**SUMMARY OF FINANCIAL STATEMENTS (Consolidated)**
Third quarter results for the year ending March 31, 2008

**MITSUBISHI GAS CHEMICAL COMPANY, INC.** **February 4, 2008**

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. Third quarter results (April 1, 2007 to December 31, 2007) for 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*

| | Nine months ended December 31, 2007 | | Nine months ended December 31, 2006 | | FY ended March 31, 2007 |
|---|---|---|---|---|---|
| | | Change % | | Change % | |
| Net sales | 383,296 | 7.1 | 357,744 | 11.3 | 482,608 |
| Operating income | 37,597 | 13.4 | 33,155 | 21.3 | 42,220 |
| Ordinary income | 49,535 | 7.3 | 46,185 | 27.0 | 61,723 |
| Net income | 32,526 | (0.7) | 32,753 | 27.5 | 40,044 |
| Earnings per share (¥) | 70.38 | | 70.86 | | 86.63 |
| Fully diluted earnings per share (¥) | 68.86 | | 70.28 | | 85.64 |

**Note**: Equity in earnings of affiliates.

Nine months ended December 31, 2007: ¥14,918 million
Nine months ended December 31, 2006: ¥14,546 million
Fiscal year ended March 31, 2007: ¥23,200 million

### 2) Consolidated financial position

*Millions of yen, rounded down*

| | As of December 31, 2007 | As of December 31, 2006 | As of March 31, 2007 |
|---|---|---|---|
| Total assets | 616,294 | 604,224 | 609,965 |
| Net assets | 312,697 | 284,505 | 292,696 |
| Shareholders' equity ratio (%) | 49.2 | 45.5 | 46.5 |
| Net assets per share (¥) | 656.32 | 595.27 | 613.64 |

### 3) Consolidated cash flows

*Millions of yen, rounded down*

| | Nine months ended December 31, 2007 | Nine months ended December 31, 2006 | FY ended March 31, 2007 |
|---|---|---|---|
| Operating activity cash flow | 32,529 | 10,320 | 21,797 |
| Investing activity cash flow | (22,027) | (11,444) | (14,039) |
| Financing activity cash flow | (22,639) | (7,756) | (8,819) |
| Cash and cash equivalents at end of period | 29,092 | 33,799 | 41,266 |

## 2. Consolidated forecasts for the fiscal year ending March 31, 2008

Consolidated performance has been in accordance with forecasts; full-year forecasts for the year ending March 31, 2008 are unchanged from the forecasts announced on November 9, 2007.

## 3. Other matters

(1) Important changes to subsidiaries during the nine-month period under review (changes to specific subsidiary companies within the scope of consolidation): None

(2) Adoption of simplified accounting methods: Yes

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

**Note**: For further details, see note 3 on page 3 of Summary of Financial Statements

## COMMENTARY ON RESULTS

**Note:** Comparisons in the following section of the report are with the first nine months of the previous fiscal year, unless stated otherwise.

### 1. Overview of results for this period

Consolidated net sales for the Mitsubishi Gas Chemical Company, Inc. group of companies ("MGC Group") for the third quarter period (April 1, 2007 to December 31, 2007) of the fiscal year ending March 31, 2008 rose 7.1%, or ¥25.5 billion, to ¥383.2 billion. Consolidated operating income rose 13.4%, or ¥4.4 billion, to ¥37.5 billion. Consolidated ordinary income rose 7.3%, or ¥3.3 billion, to ¥49.5 billion. However, due to extraordinary losses resulting from the impairment of fixed assets in Coenzyme Q10 production facilities and others, consolidated net income for the nine months maintained a level close to the same period in the previous year, decreasing 0.7%, or ¥0.2 billion, to ¥32.5 billion.

**Results by business segment**

**Natural Gas Chemicals Company**
Net sales in this business segment rose 4.2%, or ¥4.1 billion, to ¥101.7 billion, with operating income falling 7.2%, or ¥0.1 billion, to ¥2.5 billion.

In the methanol business, MGC Group (including its overseas companies) recorded increased revenues due to a substantial renewed surge in the market at the start of the third quarter, which was prompted by a decrease in operations at the overseas manufacturing plants of numerous industry participants. This offset the market decline that occurred at the start of the fiscal period under review, when supply and demand had softened due to stable operation at manufacturing plants globally. Earnings also increased at overseas methanol producing companies accounted for by the equity method, as a result of higher prices compared with the previous nine-month period.
Methanol and ammonia derivatives performed steadily due to firm overall demand and a successful passing on of increased raw materials costs to sales prices.
Enzymes and coenzymes decreased significantly due to a slowing in the market, mainly in exports; this was despite increased sales volumes of coenzyme Q10.

**Aromatic Chemicals Company**
Net sales in this business segment rose 7.5%, or ¥7.5 billion, to ¥108.8 billion, while operating profits increased 83.0%, or ¥4.8 billion, to ¥10.6 billion.

Revenues from commodity aromatic chemical products decreased slightly as the sales volume for paraxylene declined, despite higher product prices driven by the surge in prices for the raw material xylene. Specialty aromatic chemical products saw substantial increases in revenues and earnings due to strong sales of products such as meta-xylenediamine and MX Nylon, as well as robust sales in purified isophthalic acid on the back of tight supply and demand worldwide.

**Specialty Chemicals Company**
Net sales in this business segment increased 8.1%, or ¥8.3 billion, to ¥112.3 billion, and operating income decreased by 9.8%, or ¥1.2 billion, to ¥11.4 billion.

Inorganic chemicals for industrial use recorded steady performance, led by hydrogen peroxide for paper and pulp. Earnings of chemicals for the electronics industry declined as some high-value added products were affected by inventory adjustments at user companies.
The engineering plastics business also declined, impacted by soaring raw materials prices. This was despite ongoing firm demand mainly for polycarbonates for electronic and automotive applications. Polycarbonate sheet and film maintained a level close to the previous nine-month period due to lower unit prices, which offset the effects of continued strong demand for flat panel display applications.

### Information & Advanced Materials Company

Net sales in this business segment rose 10.4%, or ¥5.6 billion, to ¥59.6 billion, and operating profit increased by 12.5%, or ¥1.4 billion, to ¥12.9 billion.

Revenue and earnings increased from materials for printed circuit boards, with strong orders early in the first half of the year compensating for the sustained high prices of raw materials such as copper. Earnings of LE sheets, entry sheets for mechanical drilling, also increased due to cost reductions achieved by increased in-house production and other measures. Revenues also increased at subsidiary Japan Circuit Industrial Co., Ltd., which handles products for printed circuit boards, due to steady orders, mainly of its core CSP products. Despite high demand, earnings of oxygen absorbers such as AGELESS® decreased on the previous year due to strong competition in the domestic food industry.

## 2. Consolidated financial position

### Assets, liabilities and owners' equity

Total consolidated assets as of December 31, 2007 were ¥616.2 billion, ¥6.3 billion higher than at the end of the previous fiscal year. This was primarily because of increases in fixed assets and investment securities, which offset a decrease in cash and cash equivalents. Total liabilities had decreased ¥13.6 billion to ¥303.5 billion, due to a decrease in long-term debt and deferred income taxes. Net assets had increased by ¥20.0 billion to ¥312.6 billion, due to third quarter net income and other factors, and net assets per share was ¥656.32.

### Consolidated cash flows

Net cash provided by operating activities was ¥32.5 billion, with the negative impact on operating cash flow of increases in accounts receivables more than compensated for by net income before tax for the third quarter period along with depreciation and amortization. Investing activities resulted in a net cash outflow of ¥22.0 billion, primarily because of the acquisition of fixed assets and investment securities. Financing activities produced net cash outflow of ¥22.6 billion due to cash outflows for the repayment of long-term debt and dividend payments.

As a result of the above, total cash and cash equivalents at the end of the third quarter period was ¥29.0 billion.

## 3. Other matters

(1) Important changes to subsidiaries during the period (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 consolidated fiscal year under review, 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 third quarter period under review have each declined by ¥1,861 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 the first quarter of the consolidated fiscal year under review, the exchange rate has been changed to the average yen exchange rate during the period.
As a result of this change, net sales has increased ¥1,356 million, operating income has increased ¥42 million, and ordinary income and net income before tax for the third quarter period under review have each increased by ¥430 million.

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.