

August 7, 2003

Mitsubishi Chemical Corporation Condensed Consolidated Financial Information For the First Quarter of the Fiscal Year Ending March 31, 2004

1. Business Results for the First Quarter of the Fiscal Year ending March 31, 2004 (Business period: April 1, 2003 to June 30, 2003)

Millions of Yen	
The First Quarter of the Fiscal Year	The Previous Fiscal Year
April 1, 2003 to June 30, 2003	April 1, 2002 to March 31, 2003

Thousands of U.S. Dollars
The First Quarter of the Fiscal Year
April 1, 2003 to June 30, 2003

(Note2)

(1) Results of operations:

Net sales	461,744	1,887,493
Operating income	17,961	91,962
Income before Income taxes	18,374	43,821
Net income	7,948	21,386

3,847,867
149,675
153,117
66,233

(2) Financial position:

Total assets	2,099,325	2,117,002
Inventories	292,385	276,072
Property, plant and equipment and intangible assets	813,513	830,072
Short-term and long-term debt	944,358	962,197
Shareholders' equity	356,953	350,338
Ratio of shareholders' equity to total assets (%)	17.0	16.5

17,494,375
2,436,542
6,779,275
7,869,650
2,974,608

(3) Per Share:

(Yen)

Net income	3.63	9.75
Shareholders' equity	164.16	161.06

(U.S.Dollars)

0.030
1.368

(4) Ratio of net income to:

(%)

Shareholders' equity	2.2	6.1
Total Assets	0.3	0.9
Net Sales	1.7	1.1

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

(5) Segment information:**[Net Sales by Segments]**

Petrochemicals	180,972	679,106	1,508,100
Performance Products	112,563	451,830	938,025
Functional Products	77,963	320,699	649,692
Health Care	71,686	319,970	597,383
Services	18,560	115,888	154,667
Total	461,744	1,887,493	3,847,867

[Operating income (loss) by Segments]

Petrochemicals	799	20,630	6,658
Performance Products	9,858	30,444	82,150
Functional Products	2,926	10,829	24,383
Health Care	7,148	30,501	59,567
Services	210	9,849	1,750
Elimination & Corporate Costs	(2,980)	(10,291)	(24,833)
Total	17,961	91,962	149,675

Notes:

- The accompanying consolidated financial information has been prepared by using accounting methods different from those adopted for the latest fiscal year;
Income tax expenses included in the consolidated results of operation for the first quarter of the fiscal year (April 1, 2003 - June 30, 2003) were calculated using a simplified method.
- The corporation and its domestic consolidated subsidiaries maintain their accounting recorded in Japanese yen. The U.S. dollar amounts are included solely for convenience and have been translated, as a matter of arithmetical computation only, at the rate of 120Yen to US\$1, the approximate exchange rate prevailing in the Tokyo foreign exchange market at the end of June, 2003.

2. The Prospects for the Current Fiscal Year (Disclosed on May 13, 2003)

	The First Half of the Current Fiscal Year	The Current Fiscal Year
	April 1, 2003 to September 30, 2003	April 1, 2003 to March 31, 2004
	(Millions of Yen)	(Millions of Yen)
Net Sales	930,000	1,930,000
Operating Income	36,000	92,000
Net Income	11,000	24,000
	(Yen)	(Yen)
Net income Per Share	5.02	10.96

3. Business Performances and Financial Position

(1) Business Performances

(i) Consolidated Performance for the First Fiscal Quarter Ended March 31, 2004

(From April 1, 2003 to June 30, 2003)

In the first quarter of fiscal year 2004 (April 1, 2003 to March 31, 2004), stock market situation softened and recovery in investment in the Japanese economy was observed. The global economy, however, was sluggish due to lack in strength of the U.S. economy, temporary stagnation in economic activities in East Asia due to the concern caused by the outbreak of severe acute respiratory syndrome (SARS), with stagnant domestic consumer demands. High price for naphtha also continued.

Under these circumstances, the consolidated business results for the first fiscal quarter ended June 30, 2003, resulted in total sales of ¥ 461.7 billion, operating profits amounted to ¥ 18.0 billion, recurring profit of ¥ 18.0 billion, and net profits amounted to 7.9 billion.

Regular maintenance at Kashima and Mizushima Plants for the petrochemical manufacturing facilities from May to the end of June resulted in drop of both sales and operating profits for the Petrochemicals Segment.

(ii) Overview of Business Segments

Petrochemicals

Rationalization measures such as production cost reduction were continuously promoted for the petrochemicals. Severe condition continued, however, for the basic petrochemicals as the price of naphtha remained high, decrease in export to China and increase in raw materials for synthetic resins and engineering plastics.

In addition, regular maintenance at Kashima and Mizushima Plants resulted in increase of fixed cost such as allowance for repairs for the first fiscal quarter compared to the ordinary quarter.

As the result, sales of the segment for the first quarter of fiscal 2004 was ¥ 181.0 billion and the operating income was ¥ 0.8 billion.

Major business restructuring measures taken for the Petrochemicals Segment during the first fiscal quarter were as follows:

- PS Japan Corporation was establishment on April 1, 2003 by integrating the polystyrene business of A&M Styrene Co., Ltd., a 50-50 joint venture company of Asahi Kasei Corporation and Mitsubishi Chemical, and that of Idemitsu Petrochemical Co., Ltd.

- Restructuring of polyolefin businesses will be conducted in order to strengthen the competitiveness of Japan Polychem Corporation: Japan Polyethylene Corporation will be established on September 1, 2003 as a joint venture of Japan Polyolefins Co., Ltd. and polyethylene business of Japan Polychem Corporation, and Japan Polypropylene Corporation will be established on October 1, 2003 as a joint venture of Chisso Corporation and polypropylene business of Japan Polychem Corporation.

Performance Products

Coke business continued favorable due to sound domestic demand. Optical disc business also continued splendidly mainly because of the strong demand of DVD. On the other hand, ammonia products were affected by the price increase of raw materials.

As the result, sales of the segment amounted to ¥ 112.6 billion and the operating income was ¥ 9.9 billion.

Functional Products

Businesses for polyester films, civil engineering and construction-related products were steady and on the line.

As the result, sales of the segment was ¥ 78.0 billion, and the operating income was ¥ 2.9 billion.

Health Care

As to pharmaceuticals, Mitsubishi Pharma Corporation experienced decrease in sales due to slow down in sales for the neuroprotective agent, "RADICUT", and executed withdrawal from the plasma fractionation business.

As the result, sales of the segment was ¥ 71.7 billion, and the operating income was ¥ 7.1 billion.

Services

Businesses in this segment were as planned overall.

As the result, sales of the segment was ¥ 18.6, and the operating income was ¥ 0.2 billion.

(iii) Consolidated Financial Position

Total assets decreased by ¥ 17.7 billion, compared with that of March 31, 2003 when the previous fiscal year ended, to ¥ 2,099.3 billion, while interest-bearing debt decreased by ¥ 17.8 billion to ¥ 944.4 billion.

Forward-Looking Statements:

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 market conditions, and the effects of industry competition. The company expectations for the forward-looking statements are described in Page [2] hereof.