

Mitsubishi Chemical Holdings Corporation
Condensed Consolidated Financial Information
For the First Half of the Fiscal Year Ending March 31, 2010



1. Business Results for the First Half of the Fiscal Year Ending March 31, 2010
(Business period: April 1, 2009 to September 30, 2009)

	Millions of Yen		Thousands of U.S. Dollars
	April 1, 2009 - September 30, 2009	April 1, 2008 - September 30, 2008	April 1, 2009 - September 30, 2009
(1) Results of Operations:			
Net sales	1,145,807	1,587,734	12,731,189
Operating income	2,071	56,211	23,011
Income before income taxes and minority interests in consolidated subsidiaries	(2,069)	59,544	(22,989)
Net income	(2,567)	23,544	(28,522)
		(Yen)	(U.S. Dollars)
Net income per share	(1.86)	17.10	(0.02)
Net income per share (diluted)	-	15.73	-

(2) Segment Information:

[Net Sales by Segments]			
Electronics Applications	140,318	183,445	1,559,089
Designed Materials	119,270	147,108	1,325,222
Health Care	249,623	246,488	2,773,589
Chemicals	371,794	617,189	4,131,044
Polymers	194,344	313,839	2,159,378
Others	70,458	79,665	782,867
Total	1,145,807	1,587,734	12,731,189

[Operating Income (loss) by Segments]			
Electronics Applications	391	10,631	4,344
Designed Materials	1,587	2,715	17,633
Health Care	32,125	37,217	356,944
Chemicals	(2,352)	6,993	(26,133)
Polymers	(25,941)	(520)	(288,233)
Others	2,621	6,189	29,122
Elimination & corporate costs	(6,360)	(7,014)	(70,667)
Total	2,071	56,211	23,011

	Millions of Yen		Thousands of U.S. Dollars
	July 1, 2009 - September 30, 2009	July 1, 2008 - September 30, 2008	July 1, 2009 - September 30, 2009
(3) Results of Operations:			
Net sales	596,106	823,953	6,623,400
Operating income	12,676	21,632	140,844
Income before income taxes and minority interests in consolidated subsidiaries	16,687	21,555	185,411
Net income	14,192	10,431	157,689
		(Yen)	(U.S. Dollars)
Net income per share	10.31	7.57	0.12
Net income per share (diluted)	9.48	6.96	0.11

(4) Segment Information:

[Net Sales by Segments]			
Electronics Applications	73,564	91,053	817,378
Designed Materials	61,916	77,379	687,956
Health Care	123,042	118,255	1,367,133
Chemicals	197,511	335,651	2,194,567
Polymers	102,284	158,574	1,136,489
Others	37,789	43,041	419,878
Total	596,106	823,953	6,623,400

[Operating Income (loss) by Segments]			
Electronics Applications	1,312	4,914	14,578
Designed Materials	2,403	1,935	26,700
Health Care	6,952	10,579	77,244
Chemicals	552	4,569	6,133
Polymers	2,163	(1,569)	24,033
Others	2,326	4,761	25,844
Elimination & corporate costs	(3,032)	(3,557)	(33,689)
Total	12,676	21,632	140,844

	Millions of Yen		Thousands of U.S. Dollars
	September 30, 2009	March 31, 2009	September 30, 2009
(5) Financial Position:			
Total assets	2,744,121	2,740,876	30,490,233
Inventories	424,150	463,305	4,712,778
Property, plant and equipment and intangible assets	1,029,317	947,338	11,436,856
Short-term and long-term debt	1,061,219	1,033,239	11,791,322
Shareholders' equity	662,999	668,973	7,366,656
Ratio of shareholders' equity to total assets (%)	24.1	24.4	
		(Yen)	(U.S. Dollars)
Shareholders' equity per share	482.00	486.09	5.36

	Millions of Yen		Thousands of U.S. Dollars
	April 1, 2009 - September 30, 2009	April 1, 2008 - September 30, 2008	April 1, 2009 - September 30, 2009
(6) Cash Flows:			
	(Millions of Yen)	(Millions of Yen)	
Net cash provided by operating activities	20,093	35,640	223,256
Net cash used in investing activities	(92,518)	(151,407)	(1,027,978)
Net cash provided by (used in) financing activities	(32,203)	19,446	(357,811)
Cash and cash equivalents at end of the year	124,151	71,660	1,379,456

(7) Ratio of Net Income to:			(%)
Shareholders' equity	(0.3)		2.8
Total assets	0.0		0.8
Net sales	(0.2)		1.4

* 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.
- 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 90 yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of September 2009. 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 November 4, 2009)

	Millions of Yen		Thousands of U.S. Dollars
	April 1, 2009 - March 31, 2010		April 1, 2009 - March 31, 2010
Net sales	2,490,000		27,666,667
Operating income	60,000		666,667
Net income	0		0

3. Business Performance and Financial Position

(1) Business Performance

Consolidated Performance for the First Half of the Fiscal Year Ending March 31, 2010 (FY2009): From April 1, 2009 to September 30, 2009

Overview of General Performance

During the first half of FY2009, the Japanese economy remained severe due to ongoing stagnation in corporate capital expenditure and consumer spending, along with lower corporate profits, although signs of recovery in exports and productions were shown from the latter half of the year.

In the Mitsubishi Chemical Holdings Group, the business environment remained severe due to the medical cost restraint in the Health Care Domain, and a substantial decline in demand and a fall in the sales price in the Performance Products Domain and the Chemicals Domain affected by the global recession started from autumn last year.

Under the circumstances, the consolidated business results for the first half of FY2009 resulted as follows. Net sales decreased by ¥441.9 billion, or 27.8%, to ¥1,145.8 billion compared to the same period of FY2008 on account of the substantial decline in demand and the fall in the sales price in the Performance Products Domain and the Chemicals Domain. Operating income decreased by ¥54.1 billion, or 96.3%, to 2.1 billion compared to the same period of FY2008 due to inventory valuation losses in accordance with the fall of raw material and fuel prices and the substantial decline in demand. Ordinary income decreased by ¥70.1 billion to an ordinary loss of ¥4.6 billion compared to the same period of FY2008, and net income decreased by ¥26.1 billion to a net loss of ¥2.6 billion compared to the same period of FY2008.

(2) 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

(Recording media, Information and electronics-related materials, Imaging supplies, Inorganic chemicals)

Net sales in this segment decreased by ¥43.1 billion, or 23.5%, to ¥140.3 billion. Operating income decreased by ¥10.2 billion, or 96.2%, to ¥0.4 billion.

In recording media, net sales decreased due to the influence of exchange rate fluctuations, despite an increase in demand for portable HDD and flash memory, under the situation of a decrease in sales volumes and a fall in the price of DVDs. In polyester films and plastic injection moldings, net sales decreased due to a fall in the price and a decrease in sales volumes, respectively. Net sales of imaging supplies such as organic photo conductor drums (OPCs), toners, and chemical toners decreased due to a decrease in sales volumes of OPCs. Net sale of inorganic chemicals decreased due to a decrease in sales volumes.

Major initiatives in the Electronics Applications Segment during the first half of FY2009 included:

- Mitsubishi Kagaku Media Co., Ltd. developed 25GB 6X BD-R LTH Type media, which was used organic AZO dye in the recording layer. (May)
- Mitsubishi Kagaku Media Co., Ltd. acquired all the shares of Freecom B.V. and made it its wholly-owned subsidiary. (September)

Designed Materials Segment, Performance Products Domain

(Food ingredients, Battery materials, Fine chemicals, Polymer processing products, Composite materials)

Net sales in this segment decreased by ¥27.8 billion, or 18.9%, to ¥119.3 billion. Operating income increased by ¥1.1 billion, or 40.7%, to ¥1.6 billion.

In food ingredients and battery materials, net sales resulted favorably. In fine chemicals and polymer processing products, net sales of films, composite films, and sheets decreased due to a decrease in sales volumes. In composite materials, net sales of industrial materials such as carbon fibers decreased due to downsizing and postponing capital expenditure by private companies. Net sales of construction materials decreased due to a restraint on public investments and a decrease in housing starts.

Major initiatives in the Designed Materials Segment during the first half of FY2009 included:

- Mitsubishi Plastics, Inc. launched the high gas barrier film, *VIEW-BARRIER*, which has a superior property concerning gas barrier, anti-reflection, UV-cut, range of visual angle, etc. (April)
- Mitsubishi Plastics, Inc. launched a polyolefin wrap, *DIAWRAP* for home users. (April)
- MKV Platech Co., Ltd. concluded an agreement to acquire agricultural high-tech business of TAIYO KOGYO CO., LTD. (May)
- MKV Platech Co., Ltd., Marui Kako Co., Ltd., and Agridream, Inc. merged and began operations as MKV DREAM CO., LTD., in order to further boost the revenue base of

agricultural material business, effective from July 1, 2009. (July)

- Mitsubishi Plastics, Inc. launched an effluent treatment system, *HISHIBIOTANK*, which eliminates suspended solids generated throughout the manufacturing process of livestock food products. (July)
- Mitsubishi Plastics, Inc. developed AQSOA, an desiccant air-conditioning equipment" for dehumidification and humidification, which enables 20% of energy conservation compared to a general air-conditioning equipment, and test-marketed it. (July)
- Mitsubishi Plastics, Inc. launched developed a special casting technology to produce high-performance aluminium ingots characterizing weaker deformation resistance and high elongation, and launched *ALFINE*, aluminium ingots using the developed technology. (August)
- Mitsubishi Plastics, Inc. and the founders group of Quadrant AG established a joint venture, Aquamit B.V. as a holding company, and acquired Quadrant's shares through a public tender offer and made Quadrant its consolidated subsidiary. (August)
- Mitsubishi Chemical Corporation acquired additional shares of The Nippon Synthetic Chemical Industry Co., Ltd. and made it its consolidated subsidiary. (September)
- Mitsubishi Plastics, Inc. developed the industry's first heat-insulation container, *HISHI CONTAINER ASKOC* that is foldable and repeatedly washable, and announced to launch it in October 2009. (September)

Health Care Segment, Health Care Domain

(Pharmaceuticals, Diagnostic reagents and instruments, Clinical testing)

Net sales in this segment increased by ¥3.1 billion, or 1.3%, to ¥249.6 billion. Operating income decreased by ¥5.1 billion, or 13.7 %, to ¥32.1 billion due to an increase in R&D expenditure.

In the pharmaceutical business, net sales increased, as a result of favorable domestic sales of *Remicade*, an anti-TNF α monoclonal antibody; *Talion*, a treatment for allergic disorders; *Anplag*, an anti-Platelet agent, as well as an increased revenue by a vaccine and generic drugs, despite that sales of pharmaceuticals for overseas medical care was decreased by an appreciation of the Yen. In diagnostic reagents and instruments, and clinical testing, net sales remained favorably.

Major initiatives in the Health Care Segment during the first half of FY2009 included:

- The Ministry of Health, Labour and Welfare announced the standard for Mitsubishi Tanabe Pharma Corporation's burden of payments, based on "the Special Relief Law Concerning the Payment of Benefits to Reliev the Patients of Hepatitis C Infected through Specified Fibrinogen Preparations and Specified Blood-Coagulation Factor IX Preparations Contaminated by Hepatitis C Virus", as a result of a series of discussions with the Minister of Health, Labour and Welfare pertaining to the method of sharing the burden of fees required for said benefit

- payments and other operations, as well as the proportion of the said burden. (April)
- Mitsubishi Tanabe Pharma Corporation launched 6 ingredients of generic drugs that were newly included in NIH price listing. (May)
 - Mitsubishi Tanabe Pharma Corporation obtained approval for an additional indication for cytomegalovirus infection in organ transplantation (including hematogenic stem cell transplantation) and malignant tumor for the anti-cytomegalovirus chemotherapeutic agent Valixa Tablet 450 mg. (May)
 - Mitsubishi Tanabe Pharma Corporation began MR activities using an electric vehicle, *i-MiEV*. (July)
 - Mitsubishi Tanabe Pharma Corporation and Vertex Pharmaceuticals Incorporated announced that they have amended their agreement for developing and commercializing MP-424, an oral inhibitor of Hepatitis C virus protease. (July)
 - Taiwan Tanabe Seiyaku Co., Ltd. and P.T. Tanabe Indonesia, consolidated subsidiaries of Mitsubishi Tanabe Pharma Corporation announced that the companies have concluded agreements on exclusive development and commercialization licenses for Taiwan and Indonesia in regard to pitavastatin calcium (generic name, brand name in Japan: Livalo tablet), a hypercholesterolemia treatment agent. (August)
 - Mitsubishi Chemical Medience Corporation concluded an agreement with University of Tsukuba on joint implementation of “Tsukuba Medical Laboratory of Education and Research” at Tsukuba University Hospital. (September)

Chemicals Segment, Chemicals Domain

(Basic petrochemicals, Chemical derivatives, Synthetic fiber materials, Carbon products, Fertilizers)

Net sales in this segment decreased by ¥245.4 billion, or 39.8%, to ¥371.8 billion. Operating income decreased by ¥9.3 billion to an operating loss of ¥2.3 billion due to mainly a decrease in sales volumes and inventory valuation losses in accordance with a fall in the price of coal.

The production volume of ethylene, a basic raw material of petrochemicals, decreased by 5.5% to 465 thousand tons due to an expansion of scale in regular maintenances. In basic petrochemicals, chemical derivatives, and synthetic fiber materials, net sales drastically decreased due to a substantial fall in the price of raw materials and fuels and a decrease in demand. In carbon products, net sales of blast furnace coke decreased due to a decrease in sales volumes and a fall in the price linked to the price of coal as raw material. In fertilizers, net sales decreased due to a fall in the sales price and a decrease in sales volumes.

Major initiatives in the Chemicals Segment during the first half of FY2009 included:

- Mitsubishi Chemical Corporation resolved to withdraw from styrene monomer business. (May)
- Mitsubishi Chemical Corporation and Asahi Kasei Chemicals Corporation resolved to establish a joint venture to unify their naphtha cracking operations in Mizushima area and study on optimizing their efficiencies. (June)
- Mitsubishi Chemical Corporation concluded an agreement with Chisso Corporation and Asahi Kasei Chemicals Corporation on a consolidation of fertilizer businesses. (August)

Polymers Segment, Chemicals Domain

(Neat resins and compounds)

Net sales in this segment decreased by ¥119.5 billion, or 38.1%, to ¥194.3 billion. Operating income decreased by ¥25.4 billion to an operating loss of ¥25.9 billion due to a decrease in sales volumes and inventory valuation losses in accordance with a fall in the price of raw materials and fuels.

In synthetic resins, net sales drastically decreased due to a substantial fall in the price of raw materials and fuels, and a decrease in demand.

Major initiatives in the Polymers Segment during the first half of FY2009 included:

- Mitsubishi Chemical Corporation resolved to withdraw businesses related to vinyl chloride resin, vinyl chloride monomer, and electrolytic products operated through its subsidiary, V-Tech Corporation and shut down production facilities related to these businesses by the end of March 2011. (May)
- Mitsubishi Chemical Corporation resolved to withdraw from caprolactam business. (May)
- Mitsubishi Chemical Corporation resolved to construct a pilot plant at the Kurosaki Plant in order to develop and mass produce biomass-based polycarbonate. (May)
- Mitsubishi Chemical Corporation (MCC) and Royal DSM N.V. (DSM) announced the signing of a memorandum of understanding (MOU) on the exchange of high-performance product businesses. Under the MOU, MCC will exchange its nylon business, operated mainly in Japan and Asia by MCC and Mitsubishi Engineering Plastics Corporation for a polycarbonate business operated mainly in Europe by DSM Engineering Plastics. The companies have started a detailed study of the exchange, aiming for reinforcing each company's competitiveness. (May)
- Mitsubishi Chemical Corporation announced to transfer all the shares of PS Japan Corporation owned by the company to Asahi Kasei Chemicals Corporation and Idemitsu Kosan Co., Ltd. and withdraw from polystyrene business. (August)

- Mitsubishi Chemical Corporation announced the signing of a memorandum of understanding with PTT Public Company Limited on jointly conducting a study for business development of bio-polybutylene succinate, a bio-degradable polymer, made from biomass resources in Thailand. (September)

Others

(Engineering, Logistics)

Net sales in this segment decreased by ¥9.2 billion, or 11.5%, to ¥70.5 billion. Operating income decreased by ¥3.6 billion, or 58.1%, to ¥2.6 billion.

In logistics and engineering service, net sales decreased due to the decline of external orders.

Group in General

Major initiatives in the Group in general other than the above-mentioned segments during the first half of FY2009 included:

- Mitsubishi Chemical Corporation announced a basic agreement with China Petroleum and Chemical Corporation to establish a strategic business partnership. The partnership resulting from this agreement will cover joint research, project tie-ups, raw material and finished product supplies, engineering, logistics, technological information exchanges, and human resource exchange in petrochemical field, reduction of CO₂ emissions and effective use of CO₂, and others. (April)
- Mitsubishi Chemical Corporation issued the 38th domestic straight bonds [Total bond issue: ¥10 billion; period: 10 years] and the 39th domestic straight bonds [Total bond issue: ¥15 billion; period: 5 years] (August)
- Mitsubishi Plastics, Inc. issued the 5th domestic straight bonds [Total bond issue: ¥10 billion; period: 5 years] and the 6th domestic straight bonds [Total bond issue: ¥5 billion; period: 10 years] (September)
- Mitsubishi Chemical Corporation acquired additional shares of TAIYO NIPPON SANSO CORPORATION and made it its equity method affiliate. (September)

4. Consolidated Financial Position

At the end of the first half of FY2009, total assets amounted to ¥2,744.1 billion, an increase of ¥3.2 billion compared to the end of FY2008. This is due to that an equity method affiliate; The Nippon Synthetic Chemical Industry Co., Ltd. and others became a consolidated subsidiary, despite a decrease in securities.

5. Consolidated Financial Results Forecasts for FY2009

The consolidated financial results forecasts for FY2009 were revised as follows:

1) Revised consolidated financial results forecasts for FY2009

(April 1, 2009 – March 31, 2010)

(Units are in billions of yen, otherwise noted.)

	Nets sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A) (announced on May 12, 2009)	2,500.000	65.000	41.000	(9.000)	(6.53) yen
Revised forecast (B)	2,490.000	60.000	42.000	0	0.00 yen
Difference (B-A)	(10.000)	(5.000)	1.000	9.000	-
Percentage of difference (%)	(0.4)	(7.7)	2.4	-	-
Reference: Results of FY2008	2,909.030	8.178	(1.906)	(67.178)	(48.81) yen

2) Reason for revision

Operating income for FY2009 is expected to decrease the forecast announced previously due to the continued severe business environment and an increase in raw material and fuel prices, despite that a gradual recovery of demand in synthetic fiber material business.

Ordinary income is expected to exceed the forecast announced previously due to an improvement of interests and dividends, foreign exchange loss, and equity in earnings of affiliates by an increase of equity method affiliate, despite deterioration of operating income.

Net income is expected to exceed the forecast announced previously due to the above-mentioned reasons and improvement of extraordinary loss in the first half of FY2009.

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 [9] hereof.