



SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

Results for the first quarter ended June 30, 2010

(April 1, 2010 - June 30, 2010)

July 30, 2010

MITSUBISHI GAS CHEMICAL COMPANY, INC.

Listed exchanges: First section of the Tokyo Stock Exchange
 Stock Code: 4182
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 Planned date of filing of the quarterly financial report: August 6, 2010
 Scheduled date of payment of dividend: —

1. Summary of Consolidated Results for the First Quarter of the Fiscal Year Ending March 31, 2011

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

1) Operating results

Millions of yen, rounded down

Percentage figures denote change compared to equivalent period of previous year

	April 1 - June 30, 2010		April 1 - June 30, 2009	
		Change %		Change %
Sales.....	110,871	30.0	85,294	(36.3)
Operating income (loss).....	6,274	-	(2,088)	-
Ordinary income (loss).....	8,395	-	(3,277)	-
Net income (loss).....	3,870	-	(2,386)	-
Net income (loss) per share (¥).....	8.56		(5.28)	
Fully diluted net income (loss) per share (¥).....	8.37		-	

2) Financial position

Millions of yen, rounded down

	As of June 30, 2010	As of March 31, 2010
Total assets	556,668	539,431
Net assets.....	276,891	278,094
Shareholders' equity ratio (%).....	48.1	49.9
Net assets per share (¥)	592.17	595.56

(Note) Shareholders' equity as of June 30, 2010: ¥267,677 million; as of March 31, 2010: ¥269,213 million

2. Cash Dividends

	April 1, 2010 - March 31, 2011	April 1, 2009 - March 31, 2010
Interim dividend per share (¥)	4.00 (Forecast)	4.00
Year-end dividend per share (¥)	4.00 (Forecast)	4.00
Annual dividend per share (¥).....	8.00 (Forecast)	8.00

(Note) Revision of cash dividend forecast during this period: None

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

Millions of yen, rounded down

Percentage figures denote change compared to equivalent period of previous year

	April 1 - September 30, 2010		April 1, 2010 - March 31, 2011	
		Change %		Change %
Sales.....	230,000	27.2	460,000	19.6
Operating income (loss).....	10,000	-	20,000	388.9
Ordinary income (loss).....	13,000	-	27,000	266.6
Net Income (loss).....	7,000	-	17,000	191.7
Net income (loss) per share (¥).....	15.49		37.61	

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

4. Other Information

(Note: Details are available in page 6, 2.Other matters)

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: Yes

3) Changes in accounting methods, procedures and presentation in the preparation of these financial statements:

1. Changes following revisions to accounting standards: Yes

2. Other changes: None

4) Number of shares outstanding (ordinary shares)

	June 30, 2010	March 31, 2010
Number of shares outstanding at end of period (including treasury shares)	483,478,398	483,478,398
Number of treasury shares at end of period	31,446,342	31,446,964

	April 1 - June 30, 2010	April 1 - June 30, 2009
Average shares outstanding during period	452,030,904	452,051,984

(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

Revenue and earnings for the Mitsubishi Gas Chemical Company, Inc. group of companies ("MGC Group") improved significantly for the first quarter (April 1, 2010 to June 30, 2010) of the fiscal year ending March 31, 2011. Consolidated net sales increased 30.0%, or ¥25.5 billion, to ¥110.8 billion. Consolidated operating income of ¥6.2 billion was recorded, compared with an operating loss of ¥2.0 billion in the first quarter of the previous year. Equity in earnings of affiliates increased 653.4%, or ¥3.1 billion to ¥3.6 billion. Consolidated ordinary income of ¥8.3 billion was recorded, compared with ordinary loss of ¥3.2 billion in the first quarter of the previous year. Consolidated net income of ¥3.8 billion was recorded, compared with net loss of ¥2.3 billion for the first quarter of the previous year.

Sales and operating income improved on the first quarter of the previous year, due to firm performance by specialty chemicals and information and advanced materials products for semiconductors and LCD applications, as well as an improvement in margins stemming and an overall recovery in sales volumes for chemicals. Income from overseas methanol producing companies accounted for by the equity method increased due to rising prices in the market, resulting in an increase in ordinary income compared with the first quarter of the previous year.

An extraordinary loss of ¥2.2 billion was recorded due to the application of the Accounting Standard for Asset Retirement Obligations.

Results by business segment

Natural Gas Chemicals Company

In the methanol business, revenue increased due to an increase in sales volumes resulting from the operation of new plants and an increase in average sales prices following recovery in the market from the latter half of 2009.

Results from methanol and ammonia derivatives strengthened due to firm overall sales volumes and an improvement in profitability of MMA and polyol.

In enzymes and coenzymes, earnings from coenzyme Q10 improved slightly but continued to trend at a low level.

In the sale of natural gas and other energy, results improved due to an increase in the sales price of crude oil.

Consolidated net sales in the Natural Gas Chemicals Company were ¥31.3 billion, and an operating loss of ¥0.8 billion was recorded. Due to improvement of overseas methanol producing companies, equity in earnings of affiliates of ¥2.4 billion was recorded, resulting in consolidated ordinary income of ¥1.2 billion.

Aromatic Chemicals Company

In specialty aromatic chemical products, revenue and earnings improved due to an increase in sales volumes

of products such as meta-xylenediamine, Nylon-MXD6, and aromatic aldehydes.

The purified isophthalic acid business recorded higher sales due to an increase in sales volumes resulting from growing demand for PET bottle applications, but earnings trended at a low level due to continued intense competition against a background of excess supply.

Consolidated net sales in the Aromatic Chemicals Company were ¥27.5 billion. An operating loss of ¥0.1 billion and ordinary loss of ¥0.4 billion were recorded.

Specialty Chemicals Company

Revenue and earnings from inorganic chemicals increased due to higher sales volumes for hydrogen peroxide. Revenue and earnings for the electronic chemicals increased due to an increase in sales volumes, which was driven by firm demand, mainly for semiconductor applications.

In the engineering plastics business, revenue and earnings increased due to higher sales volumes of polycarbonate and polyacetal supported by healthy levels of demand in the Asia market. Polycarbonate sheets and films recorded higher revenue and earnings as the firm demand for film for flat panel display applications continued from the previous year.

Consolidated net sales in the Specialty Chemicals Company were ¥34.1 billion, and operating income of ¥4.3 billion was recorded. Ordinary income was ¥4.6 billion, due to equity in earnings of affiliates of ¥0.5 billion.

Information & Advanced Materials Company

Revenue and earnings from materials for printed circuit boards increased due to higher sales volumes of BT materials for semiconductor packaging, which were supported by healthy demand for high-end mobile phones and consumer electronics. Sales of LE sheets, the entry sheets used in mechanical drilling of printed circuit boards, were weak due to intense competition overseas.

Sales of oxygen absorbers such as AGELESS® improved slightly, reflecting a recovery in demand in the domestic food sector and an increase in exports.

Consolidated net sales in the Information & Advanced Materials Company were ¥17.5 billion. Operating income was ¥2.6 billion and ordinary income was ¥2.7 billion.

Other

Consolidated net sales in the Other business segment were ¥0.1 billion. Operating income was ¥0.1 billion, and ordinary income was ¥0.4 billion.

(2) Consolidated financial position

Total consolidated assets as of June 30, 2010 were ¥556.6 billion, ¥17.2 billion higher than at the end of the previous fiscal year. This was primarily because of increases in marketable securities and tangible fixed assets, which offset a decline in total investments and other assets.

Liabilities increased ¥18.4 billion to ¥279.7 billion, mainly due to increases in notes and accounts payable, lease obligations and asset retirement obligations. Net assets decreased ¥1.2 billion to ¥276.8 billion, due to

valuation losses on other investment securities.

(3) Consolidated forecasts for the fiscal year ending March 31, 2011

Polycarbonate sheets and film and materials for printed circuit boards are trending favorably, and the extraordinary loss recorded as a result of the application of the Accounting Standard for Asset Retirement Obligations was lower than had been estimated at the start of the fiscal year. Consequently, the consolidated and the non-consolidated forecasts for six-month period ending September 30, 2010 were revised. Along with these revisions, we also revised the consolidated forecasts for the full year ending March 31, 2011.

Revisions to the consolidated forecasts for six-month period ending September 30, 2010 and full year ending March 31, 2011 announced on May 7, 2010 are as follows.

Six-month period ending September 30, 2010 (April 1 – September 30, 2010)

(Unit: ¥ million, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A) (announced May 7, 2010)	220,000	6,000	10,000	4,000	8.85
Revised forecasts (B)	230,000	10,000	13,000	7,000	15.49
Change (B – A)	10,000	4,000	3,000	3,000	–
Change (%)	4.5	66.7	30.0	75.0	–
Results for the same previous period (ended September 30, 2009)	180,770	(1,101)	(2,592)	(2,433)	(5.38)

Full year ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(Unit: ¥ million, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A) (announced May 7, 2010)	450,000	16,000	24,000	14,000	30.97
Revised forecasts (B)	460,000	20,000	27,000	17,000	37.61
Change (B – A)	10,000	4,000	3,000	3,000	–
Change (%)	2.2	25.0	12.5	21.4	–
Results for the same previous period (ended March 31, 2010)	384,528	4,090	7,365	5,827	12.89

2. Other matters

- (1) Important changes to subsidiaries during the period (changes to specific subsidiary companies within the scope of consolidation):

None

- (2) Adoption of simplified accounting methods and special accounting methods for presenting quarterly consolidated financial statements:

- (i) Method of estimating doubtful accounts for general debtors

If the actual default rate at the end of the first quarter is recognized as not being materially different from the rate calculated at the end of the previous fiscal year, a debt default provision is made using the actual default rate at the end of the previous fiscal year.

- (ii) Accounting standard for measurement of inventories

Assets held in inventory have been calculated primarily using the overall average of cost method based on the assets held in inventory at the end of the previous fiscal year. In cases where the profitability has declined, the book value is reduced accordingly.

- (iii) Method of estimating corporate and other taxes, deferred tax assets and liabilities

For the estimation of corporate and other tax payments, changes and tax-deductible items in the attached financial statements are limited to material items. In assessing the recoverability of deferred tax assets, the Company and its main consolidated subsidiaries employ the future earnings forecasts and tax planning assumptions of the financial statements for the previous fiscal year having deemed that there has been no marked change in the operating environment, etc., since the end of the previous year, and that there has been no marked change with respect to the occurrence of one-time or other such items.

- (iv) Method of estimating depreciation expenses for fixed assets

For fixed assets depreciated using the fixed-percentage method, the Company and its main consolidated subsidiaries adopt a method of assigning to the period under review an estimated proportional amount of depreciation expenses for the fiscal year.

- (3) Changes in principles, procedures and methods of indication of accounting methods:

- (i) Application of Accounting Standard for Equity Method of Accounting for Investments and Practical Solution on Unification of Accounting Policies Applied to Accounted for Using the Equity Method

Beginning with the three-month period ended June 30, 2010, the Company applies Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16 issued March 10, 2008) and Practical Solution on Unification of Accounting Policies Applied to Accounted for Using the Equity Method (PITF No. 24 issued March 10, 2008).

There is no impact on this change.

- (ii) Application of Accounting Standard for Asset Retirement Obligations

Beginning with the three-month period ended June 30, 2010, the Company applies Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18 issued March 31, 2008) and Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No.21 issued March 31, 2008).

As a result of this application, operating income decreased ¥18 million, ordinary income decreased ¥19 million and net income before taxes decreased by ¥1,797 million.

The increase in asset retirement obligations as a result of the change in accounting standard was ¥3,514 million.

3 Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen, rounded down

	As of June 30, 2010	As of March 31, 2010
ASSETS		
Current assets		
Cash	25,630	27,560
Trade notes and accounts receivable.....	107,033	104,086
Short-term investments	15,243	10,016
Merchandise and finished goods.....	34,726	33,185
Work in progress	8,566	9,948
Raw materials and supplies	18,752	18,872
Other current assets.....	15,218	15,116
Less allowance for doubtful receivables.....	(697)	(704)
Total current assets	224,474	218,082
Property, plant and equipment		
Buildings and structures, net	51,862	49,683
Machinery, equipment and vehicles, net	68,716	67,253
Other, net	53,213	44,397
Total property, plant and equipment	173,792	161,334
Intangible assets		
Goodwill.....	202	—
Other	4,719	4,658
Total intangible assets	4,922	4,658
Investments and other assets		
Investments in securities	128,869	130,471
Other	25,133	26,514
Less allowance for doubtful receivables.....	(523)	(1,629)
Total investments and other assets.....	153,478	155,356
Total fixed assets.....	332,194	321,348
Total assets	556,668	539,431

Consolidated Balance Sheets (contd.)

Millions of yen, rounded down

	As of June 30, 2010	As of March 31, 2010
LIABILITIES		
Current Liabilities		
Trade notes and accounts payable	62,217	56,486
Short-term borrowings	73,893	74,004
Accrued income taxes.....	1,609	2,421
Allowance	2,075	3,649
Asset retirement obligations.....	4	—
Other.....	26,317	23,734
Total current liabilities	166,117	160,297
Non-current liabilities		
Corporate bonds	20,000	20,000
Long-term borrowings	74,565	71,394
Allowance	6,290	7,189
Asset retirement obligations.....	3,526	—
Other.....	9,276	2,453
Total non-current liabilities	113,659	101,038
Total liabilities	279,776	261,336
NET ASSETS		
Stockholders' equity		
Common stock.....	41,970	41,970
Additional paid in capital	35,590	35,590
Retained earnings.....	223,325	222,394
Treasury stock, at cost.....	(7,906)	(7,905)
Total stockholders' equity	292,980	292,048
Valuation and translation adjustments		
Unrealized gains (loss) on other securities	(2,762)	(1,013)
Deferred gains on hedges.....	10	(1)
Surplus on revaluation of land.....	192	192
Foreign currency translation adjustments.....	(22,742)	(22,013)
Total valuation and translation adjustments	(25,303)	(22,835)
Minority interests.....	9,213	8,881
Total net assets.....	276,891	278,094
Total liabilities and net assets	556,668	539,431

(2) Consolidated Statements of Income

Millions of yen, rounded down

	April 1 - June 30, 2010	April 1 - June 30, 2009
Net sales.....	110,871	85,294
Cost of sales	90,582	74,724
Gross profit	20,289	10,570
Selling, general and administrative expenses	14,015	12,659
Operating income (loss).....	6,274	(2,088)
Non-operating income		
Interest income.....	31	59
Dividend income.....	552	529
Equity in earnings of affiliates.....	3,681	488
Other	569	529
Total non-operating income	4,834	1,606
Non-operating expenses		
Interest expense.....	593	594
Personnel expenses for seconded employees.....	357	411
Exchange losses	1,284	—
Other	477	1,789
Total non-operating expenses	2,713	2,795
Ordinary income (loss).....	8,395	(3,277)
Extraordinary losses		
Loss on adjustment for changes of accounting standard for asset retirement obligations.....	1,777	—
Expenditure on environmental improvement measures.....	296	—
Impairment losses	205	—
Total extraordinary losses.....	2,279	—
Net income (loss) before income taxes.....	6,115	(3,277)
Income taxes, etc.....	1,969	(853)
Net income (loss) before minority interests.....	4,146	—
Minority interests in income (loss).....	276	(37)
Net income (loss).....	3,870	(2,386)

(3) Consolidated Statements of Cash Flows

Millions of yen, rounded down

	April 1 - June 30, 2010	April 1 - June 30, 2009
Cash flows from operating activities		
Net income before income taxes.....	6,115	(3,277)
Depreciation and amortization.....	6,612	6,612
(Gain) loss on disposal of property and equipment.....	26	57
Amortization of goodwill.....	27	(7)
Impairment losses.....	205	—
Equity in earnings of affiliates.....	(3,681)	(488)
Increase (decrease) in allowance for doubtful receivables.....	(19)	42
Increase (decrease) in reserve for retirement and severance benefits.....	492	167
Interest income and dividend income.....	(584)	(588)
Interest expenses.....	593	594
(Gain) loss on change of equity in affiliates.....	1	—
Loss on adjustment for changes of accounting standard for asset retirement obligations.....	1,777	—
Expenditure on environmental improvement measures.....	296	—
(Increase) decrease in notes and accounts receivable.....	(1,763)	(5,656)
(Increase) decrease in inventories.....	148	4,084
Increase (decrease) in trade notes and accounts payable.....	3,795	4,012
Increase (decrease) in consumer tax, etc.....	(386)	162
Increase (decrease) in reserve for bonuses to directors and auditors.....	(186)	(180)
Other.....	(2,968)	(4,305)
Sub-total.....	10,504	1,227
Interest and dividends received.....	584	596
Dividends received from equity method affiliates.....	893	291
Interest paid.....	(470)	(490)
Income taxes paid.....	(2,790)	115
Net cash provided by operating activities.....	8,722	1,741
Cash flows from investing activities		
Purchase of short-term investments.....	(182)	(66)
Proceeds from sale of short-term investments.....	3	190
Purchase of fixed assets.....	(4,939)	(8,848)
Proceeds from sale of fixed assets.....	576	8
Purchase of investments in securities.....	(1,268)	(847)
Proceeds from sale of investments in securities.....	17	28
Other.....	75	68
Net cash used in investing activities.....	(5,716)	(9,466)

Consolidated Statements of Cash Flows(contd.)

Millions of yen, rounded down

	April 1 - June 30, 2010	April 1 - June 30, 2009
Cash flows from financing activities		
Increase (decrease) in short-term borrowings.....	(597)	(222)
Proceeds from long-term debt.....	2,833	550
Payments on long-term debt.....	(757)	(859)
Purchase of treasury stock.....	0	(6)
Dividends paid to stockholders.....	(1,808)	(3,616)
Dividends paid to minority stockholders of subsidiaries	(419)	(79)
Other	(149)	(42)
Net cash used in financing activities	(899)	(4,277)
Effect of exchange rate changes on cash and cash equivalents	381	309
Increase (decrease) in cash and cash equivalents	2,487	(11,692)
Cash and cash equivalents at the beginning of period.....	36,048	53,065
Increase (decrease) in cash and cash equivalents due to change in scope of consolidation	469	—
Cash and cash equivalents at the end of period	39,006	41,372

(4) Notes regarding going concerns

No applicable items.

(5) Segment information

1. Segment overview

Mitsubishi Gas Chemical employs an in-house company system, which was adopted to clarify the responsibilities of each business and improve efficiency. Each company conducts its business according to an independent strategy formulated around its products and services. This structure makes it possible obtain separate financial information for each segment, and in order to optimize the allocation of management resources and assessment of performance by the Board of Directors, the four companies, the Natural Gas Chemicals Company, the Aromatic Chemicals Company, the Specialty Chemicals Company and the Information & Advanced Materials Company, are used as segments for the presentation of financial information.

The Natural Gas Chemicals Company manufactures and sells products such as methanol, ammonia, ammonia derivatives, MMA, polyhydric alcohol, enzymes, coenzymes, natural gas and crude oil.

The Aromatic Chemicals Company manufactures and sells xylene isomers and their derivatives.

The Specialty Chemicals Company manufactures and sells products such as hydrogen peroxide and other inorganic chemicals for industrial use, chemicals for the electronics industry, and engineering plastics.

The Information & Advanced Materials Company manufactures and sells products such as materials for printed circuit boards, printed circuit boards, and oxygen absorber such as AGELESS®.

2. Revenue and earnings by segment

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

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 :

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

3. Depreciation loss, goodwill amortization, etc. of fixed assets of segments

(Depreciation loss on fixed assets)

A depreciation loss of ¥205 million has been recorded for the Natural Gas Chemicals Company.

(Additional information)

Beginning with the three-month period ended June 30, 2010, the Company applies Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Statement No.17 issued March 27, 2009) and Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Guidance No.20 issued March 21, 2008).

(Reference)

When the new segment classification adopted from the first quarter of the fiscal year ending March 31, 2011 is applied retroactively to the first quarter of the year ended March 31, 2010, revenue and earnings are calculated as follows.

Three-month period ended June 30, 2009 (April 1 – June 30, 2009)

Millions of yen, rounded down

	Natural gas chemicals	Aromatic chemicals	Specialty chemicals	Information and advanced materials	Other	Adjustment	Consolidated
Sales to outside customers	24,674	21,763	23,726	14,957	171	—	85,294
Inter-segment sales	959	234	466	2	55	(1,719)	—
Total	25,634	21,998	24,193	14,960	227	(1,719)	85,294
Segment income (loss)							
[Ordinary income (loss)]	(3,818)	(1,558)	697	1,072	131	198	(3,277)

(6) Notes on significant change in Stockholders' equity

No applicable items

(7) Other information

(Additional information)

The Company resolved at a meeting of its Board of Directors in May 2010 to introduce an accumulative retirement bonus system, according to which the compensation amounts for directors will be decided at General Shareholders' Meetings, and those for managing executive officers at meetings of the Board of Directors. Compensation for current directors had previously been recorded as 'Directors retirement benefits.' As a result of the abovementioned resolution, however, compensation amounts decided at General Shareholders' Meetings and meetings of the Board of Directors will be recorded in 'Long-term accounts payable' instead of 'Directors retirement benefits.' As of June 30 2010, ¥636 million in provision for such compensation has been recorded under 'Other' in 'Non-current liabilities.'