

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
For the First Quarter of the Fiscal Year Ending March 31, 2008



1. Business Results for the First Quarter of the Fiscal Year Ending March 31, 2008
(Business period: April 1, 2007 to June 30, 2007)

(Note1)

Millions of Yen	
The First Quarter of the Current Fiscal Year	The First Quarter of the Previous Fiscal Year
April 1, 2007 ~ June 30, 2007	April 1, 2006 ~ June 30, 2006

Thousands of U.S. Dollars
The First Quarter of the Current Fiscal Year
April 1, 2007 ~ June 30, 2007

(1) Results of Operations:

Net sales	665,009	606,282
Operating income	33,373	29,390
Income before income taxes and minority interests in consolidated subsidiaries	35,954	40,291
Net income	20,652	21,796
		(Yen)
Net income per share	15.08	15.90

	(Note2)
	5,406,577
	271,325
	292,309
	167,902
	(U.S. Dollars)
	0.123

(2) Segment Information: (Note3)**[Net Sales by Segments]**

Petrochemicals	334,305	280,088
Performance and Functional Products	225,663	223,035
<i>Performance Products</i>	132,719	132,108
<i>Functional Products</i>	92,944	90,927
Health Care	76,198	76,004
Others	28,843	27,155
Total	665,009	606,282

	2,717,927
	1,834,659
	1,079,016
	755,642
	619,496
	234,496
	5,406,577

[Operating Income (loss) by Segments]

Petrochemicals	8,051	1,787
Performance and Functional Products	14,103	13,716
<i>Performance Products</i>	9,548	9,319
<i>Functional Products</i>	4,555	4,397
Health Care	11,472	12,950
Others	2,216	2,005
Elimination & corporate costs	(2,469)	(1,068)
Total	33,373	29,390

	65,455
	114,659
	77,626
	37,033
	93,268
	18,016
	(20,073)
	271,325

Millions of Yen	
The First Quarter of the Current Fiscal Year	The Previous Fiscal Year Ended March 31, 2007
June 30, 2007	March 31, 2007

Thousands of U.S. Dollars
The First Quarter of the Current Fiscal Year
June 30, 2007

(3) Financial Position:

Total assets	2,370,723	2,318,832
Inventories	383,918	362,463
Property, plant and equipment and intangible assets	771,699	759,807
Short-term and long-term debt	769,968	739,673
Shareholders' equity	726,471	712,160
Ratio of shareholders' equity to total assets (%)	30.6	30.7
		(Yen)
Shareholders' equity per share	530.55	520.05

	19,274,171
	3,121,285
	6,273,976
	6,259,902
	5,906,268
	(U.S. Dollars)
	4.313

(%)

The First Quarter of the Current Fiscal Year	The First Quarter of the Previous Fiscal Year
April 1, 2007 ~ June 30, 2007	April 1, 2006 ~ June 30, 2006

(4) Ratio of Net Income to:

Shareholders' equity	2.8	3.3
Total assets	0.8	1.0
Net sales	3.1	3.5

* Based on the average of each amount at the beginning and at the end of the respective periods.

Notes:

- The accompanying consolidated financial information has been prepared by using partially simplified accounting methods from those adopted for the latest fiscal year.
- From this period, a method of calculation of depreciation was changed due to a change of Japanese tax rule. This change decreased operating income by 2.4 billion yen, income before income taxes and minority interests in consolidated subsidiaries by 2.7 billion yen, and net income by 1.7 billion yen.
- From this period, three consolidated subsidiaries were reclassified to reflect performance more clearly in its strategic business areas. The figure of the First Quarter of the Previous Fiscal Year in the segment information was adjusted to the change.
One of them was reclassified from the Functional Products to the Petrochemicals Segment.
Two of them were reclassified from Others to the Petrochemicals Segment.
- 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 123 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of June 2007. 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.

2. The Prospects for the Current Fiscal Year (Announced on May 10, 2007)

	Millions of Yen		Thousands of U.S. Dollars
	The First Half of the Current Fiscal Year	The Current Fiscal Year	
	April 1, 2007 ~ September 30, 2007	April 1, 2007 ~ March 31, 2008	April 1, 2007 ~ March 31, 2008
	(Millions of Yen)	(Millions of Yen)	
Net sales	1,370,000	2,900,000	23,577,236
Operating income	61,000	148,000	1,203,252
Net income	31,000	186,000	1,512,195

3. Business Performances and Financial Position

(1) Business Performances

Consolidated Performance for the First Quarter of the Fiscal Year Ending March 31, 2008 (From April 1, 2007 to June 30, 2007)

In the first quarter of the fiscal year ending March 31, 2008, the Japanese economy continued to expand gently benefiting from factors such as brisk export driven by continuous economic boom, in mainly EU and East Asian countries, active capital investment reflecting high corporate profit, and strong personal spending.

The business environment of the Mitsubishi Chemical Holdings Group (MCHC Group) remained firm owing to both domestic and overseas demands while crude oil and naphtha prices surged.

Under these circumstances, the consolidated business results for the first quarter of the fiscal year ending March 31, 2008, resulted as follows. The net sales increased by ¥58.7 billion (9.7% increase) to ¥665.0 billion compared to the same period previous fiscal year; operating income increased by ¥4.0 billion (13.6% increase) to ¥33.4 billion compared to the same period previous fiscal year; ordinary income increased by ¥2.0 billion (5.7% increase) to ¥36.9 billion compared to the same period previous fiscal year; and net income decreased by ¥1.1 billion (5.2% decrease) to ¥20.7 billion compared to the same period previous fiscal year.

(2) Overview of Business Segments

Petrochemicals

Net sales of the segment for the first quarter of the fiscal year ending March 31, 2008 increased by ¥54.2 billion (19.4% increase) to ¥334.3 billion compared to the same period previous fiscal year. Operating income, increased by ¥6.3 billion (350.5% increase) to ¥8.1 billion compared to the same period previous fiscal year, owing to an increase in the gain of the price difference in inventory.

The production volume of ethylene, a major basic raw material for petrochemicals was 280 thousand tons, the same level of the same period previous fiscal year.

Net sales of the segment increased benefiting the fact that businesses in basic petrochemicals, industrial chemicals, and synthetic resins progressed favorably by the active demands in both domestic and overseas markets, while crude oil and naphtha prices turned from the downward trend in the third and the fourth quarter of previous fiscal year to upward trend in this period. The MCHC Group made an effort to correct sales prices in respond to surging the raw material prices.

Major actions taken for the Petrochemicals Segment during the first quarter (from April 1, 2007 to June 30, 2007) are as follows:

- Mitsubishi Chemical Corporation decided to increase production capacity of propylene at the Kashima Plant. (April)
- Beijing Ju-Ling-Yan Plastic Company Limited decided to construct a new production facility for polypropylene compounds in Foshan, Guandong, China. (June)

Performance and Functional Products

Net sales of the segment for the first quarter of the fiscal year ending March 31, 2008 increased by ¥2.6 billion (1.2% increase) to ¥225.6 billion compared to the same period previous fiscal year. Operating income, increased by ¥0.4 billion (2.8% increase) to ¥14.1 billion compared to the same period previous fiscal year.

In the area of information and electronics related products, with regard to the DVDs, net sales continued to expand, despite the price fall. With regard to printing supplies, such as organic photo conductor (OPC) drums, pulverized toner, and chemical toner, net sales were the same level of the same period previous fiscal year. In the carbon businesses, net sales slightly decrease primary due to decline in the export price of blast furnance coke compared with the same period previous fiscal year.

In the Functional Products businesses, all types of films including composite films and sheets progressed favorably, especially in the polyester films for liquid crystal displays and plastic injection moldings for electronic applications such as liquid crystal television. Both construction materials including composite materials and industrial application materials such as carbon fibers and alumina fibers increased net sales at a satisfactory pace.

Major actions taken for the Performance and Functional Products Segments during the first

quarter (from April 1, 2007 to June 30, 2007) are as follows:

- Mitsubishi Chemical Holdings Corporation decided the ratio of share exchange effective on October 1, 2007 for the outstanding shares of Mitsubishi Plastics, Inc. which Mitsubishi Chemical Corporation was unable to acquire through tender offer from February to March 2007: one share of common stock of Mitsubishi Plastics, Inc. will be exchanged for 0.41 shares of Mitsubishi Chemical Holdings Corporation. (April)
- Mitsubishi Chemical Functional Products, Inc. launched *Yuka Proof*, a polypropylene-based long tarpaulin lining for truck floor. (April).
- Mitsubishi Chemical Functional Products, Inc. completed a new production line for *ALPOLIC/fr*, a fire-rated aluminum composite material with a noncombustible mineral core at its subsidiary in the US, Mitsubishi Chemical FP America, Inc. (April)
- Mitsubishi Plastics, Inc. expanded the production facility for *DIAMIRON*, a co-extruded multi-layered film at its Asai Plant. (May)
- Mitsubishi Plastics, Inc. developed a new grade of a bi-axially oriented high gas barrier nylon film with straight cut property, *SUPERNYL* type SPR-M. (June)

Health Care

Net sales of the segment increased by ¥0.2 billion (0.3% increase) to ¥76.2 billion compared to the same period previous fiscal year. Operating income decreased by ¥1.5 billion (11.4% decrease) to ¥11.5 billion compared to the same period previous fiscal year, as the result of increase in the selling, general and administrative expenses such as R&D expenses.

In the pharmaceutical business, net sales came to the same level of the same period previous fiscal year, due to the growth in sales of an ethical neuroprotective agent, *RADICUT* and anti-platelet agent, *ANPLAG*. Business performances for clinical testing and testing for clinical trials were satisfactory in general.

Major actions taken for the Health Care Segment during the first quarter (from April 1, 2007 to June 30, 2007) are as follows:

- Mitsubishi Chemical Medience Corporation has been established, as the operating holding company, to integrate the business activities of Mitsubishi Kagaku Bio-Clinical Laboratories, Inc., Mitsubishi Chemical Safety Institute Ltd., and

- Mitsubishi Kagaku Iatron, Inc. (April)
- ZOEGENE Corporation has been reorganized and renamed as Molecuence Corporation. (April)
 - Mitsubishi Pharma Corporation and Tanabe Seiyaku Co., Ltd., along with Mitsubishi Chemical Holdings Corporation reached a final agreement on the merger between Mitsubishi Pharma Corporation and Tanabe Seiyaku Co., Ltd., effective October 1, 2007. (April)
 - Mitsubishi Pharma Corporation and Tanabe Seiyaku Co., Ltd. formulated the corporate philosophy and vision, brand mark, business management goals, and other policies of the new company, Mitsubishi Tanabe Pharma Corporation. (May)
 - Mitsubishi Pharma Corporation has obtained approval for additional indication of *Omeprazon Tablet 10mg*, a proton pump inhibitor, for non-erosive reflux disease in Japan on May 24, 2007. (May)
 - Mitsubishi Chemical Holdings Corporation and Mitsubishi Pharma Corporation decided to undertake a US\$70 million capital increase at the investment company, MP Healthcare Venture Management, Inc. established in August 2006 in the US by the Mitsubishi Chemical Holdings Group, which is centered in Mitsubishi Pharma Corporation. The capital increase is to be made by August 2007 with US\$35 million supplied by each company and will bring the investment company's total capital to US\$100 million. (June)

Others

Net sales increased by ¥1.7 billion (6.2% increase) to ¥28.9 billion compared to the same period previous fiscal year, and operating income increased by ¥0.2 billion (10.5% increase) to ¥2.2 billion compared to the same period previous fiscal year.

Both engineering service and logistics progressed satisfactory.

Group in General

- Mitsubishi Chemical Corporation decided to extend the comprehensive and integrative industry-academia partnership for innovation with Kyoto University and other four companies for three years, which aims to create new businesses through the research and development of next-generation innovative technologies in organic electronic materials and devices. (April)

(3) Consolidated Financial Position

At the end of the first quarter of the fiscal year ending March 2008, total assets amounted to ¥2,370.7 billion, an increase of ¥51.9 billion compared to the end of the previous fiscal year. This was primary due to fact that an increase in inventories reflecting sharp rise in raw materials.

4. Consolidated Financial Projection for the Fiscal Year Ending March 31, 2008

The financial position progressed as planned for the first quarter of the fiscal year ending March 31, 2008. Financial projections for both the first half of the fiscal year ending March 31, 2008 and for the fiscal year ending March 31, 2008, as announced on May 10, 2007, have not been revised.

5. Others

- (1) Change in significant subsidiaries which affected the scope of consolidation during the first quarter of the fiscal year ending March 31, 2008: None
- (2) Adoption of simplified accounting methods: Yes
The computation of income taxes and others which was not considered material items were adopted simplified accounting methods.
- (4) Change in accounting policy : Yes
In accordance with the reform of Japanese Corporate Tax Law, depreciation methods for tangible assets which were acquired from April 2007 were changed.

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 [2], hereof.