SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

Results for the First Half of the Fiscal Year Ending March 31, 2011
(April 1, 2010 - September 30, 2010)

October 29, 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: November 8, 2010

Scheduled date of payment of dividend: December 3, 2010

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

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

1) Operating results

Millions of yen, rounded down
Percentage figures denote change compared to equivalent period of previous year

	April 1 – September 30, 2010		April 1 – September 30, 2009	
		Change %		Change %
Sales	227,054	25.6	180,770	(32.8)
Operating income (loss)	12,616	-	(1,101)	-
Ordinary income (loss)	17,276	-	(2,592)	-
Net income (loss)	6,392	-	(2,433)	-
Net income (loss) per share (¥)	14.14		(5.38)	
Fully diluted net income (loss) per share (¥)	13.83		-	

2) Financial position

Millions of yen, rounded down

	As of September 30, 2010	As of March 31, 2010
Total assets	563,782	539,431
Net assets	280,638	278,094
Shareholders' equity ratio (%)	48.0	49.9
Net assets per share (¥)	598.53	595.56

(Note) Shareholders' equity as of September 30, 2010: ¥270,551 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	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 - March 31, 2011)

Millions of yen, rounded down
Percentage figures denote change compared to equivalent period of previous year

	Fiscal year ending March 31, 2011 (April 1, 2010 - March 31, 2011)	
		Change %
Sales	445,000	15.7
Operating income (loss)	21,000	413.4
Ordinary income (loss)	30,000	307.3
Net Income (loss)	15,000	157.4
Net income (loss) per share (¥)	33.18	

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

4. Other Information

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)

	September 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	31,451,314	31,446,964

	April 1 - September 30, 2010	April 1 – September 30, 2009
Average shares outstanding during period	452,030,034	452,049,522

(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 half of the previous fiscal year, unless stated otherwise.*

(1)Consolidated operating results

Overview of results

During the first six months of the fiscal year ending March 2011 (April 1-September 30, 2010), the Japanese economy continued to show signs of recovery. After the middle of the year, however, a downturn in the stock market, the yen’s appreciation against other currencies, as well as the outlook for a downturn in the world economy added to economic uncertainty.

Within the MGC Group, the strong yen hit companies where exports account for a large portion of sales. Group revenue and earnings improved, however, due to the overall recovery of sales volumes thanks to strong demand in the Asian markets and increasing market prices. By contrast, some of the products for semiconductors, which had been successful since the previous-year period, began to take a downturn in the late second quarter.

Against this business backdrop, the MGC Group implemented various measures in accordance with the basic policy stated in its medium-term management plan, “MGC Will 2011,” while at the same time making efforts to increase sales volume and maintain margins at acceptable levels.

In the six-month period under review, consolidated net sales reached ¥227.0 billion, an increase of ¥46.2 billion (25.6%) from the prior-year period. Consolidated operating income rose by ¥13.7 billion to ¥12.6 billion, while consolidated ordinary income grew by ¥19.8 billion to ¥17.2 billion. The net income of ¥6.3 billion, an increase of ¥8.8 billion from the prior-year period, includes extraordinary losses of ¥9 billion, which in turn include losses on appraisal of investments in securities and losses due to the application of the Accounting Standard for Asset Retirement Obligations.

Results by business segment

Natural Gas Chemicals Company

In the six-month period up to September 2010, the methanol business enjoyed an increase in net sales based on growing sales volumes as the new MGC plants in Brunei and Venezuela started operation and average sales prices that surpassed the level for the corresponding period of 2009.

Methanol and ammonia derivatives marked improvements in both net sales and earnings thanks to an overall increase in sales volume as well as increases in the market prices of MMA and neopentylglycol, the latter resulting from tight supply.

The enzyme and coenzyme business remained sluggish with low revenue and earnings, although earnings from coenzyme Q10 improved slightly.

Natural gas and other energy posted increases in earnings due to an increase in the sales price of crude oil.

In the six-month period under review, the Natural Gas Chemicals Company, therefore, achieved consolidated net sales of ¥70.3 billion and an operating loss of ¥0.5 billion.

Due to the improvement in the performance of overseas methanol producing companies, equity in earnings of affiliates of ¥5 billion was posted, resulting in a consolidated ordinary income of ¥3.7 billion.

Aromatic Chemicals Company

Specialty aromatic chemical products improved in both terms of revenue and earnings thanks to strong demand in Europe and other overseas markets, although the strong yen affected sales of meta-xylenediamine, Nylon-MXD6, and aromatic aldehydes.

The purified isophthalic acid business saw growing demand for PET bottle applications in China and other Asian markets; however, earnings remained low due to the strong yen and declines in sales prices.

In the six-month period under review, the Aromatic Chemicals Company achieved consolidated net sales of ¥54.9 billion, an operating income of ¥0.3 billion, and an ordinary loss of ¥0.3 billion.

Specialty Chemicals Company

The inorganic chemicals business improved in both terms of revenue and earnings due to higher sales volumes for hydrogen peroxide as a discoloring agent for pulp/paper and as an oxidizing agent.

Driven by steady demand, mainly for semiconductor applications, the electronic chemicals business, including overseas subsidiaries, improved in both terms of revenue and earnings.

Compared with the prior-year period, the engineering plastics business also performed better in both revenue and earnings. This was due to successful sales developments for polycarbonate and polyacetal driven by strong demand in Asian markets.

Polycarbonate sheets and films achieved higher revenue and earnings as the strong demand for films used in flat panel displays continued from the previous year.

In the first six-month period of the fiscal year ending March 2011, the Specialty Chemicals Company posted net sales of ¥69.6 billion and an operating income of ¥8.5 billion. Due to ¥0.8 billion equity in earnings of affiliates, the Company achieved an ordinary income of ¥8.8 billion.

Information & Advanced Materials Company

BT materials for semiconductor packaging improved in both terms of revenue and earnings. Demand for applications for high-end mobile phones and consumer electronics, which was strong during the first quarter, slowed down in the late second quarter. Nevertheless, this negative impact was more than offset by increases in sales volumes compared with the prior-year period as well as successful cost reductions.

Despite being affected by the summer heat in the core market for domestic food, oxygen absorbers such as AGELESS® improved slightly in revenue and earnings thanks to the successful sales of products for other applications.

In the first six-month period under review, the Information & Advanced Materials Company therefore achieved net sales of ¥31.6 billion, an operating income of ¥4.9 billion and an ordinary income of ¥4.9 billion.

Other

In the first six-month period under review, other business operations posted net sales of ¥0.3 billion, an operating income of ¥0.1 billion, and an ordinary income of ¥0.9 billion.

(2) Consolidated financial position

Total consolidated assets as of September 31, 2010 were ¥563.7 billion, ¥24.3 billion higher than at the end of the previous fiscal year. This was primarily because of increases in cash and tangible fixed assets, which offset a decline in total investments and other assets.

Liabilities increased ¥21.8 billion to ¥283.1 billion, mainly due to increases in notes and accounts payable, lease obligations and asset retirement obligations. Net assets increased ¥2.5 billion to ¥280.6 billion, due to valuation gains on other investment securities.

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

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.

Revisions to the consolidated forecasts for full year ending March 31, 2011 announced on July 30, 2010 are as follows.

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

(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. 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 half 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 ¥42 million, ordinary income decreased ¥44 million and net income before taxes decreased by ¥1,821 million.

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

(iii) Application of Accounting Standard for Business Combinations, etc.

Beginning with the three-month period ended June 30, 2010, the Company applies “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), “Partial Amendments to Accounting Standard for R&D Expenses, etc.” (ASBJ Statement No. 23, December 26, 2008), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), “Accounting Standard for Application of Equity Method” (ASBJ Statement No. 16, announced December 26, 2008), and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).

3 Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen, rounded down

	As of September 30, 2010	As of March 31, 2010
ASSETS		
Current assets		
Cash	38,984	27,560
Trade notes and accounts receivable	107,281	104,086
Short-term investments	6,668	10,016
Merchandise and finished goods	36,667	33,185
Work in progress	9,005	9,948
Raw materials and supplies	19,729	18,872
Other current assets	14,049	15,116
Less allowance for doubtful receivables	(737)	(704)
Total current assets	231,649	218,082
Property, plant and equipment		
Buildings and structures, net	51,351	49,683
Machinery, equipment and vehicles, net	72,781	67,253
Other, net	51,959	44,397
Total property, plant and equipment	176,093	161,334
Intangible assets		
Goodwill	161	—
Other	5,004	4,658
Total intangible assets	4,922	4,658
Investments and other assets		
Investments in securities	125,674	130,471
Other	25,720	26,514
Less allowance for doubtful receivables	(521)	(1,629)
Total investments and other assets	150,873	155,356
Total fixed assets	332,132	321,348
Total assets	**563,782**	**539,431**

Consolidated Balance Sheets (contd.)

Millions of yen, rounded down

	As of September 30, 2010	As of March 31, 2010
LIABILITIES		
Current Liabilities		
Trade notes and accounts payable	62,307	56,486
Short-term borrowings	73,865	74,004
Current portion of corporate bonds	20,000	—
Accrued income taxes	2,814	2,421
Allowance	3,773	3,649
Asset retirement obligations	4	—
Other	25,131	23,734
Total current liabilities	187,895	160,297
Non-current liabilities		
Corporate bonds	—	20,000
Long-term borrowings	72,665	71,394
Allowance	6,138	7,189
Asset retirement obligations	3,534	—
Other	12,909	2,453
Total non-current liabilities	95,247	101,038
Total liabilities	283,143	261,336
NET ASSETS		
Stockholders' equity		
Common stock	41,970	41,970
Additional paid in capital	35,591	35,590
Retained earnings	225,848	222,394
Treasury stock, at cost	(7,909)	(7,905)
Total stockholders' equity	295,501	292,048
Valuation and translation adjustments		
Unrealized gains (loss) on other securities	2,174	(1,013)
Deferred gains on hedges	3	(1)
Surplus on revaluation of land	192	192
Foreign currency translation adjustments	(27,320)	(22,013)
Total valuation and translation adjustments	(24,949)	(22,835)
Minority interests	10,087	8,881
Total net assets	280,638	278,094
Total liabilities and net assets	**563,782**	**539,431**

(2) Consolidated Statements of Income

Millions of yen, rounded down

	April 1 - September 30, 2010	April 1 – September 30, 2009
Net sales	227,054	180,770
Cost of sales	186,290	156,272
Gross profit	40,763	24,498
Selling, general and administrative expenses	28,146	25,600
Operating income (loss)	12,616	(1,101)
Non-operating income		
Interest income	59	109
Dividend income	704	745
Equity in earnings of affiliates	7,760	2,475
Other	991	865
Total non-operating income	9,516	4,195
Non-operating expenses		
Interest expense	1,055	1,139
Personnel expenses for seconded employees	1,850	1,622
Exchange losses	809	922
Other	1,140	2,001
Total non-operating expenses	4,856	5,686
Ordinary income (loss)	17,276	(2,592)
Extraordinary income		
Gain on sale of fixed assets	—	183
Total extraordinary income	—	183
Extraordinary losses		
Loss on appraisal of investments in securities	6,448	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,777	—
Impairment loss	551	518
Expenditure on environmental improvement measures	296	—
Bad-debt loss	—	364
Loss on business withdrawal	—	286
Total extraordinary losses	9,073	1,169
Net income (loss) before income taxes	8,202	(3,579)
Income taxes, etc.	1,174	(1,352)
Net income (loss) before minority interests	7,028	—
Minority interests in income (loss)	635	207
Net income (loss)	6,392	(2,433)

(3) Consolidated Statements of Cash Flows

Millions of yen, rounded down

	April 1 - September 30, 2010	April 1 - September 30, 2009
Cash flows from operating activities		
Net income before income taxes	8,202	(3,579)
Depreciation and amortization	13,830	13,689
(Gain) loss on disposal of property and equipment	211	(42)
Amortization of goodwill	49	(14)
Impairment losses	551	518
Equity in earnings of affiliates	(7,760)	(2,475)
Increase (decrease) in allowance for doubtful receivables	19	118
Increase (decrease) in reserve for retirement and severance benefits	304	232
Interest income and dividend income	(764)	(854)
Interest expenses	1,055	1,139
(Gain) loss on appraisal of securities and investment securities	6,451	—
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	(3,045)	(19,193)
(Increase) decrease in inventories	(2,379)	3,147
Increase (decrease) in trade notes and accounts payable	4,693	10,432
Increase (decrease) in consumer tax, etc.	(469)	286
Increase (decrease) in reserve for bonuses to directors and auditors	(124)	(119)
Other	(3,294)	(347)
Sub-total	19,605	2,938
Interest and dividends received	764	863
Dividends received from equity method affiliates	3,802	4,326
Interest paid	(1,146)	(1,177)
Income taxes paid	(1,393)	5,115
Net cash provided by operating activities	21,632	12,066
Cash flows from investing activities		
Purchase of short-term investments	(191)	(479)
Proceeds from sale of short-term investments	484	440
Purchase of fixed assets	(12,197)	(15,469)
Proceeds from sale of fixed assets	666	496
Purchase of investments in securities	(2,081)	(961)
Proceeds from sale of investments in securities	19	35
Other	125	262
Net cash used in investing activities	(13,174)	(15,674)

Consolidated Statements of Cash Flows(contd.)

Millions of yen, rounded down

	April 1 - September 30, 2010	April 1 – September 30, 2009
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(408)	(1,452)
Proceeds from long-term debt	3,640	2,469
Payments on long-term debt	(2,715)	(5,920)
Proceeds from minority shareholders' payment	377	—
Purchase of treasury stock	(4)	(8)
Dividends paid to stockholders	(1,808)	(3,616)
Dividends paid to minority stockholders of subsidiaries	(419)	(217)
Other	(271)	(59)
Net cash used in financing activities	(1,138)	(8,805)
Effect of exchange rate changes on cash and cash equivalents	564	32
Increase (decrease) in cash and cash equivalents	7,884	(12,381)
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	814
Cash and cash equivalents at the end of period	44,402	41,498

(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, amines, methacrylate derivatives, 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

Six-month period ended September 30, 2010 (April 1 – September 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	70,383	54,961	69,678	31,676	354	—	227,054
Inter-segment sales	1,868	471	2,292	333	55	(5,021)	—
Total	72,252	55,432	71,970	32,009	409	(5,021)	227,054
Segment income (loss) [Ordinary income（loss）]...........	3,727	(350)	8,865	4,990	961	(917)	17,276

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 ¥917 million segment loss adjustment consists of ¥816 million income in inter-segment sales, and ¥1,733 million loss 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. Impairment loss, goodwill amortization, etc. of fixed assets of segments

(Impairment loss on fixed assets)

In the six-month period under review, the Natural Gas Chemicals Company posted ¥205 million and the Aromatic Chemicals Company ¥346 million, both in impairment losses.

(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 half of the fiscal year ending March 31, 2011 is applied retroactively to the first half of the year ended March 31, 2010, revenue and earnings are calculated as follows.

Six-month period ended September 30, 2009 (April 1 – September 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	52,866	43,528	54,471	29,556	347	–	180,770
Inter-segment sales	2,263	590	898	4	103	(3,861)	–
Total	55,129	44,119	55,370	29,561	451	(3,861)	180,770
Segment income (loss) [Ordinary income（loss）]	(3,433)	(4,546)	3,540	2,618	713	(1,485)	(2,592)

(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.'