

May 28, 2001

For immediate Release

Mitsubishi Chemical Corporation
Representative's name: President and CEO Kanji Shono
(Code No. 4010)

Concerning Conclusion of Merger Agreement of Consolidated Subsidiary and Revision of Forecast Consolidated Business Results of Our Company

It was announced as attached that Mitsubishi Tokyo Pharmaceuticals, Inc., our consolidated subsidiary, had concluded an agreement to merge with Welfide Corporation today.

The merged company "Mitsubishi Pharma Corporation" is expected to become a consolidated subsidiary of our company. As the new company will start its operation in October this year, we have revised the forecast consolidated business results for the fiscal year ending in March 2002, which we announced on May 16 (at the time of the announcement of the business results for the fiscal year ending in March 2001), as follows:

1. Outline of the subsidiary and merging company

(1) Subsidiary

- (a) Company name: Mitsubishi Tokyo Pharmaceuticals, Inc.
- (b) Head Office: 2-2-6 Nihonbashi Honcho, Chuo-ku, Tokyo
- (c) Representative: Ryuichi Tomizawa

(2) Company to be merged with

- (a) Company name: Welfide Corporation
- (b) Head Office: 2-6-9 Hiranomachi, Chuo-ku, Osaka
- (c) Representative: Shinichiro Handa

2. Revision of the forecast consolidated business results of our company for the fiscal year ending in March 2002 (From April 1, 2001 to March 31, 2002)

	Unit	Sales	Operating Income	Recurring Income	Net Income
Previously announced forecast (A) (Announced on May 16, 2001)	Yen 100 million	18,000	820	540	150
Revised forecast (B)	Yen 100 million	18,900	910	640	180
Difference (B minus A)	Yen 100 million	900	90	100	30
Rate of difference	%	5.0	11.0	18.5	20.0
The previous Fiscal Year (April 1, 2000 – March 31, 2001)	Yen 100 million	17,472	664	432	32

Reference: Public Relations Department (Tel: 3-3283-6254)

May 28, 2001

Welfide Corporation (Code No. 4509)
Mitsubishi-Tokyo Pharmaceuticals, Inc.

Notice on Definitive Agreement to Merge

Welfide Corporation (Head Office: Chuo-ku, Osaka; President: Shinichiro Handa) and Mitsubishi-Tokyo Pharmaceuticals, Inc. (Head Office: Chuo-ku, Tokyo; President: Ryuichi Tomizawa) announced that today both companies signed a definitive agreement to merge following the approval by each company's board of directors based on the memorandum of understanding, where fundamental points were agreed, executed on March 15, 2001.

1. Described below are main points on the definitive agreement.

(1) Method of Merger

Welfide Corporation (hereinafter called "Welfide") and Mitsubishi-Tokyo Pharmaceuticals, Inc. (hereinafter called "Mitsubishi-Tokyo") will merge in an equal spirit. As legal and other procedures, however, Welfide will be the surviving entity while Mitsubishi-Tokyo will be dissolved.

(2) Date of Merger

October 1, 2001

(3) Trade Name after Merger

The new company will be called "Mitsubishi Welpharma Kabushiki Kaisha" and in English "Mitsubishi Pharma Corporation".

(4) Shares Issued due to Merger

183,600,000 (The amount of each share having a par value is fifty (50) Yen.)

Six hundred (600) shares of Welfide common stock, par value of which is 50 yen each, will be issued and offered in exchange for each share of Mitsubishi-Tokyo common stock, par value of which is 50,000 yen each.

(5) Stated Capital Stock after Merger

30,560,589,706 Yen

(6) Shareholders' Meeting to Approve Merger

June 28, 2001 (Scheduled for the same day by each company)

(7) Money Delivered due to Merger

3,000 Yen for each common share of Mitsubishi-Tokyo

Instead of an interim dividend for the period commencing on April 1, 2001 and expiring on September 30, 2001, the above money will be paid to Mitsubishi-Tokyo's shareholder(s) of final record or a person(s) with pledge of shares registered on Mitsubishi-Tokyo's shareholders record as of one day prior to the closing of the merger.

(8) Board of Directors and Corporate Auditors after Merger

As of the date of the merger, the number of the board of directors will be eleven (11), and that of the corporate auditors will be six (6). President & Representative Director will be Shinichiro Handa, and Executive Vice-President & Representative Director will be Ryuichi Tomizawa.

2. Influence of Merger on Financial Records

Single-Company Financial Perspectives after Merger

	Fiscal Year ended March 31, 2002	Fiscal Year ended March 31, 2003
Sales	160,500 million yen (44,500 million yen)	220,000 million yen
Operating Income	14,000 million yen (3,000 million yen)	35, 000 million yen
Ordinary Income	16,000 million yen (3,000 million yen)	36, 000 million yen
Net Income	7,000 million yen (500 million yen)	18,500 million yen

The post-merger financial perspectives are made by the simple addition of figures prepared by both companies, and the figures in parentheses are influences expected after the merger.

Consolidated Financial Perspectives after Merger

	Fiscal Year ended March 31, 2002	Fiscal Year ended March 31, 2003
Consolidated Sales	220,000 million yen (44,500 million yen)	300,000 million yen
Consolidated Operating Income	16,500 million yen (3,000 million yen)	41,000 million yen
Consolidated Ordinary Income	13,500 million yen (3,000 million yen)	38,000 million yen
Consolidated Net Income	6,000 million yen (500 million yen)	19,500 million yen

The post-merger financial perspectives are made by the simple addition of figures prepared by both companies, and the figures in parentheses are influences expected after the merger.

[For further information on this notice, contact:]

Welfide Corporation

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Mitsubishi-Tokyo Pharmaceuticals, Inc.

Administration Department (Public Relations) Phone: 03-3241-7905

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