

MITSUBISHI CHEMICAL CORPORATION

CONDENSED FINANCIAL INFORMATION FOR THE FIRST HALF OF THE FISCAL YEAR ENDING MARCH 31, 2001

1. Date of Board Meeting to review the financial statements for the First Half of the Current Fiscal Year: November 17, 2000
2. Business Results for the First Half of the Fiscal Year ending March 31, 2001

(1) Results of Operation

	Net Sales	Operating Income	Net Income (Loss)	Net Income (Loss) per Share
	Millions of Yen	Millions of Yen	Millions of Yen	Yen
The First Half of the Fiscal Year under review (Apr2000-Sep.2000)	384,114	9,172	1,875	0.86
% of Increase (Decrease) from the First Half of the Previous Fiscal Year	(7.5%)	(19.1%)	135.3%	
The First Half of the Previous Fiscal Year (Apr.1999-Sep.1999)	415,659	11,343	796	0.38
The Previous Fiscal Year (Apr.1999-Mar2000)	841,494	22,985	(46,767)	(21.91)

(Note) 1 The average number of common shares during the respective periods.

Apr.2000-Sep.2000 2,177,673,247

Apr.1999-Sep.1999 2,090,886,832

Apr.1999-Mar.2000 2,134,279,147

2 Change of Accounting Principle None.

3 Net Income per Share is based on the average number of common shares during the respective periods.

(2) Dividends

	Interim Dividends per Share	Dividends per Share for the Year
	Yen	Yen
The First Half of the Fiscal Year under review (Apr.2000-Sep.2000)	0.00	
The First Half of the Previous Fiscal Year (Apr.1999-Sep.1999)	0.00	
The Previous Fiscal Year (Apr.1999-Mar2000)		2.00

(3) Financial Position

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share
	Millions of Yen	Millions of Yen	%	Yen
The First Half of the Fiscal Year under review (As of Sep.30, 2000)	1,172,271	375,680	32.0	172.51
The First Half of the Previous Fiscal Year (As of Sep.30, 1999)	1,181,488	404,997	34.2	193.69
The Previous Fiscal Year (As of Mar.31, 2000)	1,154,099	373,775	32.3	171.63

(Note) The number of common shares outstanding as of the following closing dates.

September 30, 2000 2,177,675,032

September 30, 1999 2,090,886,832

March 31, 2000 2,177,671,462

(4) The Prospects for the Current Fiscal Year

	Net Sales	Operating Income	Net Income (Loss)	Dividends per Share for the Year
	Millions of Yen	Millions of Yen	Millions of Yen	Yen
The Current Fiscal Year (Apr.2000-Mar.2001)	795,000	25,000	7,000	3.00

(Additional Information) Prospected Net Income (Loss) per Share for the Current Fiscal Year is ¥3.21.

MITSUBISHI CHEMICAL CORPORATION

Non-Consolidated Balance Sheet

September 30, 2000

<u>Assets</u>	<u>Millions of Yen</u>	<u>Thousands of U.S. Dollars (Note 3)</u>
Current assets:		
Cash and cash equivalents	¥ 2,080	\$ 19,266
Trade receivables:		
Notes	8,985	83,201
Accounts	113,638	1,052,212
Subsidiaries and affiliates	104,005	963,010
Allowance for doubtful accounts	(1,499)	(13,880)
Inventories:		
Finished goods	31,299	289,808
Work in process	23,252	215,304
Raw materials and supplies	32,855	304,219
Land held for sale	922	8,541
Deferred tax – current	4,996	46,259
Prepaid expenses and other current assets	<u>10,236</u>	<u>94,782</u>
Total current assets	<u>330,773</u>	<u>3,062,722</u>
Property, plant and equipment, at cost:		
Land	84,745	784,682
Buildings	345,378	3,197,945
Machinery and equipment	874,998	8,101,836
Construction in progress	<u>15,609</u>	<u>144,528</u>
	1,320,731	12,228,991
Accumulated depreciation	<u>(984,331)</u>	<u>(9,114,176)</u>
	<u>336,400</u>	<u>3,114,815</u>
Investments and other assets:		
Investments in subsidiaries and affiliates	299,328	2,771,559
Investment securities	121,640	1,126,303
Advances to subsidiaries and affiliates	21,814	201,986
Long-term loans	2,682	24,834
Deferred tax - non-current	45,368	420,074
Others	20,075	185,881
Allowance for doubtful accounts	<u>(5,810)</u>	<u>(53,806)</u>
	<u>505,097</u>	<u>4,676,831</u>
Total assets	¥ <u>1,172,271</u>	\$ <u>10,854,368</u>

See Notes to Non-Consolidated Financial Statements.

MITSUBISHI CHEMICAL CORPORATION

Non-Consolidated Balance Sheet, continued

September 30, 2000

<u>Liabilities and Shareholders' Equity</u>	<u>Millions of Yen</u>	Thousands of U.S. Dollars (Note 3)
Current liabilities:		
Short-term debt	¥ 64,200	\$ 594,444
Current portion of long-term debt	90,886	841,538
Trade payables:		
Notes	1,020	9,446
Accounts	134,577	1,246,086
Subsidiaries and affiliates	45,874	424,768
Accrued expenses	20,297	187,939
Other current liabilities	<u>8,186</u>	<u>75,800</u>
Total current liabilities	<u>365,042</u>	<u>3,380,021</u>
Long-term debt	352,104	3,260,224
Accrued retirement benefits	68,511	634,369
Accrued liabilities for Affiliate's discontinued operation	5,965	55,236
Other non-current liabilities	<u>4,967</u>	<u>45,993</u>
Total liabilities	<u>796,591</u>	<u>7,375,843</u>
Shareholders' equity:		
Common stock, ¥50 par value per share:		
Authorized 5,900,000 thousand shares;		
Issued 2,177,675 thousand shares	145,086	1,343,395
Additional paid-in capital	165,918	1,536,280
Legal reserve	25,443	235,590
Voluntary reserves	32,073	296,978
Unappropriated retained losses	2,777	25,713
Valuation gain of investment securities		
after tax-effect	<u>4,381</u>	<u>40,569</u>
	<u>375,680</u>	<u>3,478,525</u>
 Total liabilities and shareholders' equity	 <u>¥ 1,172,271</u>	 <u>\$ 10,854,368</u>

See Notes to Non-Consolidated Financial Statements.

MITSUBISHI CHEMICAL CORPORATION

Non-Consolidated Statement of Income and Retained Earnings

For the six month period ended September 30, 2000

	<u>Millions of Yen</u>	Thousands of U.S. Dollars <u>(Note 3)</u>
Net sales:		
Subsidiaries and affiliates	¥ 146,168	\$ 1,353,408
Other customers	<u>237,946</u>	<u>2,203,206</u>
	384,114	3,556,614
Cost of sales	<u>327,729</u>	<u>3,034,529</u>
Gross profit	56,385	522,085
Selling, general and administrative expenses	<u>47,212</u>	<u>437,154</u>
Operating income	9,172	84,931
Other income (expenses):		
Interest income	412	3,817
Dividend income	6,420	59,453
Gain on sales of investment securities, net	1,350	12,509
Interest expenses	(5,532)	(51,231)
Debt issue expenses	(67)	(628)
Gain on sales and disposals of property, plant and equipment, net	645	5,980
Write-down of investment securities	(930)	(8,613)
Write-off of non trade bad debts	(326)	(3,019)
Personnel expenses of employees on secondment charged by affiliated and unaffiliated companies	(3,177)	(29,425)
Gain on contribution of investment securities to employees' retirement benefit plan	14,783	136,884
Contribution of investment securities to employees' Retirement benefit plan	(23,098)	(213,877)
5-year amortization of unrecognized prior service cost under postemployment accounting	(2,956)	(27,373)
Other, net	<u>2,720</u>	<u>25,186</u>
Income (loss) before income taxes	(583)	(5,406)
Income taxes:		
Current	328	3,037
Deferred	<u>(2,787)</u>	<u>(25,806)</u>
Net income (loss)	1,875	17,363
Unappropriated retained earnings at beginning of the year	(39,199)	(362,963)
Appropriations:		
Transfer to legal reserve	(436)	(4,037)
Cash dividends	(4,355)	(40,327)
Reversal of (Transfer to) voluntary reserves, net	<u>44,893</u>	<u>415,677</u>
	<u>40,101</u>	<u>371,313</u>
Unappropriated retained earnings (losses) at end of the period	<u>¥ 2,777</u>	<u>\$ 25,713</u>
Per share:	<u>Yen</u>	<u>U.S. Dollars</u>
Net income (loss)	¥ 0.86	\$ 0.008
Cash dividends applicable to the year	2.00	0.019
See Notes to Non-Consolidated Financial Statements.		

MITSUBISHI CHEMICAL CORPORATION

Notes to Non-Consolidated Financial Statements

1. Accounting Policies

The accompanying non-consolidated financial statements as of and for the 6 month period ended September 30, 2000 have been prepared in accordance with generally accepted accounting standards in Japan that are applicable to such financial statements.

2. Reclassification of Items

Certain items presented in the original financial statements have been reclassified for the convenience of readers outside Japan.

3. U.S. Dollar Amounts

The Corporation maintains its accounting records in Japanese yen. The U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been translated, as a matter of arithmetical computation only, at the rate of ¥108 to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of September, 2000. 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.

4. Contingent Liabilities

As of September 30, 2000, the Corporation was contingently liable as a guarantor or a legally construed guarantor for below borrowings incurred by its subsidiaries, affiliates, and others.

<div> <div> [¥ in millions]</div> <div>[US\$ in thousands]</div> </div>	<div> Gross including a third party's liabilities </div>	<div> Net Corporation's own liabilities </div>
Guarantee	¥117,720 (US\$1,090,006)	¥110,827 (US\$1,026,182)
Stand-by guarantee	¥ 23,378 (US\$ 216,472)	¥ 22,661 (US\$ 209,827)
Other construed guarantee	¥ 53,085 (US\$ 491,534)	¥ 42,027 (US\$ 389,146)

Above numbers include ¥119,802 million (US\$1,109,283 thousand) contingent liabilities for the Corporation's fully consolidated subsidiaries' borrowings.