

Operational Summary

for the Nine Months Ended December 31, 2013

February 5, 2014

Mitsubishi Chemical Holdings Corporation

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List of Abbreviations

FY2013:	April 1, 2013 - March 31, 2014	
	1st Quarter ("1Q") of FY2013: April 1, 2013 - June 30, 2013	}
	2nd Quarter ("2Q") of FY2013: July 1, 2013 - September 30, 2013	
	3rd Quarter ("3Q") of FY2013: October 1, 2013 - December 31, 2013	}
	4th Quarter ("4Q") of FY2013: January 1, 2014 - March 31, 2014	
FY2012:	April 1, 2012 - March 31, 2013	
	1st Quarter ("1Q") of FY2012: April 1, 2012 - June 30, 2012	}
	2nd Quarter ("2Q") of FY2012: July 1, 2012 - September 30, 2012	
	3rd Quarter ("3Q") of FY2012: October 1, 2012 - December 31, 2012	}
	4th Quarter ("4Q") of FY2012: January 1, 2013 - March 31, 2013	
MCHC	Mitsubishi Chemical Holdings Corporation	
MCC	Mitsubishi Chemical Corporation	
MTPC	Mitsubishi Tanabe Pharma Corporation	
MPI	Mitsubishi Plastics, Inc.	
MRC	Mitsubishi Rayon Co., Ltd	

(Note)

Divisional numbers of following "business sub-segments" under the business segments of Designed Materials, Health Care, Chemicals, or Polymers are approximation for reference purpose only;

- Functional Products
- Performance Chemicals
- Pharmaceuticals
- Diagnostics and Pharmaceutical Ingredients/Formulations
- Petrochemicals
- Carbon
- Polyolefins and Advanced Polymers
- MMA Monomers and Polymers

Consolidated Statements of Operations

Exchange rate (¥/US\$)	102.1	99.8	82.8	80.2	19.6
Exchange rate used to convert income statements for foreign subsidiaries with calendar-year accounting period (¥/US\$)	98.1	96.6	78.1	79.2	17.4
Naphtha price (¥/kl)	67,800	65,730	55,800	55,400	10,330

	(Billions of Yen)					%
	3Q	Nine Months Ended Dec. 31, 2013	3Q	Nine Months Ended Dec. 31, 2012	Change	
Net sales	870.0	2,481.6	776.0	2,305.8	175.8	7.6%
Operating income	36.4	87.8	32.4	73.5	14.3	19.4%
Expenses on financing activities	(2.1)	(4.8)	(2.0)	(3.3)	(1.5)	
[Dividend income included in above]	[1.4]	[5.2]	[1.2]	[6.5]	[(1.3)]	
Equity in earnings of non-consolidated subsidiaries and affiliates	0.0	1.0	2.6	2.8	(1.8)	
Other non-operating income (expenses)	(0.1)	0.4	3.3	(2.8)	3.2	a)
Ordinary income	34.2	84.4	36.3	70.2	14.2	20.3%
Extraordinary gain	3.4	27.1	1.0	9.9	17.2	
Extraordinary loss	(2.4)	(5.2)	(8.8)	(21.4)	16.2	
Income before income taxes and minority interests	35.2	106.3	28.5	58.7	47.6	
Current and deferred income taxes	(15.4)	(43.5)	(13.7)	(29.4)	(14.1)	
Income before minority interests	19.8	62.8	14.8	29.3	33.5	
Minority interests in consolidated subsidiaries	(9.7)	(25.4)	(8.9)	(20.1)	(5.3)	
Net income	10.1	37.4	5.9	9.2	28.2	308.0%
Comprehensive income attributable to:	27.2	119.6	20.9	31.5	88.1	
Shareholders of the parent	15.5	86.4	10.5	10.0	76.4	
Minority interests	11.7	33.2	10.4	21.5	11.7	

a) Change in other non-operating income (expenses) +3.2 due primarily to foreign exchange gain/loss +6.5

Consolidated Net Sales and Operating Income by Business Segment

(Billions of Yen)

		1Q	2Q	3Q	Nine Months Ended Dec. 31, 2013	Nine Months Ended Dec. 31, 2012	Change
Total	Net Sales	781.3	830.3	870.0	2,481.6	2,305.8	175.8
	Operating income	23.5	27.9	36.4	87.8	73.5	14.3
Electronics Applications	Net Sales	28.4	28.4	28.8	85.6	88.8	(3.2)
	Operating income	(1.2)	(1.4)	(1.7)	(4.3)	(3.2)	(1.1)
Designed Materials	Net Sales	177.2	188.8	192.4	558.4	515.6	42.8
	Operating income	11.1	11.3	11.3	33.7	17.0	16.7
Health Care	Net Sales	127.6	127.1	151.0	405.7	393.2	12.5
	Operating income	18.6	16.5	27.8	62.9	64.2	(1.3)
Chemicals	Net Sales	223.3	237.5	246.3	707.1	665.8	41.3
	Operating income	(1.4)	1.6	(1.3)	(1.1)	(2.4)	1.3
Polymers	Net Sales	180.8	199.4	199.5	579.7	506.5	73.2
	Operating income	(1.4)	0.4	0.2	(0.8)	0.5	(1.3)
Others	Net Sales	44.0	49.1	52.0	145.1	135.9	9.2
	Operating income	(0.5)	0.9	1.7	2.1	3.6	(1.5)
Corporate	Net Sales	-	-	-	-	-	-
	Operating income	(1.7)	(1.4)	(1.6)	(4.7)	(6.2)	1.5

Consolidated Net Sales and Operating Income by Business Sub-segment

(Billions of Yen)

		1Q	2Q	3Q	Nine Months Ended Dec. 31, 2013	Nine Months Ended Dec. 31, 2012	Change		
Electronics Applications		Net Sales	28.4	28.4	28.8	85.6	88.8	(3.2)	
		Operating income	(1.2)	(1.4)	(1.7)	(4.3)	(3.2)	(1.1)	
Designed Materials	Functional Products		Net Sales	121.6	130.9	134.4	386.9	357.8	29.1
			Operating income	5.5	6.1	6.0	17.6	5.4	12.2
	Performance Chemicals		Net Sales	55.6	57.9	58.0	171.5	157.8	13.7
			Operating income	5.6	5.2	5.3	16.1	11.6	4.5
Health Care	Pharmaceuticals		Net Sales	103.9	98.9	120.3	323.1	322.5	0.6
			Operating income	17.4	15.5	26.1	59.0	62.3	(3.3)
	Diagnostics and Pharmaceutical Ingredients/Formulations		Net Sales	23.7	28.2	30.7	82.6	70.7	11.9
			Operating income	1.2	1.0	1.7	3.9	1.9	2.0

Major reasons for the change:

- (a) Decreased sales for recording media and declining prices of red phosphor
- (b) Increased sales for composite materials and carbon fiber and increased margin for exports due to depreciation of the yen
- (c) Increased sales for OPL film and increased margin for exports due to depreciation of the yen
- (d) Increased overseas royalty revenues were offset by decreased sales of ethical pharmaceuticals in Japan and a decreased margin due to product mix
- (e) Qualicaps Group was newly consolidated and increased profits for the diagnostic testing business

Consolidated Net Sales and Operating Income by Business Sub-segment (Continued)

(Billions of Yen)

		1Q	2Q	3Q	Nine Months Ended Dec. 31, 2013	Nine Months Ended Dec. 31, 2012	Change	
Chemicals	Petrochemicals	Net Sales	171.7	186.8	195.2	553.7	489.5	64.2
		Operating income	(3.9)	(0.2)	(3.8)	(7.9)	(13.0)	5.1 (a)
	Carbon	Net Sales	51.6	50.7	51.1	153.4	176.3	(22.9)
		Operating income	2.5	1.8	2.5	6.8	10.6	(3.8) (b)
Polymers	Polyolefins and Advanced Polymers	Net Sales	112.7	123.7	129.4	365.8	315.8	50.0
		Operating income	(1.2)	0.4	0.6	(0.2)	(4.6)	4.4 (c)
	MMA Monomers and Polymers	Net Sales	68.1	75.7	70.1	213.9	190.7	23.2
		Operating income	(0.2)	0.0	(0.4)	(0.6)	5.1	(5.7) (d)

Inventory valuation gain/loss	1Q	2Q	3Q	Nine Months Ended Dec. 31, 2013	Nine Months Ended Dec. 31, 2012	Change
	Chemicals (Petrochemicals)	(1.4)	0.4	1.6	0.6	1.2
Chemicals (Carbon)	0.2	(0.1)	(0.2)	(0.1)	(0.5)	0.4
Polymers (Polyolefins and Advanced Polymers)	3.6	0.7	2.5	6.8	2.8	4.0
Total	2.4	1.0	3.9	7.3	3.5	3.8

Major reasons for the change:

- (a) Decreased loss due mainly to improved utilization of domestic ethylene plants
- (b) Spot royalty revenue of high-performance graphite was included in the previous year and a margin for synthetic rubber decreased whereas demand for coke was strong
- (c) Improved performance of polyolefin business, increased sales and the acquisition of overseas unit of performance polymers business
- (d) Decreased margin of MMA due to unfavorable market in Asia and increased cost due to delay in resuming operation of U.S. plant

Analysis of Operating Income

(Billions of Yen)

	Nine Months Ended Dec. 31, 2013	Nine Months Ended Dec. 31, 2012	Change	Analysis			
				Price	Volume	Cost reduction	Inventory Valuation gain/loss, others *
Total	87.8	73.5	14.3	(6.5)	0.9	19.4	0.5
Electronics Applications	(4.3)	(3.2)	(1.1)	(1.4)	(2.4)	3.8	(1.1)
Designed Materials	33.7	17.0	16.7	3.0	5.2	4.2	4.3
Health Care	62.9	64.2	(1.3)	1.2	(1.6)	0.8	(1.7)
Chemicals	(1.1)	(2.4)	1.3	(6.0)	(1.0)	5.6	2.7
Polymers	(0.8)	0.5	(1.3)	(3.3)	1.2	3.2	(2.4)
Others	2.1	3.6	(1.5)	-	(0.5)	1.6	(2.6)
Corporate	(4.7)	(6.2)	1.5	-	-	0.2	1.3

*“Inventory valuation gain/loss, others” include an impact due to the unification of depreciation methods

Consolidated Extraordinary Gain and Loss

				(Billions of Yen)
				Change
	3Q of FY2013	Nine Months Ended Dec. 31, 2013	Nine Months Ended Dec. 31, 2012	
Net of extraordinary gain and loss	1.0	21.9	(11.5)	33.4
Extraordinary gain	3.4	27.1	9.9	17.2
Profit on arbitration award	-	11.0	-	11.0
Gain on sales of investment securities	2.5	10.3	2.0	8.3
Gain on sales of property, plant and equipment	0.1	2.0	3.9	(1.9)
Others	0.8	3.8	4.0	(0.2)
Extraordinary loss	(2.4)	(5.2)	(21.4)	16.2
Business structure improvement expenses	(0.5)	(1.0)	(10.9)	9.9
Impairment loss	(0.6)	(1.6)	(1.1)	(0.5)
Loss on sales and retirement of property, plant and equipment	(0.5)	(1.5)	(2.4)	0.9
Others	(0.8)	(1.1)	(7.0)	5.9

Consolidated Cash Flows

	Based on statements of cash flows		Adjusted by excluding cash flows from investment of surplus funds	
	Nine Months Ended Dec. 31, 2013	Nine Months Ended Dec. 31, 2012	Nine Months Ended Dec. 31, 2013 Excluded 25.7 billion yen	Nine Months Ended Dec. 31, 2012 Excluded 6.3 billion yen
Net cash provided by operating activities	135.0	143.4	135.0	143.4
Income before income taxes and minority interests	106.3	58.7	106.3	58.7
Depreciation and amortization	92.1	96.4	92.1	96.4
Amortization of goodwill	10.4	8.8	10.4	8.8
Change in operating receivables/payables	(24.5)	7.3	(24.5)	7.3
Change in Inventories	(8.0)	(10.1)	(8.0)	(10.1)
Others	(41.3)	(17.7)	(41.3)	(17.7)
Net cash used in investment activities	(123.4)	(79.4)	(149.1)	(85.7)
Capital expenditure	(88.4)	(98.5)	(88.4)	(98.5)
Sales of fixed assets and investment securities	30.4	21.7	30.4	21.7
Investment and loans receivable etc.	(65.4)	(2.6)	* (91.1)	(8.9)
Free cash flow	11.6	64.0	(14.1)	57.7
Net cash used in financing activities	(3.4)	(60.3)		
Interest-bearing debts	30.1	(26.9)		
Dividends, etc.	(33.5)	(33.4)		
Increase in cash and cash equivalents	8.2	3.7		
Effect of exchange rate changes and change in scope of consolidation	13.8	0.1		
Cash and cash equivalents at the beginning of the period	153.1	133.1		
Cash and cash equivalents at the end of the period	175.1	136.9		

*Including capital increase of Taiyo Nippon Sanso, Medicago acquisition, and purchase of additional Quadrant shares to make it a wholly-owned subsidiary

Consolidated Balance Sheets

	(Billions of Yen)		
	Dec. 31, 2013	Mar. 31, 2013	Change
Cash and deposits	142.0	116.0	26.0
Inventories	575.7	547.0	28.7
Trade receivables	647.4	588.2	59.2
Others	182.5	205.5	(23.0)
Current assets	1,547.6	1,456.7	90.9
Tangible and intangible fixed assets	1,217.0	1,126.8	90.2
Goodwill	179.2	179.9	(0.7)
Investment and Others	568.5	544.4	24.1
Non-current assets	1,964.7	1,851.1	113.6
Total assets	3,512.3	3,307.8	204.5

	(Billions of Yen)		
	Dec. 31, 2013	Mar. 31, 2013	Change
Interest-bearing debts	1,265.2	1,198.8	66.4
Trade payables	456.5	417.0	39.5
Others	497.1	488.7	8.4
Liabilities	2,218.8	2,104.5	114.3
Shareholders' equity	854.7	835.5	19.2
Accumulated other comprehensive income	28.7	(20.0)	48.7
Minorities interests, etc.	410.1	387.8	22.3
Net assets	1,293.5	1,203.3	90.2
Total liabilities and net assets	3,512.3	3,307.8	204.5

Net interest-bearing debts (*1)	1,008.9	938.6	70.3
Net D/E ratio	1.14	1.15	(0.01)
Net D/E ratio (incl. Minority interests in the denominator)	0.78	0.78	0.00

Shareholders' equity (*2)	883.4	815.5	67.9
Shareholders' equity ratio	25.1%	24.6%	0.5%

*1. Net interest-bearing debts (1,008.9 billion yen)
= interest-bearing debts (1,265.2 billion yen)
- (cash and cash equivalents (175.1 billion yen) + investments of surplus funds (81.2 billion yen))

*2. Represents the sum of shareholders' equity and accumulated other comprehensive income per the above B/S.

Consolidated Statements of Comprehensive Income

Exchange rates	Sep. 2013	Dec. 2012
	Dec. 2013	Mar. 2013
For subsidiaries with calendar-year accounting period (¥/US\$)	97.8	86.6
For subsidiaries with April-March accounting period (¥/US\$)	105.4	94.1
For subsidiaries with calendar-year accounting period (¥/€)	131.9	114.7
For subsidiaries with April-March accounting period (¥/€)	145.1	120.7

(Billions of Yen)

	Nine Months Ended Dec. 31, 2013	Nine Months Ended Dec. 31, 2012	Change
Net income	37.4	9.2	28.2
Minority interests in consolidated subsidiaries	25.4	20.1	5.3
Income before minority interests	62.8	29.3	33.5
Other comprehensive income :			
Net unrealized holding gain (loss) on other securities	14.7	(0.9)	15.6
Gain (Loss) on deferred hedges	(0.7)	1.1	(1.8)
Foreign currency translation adjustments	35.9	0.0	35.9
Unfunded retirement benefit obligation with respect to a foreign subsidiary	0.4	0.5	(0.1)
Other comprehensive income of affiliates accounted for using equity method	6.5	1.5	5.0
Other comprehensive income, net	56.8	2.2	54.6
Total comprehensive income	119.6	31.5	88.1
Total comprehensive income attributable to:			
Shareholders of the parent	86.4	10.0	76.4
Minority interests	33.2	21.5	11.7

Consolidated Statements of Operations (Revised Forecast for FY2013)

Forecast

Exchange rate for transactions in US\$ (¥/US\$)	98.6	101.1	99.9	83.3	16.6	98.3
Exchange rate to translate foreign statements with calendar-year accounting period (¥/US\$)	95.9	100.1	98.0	80.1	17.9	97.0
Naphtha price (¥/kl)	64,700	69,900	67,300	57,500	9,800	65,925

				(Billions of Yen) <reference>		
	1H of FY2013 (Actual)	2H of FY2013 (Revised Forecast)	FY2013 (Revised Forecast)	FY2012 (Actual)	Change	FY2013 (Forecast Announced on Oct 31)
Net sales	1,611.6	1,888.4	3,500.0	3,088.6	411.4	3,500.0
Operating income	51.4	58.6	110.0	90.2	19.8	133.0
Expenses on financing activities	(2.7)	(4.3)	(7.0)	(4.1)	(2.9)	(8.0)
[Dividend income included in above]	[3.8]	[3.2]	[7.0]	[8.9]	[(1.9)]	[6.5]
Equity in earnings of non-consolidated subsidiaries and affiliates	1.0	(0.5)	0.5	3.2	(2.7)	4.5
Other non-operating income (expenses)	0.5	(4.0)	(3.5)	(2.2)	(1.3)	(4.5)
Ordinary income	50.2	49.8	100.0	87.1	12.9	125.0
Extraordinary gain	23.7	4.8	28.5	21.2	7.3	26.0
Extraordinary loss	(2.8)	(21.7)	(24.5)	(25.4)	0.9	(22.0)
Income before income taxes and minority interests	71.1	32.9	104.0	82.9	21.1	129.0
Current and deferred income taxes	(28.1)	(19.9)	(48.0)	(40.1)	(7.9)	(52.0)
Income before minority interests	43.0	13.0	56.0	42.8	13.2	77.0
Minority interests in consolidated subsidiaries	(15.7)	(12.3)	(28.0)	(24.2)	(3.8)	(31.0)
Net income	27.3	0.7	28.0	18.6	9.4	46.0

Consolidated Net Sales and Operating Income by Business Segment (Revised Forecast for FY2013)

Forecast

		(Billions of Yen)					<reference>
		1H of FY2013 (Actual)	2H of FY2013 (Revised Forecast)	FY2013 (Revised Forecast)	FY2012 (Actual)	Change	FY2013 (Forecast announced on Oct 31)
Total	Net Sales	1,611.6	1,888.4	3,500.0	3,088.6	411.4	3,500.0
	Operating Income	51.4	58.6	110.0	90.2	19.8	133.0
Electronics Applications	Net Sales	56.8	78.2	135.0	118.2	16.8	140.0
	Operating Income	(2.6)	(3.4)	(6.0)	(5.1)	(0.9)	(3.5)
Designed Materials	Net Sales	366.0	429.0	795.0	689.7	105.3	810.0
	Operating Income	22.4	23.6	46.0	22.5	23.5	49.5
Health Care	Net Sales	254.7	284.3	539.0	514.4	24.6	539.0
	Operating Income	35.1	36.4	71.5	74.9	(3.4)	72.5
Chemicals	Net Sales	460.8	489.2	950.0	903.6	46.4	940.0
	Operating Income	0.2	(3.2)	(3.0)	(0.2)	(2.8)	5.5
Polymers	Net Sales	380.2	479.8	860.0	675.7	184.3	850.0
	Operating Income	(1.0)	4.0	3.0	0.1	2.9	12.0
Others	Net Sales	93.1	127.9	221.0	187.0	34.0	221.0
	Operating Income	0.4	4.6	5.0	6.5	(1.5)	5.0
Corporate	Net Sales	-	-	-	-	-	-
	Operating Income	(3.1)	(3.4)	(6.5)	(8.5)	2.0	(8.0)

Consolidated Net Sales and Operating Income by Business Sub-segment (Revised Forecast for FY2013)

Forecast

(Billions of Yen)

			1H of FY2013 (Actual)	3Q of FY2013 (Actual)	4Q of FY2013 (Revised Forecast)	FY2013 (Revised Forecast)	FY2012 (Actual)	Change	
Electronics Applications		Net Sales	56.8	28.8	49.4	135.0	118.2	16.8	
		Operating Income	(2.6)	(1.7)	(1.7)	(6.0)	(5.1)	(0.9)	
Designed Materials	Functional Products		Net Sales	252.5	134.4	158.1	545.0	478.0	67.0
			Operating Income	11.6	6.0	3.9	21.5	7.6	13.9
	Performance Chemicals		Net Sales	113.5	58.0	78.5	250.0	211.7	38.3
			Operating Income	10.8	5.3	8.4	24.5	14.9	9.6
Health Care	Pharmaceuticals		Net Sales	202.8	120.3	95.9	419.0	419.1	(0.1)
			Operating Income	32.9	26.1	8.5	67.5	73.5	(6.0)
	Diagnostics and Pharmaceutical Ingredients/Formulations		Net Sales	51.9	30.7	37.4	120.0	95.3	24.7
			Operating Income	2.2	1.7	0.1	4.0	1.4	2.6

Consolidated Net Sales and Operating Income by Business Sub-segment (Continued) (Revised Forecast for FY2013)

Forecast

(Billions of Yen)

		1H of FY2013 (Actual)	3Q of FY2013 (Actual)	4Q of FY2013 (Revised Forecast)	FY2013 (Revised Forecast)	FY2012 (Actual)	Change	
Chemicals	Petrochemicals	Net Sales	358.5	195.2	186.3	740.0	678.6	61.4
		Operating Income	(4.1)	(3.8)	(4.1)	(12.0)	(13.0)	1.0
	Carbon	Net Sales	102.3	51.1	56.6	210.0	225.0	(15.0)
		Operating Income	4.3	2.5	2.2	9.0	12.8	(3.8)
Polymers	Polyolefins and Advanced Polymers	Net Sales	236.4	129.4	144.2	510.0	425.3	84.7
		Operating Income	(0.8)	0.6	3.2	3.0	(6.0)	9.0
	MMA Monomers and Polymers	Net Sales	143.8	70.1	136.1	350.0	250.4	99.6
		Operating Income	(0.2)	(0.4)	0.6	0.0	6.1	(6.1)

Inventory valuation gain/loss	1H of FY2013 (Actual)	3Q of FY2013 (Actual)	4Q of FY2013 (Revised Forecast)	FY2013 (Revised Forecast)	FY2012 (Actual)	Change
Chemicals (Petrochemicals)	(1.0)	1.6	(1.5)	(0.9)	6.0	(6.9)
Chemicals (Carbon)	0.1	(0.2)	0.0	(0.1)	(0.4)	0.3
Polymers (Polyolefins and Advanced Polymers)	4.3	2.5	2.8	9.6	8.1	1.5
Total	3.4	3.9	1.3	8.6	13.7	(5.1)

Consolidated Extraordinary Gain and Loss (Revised Forecast for FY2013)

Forecast

(Billions of Yen)

	1H of FY2013 (Actual)	3Q of FY2013 (Actual)	4Q of FY2013 (Revised Forecast)	FY2013 (Revised Forecast)
Net of extraordinary gain and loss	20.9	1.0	(17.9)	4.0
Extraordinary gain	23.7	3.4	1.4	28.5
Extraordinary loss	(2.8)	(2.4)	(19.3)	(24.5)
Restructuring cost	(0.5)	(0.5)	(15.5)	(16.5)
Loss on sales and retirement of property, plant and equipment, others	(2.3)	(1.9)	(3.8)	(8.0)

The forward-looking statements are based largely on company expectations and information available as of the date hereof, and are subject to risks and uncertainties, which may be beyond company control.

Actual results could differ materially due to numerous factors, including without limitation, marketing conditions and the effects of industry competition.