Full-year Results Presentation
Fiscal Year 2008

The year ended March 31, 2009

and

New Medium-term Management Plan
MGC Will 2011

This English translation contains modified extracts from a results presentation held on May 11, 2009. 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.

FY2008 consolidated results

(*Billion yen*)

	FY2008	FY2007	Change	Change %
Net sales	447.6	519.3	(71.7)	(13.8%)
Operating income (loss)	(3.1)	47.4	(50.5)	-
Equity in earnings of affiliates	14.7	21.3	(6.6)	(31.0%)
Ordinary income	7.0	61.8	(54.8)	(88.7%)
Net income before tax	5.3	56.1	(50.8)	(90.6%)
Net income	7.0	40.2	(33.2)	(82.6%)

Debt-equity ratio	0.66	0.50	0.16	32.0%
ROA*	1.2%	10.2%	(9.0%)	(88.2%)
ROE	2.5%	13.7%	(11.2%)	(81.8%)
Net income per share (yen)	15.3	87.0	(71.7)	(82.4%)
Annual dividend (yen)	16.0	16.0	-	-

** Ordinary income base*

- Sales volumes fell significantly, impacted by the rapid drop in demand in the second half of the year
- Sales prices declined steeply overall, with increases in the first half from higher fuel and material costs offset by a rapid fall in the markets in the second half
- Non-consolidated net sales decreased ¥62.8 billion, comprising ¥51.6 bn in volume factors and ¥11.2 bn in pricing factors
- An operating loss was recorded, due to higher fixed costs for depreciation and maintenance, appreciation of the yen, and a ¥6.7 bn write-down of inventory book value, in addition to lower sales volumes
- Equity in earnings of affiliates declined, influenced mainly by worse results at Mitsubishi Engineering-Plastics corporation
- Extraordinary items improved by ¥4.0 bn
- Annual dividend was unchanged at ¥16 per share

Note: Throughout this presentation, all figures are rounded off to the nearest unit.

FY2008 consolidated results by segment

(Billion yen)

	FY2008			FY2007			Change		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	**269.2**	**178.4**	**447.6**	**250.6**	**268.7**	**519.3**	**18.6**	**(90.3)**	**(71.7)**
Natural Gas Chemicals	88.0	62.9	150.9	71.4	84.9	156.3	16.6	(22.1)	(5.5)
Aromatic Chemicals	79.3	42.8	122.1	71.4	73.8	145.2	7.9	(31.0)	(23.1)
Specialty Chemicals	72.6	53.8	126.4	74.4	79.5	153.9	(1.8)	(25.7)	(27.5)
Information & Advanced Materials	35.7	22.4	58.1	39.7	37.1	76.8	(4.0)	(14.8)	(18.8)
Other	0.6	0.5	1.1	0.5	0.6	1.1	0.1	(0.1)	0.0
Eliminations and Corporate	(6.9)	(4.0)	(10.9)	(6.8)	(7.2)	(14.0)	(0.1)	3.2	3.1
Operating income	**9.6**	**(12.7)**	**(3.1)**	**22.6**	**24.8**	**47.4**	**(13.0)**	**(37.5)**	**(50.5)**
Natural Gas Chemicals	0.9	(5.8)	(4.9)	0.4	2.9	3.3	0.5	(8.7)	(8.2)
Aromatic Chemicals	1.5	(8.9)	(7.4)	6.5	5.6	12.1	(5.0)	(14.4)	(19.4)
Specialty Chemicals	3.1	3.3	6.4	6.9	9.3	16.2	(3.8)	(6.0)	(9.8)
Information & Advanced Materials	4.2	(1.9)	2.3	8.6	6.6	15.2	(4.4)	(8.5)	(12.9)
Other	0.3	0.3	0.6	0.2	0.3	0.5	0.1	0.0	0.1
Eliminations and Corporate	(0.4)	0.3	(0. 1)	0.0	0.1	0.1	(0.4)	0.2	(0.2)

Note: In FY2008, the book value of inventory assets was written down to reflect reduced commercial value. As a result, a total of ¥6,7 bn was recorded as an operating expense, comprising: Natural Gas Chemicals: ¥1.0 bn; Aromatic Chemicals: ¥3.3 bn; Specialty Chemicals: ¥1.0 bn; Information & Advanced Materials: ¥1.3 bn

FY2008 non-operating and extraordinary items

(Billion yen)

	FY2008	FY2007	Change
Non-operating items	**10.1**	**14.4**	**(4.3)**
Equity in earnings of affiliates	14.7	21.3	(6.6)
Financing loss	(0.4)	(0.1)	(0.3)
Exchange rate loss	(1.3)	(3.7)	2.4
Other	(2.9)	(3.1)	0.1
Extraordinary income	**0.3**	**1.6**	**(1.3)**
Income from subsidies	0.3	-	0.3
Other	-	1.6	(1.6)
Extraordinary loss	**2.0**	**7.3**	**5.3**
Transfer to allowance for bad debts	1.1	-	(1.1)
Incident-related expenses	0.4	-	(0.4)
Loss on disposal of fixed assets	0.2	0.2	(0.0)
Loss on devaluation of investment securities	0.2	-	(0.2)
Other	0.0	7.1	7.1

- A transfer to allowance for bad debts of ¥1.1 billion, related to soil contamination litigation, was recorded as a pollution prevention operating expense

Note: Changes on this table are with respect to the amount of change on the statements of income

FY2008 consolidated balance sheets

MGC

(Billion yen)

	AS of March 31, 2009	As of March 31, 2008	Change	Comments
Current assets	**215.3**	**268.7**	**(53.4)**	
Cash	23.2	30.3	(7.1)	
Trade notes and accounts receivable	74.5	139.7	(65.2)	Decline reflects lower sales, etc.
Inventories	65.3	70.2	(4.9)	
Other	52.2	28.4	23.8	
Property, plant and equipment	**315.3**	**332.7**	**(17.4)**	Capex: ¥35.1 bn, Increase in consolidated subsidiaries: ¥5.3 bn, Depreciation: minus ¥28.9 bn, Translation loss on yen appreciation: minus ¥4.6 bn, Disposals, etc.: minus ¥2.1 bn
Tangible and intangible assets	169.5	164.7	4.8	
Investment securities	121.5	153.9	(32.4)	Decline reflects translation loss on yen appreciation, fall in markets at end of year, etc.
Other assets	24.2	14.1	10.1	
Total assets	**530.6**	**601.4**	**(70.8)**	
Liabilities	**258.5**	**289.4**	**(30.9)**	
Trade notes and accounts payable	40.3	85.1	(44.8)	Declined due to fall in raw material costs, reduced purchase volumes, etc.
Interest-bearing debt	174.6	150.6	24.0	
Other	43.6	53.6	(10.0)	
Net assets	**272.1**	**312.0**	**(39.9)**	Shareholders' equity ratio 3/2009: 49.9%; 3/2008: 50.3%
Shareholders' equity	291.7	295.3	(3.6)	
Valuation and translation adjustments	(26.8)	7.0	(33.8)	Declined due to translation loss on yen appreciation, fall in markets at end of year, etc.
Minority interests	7.2	9.7	(2.5)	
Total liabilities and net assets	**530.6**	**601.4**	**(70.8)**	

FY2008 consolidated cash flows

(Billion yen)

	FY2008	FY2007	Change
Operating activity cash flows （a）	**49.0**	**40.4**	**8.6**
Net income before tax	5.3	56.1	(50.8)
Depreciation expenses	28.9	24.5	4.4
Equity in earnings of affiliates	(14.7)	(21.3)	6.6
Dividends received from equity method affiliates	15.4	-	15.4
Working capital, etc.	25.8	(5.2)	31.0
Income taxes paid	(11.7)	(13.7)	2.0
Investing activity cash flows（b）	**(41.3)**	**(20.9)**	**(20.3)**
Capital expenditure	(36.9)	(32.7)	(4.2)
Investment and financing, etc.	(4.3)	11.8	(16.1)
Financing activity cash flows−	**11.5**	**(22.3)**	**33.8**
Change in borrowings and bonds	19.5	(14.2)	33.7
Dividends paid	(7.9)	(8.1)	0.1
Effect of exchange rate changes on cash and cash equivalents	(3.9)	(1.8)	(2.0)
Increase (decrease) in cash and cash equivalents	**15.4**	**(4.6)**	**20.1**
Increase due to change in scope of consolidation	0.4	0.6	(0.2)
Cash and cash equivalents at end of year	**53.1**	**37.2**	**15.8**

- From FY2008, dividend income received from equity method affiliates has been moved from investment activity cash flow to operating activity cash flow. The dividend amount received from equity method affiliates in FY2007 was ¥18.1 billion.

Natural Gas Chemicals

(Billion yen)

	FY 2007 Results			FY 2008 Results			FY 2009 forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	71.4	84.9	**156.3**	88.0	62.9	**150.9**	55.0	61.0	**116.0**
Operating income	0.4	2.9	**3.3**	0.9	(5.8)	**(4.9)**	(2.5)	(0.0)	**(2.5)**

Fiscal 2008 results

➢ Methanol

The market fell sharply with lower global demand in the second half, with lower average prices and a decrease in sales and earnings. Equity in earnings also decreased, affected by yen appreciation and other factors.

➢ Methanol and ammonia derivatives

Sales and earnings declined, with margin improvement from a fall in methanol price offset by higher repair costs at the Niigata plant and higher new gas field exploration costs, along with lower sales volumes in the second half.

➢ Enzymes and coenzymes

Earnings increased, with lower average prices for coenzyme Q10 over the period offset by higher volumes and a reduction in fixed costs

➢ Natural gas and other energy

Earnings increased due to high prices through the first half.

Fiscal 2009 forecast

Sales expected to decline, with prices at around $200 compared to $370 in the previous year. Equity in earnings forecast to fall to one third due to the weaker market.

An operating loss is forecast, with depreciation and other factors offsetting benefits from a fall in methanol price.

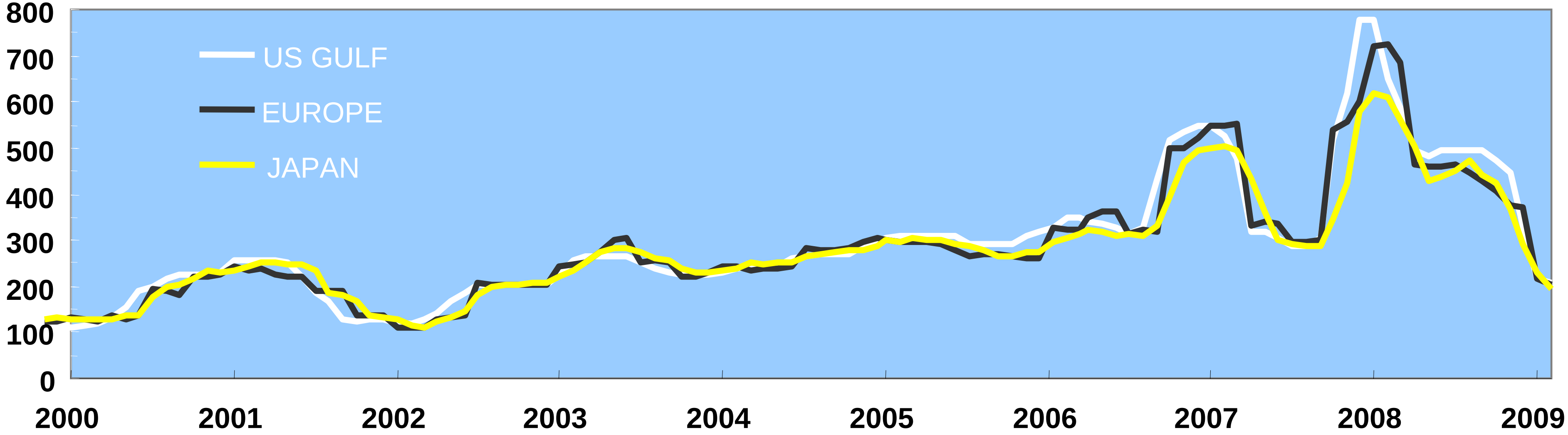
Expected to improve year on year from higher volumes

Significant fall in earnings expected with decline in oil price

Trends in methanol prices:

Natural Gas Chemicals

(US$/MT)



Outlook for 2009

Supply and demand trends: In demand, although demand for fuel applications in China is relatively steady, global demand will see a weak recovery trend. In supply, Petronas in Malaysia (1.7 million t/y) commenced operation of a new facility (1.7million t/y) in March and an Iranian plant (1.7 million t/y) is also expected to start within the year, resulting in concern about further softness of supply and demand. Most coal-based plants in China are currently suspended and likely to remain in a cycle of restarting and suspension in response to market movements.

⇒ **Price trends:** Market prices are expected to move within the $200-250 range, reflecting the regulating effect of coal-based plants' operation in China.

Aromatic Chemicals

(Billion yen)

	FY 2007 Results			FY 2008 Results			FY 2009 forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	71.4	73.8	**145.2**	79.3	42.8	**122.1**	47.8	51.5	**99.3**
Operating income	6.5	5.6	**12.1**	1.5	(8.9)	**(7.4)**	0.1	2.1	**2.3**

Fiscal 2008 results

- **Meta-xylene products**

Sales volumes of Meta-xylene diamine (MXDA) and MX Nylon increased, but earnings fell due to higher depreciation costs on MXDA and the impact of yen appreciation.

Earnings from purified isophthalic acid fell considerably as a result of a fall in prices from oversupply in the market, along with lower sales volumes and yen appreciation.

- **Specialty aromatics**

Sales and earnings decreased, impacted by lower sales volumes of aromatic aldehydes, pyromellitic acid and pyromellitic dianhydride along with yen appreciation.

Note: In FY2008, an operating expense of ¥3.3 billion was recorded due to write-down of inventory assets primarily relating to meta-xylene.

Fiscal 2009 forecast

Earnings from MXDA and MX Nylon are expected to increase, supported by higher sales volumes, reduced depreciation costs, and lower raw material costs.

Earnings from purified isophthalic acid are expected to recover to reach operating profitability, supported by lower raw material costs and price revisions to improve profitability.

Higher sales and earnings are expected, supported by higher sales volumes of aromatic aldehydes, pyromellitic acid and pyromellitic anhydride.

Specialty Chemicals

(Billion yen)

	FY 2007 Results			FY2008 Results			FY 2009 forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	74.4	79.5	**153.9**	72.6	53.8	**126.4**	55.7	61.1	**116.8**
Operating income	6.9	9.3	**16.2**	3.1	3.3	**6.4**	2.3	3.6	**5.9**

Fiscal 2008 results

➢ Inorganic chemicals for industrial use

Sales and earnings declined, with price revisions for hydrogen peroxide offset by a significant fall in demand in the second half.

➢ Electronic chemicals

Sales and earnings decreased, with solid performance in the first half offset by a sharp decline in sales volumes in the second half.

➢ Engineering plastics

Although sales and earnings of POM at the manufacturing subsidiary in Thailand were relatively steady, sales volumes of PC fell considerably in the second half. Sales volumes of PC sheets and films for use in flat display panels declined, and sales and earnings both declined significantly.

Fiscal 2009 forecast

Although sales volumes of hydrogen peroxide are expected to improve only slightly, earnings are forecast to improve due to the full-year contribution of price revisions introduced in the previous year.

Earnings are expected to decline due to lower sales volumes and higher depreciation costs.

Sales and earnings are expected to decline, with lower sales volumes and prices for POM and lower prices for PC offsetting volume recovery for certain PC products.

Sales and earnings for PC sheets and films are forecast to increase, supported by higher sales volumes of hard coat sheet for LCD displays.

Information & Advanced Materials

(Billion yen)

	FY 2007 Results			FY 2008 Results			FY 2009 forecast		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	39.7	37.1	**76.8**	35.7	22.4	**58.1**	27.2	32.8	**60.0**
Operating income	8.6	6.6	**15.2**	4.2	(1.9)	**2.3**	0.1	2.3	**2.5**

Fiscal 2008 results

➢ Electronic materials

In BT materials, sales and earnings declined significantly, impacted by a sharp second half decline in demand for semiconductor packaging applications for mobile phones and memory following weakness in the first half, along with higher depreciation. Sales and earnings from LE sheets also declined.

At Japan Circuit Industrial Co., Ltd., sales and earnings declined significantly as a result of lower CSP sales volumes, yen appreciation and other factors.

➢ Oxygen absorbers

Results were in line with the previous year, amid intense competition in products for the food industry.

Fiscal 2009 forecasts

Although sales volumes of BT materials are expected to be in line with the previous year, sales prices are expected to fall, influenced by a weak semiconductor market, a strong yen and intense competition. Sales volumes of high-performance epoxy materials and LE sheets are expected to increase.

At Japan Circuit Industrial, performance is expected to improve as a result of a recovery in sales of high added value products and a reduction in fixed costs.

The tough competitive environment is expected to continue.

Trends in electronic materials net sales and world semiconductor market

Information and Advanced Materials

	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09 (est.)
Electronic materials net sales	100.0	56.4	60.2	78.9	90.6	114.3	120.9	135.4	90.9	93.9
World semiconductor market scale	100.0	68.0	68.9	81.4	104.2	111.3	121.2	125.1	—	—

FY2009 consolidated full-year forecast

(Billion yen)

	FY 2009 Forecast	FY 2008 Results	Change	Change %
Net sales	380.0	447.6	(67.6)	(15.1%)
Operating income (loss)	8.0	(3.1)	11.1	-
Equity in earnings of affiliates	6.0	14.7	(8.7)	(59.2%)
Ordinary income	7.0	7.0	0.0	0.4%
Net income before tax	7.0	5.3	1.7	32.7%
Net income	6.0	7.0	(1.0)	(14.5%)

Debt-equity ratio	0.64	0.66	(0.02)	(3.0%)
ROA*	1.3%	1.2%	0.1%	8.3%
ROE	2.3%	2.5%	(0.2%)	(8.0%)
Net income per share (yen)	13.3	15.3	(2.0)	(13.1%)
Annual dividend (yen)	12.0	16.0	(4.0)	(25.0%)

** Ordinary income basis*

- Assumed exchange rate of ¥90=US$1
- Sales volumes are expected to be in line with the previous year, but prices are expected to fall significantly. As a result, net sales are forecast to decrease by ¥67.6 billion to ¥380.0 billion.
- Operating income is forecast to improve by ¥11.1 billion to ¥8.0 billion, supported by improvement in profitability of aromatic chemicals, isophthalic acid, polycarbonate sheet film and other products, along with the absence of inventory asset write-downs that impacted the previous year's results.
- Equity in earnings, primarily of overseas methanol affiliates, is forecast to decline by ¥8.7 billion, with ordinary income largely flat at ¥7.0 billion.
- Extraordinary items are forecast to improve by ¥1.7 billion.
- Forecast interim and year-end dividend is ¥6 per share respectively.

FY2009 consolidated forecasts by segment

(Billion yen)

	FY 2009 forecast			FY 2008 Results			Change		
	1H	2H	FY	1H1	2H	FY	1H	2H	FY
Net sales	**180.0**	**200.0**	**380.0**	**269.2**	**178.4**	**447.6**	**(89.2)**	**21.6**	**(67.6)**
Natural Gas Chemicals	55.0	61.0	116.0	88.0	62.9	150.9	(33.0)	(1.9)	(34.8)
Aromatic Chemicals	47.8	51.5	99.3	79.3	42.8	122.1	(31.5)	8.7	(22.7)
Specialty Chemicals	55.7	61.1	116.8	72.6	53.8	126.4	(16.9)	7.3	(9.7)
Information & Advanced Materials	27.2	32.8	60.0	35.7	22.4	58.1	(8.5)	10.4	2.0
Other	0.5	0.6	1.1	0.6	0.5	1.1	(0.1)	0.1	0.0
Eliminations and Corporate	(6.3)	(7.0)	(13.3)	(6.9)	(4.0)	(10.9)	0.6	(3.0)	(2.4)
Operating income	**0.0**	**8.0**	**8.0**	**9.6**	**(12.7)**	**(3.1)**	**(9.6)**	**20.7**	**11.1**
Natural Gas Chemicals	(2.5)	(0.0)	(2.5)	0.9	(5.8)	(4.9)	(3.4)	5.8	2.3
Aromatic Chemicals	0.1	2.1	2.3	1.5	(8.9)	(7.4)	(1.4)	11.0	9.6
Specialty Chemicals	2.3	3.6	5.9	3.1	3.3	6.4	(0.8)	0.3	(0.5)
Information & Advanced Materials	0.1	2.3	2.5	4.2	(1.9)	2.3	(4.1)	4.2	0.2
Other	0.1	0.2	0.3	0.3	0.3	0.6	(0.2)	(0. 1)	(0.3)
Eliminations and Corporate	(0.1)	(0.3)	(0.4)	(0.4)	0.3	(0.1)	0.3	(0.6)	(0.3)

For reference:

Earnings in equity affiliates	**2.0**	**4.0**	**6.0**	**10.8**	**3.9**	**14.7**	**(8.8)**	**0.1**	**(8.7)**

Dividends

		FY 2009 Forecast	FY 2008 Results	FY 2007 Forecast
Dividend per share	Interim period	¥6.0	¥8.0	¥8.0
	End of period	¥6.0	¥8.0	¥8.0
	Total	**¥12.0**	**¥16.0**	**¥16.0**
Total dividend payments	Interim period	¥2.7 bn	¥3.7 bn	¥3.7 bn
	End of period	¥2.7 bn	¥3.6 bn	¥3.7 bn
	Total	**¥5.4 bn**	**¥7.3 bn**	**¥7.4 bn**
Net income per share	**End of period**	**¥13.27**	**¥15.30**	**¥87.01**
Consolidated payout ratio	**Total**	**90.4%**	**104.6%**	**18.4 %**

New Three-Year Medium-term Management Plan

MGC Will 2011

Mitsubishi Gas Chemical Company, Inc.

May 11, 2009

Review of previous plan *Kyoso 2008*

- Shifted focus to growth
- Actively invested in Japan and overseas at level higher than depreciation
- Achieved target with record earnings in FY2006—2007
- Lost growth momentum in final year of plan due to impact of global economic downturn

Billion yen

	Kyoso 2008 quantitative targets	FY2006	FY2007	FY2008
Net sales		**482.6**	**519.3**	**447.6**
Operating income		**42.2**	**47.4**	**(3.1)**
Ordinary income	55.0	**61.7**	**61.8**	**7.0**
Net income		**40.0**	**40.2**	**7.0**
ROA* (%)	9.0 plus	**10.5**	**10.2**	**1.2**
D/E ratio	Below 0.6	**0.58**	**0.50**	**0.66**

* Total assets / ordinary income

- Strengthened presence in growing Asian market
- Concentrated resources in key areas

Main new manufacturing plants:
- Methanol (Saudi Arabia, Venezuela, Brunei)
- Amines, hydrogen peroxide (China)
- Electronic chemicals (South Korea, Taiwan, Singapore)
- Meta-xylenediamine (Mizushima), purified isophthalic acid (Matsuyama)
- Polycarbonate (Kashima, Thailand), electronic materials (Shirakawa, Yonezawa), etc.

Business reorganization, rationalization, withdrawal:
- Paraxylene, commodity epoxy materials, 2,6 Xylenol, etc.

- Accelerated development of new products groups

Main new product plants:
- Adamantane derivatives, oligo-phenylene ether (Yokkaichi), specialty amino acid, fuel-grade dimethyl ether (Niigata), high heat-resistant transparent polyimide film (Hiratsuka), etc.
- Opened Sheet Film Tokyo R&D center

- Strengthened management foundation
- Structural initiatives to enhance group management
- Launched *Zero Accidents* project
- Established marketing company in Shanghai, China

Determining "The desired MGC Group in 2021"

- ► Given the increasingly uncertain economic outlook and intensifying global competition, we cannot expect to achieve strong growth with a management plan that covers only the next few years.
- ► We therefore considered changes in the overall social and business environment from a long-term point of view, involving the entire MGC group.
- ► Through this process, we reached a strong consensus on what kind of company MGC Group should aim to become by 2021.

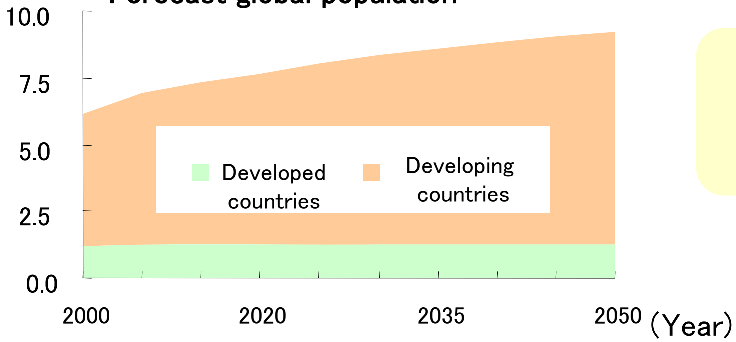
Growth potential in the chemical industry

- The chemical industry provides critical support for social development
- Business growth opportunities will remain for as long as populations grow and humans pursue better lifestyles

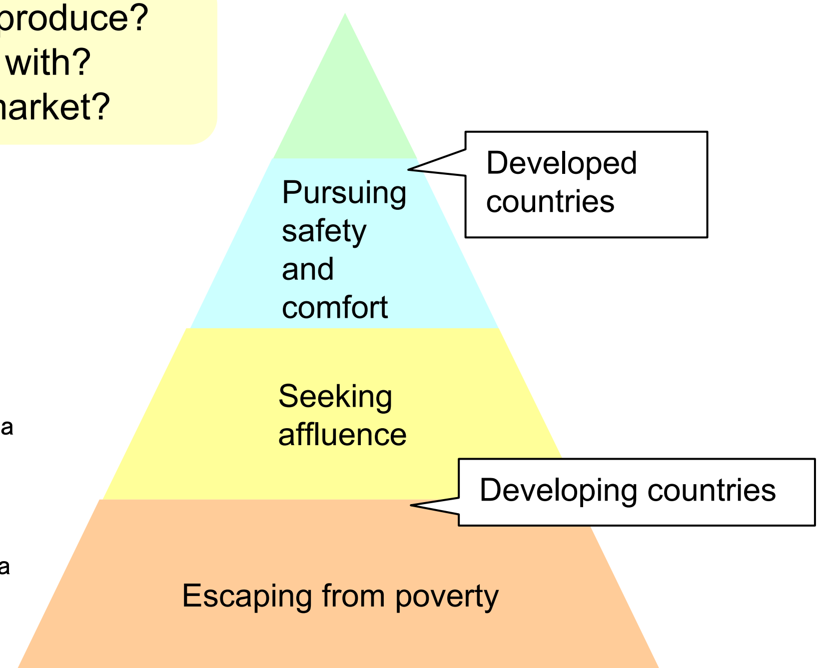
- People in developing countries look to escape from poverty; those in developed countries seek safety and comfortable lifestyle
- In growing populations, growth can be expected in demand for the basic materials of social infrastructure; in aging (wealthy) populations, growth is in high added value materials

(Population in billions)

Forecast global population

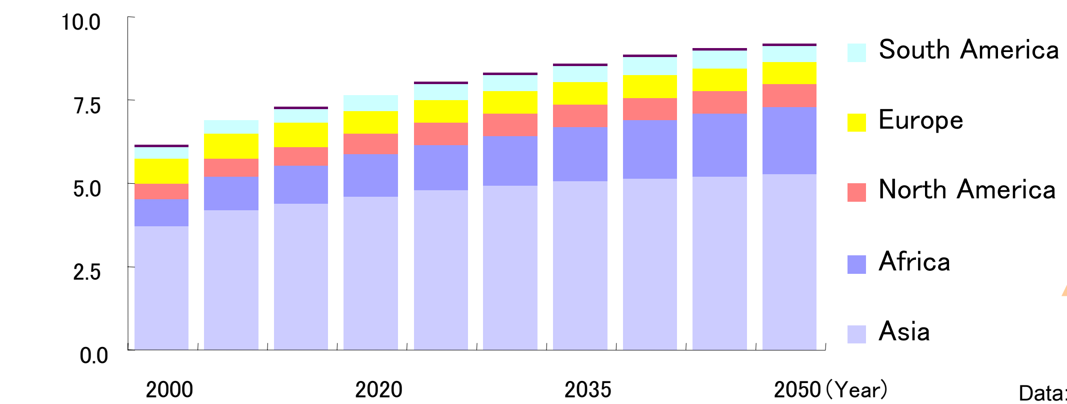


What should we produce?
Where? Who with?
Where is the market?



Forecast population by region

(Population in billions)



Data: MIC

The desired MGC Group in 2021

Note: 2021 will be MGC's 50th anniversary

- ► Trusted by society and realizing CSR in all corporate activities
- ► Sales exceeding ¥1 trillion, and ranked in the Global Top 30 chemical manufacturers
- ► Highly profitable and research driven, achieving global excellence

Positioning of new management plan

Aiming to produce sustainable growth as a highly differentiated, widely recognized chemicals group operating from a strong platform of proprietary technology

The desired MGC Group in 2021, ranked in the Global Top 30

Sales exceeding ¥1 trillion

MGC Will 2011
(FY2009—2011)

*2021 will be MGC's 50th anniversary

Kyoso 2008
(FY2006—2008)

First stage toward the desired MGC Group of 2021

- Shifted focus to growth
- Invested actively in Japan and overseas
- Achieved record earnings in FY2006 and 2007
- Lost growth momentum in FY2008 with impact of global recession

MGC Will 2011

New medium-term management plan for FY2009—2011

GROUP VISION

MGC aims to realize CSR in all its activities while developing and growing sustainably on a global stage as a highly differentiated, widely recognized chemicals group operating from a strong platform of proprietary technology

BASIC STRATEGIES

The use of the word 'will' in the title of the plan expresses the strong intention throughout the Group of achieving MGC's aims

1) Strengthen and expand core businesses

① Adopt differentiation strategies tailored to each business
② Concentrate resources in "Growth businesses" and "Superior Businesses"

2) Accelerate new product development and commercialization

① Focus on growth sectors:
IT electronics, the environment and energy, life sciences, food and packaging materials
② Closely align technologies with market needs
③ Strengthen the chemical chain by developing and adopting new processes
④ Mobilize Group R&D resources to create synergies
⑤ Enhance utilization of MGC's technology platform

3) Improve total enterprise quality in support of sustainable growth

① Achieve zero accidents and disasters, and contribute to reduced environmental impact
② Recruit and foster capable personnel
③ Reduce costs, improve productivity and fine-tune existing technologies
④ Construct a stronger financial foundation
⑤ Enhance global group management

Differentiation strategies tailored to each business

- MGC's operations encompass an extensive product range, from basic chemicals through to functional materials. We are now classifying these into two groups:
  - Chemical chain (basic chemicals and their derivatives)
  - High performance (specialty chemicals and functional materials)
- We aim to strengthen and expand MGC's core business by pursuing a differentiation strategy tailored to each business

Chemical chain

- **Recognized as products from upstream basic chemicals to downstream derivatives that form a chemical chain**
- **Aiming to strengthen both upstream and downstream products**

High performance

- **Specialty chemicals and functional materials with high added value that can contribute significantly to future earnings**
- **Positioning as a growth driver and concentrating Group resources**

CHEMICAL CHAIN

Chain	Products	Sales (billion yen) 2009 plan	→	2011 plan
Methanol chain	Methanol, formalin, fuel-use DME, neopentylglycol, spiroglycol, methyl methacrylates, esters, polyacetal	¥63.0	→	¥118.0
Meta-xylene chain	Meta-xylene, purified isophthalic acid, meta-xylene diamine, 1,3-Bis (aminomethyl) cyclohexane, nylon MXD6, MAXIVE®, damping materials, hydrogenated products	¥56.0	→	¥91.0
Polycarbonate chain	Polycarbonate, specialty polycarbonate, PC hard coated sheet and film, PC polarizer sheet	¥52.0	→	¥59.0
Hydrogen peroxide chain	Hydrogen peroxide, hydrazine, super-pure hydrogen peroxide, chemical polishing solutions, peracetic acid, water treatment agents	¥22.0	→	¥27.0

High performance

Natural gas chemicals:

SPG-PET, Optimas®

Specialty cyanates

Q10 /PQQ/ specialty amino acids

Specialty chemicals:

HBC (hybrid chemicals) for SiLSI, FPD and PWB

Adamantane derivatives

OPE, lens monomer

Polycarbonate

PC hard coated sheet & film

PC polarizer sheets, specialty PC

Polyacetal

Information & Advanced materials:

BT materials, LE sheets,

High-performance epoxy materials, Ageless®

PharmaKeep®, RP system

Aromatic chemicals:

MXDA & 1.3BAC

Nylon MXD6, aromatic aldehydes

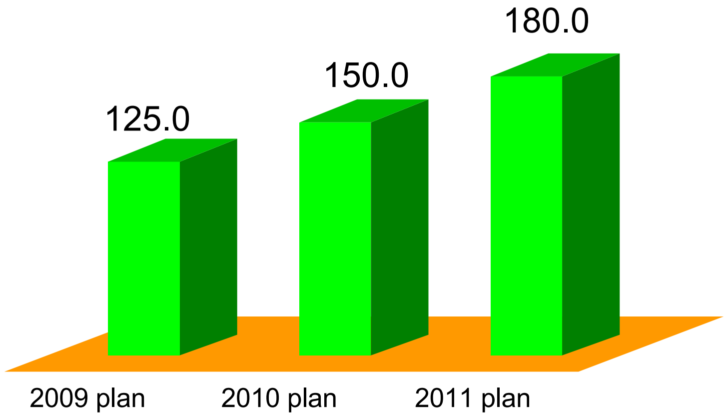
hydrogenated products,

specialty polyesters,

high heat-resistant transparent polyimide film,

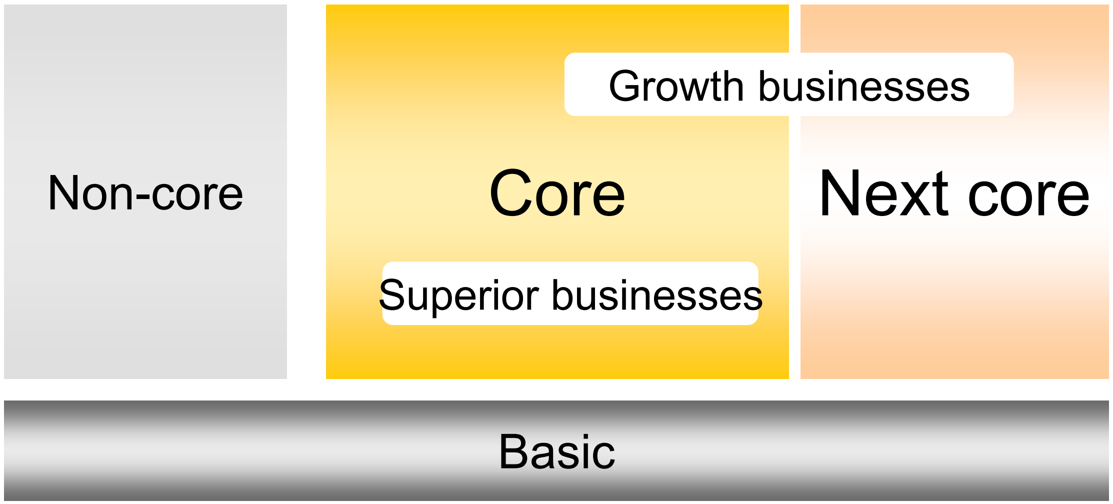
ND family, AR

High performance sales plans (billion yen)



Strengthening and expanding core businesses

▶ Reorganizing business portfolio



Core	Already contributing strongly to sales and earnings, and able to grow further
Next core	Products that can be developed to become core
Basic	Basic items to support core and next core products
Non-core	Currently making low contribution to earnings and with little prospect for major growth

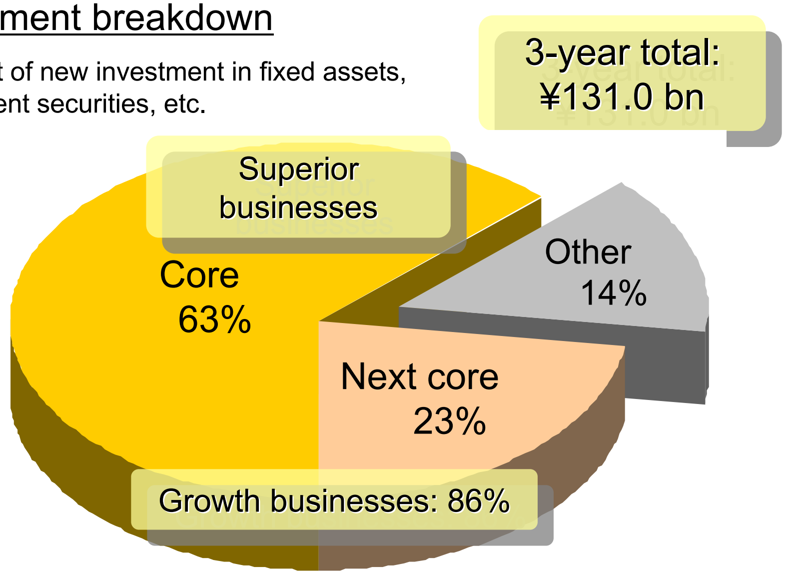
▶ Main core and next core products by segment

	Natural gas chemicals	Aromatic chemicals	Specialty chemicals	Information & advanced materials
Core	Methanol, NPG, MMA, esters	MXDA&1.3BAC Nylon MXD6, aromatic aldehydes	Hydrogen peroxide, super-pure hydrogen peroxide, HBC (hybrid chemicals) Polycarbonate, polyacetal, PC hard coated sheet & film	BT materials, LE sheet, High-performance epoxy materials, Ageless®
Next core	SPG-PET, Optimas®, specialty amino acids	Polyimide film, Napthalenedicarboxylic acid	Specialty PC, lens monomer, adamantane derivatives, OPE	PharmaKeep®, RP systems, Anaero Pack®

Concentrating resources in growing and superior businesses

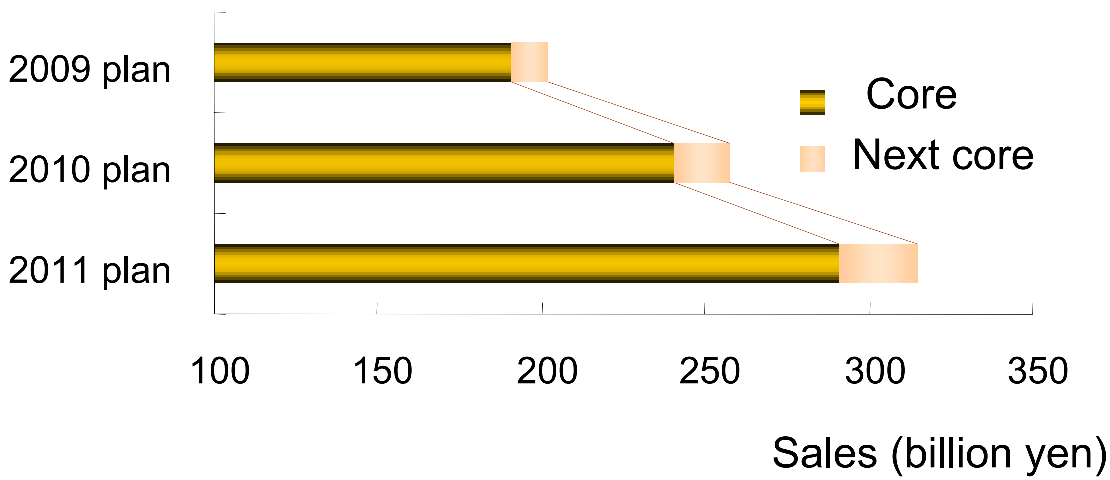
FY2009-2011 consolidated investment breakdown

*Amount of new investment in fixed assets, investment securities, etc.



Main investment plans

- Secure new methanol production base (outside Japan)
- Expand spiroglycol plant (Mizushima)
- Expand meta-xylene plant (Mizushima)
- HBC (hybrid chemical) plant (outside Japan)
- New polycarbonate company (Shanghai, China)
- Expand polyacetal plant at subsidiary (Thailand)
- Establishment of Tokyo Techno Park (Tokyo Techno-Center, Tokyo Research Laboratory)

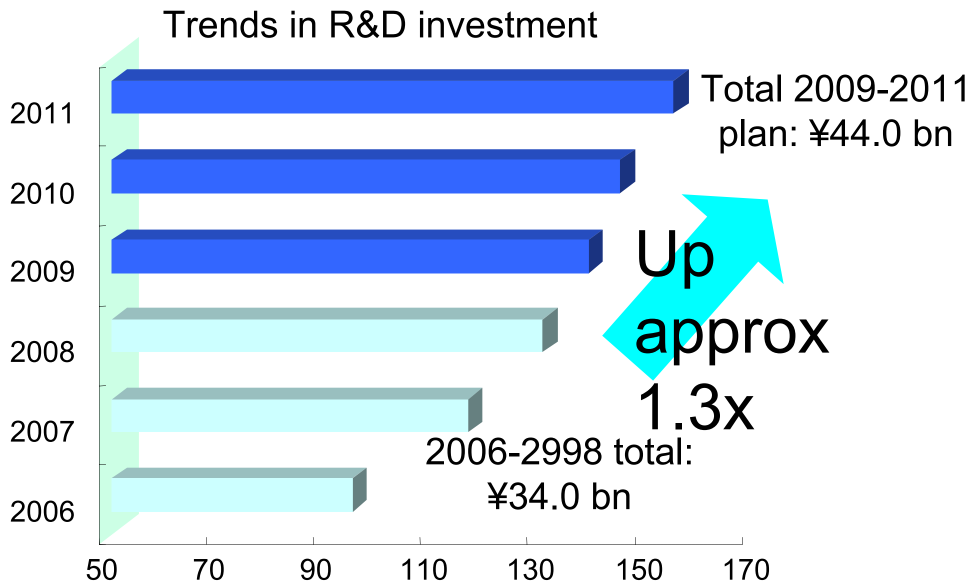


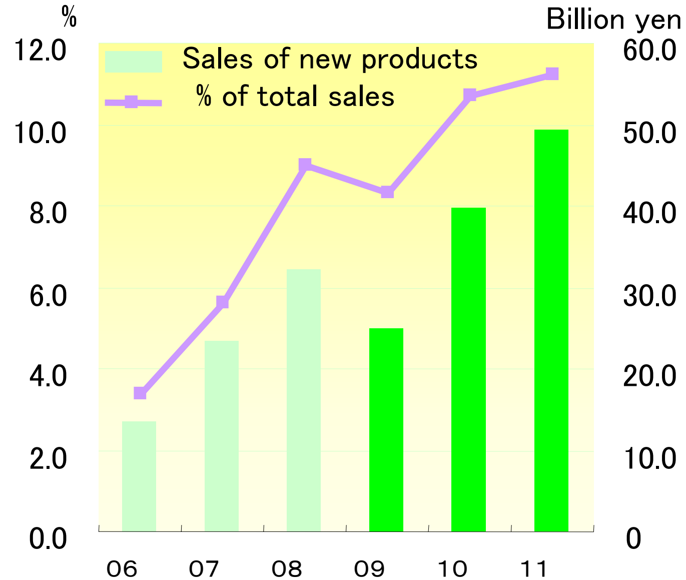
FY2009-2011 sales increase plan by core product

(billion yen, incl. self-consumption)

Methanol	+35.0
BT materials	+10.0
Neopentylglycol	+7.0
MXDA/1.3BAC	+6.0
Polycarbonate	+6.0

Accelerating development and commercialization of new products





% of total sales

= sales from new products / total sales

∗New products are defined as those launched within past five years

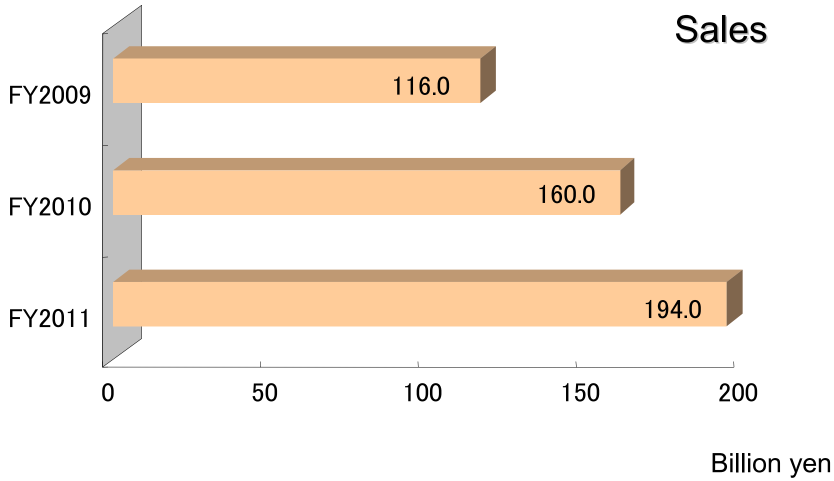
- Focus on growth areas

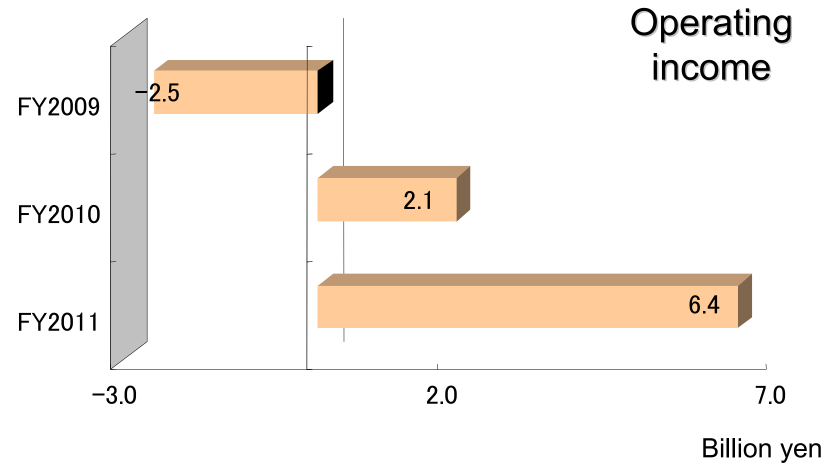
  IT electronics, the environment and energy, life sciences, food and packaging materials
- Closely align technologies with market needs
- Strengthen the chemical chain by developing and adopting new processes
- Mobilize Group R&D resources to create ***synergies***

  E.g.: Develop new or cross-divisional research themes at Tokyo Techno Park

- Enhance utilization of MGC's technology platform

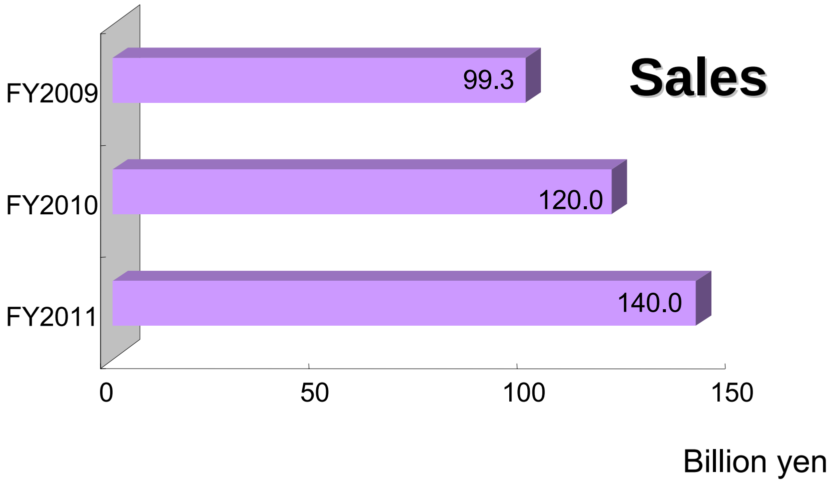
Strategy and targets by segment: Natural Gas Chemicals

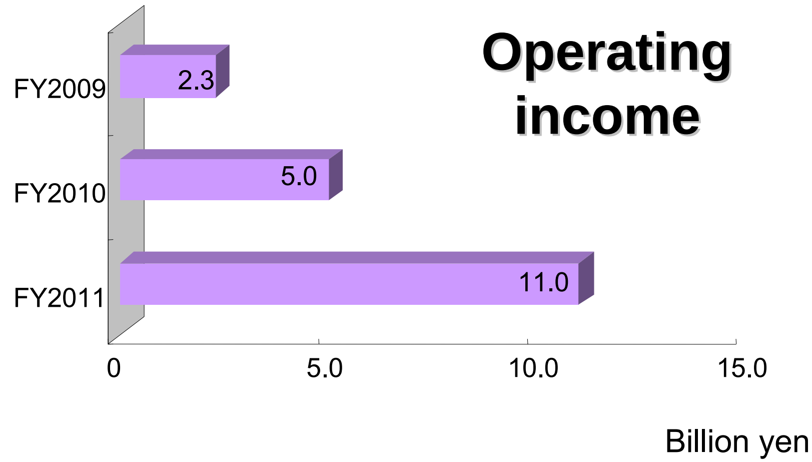




- Further strengthen methanol and methanol chain:
  - ･Methanol: Commencement of 2nd Venezuela train (1Q 2010) and Brunei (2Q 2010); Secure new production base → strengthen position as global operator
  - ･Amines: Improve earnings through leveraging competitive position as only domestic manufacturer
  - ･MMA, Esters: Promote differentiation through expanded MAA and GMA volumes
  - ･ Polyols: Globalize NPG production sites; expand sales of SPG/DOG
- Life sciences product group:
  - ･Coenzyme Q10: Differentiate through cost reductions and added value products
  - ･Specialty amino acids: expand production and sales
  - ･PQQ：optimize production structure and develop market
- Continue exploration for new gas fields

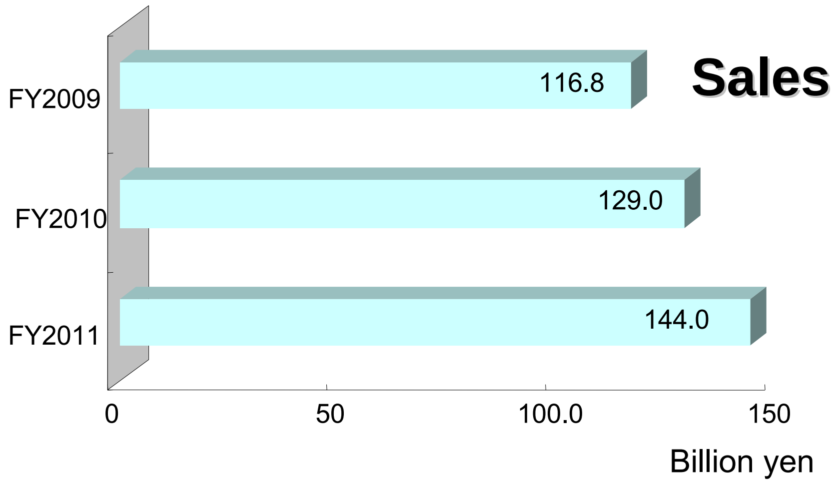
Strategy and targets by segment: Aromatic chemicals

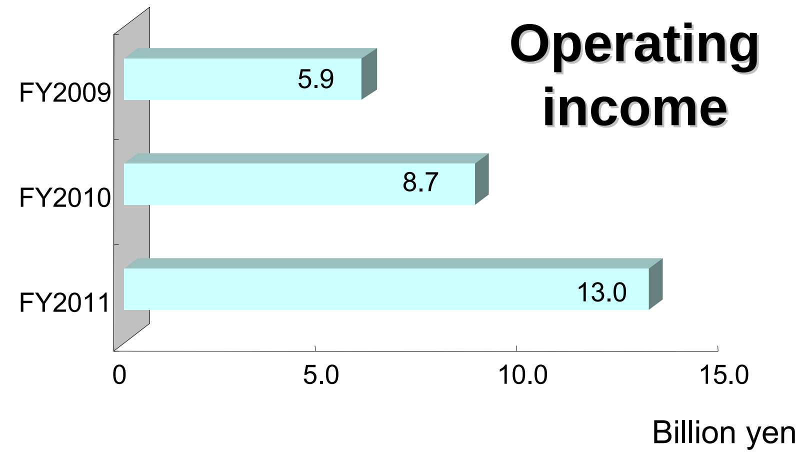




- Focus operating structure on MX chain + High performance
  - ・MX：Establish 220,000 ton capacity at Mizushima plant within FY2009
  - ・MXDA, Nylon MXD6: Expand sales of existing products and develop new products such as new diamine, Nylon MP6, etc.
  - ・Purified isophthalic acid (PIA): reduce production costs and improve earnings through pricing revision
- Rapidly develop high performance products as next core products after MXDA, Nylon MXD6, aromatic aldehydes
  - ・ Develop markets for high heat-resistant transparent polyimide film (Neopurim®)
  - ・ Develop markets and commercialization for Napthalenedicarboxylic acid and its derivatives
- In the para-xylene and ortho-xylene chain, continue to pursue 'basic' products based on the stable earnings scheme established under *Kyoso 2008*

Strategy and targets by segment: Specialty Chemicals

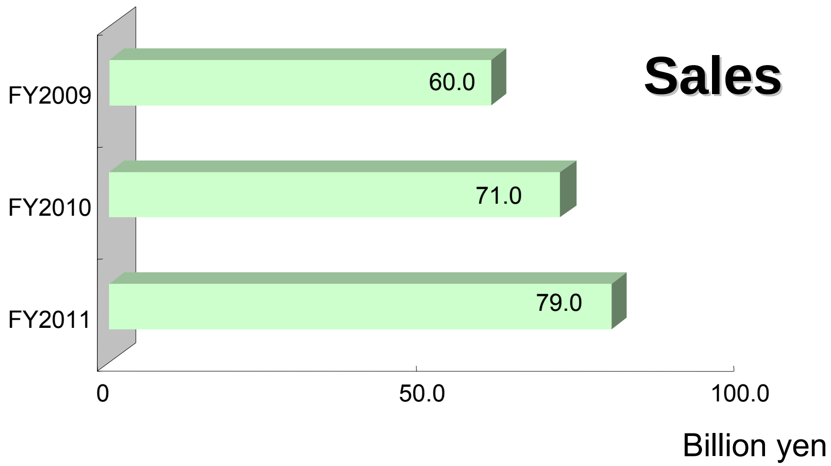


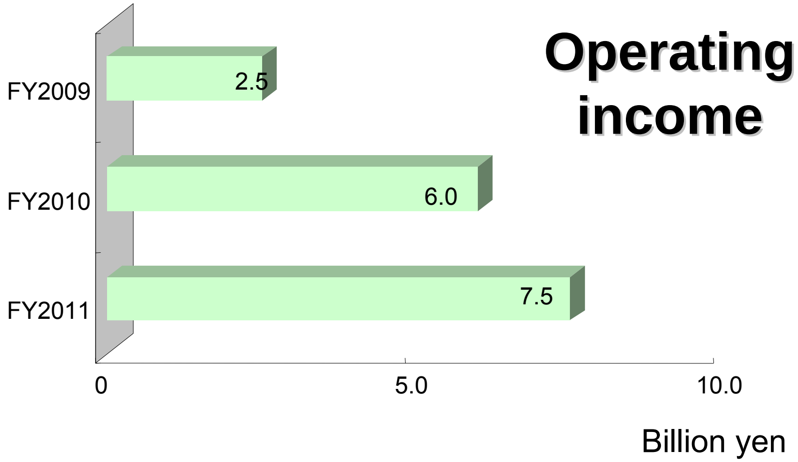


	Inorganic chemicals	Engineering plastics
◆ Growth through expanded production	Hydrogen peroxide, super-pure hydrogen peroxide, Super-pure ammonium hydroxide	Polycarbonate, polyacetal, hard coated sheet
◆ Growth through adoption as de facto standard	Hybrid chemicals (LSI-HBC, FPD-HBC, PWB-HBC)	RENY®, specialty PC, Polarizer sheets
◆ Growth through development of new markets	Dental bleach agents, lens, adamantane, new HBC	Specialty PC, OPE

- New polycarbonate complex in Shanghai, China with PC of 80,000 t/y
- Secure new production base outside Japan for hybrid chemicals

Strategy and targets by segment: Information & Advanced Materials





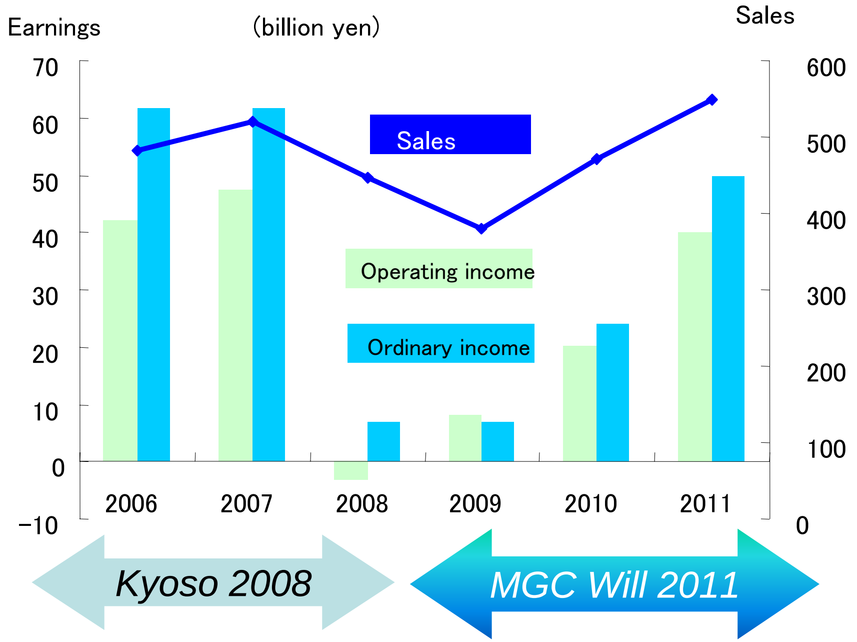
Electronic materials

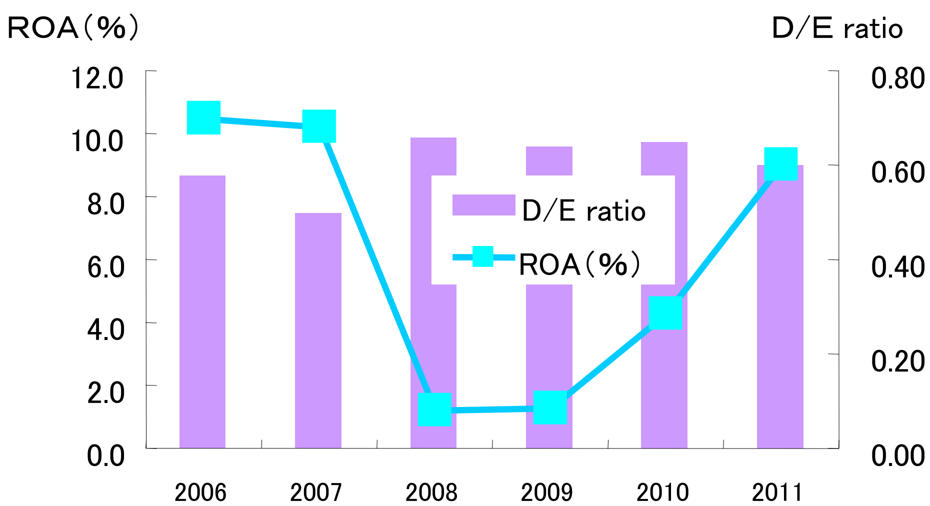
- Concentrate resources in 3 core product areas of BT materials, high-performance epoxy materials and LE sheets
- Rigorously reduce costs to strengthen competitive position
- Rapidly develop and commercialize new products
- Focus development of new products to meet demand for lighter, more compact and higher density circuit boards

Oxygen absorbers

- Expand business in markets demanding freshness and quality; not only in foods but also in pharma, electronics
- Ageless®: strengthen export competitiveness with expanded overseas production
- Boost development of non-food markets
  (PharmaKeep® for pharmaceuticals, RP systems for electronic devices, etc.)

MGC Will 2011 quantitative targets: Back to a growth path





FY2011 consolidated financial target

Sales	¥550.0 bn
Operating income	¥40.0 bn
Ordinary income	¥50.0 bn
ROA (total assets/ordinary income)	9.0%
Debt-equity ratio	below 0.6

Basis for calculations

	2009	2010	2011
Currency	¥90/$1	→	→
Crude Oil (WTI)	$60/bbl	$70/bbl	$80/bbl

Scope of MGC Group medium-term management plan:
35 consolidated subsidiaries
13 equity method affiliates