
Full-year Results Presentation

Fiscal Year 2010

The year ended March 31, 2011

This English translation contains modified extracts from a results presentation held on May 12, 2011. Outlook 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.

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1. FY2010 results

FY2010 consolidated results

(Billion yen)

	FY2010	FY2009	Change	Change %
Net sales	451.0	384.5	66.5	(17.3%)
Operating income	23.4	4.1	19.3	471.2%
Equity in earnings of affiliates	(17.9)	(8.8)	(9.1)	103.2%
Ordinary income	36.4	7.4	29.0	394.1%
Net income before tax	23.9	7.5	16.4	217.9%
Net income	19.0	5.8	13.1	225.2%

- Overall sales volumes increased. Overall sales prices of commodities chemicals increased, despite the impact of a stronger yen on some products that have a high ratio of export sales
- Operating income increased ¥19.3 billion due to steady performance of specialty chemicals and information and advanced materials, as well as improved earnings from methanol and ammonia derivatives and aromatic chemicals
- Equity in earnings of affiliates increased ¥9.1 billion, mainly due to performance at overseas methanol producing companies
- An extraordinary loss of ¥13.9 billion was recorded due to a loss on devaluation of investment securities, loss on disaster, and the impact of the application of the Accounting Standard for Asset Retirement Obligations
- The annual dividend is ¥8 per share

Debt-equity ratio	0.66	0.62	0.04
ROA*	6.5%	1.4%	5.1pt
ROE	6.9%	2.2%	4.7pt
Net income per share (yen)	41.9	12.9	29.0
Annual dividend (yen)	8.0	8.0	0.0

* Ordinary income base

*Subsequent figures in this presentation are rounded to the nearest unit

Impact of Great East Japan Earthquake

◇ Damage

(1) Electrotechno Co., Ltd.

(Nishishirakawa-gun, Fukushima Prefecture: electronic materials producing subsidiary)

Suspension of production and shipments due to partial damage to equipment and interior materials of buildings

(2) MGC Kashima Plant

(Kamisu City, Ibaraki Prefecture: hydrogen peroxide and polycarbonate production plant)

Partial damage to production equipment and berth facility. Damage to MGC equipment was minor, but production of hydrogen peroxide and polycarbonate had to be suspended due to a stoppage in the supply of raw materials and utilities within the Kashima plant complex.

◇ Impact on FY2010 results

Extraordinary losses : ¥3.0 billion

Breakdown

(1) Equipment damage : ¥2.2 billion (mostly covered by provision for repairs)

(2) Inventory damage : ¥0.3 billion

(3) Other extraordinary losses: ¥0.5 billion (recording of depreciation costs and labor costs arising from suspension of operations)

Note: Most of the impact on business performance is expected to be recorded during FY2011

FY2010 consolidated results by segment

(Billion yen)

	FY2010			FY2009			Change		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
Net sales	227.1	224.0	451.0	180.8	203.8	384.5	46.3	20.2	66.5
Natural Gas Chemicals	72.3	79.4	151.7	55.1	66.2	121.3	17.1	13.3	30.4
Aromatic Chemicals	55.4	58.0	113.4	44.1	51.7	95.9	11.3	6.3	17.6
Specialty Chemicals	72.0	64.1	136.0	55.4	64.8	120.2	16.6	(0.7)	15.9
Information & Advanced Materials	32.0	27.5	59.5	29.6	30.8	60.4	2.4	(3.3)	(0.9)
Other	0.4	0.5	0.9	0.5	0.6	1.1	(0.0)	(0.1)	(0.2)
Eliminations and Corporate	(5.0)	(5.5)	(10.5)	(3.9)	(10.4)	(14.3)	(1.2)	4.9	3.7
Operating income	12.6	10.7	23.4	(1.1)	5.2	4.1	13.7	5.6	19.3
Natural Gas Chemicals	(0.5)	1.9	1.3	(3.9)	(2.1)	(5.9)	3.3	3.9	7.3
Aromatic Chemicals	0.3	(0.0)	0.3	(3.1)	(2.7)	(5.8)	3.4	2.7	6.1
Specialty Chemicals	8.6	6.5	15.1	3.6	7.9	11.5	5.0	(1.3)	3.7
Information & Advanced Materials	5.0	2.7	7.7	2.9	3.2	6.1	2.0	(0.5)	1.6
Other	0.2	0.1	0.3	0.2	0.3	0.5	(0.1)	(0.1)	(0.2)
Eliminations and Corporate	0.9	(0.5)	(1.4)	(0.9)	(1.4)	(2.3)	0.0	0.8	0.8

For reference:

Earnings in equity affiliates	7.8	10.1	17.9	2.5	6.3	8.8	5.3	3.8	9.1
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FY2010 quarterly consolidated results by segment

(Billion yen)

	FY2010				FY2009			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	109.5	114.5	116.2	110.9	105.2	98.6	95.5	85.3
Natural Gas Chemicals	38.9	40.5	39.9	32.4	39.2	26.9	29.5	25.6
Aromatic Chemicals	27.4	30.6	27.6	27.9	25.6	26.1	22.1	22.0
Specialty Chemicals	32.0	32.1	36.6	35.4	32.8	32.0	31.2	24.2
Information & Advanced Materials	13.4	14.1	14.3	17.7	15.4	15.4	14.6	15.0
Other	0.2	0.2	0.2	0.2	(0.4)	1.0	(0.4)	0.2
Eliminations and Corporate	(2.5)	(3.0)	(2.3)	(2.7)	(8.2)	(2.2)	(2.1)	(1.7)
Operating income	3.5	7.3	6.3	6.3	4.1	1.1	1.0	(2.1)
Natural Gas Chemicals	0.5	1.4	0.3	(0.8)	(0.6)	(1.5)	(0.4)	(3.5)
Aromatic Chemicals	(1.0)	0.9	0.4	(0.1)	(0.6)	(2.1)	(2.4)	(0.7)
Specialty Chemicals	2.7	3.9	4.2	4.4	4.1	3.8	2.7	0.9
Information & Advanced Materials	1.2	1.5	2.3	2.6	1.8	1.4	1.7	1.2
Other	0.1	0.1	0.0	0.1	0.0	0.3	(0.0)	0.1
Eliminations and Corporate	(0)	(0.5)	(1.0)	0.1	(0.8)	(0.6)	(0.7)	(0.2)

For reference:

Earnings in equity affiliates	6.0	4.2	4.1	3.7	2.7	3.7	2.0	0.5
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FY2010 non-operating and extraordinary items

(Billion yen)

	FY2010	FY2009	Change
Non-operating items	13.0	3.3	9.8
Equity in earnings of affiliates	17.9	8.8	9.1
Financing loss	(0.7)	(0.8)	0.1
Exchange rate loss	(1.7)	(1.0)	(0.7)
Other	(2.4)	(3.7)	1.3

Extraordinary income	1.5	2.4	(1.0)
Extraordinary loss	13.9	2.3	(11.7)
Loss on revaluation of investment securities	6.5	-	(6.5)
Loss on disaster	3.0	-	(3.0)
Impact of the application of Accounting Standards for Asset Retirement Obligations	1.8	-	(1.8)
Other	2.7	2.3	(0.4)

- A loss on disaster of ¥3.0 billion was recorded as a result of damage to equipment and inventory assets caused by the Great East Japan Earthquake
- ¥1.8 billion in impact of the application of the Accounting Standard for Asset Retirement Obligations was recorded mainly due to expenses relating to the abandonment of natural gas fields

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

FY2010 consolidated balance sheets



	As of March 31, 2011	As of March 31, 2010	Change
Current assets	244.5	218.1	26.4
Cash	48.0	27.6	20.4
Trade notes and accounts receivable	112.0	104.1	7.9
Inventories	68.2	62.0	6.2
Other	16.3	24.4	(8.1)
Property, plant and equipment	332.5	321.3	11.2
Tangible and intangible assets	181.1	166.0	15.1
Investment securities	131.0	130.5	0.6
Other assets	20.4	24.9	(4.5)
Total assets	577.0	539.4	37.6
Liabilities	288.8	261.3	27.5
Trade notes and accounts payable	60.1	56.5	3.6
Interest-bearing debt	182.7	165.8	16.8
Other	46.0	39.0	7.0
Net assets	288.3	278.1	10.2
Shareholders' equity	306.2	292.0	14.2
Other comprehensive income	(28.1)	(22.8)	(5.3)
Minority interests	10.2	8.9	1.3
Total liabilities and net assets	577.0	539.4	37.6

(Billion yen)

➤ Breakdown

Capex: ¥35.4 bn;
New consolidated subsidiaries, etc.: ¥13.0 bn;
Depreciation and amortization: minus ¥29.2 bn;
Currency translation adjustments: minus ¥1.5 bn;
Disposals, etc.: minus ¥2.5 bn

➤ New consolidation, increase in lease obligations, etc.

➤ Recording of asset retirement obligations, etc.

➤ Exchange rate impact due to strong yen, etc.

Shareholders' equity ratio
2011/3/31: 48.2%; 2010/3/31: 49.9%

FY2010 consolidated cash flows

(Billion yen)

	FY2010	FY2009	Change
Operating activity cash flows	39.8	31.3	8.4
Net income before tax	23.9	7.5	16.4
Depreciation expenses	29.0	29.5	(0.6)
Equity in earnings of affiliates	(17.9)	(8.8)	(9.1)
Dividends received from equity method affiliates	7.8	9.2	(1.4)
Working capital, etc.	1.8	(9.0)	10.8
Income taxes paid	(4.8)	2.8	(7.6)
Investing activity cash flows	(24.6)	(33.7)	9.0
Capital expenditure	(23.2)	(30.5)	7.2
Investment and financing, etc.	(1.4)	(3.2)	1.8
Financing activity cash flows	(1.8)	(15.4)	13.5
Change in borrowings and bonds	2.6	(9.3)	11.9
Dividends paid	(4.5)	(6.0)	1.6
Effect of exchange rate changes on cash and cash equivalents	(3.0)	(0.4)	(2.6)
Increase (decrease) in cash and cash equivalents	10.2	(18.1)	28.3
Cash and cash equivalents at beginning of year	36.0	53.1	(17.0)
Increase due to change in scope of consolidation	0.5	1.1	(0.7)
Cash and cash equivalents at end of year	46.8	36.0	10.7

Results by segment (FY2010/ FY2009)

Natural Gas Chemicals



(Billion yen)

	FY2010 (results)			FY2009 (results)			Change		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
Net sales	72.3	79.4	151.7	55.1	66.2	121.3	17.1	13.3	30.4
Operating income	(0.5)	1.9	1.3	(3.9)	(2.1)	(5.9)	3.3	3.9	7.3

- **Methanol** ... Global demand increased driven by demand in China including fuel applications. Revenue increased due to factors such as higher volumes from new plants in Brunei and Venezuela, as well as higher average market prices (Jan.-Dec. 2010) increasing \$70/MT over the previous year from \$200/MT to \$270/MT. Equity in earnings of overseas methanol producing companies increased.
- **Methanol and ammonia derivatives** ... Revenue and earnings improved due to higher market prices for MMA and neopentyl glycol driven by Asia demand
- **Enzymes and coenzymes** ... Despite lower fixed costs, earnings remain poor due to weak sales of coenzyme Q10.
- **Crude oil and other energy** ... Earnings rose on higher crude oil prices

Aromatic Chemicals

(Billion yen)

	FY2010 (results)			FY2009 (results)			Change		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
Net sales	55.4	58.0	113.4	44.1	51.7	95.9	11.3	6.3	17.6
Operating income	0.3	(0.0)	0.3	(3.1)	(2.7)	(5.8)	3.4	2.7	6.1

- **Specialty aromatic chemicals** ... Revenue and earnings increased on favorable sales of metaxylene diamine, MX nylon and aromatic aldehyde driven by demand, mainly in Europe and U.S., for applications respectively such as curing agents for epoxy resins, gas barrier bottles and engineering plastics, and resin additives
- **Purified isophthalic acid** ... Demand increased in China and other parts of Asia for PET bottle applications. Earnings fell short of full recovery due to impact of stronger yen and despite further strengthening of upward trend in market prices from Q4 (Jan.-Mar. 2011)

Specialty Chemicals

(Billion yen)

	FY2010 (results)			FY2009 (results)			Change		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
Net sales	72.0	64.1	136.0	55.4	64.8	120.2	16.6	(0.7)	15.9
Operating income	8.6	6.5	15.1	3.6	7.9	11.5	5.0	(1.3)	3.7

- **Inorganic chemicals for industrial use** . . . Revenue and earnings improved due to higher sales volumes of hydrogen peroxide for paper pulp and industrial-use oxidizing agents
- **Electronic chemicals** . . . Revenue and earnings (including those at overseas subsidiaries) increased due to higher sales volumes of chemicals for semiconductors and LCDs
- **Engineering plastics** . . . In PC, earnings declined due to lower sales volumes and higher raw material BPA prices. POM earnings improved, supported by strong demand in Asia.
In PC sheets and films, revenue and earnings increased on higher sales volumes for mobile phone and laptop applications, despite a decline in sales prices for FPD applications

Note: The March 11 earthquake resulted in a suspension of operations at the Kashima Plant, a key production location. However, the impact on business performance is expected to be recorded during FY2011.

Information and Advanced Materials



(Billion yen)

	FY2010 (results)			FY2009 (results)			Change		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
Net sales	32.0	27.5	59.5	29.6	30.8	60.4	2.4	(3.3)	(0.9)
Operating income	5.0	2.7	7.7	2.9	3.2	6.1	2.0	(0.5)	1.6

➤ **Electronic materials**

... Sales of BT materials for semiconductor packaging slowed from the latter half of Q2 due to inventory adjustments by customers, despite favorable demand for mobile phone and digital consumer electronics applications from the start of FY2010. The temporary suspension of operations at Electrotechno Co., Ltd. following the March 11 earthquake added a further negative factor, which resulted revenue to the same level as the previous year. However, earnings increased as a result of cost-cutting measures.

➤ **Oxygen absorbers**

... Revenue and earnings increased despite the effects of an extremely hot summer, due to the continued trend in the domestic food industry of individual packaging for food products as well as firm demand for other applications

2. FY2011 outlook

Recovery from Great East Japan Earthquake



◇ **Electrotechno Co., Ltd.** (Nishishirakawa-gun, Fukushima Prefecture: electronic materials producing subsidiary)

- * March 23 : Completion of product inventory check; resumption of shipping
- * Early April: Resumption of production of specific types of BT materials at 25% of pre-quake output levels
- * Early May: Resumption of production capacity for BT materials used in semiconductor package substrate to level in line with pre-quake demand

◇ **MGC Kashima Plant** (Kamisu City, Ibaraki Prefecture: hydrogen peroxide and polycarbonate production plant)

- * Early April: Partial resumption of production of hydrogen peroxide and polycarbonate, including trial operations, with procurement of raw materials and utilities sufficient for such operations
 - * Mid May : Implementation of periodic repairs required by law (planned)
 - * Late June: Resumption of normal operations (planned)
- ⇒ As hydrogen peroxide production improves, conditions for supply of downstream product ultra-pure hydrogen peroxide also improving

◇ Earnings forecasts

- * Due to the impact of the Great East Japan Earthquake, MGC Group had to suspend production at two key production locations for specialty chemicals and information and advanced materials, the MGC Kashima Plant and Electrotechno Co., Ltd.
- * In early May, production at Electrotechno recovered to pre-quake levels, but normal operations at the Kashima Plant are expected to resume in late June.
- * Although there is visibility on the schedule for recovery, it takes additional time to estimate reasonably the impact of production trends at both locations on earnings
- * Earnings forecasts have therefore not been determined at this time. MGC will announce forecasts as soon as it becomes feasible to do so.

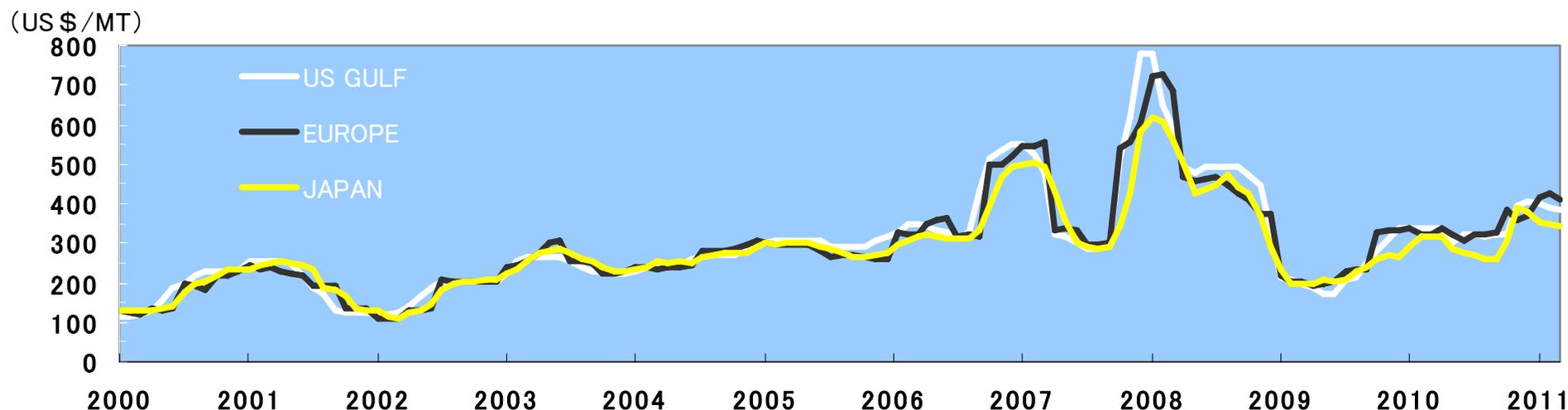
◇ Dividend forecasts

- * Based on MGC's dividend policy (balance of business operations with stable dividend payments), a dividend payment at the same level as the previous fiscal year (interim ¥4; year-end: ¥4) is planned.

Reference (1): Immediate business environment by segment

Natural Gas Chemicals	<ul style="list-style-type: none"> ◇ Methanol expected to trend in the \$300~\$350 range ◇ In methanol and ammonia derivatives, MMA and neopentyl glycol expected to continue favorably
Aromatic Chemicals	<ul style="list-style-type: none"> ◇ Sales volumes of metaxylene diamine, MX nylon and aromatic aldehyde expected to increase, driven by demand overseas ◇ Earnings from purified isophthalic acid expected to improve further on higher sales volumes and price increases against the background of an improved supply-demand balance
Specialty Chemicals	<ul style="list-style-type: none"> ◇ Outlook uncertain for hydrogen peroxide, electronic chemicals and polycarbonates amid concerns of stalled production along semiconductor, automotive and other supply chains, which could have substantial impact ◇ Working toward resumption of normal operations at Kashima Plant in late June
Information and Advanced Materials	<ul style="list-style-type: none"> ◇ In BT materials for semiconductor packaging, ultimate priority is continued stable supply to customers. Working to maintain market share and profitability using high quality as a core strength ◇ In oxygen absorbers, impact of earthquake on food sector remains a concern, but continuing to focus on growing sales

Reference (2): Trends in Methanol Prices



Outlook for 2011

Supply and demand trends: Global demand will grow with demand in China for fuel applications and existing chemical applications (YoY increase of 7 million t/y to 5.4 million t/y) . On the supply side, in addition to a new plant in Egypt (1.3 million t/y) that has already started operations, plants in North America (cumulative 1.3 million t/y) that had suspended operations are scheduled to resume. Coal-based plants in China, which have adequate surplus capacity, are likely to continue to start and suspend operation in response to market prices

⇒**Price trends:** Market prices are expected to move within the \$300-350/MT range based on the assumption of current crude oil prices, reflecting the regulating effect of the operation of coal-based plants in China

3. Appendix

FY2010 consolidated ordinary income by segment

(Billion yen)

	FY2010 (results)			FY2009 (results)			Change		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
Ordinary income	17.3	19.1	36.4	(2.6)	10.0	7.4	19.9	9.2	29.0
Natural Gas Chemicals	3.7	7.8	11.5	(3.4)	1.1	(2.3)	7.2	6.7	13.8
Aromatic Chemicals	(0.4)	(0.4)	(0.7)	(4.5)	(3.6)	(8.1)	4.2	3.2	7.4
Specialty Chemicals	8.9	8.2	17.1	3.5	8.9	12.5	5.3	(0.7)	4.6
Information and Advanced Materials	5.0	2.5	7.5	2.6	2.9	5.5	2.4	(0.4)	2.0
Others	1.0	1.4	2.3	0.7	0.9	1.6	0.2	0.5	0.7
Eliminations and Corporate	(0.9)	(0.5)	(1.4)	(1.5)	(0.3)	(1.8)	0.6	(0.1)	0.4

* Effective from the fiscal year ending March 31, 2011, the Accounting Standards on Disclosure of Segment Information (Accounting Standard 17 issued March 27, 2009) and Application Guidance of Accounting Standards on Disclosure of Segment Information (Application Guidance of Accounting Standards 20 issued March 21, 2008) have been applied. Ordinary income is therefore provided for segment information in the summary of consolidated financial statements or securities report.

Key indicators

1. Key indicators (consolidated)

(100 million yen)

	FY2005 (Results)	FY2006 (Results)	FY2007 (Results)	FY2008 (Results)	FY2009 (Results)	FY2010 (Results)
Capital expenditure	175	295	394	351	276	354
(Of which, H1)	132	147	160	193	141	146
Depreciation and amortization	188	198	* 245	289	295	290
(Of which, H1)	94	91	110	135	137	138
R&D expenditure	106	115	136	147	162	164
(Of which, H1)	55	58	66	67	74	74
Employees (As of March 31)	4,466	4,561	4,686	4,902	4,920	4,979人
Earnings per share (yen)	71	86.6	87	15.3	12.9	41.9円
ROA * (Return On Assets)	9.5%	10.5%	10.2%	1.2%	1.4%	6.5%
ROE (Return on Equity)	14.5%	15.0%	13.7%	2.5%	2.2%	6.9%
Dividend	10.0	14.0	16.0	16.0	8.0	8.0
(Of which, interim dividend)	4.0	6.0	8.0	8.0	4.0	4.0

* Depreciation and amortization for FY2006
excludes extraordinary loss of 8.8 billion yen

* Ordinary income base

2. Capex, depreciation and amortization by segment (consolidated)

(100 million yen)

		FY2005 (Results)	FY2006 (Results)	FY2007 (Results)	FY2008 (Results)	FY2009 (Results)	FY2010 (Results)
C a p e x	Natural Gas Chemicals	26	62	56	107	71	140
	Aromatic Chemicals	47	75	172	106	77	45
	Specialty Chemicals	69	87	74	91	81	148
	Information & Advanced Materials	32	70	92	47	45	18
	Other	0	0	0	0	1	3
D e p r e c i a t i o n	Natural Gas Chemicals	45	46	54	64	75	86
	Aromatic Chemicals	36	37	52	77	79	78
	Specialty Chemicals	71	80	96	97	86	80
	Information & Advanced Materials	35	36	42	51	51	42
	Other	0	0	0	0	4	4

3. Business conditions

	FY2005 (Results)		FY2006 (Results)		FY2007 (Results)		FY2008 (Results)		FY2009 (Results)		FY2010 (Results)		¥
	H1	H2											
Methanol (US\$/MT)	270~290	250~270	280~300	370~390	370~390	360~380	460~480	290~310	160~180	220~240	250~270	270~290	
Raw xylene (JPY/kg)	69	83	99	96	108	103	122	56	72	73	71	84	Declared price
Bisphenol A (US\$/MT)	1,200 ~2,000	1,000 ~1,300	1,200 ~1,600	1,600 ~1,700	1,800 ~2,000	1,800 ~2,000	1,800 ~2,000	800 ~1,500	1,000 ~1,300	1,200 ~1,700	1,800 ~2,100	2,100 ~2,500	Average CIF price
Polycarbonate (US\$/MT)	3,200 ~3,300	3,000 ~3,300	2,900 ~3,100	2,400 ~2,750	2,600 ~2,850	2,400 ~2,850	2,450 ~2,850	1,900 ~2,450	1,900 ~2,400	2,400 ~2,900	2,450 ~2,950	2,400 ~2,900	
Exchange rate (JPY/US\$)	110	117	115	119	119	109	106	95	96	90	89	82	

※Methanol prices are Jan.-June for H1 and July-Dec. for H2