

# Summary of Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2005

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

February 10, 2005

## Mitsubishi Gas Chemical Co., Inc.

Mitsubishi Bldg., 5-2 Marunouchi 2-chome,  
Chiyoda-ku, Tokyo 100-8324, Japan

http://www.mgc.co.jp

Representative: Hideki Odaka, President and Representative Director

Contact: Yasuhiro Sato, General Manager, General Affairs & Corporate Communications

Phone: +81-3-3283-5041

Stock exchange listings: Tokyo, Osaka, Nagoya  
(1<sup>st</sup> section of each)

Code number: 4182

## 1. Preparation of Quarterly Financial Information

- (1) Adoption of simplified accounting methods: Yes  
Tax accounting and others
- (2) Changes in accounting methods from previous fiscal year: No
- (3) Changes in scope of consolidation and equity method application: Yes  
Consolidation (Eliminated): 1 company

## 2. Results for Third Quarter of the Fiscal Year Ending March 31, 2005 (April 1, 2004 – December 31, 2004)

### (1) Sales and Income

(Rounded down to the nearest million yen.)

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)	Net income (¥ million)	Year-on-year change (%)
Nine months ended 12/31/04	292,646	15.5	22,680	193.6	27,631	128.9	19,209	
Nine months ended 12/31/03	253,462	—	7,724	—	12,071	—	—	—
(Ref.) Year ended 3/31/04	340,710		14,934		18,879		10,622	

	Earnings per share (¥)	Diluted earnings per share (¥)
Nine months ended 12/31/04	41.53	—
Nine months ended 12/31/03	—	—
(Ref.) Year ended 3/31/04	22.91	—

Notes:

- Year-on-year change for net sales, operating income, etc. is based on the same quarter in the previous fiscal year. The Company has begun disclosing quarterly net income and earnings per share from the first quarter of this fiscal year. Therefore, results from the same quarter in the previous fiscal year and year-on-year change are not stated for these items.
- Profit on equity investment:
  - ¥8,385 million (Nine months ended 12/31/04)
  - ¥7,465 million (Nine months ended 12/31/03)
  - ¥9,156 million (Year ended 3/31/04)
- Average number of shares outstanding:
  - 462,519,109 shares (Nine months ended 12/31/04)
  - 462,788,325 shares (Year ended 3/31/04)

## Qualitative Information on Results

In the quarter from October 1, 2004 to December 31, 2004, the MGC Group continued its generally strong performance following the interim period, despite the impact of semiconductor-related inventory adjustments in certain products.

### [Chemical Products]

Sales of methanol products remained generally strong due to increased demand both in Japan and overseas. Also, the MGC Group worked to adjust product prices as costs rose with a rise in the purchase price of methanol. Results of overseas methanol companies were strong due to high market prices for methanol. Income from xylene products rose, as a result of factors including solid demand for paraxylene, high selling prices and rising benzene prices, despite a continuing rise in raw material prices. In the industrial chemicals sector, demand for hydrogen peroxide for new industrial applications and pulp production was steady.

[Advanced Materials]

Demand for engineering plastics remained strong in the electric and electronics, and automobile markets in Japan, and in the Chinese market. Sales and income from materials for printed circuit boards declined, due to decreased demand resulting from a weakened semiconductor market.

Due to the above factors, net sales for the third quarter (April 1, 2004 to December 31, 2004) were ¥292,646 million, operating income was ¥22,680 million, ordinary income was ¥27,631 million and net income was ¥19,209 million.

## (2) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity ratio (%)	Shareholders' equity per share (¥)
December 31, 2004	506,252	198,698	39.3	429.67
December 31, 2003	—	—	—	—
(Ref.) March 31, 2004	475,116	180,523	38.0	390.23

Notes:

1. The Company has begun disclosing its quarterly financial position from the first quarter of this fiscal year. Therefore, the position in the same quarter in the previous fiscal year is not stated.
2. Number of shares outstanding at the end of period: 462,443,487 shares (Ended 12/31/04)  
462,561,149 shares (Ended 3/31/04)

## Cash Flows

	Net cash provided by operating activities (¥ million)	Net cash used in investing activities (¥ million)	Net cash used in financing activities (¥ million)	Cash and cash equivalents (¥ million)
Nine months ended 12/31/04	14,775	(7,582)	(10,117)	27,926
Nine months ended 12/31/03	—	—	—	—
(Ref.) Year ended 3/31/04	19,732	(8,039)	(14,305)	30,418

Note:

1. The Company has begun disclosing its quarterly cash flows from the first quarter of this fiscal year. Therefore, cash flows for the same quarter in the previous fiscal year are not stated.

## Qualitative Information on the Company's Financial Position

### (1) Financial Position

At the end of the third quarter, total assets were ¥506,252 million, an increase of ¥31,136 million compared to the previous fiscal year-end, due to factors including an increase in accounts receivable and an increase in the fair value of investments in securities.

Total liabilities were ¥300,667 million, an increase of ¥12,403 million compared to the previous fiscal year-end, due to factors including an increase in accounts payable.

Shareholders' equity was ¥198,698 million, an increase of ¥18,175 million compared to the previous fiscal year-end, due to factors including an increase in net income for the third quarter. Consequently, shareholders' equity per share rose from ¥390.23 to ¥429.67.

### (2) Cash Flows

Net cash provided by operating activities was ¥14,775 million, because the increase in cash due to factors including income before income taxes and minority interests and depreciation and amortization exceeded the decrease in cash due to factors including an increase in notes and accounts receivable. Net cash used in investing activities was ¥7,582 million, due to factors including purchase of fixed assets. Net cash used in financing activities was ¥10,117 million, due to factors including the repayment of interest-bearing liabilities. As a result of the above factors, cash and cash equivalents on December 31, 2004 were ¥27,926 million.

## 3. Consolidated Projections for the Fiscal Year Ending March 31, 2005 (April 1, 2004 December 31, 2004)

Performance in the third quarter was as projected. Despite current concerns regarding trends in raw material prices and in the semiconductor field, projections for the fiscal year ending March 31, 2005 remain unchanged from the projections announced on November 16, 2004.