

November 13, 2001

Mitsubishi Chemical Corporation
Condensed Consolidated Financial Information
For the First Half of the Fiscal Year Ending March 31,2002

1. Business Results for the First Half of the Fiscal Year ending March 31,2002

(Business period: April 1,2001 - September 30,2001)

The First Half of the Fiscal Year	The First Half of the Previous Fiscal Year	The Previous Fiscal Year
April 1, 2001 - September 30, 2001	April 1, 2000 - September 30, 2000	April 1, 2000 - March 31, 2001

(1)Results of operations:

(Millions of Yen)

Net sales	834,003	832,576	1,747,167
Operating income	12,031	35,733	66,410
Income (Loss) before Income taxes	(11,753)	7,299	15,767
Net income (loss)	(8,705)	534	3,176

(2)Financial position:

(Millions of Yen)

Total assets	1,991,581	2,010,064	2,016,553
Inventories	262,781	244,307	253,091
Property, Plant and equipment	756,615	762,647	761,592
Short-term and long-term debt	962,226	992,084	956,910
Shareholders' equity	369,454	379,270	383,872
Ratio of shareholders' equity to total assets (%)	18.5	18.8	19.0

(3)Cash Flows:

(Millions of Yen)

Net cash provided by operating activities	48,390	42,920	113,711
Net cash used in investing activities	(46,011)	(29,213)	(60,558)
Net cash used in financing activities	(5,145)	(11,806)	(63,741)
Cash and cash equivalents at the end	34,746	46,734	36,922

(4)General:

(Millions of Yen)

Capital expenditures	46,034	40,092	86,298
Depreciation and amortization	48,091	50,171	104,110
R&D expenditures	35,520	31,765	68,016
Employees (number)	32,877	33,644	33,034

(5)Per share:

(Yen)

Net income (loss)	(3.99)	0.24	1.45
Shareholders' equity	169.65	174.16	176.27

* Net income(loss) per share is based on the average number of common shares (exclude treasury stocks) during the respective period.

[First half of this year] 2,177,657,710 [First half of the previous year] 2,177,645,492 [Previous year] 2,177,650,856

*Shareholders' equity per share is based on the number of common shares outstanding (exclude treasury stocks) as of the following closing dates.

[First half of this year] 2,177,660,196 [First half of the previous year] 2,177,649,555 [Previous year] 2,177,658,416

(6)Ratio of net income (loss) to :

(%)

Shareholders' equity	(2.3)	0.1	0.8
Total Assets	(0.4)	0.0	0.1
Net Sales	(1.0)	0.0	0.1

* Based on the average of each amounts at the beginning and at the end of the respective period.

The First Half of the Fiscal Year	The First Half of the Previous Fiscal Year	The Previous Fiscal Year
April 1, 2001 - September 30, 2001	April 1, 2000 - September 30, 2000	April 1, 2000 - March 31, 2001

(7)Segment Information:**[Net Sales by Segment]**

(Millions of Yen)

Petrochemicals	298,707	306,056	646,224
Carbon and Agrochemicals	92,051	99,785	200,622
Information and Electronics Related Products	85,616	88,837	182,170
Pharmaceuticals	71,364	64,409	127,424
Specialty Chemicals	64,497	58,058	120,574
Functional Materials & Plastic-Based Products	166,527	164,951	344,223
Services	55,241	50,480	125,930
Total	834,003	832,576	1,747,167

[Operating Income by Segment]

(Millions of Yen)

Petrochemicals	(4,173)	10,221	20,387
Carbon & Agrochemicals	3,245	5,706	12,047
Information & Electronics Related Products	(1,008)	(1,002)	(3,311)
Pharmaceuticals	10,702	6,545	10,168
Specialty Chemicals	2,174	3,426	7,760
Functional Materials & Plastic-Based Products	6,390	10,283	19,939
Services	3,360	6,109	12,078
Elimination & Corporate Costs	(8,659)	(5,555)	(12,658)
Total	12,031	35,733	66,410

2. The Prospects for the Current Fiscal Year

The Current Fiscal Year
April 1, 2001 – March 31, 2002

(Millions of Yen)

Net Sales	1,830,000
Operating Income	53,000
Net Income	(9,000)

Business Results

(1) General conditions of the first half of the current fiscal year

1. Overall business results

The Japanese economy during the first half of the current fiscal year experienced a notable economic recession as the US economy recessed, IT-related demand dropped, and deflationary trend of the Japanese economy progressed.

As to the business environment for the consolidated Mitsubishi Chemical Group companies, severe conditions continued as demand declined, price of raw materials such as naphtha remained at a high level, and international market for our products dropped.

Under these circumstances, while Mitsubishi Chemical and its consolidated Group companies endeavored to amend the price of our products centering on the Petrochemicals Segment, we tried to improve our profits through overall cost reduction measures covering from rationalization of production and distribution to reduction of fixed costs. At the same time, we proceeded with tie-ups with other companies and disposition of unprofitable businesses in line with our medium-term plans to rebuild our business structures. However, except our Pharmaceutical Segment, we were forced to experience deteriorated business results almost in all of our business sectors since we were not able to change the product price to meet with a high level of materials cost in the Petrochemicals Segment.

As a result, while the net sales amounted to Yen 834 billion (up 0.1% from the like period of previous fiscal year) in our consolidated business results due to the consolidation of Japan Epoxy Resins Co., Ltd., longer period of consolidation of V-Tech Corporation, and increase in net sales of Pharmaceuticals Segment, our operating income amounted to Yen 12 billion (down 66.3%), recurring profit amounted to minus Yen 3.7 billion, and net loss amounted to minus Yen 8.7 billion or substantial decline from the like period of the previous fiscal year.

2. Dividend

As to the dividend for the first half of the current fiscal year, since our net income was lower than that of the like period of the previous fiscal year, we will not pay dividend as we did not last year.

3. Situation of cash flow

The free cash flow (cash flow by sales and investment activities) of the first half of the current fiscal year amounted to Yen 2.3 billion or down by Yen 11.3 billion from the like period of last year due to increase of capital investment amount over the like period of the previous year though the amount was restrained within the amount of depreciation and decrease in income from the sale of securities. The free cash flow was used for the payment of dividend together with a part of the fund on hand.

The cash flow by sales activity increased by Yen 5.4 billion from the like period of last fiscal year to Yen 48.3 billion as the decline in accounts receivable was higher than the decline in accounts payable though the cash flow was in net loss before taxes. The cash flow by investment activity amounted to minus Yen 46 billion due to increase in capital investment and others. The cash flow by financial activity amounted to minus Yen 5.1 billion due to the payment of dividend and others.

4. Outlook by business segments

(a) Petrochemicals Segment

The production volume of ethylene, a basic raw material of the Petrochemicals Segment, amounted to 560,000 tons or down 20.9% from the like period of the previous fiscal year due to the stop of production facility at Yokkaichi Plant and regular repair at both Kashima and Mizushima Plants. The net sales of such synthetic resins as polyethylene and polypropylene, both of which use ethylene or propylene as materials, decreased due to declined demand and price drop in the international market. The net sales of styrene monomer also decreased due to the price drop in the international market. Meanwhile, the net sales of terephthalic acid, a raw material of synthetic fiber, increased due to the increase of production volume of MCC PTA India Corp. Private Limited. By the way,

the period of consolidation of V-Tech Corporation increased to six months. Also, Yuka-Sansyo Co., Ltd. was transferred from Petrochemicals Segment to Functional Materials and Plastic-based Products Segment.

As a result, the net sales of Petrochemicals Segment amounted to Yen 298.7 billion (down 2.4% from the like period of last year) and operating income amounted to minus Yen 4.1 billion.

(b) Carbon and Agrochemicals Segment

The production volume of cokes more or less declined from the like period of the previous fiscal year due to repair construction of the furnaces. Fertilizers continued to experience severe situation due to stagnant demand and imports of less expensive products. The market situation for such inorganic industrial chemicals as ammonia also deteriorated. In addition since Nippon Tansan Co., Ltd. was excluded from our consolidated subsidiaries in September last year, the company's net sales were dropped from our net sales.

As a result, the net sales of Carbon and Agrochemicals Segment amounted to Yen 92 billion (down 7.7% from the like period of last year) and operating income amounted to Yen 3.2 billion (down 43.1%).

(c) Information and Electronics Related Products Segment

While the effect of business restructuring was realized in hard disk and others, the sector experienced a very severe situation being influenced by the worldwide decelerating IT-related demand including compound semiconductors.

As a result, the net sales of Information and Electronics Related Products Segment amounted to Yen 85.6 billion (down 3.6% from the like period of last year) and operating income recorded the loss of Yen 1 billion.

(d) Pharmaceuticals Segment

Pharmaceuticals Segment recorded increased sales due to the launch of new products. The business of clinical tests also moved favorably. As a result, the net sales amounted to Yen 71.3 billion (up 10.7% from the like

period of last year) and operating income recorded Yen 10.7 billion (up 63.5%).

(e) Specialty chemicals Segment

Due to the overall decrease of IT-related demand, Specialty Chemicals Segment faced with a severe situation. Meanwhile, since Japan Epoxy Resins Co., Ltd. has become a consolidated subsidiary since the end of the previous fiscal year, the company's net sales increased the Segment's net sales.

As a result, the net sales increased to Yen 64.4 billion (up 11.0% from the like period of last year) and operating income amounted to Yen 2.1 billion (down 36.5%).

(f) Functional Materials and Plastic-based Products Segment

Net sales of plastic-based products and polyester film decreased due to the decline of IT-related demand. Also, the transfer of Yuka-Sansyo to this segment from Petrochemicals Segment increased the net sales.

As a result, the net sales amounted to Yen 166.5 billion (up 0.9% from the like period of last year) and operating income amounted to Yen 6.3 billion (down 37.8%).

(g) Corporate Services Segment

Although the net sales of real estate for sale decreased, that of engineering increased due to higher amount of construction.

As a result, the net sales increased to Yen 55.2 billion (up 9.4% from the like period of last year) and operating income amounted to Yen 3.3 billion (down 44.9%).

(2) Outlook of the whole fiscal year

It is anticipated that the situation will become severer in the second half of the current fiscal year due to the terrorists attack in the US in addition to the continued economic stagnation resulting from decreased IT-related demand and deflationary trend of the Japanese economy. The future outlook of the price of crude oil and

naphtha is also extremely unpredictable.

Under these circumstances, our consolidated Group companies will reinforce our measures to thoroughly improve profits by means of the reduction of remuneration to the executive officers, reduction of fixed cost, restraint of capital investment, focused and efficient use of R&D expenditure, reorganization of businesses, and suppression of total labor cost while we proceed with aggressive sales activity.

As to the forecast of business results for the fiscal year ending in March 2002, while Mitsubishi Pharma Corporation, which was established by the merger between Mitsubishi-Tokyo Pharmaceuticals Inc. and Welfide Corporation, will fully become our consolidated subsidiary, the severe situation should continue as a whole. Therefore, we expect our net sales will amount to Yen 1,830 billion, operating income to Yen 53 billion, recurring profit to Yen 24.5 billion, and net loss of Yen 9 billion. Since the business results by sector are also forecast to substantially decrease, we anticipate that we would not be able to pay dividend also at the end of the fiscal year.

Expected numerical value of the major indexes is as follows:

(Unit: in round Yen 100 million)

	Actual results of the first half	Forecast for the full fiscal year	Actual results of the previous term
Capital investment	460	980	863
Depreciation	481	1,050	1,041
R&D expenditure	355	880	680
Exchange (Yen/\$)	122	121	111
Naphtha (Yen/kl)	24,400	24,200	23,500