

# Operational Summary

for the Year Ended March 31, 2011

May 11, 2011

Mitsubishi Chemical Holdings Corporation

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**FY2011:** April 1, 2011 - March 31, 2012  
**1st Quarter ("1Q") of FY2011:** April 1, 2011 - June 30, 2011  
**2nd Quarter ("2Q") of FY2011:** July 1, 2011 - September 30, 2011  
**2nd Half ("2H") of FY2011:** October 1, 2011 - March 31, 2012

} **1st Half ("1H") of FY2011**

**FY2010:** April 1, 2010 - March 31, 2011  
**1st Quarter ("1Q") of FY2010:** April 1, 2010 - June 30, 2010  
**2nd Quarter ("2Q") of FY2010:** July 1, 2010 - September 30, 2010  
**2nd Half ("2H") of FY2010:** October 1, 2010 - March 31, 2011

} **1st Half ("1H") of FY2010**

**FY2009:** April 1, 2009 - March 31, 2010

**Previous Forecast:** Company's forecasts disclosed on November 2, 2010 for FY2010

**MCHC:** Mitsubishi Chemical Holdings Corporation  
**MCC:** Mitsubishi Chemical Corporation  
**MTPC:** Mitsubishi Tanabe Pharma Corporation  
**MPI:** Mitsubishi Plastics, Inc.  
**MRC:** Mitsubishi Rayon Co., Ltd.  
**NSCI:** The Nippon Synthetic Chemical Industry Co., Ltd.

# Consolidated Statements of Operations

Exchange rate for translation of foreign statements (¥/US\$)	91	84	87	94			90		
Naphtha price (¥/kl)	46,200	48,800	47,500	41,200			45,600		
				(Billions of Yen)			(Reference)	(Billions of Yen)	
	1H	2H	FY2010 Actual	FY2009 Actual	Change		FY2010 (Previous Forecast)	Change	
<b>Net sales</b>	1,564.7	1,602.1	3,166.8	2,515.1	651.7		3,190.0	(23.2)	
<b>Operating income</b>	111.4	115.1	226.5	66.3	160.2		203.0	23.5	
Income (expenses) on financing activities	(4.8)	(4.1)	(8.9)	(6.4)	(2.5)		(10.0)	1.1	
[Dividend income included in above]	[2.3]	[2.7]	[5.0]	[4.2]	[0.8]		[5.0]	[0.0]	
Equity in Earnings of non-consolidated subsidiaries and affiliates	6.2	8.9	15.1	6.5	8.6		16.0	(0.9)	
Other non-operating income (expenses)	(6.4)	(2.4)	(8.8)	(7.4)	(1.4)		(13.0)	4.2	
<b>Ordinary income</b>	106.4	117.5	223.9	59.0	164.9		196.0	27.9	
Extraordinary gain	3.5	3.2	6.7	31.7	(25.0)				
Extraordinary loss	(16.1)	(44.9)	(61.0)	(47.4)	(13.6)		(33.0)	(21.3)	
<b>Income before income taxes and minority interests</b>	93.8	75.8	169.6	43.3	126.3		163.0	6.6	
Current and deferred income taxes	(28.0)	(19.0)	(47.0)	(10.5)	(36.5)		(51.0)	4.0	
Minority interests in consolidated subsidiaries	(21.9)	(17.1)	(39.0)	(20.0)	(19.0)		(37.0)	(2.0)	
<b>Net income</b>	43.9	39.7	83.6	12.8	70.8		75.0	8.6	
<b>Comprehensive income attributable to :</b>			86.7	37.5	49.2				
Shareholders of owners of the parent			51.6	16.3	35.3				
Minority interests			35.1	21.2	13.9				

# Consolidated Net Sales by Business Segment

Naphtha price (¥/kl)	46,200	48,800	47,500	41,200	6,300		45,600	
				(Billions of Yen)		(Reference)	(Reference)	(Billions of Yen)
	1H	2H	FY2010 Actual	FY2009 Actual	Change	Change with adjustments**	FY2010 (Previous Forecast)	Change
<b>Total</b>	1,564.7	1,602.1	3,166.8	2,515.1	651.7	193.1	3,190.0	(23.2)
<b>Electronics Applications</b>	80.6	71.8	152.4	167.3	(14.9)	(14.9)	163.0	(10.6)
<b>Designed Materials</b>	326.8	330.7	657.5	436.8	220.7	17.3	678.0	(20.5)
Functional Products*	220.6	227.4	448.0	301.4	146.6	15.0	460.0	(12.0)
Performance Chemicals*	106.2	103.3	209.5	135.4	74.1	2.3	218.0	(8.5)
<b>Health Care</b>	251.8	253.2	505.0	504.4	0.6	0.6	502.0	3.0
Pharmaceuticals*	204.6	204.9	409.5	404.6	4.9	4.9	401.0	8.5
Diagnostics, Clinical Testing and API*	47.2	48.3	95.5	99.8	(4.3)	(4.3)	101.0	(5.5)
<b>Chemicals</b>	435.3	460.1	895.4	785.7	109.7	89.5	889.0	6.4
Petrochemicals*	318.8	337.2	656.0	566.9	89.1	68.9	647.0	9.0
Carbon*	116.5	122.9	239.4	218.8	20.6	20.6	242.0	(2.6)
<b>Polymers</b>	362.7	368.5	731.2	479.1	252.1	66.7	731.0	0.2
Polyolefins and Advanced Polymers*	230.5	230.9	461.4	479.1	(17.7)	66.7	467.0	(5.6)
MMA Monomers and Polymers*	132.2	137.6	269.8	-	269.8	-	264.0	5.8
<b>Others</b>	107.5	117.8	225.3	141.8	83.5	33.9	227.0	(1.7)

Notes:

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

\*Approximation for reference purpose only

\*\*For better comparison, FY2010 results were adjusted for: newly consolidated businesses whose results were not (fully) included in the results of FY2009, certain businesses divested in FY2009, and certain businesses whose results of FY2009 included additional three months due to change in their accounting periods.

# Consolidated Operating Income by Business Segment

				(Billions of Yen)			(Reference)	(Billions of Yen)
	1H	2H	FY2010 Actual	FY2009 Actual	Change	Change with adjustments**	FY2010 (Previous Forecast)	Change
<b>Total</b>	111.4	115.1	226.5	66.3	160.2	151.2	203.0	23.5
<b>Electronics Applications</b>	3.2	(2.2)	1.0	(1.4)	2.4	2.4	4.0	(3.0)
<b>Designed Materials</b>	20.8	15.7	36.5	13.3	23.2	25.2	38.0	(1.5)
Functional Products*	8.1	7.1	15.2	2.8	12.4	22.9	15.0	0.2
Performance Chemicals*	12.7	8.6	21.3	10.5	10.8	2.3	23.0	(1.7)
<b>Health Care</b>	44.6	40.5	85.1	71.0	14.1	14.1	77.0	8.1
Pharmaceuticals*	42.1	39.5	81.6	66.4	15.2	15.2	72.0	9.6
Diagnostics, Clinical Testing and API*	2.5	1.0	3.5	4.6	(1.1)	(1.1)	5.0	(1.5)
<b>Chemicals</b>	21.9	31.1	53.0	6.9	46.1	46.0	44.0	9.0
Petrochemicals*	8.7	22.6	31.3	(2.0)	33.3	33.2	23.0	8.3
Carbon*	13.2	8.5	21.7	8.9	12.8	12.8	21.0	0.7
<b>Polymers</b>	24.3	30.7	55.0	(22.5)	77.5	67.8	45.0	10.0
Polyolefins and Advanced Polymers*	11.2	7.0	18.2	(22.5)	40.7	40.7	16.0	2.2
MMA Monomers and Polymers*	13.1	23.7	36.8	-	36.8	27.1	29.0	7.8
<b>Others</b>	0.6	3.9	4.5	6.3	(1.8)	(3.0)	3.0	1.5
<b>Corporate</b>	(4.0)	(4.6)	(8.6)	(7.3)	(1.3)	(1.3)	(8.0)	(0.6)
<b>Impact of the earthquake</b>	-	1.7	1.7					

Notes:

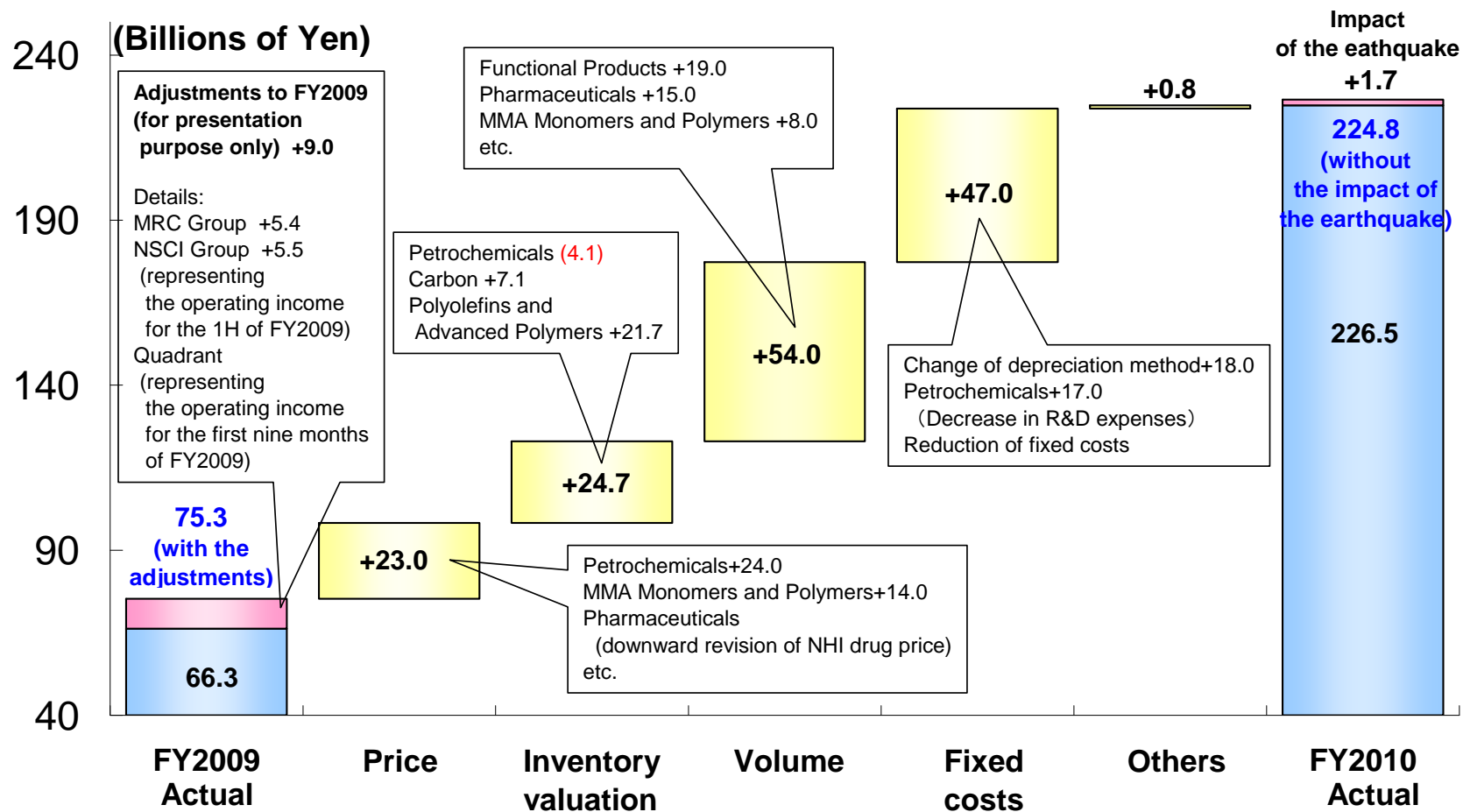
Some businesses and subsidiaries were reclassified in response to adoption of new accounting standards, and therefore the results of FY2009 were adjusted accordingly.

\*Approximation for reference purpose only

\*\*For better comparison, FY2009 results were adjusted for newly consolidated businesses whose results were not (fully) included in the results of FY2009.

Inventory valuation gain/loss	FY2010 Actual	FY2009 Actual	Change
Chemicals (Petrochemicals)	4.7	8.8	(4.1)
Chemicals (Carbon)	3.8	(3.3)	7.1
Polymers (Polyolefins and Advanced Polymers)	5.6	(16.1)	21.7
Total	14.1	(10.6)	24.7

# Operating Analysis (FY2009 vs. FY2010)



## Consolidated Extraordinary Gain (Loss)

(Billions of Yen)

	FY2010		FY2009 Actual	Change
	4Q	Actual		
<b>Total</b>	(38.5)	(54.3)	(15.7)	(38.6)
<b>Extraordinary gain</b>	2.1	6.7	31.7	(25.0)
<b>Gain related to acquisitions and divestments</b>	0.2	1.3	25.9	(24.6)
<b>Others</b>	1.9	5.4	5.8	(0.4)
Gain on sales of investment securities	0.1	2.0	2.1	(0.1)
Others	1.8	3.4	3.7	(0.3)
<b>Extraordinary loss</b>	(40.6)	(61.0)	(47.4)	(13.6)
<b>Losses on the Great East Japan Earthquake</b>	(22.5)	(22.5)	-	(22.5)
<b>Business structure improvement expenses</b>	(5.5)	(9.6)	(17.8)	8.2
<b>Others</b>	(12.6)	(28.9)	(29.6)	0.7
Loss on valuation of investment securities	(4.7)	(10.8)	(0.6)	(10.2)
Environmental expenses	-	(1.6)	-	(1.6)
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	(1.5)	-	(1.5)
Others	(7.9)	(15.0)	(29.0)	14.0

### Losses on the Great East Japan Earthquake

Details:

Expenses to fix property (14.4)

Fixed costs during the suspension of production facilities (3.5)

Lost or damaged inventories (1.7)

Others (2.9)



# Consolidated Cash Flows

	Based on statements of cash flows		Excluding financial investments of cash in hands	
	FY2010 Actual	FY2009 Actual	FY2010 Actual With adjustment 0.8 billion yen for financial investment	FY2009 Actual With adjustment 54.3 billion yen for financial investment
<b>Net cash provided by operating activities</b>	<b>288.9</b>	<b>116.1</b>	<b>288.9</b>	<b>116.1</b>
Income before income taxes	169.6	43.3	169.6	43.3
Depreciation	148.7	129.6	148.7	129.6
Amortization of goodwill	12.1	8.3	12.1	8.3
Change in operating receivables/payables	7.7	(72.5)	7.7	(72.5)
Change in Inventories	(17.4)	63.4	(17.4)	63.4
Others	(31.8)	(56.0)	(31.8)	(56.0)
<b>Net cash used in investment activities</b>	<b>(101.1)</b>	<b>(327.0)</b>	<b>(100.3)</b>	<b>(272.7)</b>
Capital expenditure	(115.4)	(120.5)	(115.4)	(120.5)
Investment and loans receivables, etc.	14.3	(206.5)	15.1	(152.2)
<b>Free cash flow</b>	<b>187.8</b>	<b>(210.9)</b>	<b>188.6</b>	<b>(156.6)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(149.5)</b>	<b>94.4</b>		
Interest bearing debt	(126.4)	114.6		
Dividends, etc.	(23.1)	(20.2)		
<b>Increase (decrease) in cash and cash equivalents</b>	<b>38.3</b>	<b>(116.5)</b>		
<b>Balance of cash and cash equivalents</b>	<b>143.7</b>	<b>112.6</b>		

(Billions of Yen)

# Consolidated Balance Sheets

(Billions of Yen)

	Mar. 31, 2011 Actual	Mar. 31, 2010 Actual	Change
Cash and deposits	130.2	119.1	11.1
Inventories	485.1	474.7	10.4
Trade receivables	597.2	595.7	1.5
Others	184.2	179.6	4.6
<b>Current assets</b>	<b>1,396.7</b>	<b>1,369.1</b>	<b>27.6</b>
Fixed assets	1,160.4	1,209.8	(49.4)
Goodwill	154.8	171.7	(16.9)
Investment and Others	582.1	604.5	(22.4)
<b>Fixed assets</b>	<b>1,897.3</b>	<b>1,986.0</b>	<b>(88.7)</b>
<b>Total assets</b>	<b>3,294.0</b>	<b>3,355.1</b>	<b>(61.1)</b>

(Billions of Yen)

	Mar. 31, 2011 Actual	Mar. 31, 2010 Actual	Change
Interest-bearing debts	1,304.6	1,454.1	(149.5)
Trade payables	378.4	370.8	7.6
Others	497.0	497.3	(0.3)
<b>Liabilities</b>	<b>2,180.0</b>	<b>2,322.2</b>	<b>(142.2)</b>
Shareholders' equity	808.8	693.9	114.9
Valuation and translation adjustments	(50.5)	(20.3)	(30.2)
Minorities interests, etc.	355.7	359.3	(3.6)
<b>Net assets</b>	<b>1,114.0</b>	<b>1,032.9</b>	<b>81.1</b>
<b>Total liabilities and net assets</b>	<b>3,294.0</b>	<b>3,355.1</b>	<b>(61.1)</b>

Interest-bearing debts (incl. notes)	1,304.6	1,454.1	(149.5)
Debt-equity ratio	1.72	2.16	(0.44)
Net interest-bearing debts (*1)	1,008.7	1,190.1	(181.4)
Net debt-equity ratio	1.33	1.77	(0.44)
Shareholders' equity (*2)	758.3	673.6	84.7
Shareholders' equity ratio	23.0%	20.0%	3.0%

\*1. Net interest-bearing debts (1,008.7 billion yen)  
 = interest bearing debts, including discounted notes (1,304.6 billion yen)  
 - {cash and cash equivalents (143.7 billion yen + financial investments of cash-in-hands (152.2 billion yen))

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

# Consolidated Statement of Changes in Net Assets

(Billions of Yen)

											Total Valuation and translation adjustments	Warrants	Minority interests in consolidated subsidiaries	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock at cost	Total shareholders' equity	Net unrealized holding gain (loss) on other securities	Loss on deferred hedges	Land revaluation surplus	Foreign currency translation adjustments	Unfunded retirement benefit obligation with respect to a foreign subsidiary				
<b>Balance as of Mar. 31, 2010</b>	<b>50.0</b>	<b>303.3</b>	<b>379.4</b>	<b>(38.8)</b>	<b>693.9</b>	<b>11.8</b>	<b>(0.1)</b>	<b>1.4</b>	<b>(30.1)</b>	<b>(3.2)</b>	<b>(20.3)</b>	<b>0.7</b>	<b>358.6</b>	<b>1,032.9</b>
Cash dividends			(12.4)		(12.4)						-			(12.4)
Net income			83.6		83.6						-			83.6
Purchase of treasury stock				(0.2)	(0.2)						-			(0.2)
Disposal of treasury stock		14.3		28.2	42.5						-			42.5
Increase due to merger of non-consolidated subsidiaries by an equity-method affiliate			0.1		0.1						-			0.1
Change in scope of consolidation			0.0		0.0						-			0.0
Change in scope of equity method			(0.0)		(0.0)						-			(0.0)
Effect on changes of currency of a subsidiary			1.2		1.2				1.8		1.8		1.6	4.6
Net change in items other than those in shareholders' equity						(6.5)	(0.6)	-	(24.0)	(0.8)	(32.0)	0.0	(5.1)	(37.1)
<b>Net changes of items during the period</b>	<b>-</b>	<b>14.3</b>	<b>72.6</b>	<b>28.0</b>	<b>114.9</b>	<b>(6.5)</b>	<b>(0.6)</b>	<b>-</b>	<b>(22.3)</b>	<b>(0.8)</b>	<b>(30.2)</b>	<b>0.0</b>	<b>(3.6)</b>	<b>81.1</b>
<b>Balance as of Mar. 31, 2011</b>	<b>50.0</b>	<b>317.6</b>	<b>451.9</b>	<b>(10.8)</b>	<b>808.8</b>	<b>5.2</b>	<b>(0.7)</b>	<b>1.4</b>	<b>(52.4)</b>	<b>(4.0)</b>	<b>(50.5)</b>	<b>0.7</b>	<b>355.1</b>	<b>1,114.0</b>

# Consolidated Statements of Comprehensive Income

Exchange rate for translation of foreign statements (¥/US\$)	81.5	92.1	(10.6)
Exchange rate for translation of foreign statements (¥/€)	107.9	132.0	(24.1)
NIKKEI 225 Index (Yen)	9,755	11,090	(1,335)

(Billions of Yen)

	FY2010 Actual	FY2009 Actual	Change
<b>Net income</b>	<b>83.6</b>	<b>12.8</b>	<b>70.8</b>
Minority interests in consolidated subsidiaries	<b>39.0</b>	<b>20.0</b>	<b>19.0</b>
Income before minority interests	<b>122.6</b>	<b>32.8</b>	<b>89.8</b>
Other comprehensive income (expenses):			
Net unrealized holding gain (loss) on other securities	<b>(6.5)</b>	<b>0.7</b>	<b>(7.2)</b>
Gain (loss) on deferred hedges	<b>(1.0)</b>	<b>0.5</b>	<b>(1.5)</b>
Foreign currency translation adjustments	<b>(25.0)</b>	<b>1.9</b>	<b>(26.9)</b>
Unfunded retirement benefit obligation with respect to a foreign subsidiary	<b>(0.8)</b>	<b>1.0</b>	<b>(1.8)</b>
Share of other comprehensive income of affiliates accounted for using equity method	<b>(2.6)</b>	<b>0.6</b>	<b>(3.2)</b>
<b>Other comprehensive income (expenses), net</b>	<b>(35.9)</b>	<b>4.7</b>	<b>(40.6)</b>
<b>Total comprehensive income</b>	<b>86.7</b>	<b>37.5</b>	<b>49.2</b>
Total comprehensive income attributable to :			
Shareholders of owners of the parent	<b>51.6</b>	<b>16.3</b>	<b>35.3</b>
Minority interests	<b>35.1</b>	<b>21.2</b>	<b>13.9</b>

## Impact of the Earthquake

Estimated 40.0 billion yen as the impacts of the earthquake to include in FY2011 forecast.

(Billions of Yen)

	<b>FY2011 Forecast</b>	<b>FY2010 Actual</b>	<b>Total</b>
<b>Impacts of the earthquake</b>	<b>(40.0)</b>	<b>(20.8)</b>	<b>(60.8)</b>
Decrease in production/sales	(40.0)	(1.8)	(41.8)
Expenses to fix property	-	(14.4)	(14.4)
Lost or damaged inventories	-	(1.7)	(1.7)
others	-	(2.9)	(2.9)
<b>Effect on operating income</b>	<b>(30.0)</b>	<b>1.7</b>	<b>(28.3)</b>
<b>Extraordinary loss</b>	<b>(10.0)</b>	<b>(22.5)</b>	<b>(32.5)</b>

Also, included 9.0 billion yen insurance in FY2011 forecast.

# Consolidated Statements of Operations

## (FY2011 Forecast)

**Forecast**

Assumption for Exchange rate (¥/US\$)	85	85	85	-	-	-
Naphtha price (¥/kl)	62,000	62,000	62,000	46,200	48,800	47,500

(Billions of Yen)

	Forecast			Actual			Change
	1H Forecast	2H Forecast	FY2011 Forecast	1H Actual	2H Actual	FY2010 Actual	
<b>Net sales</b>	1,680.0	1,900.0	3,580.0	1,564.7	1,602.1	3,166.8	413.2
<b>Operating income</b>	81.0	125.0	206.0	111.4	115.1	226.5	(20.5)
Income (expenses) on financing activities	(4.0)	(5.0)	(9.0)	(4.8)	(4.1)	(8.9)	(0.1)
[Dividend income included in above]	[3.1]	[1.9]	[5.0]	[2.3]	[2.7]	[5.0]	[0.0]
Equity in Earnings of non-consolidated subsidiaries and affiliates	9.0	8.0	17.0	6.2	8.9	15.1	1.9
Other non-operating income (expenses)	(7.0)	(2.0)	(9.0)	(6.4)	(2.4)	(8.8)	(0.2)
<b>Ordinary income</b>	79.0	126.0	205.0	106.4	117.5	223.9	(18.9)
Extraordinary gain	2.0	7.0	9.0	3.5	3.2	6.7	2.3
Extraordinary loss	(16.0)	(16.0)	(32.0)	(16.1)	(44.9)	(61.0)	29.0
<b>Income before income taxes and minority interests</b>	65.0	117.0	182.0	93.8	75.8	169.6	12.4
Current and deferred income taxes	(22.0)	(35.0)	(57.0)	(28.0)	(19.0)	(47.0)	(10.0)
Minority interests in consolidated subsidiaries	(17.0)	(28.0)	(45.0)	(21.9)	(17.1)	(39.0)	(6.0)
<b>Net income</b>	26.0	54.0	80.0	43.9	39.7	83.6	(3.6)

# Consolidated Net Sales by Business Segment (FY2011 Forecast)

**Forecast**

Naphtha price (¥/kl)	62,000	62,000	62,000	46,200	48,800	47,500	14,500
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(Billions of Yen)

	FY2011 Forecast			FY2010 Actual			Change
	1H Forecast	2H Forecast	FY2011 Forecast	1H Actual	2H Actual	FY2010 Actual	
<b>Total</b>	<b>1,680.0</b>	<b>1,900.0</b>	<b>3,580.0</b>	<b>1,564.7</b>	<b>1,602.1</b>	<b>3,166.8</b>	<b>413.2</b>
<b>Electronics Applications</b>	<b>80.0</b>	<b>95.0</b>	<b>175.0</b>	<b>80.6</b>	<b>71.8</b>	<b>152.4</b>	<b>22.6</b>
<b>Designed Materials</b>	<b>350.0</b>	<b>370.0</b>	<b>720.0</b>	<b>326.8</b>	<b>330.7</b>	<b>657.5</b>	<b>62.5</b>
Functional Products (*)	240.0	255.0	495.0	220.6	227.4	448.0	47.0
Performance Chemicals (*)	110.0	115.0	225.0	106.2	103.3	209.5	15.5
<b>Health Care</b>	<b>240.0</b>	<b>263.0</b>	<b>503.0</b>	<b>251.8</b>	<b>253.2</b>	<b>505.0</b>	<b>(2.0)</b>
Pharmaceuticals (*)	195.0	208.0	403.0	204.6	204.9	409.5	(6.5)
Diagnostics, Clinical Testing and API (*)	45.0	55.0	100.0	47.2	48.3	95.5	4.5
<b>Chemicals</b>	<b>500.0</b>	<b>600.0</b>	<b>1,100.0</b>	<b>435.3</b>	<b>460.1</b>	<b>895.4</b>	<b>204.6</b>
Petrochemicals (*)	355.0	455.0	810.0	318.8	337.2	656.0	154.0
Carbon (*)	145.0	145.0	290.0	116.5	122.9	239.4	50.6
<b>Polymers</b>	<b>405.0</b>	<b>445.0</b>	<b>850.0</b>	<b>362.7</b>	<b>368.5</b>	<b>731.2</b>	<b>118.8</b>
Polyolefins and Advanced Polymers (*)	250.0	295.0	545.0	230.5	230.9	461.4	83.6
MMA Monomers and Polymers (*)	155.0	150.0	305.0	132.2	137.6	269.8	35.2
<b>Others</b>	<b>105.0</b>	<b>127.0</b>	<b>232.0</b>	<b>107.5</b>	<b>117.8</b>	<b>225.3</b>	<b>6.7</b>

\* Approximation for reference purpose only

# Consolidated Operating Income by Business Segment (FY2011 Forecast)

**Forecast**

(Billions of Yen)

	FY2011 Forecast			FY2010 Actual			Change
	1H Forecast	2H Forecast	FY2011 Forecast	1H Actual	2H Actual	FY2010 Actual	
<b>Total</b>	<b>81.0</b>	<b>125.0</b>	<b>206.0</b>	<b>111.4</b>	<b>115.1</b>	<b>226.5</b>	<b>(20.5)</b>
<b>Electronics Applications</b>	<b>0.0</b>	<b>4.0</b>	<b>4.0</b>	<b>3.2</b>	<b>(2.2)</b>	<b>1.0</b>	<b>3.0</b>
<b>Designed Materials</b>	<b>17.0</b>	<b>19.0</b>	<b>36.0</b>	<b>20.8</b>	<b>15.7</b>	<b>36.5</b>	<b>(0.5)</b>
Functional Products (*)	7.0	8.0	15.0	8.1	7.1	15.2	(0.2)
Performance Chemicals (*)	10.0	11.0	21.0	12.7	8.6	21.3	(0.3)
<b>Health Care</b>	<b>27.0</b>	<b>45.0</b>	<b>72.0</b>	<b>44.6</b>	<b>40.5</b>	<b>85.1</b>	<b>(13.1)</b>
Pharmaceuticals (*)	25.0	42.0	67.0	42.1	39.5	81.6	(14.6)
Diagnostics, Clinical Testing and API (*)	2.0	3.0	5.0	2.5	1.0	3.5	1.5
<b>Chemicals</b>	<b>20.0</b>	<b>30.0</b>	<b>50.0</b>	<b>21.9</b>	<b>31.1</b>	<b>53.0</b>	<b>(3.0)</b>
Petrochemicals (*)	12.0	21.0	33.0	8.7	22.6	31.3	1.7
Carbon (*)	8.0	9.0	17.0	13.2	8.5	21.7	(4.7)
<b>Polymers</b>	<b>20.0</b>	<b>28.0</b>	<b>48.0</b>	<b>24.3</b>	<b>30.7</b>	<b>55.0</b>	<b>(7.0)</b>
Polyolefins and Advanced Polymers (*)	1.0	11.0	12.0	11.2	7.0	18.2	(6.2)
MMA Monomers and Polymers (*)	19.0	17.0	36.0	13.1	23.7	36.8	(0.8)
<b>Others</b>	<b>1.0</b>	<b>3.0</b>	<b>4.0</b>	<b>0.6</b>	<b>3.9</b>	<b>4.5</b>	<b>(0.5)</b>
<b>Corporate</b>	<b>(4.0)</b>	<b>(4.0)</b>	<b>(8.0)</b>	<b>(4.0)</b>	<b>(4.6)</b>	<b>(8.6)</b>	<b>0.6</b>

\* Approximation for reference purpose only

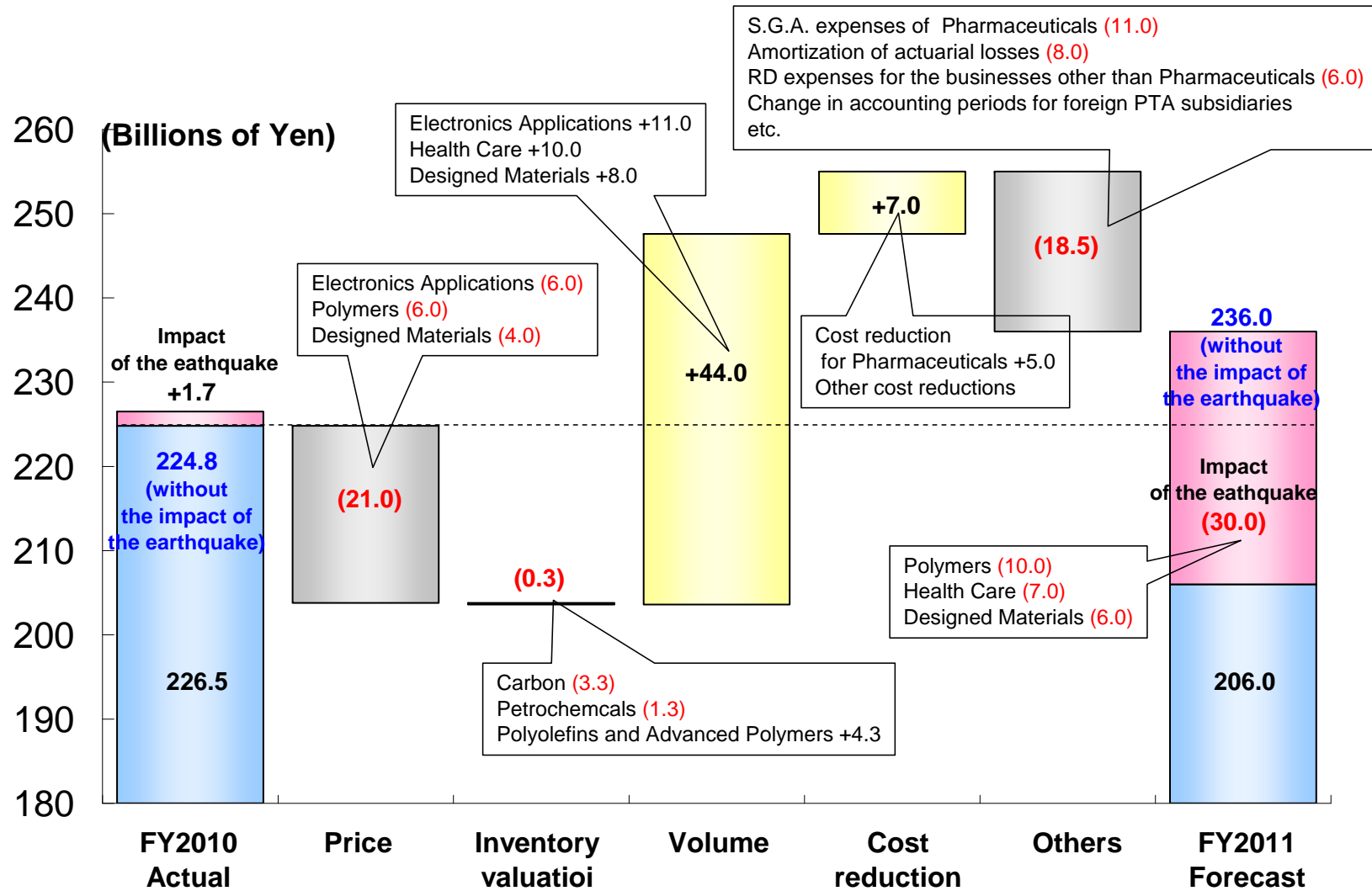
<b>Impact of the earthquake</b>	<b>(24.2)</b>	<b>(5.8)</b>	<b>(30.0)</b>	<b>-</b>	<b>1.7</b>	<b>1.7</b>	<b>(31.7)</b>
<b>Operating income excl. impact of the earthquake</b>	<b>105.2</b>	<b>130.8</b>	<b>236.0</b>	<b>111.4</b>	<b>113.4</b>	<b>224.8</b>	<b>11.2</b>
<b>Operating income excl. impact of the earthquake and results of "Pharmaceuticals"</b>	<b>74.2</b>	<b>87.8</b>	<b>162.0</b>	<b>69.3</b>	<b>77.9</b>	<b>147.2</b>	<b>14.8</b>

Inventory valuation gain/loss	FY2011 Forecast	FY2010 Actual	Change
Chemicals(Petrochemicals)	3.4	4.7	(1.3)
Chemicals(Carbon)	0.5	3.8	(3.3)
Polymers(Polyolefins and Advanced Polymers)	9.9	5.6	4.3
<b>Total</b>	<b>13.8</b>	<b>14.1</b>	<b>(0.3)</b>



# Operating Analysis (FY2010 Actual vs. FY2011 Forecast)

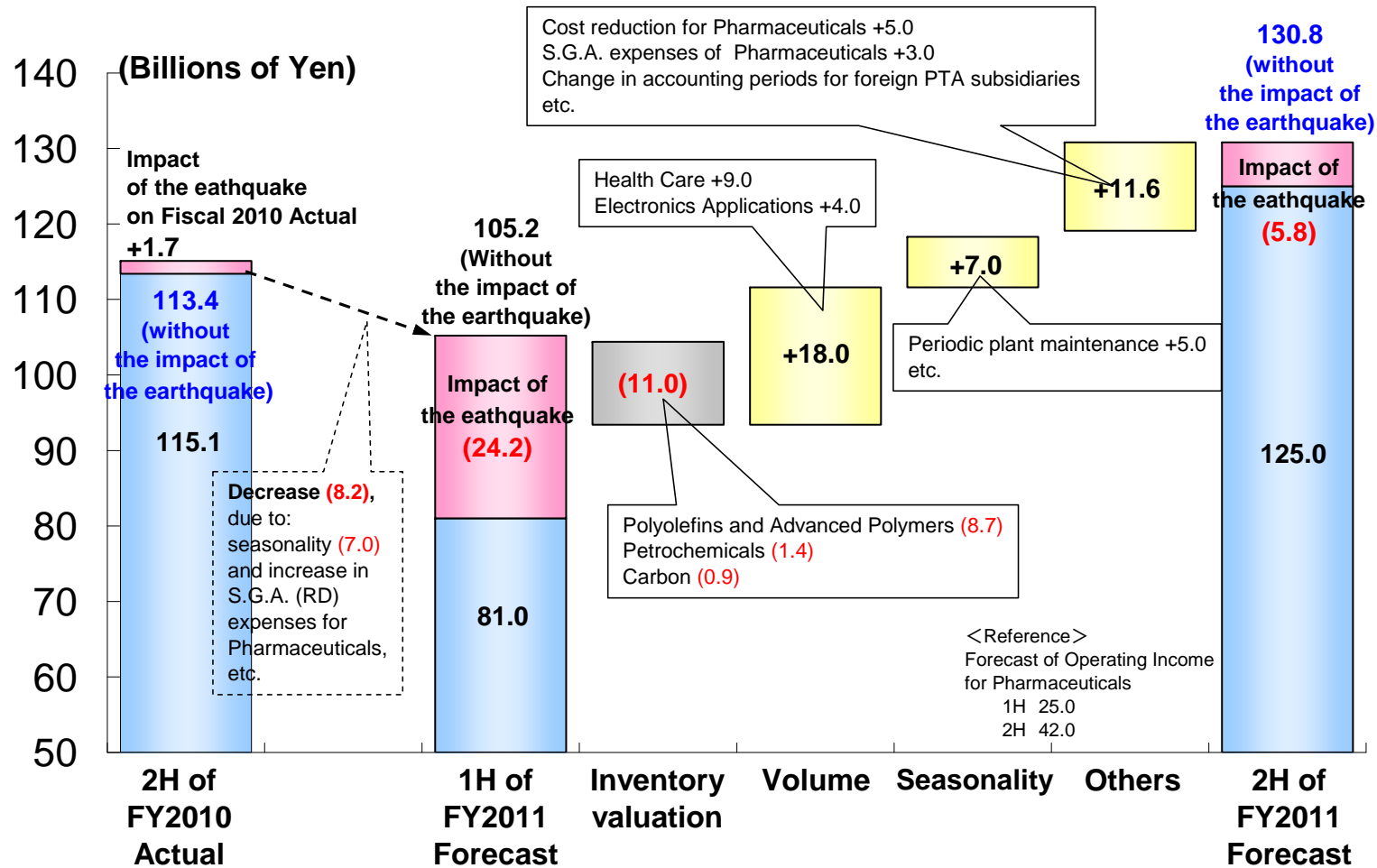
**Forecast**



# Operating Analysis

## (1H of FY2011 vs. 2H of FY2011 Forecast)

**Forecast**



# Consolidated Cash Flows and Other Numerical Targets

(Billions of Yen)

	FY2011 Target Excluding financial investments of cash in hands	FY2010 Actual Excluding financial investments of cash in hands
<b>Net cash provided by operating activities</b>	<b>236.0</b>	<b>288.9</b>
Income before income taxes	182.0	169.6
Depreciation	152.0	148.7
Amortization of goodwill	12.0	12.1
Change in working capital	(25.0)	(9.7)
Others	(85.0)	(31.8)
<b>Net cash used in investment activities</b>	<b>(126.0)</b>	<b>(100.3)</b>
Capital expenditure	(146.0)	(115.4)
Investment and loans receivables, etc.	20.0	15.1
<b>Free cash flow</b>	<b>110.0</b>	<b>188.6</b>

	March 31, 2012 Target	March 31, 2011 Actual	Change
Net interest-bearing debts	930.0	1,008.7	(78.7)
Net debt-equity ratio	less than 1.15	1.33	(0.18)
Shareholders' equity	823.0	758.3	64.7
EBITDA* <sup>1</sup>	370.0	387.3	(17.3)
Net income	80.0	83.6	(3.6)
Net profit per share (Yen)	¥54.26	¥58.72	(¥4.46)

\*1 EBITDA = Operating income + Depreciation + Amortization of goodwill

# Cash Dividends

		FY2011 Forecast	FY2010 Actual	FY2009 Actual	FY2008 Actual
Cash dividends per share (Yen)	1st Half	5	5	4	8
	Year end	5	5	4	4
	Total	10	10	8	12
Total of cash dividends (Billions of yen)	1st Half		6.9	5.5	11.0
	Year end		7.4	5.5	5.5
	Total		14.3	11.0	16.5
Net profit per share (Yen)	Year end	¥54.26	¥58.72	¥9.32	(¥48.81)
Dividend pay out ratio (Consolidated)	-	18.4%	17.0%	85.8%	-

## References

## Scope of Consolidation and Overseas Sales and Operating Income

(Number of affiliates)

Scope of consolidation	FY2010	FY2009	FY2008	FY2007
Total	411	421	240	260
Consolidated subsidiaries	341	345	177	189
Japan	127	129	95	106
Overseas	214	216	82	83
Affiliates accounted for by the equity method	70	76	63	71

### Net sales and operating income by geographic area based on location of consolidated subsidiaries

(Billions of Yen)

Japan	2,436.8	2,116.4	2,477.4	2,420.6
Overseas	730.0	398.7	431.6	509.2
Net sales	3,166.8	2,515.1	2,909.0	2,929.8
Japan	153.2	44.9	11.7	126.8
Overseas	73.3	21.4	(3.5)	(1.8)
Operating income	226.5	66.3	8.2	125.0

### Overseas sales

(Billions of Yen)

Overseas sales	1,087.6	637.2	668.1	795.4
	34.3%	25.3%	22.9%	27.1%

## Major Subsidiaries

Company (Consolidated)	Net Sales			Operating Income		
	(Billions of Yen)					
	FY2010	FY2009	Change	FY2010	FY2009	Change
MCC	2,019.6	1,874.8	144.8	88.1	(0.8)	88.9
MTPC	409.5	404.7	4.8	76.6	61.5	15.1
MPI	382.0	313.2	68.8	16.6	1.6	15.0
MRC	478.4	[365.0]*	478.4	41.0	[5.4]*	41.0
Adjustments**	(122.7)	(77.6)	(45.1)	4.2	4.0	0.2
MCHC	3,166.8	2,515.1	651.7	226.5	66.3	160.2

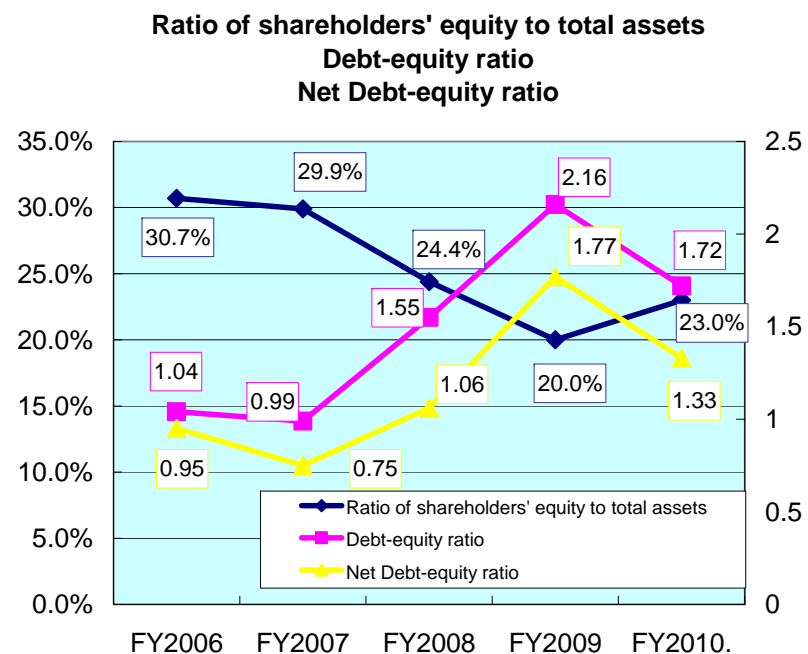
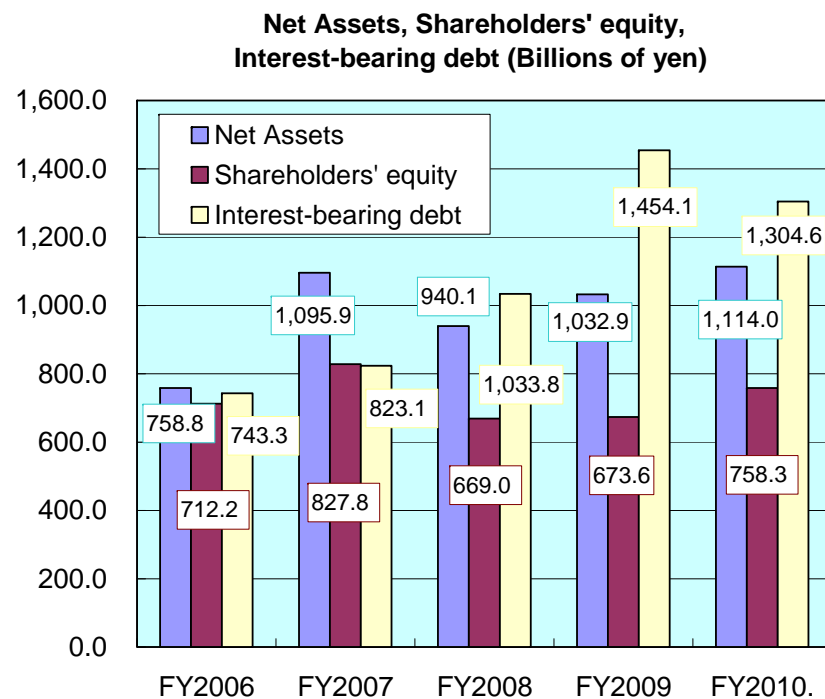
\* Reference purpose only

\*\*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.

# Trend of Financial Position





## Consolidated Capital Expenditure, Depreciation & Amortization, R&D Expenses, Total Assets, and Number of Employees by Business Segment

(Billions of yen, untill otherwise noted)

	Capital Expenditure		Depreciation & Amortization		R&D Expenses		Total Assets	Number of Employees
	FY2011 Forecast	FY2010 Actual	FY2011 Forecast	FY2010 Actual	FY2011 Forecast	FY2010 Actual	FY2010 Actual	FY2010 Actual
Electronics Applications	7.0	6.6	9.0	9.0	10.0	9.2	129.3	3,364
Designed Materials	56.0	34.5	49.0	48.3	24.0	21.8	712.5	13,907
Health Care	16.0	18.5	19.0	18.9	78.0	73.9	852.7	12,946
Chemicals	30.0	29.3	34.0	31.1	5.0	5.7	655.9	5,538
Polymers	32.0	21.9	34.0	34.5	16.0	13.9	744.6	7,426
Others	3.0	3.2	4.0	3.9	1.0	0.9	296.0	9,704
Corporate	2.0	3.8	3.0	3.0	6.0	5.4	(97.0)	997
<b>Total</b>	<b>146.0</b>	<b>117.8</b>	<b>152.0</b>	<b>148.7</b>	<b>140.0</b>	<b>130.8</b>	<b>3,294.0</b>	<b>53,882</b>

# Consolidated Operating Income by Business Segment (1Q and 2Q of FY2011 Forecast)

**Forecasts**

(Billions of Yen)

	Forecast			Actual		
	1Q Forecast	2Q Forecast	1H of FY2011 Forecast	1Q Actual	2Q Actual	1H of FY2010 Actual
<b>Total</b>	<b>38.0</b>	<b>43.0</b>	<b>81.0</b>	<b>60.8</b>	<b>50.6</b>	<b>111.4</b>
<b>Electronics Applications</b>	<b>(0.5)</b>	<b>0.5</b>	<b>0.0</b>	<b>2.9</b>	<b>0.3</b>	<b>3.2</b>
<b>Designed Materials</b>	<b>7.5</b>	<b>9.5</b>	<b>17.0</b>	<b>9.9</b>	<b>10.9</b>	<b>20.8</b>
Functional Products (*)	3.0	4.0	7.0	3.5	4.6	8.1
Performance Chemicals (*)	4.5	5.5	10.0	6.4	6.3	12.7
<b>Health Care</b>	<b>13.0</b>	<b>14.0</b>	<b>27.0</b>	<b>29.0</b>	<b>15.6</b>	<b>44.6</b>
Pharmaceuticals (*)	12.5	12.5	25.0	27.2	14.9	42.1
Diagnostics, Clinical Testing and API (*)	0.5	1.5	2.0	1.8	0.7	2.5
<b>Chemicals</b>	<b>13.0</b>	<b>7.0</b>	<b>20.0</b>	<b>12.1</b>	<b>9.8</b>	<b>21.9</b>
Petrochemicals (*)	9.0	3.0	12.0	5.2	3.5	8.7
Carbon (*)	4.0	4.0	8.0	6.9	6.3	13.2
<b>Polymers</b>	<b>7.5</b>	<b>12.5</b>	<b>20.0</b>	<b>9.4</b>	<b>14.9</b>	<b>24.3</b>
Polyolefins and Advanced Polymers (*)	(2.0)	3.0	1.0	5.2	6.0	11.2
MMA Monomers and Polymers (*)	9.5	9.5	19.0	4.2	8.9	13.1
<b>Others</b>	<b>(0.5)</b>	<b>1.5</b>	<b>1.0</b>	<b>(0.4)</b>	<b>1.0</b>	<b>0.6</b>
<b>Corporate</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>(4.0)</b>	<b>(2.1)</b>	<b>(1.9)</b>	<b>(4.0)</b>

\* Approximation for reference purpose only

<b>Impact of the earthquake</b>	<b>(15.7)</b>	<b>(8.5)</b>	<b>(24.2)</b>	-	-	-
<b>Operating income exclud. impact of the earthquake</b>	<b>53.7</b>	<b>51.5</b>	<b>105.2</b>	<b>60.8</b>	<b>50.6</b>	<b>111.4</b>
<b>Operating income exclud. impact of the earthquake and results of "Pharmaceuticals"</b>	<b>38.2</b>	<b>36.0</b>	<b>74.2</b>	<b>33.6</b>	<b>35.7</b>	<b>69.3</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.