecasts assume exchange rates of ¥90=\$1 and ¥120=€1 for the unelapsed period of the fiscal year.

The previously forecasted year-end dividend of ¥6 per share remains unchanged.

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.