



November 10, 2005

Mitsubishi Chemical Holdings Corporation Prospected Financial Information for the Fiscal Year Ending March 31, 2006 and Management Policies

1. Consolidated Prospects for the Current Fiscal Year

	(Note 2)	
	Millions of Yen	Thousands of U.S. Dollars
	The Current Fiscal Year April 1, 2005 - March 31, 2006	The Current Fiscal Year April 1, 2005 - March 31, 2006
(Note 1)		
Net sales	2,400,000	21,238,938
Operating income	132,000	1,168,142
Net income	74,000	654,867
	(Note 3) (Yen)	(U.S. dollar)
Net income per share	56.73	0.50

Notes:

- Financial projections of Mitsubishi Chemical Holdings Corporation for the FY2005 is calculated based on Mitsubishi Chemical Corporation's consolidated financial results for the first half of FY2005.
- The Corporation and its domestic consolidated subsidiaries maintain their accounting recorded in Japanese yen. The U.S. dollar amounts are included solely for convenience and have been translated, as a matter of arithmetical computation only, at the rate of 113 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of September 2005. This translation should not be construed as a representation that the yen amounts actually represent, or have been, or could be, converted into U.S. dollars at this, or at any other rate.
- The prospected net income per share is calculated under the assumption that Mitsubishi Chemical Holdings Corporation was established at the beginning of the current fiscal year. The number of common shares of 1,371,850,060 outstanding as of October 3, 2005 excluding treasury stocks is applied, and the net income is corrected by adding back the minority interest of 3,963 million yen for Mitsubishi Pharma Corporation Group.

2. Non-Consolidated Prospects for the Current Fiscal Year

	(Note 2)	
	Millions of Yen	Thousands of U.S. Dollars
	The Current Fiscal Year October 3, 2005 - March 31, 2006	The Current Fiscal Year October 1, 2005 - March 31, 2006
Revenue	1,500	13,274
Ordinary profit	0	0
Net income	0	0
	(Yen)	(U.S. dollar)
Cash dividends per share	6.00	0.05

Remarks:

Although Mitsubishi Chemical Holdings Corporation has no retained earnings for dividends, year-end dividends will be paid from its additional paid-in capital.

3. Management Policies

(1) Basic Management Policies

Mitsubishi Chemical Corporation and Mitsubishi Pharma Corporation jointly established a holding company, Mitsubishi Chemical Holdings Corporation, by means of a stock-for-stock exchange, on October 3, 2005. Mitsubishi Chemical Holdings Corporation will manage business portfolios of the Mitsubishi Chemical Holdings Group, with both Mitsubishi Chemical Corporation and Mitsubishi Pharma Corporation respectively managing their business operations.

Mitsubishi Chemical Holdings Corporation's corporate philosophy is 'Good Chemistry for Tomorrow', which expresses Mitsubishi Chemical Holdings Corporation's continuing approach to respond to the needs of industry and society, creating better relationships among people, society and our planet. Under the philosophy, Mitsubishi Chemical Holdings Corporation further develops and enhances its Group portfolio management, to increase the Group value and accelerate strengthening of the pharmaceutical business, as well as expedite business restructuring and alliances, aiming at a leading Group in the world.

Specifically, Mitsubishi Chemical Holdings Corporation has carried on the Mitsubishi Chemical Group's mid-term management plan, 'KAKUSHIN Plan: Phase 2' (Phase 2). The business operations of the Mitsubishi Chemical Holdings Group are based on the three pillars of petrochemicals, performance products (performance and functional products), and health care (pharmaceuticals, clinical testing and diagnostics). Selection and concentration of business operations will be further accelerated to increase sustainable growth and the Group strengths. ROA is used as managerial index.

(2) Policy for Profit Distribution

Mitsubishi Chemical Holdings Corporation's basic policy is to give our shareholders continued dividends according to the business results, while considering stable dividends for mid- and long-term perspectives and expanding reserves for the future business development.

(3) Mid- and Long-Term Management Strategies

The Mitsubishi Chemical Corporation has announced a new mid-term management plan called the 'KAKUSHIN Plan' in November 2002. 'KAKUSHIN' means the implementation of changes to the status quo and represents our determination to make a quantum leap through continuous innovation and renovation. The 'KAKUSHIN Plan' is a five-year plan composed of a two-step approach and is targeted for a vision of the Group in the fiscal year ending March 31, 2008 (FY2007). The 'KAKUSHIN Plan: Phase 1' (Phase 1) from

FY2003-2004 was a preparation phase for rebuilding the business foundation and the Phase 2 from FY2005-2007 will be a period for consolidating strength and building momentum for sustainable growth. As mentioned above, Mitsubishi Chemical Holdings Corporation has carried out the Phase 2.

Here is the outline for the Phase 2:

1) Basic Concept

The Mitsubishi Chemical Holdings Group positions petrochemicals, performance and functional products, and health care as the three business pillars. The Group will promote sustainable growth through waves of change (KAKUSHIN) by constantly creating new products, processes, business models, and new markets in a global market; and constantly reforming business portfolio according to the changing social environments.

2) Major Action Items

- i) Execution of growth strategy
Implementation of the following tasks in the targeted market areas of automotive, IT, environment and energy, daily necessities, and health care are:
 - Selection of businesses for growth and focused allocation of resources
 - Incubation of new products, processes, and business models
 - Focusing R&D on selected future targeted projects, aligning with the business strategies
 - Ease control on capital investment for future growth
- ii) Strengthening of management foundation
 - Improvement of financial position
 - Strategic reorganization of major domestic production sites
 - Further progress of 'Production KAKUSHIN'
 - Securing and nurturing of human resources
- iii) Integration of the Group Strengths
 - Reinforcement of the Group management
 - Strengthening corporate social responsibilities

3) Numerical Targets

Target profits for FY2007 (ending March 31, 2008)

Operating Income:	> ¥140.0 billion (Net Sales: ¥2,350.0 billion)
ROA (earnings before income taxes):	> 5.5%
D/E Ratio:	< 1.5

As for production technology, 'Production KAKUSHIN' will be further advanced, focusing on strengthening of production technology and continuous rationalization such as improving infrastructure of production sites, attracting plants and firms, idling land sale, optimizing production sites in the Group, as well as strengthening super-stable operation technology.

The Mitsubishi Chemical Holdings Group recognizes that public confidence is the cornerstone of our business activities. Under the recognition, we will engage actively in corporate social responsibility and contribute to realize vibrant and healthy society through useful products and services we produce, while interacting with society.

(4) Basic Policy for Corporate Governance and the Current Status

Mitsubishi Chemical Holdings Corporation considers and positions expediting decision-making and management execution; clarification of management responsibilities; and ensuring compliance in corporate activities as the most important managerial tasks of corporate governance. By strengthening its corporate governance, the company seeks to further increase its corporate value.

The company currently has 8 directors, 5 corporate auditors including 3 outside auditors, and 8 executive officers. Supervision of business management, as well as decision-making on critical matters that required to be solved for the company and basic policies for the Group management are made at the board meetings. Management execution of the board members is audited by the corporate auditors, based on the audit plan through attendance of the board meetings, the executive management committee meetings, and other important meetings.

The company also positions compliance as an important managerial task. Raising awareness of our employees is being urged through provision of 'Mitsubishi Chemical Holdings Group Corporate Ethics', 'Mitsubishi Chemical Holdings Group Code of Conduct', and other corporate regulations. The Chief Compliance Officer takes a leadership and supervises the Group companies, based on these compliance policies. Ensuring of compliance among the Group companies is being reinforced in order to secure ethical corporate conduct and compliance with laws and regulations.

4. Business Forecast for the Fiscal Year Ending March 31, 2006

In terms of the future business environment, both brisk exports, driven by the economic boom in the US and China, and growth in the domestic demands are expected. On the other hand, there is concern that drastic rise in raw material costs and fuel costs reflecting rise in the crude oil price will affect business earnings and consumer spending.

Under these circumstances, however, the Mitsubishi Chemical Holdings Group will further strengthen business competitiveness globally by steadily executing the mid-term management plan, the Phase 2 and will attend to further raise business profitability through price corrections and sales expansion.

Favorable business performances were achieved in the second half of FY2005, especially in Performance Products Segment and Health Care Segment. In the second half of FY2005, impacts of further rise in the naphtha prices are apprehended in the Petrochemical Segment. As for the fiscal year ending March 31, 2006, net sales of 2,400.0 billion yen, operating income of 132.0 billion yen, and ordinary profit of 136.0 billion yen are projected. Net income of 74.0 billion yen is expected according to the decrease of extraordinary loss.

The expected numerical values of the major indices are as follows:

(Unit: Billions of yen)

	Actual results for the first half of the current fiscal year	Forecast for the whole fiscal year	Actual results in the previous fiscal year
Capital investment	43.9	108.0	67.1
Depreciation	40.8	85.0	87.7
R&D expenditures	43.7	94.0	89.2
Exchange rate (¥/\$)	110	110	108
Naphtha (¥/kl)	37,900	41,500	32,200

Business Risks

The Group companies execute production and sales businesses in many different fields: olefin, styrene monomer, terephthalic acid, polyolefins and others in petrochemicals; carbon products such as coke; inorganic products; information and electronics related products; pharmaceuticals; processed resin products such as polyester films; composite materials. These business results are subjected to, including but not limited to the following: Influences of world demands, exchange rates, price and procurement volume of crude oil and naphtha, trend of market price, speed in technology innovation, National Health Insurance price revision, product liabilities, lawsuits, laws and regulations, and act of

providence.

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 effects of industry competition. The company expectations for the forward-looking statements are described in page [1], [4], and [5], hereof.