

MITSUBISHI CHEMICAL CORPORATION

CONDENSED FINANCIAL INFORMATION FOR THE FIRST HALF OF THE FISCAL YEAR ENDING MARCH 31, 2002

1. Date of Board Meeting to review the financial statements for the First Half of the Current Fiscal Year: November 13, 2001
2. Business Results for the First Half of the Fiscal Year ending March 31, 2002

(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 (Apr.2001-Sep.2001)	344,029	(7,300)	(54,523)	(25.03)
% of Increase (Decrease) from the First Half of the Previous Fiscal Year	(10.4%)	-	-	
The First Half of the Previous Fiscal Year (Apr.2000-Sep.2000)	384,114	9,172	1,875	0.86
The Previous Fiscal Year (Apr.2000-Mar.2001)	781,501	20,618	4,081	1.87

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

Apr.2001-Sep.2001 2,177,675,032

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

Apr.2000-Mar.2001 2,177,674,140

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.2001-Sep.2001)	0.00	-
The First Half of the Previous Fiscal Year (Apr.2000-Sep.2000)	0.00	-
The Previous Fiscal Year (Apr.2000-Mar.2001)	-	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, 2001)	1,078,061	309,369	28.6	142.06
The First Half of the Previous Fiscal Year (As of Sep.30, 2000)	1,172,271	375,680	32.0	172.51
The Previous Fiscal Year (As of Mar.31, 2001)	1,141,067	373,928	32.7	171.71

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

September 30, 2001 2,177,675,032

September 30, 2000 2,177,675,032

March 31, 2001 2,177,675,032

(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.2001-Mar.2002)	700,000	4,000	(58,000)	0.00

(Additional Information) Prospected Net Income (Loss) per Share for the Current Fiscal Year is (¥26.63).

MITSUBISHI CHEMICAL CORPORATION

Non-Consolidated Balance Sheet

September 30, 2001

<u>Assets</u>	<u>Millions of Yen</u>	<u>Thousands of U.S. Dollars (Note 3)</u>
Current assets:		
Cash and cash equivalents	¥ 2,775	\$ 23,327
Trade receivables:		
Notes	7,298	61,335
Accounts	97,908	822,757
Subsidiaries and affiliates	92,850	780,258
Allowance for doubtful accounts	(267)	(2,244)
Inventories:		
Finished goods	32,507	273,174
Work in process	25,186	211,649
Raw materials and supplies	33,667	282,923
Land held for sale	904	7,603
Deferred tax – current	4,771	40,092
Prepaid expenses and other current assets	<u>5,749</u>	<u>48,314</u>
Total current assets	<u>303,353</u>	<u>2,549,188</u>
Property, plant and equipment, at cost:		
Land	84,747	712,166
Buildings	343,287	2,884,773
Machinery and equipment	850,321	7,145,556
Construction in progress	<u>20,609</u>	<u>173,193</u>
	1,298,966	10,915,688
Accumulated depreciation	<u>(966,195)</u>	<u>(8,119,293)</u>
	<u>332,771</u>	<u>2,796,395</u>
Investments and other assets:		
Investments in subsidiaries and affiliates	258,775	2,174,587
Investment securities	91,835	771,728
Advances to subsidiaries and affiliates	13,712	115,232
Long-term loans	2,292	19,268
Deferred tax - non-current	60,959	512,261
Others	19,761	166,064
Allowance for doubtful accounts	<u>(5,400)</u>	<u>(45,383)</u>
	<u>441,937</u>	<u>3,713,757</u>
Total assets	¥ <u>1,078,061</u>	\$ <u>9,059,340</u>

See Notes to Non-Consolidated Financial Statements.

MITSUBISHI CHEMICAL CORPORATION

Non-Consolidated Balance Sheet, continued

September 30, 2001

<u>Liabilities and Shareholders' Equity</u>	<u>Millions of Yen</u>	<u>(Note 3)</u>
		Thousands of U.S. Dollars
Current liabilities:		
Short-term debt	¥ 106,520	\$ 895,134
Current portion of long-term debt	105,299	884,870
Trade payables:		
Notes	408	3,437
Accounts	29,121	1,085,057
Subsidiaries and affiliates	45,386	381,403
Accrued expenses	17,782	149,433
Other current liabilities	<u>5,748</u>	<u>48,310</u>
Total current liabilities	<u>410,269</u>	<u>3,447,644</u>
Long-term debt	282,867	2,377,042
Accrued retirement benefits	63,900	536,978
Accrued liabilities for Affiliate's discontinued operation	5,665	47,609
Other non-current liabilities	<u>5,988</u>	<u>50,327</u>
Total liabilities	<u>768,692</u>	<u>6,459,600</u>
Shareholders' equity:		
Common stock, ¥50 par value per share:		
Authorized - 5,900,000 thousand shares;		
Issued - 2,177,675 thousand shares	145,086	1,219,216
Additional paid-in capital	165,918	1,394,271
Legal reserve	25,879	217,477
Voluntary reserves	31,349	263,438
Unappropriated retained losses	(53,607)	(450,483)
Valuation gain/(loss) of investment securities after tax-effect	<u>(5,257)</u>	<u>(44,179)</u>
	<u>309,369</u>	<u>2,599,740</u>
Total liabilities and shareholders' equity	<u>¥ 1,078,061</u>	<u>\$ 9,059,340</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, 2001

Thousands of U.S. Dollars

	<u>Millions of Yen</u>	<u>(Note 3)</u>
Net sales:		
Subsidiaries and affiliates	¥ 139,012	\$ 1,168,169
Other customers	<u>205,017</u>	<u>1,722,835</u>
	344,029	2,891,004
Cost of sales	<u>305,039</u>	<u>2,563,361</u>
Gross profit	38,989	327,643
Selling, general and administrative expenses	<u>46,289</u>	<u>388,990</u>
Operating income	(7,300)	(61,347)
Other income (expenses):		
Interest income	274	2,308
Dividend income	7,028	59,063
Gain/(loss) on sales of investment securities, net	(322)	(2,711)
Interest expenses	(4,695)	(39,458)
Debt issue expenses	(124)	(1,043)
Gain/(loss) on sales and disposals of property, plant and equipment, net	(1,233)	(10,365)
Write-off of property, plant and equipment	(265)	(2,229)
Write-down of investment securities	(51,367)	(431,656)
Personnel expenses of employees on secondment charged by affiliated and unaffiliated companies	(4,527)	(38,044)
5-year amortization of unrecognized prior service cost under postemployment accounting	(2,956)	(24,843)
Decrease of allowance for normal receivables	1,470	12,353
Other, net	<u>487</u>	<u>4,094</u>
Income (loss) before income taxes	(63,531)	(533,878)
Income taxes:		
Current	545	4,582
Deferred	<u>(9,553)</u>	<u>(80,277)</u>
Net income (loss)	(54,523)	(458,183)
Unappropriated retained earnings at beginning of the year	4,983	41,876
Appropriations:		
Transfer to legal reserve	(436)	(3,665)
Cash dividends	(4,355)	(36,599)
Reversal of (Transfer to) voluntary reserves, net	<u>724</u>	<u>6,088</u>
	<u>(4,066)</u>	<u>(34,176)</u>
Unappropriated retained earnings (losses) at end of the period	<u>¥ (53,607)</u>	<u>\$ (450,483)</u>
Per share:	<u>Yen</u>	<u>U.S. Dollars</u>
Net income (loss)	¥(25.03)	\$ (0.210)
Cash dividends applicable to the year	2.00	0.017

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, 2001 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 ¥119 to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of September, 2001. 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, 2001, the Corporation was contingently liable as a guarantor or a legally construed guarantor for below borrowings incurred by its subsidiaries, affiliates, and others.

[¥ in millions] [US\$ in thousands]	Gross including a third <u>party's liabilities</u>	Net Corporation's <u>own liabilities</u>
Guarantee	¥110,281 (US\$ 926,733)	¥103,742 (US\$ 871,786)
Stand-by guarantee	¥ 6,220 (US\$ 220,337)	¥ 6,220 (US\$ 20,337)
Other construed guarantee	¥ 30,960 (US\$ 260,172)	¥ 25,113 (US\$ 211,039)

Above numbers include ¥112,328 million (US\$ 943,939 thousand) contingent liabilities for the Corporation's fully consolidated subsidiaries' borrowings.