
Full-year Results Presentation

Fiscal Year 2006

The year ended March 31, 2007

This English translation contains modified extracts from a results presentation held on May 14, 2007. Forecasts contained in this material are based on information available at the time of presentation, and no commitment or guarantee is given that business policies will be implemented or target figures achieved.

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MITSUBISHI GAS CHEMICAL COMPANY, INC.

FY2006 Consolidated Results

(Billion yen)

	FY2006	FY2005	Change
Net sales	482.6	439.8	42.8
Operating income	42.2	39.0	3.2
Equity in earnings of affiliates	(23.2)	(15.1)	8.1
Ordinary income	61.7	50.4	11.3
Net income before tax	52.6	44.1	8.5
Net income	40.0	32.9	7.1
Interest-bearing debt	163.9	161.8	2.1
Total assets at end of period	610.0	564.5	45.5
Debt-equity ratio	0.58 times	0.64 times	(0.06) times
ROA (on an ordinary income basis)	10.5%	9.5%	1.0%

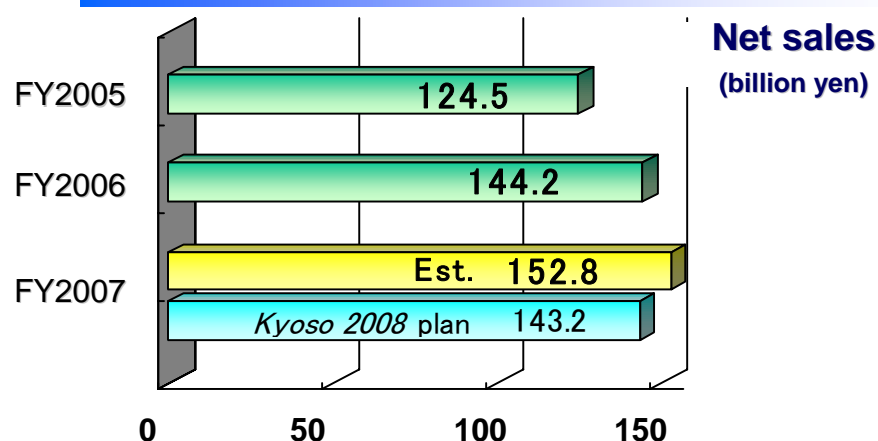
- Increased sales of products such as *m*-xylene derivatives, electronic chemicals, polycarbonate sheets and films, and electronic materials. Sales of *p*-xylene and phthalic anhydride decreased substantially due to operational reorganization.
- Main factors contributing to higher revenues were therefore price increases from passing on higher raw material and other purchase costs.
- Operating income rose ¥3.2 billion, due to higher fixed costs arising from periodic maintenance and repairs, and lower profitability on Coenzyme Q10.
- Earnings rose at methanol affiliates due to higher prices, and a special dividend received by Mitsubishi Engineering Plastics Corporation also contributed to much higher equity in earnings of affiliates.
- Extraordinary losses were ¥9.1 billion (cf. ¥6.3 billion in previous year). Depreciation of ¥8.8 billion was recorded as extraordinary loss on revision of residual value of fixed assets.

FY2006 Consolidated Results by Segment

(Billion yen)

	FY2006	FY2005	Change
Net sales	482.6	439.8	42.8
Natural Gas Chemicals	144.2	124.5	19.7
Aromatic Chemicals	134.7	130.2	4.5
Specialty Chemicals	143.1	125.0	18.1
Information & Advanced Materials	71.1	68.5	2.6
Other	1.1	1.4	(0.3)
Eliminations and Corporate	(11.6)	(9.8)	(1.8)
Operating income	42.2	39.0	3.2
Natural Gas Chemicals	2.5	5.4	(2.9)
Aromatic Chemicals	7.4	5.7	1.7
Specialty Chemicals	17.2	13.7	3.5
Information & Advanced Materials	14.5	13.5	1.0
Other	0.5	0.4	0.1
Eliminations and Corporate	0.1	0.3	(0.2)

Results & Forecasts: Natural Gas Chemicals



Fiscal 2006 results

➤ Methanol

Large increase in revenues with higher prices at start of year and sharp rise in 2H from problems at manufacturing sites of overseas industry participants. Equity in earnings of overseas methanol businesses also grew.

➤ Methanol & ammonia derivatives

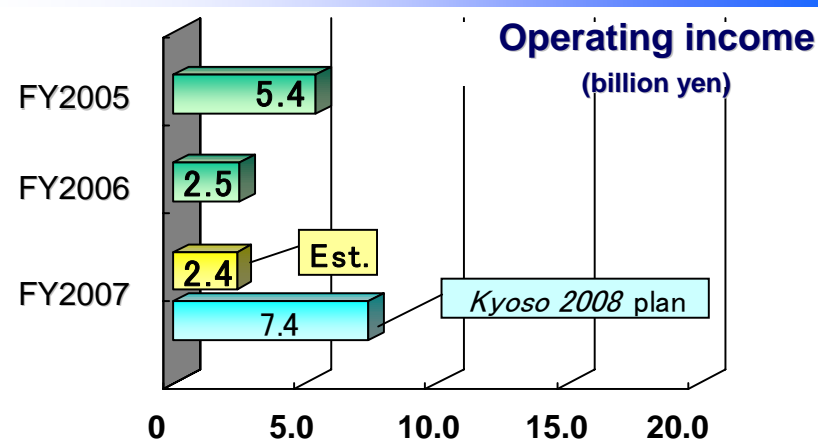
Strong demand, but operating income lower because of lower profitability on some products affected by higher methanol costs, increased fixed costs on regular maintenance and other items, and a change to accounting method for exploration costs.

➤ Enzymes & coenzymes

Increased volumes from competitors and downward pricing pressure from Chinese-made coenzyme Q₁₀ led to a decline in operating income.

➤ Natural gas & other energy

Robust performance with higher crude oil prices.



Fiscal 2007 forecast

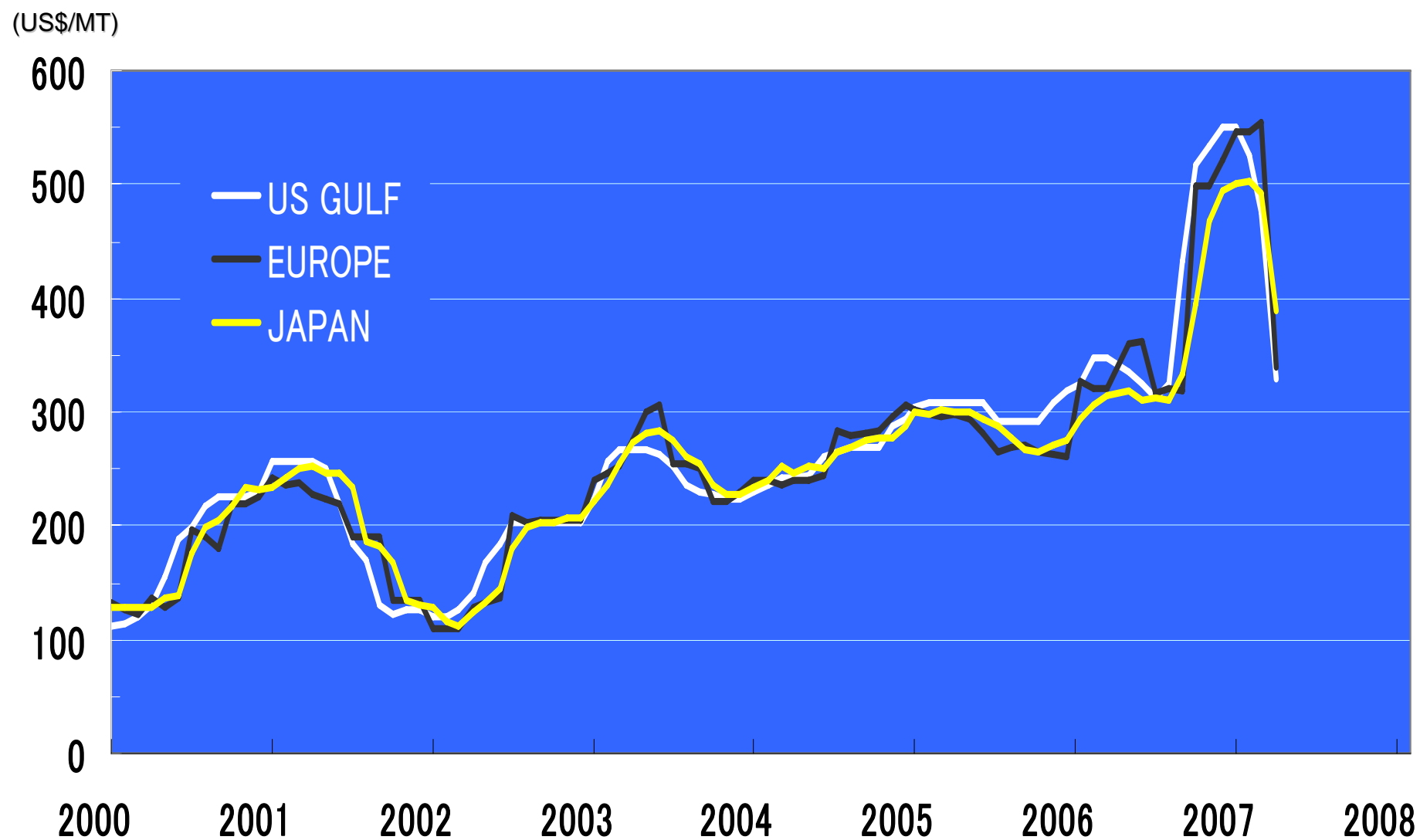
Market expected to ease despite continued strong demand in China and elsewhere, due to more plants coming on-stream. Equity in earnings of overseas methanol businesses forecast to dip below level of previous year.

Methanol prices expected to fall in 2H, along with lower regular maintenance costs, so operating income expected to improve. Planning to boost capacity for strong-performing neopentyl glycol. Methanol derivatives plant in Nanjing scheduled for completion September, with commercial output from November.

Environment for coenzyme Q₁₀ expected to remain tough.

Crude oil prices expected to be lower than in previous year.

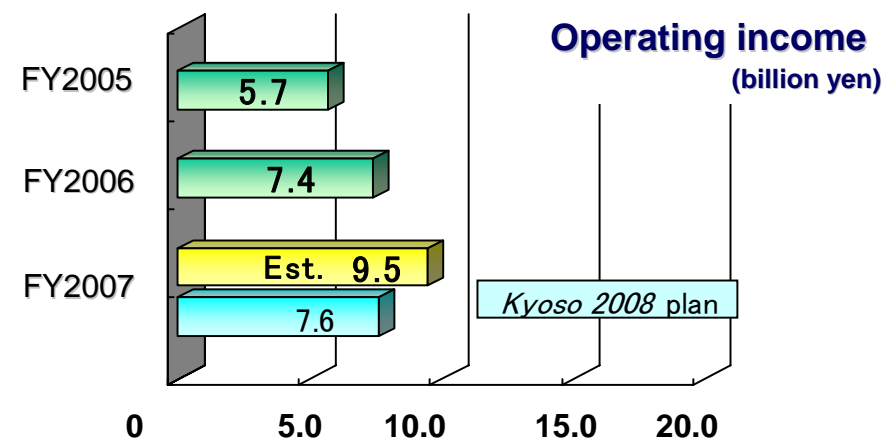
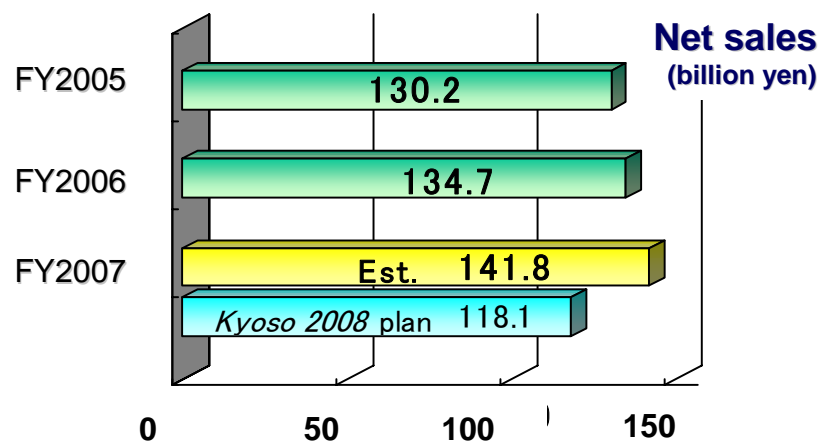
Trends in Methanol Prices



Development in the CAPEX & New Products Plans: Natural Gas Chemicals

- Overseas methanol plant construction and expansion plan status
 - Saudi Arabia: 1.7 million t/y; under construction for planned completion 1Q 2008
 - Venezuela: Decision made and planning now underway (850,000t/y, completion 3Q 2009)
 - Brunei: Decision made and planning now underway (850,000t/y, completion planned for 4Q 2009)
 - China (Chongqing): Feasibility study underway for 850,000t/y plant
- New facility under construction at Ling Tian (Nanjing) Fine Chemical Corporation
 - New facility DMF 40,000t/y, DMAC 10,000t/y due for completion 9/2007
- Neopentyl glycol to rise from 35,000t/y to 45,000t/y.
 - Completion mid-2007 for production within Mizushima plant
- Combined plant for new Polyol products SPG and DOG under construction (ready by 2/2008)
 - Main applications: SPG = antioxidant. DOG = UV curing resin material for electronics, optics
- Building new DME (dimethyl ether) facility (80,000t/y)
 - Commercial output from 6/2008 within Niigata plant
- Began commercial operation of coenzyme Q₁₀ plant expanded by 40t/y (10/2006)
 - Total capacity now at 70t/y in combination with existing MGC facility.
 - Developing additional Q₁₀ formats; water soluble type to be marketed from 2007
- New specialty amino acid facility within Niigata plant is under construction
 - Completion planned for 12/2007. Main applications in pharmaceutical intermediates.
- Pursuing early commercialization of pyrroloquinoline quinone (PQQ), an ingredient in health foods

Results & Forecasts: Aromatic Chemicals



Fiscal 2006 results

➤ Commodity aromatic chemicals

Despite price rises in line with higher raw material prices, revenue declined due to lower sales volumes of *p*-xylene, *o*-xylene, and phthalic anhydride from reorganization of operations.

➤ Specialty aromatic chemicals

Operating income declined slightly due to impact of high raw material prices, despite higher sales volumes of *m*-xylenediamine and Nylon-MXD6.

Sales volume increased at MGC Advanced Polymers. A. G. International Chemicals Co. sales and income grew substantially due to high global demand for purified isophthalic acid.

Fiscal 2007 forecast

In line with reorganization of the xylene business, *p*-xylene will be produced only for supply to PTA manufacturing company Mizushima Aroma Co.

High raw material and fuel prices remain a concern, but active promotion of *m*-xylenediamine and Nylon-MXD6 will be implemented.

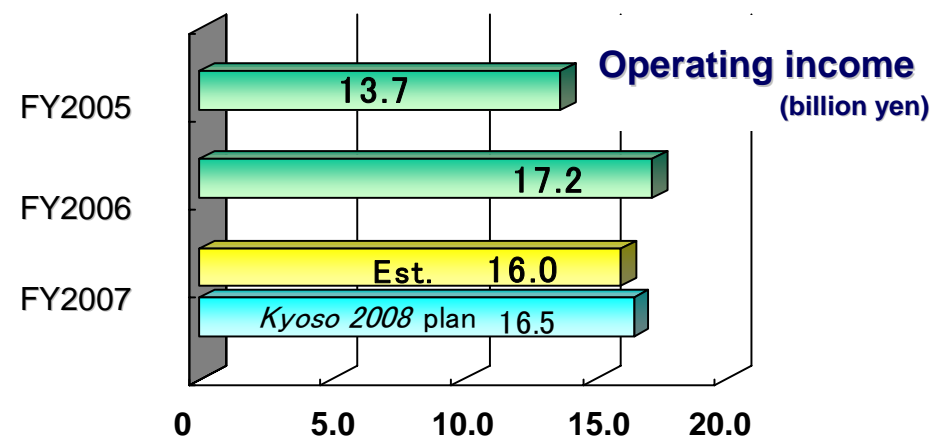
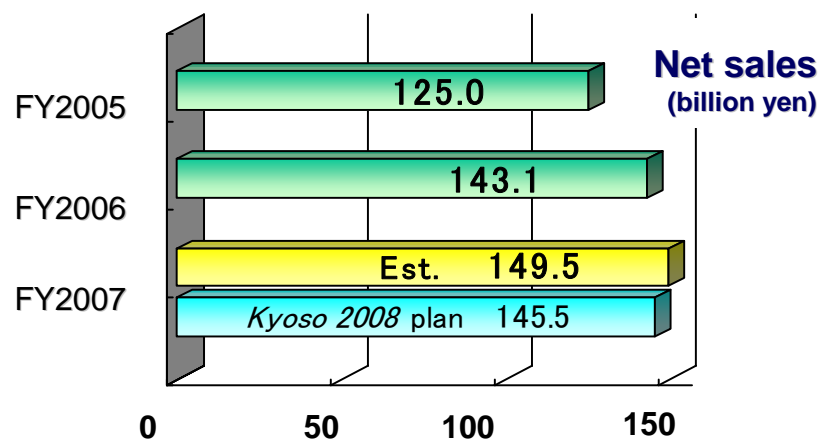
New plant producing *m*-xylenediamine will be complete in September. Full production at A. G. International Chemicals Co. will continue.

Development in the CAPEX & New Products Plans:

Aromatic Chemicals

- Increasing production of *m*-xylene and *m*-xylenediamine at Mizushima plant
Production from 120,000 → 140,000t/y beginning 3/2007. Further increase under consideration for 1Q 2009.
New production of *m*-xylenediamine of 20,000t/y, under construction with production to commence 9/2007.
- Increasing production of purified isophthalic acid at A. G. International Chemical Co.
New 100,000t/y facility under construction for completion in 2/2008., due to large expansion in pet bottle demand.
- New plant under construction for Neopulim® polyimide film (to open 6/2007)
New production of 5,000 m² per month at Hiratsuka R&D lab. Applications: transparent electrode substrates in electronic devices (electron paper, light sensors, solar cells.) Special properties include high heat resistance/transparency.
- Promoting market development of Gas Barrier Adhesives – MAXIVE
Applications: food packaging/ others. Special properties are gas barrier compatible adhesives.
- Promoting market development of a new damping material – Neofade
Applications: damping materials, sound-proof materials. Special properties are absorption of vibration.

Results & forecasts: Specialty Chemicals



Fiscal 2006 results

➤ Inorganic chemicals

Hydrogen peroxide sales volumes increased, but earnings fell on higher fuel prices. Revenue and operating income from lens monomers increased on higher sales volumes.

➤ Electronic chemicals

Strong sales to wafer makers and device manufacturers. Higher sales and operating income from increased sales volumes of ELM Clean to semiconductor and LCD makers.

➤ Engineering plastics

Higher raw material costs caused some reduction in profitability, but continued solid demand from major customers in the electronic and automotive industries lifted revenues. Higher volumes of PC sheets and films for flat panel displays, etc.

Fiscal 2007 forecast

Domestic market for hydrogen peroxide expected to tighten with tight supply and demand balance. Aiming to improve profitability.

Volumes expected to increase with growth of semiconductor and LCD market, but lower prices envisaged for some products.

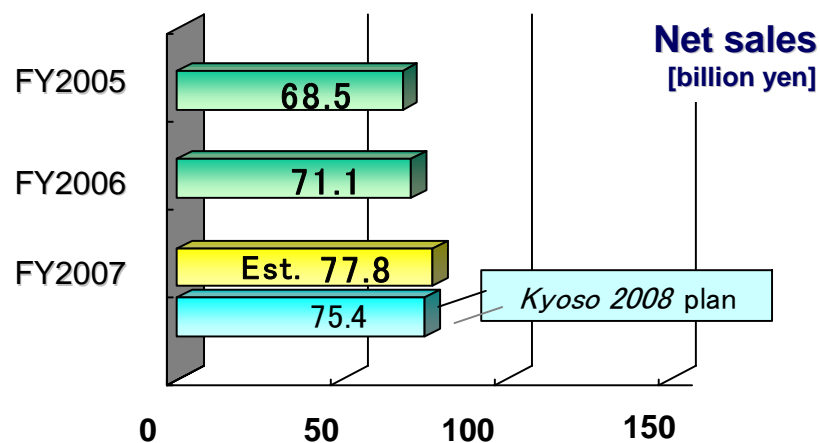
PC revenues expected to improve on strong demand despite higher prices of bisphenol A. POM envisaged declining assuming higher methanol prices. Strong demand for PC sheets and films but depreciation to increase.

Development in the CAPEX & New Products Plans:

Specialty Chemicals

- Conducting feasibility study for construction of new hydrogen peroxide plant in China
Chemical polishing fluids also to be included
- Boosted total PC production capacity
Kashima plant: 100,000t/y → 110,000t/y (6/2006); Thai Polycarbonate Co.: 140,000t/y → 160,000t/y (6/2006);
Feasibility study underway for new plant in Shanghai.
- Increased POM production capacity
Boosted production from 550,000 t/y → 600,000 t/y at Thai Polyacetal Co. (11/2006); Increased production by 8,000t/y at Korea Engineering Plastics Co. (7/2007)
- Boosting production of hard-coated PC sheets at MGC Filmsheet Co. plant in Osaka by 1,200t/y from 6/2007
- Establishing Sheet/Film center within Tokyo Development Center (7/2007)
- Completed construction of 50t/y plant for production of adamantane derivatives for photo-resist monomers in ArF excimer lasers. (7/2006)
- Completed construction of 300t/y plant for low dielectric constant resin oligo phenylene ether (OPE) (7/2006)
Main applications found in high-speed, high-frequency printed circuit boards
- Began sales of Pyrenees dental bleach (11/2006). Considering overseas development.
Developed as a highly safe and effective dental bleach by leveraging expertise in hydrogen peroxide

Results & forecasts: Information & Advanced Materials



Fiscal 2006 results

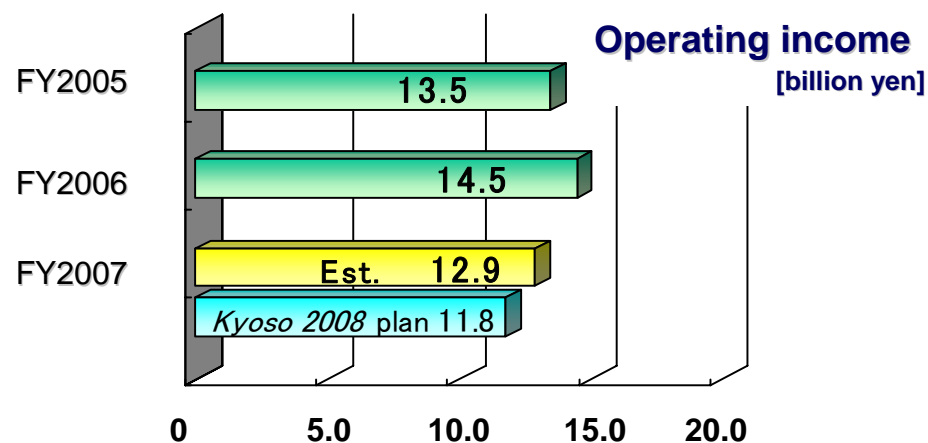
➤ **Electronic materials**

Higher raw material costs for copper foil and other items rose sharply but were covered by higher demand and price revisions and results improved. 2H volumes of BT materials for semiconductor packaging fell, but full-year sales volume rose slightly. Shift in epoxy resins to high-performance materials.

Good sales of LE sheets.

➤ **Oxygen absorbers**

Performance flat in products for domestic food makers amid tough competition. Good sales of non-food products and good export volumes to food makers. Plant expansion at AGELESS (Thailand) Co. was completed with partial commercial production from October.



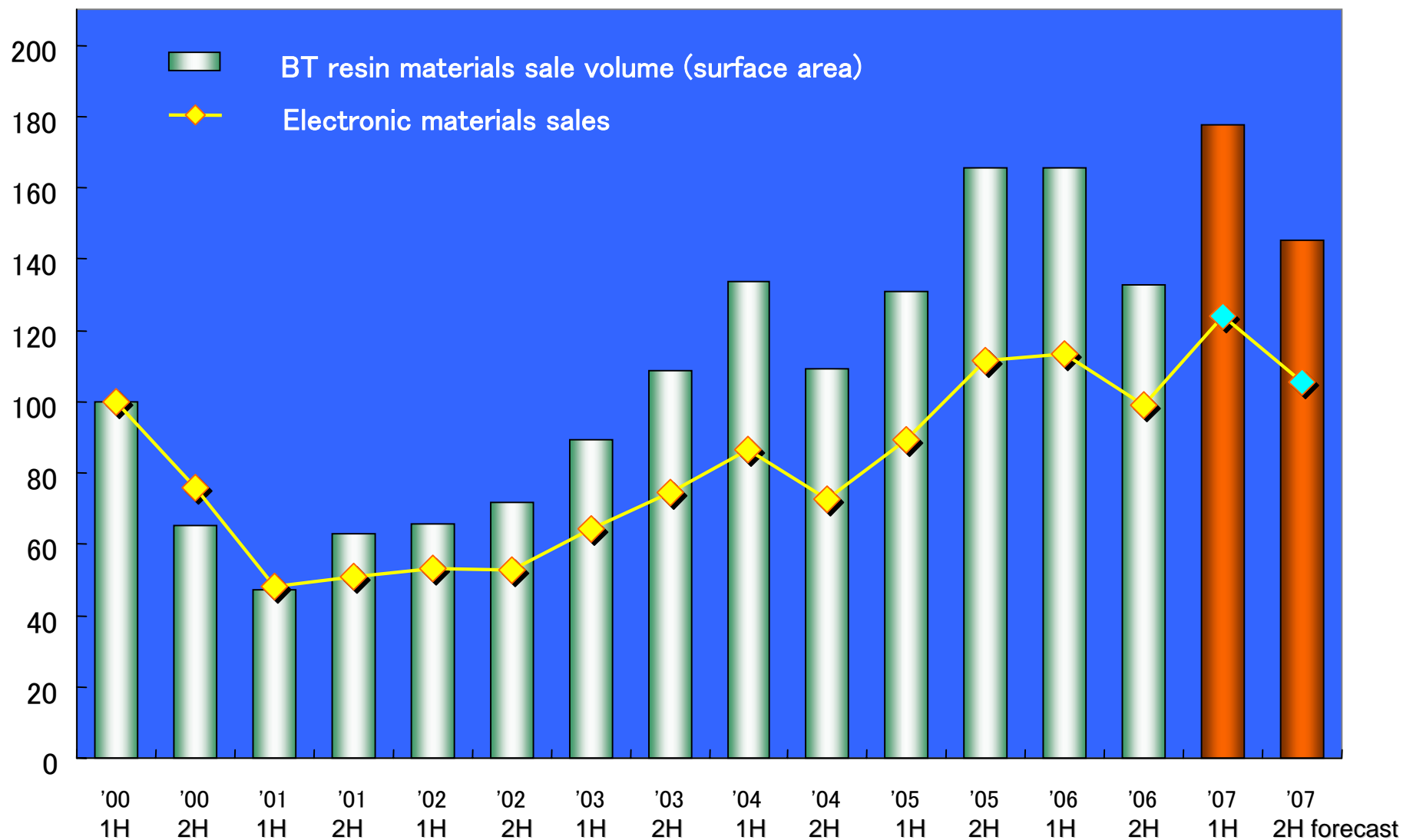
Fiscal 2007 forecast

BT resin sales volumes envisaged rising with growth of semiconductor market but prices may weaken. Higher volumes of LE sheets with expanding application. New Electrotechno Co. plant on line from October with commercial production planned for new year.

Full production at Ageless (Thailand) Co from April. Costs expected to ease but tougher competition in products for general foods market expected to lead to lower results year on year.

Trends in net sales of electronic materials and sales volumes of BT resin materials

Note: 1H of FY2000 is base 100



Consolidated forecasts for fiscal 2007

(Billion yen)

	FY2007 est.	FY2006	Change	Plan for FY2007 under <i>Kyoso 2008</i>
Net sales	510.0	482.6	27.4	471.9
Natural Gas Chemicals	152.8	144.2	8.6	143.2
Aromatic Chemicals	141.8	134.7	7.1	118.1
Specialty Chemicals	149.5	143.1	6.4	145.5
Information & Advanced Materials	77.8	71.1	6.7	75.4
Other/eliminations	(11.9)	(10.5)	(1.4)	(10.3)
Operating income	40.0	42.2	(2.2)	43.4
Natural Gas Chemicals	2.4	2.5	(0.1)	7.4
Aromatic Chemicals	9.5	7.4	2.1	7.6
Specialty Chemicals	16.0	17.2	(1.2)	16.5
Information & Advanced Materials	12.9	14.5	(1.6)	11.8
Other/eliminations	(0.8)	0.6	(1.4)	0.1
Equity in earnings of affiliates	20.0	23.2	(3.2)	12.7
Ordinary income	55.0	61.7	(6.7)	52.7
Income before tax	55.0	52.6	2.4	52.3
Net income	40.0	40.0	0	36.0

- Based on exchange rate of 115¥/US\$
- From 2007 parent company will change from straight line method to declining balance depreciation. Percentage rate for declining balance depreciation will also change. Depreciation costs will therefore change +¥4.5 billion, or +¥3.8 billion non-consolidated.
- Equity in earnings of affiliates expected to decline due to lower dividends received by Mitsubishi Engineering-Plastics Corp., with earnings from equity method methanol companies flat.
- Planned dividend for 2007 of ¥7 per share interim and ¥7 per share at year end.