

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
for the First Quarter of the Fiscal Year Ending March 31, 2016



1. Business Results for the First Quarter of the Fiscal Year Ending March 31, 2016 ("FY2015")
(Business period: April 1, 2015 to June 30, 2015)

Millions of Yen		Thousands of U.S. Dollars
The First Quarter of the Current Fiscal Year ("FY2015")	The First Quarter of the Previous Fiscal Year ("FY2014")	The First Quarter of the Current Fiscal Year ("FY2015")
April 1, 2015 - June 30, 2015	April 1, 2014 - June 30, 2014	April 1, 2015 - June 30, 2015

(1) Results of Operations:

Net sales	941,034	810,909	7,713,393
Operating income	70,956	29,503	581,607
Income before income taxes	75,212	23,453	616,492
Net income attributable to Shareholders of the parent	34,797	5,858	285,221
Comprehensive income	64,495	13,015	528,648
		(Yen)	(U.S. Dollars)
Net income per share -Basic	23.75	3.97	0.20
Net income per share -Diluted	23.74	3.97	0.20

(2) Segment Information:

[Net Sales by Segment]

Electronics Applications	29,311	28,545	240,254
Designed Materials	201,779	196,591	1,653,926
Health Care	128,203	122,844	1,050,844
Chemicals	326,594	205,937	2,677,000
Polymers	207,760	212,524	1,702,951
Others	47,387	44,468	388,418
Total	941,034	810,909	7,713,393

[Operating Income (loss) by Segment]

Electronics Applications	(101)	(368)	(828)
Designed Materials	15,817	12,854	129,648
Health Care	24,986	15,964	204,803
Chemicals	21,494	682	176,180
Polymers	9,816	1,417	80,459
Others	460	331	3,770
Elimination & corporate	(1,516)	(1,377)	(12,426)
Total	70,956	29,503	581,607

Millions of Yen		Thousands of U.S. Dollars
As of June 30, 2015	As of March 31, 2015	As of June 30, 2015

(3) Financial Position:

Total assets	4,308,491	4,323,038	35,315,500
Inventories	596,307	595,505	4,887,762
Property, plant and equipment	1,500,292	1,498,146	12,297,475
Short-term and long-term debts	1,584,966	1,603,595	12,991,525
Shareholders' equity*	1,015,211	980,993	8,321,402
Ratio of shareholders' equity to total assets (%)	23.5	22.6	

* Net assets excluding share subscription rights and non-controlling interests

Millions of Yen	
The First Quarter of FY2015	The First Quarter of FY2014
April 1, 2015 - June 30, 2015	April 1, 2014 - June 30, 2014

Thousands of U.S. Dollars
The First Quarter of FY2015
April 1, 2015 - June 30, 2015

(4) Cash Flows:

	Millions of Yen	Millions of Yen	Thousands of U.S. Dollars
Net cash provided by operating activities	74,076	71,935	607,180
Net cash used in investing activities	(5,626)	(68,565)	(46,115)
Net cash used in (provided by) financing activities	(51,506)	9,109	(422,180)
Cash and cash equivalents at end of the period	263,208	190,393	2,157,443

(5) Ratio of Net Income to:

Shareholders' equity**	3.4	0.6
Total assets**	0.8	0.1
Net sales	3.6	0.7

** Based on the average of the beginning and ending balances of the respective periods.

Notes:

1 From the first quarter of FY2015, the Company applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013) "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No.7, September 13, 2013) and others. As a result, any change resulting from the Company's ownership interests in its subsidiary when the Company retains control over the subsidiary is accounted for as Capital surplus, and acquisition related costs are expensed in the year in which the costs are incurred. For any business combinations on or after the beginning of the current first quarter, subsequent measurement of the provisional amount recognized based on the purchase price allocation due to the completion of accounting for the business combination are reflected in the quarterly consolidated financial statements for the period to which the date of that business combination occurs. In addition, the presentation method of Net income was amended as well as "Minority interests" to "Non-controlling interests." To reflect these changes in presentation, adjustments have been made to the consolidated financial statements for the prior first quarter and the prior fiscal year presented herein.

In the quarterly consolidated statements of cash flows for the current first quarter, cash flows from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation are recognized under "cash flows from financing activities," whereas cash flows concerning the costs related to the purchase of ownership interests in subsidiaries that result in a change in the scope of consolidation are recognized under "cash flows from operating activities."

The aforementioned accounting standards are adopted as of the beginning of the current first quarter and thereafter, according to the transitional treatment provided for in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Consolidated Accounting Standard and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures.

The effects of these changes on operating income, ordinary income, and income before income taxes are immaterial.

2 Effective from FY2015, certain businesses of one consolidated subsidiary have been reclassified from "Chemicals" segment to "Polymers" segment or "Designed Materials" segment. In addition, certain three consolidated subsidiaries in "Other" segment have changed to "Polymers" segment. Accordingly, segment information for FY2014 is restated to match.

3 The Company and its domestic consolidated subsidiaries maintain their accounting record in Japanese yen. The U.S. dollar amounts presented in this document are solely for convenience and have been translated, as a matter of arithmetical computation only, at the rate of 122 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of June 2015.

2. Forecast for the Current Fiscal Year

	Millions of Yen	
	The First Half of FY2015- revised	FY2015
	April 1, 2015 - September 30, 2015	April 1, 2015 - March 31, 2016
Net sales	1,930,000	4,000,000
Operating income	110,000	227,000
Net income attributable to Shareholders of the parent	48,000	65,000
		(Yen)
Net income per share -Basic	32.76	44.21

Thousands of U.S. Dollars	
The First Half of FY2015- revised	FY2015
April 1, 2015 - September 30, 2015	April 1, 2015 - March 31, 2016
15,819,672	32,786,885
901,639	1,860,656
393,443	532,787
	(U.S. dollar)
0.27	0.36

Notes:

The profit and loss forecast for the first half of FY2015 has been revised to the above from those announced on May 13, 2015. Note that there is no revision to the forecast for FY 2015 (as the entire fiscal year).

3. Business Performance and Financial Position

(1) Business Performance

1) Consolidated Performance for the First Quarter of the Fiscal Year Ending March 31, 2016 (Fiscal 2015): Three Months Ended June 30, 2015

Overview of General Performance

The business environment surrounding the Mitsubishi Chemical Holdings Group during the first quarter of fiscal 2015, particularly the Industrial Materials saw favorable conditions as some product markets remained strong, while economies in Japan and overseas showed a general trend toward a gradual recovery despite uncertainties such as decelerating growth in the Chinese economy. The Performance Products domain remained strong as the yen's depreciation improved the export environment. The Health Care domain remained favorable due in part to higher royalty revenues, despite a difficult business environment due to factors such as stepped up measures to reduce spending on pharmaceuticals.

Under these circumstances, net sales for the first quarter of fiscal 2015 increased by ¥130.1 billion, or 16.0%, year on year to ¥941.0 billion due primarily to the conversion of Taiyo Nippon Sanso Corporation as a consolidated subsidiary since the third quarter of fiscal 2014. Operating income showed a significant increase of ¥41.5 billion, or 140.5%, year on year to ¥71.0 billion, and ordinary income rose sharply by ¥45.8 billion, or 158.6%, year on year to ¥74.6 billion. Net income attributable to shareholders to the parent increased by ¥28.9 billion, or 494.0%, year on year to ¥34.8 billion, mainly reflecting improvement in extraordinary losses.

Overview of Business Segments

Note: In the following section, all comparisons are with the same period of the previous fiscal year unless stated otherwise.

Electronics Applications Segment, Performance Products Domain

Net sales in this segment increased by ¥0.7 billion, to ¥29.3 billion. Operating loss improved by ¥0.3 billion, to ¥0.1 billion.

In information and electronics-related materials, although selling prices of phosphors for LEDs have continued to decline, sales volumes of display materials increased, and demand for precision cleaning and recycling of wafers for semiconductors remained strong. In recording media, the optical disc market continues to contract. In imaging supplies, overseas sales prices for OPC drums, toners, and chemical toners declined.

Designed Materials Segment, Performance Products Domain

Net sales in this segment increased by ¥5.2 billion, to ¥201.8 billion. Operating income increased by ¥3.0 billion, to ¥15.8 billion.

In polymer processing products, despite some weakness in expansion of demand for polyester film for flat panel display applications and touch panel display applications, a drop in raw material prices contributed to profit, and sales volumes of engineering plastic-related products increased. In composite materials, demand for carbon fibers and alumina fibers continued strong. In battery materials, sales volumes for automobile batteries increased. In fine chemicals, sales of coating materials remained strong. In fibers, sales volumes declined.

Health Care Segment, Health Care Domain

Net sales in this segment increased by ¥5.4 billion, to ¥128.2 billion. Operating income increased by ¥9.0 billion, to ¥25.0 billion.

In pharmaceuticals, royalty revenues for *Gilenya*, a treatment for multiple sclerosis and *Invokana*, a treatment agent for type 2 diabetes mellitus increased significantly, despite a decline in sales associated with the ending of the sales alliance for plasma fractionation products in March 2015. In pharmaceutical formulation materials, sales volumes of pharmaceutical equipment declined. In diagnostic reagents and instruments and clinical testing, sales increased.

A major initiative in the Health Care segment during the first quarter of fiscal 2015 included:

- Life Science Institute, Inc. acquired all shares of Clio, Inc., which is engaged in the development of regenerative medicine using Multilineage-differentiating Stress Enduring (Muse) cells, and made the company a consolidated subsidiary in June 2015, aiming to enter the regenerative medicine field, which is positioned as a core business in advanced medicine.

Chemicals Segment, Industrial Materials Domain

Net sales in this segment increased by ¥120.7 billion, to ¥326.6 billion. Operating income by increased ¥20.8 billion, to ¥21.5 billion

In basic petrochemicals, chemical derivatives, and terephthalic acid (a synthetic fiber raw material), sales decreased due to lower sales prices. On the other hand, amid a drop in raw material prices, operating income increased significantly due mainly to continued strong market conditions for some products, reduction in costs incurred by a scale-down of production facility regular maintenance, and improvement in inventory valuation losses. In carbon products, sales of blast furnace coke remained generally firm, despite continued lower sales prices in response to a drop in the coking coal prices. Industrial gases have been included since the third quarter of fiscal 2014.

Major initiatives in the Chemicals segment during the first quarter of fiscal 2015 included:

- Mitsubishi Chemical Corporation and Asahi Kasei Chemicals Corporation have concluded an agreement to establish a joint venture for the operation of a unified naphtha cracker in Mizushima, slated to start operation in April 2016, based on the agreement announced in a press release dated February 25, 2014.
- Taiyo Nippon Sanso Corporation acquired additional shares of Air Products Industry Co., Ltd. and made it a consolidated subsidiary in May 2015. By aggressively infusing the Group's business resources, Taiyo Nippon Sanso plans to expand the scope of Air Products Industry's business and products as the Thai economy grows to maturity and also take advantage of synergies with other Group companies throughout Southeast Asia.

Polymers Segment, Industrial Materials Domain

Net sales in this segment decreased by ¥4.8 billion, to ¥207.7 billion. Operating income increased by ¥8.4 billion, to ¥9.8 billion.

In synthetic resins including polyolefin, MMA monomer, and other products, net sales decreased, due to lower sales prices in response to a drop in raw material prices, while operating income increased significantly due to an improvement in price differences between raw materials and products.

Others

Net sales in this segment increased by ¥2.9 billion, to ¥47.4 billion. Operating income increased by ¥0.2 billion, to ¥0.5 billion.

In engineering, external orders increased. In logistics, business remained strong.

4. Consolidated Financial Position

At the end of the first quarter of fiscal 2015, total assets amounted to ¥4,308.54 billion, a decrease of ¥14.5 billion compared to the end of fiscal 2014, due primarily to a decrease in operating receivables.

5. Consolidated Financial Results Forecasts for Fiscal 2015

We have made revisions in our forecasts for consolidated financial results for the first half of fiscal 2015 that were announced on May 13, 2015, reflecting improved operating income due primarily to improved market conditions in the Chemicals segment during the first quarter, and improved ordinary income and net income attributable to Shareholders of the parent due primarily to improved performance of equity-method affiliates in addition to the factor mentioned above.

Our full-year forecasts of consolidated financial results remain unchanged from the previous announcement at the present time. However, we will make revisions promptly if it becomes necessary to do so.

Forward-looking Statements

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 market conditions, and the effect of industry competition. The company expectations for the forward-looking statements are described in page [2] and [5] hereof.