



SUMMARY OF FINANCIAL STATEMENTS (Consolidated)

First quarter results for the year ending March 31, 2008

MITSUBISHI GAS CHEMICAL COMPANY, INC.

July 31, 2007

Stock Code: 4182

<http://www.mgc.co.jp>

President: Kazuo Sakai

Listed exchanges: Tokyo, Osaka, Nagoya 1st sections
Inquiries: Yasuhiro Sato

General Manager

Corporate Communications Division

Telephone: +81 3 3283-5041

1) Consolidated financial results for the first quarter (April 1, 2007 to June 30, 2007) of the fiscal year ending March 31, 2008

Note: Percentage figures for sales, operating income, etc. represent changes compared to the same period of the previous fiscal year.

(1) Consolidated Operating Results

Millions of yen, rounded down

	Three months ended June 30, 2007		Three months ended June 30, 2006		Fiscal year ended March 31, 2007	
		% change		% change		% change
Net sales	127,886	11.6	114,623	12.8	482,608	-
Operating income	12,056	31.2	9,189	21.3	42,220	-
Ordinary income	20,302	34.0	15,152	52.5	61,723	-
Net income	13,612	12.4	12,112	71.6	40,044	-
Earnings per share (¥)	29.45		26.20		86.63	
Earnings per share (diluted) (¥)	28.82		-		85.64	

Note: Gain from investments in subsidiaries and affiliates accounted for by the equity method:

Three months ended June 30, 2007: ¥ 7,459 million

Three months ended June 30, 2006: ¥ 5,710 million

Fiscal year ended March 31, 2007: ¥23,200 million

(2) Consolidated Financial Position

Millions of yen, rounded down

	As of June 30, 2007	As of June 30, 2006	As of March 31, 2007
Total assets	622,123	557,996	609,965
Net assets	305,294	265,297	292,696
Shareholders' equity ratio (%)	47.6	46.1	46.5
Net assets per share (¥)	640.33	555.96	613.64

(3) Consolidated Cash Flows

Millions of yen, rounded down

	Three months ended June 30, 2007	Three months ended June 30, 2006	Fiscal year ended March 31, 2007
Cash flow from operating activities	9,526	(504)	21,797
Cash flow from investing activities	(8,486)	(3,336)	(14,039)
Cash flow from financing activities	(5,023)	(65)	(8,819)
Cash and cash equivalents at end of period	37,977	37,556	41,266

2) Consolidated forecasts for the fiscal year ending March 31, 2008 (April 1, 2007 to March 31, 2008)

Consolidated results for the first quarter for the period ending March 31, 2008 were largely in line with forecasts. Forecasts for the interim period ending September 30, 2007 and full year ending March 31, 2008 were announced on May 11, 2007, and remain unchanged.

3) Other

(1) Transfer of important subsidiaries during the period (Transfers of subsidiaries resulting in changes in the scope of consolidation: None

(2) Use of simplified accounting methods: Yes

(3) Change in accounting methods since previous fiscal year: Yes

Note: For further detail, please see page3, Commentary on Results, 3. Other

COMMENTARY ON RESULTS

Note: All comparisons are with the first quarter of the previous fiscal year, unless stated otherwise.

1. Consolidated Operating results

Consolidated net sales for the Mitsubishi Gas Chemical Company, Inc. group of companies ("MGC Group") for the first quarter period (April 1, 2007 to June 30, 2007) of the fiscal year ending March 31, 2008 rose 11.6%, or ¥13.2 billion, to ¥127.8 billion. Consolidated operating income rose 31.2%, or ¥2.8 billion, to ¥12.0 billion. Consolidated ordinary income rose 34.0%, or ¥5.1 billion, to ¥20.3 billion, and consolidated net income for the three months rose 12.4%, or ¥1.4 billion, to ¥13.6 billion.

Natural Gas Chemicals Company

Net sales in this business segment rose 15.2%, or ¥4.5 billion, to ¥34.6 billion, with operating income rising ¥0.4 billion, to ¥0.3 billion.

In the methanol business, the steady operation of manufacturing plants around the world caused a relaxation of supply and demand conditions. Although the market, which had supported high prices until just before the start of the quarter, fell considerably, sales prices still exceeded those of the first quarter of the previous year, resulting in an increase in revenue when the sales of overseas subsidiaries are included. Income from overseas methanol producing companies accounted for by the equity method grew substantially due to earnings from a global surge in methanol prices in the period from January to March 2007.

Revenue from methanol and ammonia derivatives increased from the previous first quarter as a result of firm sales and a reduction in maintenance and repair costs.

Revenue from enzymes and coenzymes decreased, due to a decline in the market particularly in exports—despite an increase in sales volumes of CoenzymeQ10.

Aromatic Chemicals Company

Net sales in this business segment rose 13.1%, or ¥4.3 billion, to ¥37.3 billion, while operating profits increased 180.8%, or ¥2.4 billion, to ¥3.8 billion.

Revenue and earnings from commodity aromatic chemical products rose due to higher product prices, despite a surge in prices for the raw material xylene.

Specialty aromatic chemical products saw increased revenues and earnings on strong sales of products such as isophthalic acid, due to flourishing global demand.

Specialty Chemicals Company

Net sales in this business segment increased 13.2%, or ¥4.2 billion, to ¥36.5 billion, and operating income increased by 6.3%, or ¥0.2 billion, to ¥3.6 billion.

Inorganic chemicals for industrial use recorded steady performance led by hydrogen peroxide for paper and pulp. Sales of chemicals for the electronics industry saw a decline due to inventory adjustment by customers in the semi-conductor sector.

The engineering plastics business saw ongoing firm demand mainly for polycarbonates for electronic and automotive applications, even in the face of increases in raw materials prices.

Sales volumes of polycarbonate sheet and film, for use in the manufacture of products such as flat panel displays, continued to rise.

Information & Advanced Materials Company

Net sales in this business segment rose 0.7%, or ¥0.1 billion, to ¥19.1 billion, while operating profit declined by 5.7%, or ¥0.2 billion, to ¥4.0 billion.

Revenue and earnings from sales of materials for printed circuit boards declined slightly compared with the same period of the previous year when there were strong orders for BT materials, despite the upturn in orders with the ending of the period of inventory adjustments that had reduced

demand from users. Sales volumes of LE sheets, entry sheets for mechanical drilling, maintained a similar level to that of the same period of the previous year.

Exports of AGELESS® and other oxygen absorbers to the food processing sector were favorable, with revenues for the period increasing year-on-year.

2. Consolidated financial position

Assets, liabilities and owners' equity

Total consolidated assets as of June 30, 2007 were ¥622.1 billion, ¥12.1 billion higher than at the end of the previous fiscal year. This was primarily because of increases in investment securities and tangible fixed assets. Total liabilities decreased ¥0.4 billion to ¥316.8 billion, due to factors such as a decrease in accrued corporate tax, despite an increase in deferred tax liabilities. Net assets increased by ¥12.5 billion to ¥305.2 billion, due to first quarter net income and other factors, and net assets per share were ¥640.33.

Consolidated cash flows

Net cash provided by operating activities was ¥9.5 billion, with net income before tax for the first quarter period along with depreciation and amortization more than compensating for the negative impact on operating cash flow of increases in accounts receivables and decreases in accounts payable. Investing activities resulted in a net cash outflow of ¥8.4 billion, primarily because of the acquisition of fixed assets and investment securities. Financial activities produced a net cash outflow of ¥5.0 billion, due to factors such as the repayment of long-term debt and the payment of dividends.

As a result of the above, total cash and cash equivalents at the end of the first quarter period of the fiscal year ending March 31, 2008 were ¥37.9 billion.

3. Other

(1) Important changes to subsidiaries (changes to specific subsidiary companies within the scope of consolidation): None.

(2) Adoption of simplified accounting methods

A simplified accounting method was adopted for a portion of the accounting standards for corporate tax accounting.

(3) Changes in accounting methods since the previous consolidated fiscal year

- From the first quarter of the current consolidated fiscal year, the method of depreciation of tangible fixed assets acquired on or after April 1, 2007 has been changed to a method of depreciation based on the revised Corporation Tax Law.

From the first quarter of the current consolidated fiscal year, the method of depreciation of MGC tangible fixed assets (excluding buildings, *but not the facilities attached to those buildings*) has been changed from the straight-line method to the declining-balance method.

Due to these changes, operating income, ordinary income and net income before tax for the first quarter period are each expected to decline by ¥402 million.

- Until now, income and expenses of overseas subsidiaries have been converted into yen at the exchange rate of the day of settlement of the accounts of each subsidiary. From this first-quarter consolidated accounting period, the exchange rate has been changed to the average yen exchange rate during the period.

The effects of this change on gains and losses are expected to be immaterial.

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.