

# Operational Summary

for the First Nine Months of the Fiscal Year Ending March 31, 2011

February 3, 2010

Mitsubishi Chemical Holdings Corporation

# Table of Contents

<b>Consolidated Financial Statements for the First Nine Months of FY2010</b>		Page No.
<b>Statements of Operations</b>		4
<b>Net Sales by Business Segment</b>		5
<b>Operating Income by Business Segment</b>		6
<b>Extraordinary Gain (Loss)</b>		7
<b>Cash Flows</b>		8
<b>Balance Sheets</b>		9
<b>References</b>		
<b>Computation of Goodwill Related to MRC Integration</b>		10
<b>Core Operating Companies</b>		11

## List of Abbreviations

<b>FY2010:</b>	April 1, 2010 - March 31, 2011	
	<b>3rd Quarter ("3Q") of FY2010:</b> October 1, 2010 - December 31, 2010	} <b>2nd Half ("2H") of FY2010</b>
	<b>4th Quarter ("4Q") of FY2010:</b> January 1, 2011 - March 31, 2011	
	<b>First nine months of FY2010:</b> April 1, 2010 - December 31, 2010	
<b>FY2009:</b>	April 1, 2009 - March 31, 2010	
	<b>3rd Quarter ("3Q") of FY2009:</b> October 1, 2009 - December 31, 2009	} <b>2nd Half ("2H") of FY2009</b>
	<b>4th Quarter ("4Q") of FY2009:</b> January 1, 2010 - March 31, 2010	
	<b>First nine months of FY2009:</b> April 1, 2009 - December 31, 2009	
<b>Forecast:</b>	The Company's forecasts for 2H of FY2010 announced on November 2, 2010	
<b>MCHC:</b>	Mitsubishi Chemical Holdings Corporation	
<b>MCC:</b>	Mitsubishi Chemical Corporation	
<b>MTPC:</b>	Mitsubishi Tanabe Pharma Corporation	
<b>MPI:</b>	Mitsubishi Plastics, Inc.	
<b>MRC:</b>	Mitsubishi Rayon Co., Ltd.	

# Consolidated Statements of Operations

Assumption for Exchange rate (Yen/US\$)	-	85	-	-		
Exchange rate for translation of foreign statements (Yen/US\$)	85	88	89	95		
Naphtha price (Yen/kl)	45,100	45,000	45,800	39,000		
				(Billions of Yen)		
	3Q of FY2010 Actual	2H of FY2010 Forecast	Progress on 2H Forecast	First Nine Months of FY2010 Actual	First Nine Months of FY2009 Actual	Change
Net sales	814.6	1,625.3	50%	2,379.3	1,792.4	586.9
Operating income	69.4	91.6	76%	180.8	47.1	133.7
Income (expenses) on financing activities [Dividend income included in above]	(2.1) [1.4]	(5.2) [2.7]		(6.9) [3.7]	(4.9) [3.1]	(2.0) [0.6]
Equity in Earnings of non-consolidated subsidiaries and affiliates	5.9	9.8		12.1	4.3	7.8
Other non-operating income (expenses)	(1.3)	(6.6)		(7.7)	(8.9)	1.2
Ordinary income	71.9	89.6	80%	178.3	37.6	140.7
Extraordinary gain	2.9			4.6	29.2	(24.6)
Extraordinary loss	(6.2)	(20.5)		(20.4)	(29.8)	9.4
Income before income taxes and minority interests	68.6	69.1	99%	162.5	37.0	125.5
Current and deferred income taxes	(18.8)	(23.0)		(46.8)	(9.5)	(37.3)
Minority interests in consolidated subsidiaries	(13.6)	(15.1)		(35.5)	(17.3)	(18.2)
Net income	36.2	31.0	117%	80.2	10.2	70.0

# Consolidated Net Sales by Business Segment

(Billions of Yen)

	3Q of FY2010 Actual	2H of FY2010 Forecast	Progress on 2H Forecast	First Nine Months of FY2010 Actual	First Nine Months of FY2009 Actual	Change
<b>Total</b>	<b>814.6</b>	<b>1,625.3</b>	<b>50%</b>	<b>2,379.3</b>	<b>1,792.4</b>	<b>586.9</b>
<b>Electronics Applications</b>	<b>35.8</b>	<b>82.4</b>	<b>43%</b>	<b>116.4</b>	<b>121.0</b>	<b>(4.6)</b>
<b>Designed Materials</b>	<b>165.6</b>	<b>351.2</b>	<b>47%</b>	<b>492.4</b>	<b>300.7</b>	<b>191.7</b>
Functional Products*	113.6	239.4	47%	334.2	214.2	120.0
Performance Chemicals*	52.0	111.8	47%	158.2	86.5	71.7
<b>Health Care</b>	<b>138.6</b>	<b>250.2</b>	<b>55%</b>	<b>390.4</b>	<b>396.3</b>	<b>(5.9)</b>
Pharmaceuticals*	114.9	196.4	59%	319.5	320.1	(0.6)
Diagnostics, Clinical Testing and API*	23.7	53.8	44%	70.9	76.2	(5.3)
<b>Chemicals</b>	<b>234.5</b>	<b>453.7</b>	<b>52%</b>	<b>669.8</b>	<b>571.6</b>	<b>98.2</b>
Petrochemicals*	170.4	328.2	52%	489.2	405.0	84.2
Carbon*	64.1	125.5	51%	180.6	166.6	14.0
<b>Polymers</b>	<b>187.1</b>	<b>368.3</b>	<b>51%</b>	<b>549.8</b>	<b>297.8</b>	<b>252.0</b>
Polyolefins and Advanced Polymers*	118.6	236.5	50%	349.1	297.8	51.3
MMA Monomers and Polymers*	68.5	131.8	52%	200.7	-	200.7
<b>Others</b>	<b>53.0</b>	<b>119.5</b>	<b>44%</b>	<b>160.5</b>	<b>105.0</b>	<b>55.5</b>

Notes:

Some businesses and subsidiaries were reclassified in response to adoption of new accounting standards, and therefore the results in the first nine months of FY2009 were adjusted accordingly.

\*Approximation for reference purpose only

# Consolidated Operating Income by Business Segment

(Billions of Yen)

	3Q of FY2010 Actual	2H of FY2010 Forecast	Progress on 2H Forecast	First Nine Months of FY2010 Actual	First Nine Months of FY2009 Actual	Change
<b>Total</b>	<b>69.4</b>	<b>91.6</b>	<b>76%</b>	<b>180.8</b>	<b>47.1</b>	<b>133.7</b>
<b>Electronics Applications</b>	<b>(0.9)</b>	<b>0.8</b>	-	<b>2.3</b>	<b>(2.5)</b>	<b>4.8</b>
<b>Designed Materials</b>	<b>8.9</b>	<b>17.2</b>	<b>52%</b>	<b>29.7</b>	<b>9.6</b>	<b>20.1</b>
Functional Products*	4.0	6.9	58%	12.1	3.4	8.7
Performance Chemicals*	4.9	10.3	48%	17.6	6.2	11.4
<b>Health Care</b>	<b>31.6</b>	<b>32.4</b>	<b>98%</b>	<b>76.2</b>	<b>67.5</b>	<b>8.7</b>
Pharmaceuticals*	29.8	29.9	100%	71.9	63.3	8.6
Diagnostics, Clinical Testing and API*	1.8	2.5	72%	4.3	4.2	0.1
<b>Chemicals</b>	<b>16.3</b>	<b>22.1</b>	<b>74%</b>	<b>38.2</b>	<b>1.0</b>	<b>37.2</b>
Petrochemicals*	10.0	14.3	70%	18.7	(4.6)	23.3
Carbon*	6.3	7.8	81%	19.5	5.6	13.9
<b>Polymers</b>	<b>15.2</b>	<b>20.7</b>	<b>73%</b>	<b>39.5</b>	<b>(26.8)</b>	<b>66.3</b>
Polyolefins and Advanced Polymers*	4.3	4.8	90%	15.5	(26.8)	42.3
MMA Monomers and Polymers*	10.9	15.9	69%	24.0	-	24.0
<b>Others</b>	<b>1.1</b>	<b>2.4</b>	<b>46%</b>	<b>1.7</b>	<b>3.9</b>	<b>(2.2)</b>
<b>Corporate</b>	<b>(2.8)</b>	<b>(4.0)</b>	<b>70%</b>	<b>(6.8)</b>	<b>(5.6)</b>	<b>(1.2)</b>

Notes:

Some businesses and subsidiaries were reclassified in response to adoption of new accounting standards, and therefore the results in the first nine months of FY2009 were adjusted accordingly.

\*Approximation for reference purpose only

	3Q of FY2010 Actual	2H of FY2010 Forecast
<b>Inventory valuation gain/loss</b>		
Chemicals (Petrochemicals)	1.2	1.1
Chemicals (Carbon)	0.5	1.0
Polymers (Polyolefins and Advanced Polymers)	0.5	0.7
<b>TOTAL</b>	<b>2.2</b>	<b>2.8</b>

	3Q of FY2010 Actual	2H of FY2010 Forecast
<b>Inventory valuation gain/loss - LCM</b>		
Chemicals (Petrochemicals)	(0.1)	(0.1)
Chemicals (Carbon)	0.0	1.0
Polymers (Polyolefins and Advanced Polymers)	0.4	0.2
<b>TOTAL</b>	<b>0.3</b>	<b>0.1</b>

	First Nine Months of FY2010 Actual	First Nine Months of FY2009 Actual	Change
Chemicals (Petrochemicals)	(0.9)	6.6	(7.5)
Chemicals (Carbon)	2.4	(3.3)	5.7
Polymers (Polyolefins and Advanced Polymers)	1.2	(19.4)	20.6
<b>TOTAL</b>	<b>2.7</b>	<b>(16.1)</b>	<b>18.8</b>

	First Nine Months of FY2010 Actual	First Nine Months of FY2009 Actual	Change
Chemicals (Petrochemicals)	(0.2)	3.2	(3.4)
Chemicals (Carbon)	0.0	2.9	(2.9)
Polymers (Polyolefins and Advanced Polymers)	0.5	3.1	(2.6)
<b>TOTAL</b>	<b>0.3</b>	<b>9.2</b>	<b>(8.9)</b>

## Consolidated Extraordinary Gain (Loss)

(Billions of Yen)

	1Q	2Q	3Q*	First Nine Months of FY2010	First Nine Months of FY2009
<b>Total</b>	<b>(5.4)</b>	<b>(7.1)</b>	<b>(3.3)</b>	<b>(15.8)</b>	<b>(0.6)</b>
<b>Extraordinary gain</b>	1.6	1.9	1.1	4.6	29.2
<b>Gain related to acquisitions and divestments</b>	1.1	-	-	1.1	24.9
<b>Others</b>	0.5	1.9	1.1	3.5	4.3
Gain on sales of investment securities	0.2	1.2	0.5	1.9	2.1
Others	0.3	0.7	0.6	1.6	2.2
<b>Extraordinary loss</b>	<b>(7.0)</b>	<b>(9.0)</b>	<b>(4.4)</b>	<b>(20.4)</b>	<b>(29.8)</b>
<b>Business structure improvement expenses</b>	<b>(2.4)</b>	<b>(0.9)</b>	<b>(0.8)</b>	<b>(4.1)</b>	<b>(9.4)</b>
<b>Others</b>	<b>(4.6)</b>	<b>(8.1)</b>	<b>(3.6)</b>	<b>(16.3)</b>	<b>(20.4)</b>
Loss on valuation of investment securities	(1.6)	(4.3)	(0.2)	(6.1)	(0.6)
Environmental Expenses	-	-	(1.6)	(1.6)	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	(1.5)	0.0	-	(1.5)	-
Others	(1.5)	(3.8)	(1.8)	(7.1)	(19.8)

\*Reclassified "gain on reversal of valuation loss of investment securities" to deduction from extraordinary loss

## Consolidated Cash Flows

	Based on statements of cash flows		Excluding financial investments of cash in hands	
	First Nine Months of FY2010	First Nine Months of FY2009	First Nine Months of FY2010 With adjustment 20.2 billion yen for financial investment	First Nine Months of FY2009 With adjustment 34.5 billion yen for financial investment
	(Billions of Yen)			
<b>Net cash provided by operating activities</b>	<b>188.6</b>	<b>31.4</b>	<b>188.6</b>	<b>31.4</b>
Income before income taxes	162.5	37.0	162.5	37.0
Depreciation	110.9	89.5	110.9	89.5
Amortization of goodwill	9.0	6.1	9.0	6.1
Change in operating receivables/payables	(4.9)	(93.5)	(4.9)	(93.5)
Change in Inventories	(18.0)	64.2	(18.0)	64.2
Others	(70.9)	(71.9)	(70.9)	(71.9)
<b>Net cash used in investment activities</b>	<b>(94.6)</b>	<b>(124.8)</b>	<b>(74.4)</b>	<b>(90.3)</b>
Capital expenditure	(81.5)	(83.2)	(81.5)	(83.2)
Investment and loans receivables, etc.	(13.1)	(41.6)	7.1	(7.1)
<b>Free cash flow</b>	<b>94.0</b>	<b>(93.4)</b>	<b>114.2</b>	<b>(58.9)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(97.0)</b>	<b>(17.9)</b>		
Interest bearing debts	(75.9)	2.0		
Dividends, etc.	(21.1)	(19.9)		
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(3.0)</b>	<b>(111.3)</b>		
<b>Balance of cash and cash equivalents</b>	<b>105.9</b>	<b>116.9</b>		



# Consolidated Balance Sheets

(Billions of Yen)

	Dec. 31, 2010	Mar. 31, 2010	Change
Cash and deposits	108.6	119.1	(10.5)
Inventories	488.2	474.7	13.5
Trade receivables	655.1	595.7	59.4
Others	179.1	179.6	(0.5)
<b>Current assets</b>	<b>1,431.0</b>	<b>1,369.1</b>	<b>61.9</b>
Fixed assets	1,181.1	1,209.8	(28.7)
Goodwill	158.1	171.7	(13.6)
Investment and Others	589.1	604.5	(15.4)
<b>Fixed assets</b>	<b>1,928.3</b>	<b>1,986.0</b>	<b>(57.7)</b>
<b>Total assets</b>	<b>3,359.3</b>	<b>3,355.1</b>	<b>4.2</b>

(Billions of Yen)

	Dec. 31, 2010	Mar. 31, 2010	Change
Interest-bearing debts	1,353.5	1,454.1	(100.6)
Trade payables	419.8	370.8	49.0
Others	464.5	497.3	(32.8)
<b>Liabilities</b>	<b>2,237.8</b>	<b>2,322.2</b>	<b>(84.4)</b>
Shareholders' equity	805.4	693.9	111.5
Valuation and others	(37.3)	(20.3)	(17.0)
Minority interests, etc.	353.4	359.3	(5.9)
<b>Net assets</b>	<b>1,121.5</b>	<b>1,032.9</b>	<b>88.6</b>
<b>Total liabilities and net assets</b>	<b>3,359.3</b>	<b>3,355.1</b>	<b>4.2</b>

Interest-bearing debts (incl. notes)	1,353.6	1,454.1	(100.5)
Debt-equity ratio	1.76	2.16	(0.40)
Net interest-bearing debts (*1)	1,076.0	1,190.1	(114.1)
Net debt-equity ratio	1.40	1.77	(0.37)
Shareholders' equity (*2)	768.1	673.6	94.5
Shareholders' equity ratio	22.8%	20.0%	2.8%

\*1. Net interest-bearing debts (1,076.0 billion yen)  
 = interest bearing debts, including discounted notes (1,353.6 billion yen)  
 - (cash and cash equivalents (105.9 billion yen + financial investments of cash-in-hands (171.6 billion yen))

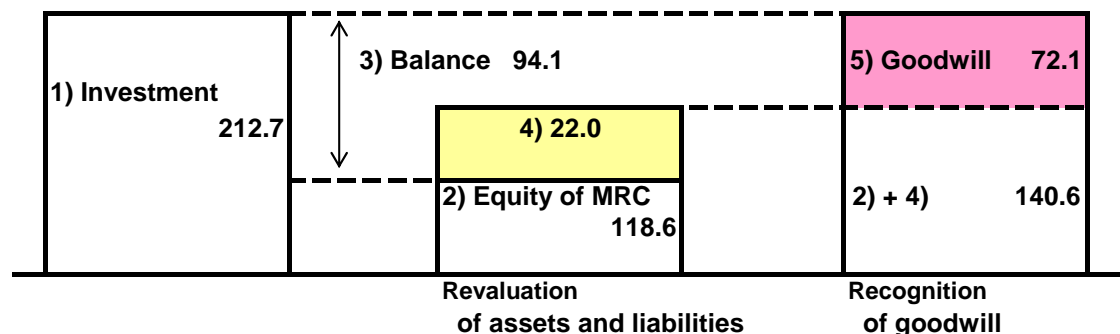
\*2. Represents net assets excluding share subscription rights and minority interests

# Computation of Goodwill Related to MRC Integration

(Billions of Yen)

	Preliminary	Updated as final
1) Investment (TOB + Share exchange)	218.7	212.7
2) Equity of MRC	118.6	118.6 *1
3) Balance [ 1) - 2) ]	100.1	94.1
Revaluation	8.0	8.0 *2
Land		
Other	(6.1)	(7.2) *3
Intangible asset	-	19.8 *4
Change in minority interests	-	1.4 *5
4) Subtotal	1.9	22.0
5) Goodwill [ 3) - 4) ]	98.2	72.1

- \*1 Original (149.5) less goodwill which MRC formerly recognized (30.9)
- \*2 Revaluation of land 13.4 with related deferred tax liabilities (5.4)
- \*3 Reserve for retirement allowance (6.1), other net deferred tax assets, etc.
- \*4 Recognition of Intangible asset 33.4 with related deferred tax liabilities (13.6)
- \*5 For the period of April to September, 2010



Reference: Amortization of goodwill and intangible asset

(Billions of Yen)

	Amortization method	As from FY2011		FY2010	
		Impact on annual operating income	Impact on annual net income	Impact on annual operating income	Impact on annual net income
Goodwill (TOB+share exchange)	72.1 Straight-line over 20 years	(3.6)	(3.6)	(3.4)	(3.4)
Intangible asset	33.4 Straight-line over 10 to 15 years	(2.5)	(1.5)	(2.5)	(1.3)
Total	105.5	(6.1)	(5.1)	(5.9)	(4.7)

Note: Goodwill recognized for the share exchange is amortized as from October 1, 2010.

## Core Operating Companies

Company	Consolidated Net Sales			Consolidated Operating Income		
	(Billions of Yen)					
	First Nine Months of FY2010	First Nine Months of FY2009	Change	First Nine Months of FY2010	First Nine Months of FY2009	Change
MCC (consolidated)	1,503.6	1,299.2	204.4	67.8	(18.0)	85.8
MTPC (consolidated)	319.6	320.2	(0.6)	68.9	60.0	8.9
MPI (consolidated)	287.8	223.4	64.4	13.8	2.4	11.4
MRC (consolidated)	352.5	-	352.5	26.1	-	26.1
Adjustments*	(84.2)	(50.4)	(33.8)	4.2	2.7	1.5
<b>Total</b>	<b>2,379.3</b>	<b>1,792.4</b>	<b>586.9</b>	<b>180.8</b>	<b>47.1</b>	<b>133.7</b>

[Ref. First nine months of FY2009 for MRC]

[257.5]

[1.9]

\*Adjustments for MCHC consolidation

- Those for net sales represent elimination of internal transactions.
- Those for operating income represent primarily amortization of goodwill as well as elimination of internal transactions.

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.