

# Operational Summary

For the First Half of the Fiscal Year Ending March 31, 2009

October 31, 2008

Mitsubishi Chemical Holdings Corporation

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**Notes:**

FY2007: April 1, 2007 - March 31, 2008

FY2008: April 1, 2008 - March 31, 2009

# Consolidated Statements of Operations

Exchange rate (¥/US\$)	105	122
Naphtha price (¥/kl)	85,300	59,700

105	121
78,100	58,800

	(Billions of Yen)			Percentage of change	(Billions of Yen)			Percentage of change	(Billions of Yen)
	2Q of FY2008	2Q of FY2007	Change		1st Half of FY2008	1st Half of FY2007	Change		
<b>Net sales</b>	<b>824.0</b>	<b>724.8</b>	<b>99.2</b>	14%	<b>1,587.7</b>	<b>1,389.8</b>	<b>197.9</b>	14%	<b>1,600.0</b>
<b>Operating income</b>	<b>21.6</b>	<b>33.1</b>	<b>(11.5)</b>	-35%	<b>56.2</b>	<b>66.5</b>	<b>(10.3)</b>	-15%	<b>57.0</b>
Income (expenses) on financing activities	(1.4)	(2.6)	1.2		(1.0)	(4.1)	3.1		(2.0)
[Dividend income included in above]	[0.8]	[0.7]	[0.1]		[3.8]	[2.8]	[1.0]		[3.0]
Other non-operating income (expenses)	6.8	0.9	5.9		10.0	2.0	8.0		9.0
Equity in Earnings of non-consolidated subsidiaries and affiliates	(0.5)	2.3	(2.8)		0.3	6.2	(5.9)		1.0
<b>Ordinary income</b>	<b>26.5</b>	<b>33.7</b>	<b>(7.2)</b>	-21%	<b>65.5</b>	<b>70.6</b>	<b>(5.1)</b>	-7%	<b>65.0</b>
Extraordinary gain	0.7	1.3	(0.6)		0.9	2.0	(1.1)		5.0
Extraordinary loss	(5.6)	(7.5)	1.9		(6.9)	(9.1)	2.2		(10.0)
<b>Income before income taxes</b>	<b>21.6</b>	<b>27.5</b>	<b>(5.9)</b>	-22%	<b>59.5</b>	<b>63.5</b>	<b>(4.0)</b>	-6%	<b>60.0</b>
Current and deferred income taxes	(9.8)	(9.4)	(0.4)		(26.7)	(25.0)	(1.7)		(25.0)
Minority interests in consolidated subsidiaries	(1.4)	(0.6)	(0.8)		(9.3)	(0.3)	(9.0)		(8.0)
<b>Net income</b>	<b>10.4</b>	<b>17.5</b>	<b>(7.1)</b>	-41%	<b>23.5</b>	<b>38.2</b>	<b>(14.7)</b>	-38%	<b>27.0</b>

## Consolidated Net Sales by Business Segments

(Billions of Yen)

	2Q of FY2008	2Q of FY2007	Change
<b>Total</b>	<b>824.0</b>	<b>724.8</b>	<b>99.2</b>
<b>Electronics Applications</b>	<b>91.1</b>	<b>99.4</b>	<b>(8.3)</b>
<b>Designed Materials</b>	<b>77.4</b>	<b>74.0</b>	<b>3.4</b>
<b>Health Care</b>	<b>118.3</b>	<b>78.3</b>	<b>40.0</b>
<b>Chemicals</b>	<b>335.6</b>	<b>310.2</b>	<b>25.4</b>
<b>Polymers</b>	<b>158.6</b>	<b>114.6</b>	<b>44.0</b>
<b>Others</b>	<b>43.0</b>	<b>48.3</b>	<b>(5.3)</b>

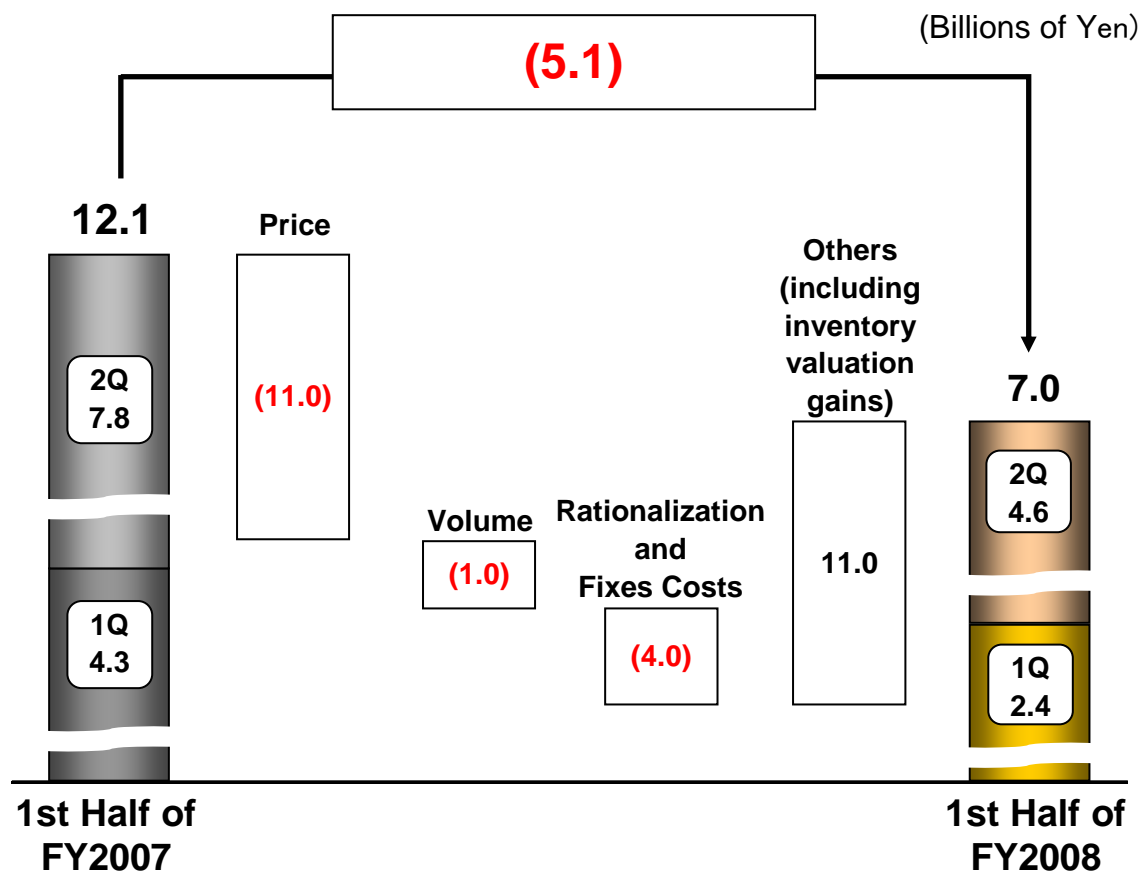
(Billions of Yen)

	1st Half of FY2008	1st Half of FY2007	Change
<b>Total</b>	<b>1,587.7</b>	<b>1,389.8</b>	<b>197.9</b>
<b>Electronics Applications</b>	<b>183.4</b>	<b>197.3</b>	<b>(13.9)</b>
<b>Designed Materials</b>	<b>147.1</b>	<b>146.1</b>	<b>1.0</b>
<b>Health Care</b>	<b>246.5</b>	<b>154.5</b>	<b>92.0</b>
<b>Chemicals</b>	<b>617.2</b>	<b>582.4</b>	<b>34.8</b>
<b>Polymers</b>	<b>313.8</b>	<b>228.5</b>	<b>85.3</b>
<b>Others</b>	<b>79.7</b>	<b>81.0</b>	<b>(1.3)</b>

## Consolidated Operating Income by Business Segments

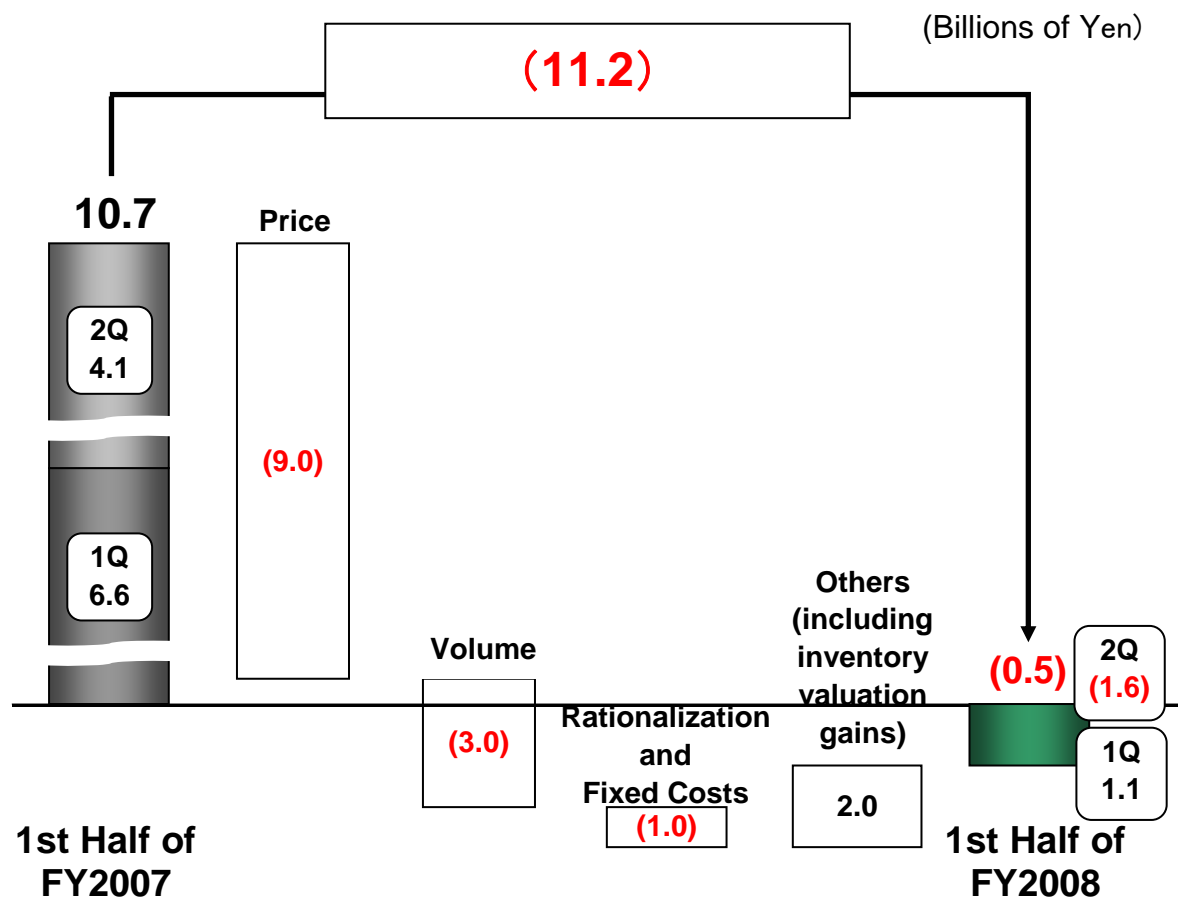
(Billions of Yen)				(Billions of Yen)			(Billions of Yen)
	2Q of FY2008	2Q of FY2007	Change	1st Half of FY2008	1st Half of FY2007	Change	1st Half of FY2008 Forecast (July 31)
<b>Total</b>	21.6	33.1	(11.5)	56.2	66.5	(10.3)	57.0
Electronics Applications	4.9	8.5	(3.6)	10.6	16.8	(6.2)	14.0
Designed Materials	1.9	3.5	(1.6)	2.7	6.2	(3.5)	3.0
Health Care	10.6	9.7	0.9	37.2	21.2	16.0	36.0
Chemicals	4.6	7.8	(3.2)	7.0	12.1	(5.1)	7.0
Polymers	(1.6)	4.1	(5.7)	(0.5)	10.7	(11.2)	0.0
Others	4.8	2.7	2.1	6.2	5.1	1.1	4.0
Corporate	(3.6)	(3.2)	(0.4)	(7.0)	(5.6)	(1.4)	(7.0)

# Analysis of Operating Income (1st Half of FY2007 vs. 1st Half of FY2008) Chemicals Segment



	1st Half of FY2008	1st Half of FY2007	Change
Inventory valuation gains	17.8	4.4	13.4
Petrochemicals	9.2	4.7	4.5
Carbon	8.6	(0.3)	8.9
Difference in plant trouble in December 2007	(2.1)		(2.1)

# Analysis of Operating Income (1st Half of FY2007 vs. 1st Half of FY2008) Polymers Segment



	1st Half of FY2008	1st Half of FY2007	Change
Inventory valuation gains	5.8	3.0	2.8
Difference in plant trouble in December 2007	(0.6)		(0.6)

# Consolidated Balance Sheets

(Billions of Yen)

Debtor	September 30, 2008	March 31, 2008	Change
Cash and deposits	58.0	116.1	(58.1)
Inventories	538.2	427.1	111.1
Trade receivables	653.8	599.9	53.9
Others	161.7	181.8	(20.1)
<b>Current assets</b>	<b>1,411.7</b>	<b>1,324.9</b>	<b>86.8</b>
Fixed assets	987.7	972.0	15.7
Investment and others	476.8	468.9	7.9
<b>Fixed assets</b>	<b>1,464.5</b>	<b>1,440.9</b>	<b>23.6</b>
<b>Total assets</b>	<b>2,876.2</b>	<b>2,765.8</b>	<b>110.4</b>

Creditor	September 30, 2008	March 31, 2008	Change
Interest-bearing debts	871.4	822.5	48.9
Trade payables	494.2	435.1	59.1
Others	407.5	412.3	(4.8)
<b>Liabilities</b>	<b>1,773.1</b>	<b>1,669.9</b>	<b>103.2</b>
Shareholders' equity	794.3	781.6	12.7
Valuation and others	28.3	46.2	(17.9)
Minorities interests	280.5	268.1	12.4
<b>Net assets</b>	<b>1,103.1</b>	<b>1,095.9</b>	<b>7.2</b>
<b>Total liabilities and net assets</b>	<b>2,876.2</b>	<b>2,765.8</b>	<b>110.4</b>

	September 30, 2008	March 31, 2008	Change
Interest-bearing debts (incl. notes)	871.6	823.1	48.5
Debt-equity ratio	1.06	0.99	0.07

	September 30, 2008	March 31, 2008	Change
Shareholders' equity (*1)	822.6	827.8	(5.2)
Shareholders' equity ratio	28.6%	29.9%	(1.3%)

(\*1) Net assets -minority interests-stock warrant

Reference: Simple summation of newly consolidated subsidiaries

Debtor		Creditor	
Inventories	39.0	Interest-bearing debts	21.0
Trade receivables	48.0	Trade payables	60.0
Fixed assets	23.0	Others	19.0
Others	20.0	Net assets	30.0
<b>Total assets</b>	<b>130.0</b>	<b>Total liabilities and net assets</b>	<b>130.0</b>

Subsidiaries: Japan Polyethylene Corporation, J-Film Corporation, and KANSAI COKE AND CHEMICALS CO., LTD.



# Consolidated Cash Flows

(Billions of Yen)	2Q of FY2008	1st Half of FY2008	1st Half of FY2008
Net cash provided by operating activities	20.8	35.6	35.6
Net cash used in investment activities	(59.3)	(151.4)	(67.9)
[Financial investments of cash in hands included in above]	[(27.0)]	[(83.5)]	[(83.5)]
Free cash flows	(38.5)	(115.8)	(32.3)
[Financial investments of cash in hands included in above]	[(27.0)]	[(83.5)]	[(83.5)]
Net cash provided by finance activities	17.7	19.5	19.5
Increase (decrease) in cash and cash equivalents	(20.8)	(96.3)	(12.8)
Beginning balance of cash and cash equivalents	90.6	165.7	165.7
Newly consolidated and translation adjustment, etc.	1.9	2.3	2.3
Balance of cash and cash equivalents on June 30, 2008	71.7	71.7	155.2

Actual results excluding  
financial investments of  
cash in hands

## Revised Major Assumptions for FY2008

	Revision	Announced on May 8, 2008						
Exchange rate (¥/US\$)	103	105						
Naphtha price (¥/kl)	1st Half of FY2008: 60,000	68,000						
	FY2008: 69,000	68,000						
	<table border="0"> <tr> <td style="font-size: 2em;">{</td> <td>1Q of FY2008: 70,900</td> <td style="font-size: 2em;">}</td> </tr> <tr> <td></td> <td>2Q of FY2008: 85,300</td> <td></td> </tr> </table>	{	1Q of FY2008: 70,900	}		2Q of FY2008: 85,300		
{	1Q of FY2008: 70,900	}						
	2Q of FY2008: 85,300							

# Consolidated Statements of Operations (FY2008 Forecast)

	1st Half of FY2008 Actual	3Q+4Q of FY2008 Forecast	FY2008 Forecast	FY2007 Actual	FY2008 Forecast (May 8)
Exchange rate (¥/US\$)	105	100	103	118	105
Naphtha price (¥/KI)	78,100	60,000	69,000	61,500	68,000

	1st Half of FY2008 Actual	3Q+4Q of FY2008 Forecast	FY2008 Forecast	FY2007 Actual	Change	Percentage of change	(Billions of Yen) FY2008 Forecast (May 8)
<b>Net sales</b>	<b>1,587.7</b>	<b>1,682.3</b>	<b>3,270.0</b>	<b>2,929.8</b>	<b>340.2</b>	11.6%	<b>3,340.0</b>
<b>Operating income</b>	<b>56.2</b>	<b>68.8</b>	<b>125.0</b>	<b>125.0</b>	<b>0.0</b>	0.0%	<b>158.0</b>
Income (expenses) on financing activities [Dividend income included in above]	(1.0) [3.8]	(4.0) [2.2]	(5.0) [6.0]	(6.3) [5.8]	1.3 [0.2]		(7.0) [5.0]
Other non-operating income (expenses)	10.0	(9.0)	1.0	2.1	(1.1)		8.0
Equity in earnings of non-consolidated subsidiaries and affiliates	0.3	(0.3)	0.0	8.1	(8.1)		7.0
<b>Ordinary income</b>	<b>65.5</b>	<b>55.5</b>	<b>121.0</b>	<b>128.9</b>	<b>(7.9)</b>	-6.1%	<b>166.0</b>
Extraordinary gain	0.9	11.1	12.0	123.3	(111.3)		13.0
Extraordinary loss	(6.9)	(17.1)	(24.0)	(34.4)	10.4		(23.0)
<b>Income before income taxes</b>	<b>59.5</b>	<b>49.5</b>	<b>109.0</b>	<b>217.8</b>	<b>(108.8)</b>	-50.0%	<b>156.0</b>
Current and deferred income taxes	(26.7)	(27.3)	(54.0)	(46.0)	(8.0)		(62.0)
Minority interests in consolidated subsidiaries	(9.3)	(10.7)	(20.0)	(7.7)	(12.3)		(24.0)
<b>Net income</b>	<b>23.5</b>	<b>11.5</b>	<b>35.0</b>	<b>164.1</b>	<b>(129.1)</b>	-78.7%	<b>70.0</b>

## Consolidated Operating Income by Business Segments (FY2008 Forecast)

	1st Half of FY2008 Actual	3Q+4Q of FY2008 Forecast	FY2008 Forecast	FY2007 Actual	Change	(Billions of Yen) FY2008 Forecast (May 8)
<b>Total</b>	<b>56.2</b>	<b>68.8</b>	<b>125.0</b>	<b>125.0</b>	<b>0.0</b>	<b>158.0</b>
Electronics Applications	10.6	14.4	25.0	31.6	(6.6)	33.0
Designed Materials	2.7	5.3	8.0	9.7	(1.7)	14.0
Health Care	37.2	41.8	79.0	57.2	21.8	81.0
Chemicals	7.0	0.0	7.0	10.9	(3.9)	24.0
Polymers	(0.5)	9.5	9.0	11.2	(2.2)	10.0
Others	6.2	5.8	12.0	14.1	(2.1)	12.0
Corporate	(7.0)	(8.0)	(15.0)	(9.7)	(5.3)	(16.0)

## Reference:

### Consolidated Capital Expenditures, Depreciation, R&D Expenses, and Number of Employees

		1st Half of FY2008 Actual	FY2008 Forecast
<b>Capital Expenditures</b> (Billions of Yen)	<b>Electronics Application</b>	14.6	27.0
	<b>Designed Materials</b>	5.6	17.0
	<b>Health Care</b>	10.2	21.0
	<b>Chemicals</b>	20.6	40.0
	<b>Polymers</b>	13.6	22.0
	<b>Others</b>	2.0	7.0
	<b>Corporate</b>	5.3	6.0
	<b>Total</b>	<b>71.9</b>	<b>140.0</b>
<b>Depreciation</b> (Billions of Yen)	<b>Electronics Application</b>	9.4	20.0
	<b>Designed Materials</b>	7.2	17.0
	<b>Health Care</b>	9.6	21.0
	<b>Chemicals</b>	17.5	40.0
	<b>Polymers</b>	6.9	15.0
	<b>Others</b>	1.6	3.0
	<b>Corporate</b>	2.7	6.0
	<b>Total</b>	<b>54.9</b>	<b>122.0</b>

		1st Half of FY2008 Actual
<b>R&amp;D</b> (Billions of Yen)	<b>Electronics Application</b>	5.8
	<b>Designed Materials</b>	2.9
	<b>Health Care</b>	42.9
	<b>Chemicals</b>	2.3
	<b>Polymers</b>	4.2
	<b>Others</b>	0.1
	<b>Corporate</b>	6.6
	<b>Total</b>	<b>64.8</b>
<b>Number of Employees</b> (Unit: Person)	<b>Electronics Application</b>	6,515
	<b>Designed Materials</b>	4,380
	<b>Health Care</b>	13,789
	<b>Chemicals</b>	4,921
	<b>Polymers</b>	4,007
	<b>Others</b>	6,665
	<b>Corporate</b>	1,397
	<b>Total</b>	<b>41,674</b>

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.